

**THE THIRTIETH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES**

Type of Grant Request:

Operating Capital

Legal Name of Requesting Organization or Individual: Db: a:
Kunia Village Development Corporation KVDC

Amount of State Funds Requested: \$ 421,500

Brief Description of Request (Please attach word document to back of page if extra space is needed):

Purchase equipment for upgrades to wastewater treatment plant for Kunia Village and Agribusiness Center. Upgrades will allow production of R-1 wastewater to be used for irrigation in Central Oahu.

Amount of Other Funds Available:

State: \$ 421,500

Federal: \$ _____

County: \$ _____

Private/Other: \$ 75,000

Total amount of State Grants Received in the Past 5 Fiscal Years:

\$ 665,000

Unrestricted Assets:

\$ _____

New Service (Presently Does Not Exist): Existing Service (Presently in Operation):

Type of Business Entity:

- 501(C)(3) Non Profit Corporation
- Other Non Profit
- Other

Mailing Address:

PO Box 100
City: State: Zip:
Kunia HI 96712

Contact Person for Matters Involving this Application

Name: Blake Vance	Title: President
Email: bvance@harc-hspa.com	Phone: (808) 383-8419

Federal Tax ID#: [REDACTED]	State Tax ID# [REDACTED]
--------------------------------	-----------------------------

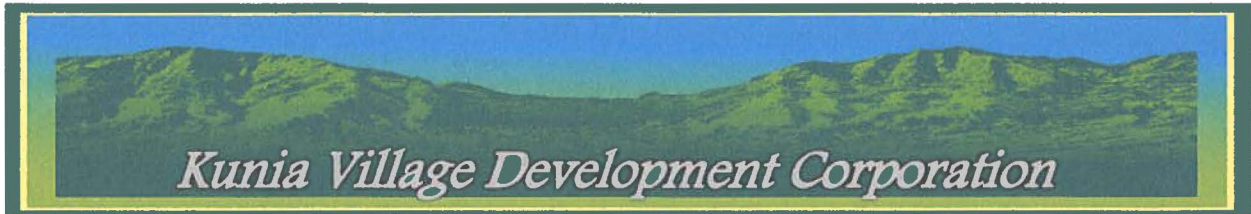
Blake Vance
Authorized Signature

Blake Vance, KVDC Pres.
Name and Title

17 Jan 2020
Date Signed

received
01/17/2020

2:43 am



TRANSMITTAL

TO: Senator Donovan M. Dela Cruz, Chair
Senate Ways and Means Committee
State Capitol Room 208
ATTN: GIA

FROM: David M. Robichaux, Secretary Kunia Village Development Corporation


RE: 2020 Grant-in-Aid Application

DATE: January 17, 2020

Senator Dela Cruz:

Please consider our request for assistance through the 2020 GIA solicitation. Your assistance with Kunia Village has been essential for our continued support of farm workers and their families. Thank you for considering the attached application.

Thank You,


Dave Robichaux, Secretary
Kunia Village Development Corporation

1/17/2020

Telephone: (808) 368-5352

Email: robichaud001@hawaii.rr.com

On behalf of
Blake Vance, its President and
Stephanie Whalen, Executive Director
Hawaii Agriculture Research Center

Application Submittal Checklist

The following items are required for submittal of the grant application. Please verify and check off that the items have been included in the application packet.

- 1) Certificate of Good Standing (If the Applicant is an Organization)
- 2) Declaration Statement
- 3) Verify that grant shall be used for a public purpose
- 4) Background and Summary
- 5) Service Summary and Outcomes
- 6) Budget
 - a) Budget request by source of funds ([Link](#))
 - b) Personnel salaries and wages ([Link](#))
 - c) Equipment and motor vehicles ([Link](#))
 - d) Capital project details ([Link](#))
 - e) Government contracts, grants, and grants in aid ([Link](#))
- 7) Experience and Capability
- 8) Personnel: Project Organization and Staffing



