

House District 4
Senate District 2

THE TWENTY-SIXTH 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 PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN):

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual: MALAMA O PUNA
Dba: PUNA
Street Address: 15-2754 PAHOA VILLAGE RD.
Mailing Address: PO BOX 1520
PAHOA, HI 96778

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name RENÉ SIRACUSA
Title PRESIDENT
Phone # 965-2000
Fax # -
e-mail malamaopuna@yahoo.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:

construction phase: community certified incubator kitchen

4. FEDERAL TAX ID #:

5. STATE TAX ID #:

7. AMOUNT OF STATE FUNDS REQUESTED:

FY-2013-14 \$ 103,350

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 \$ -

René Siracusa, President
NAME & TITLE

1-26-13
DATE SIGNED

Application for Grants and Subsidies

I. Background and Summary

1. A brief description of the applicant's background: There are dual applicants for this grant. Malama O Puna, a 501(c)(3) environmental nonprofit and Pahoia Feed & Fertilizer, a local, Hawaiian-owned business. Malama O Puna formed in 2000 as a successor to the Puna Outdoor Circle. *It's mission is to preserve Hawaii's precious natural heritage through environmental education, hands-on projects, watchdogging/advocacy and landtrusting.* Most recent work: with a \$77,000 grant from NOAA we conducted a 5-school program on watershed management from both a natural resources and ahupua'a standpoint; with several grants from HTA, USFWS, USFS we eradicated invasive red mangrove on all identified sites on the island of Hawaii (we are still doing follow up to prevent re-infestation); with a grant from OHA we cleared many invasive trees and weeds (mostly strawberry guava) from along the entrance road in the Wao Kele O Puna forest. *We have experience organizing, implementing and completing large volunteer service projects.* Our president is a farmer and among our board members we number a PhD in biology and another in botany, plus a landscape designer and a horticulturalist. Pahoia Feed & Fertilizer has been in business for ten years, serving the Puna farming community. They understand the challenges and obstacles facing farmers in the area and realized that any programs that make farming a more viable occupation will also benefit their bottom line. They contracted and paid for a feasibility study and a business plan for this certified kitchen project, which Malama O Puna later finessed and fine-tuned. They have purchased the land and structure on which the facility will be created for \$500,000 - they are paying it off at \$3,500/month and have less than \$300,000 left to pay. They also paid for a special permit from the Planning Dept. and the drainage study that the permit required. Malama O Puna wrote the grant proposal to County Research & Development that awarded the project \$4,500 for the architectural and site improvement plans. The next phase needing funding is the actual construction.

2. The goals and objectives related to the request: The request is for \$103,350 to cover the construction costs of converting the property and structure to meet the requirements of County Planning Dept. and State Dept. of Health. The goal is to create a certified community incubator kitchen so that farmers can turn their produce into value-added products, sell seasonal crops year-round in this form, and ship them out of state, broadening the market potential. Farming will be more profitable and farmers will thus be encouraged to continue farming instead of selling off productive farmland for residential/commercial developments. One of the obstacles to our state's goal of food sustainability would be removed. More land would stay in agriculture.

3. On the Big Island we are losing agricultural land to non-agricultural uses at an alarming rate. One of the reasons involves the permitting of residential subdivisions on ag-zoned land in the 1950's. Another reason is that farming is hard work for very little reward: land is expensive, most inputs (equipment, tools, fuel, fertilizers, etc.) are imported, many crops are seasonal (especially fruit trees and many vegetables) and do not provide year-round income, crops cannot be shipped out of state, and individual farmers cannot afford to construct certified kitchens so that they can convert their crops to value-added products with a year-round and wide geographical market. The result is that many farmers sell their land and it is then forever lost to agriculture and our goal of food sustainability. The Puna District is the fastest growing in the state (24%) and has the worst socio-economic demographics in Hawaii. Our vision of building and operating a community certified incubator kitchen will help to keep land in agriculture by making farming more economically viable and increase local per capita income in this economically depressed area. Our kitchen will allow farmers to share the kitchen and its upkeep so that they only pay for what they use. Farmers who do not want to do more than straight farming can make arrangements with food preparers who don't farm and achieve the same results. The kitchen project will also provide the ability for users to market, merchandise and deliver jointly and under one label, if they so choose. So there will be job creation spin offs for graphic artists, delivery personnel, bookkeepers, etc.

