

**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:

Amount of State Funds Requested: \$ 251,809

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

The construction of a proof of concept food hub will open new markets for small farms in the region. The food hub will aggregate production from many farms in the region to meet the quantity and consistency demands of large buyers including hotels, schools and retailers. This critical infrastructure, currently absent from the North Shore supply chain, will initiate new market access for small farms, promote federally mandated food safety practices, and provide valuable data for the planning and construction of a full service food hub in the region.

Amount of Other Funds Available:

State: \$ _____

Federal: \$ _____

County: \$ _____

Private/Other: \$ _____

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

\$ 161,373

Unrestricted Assets:

\$ 17,010

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:

67-332 Kaiea Pl

City:

Waialua

State:

HI

Zip:

96791-9501

Contact Person for Matters Involving this Application

Name: Kevin Kelly

Title: President

Email: kevink59@gmail.com

Phone: 808-383-4481

Federal Tax ID#: XXXXXXXXXX

State Tax ID#: XXXXXXXXXX

Authorized Signature

Kevin M. Kelly
Kevin M. Kelly, President

Name and Title

1/16/2020

Date Signed

received
01/16/2020

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



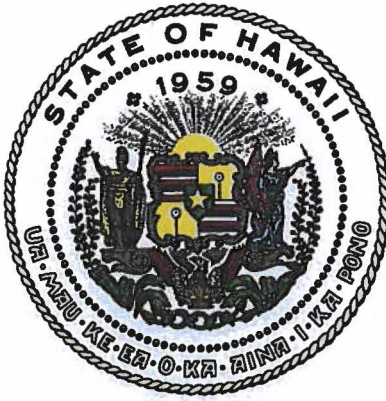
KEVIN M. KELLY

1/16/2020

AUTHORIZED SIGNATURE

PRINT NAME AND TITLE

DATE



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

NORTH SHORE EVP

was incorporated under the laws of Hawaii on 02/08/2016 ; 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 13, 2020

Director of Commerce and Consumer Affairs



**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.

North Shore EVP

(Typed Name of Individual or Organization)	1/16/2020
(Signature)	(Date)
Kevin M. Kelly	President
(Typed Name)	(Title)

Application for Grants

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

I. Certification – Please attach immediately after cover page

1. 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, 2019.

2. Declaration Statement

The applicant shall submit a declaration statement affirming its compliance with Section 42F-103, Hawaii Revised Statutes. ([Link](#))

3. Public Purpose

The applicant shall specify whether the grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes. ([Link](#))

II. 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;

North Shore EVP, a regional economic development non-profit 501(c) (3) organization, was formed to improve communication, networking, and civic and civil engagement across the communities of Oahu's North Shore. The goal of North Shore EVP is to use impartial economic analysis to identify and promote community-driven opportunities for economic growth that integrate traditional strengths in agriculture, manufacturing, and tourism with new opportunities to build a strong and resilient economic foundation for the region.

A community-funded economic analysis of the North Shore of Oahu in 2013¹ identified agriculture as a key regional economic driver despite the absence of any post-harvest cleaning, packing, cold storage, shipping, or marketing infrastructure in the area. In 2015 initial planning of a Food Hub to fill this gap in the agriculture supply chain identified the need for small farms to achieve Good Agricultural Practices (GAP) certification to satisfy food safety purchasing requirements of many larger buyers and compliance with the FDA's Food Safety Modernization Act.

North Shore EVP initiated a USDA GroupGAP food safety certification training program in the spring of 2017 (Figure 1), funded through a USDA Specialty Crop Block Grant award (Sect. IV.5.).

¹ <https://nsevp.org/WPnsevp/developing-a-shared-agenda/>

GroupGAP is a robust certification process that addresses many challenges that small farms face in complying with food safety audits and meets the demands of the retail, food service, and institutional buying community. GroupGAP makes food safety certification accessible to small and medium-sized producers by allowing farmers, food hubs, and other marketing organizations to work together to complete GAP certification as a group. Training and auditing costs are spread across all members of the group saving farmers money. The program builds a network of farms that share safety, quality standards, and training with the goals of accessing new markets, diversifying revenue streams and increasing production and profitability.

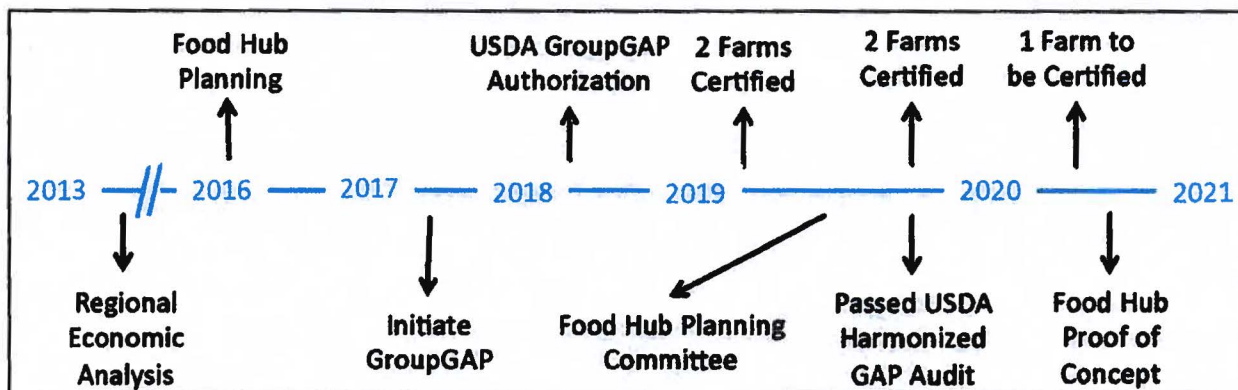


Figure 1: This timeline illustrates the path towards implementation of a regional food aggregation facility (food hub) on the North Shore of Oahu. Initial food hub planning was set aside in 2016 to focus on food safety training and certification in anticipation of the requirements of the Food Safety & Modernization Act and the expected demand for food safety certification by the hub’s target markets of large commercial and institutional buyers. The GroupGAP program is now working with farms across the state and is successfully getting farms food safety certified. With more farms being certified we have returned our focus to implementation of a food hub that will open new markets for smaller farms.