DAVID ROBICHAUX, SECRETARY KVDC

JANUARY 16, 2020

AUTHORIZED SIGNATURE

PRINT NAME AND TITLE

DATE



KUNIA VILLAGE AND AGRIBUSINESS COMPLEX

Wastewater Treatment Plant Improvements

Application for
Grant-in-Aid
from the
Hawaii State Legislature
2020

- (3) *Improve information and analysis relative to land availability and suitability for housing.*
- (4) *Create incentives for development which would increase home ownership and rental opportunities for Hawai`i's low- and moderate-income households, gap group households, and residents with special needs.*
- (5) *Encourage continued support for government or private housing programs that provide low interest mortgages to Hawai`i's people for the purchase of initial owner- occupied housing.*
- (6) *Encourage public and private sector cooperation in the development of rental housing alternatives.*
- (7) *Encourage improved coordination between various agencies and levels of government to deal with housing policies and regulations.*
- (8) *Give higher priority to the provision of quality housing that is affordable for Hawai`i's residents and less priority to development of housing intended primarily for individuals outside of Hawai`i. [L 1986, c 276, §33; am L 1989, c 250, §3]*

The AMI for the all counties in Hawaii is shown in Table 1.

Table 1: 2019 HUD AMI for the State of Hawaii

County	AMI	60% AMI for number of persons in the Household							
		1	2	3	4	5	6	7	8
Hawaii	74,200	38,500	43,960	49,490	54,950	59,360	63,770	68,180	72,590
Honolulu	96,000	49,020	55,980	63,000	69,960	75,600	81,180	86,760	92,400
Kalawao	100,600	46,100	52,650	59,250	65,800	71,100	76,350	81,600	86,900
Kauai	87,000	37,020	42,300	55,510	52,860	57,120	61,320	65,580	69,980
Maui	81,400	39,660	45,360	51,000	56,640	61,200	65,760	70,260	74,820

The average salary for farm production worker in the City and County of Honolulu is \$26,750 (August 2019). The average Farm Production Worker salaries for job postings in Honolulu are 19% higher than average Farm Production Worker salaries for job postings nationwide, but still approximately 33% of the AMI for Honolulu.¹

Clearly there is a wide income gap between farm workers and the general population. Interisland shipping costs are also quite high. Farm production is most likely to be viable if the fields are located on the same island as the market. If Hawaii wishes to promote agriculture in the state it must accommodate the housing needs of farm workers with affordable housing units that are located in close proximity to their job sites. Throughout the 20th century this need was supplied by the sugar and pineapple plantations. Sadly, that era of our history is passed, and plantation camps have been largely redeveloped and sold off.

¹ . <http://www.indeed.com/salary/q-Farm-Production-Worker-l-Hawaii.html>

Kunia Village is the last plantation camp that is operated for the benefit of farmers and farm workers in a manner substantially unchanged from its original purpose. It is an affordable community that is reserved for farm workers, farmers, and employees of agribusinesses located within the Village. Approximately 100 of the existing 135 units are reserved for farm workers making less than 60% of the AMI. Preference for the remainder of units will be given to those making less than 80% of the AMI. All units will remain as rentals in perpetuity. They cannot be sold, and current loan agreements ensure that Kunia Village will remain an affordable community for the next 60 years. Rents will be capped at 30% of income with most of the lowest income groups receiving rental assistance from USDA.

The purpose of this request is to assist Kunia Village improve essential infrastructure for the benefit of low-income farm workers. The need is to promote local agricultural production by providing affordable housing, close to the farms, for Oahu's growing number of farm families.

4. DESCRIBE THE TARGET POPULATION TO BE SERVED;

The target population now and in perpetuity will be Oahu's farming community who require affordable homes on Oahu. Kunia Village now has a maximum potential for of 200 single family housing units, which is an increase of 60% over the next 20 years. The Village was deeded to Hawaii Agriculture Research Center (HARC) by the James Campbell Company with the provision that it maintain "a minimum of 90 and up to 115 of such residential units shall be used for affordable rental housing for households with incomes up to and including 120% of median income in perpetuity". HARC's subsidiaries will manage this property to support agricultural rental housing and agricultural business as one of its primary efforts.