4. The target population to be served : The Hawaii Dept. of Health Primary Care Data Book for 2011 and all previous years identifies Puna District as experiencing the lowest per capita income, the highest population on financial aid and food stamps, and the highest number of persons living below both 100% and 200% of the federal poverty level. The 2000 Census counted Paho'a's population as 504 Asian, 284 Filipino, 204 mixed race, 200 Japanese, 133 Native Hawaiian + other Pacific Islander, 129 Native Hawaiian and 95 White, with a smattering of other ethnicities.

5. The geographic coverage is the 96778 and 96749 zipcodes, census tracts 210 and 211, Puna makai, Council Districts 4 and 5, State House District 4 and State Senate District 2.

II. Service Summary and Outcomes

1. The scope of work involves renovation of the existing single family home on the property and the front 'yard' to meet the permit requirements imposed by the County Planning Department and the Guidelines for Certified Kitchens as mandated by the State Dept. of Health. *This includes non-construction costs such as Planning Dept. and Dept. of Health permit fees and the Architect's stamp, as well as cost and installation of a septic tank, parking lot work (grading, sump, paving and striping), electrical and plumbing upgrades, and installation of a propane tank. Everything must also meet ADA standards.*

Future phases will be to purchase equipment, appliances and furnishings, as well as to prepare written materials (user contracts, timesheets, DOH guidelines, rules & regs, etc.),

outreach expenses (ads/promo, website, posters), office equipment and furnishings, and cookware and utensils.

2. Projected annual timeline: We believe that the entire construction phase can be completed within one year of receipt of funds.

3. Applicant's quality assurance and evaluation plans for the request: Contractors will have to follow the approved plans and the county inspectors will ensure compliance. The question of how we intend to 'monitor, evaluate and improve their results' is not applicable.

4. Levels of effectiveness that will be reported to the State expending agency will be the contractor bills and check copies in payment of same, showing that the work was done and paid for, and the inspection documents showing that said work passed government inspection criteria. Photos of before, during and after will also be submitted.

It should be noted that completion of this phase will not immediately result in the opening of the facility for community use. But this phase is the costliest and hardest to find funding for. The next phase, outlined in the second paragraph of #1, above, has already been awarded funding by the USDOA, pending completion of the construction phase. We do not expect that final phase to take longer than 6 months from receipt of funds. Thus, if there are no unforeseen complications (Murphy's Law), we are looking at a grand opening date of Jan., 2015 at the latest.

III. Financial

Budget

1. Budget Form is attached.
2. Anticipated quarterly funding requests for fiscal year 2013-14:

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$ 40,350	\$ 33,000	\$ 25,000	\$ 5,000	\$103,350

3. Other sources of funding for FY 2013-14: We are continually searching for private foundation grants, but at this time there are none we have found whose criteria our project meets. As mentioned above, however, we have a commitment from the US Dept. of Agriculture for funding for our final phase, which we will not receive until the phase requested herein has been completed.

4. Neither Malama O Puna nor Pahoia Feed & Fertilizer has applied for any federal tax credits, nor do they anticipate applying for any in the future.

IV. Experience and Capability

A. Necessary Skills and Experience

The president of Malama O Puna, René Siracusa, spent more than 20 years working in restaurants with certified kitchens in New York City, beginning in childhood with her father's restaurant, Casa Mia. Here in Hawaii she assisted Ludivica Della in the design and permitting of Ludi's Filipino Foods, and is aware of most of the Dept. of Health's guidelines - including, of course, how to access the current guidelines and rules. When she moved to the Big Island 33 years ago, she began farming and became intimately aware of the problems and obstacles faced by small farms. A solutions-oriented person, she has worked continuously over the years to address these problems. She has worked as a nonprofit administrator on Hawaii since the mid-1980s and became a self-taught successful grant writer. She put these skills to use in fine-tuning and finessing both the Feasibility Study and the Business Plan that had been commissioned by Pahoa Feed and Fertilizer for this project. Her educational background is BA, MA, ABD in Linguistic Anthropology, but believes that one of her primary skills is her ability to research.