USDA GAP is a voluntary program designed to reduce the risk of foodborne illness originating with produce at the farm level through recommended best practices. The Food Safety Modernization Act (FSMA) is a federal law passed by congress in 2011, and, similar to GAP, its focus is to prevent food borne illness and contamination, while enhancing the culture of food safety along the entire supply chain from farm-to-fork. The deadline for compliance with FSMA is staggered, starting with large operations in 2011 through very small farms January 2020. Although the vast majority of Hawaii farms remain uncertified, farmers now have the opportunity to attain their GAP certification, the most common standard required by produce buyers, at a more affordable price through the North Shore EVP GroupGAP program.

In June 2018 North Shore EVP received official approval for its GroupGAP program by USDA. This is a significant milestone. It is the only GroupGAP program in Hawaii and only the 15th nationwide. North Shore EVP is now authorized to deliver GroupGAP training to all of Hawaii’s farmers.

Progress is already being made. Of the 5,826 farms growing crops in Hawaii² only 27 currently have food safety certification³. To date, 20% of all of the certified farms on Oahu are in North Shore EVP's GroupGAP program and with the expected certification of our first Hawaii Island farm in the spring of 2020 we will increase the number of certified farms on that island by 17%.

The heavy lift of developing the training curriculum, writing a Quality Management System (QMS), producing a Farm Food Safety Plan template, and receiving USDA GroupGAP authorization is completed. With more farms being certified, North Shore EVP re-convened its food hub visioning committee to focus on the development of a food hub on the north shore of Oahu that will buy products from farms in the region, aggregate that production, and sell to larger commercial and institutional buyers in markets that are generally not available to small growers because of their low production volumes and inconsistent availability of products.

This proposal will construct a proof of concept food aggregation facility (POC Food Hub) that will help **increase the amount of local produce grown on the North Shore and sold in Hawaii and prepare for the implementation of a full-scale food hub on the North Shore of Oahu.**

2. The goals and objectives related to the request;

The transition from sugar production to food crops and diversified agriculture in the region has been a challenge. Large plantations have been replaced with small, single operator farms. Unlike plantations where production and processing were vertically integrated, today's small farmers suffer from the lack of centralized infrastructure including post-harvest cleaning, packing, marketing and transportation. Each farm now attempts, often poorly and not up to food safety standards, to equip and maintain cleaning and packing facilities on their own farms with many farms not able to afford necessary equipment such as refrigeration. Moreover, small farmers invest considerable time selling their crops whether it is a day or two at a farmers' market or driving across the island to deliver their goods. The proposed POC Food Hub will alleviate much of the post-harvest work for farmers and allow them to spend more time farming.

In addition, a number of factors have aligned since the 2013 north shore regional economic analysis⁴ that identified the need for a food hub in the North Shore to spur economic growth and job creation in the fastest growing sector of the region's economy – agriculture⁵. These include:

- The state goal to double local food production by 2020
- Growing demand for locally produced food
- Successful implementation of a statewide USDA GroupGAP food safety certification program

² 2017 Census of Agriculture: Hawaii State & Country Data, USDA, April 2019, Volume 1, Geographic Area Series, Part 11, p. 7

³ <http://www.hifarmsafe.org/audited-farmscompanies>

⁴ <https://nsevp.org/WPnsevp/developing-a-shared-agenda/>

⁵ https://nsevp.org/WPnsevp/wp-content/uploads/2014/12/NShoreSharedAgenda_May29_Final.pdf, p. 9

- Full implementation of the federal Food Safety & Modernization Act (FSMA) for all farms
- Greater public awareness of food safety (i.e. rat lung worm in particular)
- The desire to increase the number of new local companies and jobs in the region, especially at the intersection of agriculture and tourism

Goal 1: Increase the amount of local produce grown on the North Shore and sold in

Hawaii: The POC Food Hub proposed here is critical missing infrastructure that will allow small farmers access to these new markets and subsequently increase production to meet the demand of these high volume customers. Currently small farmers grow only what they know they can sell and because of low volumes and inconsistent availability, their sales are often restricted to farmers' markets, roadside stands, and direct to consumer sales. As a result, most small farmers have excess land under lease and not in production.

The POC Food Hub can address the volume and consistency challenges by combining the production of a number of farms to meet the needs of high volume customers, thereby opening previously inaccessible new markets for these farmers. Most farms we have worked with have land available to increase production by 30-60%. Because of the high volume demand of our initial anchor customers, farmers can confidently increase production on their currently fallow land knowing there is a sales channel for those products. Aside from seasonal crops, aggregation at the food hub provides more consistent availability of products to customers since not all farms are growing the same product at the same time. With cooperation from the participating farms we will schedule planting and harvesting to insure consistent product availability. In addition, participating farms will have an incentive to pursue their Harmonized GAP certification, as it is a requirement for many of our anchor customers.

We have identified three anchor customers (Turtle Bay Resort, Lanakila Pacific, and one Haleiwa restaurant) who have committed to purchasing fresh produce from the POC Food Hub. Anchor customers typically purchase large volumes of food and have some elasticity around availability and pricing. We have received monthly produce purchasing data from these anchor customers. A series of farmer outreach events will be held to share that information with farmers and start locking in production commitments to meet these buyers' needs. This information creates an opportunity for farmers to modify their production to crops in high demand by our customers and increase that production to meet that demand.

Our farm partners, and Group GAP members within the region include IDEC Environmental Solutions, Sunrise Herbs LLC, Zhao's Produce Inc., Mahina Pua Farm LLC, Ho Farms, B & T Farms LLC, Malama Aina Organic Farm, TNMLE Farm, H & S Farm, 3 Acres at Waiialua, Twin Bridge Farm, Oahu North Shore Farms, and Rabago Farms. These farms currently produce a variety of crops including: Beets, Cabbage, Cacao, Carrots, Cauliflower, Chard, Citrus, Corn, Cucumber, Curry Leaf, Eggplant, Fennel, Herbs, Jackfruit, Kai Choy, Kale, Kohlrabi, Leafy Greens, Lettuce, Long Bean, Mango, Mint, Mixed Greens, Noni, Okra, Onion, Papaya, Pomegranate, Potato, Pumpkin, Radish, Squash, String Bean, Sweet Basil, Sweet Potato, Taro, Tatsoi, Thai Basil, Tomato, and Watermelon. Many are anxious to take advantage of new market opportunities and sell their crops to the POC Food Hub. These new markets will give Farmers the ability to increase the quantity of crops currently grown, and add new varieties to meet the needs of these buyers.

