

House District All

Senate District All

THE TWENTY-SEVENTH LEGISLATURE
HAWAII STATE LEGISLATURE
APPLICATION FOR GRANTS & SUBSIDIES
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant or Subsidy Request:

GRANT REQUEST – OPERATING

GRANT REQUEST – CAPITAL

SUBSIDY REQUEST

"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.

"Subsidy" means an award of state funds by the legislature, by an appropriation to a recipient specified in the appropriation, to reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

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

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

STATE OF HAWAII, DEPARTMENT OF AGRICULTURE

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Hawaii Agricultural Foundation
Dba:

Street Address: 667 Paikau Street, Honolulu, HI 96816

Mailing Address: P.O. Box 236010, Honolulu, HI 96823

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name DENISE HAYASHI YAMAGUCHI

Title: Executive Director

Phone # 808-386-2538

Fax # 808-595-6788

e-mail denisehayashi@hawaii.rr.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION
- FOR PROFIT CORPORATION
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

HAWAII AGRICULTURAL FOUNDATION'S FARMER COOPERATIVE PROJECT

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FY 2013-2014: \$ 110,000

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 \$ _____

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ _____

TYPE

DENISE HAYASHI YAMAGUCHI
NAME & TITLE

1/31/2012
DATE SIGNED

Application for Grants and Subsidies

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. Include the following:

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

The mission of the Hawaii Agriculture Foundation (HAF) is to promote the long-term viability and to increase awareness and appreciation of agriculture and farming in Hawaii. This will be achieved through research, education, training, partnerships and public outreach

2. The goals and objectives related to the request;

The Hawaii Agricultural Foundation (HAF) established in partnership with Monsanto and Island Palm Communities (IPC), the Kunia Ag Park in July 2011 to provide lands, infrastructure and technical assistance to small farmers to help them gain economic self-sufficiency, scale and access to markets throughout Hawaii.

Island Palm Communities is a public-private partnership with the federal government that constructs military housing. They own 2,400 acres of agricultural lands in the Kunia plains of which they have leased the majority to Monsanto for seed corn production. As part of IPC's and Monsanto's commitment to supporting the local community, they have both agreed that a portion, 182 acres, be set-aside for diversified agricultural production. To ensure a fair process and the successful creation of an agricultural park, the Foundation was selected to oversee, manage and sublease the lands.

The goal of the park is to help new farmers by providing lands at a slightly less than market value and to provide technical assistance through the experience and knowledge of other successful farmers. In less than one year, the HAF has been successful in sub-leasing the entire 184-acre parcel to 18 farmers and running the day-to-day operations of the Park. In its first ten months, the Park is expected to be breakeven with its first two crops harvested in June.

The Park is being piloted as the first public-private partnership where a landowner grants agricultural lands to a nonprofit to assist small farmers. The selection of small farmers was determined by an application process where applications were screened on a farmers need, past experience and ability to succeed.

While the Park and its farmers have had a strong start, more needs to be done to ensure that they are successful. Cooperative resources such as a water pump, storage and shelter facilities and a small vehicle for transportation of goods are needed. With more than 50 farmers applying for the Park lands, HAF sees the need for replicating this kind of partnership model. We will use the knowledge and experienced gained to assist others such as the Galbraith Lands to help create opportunities for other new small farmers.

3. State the public purpose and need to be served;

Prior to Western contact, Hawaii was entirely self-sufficient in the production of food and supported a population as large as Hawaii's current population. As recently as 50 years ago, about half of our food was still produced locally. Today, it is estimated that 80 to 90 percent of our food is imported.

The continual importation of produce increases the changes of introducing harmful invasive species that could devastate our ecosystems and agricultural economy. Disruptions to our food supply lines, a natural disaster or labor dispute would leave us with food for less than one week. And, much of our "going out to eat" of about \$3 billion leaves our island economy. If we produced just 10 percent of that amount locally would keep \$300 million in our economy.