The income limits for low, median and gap group residents are prepared by HUD and are published annually by the Hawaii Housing Finance and Development Corporation (HHFDC). The current income limits for low, median and gap group families are shown below. Some of these families already live in Kunia Village, several are persons retired from Del Monte Hawaii. Rents will be individually determined for affordable units so that the monthly rent and estimated utility cost is no more than 30% of tenant's gross family income, a federal standard. Tenants do not pay for water only power and other services, (e.g. cable, phone, etc.).



5. DESCRIBE THE GEOGRAPHIC COVERAGE

There are approximately 10,000 acres in the Kunia area, significant portions being designated as Important Agriculture Lands (IAL), which are suitable for a wide variety of diversified crops. Within this area there are or will be agricultural opportunities for employment as all the property west of Kunia Road has recently been purchased by agricultural companies and much of the property on the east side of Kunia Road is currently leased to agricultural operations. The scale up of these operations is continuing. In addition, the Hawaii Department of Agriculture is establishing an agricultural park on 150 acres east of Kunia Road allowing more opportunities for small agricultural businesses. It is anticipated that there will be well over 1,300 agricultural positions available in this area as well as the opportunity for several new farm sites.

The Kunia Village and Agribusiness Complex is not restricted to this area as any and all farm workers are eligible.

However, the nearest residential areas to the farms in Kunia are Royal Kunia (6 miles) and Wahiawa (5 miles). Due to affordability constraints, many farm workers drive from Ewa, Waianae, Waiialua or urban Honolulu to reach work. The geographic coverage for affordable housing in Central Oahu is island-wide.

III. 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:

I. DESCRIBE THE SCOPE OF WORK, TASKS AND RESPONSIBILITIES.

Upgrade Kunia Village Wastewater Treatment Plant effluent to R-1 /quality

The Wastewater Treatment Plant serving Kunia Village is owned and operated by the Kunia Village Title Holding Corporation, which operates the affordable housing community. The WWTP represents the largest single expense for the Village from an operations and opportunity cost. The upgrade to R-1 would slightly increase the operational cost but allow the Village to free up 30 acres of land that could be put to beneficial use, other than wastewater dispersion. The WWTP now consists of:

1. Inlet grease trap interceptors which also separate heavy solids such as rocks and gravel
2. Sand filters,
3. Chlorine treatment and chlorine mixing basin
4. Flocculant addition and flocculation chamber,
5. A biological media bed
6. Reservoir (4 million gallons), and
7. Overland dispersion system (30 acres more or less)

An upgrade to R-1 quality water would entail:

- replacing the sand in the sand filters and operating both in series,
- replacing the chlorine biological control system with ultraviolet light disinfection,
- installing automation to monitor the water quality in real time,
- rerouting plumbing,
- commissioning the system, and
- repairing the roof of its biological contacting bed.

The WWTP was constructed in 1985 and has produced near R-1 quality wastewater for much of its life. The rated capacity of the WWTP is 70,000 gallons per day, and it has been operating at 35-50,000 gallons per day for much of that time using a single sand filter. The major upgrade components would entail activating the second sand filter to remove more of the particulate and replacing an outdated chlorine disinfection system with a more reliable ultraviolet disinfection system. R-1 wastewater would be added to the R-1 system originating in the Wheeler AAF wastewater treatment plant in a pipeline that runs quite near the Kunia WWTP. Wastewater that does not meet specifications for R-1 would be automatically diverted to our reservoir until technical issues are resolved. At the current flow the existing reservoir provides 80 days of backup capacity.

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

The work will be completed within 12 months after funds become available.