In addition to the production data collected through the GroupGAP program, we will also work within our farmer networks to gather data on what farmers in the region grow, how much they grow, and how often they harvest so that we can accurately communicate future availability information to the customers. This data will give our customers a better understanding of what grows well in our area and what is currently available and produced on the North Shore. We are also working to expand the anchor customer network to include Kahuku Hospital and the Kahuku & Waialua High School complexes.

Goal 2: Prepare for the Implementation of a full-scale food hub on the North Shore of Oahu:

With the POC Food Hub in operation we will be able to collect data and operational information that will inform us on the scale and design of the permanent facility. Farm production will be tracked by crop to document both the increases in production and land in production at each farm over time. This production data will provide valuable information about the size and capacity of the permanent hub, how much refrigeration is required and what kinds of equipment will be needed to process the most popular crops grown in the region.

The POC Food Hub will allow us to build a base of anchor customers that prioritize purchasing larger volumes of their food locally. Anchor customers are hotels, schools, hospitals and other large buyers that have significant flexibility on what they buy and the prices they pay for produce. Our anchor customers are committed to working with us to:

- Buy as much as possible from the POC Food Hub
- Increase the amount of food they source locally as the number of participating farms increases
- Require food safety certification from all of their fresh produce suppliers
- Work with our network of farms to source new varieties of crops

Working with a small pool of anchor customers at the POC Food Hub will also allow us to establish various business systems that will be adopted at the permanent facility including customer communications, purchasing and invoicing, inventory control, and logistics to name but a few.

Our Food Hub Visioning Committee (Figure 2) is already working on a funding strategy that brings together a mix of federal, state and private funding sources including:

- USDA Community Facilities Technical Assistance and Training Grant: feasibility study and master plan
- USDA Community Facilities Grant/Loan program: actual construction of the facility

 Food Hub Visioning Committee	
Name	Organization
Ron Wiedenbach	Hawaii Fish Co.
Niel Ho	Ho Farms
Kawika Burgess	Kalona Brand
Andy Gordon	Kmananui Ranch
Justin Alexander	Laukiha'a Farms
Denise Albano	Laukiha'a Farms
Jeremy Henderson	Marconi Point
Michael Danhour	Marconi Point
Kevin Kelly	North Shore EVP
Lily Nugent	North Shore EVP
Chris Lee	Pono Pacific
Pono Correa	Pono Pacific

Figure 2: Members of the North Shore Food Hub Visioning Committee

- USDA Rural Energy grant: energy efficient lighting, refrigeration and other power needs
- DBEDT Hawaii Enterprise Zone designation: Reduced GET and payroll taxes for new businesses
- HTDC manufacturing assistance grant: Equipment and training
- USDA 2501 Program: technical assistance to socially-disadvantaged groups
- State and Private matching: HDOA, Legislature, Ulupono Initiative, Kamehameha Schools, and private foundations.

3. The public purpose and need to be served;

Food Production: The state goal of doubling local food production cannot be met without achieving consolidation of locally grown product from the numerous small and medium sized farms across the islands. Large farms are at maximum production while small farms typically have 30-60% of their land fallow due to lack of markets. Food self-sufficiency and resiliency, both as an island state and within communities, depend on coordination of local resources. Imports currently account for 70% of the fresh vegetable market in Hawai'i.⁶ With locally produced vegetable sales of \$45,425,000 in 2017⁷, the market opportunity for local vegetables alone in 2017 was \$106,000,000. In addition to our existing anchor customers, a primary target market for the POC Food Hub is both of the north shore high school complexes, Kahuku and Waialua.

Food Safety Compliance: Today's consumers are seeking out locally grown produce, and they are becoming increasingly aware of on farm food safety challenges. Recent cases of rat lungworm (Angiostrongyliasis) expose consumers and other buyers to the potential health threats that arise when on farm food safety practices are not followed. These concerns are not limited to local consumers; rat lungworm cases have been receiving national attention⁸⁹ and may have an impact on Hawaii's tourism economy. A regional food hub that requires incoming product to be grown and harvested under food safe practices will raise the bar for local farm produce and increase consumer confidence in locally grown items. Distributors that currently shy away from purchasing certain locally grown crops will be reassured as to their safety.

Economic Development: Our regional economic analysis indicated that the addition of a regional food hub had the potential to significantly impact the economy of the region. In addition to growing more food the food hub will create new jobs in agriculture whether it be farming, in the packinghouse, or even driving a truck. Other impacts from the completion of the agricultural supply chain in the region include the creation of new businesses (and jobs) in value-added products and/or ag-tourism.

⁶ Loke and Leung. Agricultural and Food Economics. 2013, 1:10

⁷ USDA NASS [https://www.nass.usda.gov/ Statistics by State/ Hawaii/ Publications/ Archive/Vegetable Annual/](https://www.nass.usda.gov/Statistics%20by%20State/Hawaii/Publications/Archive/Vegetable%20Annual/)

⁸ *In Hawaii, Rat Lungworm Disease Infects People but Eludes Researchers*, New York Times, July 12, 2019

⁹ Paradise parasites - Challenges to controlling rat lungworm disease, Food Safety News, August 19, 2019.

4. Describe the target population to be served; and

North Shore Region Farmers: Our network of farms currently includes approximately 25 operators from Laie to Mokuleia who grow a wide variety of crops (see Goal 1, p. 4 for a partial list). Many of these farms have the capacity to increase production on land they currently lease. In two farmer outreach events held in Waialua and at Turtle Bay Resort in October 2019, many of these farmers expressed enthusiasm about selling into the proposed food hub.

Lanakila Pacific Trainees and Meals on Wheels Recipients: Lanakila Pacific is Hawaii's largest Meals on Wheels provider, delivering approximately 382,000 meals to over 2,700 kupuna across Oahu annually. Lanakila Pacific would like to move away from all frozen meals and start including more fresh, locally sourced fruits and vegetables. These nutritious meals are prepared by staff and trainees, many underserved and/or socially disadvantaged, at Lanakila Kitchen. In addition to preparing meals on wheels, the kitchen does catering, adult and school meal service, and custom food packaging.

Turtle Bay Resort: In an effort to leverage their operations on Oahu's fabled North Shore and provide their guests with a memorable north shore experience, the resort wants to expand their activities more into ag-tourism. One goal is for the resort to be able serve fresh fruits and vegetables grown across the highway and often, harvested that day.