The treasurer of Pahoa Feed & Fertilizer (PF&F) is Mona Hyatt. PF&F is a family-owned Native Hawaiian business that has been catering to farmers, gardeners and animal owners in the Puna District for more than ten years. She and her family partners talk to local farmers daily, and are well informed about the problems facing small farms in Hawaii and the various ideas these farmers have about how the system could be improved. Our project is a distillation of this collective knowledge. Although Mona has her own skills and experiences that she brings to the project, she also has access to those of her family members who are partners in the business. Her professional background is in business and administration.

B. Facilities

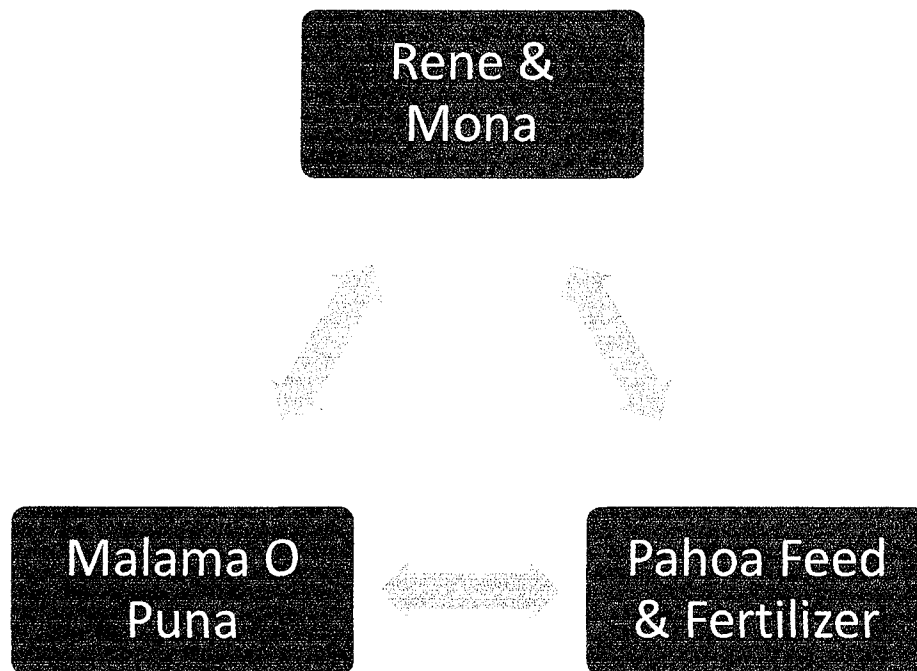
The existing structure is a 4-bedroom 1,763 square foot single family home sitting on a 1.1018 acre parcel of land, which fronts directly on Pahoa Village Rd. It is centrally located for the community it serves, and sits within the Pahoa Village Center area designated by the Puna Community Development Plan for commercial development. The Planning Dept. has already ruled that the certified communal incubator kitchen project is a bona fide agricultural use of said land. The structure is not ADA compliant and making it so is part of the renovation plan. The structure already is hooked up to the electric utility, County water, land line telephone service and internet. The current parking area will be expanded, a sump (per the drainage study) will be installed, the current cesspool will be replaced by a septic system as required by the EPA and the County. The parking lot will be levelled, paved and striped, including ADA parking spaces.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

For this phase of the project, there are no personnel. The construction phase is being organized by Mona Hyatt and René Siracusa jointly, working as a team. While each of them has their organization's board of directors for backup or consultation, the basic project coordination at this point in its development is vested in the two of them.

B. Organization Chart



VI. Other

A. Litigation

Neither of the partner organizations is currently involved in any litigation nor has any litigation pending, not any outstanding judgement.

B. Licensure or Accreditation

Final Plan Approval (PLA-10-000620), attached.