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

All work will be done by qualified contractors licensed in the State of Hawaii. Contractors will be selected through a procurement process, wherein the low-cost qualified bidder will be selected. The existing Village management team will commit our personnel and resources to provide timely review of milestones and approve payment requests.

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.

As this is a construction contract, the measures of effectiveness are: (a) timely completion, (b) completion within the budget, and (c) certification for operation by the Hawaii Department of Health.

The completion of this project will entail certification to operate as a producer of R-1 quality wastewater. The upgrade will allow expansion of, and continued availability of affordable workforce housing for the farming community in Central Oahu for many decades.

IV. Financial

1. A budget estimate detail for this task is shown in Table 3, and more formally in the budget sheets in Appendix A of this application. All estimates are for finished work with the system installed and commissioned. The work will be done by contractors responding to a procurement prepared by KVDC. KVDC regularly works with Actus Lend-Lease, Irrigation Technology Corporation (ITC) and AgTech Pacific on water and wastewater projects. KVDC will select the bid that is most advantageous to the owner and the Village. Table 3 is a summary of anticipated costs to replace the existing potable water reservoir that serves Kunia Village.

Table 3: Budget estimates to replace the existing 300,000-gallon reservoir with (2) 100,000 bolted steel tanks and appurtenances.

Item description	Qty	Unit	Unit Price	A m o u n t
Replace sand in filters	2	ea	\$80,000	\$160,000
Ultraviolet disinfection system	1	Ea.	\$35,000	\$35,000
Water quality monitoring system	2	ea.	\$2750	\$5,500
Piping and valves		ls	\$10,000	\$10,000
Water testing and commissioning		ls		\$155,000
Repair WW treatment Plant roof	16,000	sf	3.50	\$56,000
TOTAL				\$421,500

2. Approximately ½ of the costs will be accrued immediately upon receipt of funding and the remainder will be billed monthly as progress payments over the following 6 months.
3. Other sources of funding presently known include special assessments from existing tenants, and small contributions from farm support agencies totaling less than \$20,000. The applicant will provide in-house resources approximately equivalent to 55,000 for design, installation and monitoring following the commissioning period.

KVDC has applied for \$1,500,000 from the State Drinking water revolving Fund to upgrade its water distribution system. If successful this grant would be for FY 2020.

4. KVDC is the is the Co-General Partner the Kunia Village Housing Partners LP I in a 2017 LIHTC project that received the following federal and State tax credits as part of redevelopment of 82 housing units within the Village.

Sale of Federal LIHTC	\$16,205,625
Sale of State LIHTCs	\$8,222,820
Business Solar Tax credits	\$244,713
Federal and State Historic Tax Credits	\$1,424,160

5. Other contracts and grants received by KVDC in the past three years are one GIA from the 2017 Legislature for \$665,000 to replace the potable water storage tanks serving Kunia Village.
6. KVDC currently has \$6,245.00 of unrestricted funds in its account.

V. Experience and Capability

1. 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.

Previous development experience of the Kunia Village Development Corporation (KVDC) and its parent Company, the Hawaii Agriculture Research Center (HARC) include:

- (1) owning and operating facilities for decades: Aiea HSPA/HARC facility
- (2) owning and overseeing construction of 20,000 sq. ft. Kunia laboratory facility at HARC's Kunia research site
- (3) owning and operating Kunia Village and Agribusiness Complex, and
- (4) Completion of \$34,000,000 renovation of housing and infrastructure in Kunia Village using a combination of Low-income Housing Tax Credits, USDA funding, historic tax credits, solar tax credits, development fees and in-house loans.

2. 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.

HARC acquired the assets and land of Kunia Village in 2010 from the James Campbell Company. The Village consists of a 118-acre parcel containing of 135 housing units that are mostly single-family houses, and roughly 150,000 sf of agricultural warehouses, and offices that are currently occupied by agricultural companies. HARC established KVTHC and KVDC as subsidiaries to develop and manage the Village respectively.