North Shore Restaurateurs and Customers: Restaurants on the North Shore and in Haleiwa want to source more of their fresh produce locally however they are reluctant to purchase from local farmers because of inconsistent product availability and the time and expense of maintaining multiple relationships with a number of farmers. The POC Food Hub will not only provide consistent delivery of high quality, locally grown produce from many farms in the region, but will also streamline their purchasing process by providing a single point of sale.

Kahuku High & Intermediate: By the end of the project period we will have engaged Kahuku High and Intermediate schools as an anchor customer benefitting the 901 students and 96 teachers on that campus.

Waialua High and Intermediate: By the end of the project period we will have engaged Waialua High and Intermediate schools as an anchor customer benefitting the 449 students and 43 teachers on that campus.

5. Describe the geographic coverage.

The POC Food Hub will service farmers and customers on the North Shore region of Oahu, from Ka'a'awa to Mokuleia. Most of the sales from the POC Food Hub are targeted for North Shore customers however this project will also benefit socially disadvantaged trainees and Lanakila Hawaii's Meal on Wheels program. Some farms from the Whitmore area and Kunia corridor have also expressed interest in selling to the food hub.

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:

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

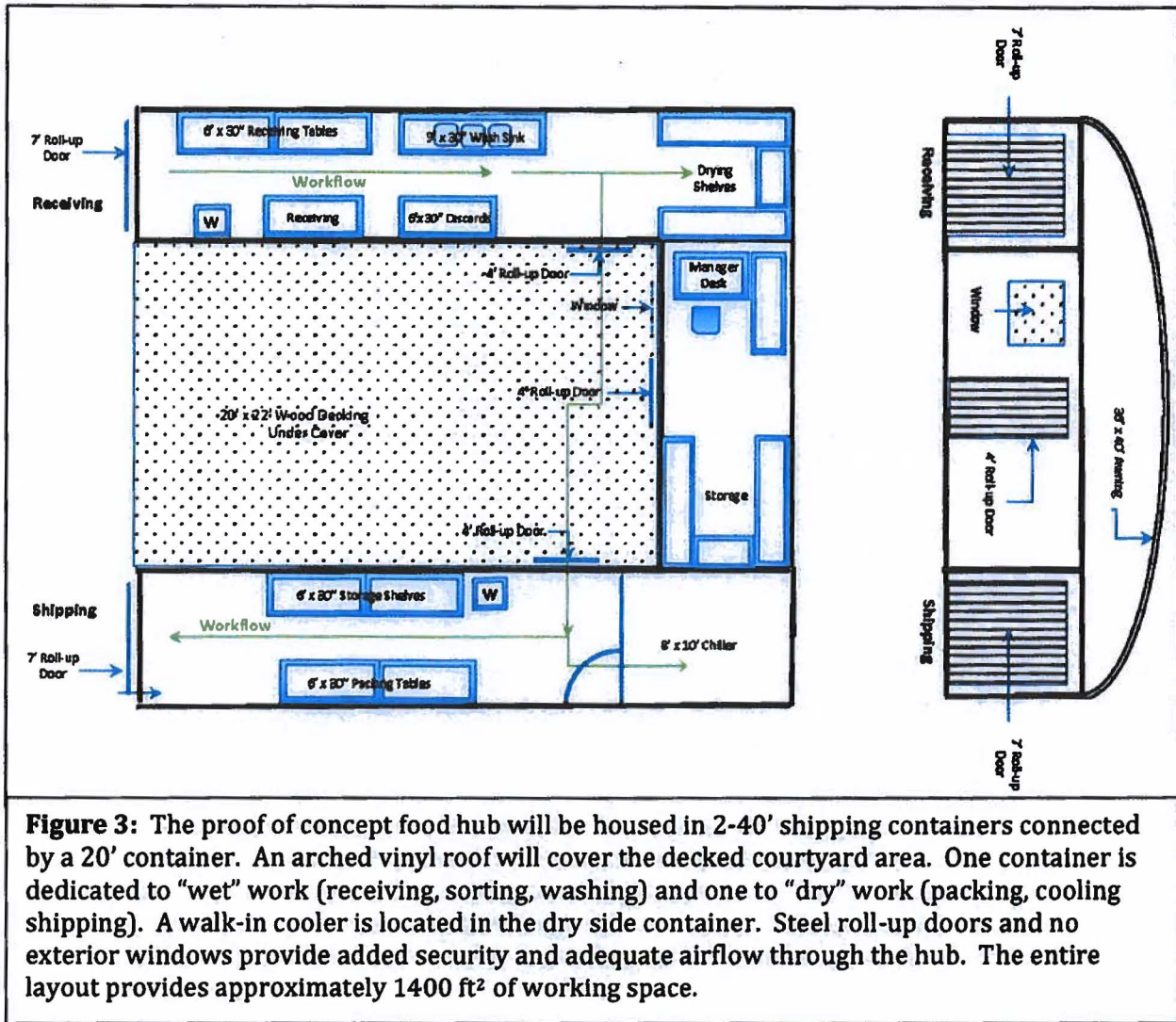
North Shore EVP and its Food Hub Visioning Committee (Figure 2) have been meeting regularly to develop plans to implement a regional food hub serving the North Shore of Oahu. The POC Food Hub was identified as a necessary step in building a client base, recruiting farmers, and establishing processes that will inform the group about the size, location, and equipment to be included in the permanent facility. The permanent facility will benefit from the lessons learned around logistics and marketing and will allow it to rapidly scale up its output of food for local consumption. The scope of work, tasks and responsibilities for the proof of concept POC Food Hub are as follows:

Facility Planning and Construction: Food Hub Visioning Committee supported by North Shore EVP staff has completed the design of a modest packing facility consisting of two 40' shipping containers connected in a U-shape by another 20' container with a covered deck area in between (Figure 3). Careful consideration has been given to the workflow of the food hub with one container dedicated to "wet" work (receiving, sorting, washing drying) and one to "dry" work (packing, cooling, shipping). The 20' container houses the POC Food Hub office and dry storage. The facility's footprint is approximately 1400 ft².