It is time for Hawaii to make a commitment to supporting local agriculture. We need to train our young people, build local markets, export more and create programs that allow all of us to meet the challenge before us.*

The HAF supports the Administration's Guiding Principles: Food and Agriculture

- Food security as the primary goal
- Entrepreneurial farming and jobs
- Preserving and advancing rural communities
- Sustaining natural resources
- Agricultural innovation
- Dialogue, planning and shared commitment

*Note: From 2010 Abercrombie for Governor "Food and Agriculture – An Agricultural Renaissance in Hawaii."

As the State's third largest industry, agriculture continues to be an important part of Hawaii's history and economy, generating \$2.9 billion to the state's annual economy and directly and indirectly providing 42,000 jobs.

While production from plantation crops has declined, diversified agriculture production has had tremendous growth over the last 10 years. Small farms growing diversified agricultural products such as specialty exotic fruits, coffee, macadamia nuts, flowers, vegetables, are not only being cultivated for Hawaii's markets, but also for major exports to destinations around the world. In addition, new value-added consumer product industries have also emerged, fueled by the culinary arts, biotechnology, plant science, aquaculture, forestry, ornamental horticulture, and other agriculture-related fields.

With the growth in diversified agriculture, the need for land, water and skilled workers has also risen. Today, Hawaii can account for 7,500 farms and ranches and in order to prosper, we must continue to support both small and large scale farmers with the resources, technical assistance and infrastructure they need to be successful.

4. Describe the target population to be served;

The target population to be served is small farmers, as well as other landowners committed to supporting small local farmers.

5. Describe the geographic coverage.

Kunia and the State of Hawaii

6. Describe how the request will, in the case of a grant, permit the community to benefit from those activities; or for a subsidy, reduce the costs incurred by the organization or individual in providing a service available to some or all members of the public.

The grant will provide the needed funds to ensure that the Kunia Agricultural Park has the resources to assist its small farmers. HAF needs to ensure that it has the appropriate resources on hand so that this model can be successfully replicated. By helping these farmers who are all in food production succeed, we will contribute to the growth and sustainability of the agricultural industry in Hawaii. If we produce just 10 percent more food for our State, it will add \$300 million annually to our local economy.

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.

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

The HAF's Kunia Ag Park Farmer Cooperative Project will provide needed infrastructure for its 18 farmers including a 200 – 300 gallon per minute stationary water pump, 15 40-foot containers for storage and shelter and a motorized vehicle (golf cart) for the Ag Park Manager to supervise the grounds and to transport small equipment and supplies.

The Agricultural Park Property and Manager and the Financial Advisor of the Park will work with Monsanto and an engineering company (Wai Engineering) to install the pump. The 15 40-foot containers will be purchased and managed by the Financial Advisor and will be rented to the farmers for a nominal fee which will be used for routine maintenance of the containers. This will ensure that the storage and shelter facilities meet the City and County building codes. Finally, the Financial Advisor will purchase the motorized vehicle. The vehicle will be stored on-site at the Park and used by the Ag Park Property and Manager.

2. The applicant shall provide a projected annual timeline for accomplishing the results or outcomes of the service;

The projected timeline for accomplishing the results and outcome cited in #1 is one year.

3. The applicant shall 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 will oversee the overall project and report to the Board of Directors the progress of the project. The Financial Advisor and Kunia Park Property and Program Manager will be responsible for the day-to-day implementation of the project.

- a. Purchase, Install and Report – The Financial Advisor will work with Wai Engineering to purchase the equipment and monitor installation of the water pump to ensure that it is properly operational and the project is completed in a timely manner.
 - b. Purchase, Distribute, Monitor and Report – The Financial Advisor will purchase the 15 40 foot containers and make them available to the farmers. He will work with Monsanto and the farmers to coordinate delivery of each of the containers.
 - c. Purchase, Maintain, Report – The Financial Advisor will purchase a new motorized vehicle for the day-to-day maintenance of the Park, as well as for the transportation of small equipment and supplies for the farm.
4. The applicant shall 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.