The parcel retains its zoning as AG-1, restricted agricultural land as is all of the surrounding land which is otherwise actively used for agriculture. Worker housing and agriculturally related structures are permitted on AG-1 land when they are owned and operated by a farming operation. Because HARC is an agricultural research organization and not a commercial farm, a variance was obtained (#2008/VAR-26) to allow a higher density of farm dwellings on AG-1 restricted land. A 201-H permit was secured in 2018 to replace the variance and allow for development of up to 200 housing units on the property based on demand.

The Village owns and operates the wastewater treatment plant. The WWTP has sufficient capacity to accommodate housing expansion over the next 10 to 15 years but its technology is land-intensive and competes for space within the Village. Conversion of the WWTP to produce R-1 quality wastewater would facilitate more affordable housing units for farm labor and workforce development.

KVDC's objective for this property is to retain and improve badly needed infrastructure for agricultural operations that have been evolving during the transition from plantation to diversified agriculture. The wastewater improvements for which funding is requested will serve the entire Kunia Village and Agribusiness Complex and add recycled water to be used for irrigation in the vicinity.

VI. 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.

All construction contracts will be monitored and managed using existing personnel at no cost to the project. There are no personnel costs included in this funding request.

KVDC President, Dr. Blake Vance will oversee all aspects of the construction. His recent project management experience is included as Appendix B of this application.

KVDC Controller, Alice Sharp will oversee all financial aspects of the project.

Second City Property Management, Inc. is currently contracted to maintain and repair housing units in the Village. Under the direction of SCPM President, Alan Gottlieb, construction management personnel will provide quality control and management of outside contractor's services. SCPM's recent experience is also included in Appendix B of this application.

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.

An organizational chart showing essential personnel is presented in Figure 5-1.