BUDGET REQUEST BY SOURCE OF FUNDS

(Period: July 1, 2012 to June 30, 2013)

Applicant: MALAMA O PUNA

BUDGET CATEGORIES	Total State Funds Requested (a)	MALAMA O PUNA (b)	PAHOA FEED + FERT. (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	-	1,000	3,000	
3. Lease/Rental of Equipment	-	-	-	
4. Lease/Rental of Space	-	-	-	
5. Staff Training	-	-	-	
6. Supplies	-	-	-	
7. Telecommunication	-	-	-	
8. Utilities	-	-	-	
9 PLAN. DEPT. PERMIT	100	-	-	
10 HOOD PERMIT	500	-	-	
11 ARCHITECT'S STAMP	750	-	-	
12 SEPTIC + INSTALLATION	7,000	-	-	
13 GRADE, PAVE, SUMP	80,000	-	-	
14 ELECTRICAL	5,000	-	-	
15 PLUMBING	5,000	-	-	
16 PROPANE TANK + INSTALL	3,000	-	-	
17 INDIRECT COSTS, ADMIN	2,000	-	-	
18 SITE PURCHASE	-	-	500,000	
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL 9-18 above	103,350			
TOTAL (A+B+C+D+E)	103,350	1,000	503,000	
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	103,350	Rene Siracusa	965-2000	
(b) Malama O Puna	1,000		Phone	
(c) Pahoa Feed + Fertilizer	503,000		Date	
(d)				
TOTAL BUDGET	607,350	Rene Siracusa, Pres. Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: Malama O Puna

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: Malama O Puna

Period: July 1, 2012 to June 30, 2013

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Septic Tank (incl. installation)	1	\$7,000	\$ 7,000 -	\$7,000
Propane Tank (" ")	1	\$3,000	\$ 3,000 -	\$3,000
			\$ -	
			\$ -	
			\$ -	
TOTAL:	2	\$10,000	\$10,000	\$10,000
JUSTIFICATION/COMMENTS:				

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

**BUDGET JUSTIFICATION
CAPITAL PROJECT DETAILS**

Applicant: Malama O Puna

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	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2011-12	FY: 2012-13	FY: 2013-14	FY: 2013-14	FY: 2013	FY: 2014-2015
PLANS, permits, architect's stamp	4,500	—	1,350	1,350	—	—
LAND ACQUISITION		200,000	—	—	—	—
DESIGN & INDIRECT COSTS			2,000	—	—	—
CONSTRUCTION			90,000	90,000	—	—
EQUIPMENT			10,000	10,000	—	—
TOTAL:	4,500	200,000	103,350	103,350	—	—
JUSTIFICATION/COMMENTS: LAND ACQUISITION HAS BEEN ONGOING FOR SEVERAL YEARS: COST \$500,000. BEING PAID @ \$1,500/MO. WITH LESS THAN \$300,000 BALANCE DUE.						

**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAII REVISED 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.

MALAMA O PUNA

(Typed Name of Individual or Organization)



(Signature)

1-26-13

(Date)

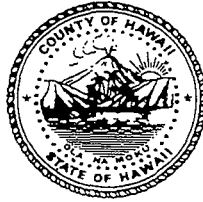
RENÉ SIRACUSA

(Typed Name)

PRES.

(Title)

William P. Kenoi
Mayor



BJ Leithead Todd
Director

Margaret K. Masunaga
Deputy

County of Hawai'i

PLANNING DEPARTMENT

Aupuni Center • 101 Pauahi Street, Suite 3 • Hilo, Hawai'i 96720
Phone (808) 961-8288 • Fax (808) 961-8742

May 3, 2010

Mona Lisa Hyatt
P.O. Box 1541
Pāhoa, Hawai'i 96778

Dear Ms. Hyatt:

SUBJECT: FINAL PLAN APPROVAL (PLA-10-000620)
Pahoa Feed and Fertilizer
TMK: 1-5-007:076; Pāhoa, Puna, Hawai'i

We have reviewed the above-described plans for the establishment of the proposed "Pahoa Feed and Fertilizer" pursuant to FINAL PLAN APPROVAL. Enclosed is a copy of the FINAL PLAN APPROVAL for your files.

