

House District 26

Senate District 12

**THE TWENTY-SEVENTH 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:
Ola Ka 'Ilima Arts Center, LLC

Dbas: n/a

Street Address: 1025 Waimanu Street, Honolulu, HI 96814

Mailing Address: 250 Third Ave North, Suite 500, Mpls, MN 55401

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name STACEY MICKELSON

Title Vice President Government Relations

Phone # 612-810-1759

Fax # 612-333-9089

e-mail stacey.mickelson@artspace.org

3. TYPE OF BUSINESS ENTITY:

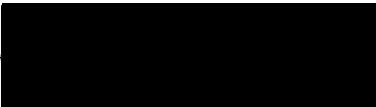
- NON PROFIT CORPORATION
- FOR PROFIT CORPORATION
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

A CIP GRANT IN AID REQUEST OF \$3,000,000 TO SUPPORT THE CONSTRUCTION OF AN 80-UNIT AFFORDABLE WORK-FORCE HOUSING DEVELOPMENT IN KAKA 'AKO, HONOLULU HAWAII.

4. FEDERAL TAX ID

5. STATE TAX ID #:



7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2014: \$ 3,000,000

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 \$ 0
 FEDERAL \$ 150,000 NATIONAL ENDOWMENT FOR THE ARTS
 COUNTY \$ 0
 PRIVATE/OTHER \$ 450,000 FORD FOUNDATION

STACEY MICKELSON, VICE PRESIDENT GOVERNMENT RELATIONS
NAME & TITLE

1.29.2013
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;

Artspace is a non-profit real estate developer for the arts leading the nation in arts-driven community transformation. Artspace's mission is to create, foster and preserve affordable space for artists and arts organizations.

Since 1990 they have brought their expertise to more than 300 cultural planning efforts and completed 32 projects in 21 cities, owned and operated by Artspace itself. Of these, 22 are live/work projects that contain almost 1,000 residential units, each with sufficient extra space to serve the resident artist as a studio. Many of them are "mixed-use" projects that also contain commercial space and/or space for arts organizations. These 32 projects throughout the U.S. represent a \$500 million public/private investment in America's arts infrastructure. Additional information is available at www.artspace.org.

Artspace has been meeting with artists, arts and community organizations and government partners in Hawai'i since 2009. Invited by the PA'I Foundation, with support from the Ford Foundation, the National Endowment for the Arts and ArtPlace, we have been working to understand the space needs of the creative community in Hawai'i. Through our work, we have come to understand how providing permanent, affordable space for the artist community here in Hawaii would meet city, county and state goals for economic development, transit oriented development and cultural preservation.

PA'I, organized in 2001, is a non-profit organization whose mission is to preserve and perpetuate Hawaiian cultural traditions for future generations. The goal of PA'I is to establish a cultural center on O'ahu to better serve the broader Hawaiian community.

PA'I is the organization of Pua Ali'i 'Ilima, a halau hula founded by kumu hula Vicky Holt Takamine in 1977. While the organization is centered around and supported by halau members, the purpose of PA'I is not centered around servicing the needs of the halau, but to address and serve the needs of native Hawaiians and those who make Hawai'i their home. To accomplish these goals, PA'I has

partnered with several organizations to successfully create and manage events, programs and outreach activities to strengthen the native Hawaiian community. Additional information is available at www.paifoundation.org.

2. **The goals and objectives related to the request;**

Artspace's and PA'I's discovery work together helped both organizations to better understand the space needs of the creative community in Hawai'i. Ola Ka 'Ilima Artspace is a mixed-use development that blends live/work space for artists and their families and commercial space for non-profit partners and community events and gatherings and is the resultant vision of that early work. Ola Ka 'Ilima Artspace will be located in the Kaka'ako neighborhood of Honolulu, a transitional neighborhood of light industrial property between the downtown business district and Waikiki Beach, very near the Ward Center shopping district.

Ola Ka 'Ilima Artspace will include **80 units of affordable live/work space for low-income artists and their families**. Residential units will feature high ceilings, large windows, durable surfaces, large doors, and wide hallways to accommodate a variety of creative activities. Each of the residential units will be larger than a typical affordable unit to allow for ample workspace. Like all Artspace projects, this building will be **multi-ethnic, multi-generational, and multi-disciplinary**.

Ola Ka 'Ilima Artspace will have more than **20,000 square feet of community and green space**, including an outdoor gardening area, and a community room available to residents, partnering non-profit organizations, and the surrounding community for rehearsals, exhibitions, performances and events. Ample parking will be provided to accommodate both residents and commercial tenants and their clients.