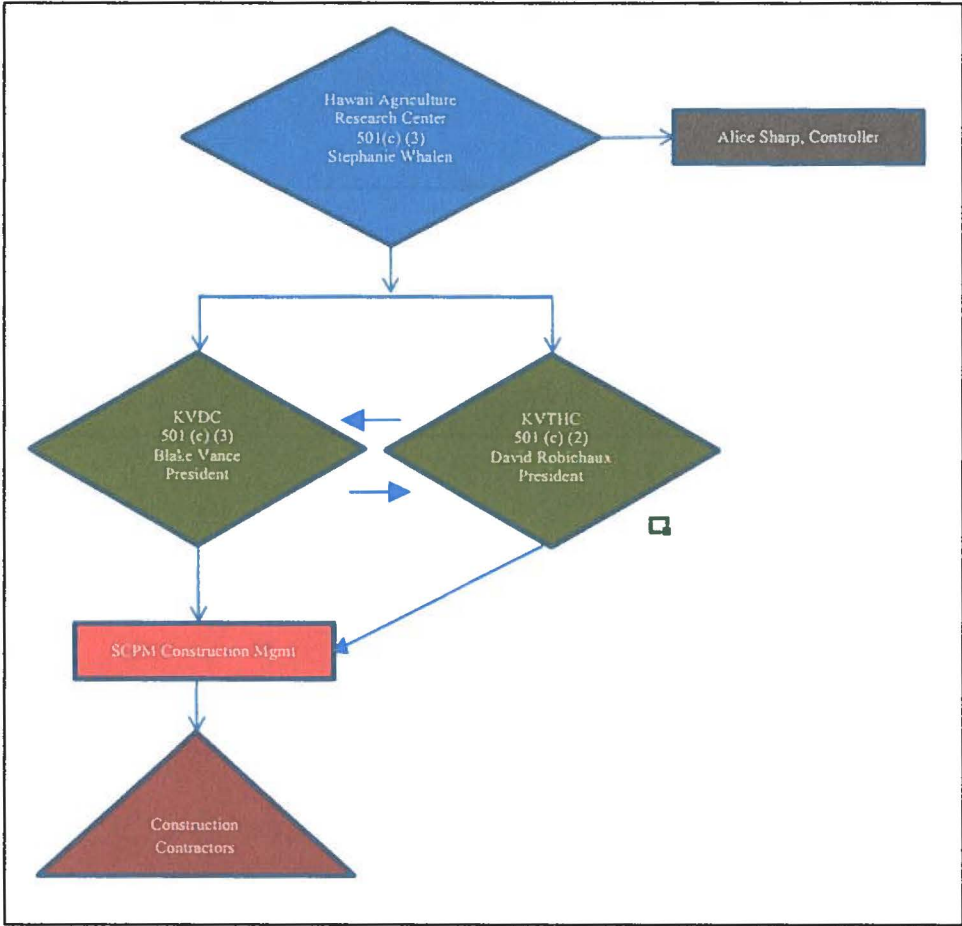


Figure 5-1: Organizational chart of organizations and personnel. KVDC is a non-profit that acts as the developer of projects in Kunia Village, KVTHC is the owner of the assets and is organized as a holding company for a non-profit (Hawaii agriculture Research Center).

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. NO salary request is included in this proposal. Salaries of the President, Controller and construction management team are in-kind contributions to the project.

VII. Other

1. 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.

NONE

2. 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.

No licenses are required of KVDC personnel. All construction contractors eligible for work on the facilities will be Hawaii contractors holding current and valid licenses for their specific scope.

3 PRIVATE EDUCATIONAL INSTITUTIONS

No private educational institutions are involved with this project.

4. FUTURE SUSTAINABILITY PLAN

Kunia Village was acquired from Del Monte Hawaii after many years of deferred maintenance. All housing units and infrastructure appeared to be beyond their useful life. The maintenance cost of the housing units often exceeds the income derived from their operation. The Village is not within an area that has ever been serviced by City and County of Honolulu wastewater services. The Village must provide water service and wastewater treatment through its own resources. Since 2010, KVTHC has operated on a stable basis. Affordable housing is provided on a more or less break-even basis, which the commercial agribusiness tenants of the Village providing stability and income to make up the periods when there are housing income shortfalls. Over the past 10 years, the Village has been able to operate, on a positive basis with a small percentage of revenue transferred to HARC to support agricultural research. KVDC has received funding to update potable water storage and distribution and will complete the Village upgrade with the requested funding for the Wastewater treatment plant.

- a. Should the grant be approved KVDC will upgrade the wastewater treatment plant to R-1 quality and combine its effluent into the existing reuse system for Central Oahu.
- b. If the grant is not approved the Kunia Village will continue to dispose of its effluent in an overland drip system that lies above the Schofield High-Level Water body in Central Oahu.

**APPENDIX A
FINANCIAL FORMS AND DISCLOSURES**

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2019 to June 30, 2020

Applicant: Kunia Village Development Corporation

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9. Architect/Engineers/consultants				20,000
10. Outside services (analytical)	155,000			55,000
11. Asphalt shingle roof replacement	56,000			
12. sand for sand filter	160,000			
13. piping and valves	10,000			
14.				
15.				
16.				
17.				
18.				
19.				
20.				
TOTAL OTHER CURRENT EXPENSES	381,000			75,000
C. EQUIPMENT PURCHASES	40,500			
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	421,500			75,000
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	421,500	David Robichaux (808) 368-5352		
(b) Total Federal Funds Requested		Name (Please type or print) Phone		
(c) Total County Funds Requested		Signature of Authorized Official Date		
(d) Total Private/Other Funds Requested	75,000	1/2/20		
TOTAL BUDGET	496,500	David M. Robichaux, Secretary, KVDC Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2019 to June 30, 2020

Applicant: Kunia Village Development Corp

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Ultraviolet disinfection system	1	\$35,000.00	\$ 35,000.00	
Water quality monitoring system	2	\$2,750.00	\$ 5,500.00	
TOTAL:	3		\$ 40,500.00	
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2019 to June 30, 2020

Applicant: Kunia Village Development Corporati

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2017-2018	FY: 2018-2019	FY:2019-2020	FY:2019-2020	FY:2020-2021	FY:2021-2022
PLANS	0	0		5000	0	0
LAND ACQUISITION	0	0			0	0
DESIGN	0	0		15000	0	0
CONSTRUCTION	0	0		55000	0	0
EQUIPMENT	0	0	421500		0	0
TOTAL:			421,500	75,000	0	0
JUSTIFICATION/COMMENTS:						
constructiontab is for water quality monitoring during the 1-year commissioning period.						