Farmer Recruitment is already underway. North Shore EVP held two farmer outreach events in October 2019 at Turtle Bay Resort and Waiialua Elementary School. Over a dozen farmers participated in lively discussion about how the food hub would work and articulated their ideas about services that the hub could provide (food safety training, custom packaging, etc.). Turtle Bay Resort has partnered with Pono Pacific to revitalize nearly 500 acres of Kahuku farmland mauka of the resort that was placed in a permanent conservation easement in 2015. There are currently 12 farmers with approximately 180 acres under lease, several of whom would be participating in the food hub. We are working with the Hawaii Ag Foundation to recruit some of the farms from their Kunia Ag Park, a 220-acre set-aside by Bayer-Monsanto for diversified agricultural production. Many farms that have participated in the North Shore EVP GroupGAP program have also expressed interest in opening new sales channels by selling to the food hub. Four (4) additional outreach events will be scheduled in 2020 with a goal of securing commitments from farmers for 500+ acres of production.

Anchor Customer Recruitment: Two anchor customers have already committed to the project, Turtle Bay Resort and Lanakila Pacific. These two accounts provide sufficient demand to start up the facility. Over time, as farmers adjust their production to provide more product to the food hub, additional anchor customers will be recruited. We are currently collaborating with one of our GroupGAP farms, HIP Ag in Kohala, to engage the Kahuku and Waiialua High & Intermediate School complexes. With help from a state grant-in-aid in 2019, HIP Ag continues to increase the amount of fresh produce being sold into the Kohala Cafeteria Complex on

Hawaii Island. We are sharing resources and expertise in an effort to replicate their success on the North Shore.



POC Food Hub Operations: A full-time food hub manager will be hired to oversee the operations of the facility. The manager will be responsible for the overall operation of the food hub including working with farms to schedule receiving and packing, maintaining the facility, ordering supplies, and invoicing/payments and delivery. We will use Farm QMS enterprise software to track production at participating farms, schedule packing time and provide information to anchor customers about upcoming availability of products. Operating hours will increase over time as the facility increases the volume of produce coming through the facility.

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

Prior work planning for the proof of concept POC Food Hub will allow rapid implementation and start-up of the facility. Initial farmers and customers have been identified. Final site selection

from 2 locations under consideration (Haleiwa or Kahuku) will be made in the first month of the grant with construction of the facility being completed by month 5.

Farmer recruitment will continue for the duration of the award to insure an increasing supply of products to the hub. We will hold at least four (4) farmer outreach events to provide information about the food hub to potential suppliers and gather information from them about their needs and the role the food hub can play in building successful farming operations in the region. Through our prior work with Pono Pacific, several Turtle Bay farms will enter the GroupGAP program and start providing product to the food hub. Recruitment of Hawaii Ag Foundation Ag Park at Kunia farmers will commence in month 6.

There are sufficient purchasing commitments to begin operations in month 5 however to increase sales volume additional anchor customers will be recruited from large institutional buyers in the region. Specifically, we will use the HIP Ag model to engage the Kahuku and Waialua High & intermediate Schools to start providing fresh produce to those campuses. Members of the Food Hub Visioning Committee will also help secure purchasing commitments from Kahuku Hospital.

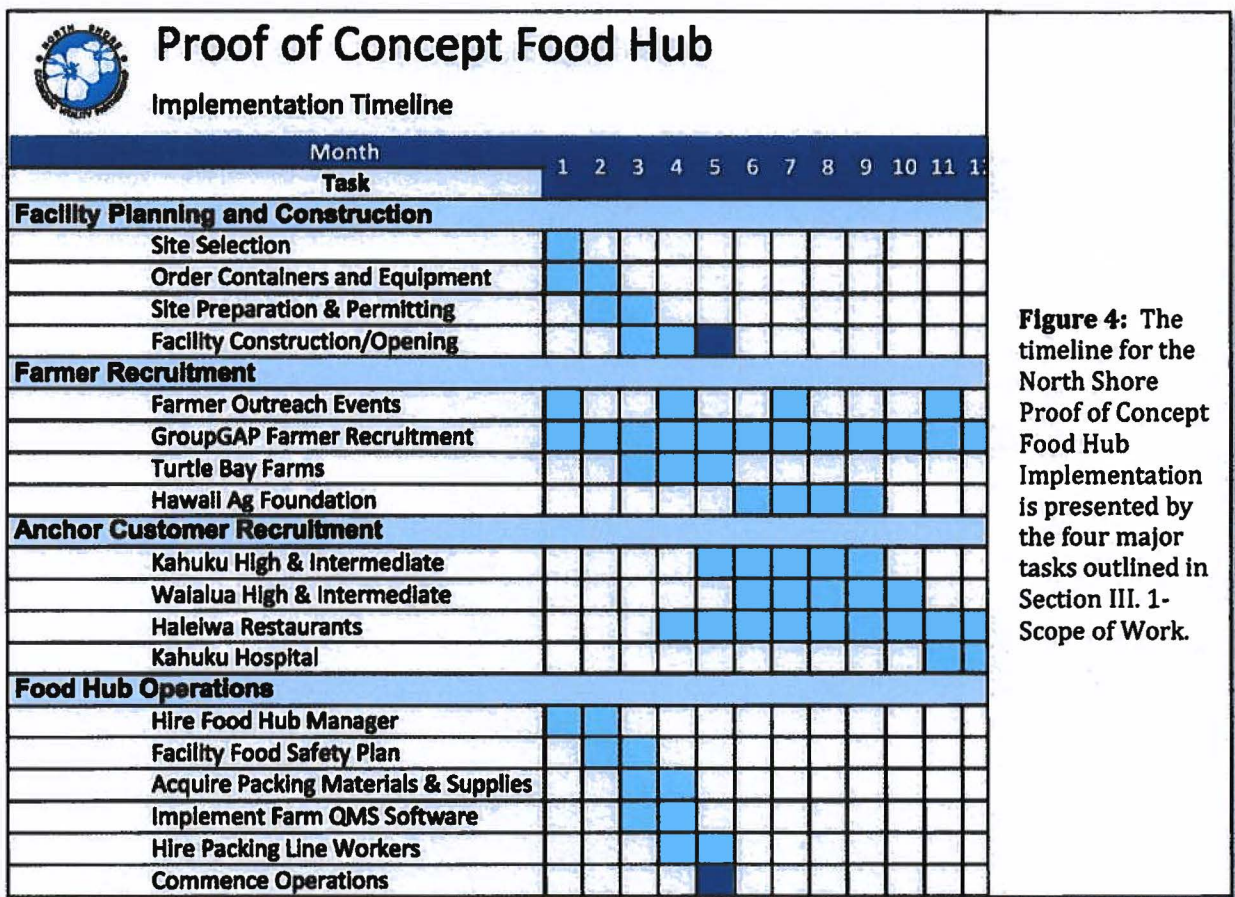


Figure 4: The timeline for the North Shore Proof of Concept Food Hub Implementation is presented by the four major tasks outlined in Section III. 1- Scope of Work.