Approximately 4,000 square feet will be reserved for **PA'I Arts & Culture Center**, for Native Hawaiian dancers, musicians, visual artists, cultural practitioners and others who are interested in experiencing and sharing authentic Native Hawaiian cultural traditions. The Cultural Center will combine classroom space and flexible space for teaching and performing Hula, music, and other traditional practices.

Artspace was an early pioneer in distance learning for the arts with their project in Minneapolis, MN, the Cowles Center. There they use the latest technology in video conferencing to share with school children, all across the state, arts programming occurring at the Cowles Center giving them access to various arts and cultural experiences that only a few were enjoying within close proximity to the Cowles Center. Ola Ka 'Ilima Artspace will attempt to replicate this model in the PA'I space. Currently PA'I is a partner in an early pilot program funded by the FORD Foundation and led by Artspace using this technology to teach Hula to students in NYC. Through distance learning technology,

the Cultural Center will be networked to audiences and artistic partners both across the Islands and around the world.

Although it is a transit-oriented development, the project will provide adequate parking for residents and visitors.

In summary, the project goals are:

- Leverage artistic energy into advancing complementary public agendas, including affordable housing, economic development, transit-oriented development, community education, cultural preservation, and tourism
- Create affordable live/work space that allows multi-ethnic, multi-generational and multi-disciplinary artists to be more productive, more collaborative, and to earn more from their income from their creative pursuits
- Create affordable space where local non-profit partners can translate increased stability into increased programming and impact
- Structure Ola Ka 'Ilima to maintain its affordability and positive community impact over decades without relying upon on-going fundraising
- Create a home for the PA'I Arts & Culture Center to preserve and perpetuate Hawaiian cultural traditions for future generations

3. The public purpose and need to be served;

Ola Ka 'Ilima Artspace will leverage artistic energy into advancing complementary public agendas including affordable housing, economic development, transit-oriented development, community education, cultural preservation, and tourism.

This is an economic and revitalization project that will provide a couple hundred jobs during predevelopment and construction. These positions include those in the highly skilled sector such as architectural and design firms and those in other skilled professions such as electrical, HVAC and plumbing as well as laborers who will construct the building. Full time positions will also be created for a project manager and project assistant. Other consultant jobs will be created for graphic designers, marketing and publicity firms.

We also encourage you to think of these artists as entrepreneurs and micro-businesses and cottage industries. Most of the residents will have other jobs in the community from which they derive the majority of their income, as is often the case, but when given more space and affordable rents they can spend more time on their creative pursuit and potentially become more self-sufficient.

4. Describe the target population to be served; and

The target population includes all artists living in the State of Hawai'i at 50-60% of Area Median Income who income qualify for affordable housing based on HUD formularies. Native Hawaiian artists and cultural practitioners who will sustain the PA'I Native Hawaiian Arts and Culture Center, arts-related businesses to occupy the commercial spaces, visitors, residents and tourists who will come to experience activities at Ola Ka 'Ilima Artspace.

5. Describe the geographic coverage.

Although the project will be located in Kaka'ako, Honolulu, HI, the project will provide 80 units of affordable rental units for all of Hawaii's creative community who income qualify. This project will be multi-ethnic, generational, and disciplinary. Because of the early distance learning effort at PA'I we hope to eventually connect the Cultural Center to other islands and halaus, as well as a more global community that might be interested in sharing in the Hawaiian Cultural experience.

II. Service Summary and Outcomes

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

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

PA'I Executive Director, Vicky Holt Takamine is a well-recognized kumu hula, native Hawaiian activist and advocate for native Hawaiian rights and the protection of the natural and cultural resources of Hawai'i. She will be the lead cultural and community advisor on this project. PA'I will be hiring a project manager to interface between the Artspace team, assist with planning, communication, and coordination of all activities related to the development of Ola Ka 'Ilima Artspace. PA'I will also hire a project assistant who will provide administrative support to the project team including production and distribution of collateral, file management, data collection, report creation, research and other office related duties.

The Artspace team will be responsible for the development and construction of Ola Ka 'Ilima. Artspace President, Kelley Lindquist is the chief fundraiser for the project. He will interface with foundations, philanthropists and individuals to assist with funding the creative spaces and other areas not covered by government funding. Greg Handberg is responsible for overseeing the construction of the project from pre-development to completion. Cathryn Vandenberg will oversee all requests for proposals, be responsible for interviewing potential applicants and work with the Community Advisory Board for Ola Ka 'Ilima Artspace to review

artists and applicants for housing and the creative spaces. A Community Advisory Board has been organized comprised of artists and community members for Ola Ka 'Ilima Artspace. They will assist with helping to communicate the goals and objectives of the project, review applications from artists and other related activities.