1. All farmers will be provided adequate water. We will work with Monsanto to ensure that the pump is providing adequate water for the small farmers. It is estimated that there will be at least 3 – 7 additional farmers selected for Ag Park 1.
2. We will ensure that all farmers have access to storage facilities that meet the City and County Building Code.
3. We will ensure that the motorized vehicle purchased will be used for the day-to-day operation of the Park and properly maintained.

III. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2012-2013.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$27,500	\$27,500	\$27,500	\$27,500	\$110,000

3. The applicant shall provide a listing of all other sources of funding that they are trying to obtain for fiscal year 2012-2013.

Hawaii Community Foundation - \$25,000
 Harold KL Castle Foundaiton - \$25,000
 Cooke Foundation - \$5,000
 HCIA (Dow Chemical, Syngenta, Monsanto) - \$30,000

4. The applicant shall provide a listing of all state and federal tax credits that have 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.
 N/A

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.

The Hawaii Agricultural Foundation has been in existence for the last five years. It has been successful in developing a number of initiatives including the Hawaii Food & Wine Festival, Kunia Ag Park and Lei Fresh. The Hawaii Food & Wine Festival is now a four day event showcasing 60+ chefs from around the world using Hawaii's local produce. The Kunia Ag Park is a 184 acre public-private partnership with Island Palm Communities and Monsanto which provides 18 small farmers with land to farm. Lei Fresh was developed with a grant from the Hawaii Community Foundation to connect farmers to the community through a mobile application.

The HAF has a five year strategic plan with priorities to develop the Kunia Ag Park and its Agricultural Educational Programs.

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. Also describe how the facilities meet ADA requirements, as applicable.

The HAF currently runs an agricultural park and have facilities and does not have plans to secure facilities.

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 HAF is managed by the Executive Director (ED) who reports to a 12 member Board of Directors. See qualifications below:

Denise Hayashi, Executive Director, Hawaii Agricultural Foundation

Prior to working for the HAF, Hayashi was a consultant to the Hawaii Farm Bureau Federation where she helped craft the language, vision and mission of the Foundation. She has more than eighteen years working as a consultant and executive with non-profit organizations specializing in strategic planning, fund development, marketing, government affairs, public relations and community relations. Her past employers and clients include NCL America, Bishop Museum, Japanese Cultural Center, Hawaii Foodbank, U.S. Senator Daniel K. Inouye, 3Rs, Artisans' Farmers Alliance, Durrant Media Five, Hawaii Institute for Public Affairs, Hawaii Farm Bureau Federation, Coast Guard Foundation, Hawaii Forest Industry Association, Hawaii Forest Institute, Hawaii High School Athletic Association, U.S.S. Battleship Missouri Association and the State of Hawaii Procurement Office. Highlights of her career include:

- Development of a long-term strategic planning for Hawaii Forest Institute
- Development of community relations strategies, key messaging and educational programs for NCL America
- Fund development, governmental relations and public relations strategies to secure funding support for Bishop Museum including the Mamiya Science Adventure Center, ADA facility compliance, Amy Greenwell Ethnobotanical Garden (Hawaii Island), a new Magnet School from the State, and Hawaiian Hall.

Ryan Tanaka, Financial Advisor, Hawaii Agricultural Foundation

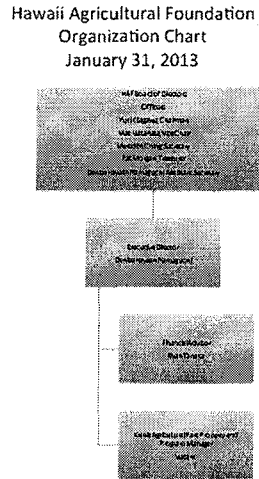
Ryan Tanaka has an extensive career background corporate finance and entrepreneurship. He has worked in the CFO office of Tokyo Star Bank and supported the firm on its over \$2.4 billion initial public offering. After the bank went public, Tanaka joined the Tokyo CEO office of Deutsche Bank, a top 10 global investment bank. At Deutsche Bank, Tanaka assisted top management in analyzing potential acquisitions for five separate industries, with business valuation assessments exceeding \$13 billion.