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

App: Kunia Village Development Corporation

Contracts Total: 28,165,000

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	Potable water storage replacement	2017	Legislature	State of Hawaii	665,000
2	Potable water distribution replacement	2020 pending	Dept of Health	State of Hawaii	1,500,000
3					
4	Co-General Partner in Kunia Village	3/1/16 - 4/1/17	USDA-RD	Federal	6,000,000
5	Housing Partners LP I.		HHFDC	State of Hawaii	20,000,000
6					
7	KVDC does not have any tax credits or other government funding.				
8	as of 12/31/2019 KVDC's total unrestricted assets are \$				
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					

**APPENDIX B
RECENT EXPERIENCE OF PRINCIPAL PROJECT PERSONNEL**

Blake Vance, PhD
HARC Assistant Director, Facilities
KVDC President

Some of the projects I have been involved in are listed below:

- Property Management of HARC's 80k SF 4-story lab in Aiea, tenant leases.
- Sale of HARC's parcel in Aiea (\$20.65M).
- Purchase of HARC's 108-acre parcel in lower Kunia (\$3.8M) from James Campbell Co. and formulating one of the first USDA NRCS Federal Farm and Ranch Lands Protection Program (FFRP) and State Legacy Lands Conservation Program (LLCP) conservation easements in Hawaii, which preserves this parcel in agriculture in perpetuity.
- Receipt of HARC's 119-acre parcel in upper Kunia, where the Del Monte Fresh Produce operated its pineapple packing facility, its 120-house Village for its employees, and the location of an EPA Superfund site.
- Served as Project Manager for the construction of HARC's new lab (\$5.7M) at lower Kunia.
- Serve as President of the Kunia Village Development Corp. (KVDC) to renovate/build 82 houses within Kunia Village (\$25M, completed August 2017).
- Assorted other projects include a) a 100-foot cell tower; b) a 144-kW/DC photovoltaic (PV) system on the roof of our lower Kunia lab; c) imminent construction of a 442-kW PV array on a carport system over a field road at HARC's Experiment Station to derive multiple uses of that land; d) passage of a bill through the State legislature to allow the installation of PV on Land Study Bureau "A"-classified land in strictly delineated circumstances where land would not be taken out of farm production; and e) manage the Experiment Station.



SECOND CITY PROPERTY MANAGEMENT, INC.

**P O BOX 700489
KAPOLEI, HI 96709
(808) 306-7769**

January 2016

Second City Property Management, Inc. (SCPM) has over 20 years of experience including:

- For the past 20 years, operating agricultural water systems and property management and maintenance for large tracts of land in East and West Kapolei (about 1,500 acres), for multiple agricultural tenants with a daily water allocation of 8 million gallons. We operate three separate pump stations including three 200 HP pumps, a 125 HP Pump. We perform or coordinate all repairs for the water system, and on behalf of the Landowner, D.R. Horton Schuler Homes LLC manage all tenants, leases, real property taxes, collect all rents, pay all bills, provide full set of books on monthly basis, all compliance reporting, water meter readings and reporting and water sampling and coordination with labs for testing.
- For the past nine years in upper Kunia, managing the property previously leased by Del Monte (over 4,000 acres). In upper Kunia, in addition to running the 5 million gallon per day agricultural water system, we also employ crews to perform the following services for Kunia Village: Repairs and maintenance on over 100 plantation style homes; landscape maintenance; operate a domestic drinking water system for over 100 homes and commercial tenants including a forced air stripping tower to clean the water from prior military contamination (we have three employees on staff who are certified by the State of Hawaii Department of Health as Distribution System Operators and two of these employees are Water Treatment Plant Operators); and operate a sewage treatment plant. We also operate an EPA Superfund Ag water treatment system. Drinking water is chlorinated by our staff. We perform all testing and reporting for the drinking water system. We perform or coordinate all repairs for the water system. On behalf of the Kunia Water Association, we manage all properties, collect all fees, pay all bills, provide full set of books on monthly basis, all compliance reporting, water meter readings and reporting and water sampling and coordination with labs for testing.
- We operate a small Public drinking water system at Poamoho for the Poamoho Water Association (at Poamoho Estates). This includes checking pumps, water tanks, chlorinating the water and all testing and reporting and making any water line repairs for this small Public Water System.
- We previously ran the water system at Palehua for the Air Force's Solar Observatory and their system customers; Camp Timberline, two cattle ranchers, and also provided water for some of the homes on the subject property, including drinking water chlorination, all repairs, testing and reporting for the drinking water system. This job terminated when the Air Force vacated their site at Palehua.
- We previously ran an agricultural water system for Sandwich Isle Communications in the Mililani area. Water from this system was contaminated by the military, and we operated an air stripping tower to clean the water. This job terminated when SIC mothballed the Ag water system.

Resume of Employees:

- Shane Lee – Kunia System Supervisor– Shane has worked for SCPM for seven years and before that for Del Monte for seven years. He is certified and licensed by the State of Hawaii to oversee operations of Domestic Drinking Water Systems (DSO) and is certified to operate a Water Treatment Plant (WTO) and holds a Hawaii Dept of Ag Restricted Use Pesticide License for chlorine gas application, is Hazwoper Certified, and OSHA 30 hour Certified.
- Our Pump Repair Specialist, Loreto Raguindin is a trained machinist and has worked for Second City Property Management for twenty years and before this for Oahu Sugar for thirty years (total 47 years of experience on the Ewa Water system we now operate). He is certified and licensed by the State of Hawaii to oversee operations of Domestic Drinking Water Systems (DSO) and is certified to operate a Water Treatment Plant (WTO) and holds a Hawaii Dept of Ag Restricted Use Pesticide License for chlorine gas application, is Hazwoper Certified, and OSHA 30 hour Certified. Loreto is also a certified to test Backflow Prevention Devices, and fire hydrants.
- Rudy Crisostomo has worked with Second City Property Management for twenty years and prior to that with Oahu Sugar for twenty-five years (total 45 years of experience on the Ewa Water system we now operate). Rudy operates and maintains our Ewa pumps on a daily basis, which includes a water allocation of 8 million gallons per day on 3,500 acres of agricultural land. Rudy can operate our backhoe and most other heavy equipment and is a welder.
- Tasi Laumea has worked with SCPM as an Irrigation Specialist for 3 years. Tasi can operate our backhoe. He performs the daily operations for our Kunia water system which has a 5 million Gallon per day allocation, including 3 deep (900') wells, an agricultural reservoir, a domestic reservoir, two water treatment plants (including an EPA superfund site), 115 homes and 4,000 acres of arable agricultural fields.
- Bonnie Gottlieb – Kunia System Assistant Supervisor– Bonnie has worked for SCPM for 3 years. She is certified and licensed by the State of Hawaii to oversee operations of a small Domestic Drinking Water System (DSO) and is Hazwoper Certified.
- We have a crew of 5 other individuals with 4-7 years of service with Second City Property Management, and before that 20+ years with Del Monte. These employees maintain the houses (carpentry and general repairs) for 115 plantation homes in Kunia Village and also operate a 70,000 gallon per day waste water treatment plant.
- Alan Gottlieb administers the contract and supervises all aspects of the work.