Please be aware of the conditions of approval that are part of this FINAL PLAN APPROVAL for the subject improvements. These conditions, which are listed on page 2 of the FINAL PLAN APPROVAL document, must be complied with prior to the establishment and occupancy of Pahoa Feed and Fertilizer Store.

Should you have any questions, please feel welcome to contact Larry Nakayama of this Department.

Sincerely,

[REDACTED]
BJ LEITHEAD TODD
Planning Director

LHN:kwr

O:\Plan Approvals\1\PLA-10-000620PahoaFeed&Fertilizer15007076letter.doc

Encl: PLA-10-000620... form.doc

xc: Planning Commission Division (SPP-08-000068)

COUNTY PLANNING DEPARTMENT

FINAL
PLAN APPROVAL
(PLA-10-000620)

APPLICANT:

HQHQ Inc. dba Pahoa Feed & Fertilizer

DATE APPROVED:

May 3, 2010

LOCATION:

Pāhoa Village, Puna, Hawai'i

TAX MAP KEY:

1-5-007:076

PARCEL AREA / PROJECT SITE AREA:

1.101 acres

ZONING:

Agricultural – 1 Acre (A-1a)

PROPOSED USE:

Feed Store Operation and Commercial Kitchen in Existing 4-Bedroom Dwelling

<u>As Shown on Plan</u>	<u>Comments</u>
Front Yard (Pāhoa Village Road) 49' -0"	OK, 30'-0" Minimum required
Rear Yard (West) 32' -0"	OK, 30'-0" Minimum required
Side Yard (South) 38' -0"	OK, 20'-0" Minimum required
Side Yard (North) 9' -0"	OK, 20'-0" Minimum required (Legal Non-conforming, Built prior to 1967)
Ht. of Structure Storage Building - 21 feet	OK, 45'-0" Maximum allowed
Single Family Dwelling - 17' -6"	OK, 35'-0" Maximum allowed
Access to parking 24' wide paved access from Pāhoa Village Road	OK, Must meet with the requirements of the Department of Public Works (DPW).
Off-Street Parking 25 stall shown, One of which is ADA Van accessible.	OK, Single Family Residential – 2 stalls Store: 800 s.f./300 sf = 3 Stalls (2.667) Certified Kitchen: 472s.f./300 sf = 2 stalls Storage: 4,000 sq. ft./1,000 sq. ft. = 4 stalls Total Stalls Required: 11 stalls, at least one stall must be ADA Van Accessible (see conditions 1 & 2)
Loading and Unloading Parking Ample paved area for 1 @ 12' x 50'	OK, One 12' x 50' required
Density N/A	

Fencing and Walls:	OK
Material Chain Link Fence	
Height	
Location Perimeter of property	
Landscaping Podocarpus trees along entire perimeter of property planted on a 6' grid.	OK. (see condition 3)
Others Tax Clearance	OK. Dated March 25, 2010
Special Permit 08-000068	OK. Approved March 6, 2010
Drainage Study	OK. Approved April 28, 2010 (See Attached Letter from DPW).
Solid Waste Management Plan	OK. See attached letter dated April 15, 2009

Conditions of Approval:

1. Approved parking to be paved and striped and appropriate signage installed prior to the issuance of the Certificate of Occupancy.
2. Provide an accessible pathway, from accessible stalls to the entrances of all tenant spaces, with a slope not to exceed 2% in accordance with Section 25-4-55 of Chapter 25, Hawai'i County Code.
3. Landscaping for the property boundaries shall be provided for the purpose of mitigating any adverse noise or visual impacts to adjacent properties.
4. Approved landscaping shall be installed in good condition prior to the issuance of the Certificate of Occupancy and shall be maintained in good health and with no accumulation of plant debris or litter thereafter.
5. Applicant, its successors or assigns shall comply with all stated conditions of approval of Special Permit No. 08-000068 prior to the issuance of the Certificate of Occupancy.
6. Applicant shall comply with all other applicable laws, rules, regulations and requirements of Hawai'i County.


Planning Director

Date: May 3, 2010