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

See Attachment A – Project Timeline

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 Artspace President and PA'I Executive Director will monitor, evaluate and oversee the project to ensure quality and that all requirements and procedures are met. A recent survey of the artist market has been completed with data analysis in the works. A full report can be made available upon completion.

Artspace has monthly and sometimes weekly meetings for project leads and support staff to assess timelines and to share information and work on next steps. A fundraising plan is in place and several key meetings have already occurred to begin securing private and philanthropic support. Artspace has staff in Honolulu monthly.

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.**

Artspace will monitor, evaluate and oversee the project to ensure quality and all requirements and procedures are met.

III. Financial

Budget

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

Attachment B – Project Budget

GIA Page 4 – Budget Request by Source of Funds

GIA Page 5 – Personnel Salaries and Wages

GIA Page 6 – Budget Justification – Equipment and Motor Vehicles N/A

GIA Page 7 – Budget Justification – Capital Project Details

- 2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2014.**

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

- 3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2014.**

Ford Foundation - \$1,000,000
 National Endowment for the Arts - \$300,000
 ANA Native American Programs - \$145,000
 Office of Hawaiian Affairs - \$150,000
**other sources will be identified and pursued as we begin our private fundraising campaign*

- 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.**

The 201-H application has been submitted. Low Income Housing Tax Credits will be applied for in April 2013.

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.

With 32 projects in 21 states in operation or development the Artspace staff has the development experience to carry out the development tasks associated with a major mixed-use project. From site control to assembling financing through lease up, Artspace will manage all activities related to the Ola Ka 'Ilima Artspace project. PA'I will work closely with the Artspace team to insure the project meets the needs of Hawaii's creative community. Artspace has been in operation since 1979 and has deep knowledge and expertise in the following: philanthropic fundraising; use of housing tax credits, new market tax credits, and historic

preservation tax credits; stewardship of federal, state and local government funds including earmarks, bonds, grants and loans; construction management; lease-up and occupation; facilities management; artist selection; and tenant relationship management. Great strides are taken by Artspace on every single project in community relations to ensure that goals are met for and voices are heard in each community.

For the past 35 years, Executive Director & Kumu Hula Vicky Holt Takamine has been organizing and planning events and festivals. In 2010, Takamine was the Conference Director for the Healing Our Spirit Worldwide Gathering of Indigenous People in Honolulu, HI. More than 2000 Indigenous people from First Nations Canada, Native Americans from the Continental USA, Maoris from New Zealand and Aborigines from Australia attended the event.

Events and projects created and managed by PA'I include:

MAMo: Maoli Arts Month 2006-present Since 2006, PA'I has successfully organized and implemented this month - long celebration to highlight native Hawaiian arts, artists and cultural practitioners. Held annually in May, we have partnered with the Bishop Museum to coordinate a two day Native Hawaiian Arts Market and Keiki Arts Festival on the grounds of the Bishop Museum. We have also partnered with the Bishop Museum and the Arts at Mark's Garage to coordinate exhibits and workshops in downtown Honolulu art galleries.

Ho'oulu Project 2004-2010: Since 2004 PA'I has sent 45 native Hawaiian high school sophomores and juniors to Harvard Medical School for a three week summer program to study substance and drug abuse.

Hapa Haole Hula & Music Festival 2003-present

The Hapa Haole Festival event brings together musicians, dancers, and scholars to showcase the music and dance of this interesting Hawaiian dance genre. The project objective is to create activities and events that showcase Hapa Haole Music and dance that will be of interest to residents, visitors, scholars, collectors, students, musicians, dancers, artists, keiki and kupuna.

Native Rights Educational Outreach Programs 1997 - present

PA'I Foundation collaborates with other institutions and organizations to educate the broader Hawaiian community about Hawaiian history, native Hawaiian rights and other issues. It is hoped that we can improve the relationships between the tourist industry, immigrants to Hawai'i, and long time residents and established communities who choose to live in our ancestral land. Events include Ka 'Aha Pono, Intellectual Property Rights conference, Onipa'a Celebration for Queen Lili'uokalani and Kū I Ka Pono. Partners include the Association of Hawaiian Civic Clubs, Kamehameha Schools, Queen Lili'uokalani Children's Center, Hawai'i Pono'ī Coalition and others.