The most critical task operationally will be the hiring of a food hub manager. This leadership position will responsible for the day-to-day operation of the facility and implementation of the Farm QMS enterprise software platform (see #3 below). North Shore EVP, with its considerable food safety regulatory experience, will develop a food safety plan and standard operating

procedures for the facility. We expect the hours of operation to increase over time as more farms provide product to the facility to meet the demand of our anchor customers. Hourly packing line labor will be identified from the current labor force on participating farms and be hired on an as needed basis. We anticipate 3-4 workers per 4-6 hour shift starting with one shift per week and increasing to 4 or more shifts per week over the course of the award period.

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 POC Food Hub will use Farm QMS software to track and measure all aspects of the operation from farm plantings to the revenue and volume of food sold. Record keeping for food safety on the farm and in the packinghouse is critical to the success of the operation. North Shore EVP has been collaborating with the Wallace Center at Winrock International and farms in Mississippi, Michigan and New Mexico to develop systems to reduce this record-keeping burden and provide data to monitor, evaluate, and improve operations along the entire supply chain, including, in case of recall, traceability. Instead of antiquated paper logs, farmers will use their smartphones to capture food safety, planting and harvest data. This data is shared online with the food hub and will allow the hub to share product availability data with customers well in advance of actual harvest. At the food hub, Farm QMS documents incoming produce and tracks it through the entire packing process. The software tracks inventories, and purchasing and invoicing operations. This comprehensive software platform generates a variety of management reports that will be used to continually measure and improve operations and document increases in production at individual farms and new jobs created in agriculture in the region. We currently have 2 farms implementing Farm QMS and will provide setup and training for all farms selling products to the food hub.

To provide quality assurance to our customers, the POC Food Hub will work towards full compliance with the Food Safety Modernization Act (FSMA) and specifically the Current Good Manufacturing Practice, Hazard Analysis, and Risk-Based Preventative Controls for Human Food rule. Our goal is to have fully FSMA compliant supply chain by securing Harmonized GAP certifications for all participating farms (GroupGAP) and the food hub.

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.

For farmers we will track metrics that show increasing food production and sales. We will also track their progress towards attaining Harmonized GAP certification through the Hawaii GroupGAP network. Metrics include:

- Total acres and crop varieties planted
- Harvest data
- Changes in on-Farm employment
- Total Revenue received from the food hub
- Progress towards Harmonized GAP certification

The POC Food Hub will track and report:

- Number of participating farms
- Amounts of produce entering the food hub
- Sales in dollars and volume
- Operating costs and net income
- Number of employees (new jobs created)

IV. Financial

Budget

1. **The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.**
 - 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](#))

2. **The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2021.**

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$118,748	\$52,968	\$40,047	\$40,046	\$251,809

3. **The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2021.**
 - USDA 2501 Socially Disadvantaged Farmer \$350,000
 - HDOA Food safety Training \$150,000
 - HDOA Specialty Crop Block Grant \$ 40,000
 - Hawaii Community Foundation Flex Grant \$ 10,000
 - Kamehameha Schools Program Support \$ 25,000
 - Various Sponsorships \$ 15,000

- 4. 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.**

North Shore EVP has not received any state or federal tax credits.

North Shore EVP does not anticipate applying for any state or federal tax credits.

- 5. The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2021 for program funding.**

State:

●	2/17	Specialty Crop Block Grant	HDOA	\$36,754	Closed
●	8/17	GAP 2018	HDOA	\$25,000	Closed
●	9/18	HARC Water Testing	HDOA/HFBF	\$13,000	Active
●	1/19	Hawaii Farm Food Safety	HDOA/HFBF	\$46,619	Active
●	2/19	Specialty Crop Block Grant	HDOA	\$40,000	Pending

Federal:

●	8/17	Rural Business Development	USDA	\$17,000	Closed
●	10/17	SBIR Phase I	USDA	\$25,875	Closed

GIA: None

- 6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2019.**

Balance of its unrestricted current assets as of December 31, 2019: \$17,010

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.

North Shore EVP was formed in 2016 as a 501(c)3 non-profit to implement projects that were identified by community business leaders in our 2013 regional economic analysis.¹ Research around our first project of building a food hub on the North Shore identified farm food safety as a critical gap in the success of that project. Our strategy to overcome the lack of food safety certified farms in the region was to identify the solution and hire the most capable people to

implement it. As a result we have assembled a highly capable in-house team and a developed a strong network of partners to implement the POC Food Hub.

The North Shore EVP team includes strong administrative and management experience at both the organization (Kelly) and farm (Rhoden, Nugent) levels. In just over three years, we have worked with over 30 farms across the state and have successfully certified four. The Wallace Center at Winrock International and the National Good Food Network have recognized our work on reducing the administrative burden of FSMA compliance on small farms and we are active members of the Farm QMS working group. Farm QMS is a web-base enterprise management software designed specifically for food hubs. The platform provides an easy way for farmers to collect their Harmonized GAP food safety data through a computer, table or smartphone. North Shore EVP managed over a dozen projects valued at almost \$250,000. We expect to hire additional Food Safety Specialists (from other funds) to provide food safety training to new farms in the POC Food Hub network.

The Food Hub Visioning Committee is committed to the implementation of the POC Food HUB and its members bring a wealth of experience and expertise to the project (Figure 2). The committee includes successful farmers, landowners, land managers, financiers, and policy makers. In committee discussions our greatest concern is identifying the person to hire as the POC Food Hub manager. We will use our proven strategy of hiring the most capable person to get the job done and will supplement the funds from this award with other dollars as needed.

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.

North Shore EVP does not operate any facilities. Due to the nature of the services provided, our limited resources are focused on delivering value to the participating farms. Our team meets in-person and via videoconferencing at least once per week and are in regular contact via phone, email and text. Similarly the Food Hub Committee meets in-person monthly and its members and committees are in constant communication via phone, text and videoconferencing. We have used donated meeting room space at Turtle Bay Resort and a nominally priced conference room at the Waialua Community Association for meetings. In an effort to keep costs low we have no plans for any permanent facilities and will use our resources to facilitate the success of this project.

VI. Personnel: Project Organization and Staffing

1. 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.