Tanaka returned to Hawaii in July 2007, and opened Investment Quorum International Advisory ("IQ International"). Since its opening, IQ International has assisted a number of companies in Hawaii, Washington, and Dubai to experience significant development, growth, and improved managerial decision making. In August 2010, Tanaka was appointed Chief Operating & Financial Officer at Saint Louis School. He joined the Hawaii Agricultural Foundation in July 2011.

The bios for the Hawaii Ag Foundation Board of Directors can be found at: www.hawaiiagriculturalfoundation.org

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 organizational chart that illustrates the placement of this request.



VI. Other

A. Litigation

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

None.

B. Licensure or Accreditation

Specify any special qualifications, including but not limited to licensure or accreditation that applicant possesses relevant to this request.

None.

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2013 to June 30, 2014)

Applicant: Hawaii Agricultural Foundation

BUDGET CATEGORIES	Total State Funds Requested (a)	(b)	(c)	(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. School Bus Transportation				
10. Milage				
11. Refreshments for Students				
12. Printing				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES	100,000			
D. MOTOR VEHICLE PURCHASES	10,000			
E. CAPITAL				
TOTAL (A+B+C+D+E)	110,000			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	110,000	Denise Hayashi Yamaguchi	808-386-2538	
(b)			Phone	
(c)			January 31, 2013	
(d)			Date	
TOTAL BUDGET	110,000	Denise Hayashi Yamaguchi Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: Hawaii Agricultural Foundation

Period: July 1, 2012 to June 30, 2013

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
N/A				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Hawaii Agricultural Foundation

Period: July 1, 2012 to June 30, 2013

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
200-300 gallon per minute water pump	1.00	\$55,000.00	\$ 55,000.00	55000
15 40-foot containers	15	\$3,000.00	\$ 45,000.00	45000
			\$ -	
			\$ -	
			\$ -	
TOTAL:	16		\$ 100,000.00	100,000

JUSTIFICATION/COMMENTS: The pump will be used to provide water to farmers and the 15 40-foot containers will be used for storage and shelter so the farmers meet building codes.

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
Motorized Golf Cart	1.00	\$10,000.00	\$ 10,000.00	10000
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:	1		\$ 10,000.00	10,000

JUSTIFICATION/COMMENTS: The motorized golf cart will be used by the Ag Park Manager to maintain and operate the Park. It will also be used to transport small equipment and supplies.

BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant: Hawaii Agricultural Foundation

Period: July 1, 2012 to June 30, 2013

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: 2010-2011	FY: 2011-2012	FY:2012-2013	FY:2012-2013	FY:2013-2014	FY:2014-2015
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT			110000			
TOTAL:			110,000			
JUSTIFICATION/COMMENTS:						

**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAII REVISIED STATUTES**

The undersigned authorized representative of the applicant acknowledges that said applicant meets and will comply with all of the following standards for the award of grants and subsidies pursuant to section 42F-103, Hawaii Revised Statutes:

- (1) 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 or subsidy is awarded;
- (2) Comply 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;
- (3) Agree not to use state funds for entertainment or lobbying activities; and
- (4) Allow the state agency to which funds for the grant or subsidy 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 or subsidy.

In addition, a grant or subsidy may be made to an organization only if the organization:

- (1) Is incorporated under the laws of the State; and
- (2) Has bylaws or policies that describe the manner in which the activities or services for which a grant or subsidy is awarded shall be conducted or provided.

Further, a grant or subsidy may be awarded to a non-profit organization only if the organization:

- (1) Has been determined and designated to be a non-profit organization by the Internal Revenue Service; and
- (2) Has a governing board whose members have no material conflict of interest and serve without compensation.

For a grant or subsidy used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant or subsidy 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 or subsidy 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.

Hawaii Agricultural Foundation

(organization)


(Signature)

January 30, 2013

(Date)

Denise Hayashi

(Typed Name)

Executive Director

(Title)