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. The applicant shall also describe how the facilities meet ADA requirements, as applicable.

Artspace owns and operates 32 projects across the county. All of our projects meet ADA requirements as well as all other local government building and housing requirements and codes. Our facilities are designed and managed to ensure compliance with all Federal and State housing and disability requirements.

PA'I has offices and a dance studio and gallery space located in the Kapālama Shopping Center in Kalihi, Honolulu, O'ahu. Their facility meets ADA requirements and is on the ground floor. It is a multipurpose facility providing meeting space and dance studio for other halau hula including Takamine's halau, Pua Ali'I 'Ilima. Other kumu hula currently using the space for practice and teaching include Robert Cazimero, Leialoha Amina and Momiala Kamahale. Actor/director Keo Woolford used the space to audition and rehearse for his film production Under the Hula Moon. Other artists have used the dance studio for Zumba classes and information meetings. They have the ability to hold small community meetings, planning meetings and interviews for the Ola Ka 'Ilima project.

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.

L. Kelley Lindquist, *President*

Kelley Lindquist has been president of Artspace Projects since 1987. Under his leadership, Artspace has grown from a staff of one and an annual budget of \$60,000 into the nation's leading nonprofit developer of space for artists with a staff of 33, a budget of \$10 million, and stewardship of 32 major projects in 13 states containing more than two million square feet of residential, studio, office, rehearsal, and performance space.

Mr. Lindquist's expertise has made him much in demand as a consultant and speaker, and he is frequently invited to speak at national and international conferences on the role of artists and arts facilities in urban revitalization.

Before joining Artspace, Mr. Lindquist held managerial positions with the Dayton Hudson (now Target) Corporation, J. B. Hudson Jewelers, the Minnesota Orchestra, and the Guthrie Theater, where he was senior manager of facilities from 1985 to 1987. Mr. Lindquist graduated *magna cum laude* from the University of Minnesota with a BA degree in European history. He is a member of Phi Beta Kappa.

Greg Handberg, *Senior Vice President, Properties*

Greg Handberg joined Artspace in 1999 as a project manager on the property development team. His responsibilities include oversight of all projects in development or planning and of the asset management division. He also manages Artspace's financial relationship with Performance Property Management Co., its for-profit subsidiary.

Mr. Handberg has extensive experience working in both commercial and nonprofit real estate development. Before joining Artspace, he worked as a Development Manager for Twin Cities Housing Development Corporation, a Saint Paul-based nonprofit developer of affordable housing. Earlier, he was a Senior Associate at Byrne McKinney & Associates, a Boston commercial development consulting firm. During his time in Boston, he specialized in projects involving partnerships between public entities and the private sector.

Stacey Mickelson, *Director, Government Relations*

Mr. Mickelson joined the Artspace team in June 2001 and is the Vice President of Government Relations. Mr. Mickelson was raised in Minot, North Dakota, and represented that community for six years in the North Dakota House of Representatives. Elected in 1994, he was one of the youngest legislators in the state's history. He went on to win subsequent elections in 1996 and 1998 before retiring from elective office. He served on the House Finance and Tax Committee and as Vice-Chairman of the House Transportation Committee.

As VP of Government Affairs he was responsible for the public funding effort of the Minnesota Cowles Center campaign, leading a team that secured \$12 million from the Minnesota Legislature. He has also secured nearly \$1 million in federal funds for education efforts at the Cowles Center, resulting in the creation of a national award-winning technology-based distance education program with a global reach. Together with Artspace staff and other leaders he has helped secure another \$1 million in HUD and Interior (Save America's Treasures) funds to support other projects in the portfolio. In 2008, as part of a consortium of other Low Income Housing Tax Credit (LIHTC) housing developers, he helped influence change in federal policy that clarified the General Public Use Requirement of the LIHTC Code to explicitly protect the creation of affordable live/work spaces for artists and their families.