Kevin Kelly, President & CEO, North Shore EVP: Kevin has managed large federal research awards (\$3-\$20M) for the University of Hawaii for more than 15 years. Having earned an MBA in 1999, he has served on numerous community organizations' Boards and was Chairperson of the 2013 Clusters of Opportunity project, a community-driven, economic analysis of the North Shore region. Kevin will serve as Project Director and will be responsible for procurement and contracting for the POC Food Hub construction. Kevin will work with the Food Hub Visioning Committee (Fig. 2) to recruit new anchor customers including the Kahuku and Waialua school complexes, Kahuku Hospital and regional restaurants. He will manage all aspects of project planning and implementation including fiscal administration and project reporting.

Melissa Rhoden, Food Safety Director, North Shore EVP: Lisa previously managed the Hawaii Agricultural Foundation's Agricultural Park in Kunia where 18 of the 26 farmers were non-native English speakers. Lisa has worked with socially disadvantaged farmers through the Oahu Resource Conservation & Development Council, proposing best management practices and Natural Resources Conservation Service programs. Lisa, an Ag Leadership Class XIV alumna, was hired by North Shore EVP in 2017 to implement the USDA Group GAP program that has successfully certified 4 Oahu farms under the USDA GAP/Harmonized GAP standard. She authored the GroupGAP program's Quality Management System (QMS) and is one of two USDA Harmonized GAP auditors in the state (the other is at HDOA). In coordination with the Food Safety Specialist and the Food Hub Visioning Committee, Lisa will be responsible for farmer recruitment. Because of her experience working with small farms and inspecting farms and packinghouses across the state, she has taken the lead in the design of the POC Food Hub facility. She will work with the food hub manager on setting up and equipping the POC Food Hub facility.

Lily Nugent, Food Safety Specialist, North Shore EVP: Lily has implemented agricultural outreach and education across the state of Hawaii to support AgriLogic Consulting, LLC's Hawaii Targeted States Project and provided recruitment, coordination, and managerial support for the Western United States Agricultural Trade Association (WUSATA) for HDOA. Lily provides direct farmer support to GroupGAP participants including drafting farm food safety plans and conducting farm inspections. She holds a MS degree in Natural Resources and Environmental Management from the University of Hawaii. She will assist the Food Safety Director with project management tasks related to the procurement and construction of the POC Food Hub facility. She will implement the Farm QMS enterprise software and will train all farm and food hub personnel in its use.

Chris Lee, VP of Farm Development, Pono Pacific: Chris is responsible for managing the mauka ag lands at Turtle Bay Resort and is a member of the Food Hub Visioning Committee (Fig. 2). He will play an active role in recruiting new farmers to the food hub specifically focusing on the 12 farmers currently leasing land at Turtle Bay. He will work closely with the Food Safety Director on site preparation and construction of the food hub.

Food Hub Manager, To be Hired: A food hub manager will be hired during the first month of the project. The manager will have significant expertise in packinghouse operations, produce purchasing, and logistics and will be responsible for all food hub operations. S/he will initially work under the direction of the Project Director and Food Safety Director on the POC Food Hub

construction project and development of the facility’s food safety plan. S/he will develop an operations plan and standard operating procedures for the facility and will work with the Food Safety Specialist to implement the Farm QMS enterprise software platform.

2. 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.

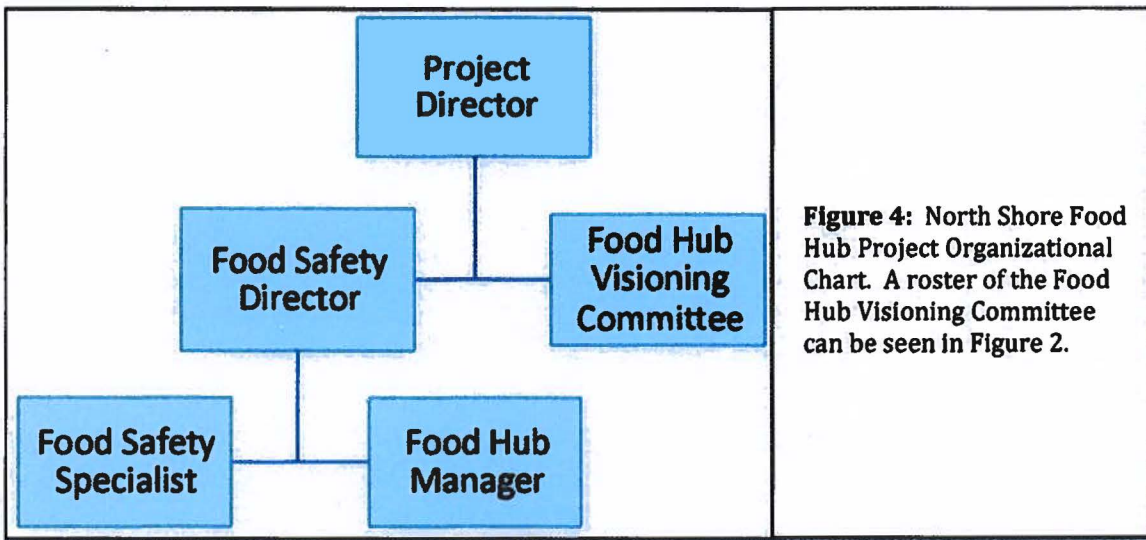


Figure 4: North Shore Food Hub Project Organizational Chart. A roster of the Food Hub Visioning Committee can be seen in Figure 2.

3. Compensation

The applicant shall provide an annual salary range paid by the applicant to the three highest paid officers, directors, or employees of the organization by position title, not employee name.

All officers and directors that make up the board of North Shore EVP do so on a volunteer basis. No monetary compensation is provided. The members of the Food Hub Visioning Committee are committed to public service on a voluntary basis. The annual salary range paid by North Shore EVP to the three highest paid officers, directors, or employees of the organization are:

- | | |
|------------------------------|----------------------------------|
| 1. President/Project Manager | \$80,000 (currently at 0.25 FTE) |
| 2. Food Safety Director | \$60,000 |
| 3. Food Safety Specialist | \$42,840 |

VII. Other

1. Litigation

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

Not applicable.

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.

Not applicable.

3. 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.

Grant funds will NOT be used to support or benefit a sectarian or non-sectarian private educational institution.

4. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2020-21 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2020-21, but
- (b) Not received by the applicant thereafter.

The POC Food Hub is intended to establish a working food aggregation facility and commence operations that will benefit local farmers and consumers and provide information to our organization for planning of a permanent food aggregation facility in the north shore region. Because of the low profit margins in the food packing business, the POC Food Hub is too small to ever be expected to become profitable. It will however start creating revenue and building a network of farms that sell to the facility. It is nonetheless, a valuable asset that will be supported by in the short term by grant funding. The POC Food Hub provides key services and generates data that are critical to attracting funding for the permanent food hub.

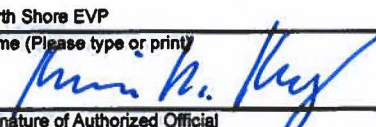
Because of the large area of the north shore region and the variability of harvesting schedules of farms in the region, the POC Food Hub will be converted into a wash and store facility for the permanent food hub. Some of the equipment will be transferred to the permanent facility, but the POC Food Hub will maintain a reasonable washing and cooling capacity that will allow farmers to field wash their harvest and store it at appropriate temperatures while it awaits pick-up for packing by the permanent food hub. A satellite holding site with ability to pack and store closer to the farms will help simplify food hub logistics and reduce operating costs.

Our plan for the development of the POC Food Hub will not be impacted by the lack of future grant in aid funding. As explained above the assistance of the legislature in standing up the POC Food Hub is a critical milestone in our larger plan for a permanent food hub on the north Shore. This investment will be leveraged many times over and will expedite our team's work in developing a permanent food hub for the region.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2020 to June 30, 2021

Applicant: North Shore EVP

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	\$ 143,920			
2. Payroll Taxes & Assessments	\$ -			
3. Fringe Benefits	\$ -			
TOTAL PERSONNEL COST	\$ 143,920			
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance	\$ 6,000			
3. Lease/Rental of Equipment (lua)	\$ 1,500			
4. Lease/Rental of Space	\$ -			
5. Staff Training	\$ -			
6. Packing Supplies	\$ 8,200			
7. Cleaning Supplies	\$ 3,844			
8. Office Supplies	\$ 877			
9. Telecommunication	\$ -			
10. Utilities	\$ 3,500			
11. Farmer Outreach Events (4)	\$ 1,200			
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	\$ 25,121			
C. EQUIPMENT PURCHASES	\$ 16,278			
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	\$ 66,490			
TOTAL (A+B+C+D+E)	\$ 251,809			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	251,809	North Shore EVP 808-383-4481		
(b) Total Federal Funds Requested	0	Name (Please type or print) Phone		
(c) Total County Funds Requested	0			
(d) Total Private/Other Funds Requested	0	Signature of Authorized Official Date		
TOTAL BUDGET	251,809	Kevin M Kelly, President Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2020 to June 30, 2021

Applicant: North Shore EVP

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
President (Project Director)	0.25	\$80,000.00	75.00%	\$ 15,000.00
Food Safety Director	1	\$60,000.00	50.00%	\$ 30,000.00
Food Safety Specialist	1	\$42,840.00	50.00%	\$ 21,420.00
Food Hub Manager (to be hired)	1	\$40,000.00	100.00%	\$ 40,000.00
Hourly packing line labor	\$15/h	2500 hours		\$ 37,500.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				143,920.00

JUSTIFICATION/COMMENTS:

We request funds for the Project Director for project oversight, fiscal administration and reporting. All other effort will be provided by North Shore EVP. 0.5 FTE support are requested for the Food Safety Director and Specialist and a new Food Hub Manager hire at 1.0FTE . Fringe expense will be provided by North Shore EVP. We estimate hiring hourly labor to staff the packing lines during POC Food Hub operating days.

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2020 to June 30, 2021

Applicant: North Shore EVP

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
SS Hand washing sink	2	\$ 200	\$ 400	400
Drying Shelves 48 x 24	4	\$ 100	\$ 400	400
Chiller Shelves 48 x 24	4	\$ 100	\$ 400	400
SS Wall Mount Shelf 36 x 12	3	\$ 88	\$ 264	264
Storage Shelves 24 x 48	5	\$ 100	\$ 500	500
3-sink wash 108 x 30"	1	\$ 1,500	\$ 1,500	1500
SS Tables 72 x 30"	8	\$ 548	\$ 4,384	4384
8x10' walk-in cooler	1	\$ 6,000	\$ 6,000	6000
Shop Desk	1	\$ 400	\$ 400	\$ 400
Task Chair	1	\$ 130	\$ 130	\$ 130
Computer	1	\$ 1,600	\$ 1,600	\$ 1,600
Office Printer/Copy/Scan	1	\$ 150	\$ 150	\$ 150
Label Printer	1	\$ 150	\$ 150	\$ 150
TOTAL:	28		\$ 16,278	\$ 16,278

JUSTIFICATION/COMMENTS:

Equipment funds are requested for the packing lines and office functions of the POC Food Hub. In addition to various sinks tables and shelves, funds are requested for an 8 x 10' walk in cooler. Funds are also requested for a modest office, computer and printers.

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

JUSTIFICATION/COMMENTS:

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2020 to June 30, 2021

Applicant: North Shore EVP

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: 2018-2019	FY: 2019-2020	FY:2020-2021	FY:2020-2021	FY:2021-2022	FY:2022-2023
PLANS	\$ -		\$ -		\$ -	\$ -
LAND ACQUISITION	\$ -		\$ -		\$ -	\$ -
DESIGN	\$ -		\$ -		\$ -	\$ -
CONSTRUCTION	\$ -		\$ 66,490		\$ -	\$ -
EQUIPMENT	\$ -		\$ 16,278		\$ -	\$ -
TOTAL:	\$ -		\$ 82,768		\$ -	\$ -

JUSTIFICATION/COMMENTS:

Planning and design for the POC Food Hub have been completed by the Food Hub Vbisioning Committee. Land for the facility will be provided rent-free from either Turtle Bay Resort or Laukiha'a Farms. Construction costs include modified shipping copntainers, canopy cover and decking. Equipment costs include an 8 x 10' cooler, packing tables, shelves and racks, and wash sinks.

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

Applicant: North Shore EVP

Contracts Total:

86,965

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	Hawaii Farm Bureau-Food Safety	3/1/19 - 2/29/20	HFBF-HDOA	State	\$ 46,965
2	Specialty Crop Block Grant	2/1/20 - 3/31/21	HDOA	State	\$ 40,000
3					
4					
5					
6					
7					
8					
9					