VI. Other

A. Litigation

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

N/A

B. Licensure or Accreditation

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

N/A

BUDGET REQUEST BY SOURCE OF FUNDS

(Period: July 1, 2013 to June 30, 2014)

Applicant: Ola Ka 'Ilima Arts Center LLC

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. Architectural Design	400,000			
10. Environmental Studies	50,000			
11. Engineering	50,000			
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
TOTAL OTHER CURRENT EXPENSES	500,000			
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	3,000,000			
TOTAL (A+B+C+D+E)	3,500,000			
SOURCES OF FUNDING		Budget Prepared By: 612-810 1759		
(a) Total State Funds Requested	3,500,000	<div style="display: flex; align-items: center;"> <div style="flex: 1;"> <p style="font-size: 1.2em; margin: 0;">STACY MICHAELSON</p> </div> <div style="flex: 0.5; text-align: right;"> <p>Phone</p> </div> </div>		
(b) LIHTC/NMTC	17,600,000			
© First Mortgage/Housing Funds	14,900,000	<div style="display: flex; align-items: center;"> <div style="flex: 1; background-color: black; width: 100%; height: 20px;"></div> <div style="flex: 0.5; text-align: right;"> <p>Date</p> </div> </div>		
(d) Philantropy/Deferred Fee	3,700,000	<div style="display: flex; align-items: center;"> <div style="flex: 1;"> <p style="font-size: 1.2em; margin: 0;">P. V. PO</p> </div> <div style="flex: 0.5; text-align: right;"> <p>Date</p> </div> </div>		
TOTAL BUDGET	39,700,000	<div style="display: flex; align-items: center;"> <div style="flex: 1;"> <p style="font-size: 1.2em; margin: 0;">P. V. PO</p> </div> <div style="flex: 0.5; text-align: right;"> <p>Name and Title (Please type or print)</p> </div> </div>		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: Ola Ka 'Ilima Arts Center LLC

Period: July 1, 2013 to June 30, 2014

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
N/A - There are no plans to use GIA funds for Salaries and Wages				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: Ola Ka 'Ilima Arts Center LLC

Period: July 1, 2013 to June 30, 2014

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
N/A - There are no plans to use GIA funds to purchase equipment or vehicles			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

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

BUDGET JUSTIFICATION CAPITAL PROJECT DETAILS

Applicant: Ola Ka 'Ilima Arts Center LLC

Period: July 1, 2013 to June 30, 2014

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: 2011-2012	FY: 2012-2013	FY:2013-2014	FY:2013-2014	FY:2014-2015	FY:2015-2016
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION			3,000,000			
EQUIPMENT						
TOTAL:	-	-	3,000,000		-	-
JUSTIFICATION/COMMENTS:						

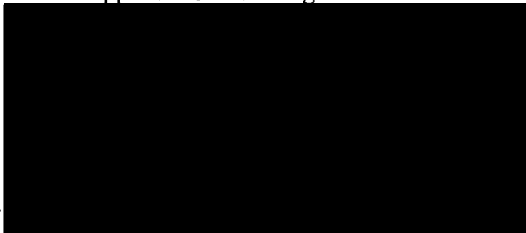
**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS AND SUBSIDIES PURSUANT TO
CHAPTER 42F, HAWAII REVISIED STATUTES**

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 and subsidies 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 or subsidy 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 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.
- 2) 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 or subsidy 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 or subsidies 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.



Center LLC
tion)
1-25-2013
(Date)

Stacey Mickelson, Vice President Government Relations
(Typed Name) (Title)

**OLA KA ILIMA
HONOLULU, HI
FINANCIAL SUMMARY**

CAPITAL BUDGET

Sources of Funds

Residential First Mortgage	\$5,500,000
Commercial First Mortgage	\$1,400,000
City HOME	\$2,000,000
City Affordable Housing Funds	\$1,500,000
State RHTF	\$3,500,000
Federal Home Loan Bank AHP	\$1,000,000
State GIA	\$3,500,000
Public Parking Contribution	\$0
Private Sector Philanthropic/Cultural Facility F	\$1,700,000
NMTC	\$2,000,000
Deferred Developer Fee	\$1,996,796
LP Federal/State Historic TC	\$0
LP Equity - State LIHTC	\$3,249,675
LP Equity - LIHTC	\$12,348,765

Total Sources of Funds	\$39,695,236
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Uses of Funds

Acquisition	\$1
Construction	\$28,980,017
Construction Related Professional Fees	\$2,515,234
Construction Financing and Interim Costs	\$2,475,000
Permanent Financing Fees	\$224,000
Soft Costs	\$566,000
Tax Credit Syndication Costs	\$0
Developer Fee	\$4,000,000
Legal	\$175,000
Reserves	\$759,984

Total Uses of Funds	\$39,695,236
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PROJECT SURPLUS (DEFICIT)	\$0
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Residential Cost:	\$ 31,824,944
Residential Cost Per Dwelling Unit	\$ 397,812
Commercial Cost:	\$ 7,870,292
Commercial Cost Per Square Foot	\$ 185.59



STAFF ORGANIZATION CHART – ATTACHMENT *BY C*
September 11, 2012

