

House District All

Senate District All

THE TWENTY-SEVENTH LEGISLATURE
APPLICATION FOR GRANTS AND 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): LABOR, OCS
STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN):

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:

Hawaii Public Television Foundation

Dbas: PBS Hawaii

Street Address: 2350 Dole Street, Honolulu, HI 96822

Mailing Address: 2350 Dole Street, Honolulu, HI 96822

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name LESLIE WILCOX

Title President and CEO

Phone # (808) 372-6055

Fax # (808) 973-1090

e-mail wilcox@pbshawaii.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:

CAPITAL CAMPAIGN FOR NEW HOME FOR PBS HAWAII

4. FEDERAL TAX ID #:

5. STATE TAX ID #:

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2015: \$2,000,000

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 \$6,000,000
FEDERAL \$
COUNTY \$
PRIVATE/OTHER \$15,400,000

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

LESLIE WILCOX, PRESIDENT AND CEO

1/30/14

Application for Grants and Subsidies

I. Background and Summary

1. A brief description of the applicant's background

PBS Hawaii has served Hawaii for nearly 50 years, delivering equal access to the best non-commercial, curriculum-rich children's programs, trusted and balanced news reporting, world-class arts performances and outstanding local shows. With a mission to advance learning and discovery through storytelling that profoundly touches people's lives, the PBS Hawaii brand is synonymous with substance, quality, diversity and exploration. Established in 1965 as the State-funded Hawaii Educational Television Network, providing educational TV for the University of Hawaii, PBS Hawaii is now Hawaii's sole member of the Public Broadcasting Service and a 501c(3) nonprofit organization.

2. The goals and objectives related to the request

For over 10 years, PBS Hawaii has leased facilities from the University of Hawaii at Manoa. Because the University needs the space we are occupying to house its own scholastic programs, we have been placed on a short-term lease and are in urgent need of a new home. We have already made a debt-free purchase of an ideal new property on Sand Island Access Road where the old KHNL/KFVE Newsplex used to stand. We are engaged in our first new building campaign to pay for the renovation of this site, to which we expect to move in 2016. The goal of this request is to secure funding that will allow us to complete the construction of a permanent home for PBS Hawaii.

3. The public purpose and need to be served

PBS Hawaii combines technology and touch to build community. Through skill-building training in 88 schools with HIKI NŌ, that nation's first statewide student news network; interactive programs distinguished by civil discourse; national and international information programs promoting lifelong learning; arts and cultural showcases that bring the world to Hawaii and Hawaii to the world; and at PBS Hawaii Keiki Club events promoting health, learning and a positive sense of wonder about the world, PBS Hawaii serves as an instrument for community strengthening and engagement.

Public television is a force for good, culturally, politically and especially educationally. Since its inception 49 years ago, public media has worked with visionaries like Fred Rogers (*Mr. Roger's Neighborhood*) and the people at the Sesame Workshop to harness the power of television to help kids learn. At that time, this was a revolutionary new role for mass media: using television to prepare all children (inner city, rural, and suburban alike) for school and life. Today, educational researchers have proclaimed PBS as "America's largest preschool classroom," and since public television is free, every family, rich or poor, has same access to these great

children's programs. Our new building will ensure that we continue to be Hawaii's largest "classroom," bringing Big Bird and his friends to new generations.

4. Describe the target population to be served

From *Sesame Street*, to *Downton Abbey*, from HIKI NŌ to *Na Mele*, PBS Hawaii is committed to programming and projects that are inclusive of, and give voice to, the state's diverse island community, from *keiki* to *kupuna*.

PBS Hawaii's free, curriculum rich children's programming plays a vital role in closing the achievement gap. A vast and growing body of research shows that PBS Kids programs help young children gain critical academic skills and that children from economically disadvantaged families, whose children cannot attend preschool, benefit most of all.

With PBS Hawaii programs also accessible online, we are bringing authentic Hawaii stories to a global community. And through our student news network, HIKI NŌ, we have hands-on engagement with over 1,000 students and 100 teachers from 84 schools statewide, including 38 Title I schools.

5. Describe the geographic coverage.

By providing both antenna and cable signals, PBS Hawaii's unparalleled national and local programming reaches underserved, rural areas where it is unprofitable for cable television to operate (e.g., Hawaii Ocean View Estates in Ka'u, where 25% of the population is below the poverty line; and Mountain View in the Puna District with 30% of the population below the poverty line). With the largest broadcast footprint in Hawaii, PBS Hawaii reaches more vulnerable families than any other station in the state.

II. Service Summary and Outcomes

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

A \$2 million grant-in-aid will be used for demolition, renovation, cabling, purchase and installation of key equipment, and other related costs in order to complete construction of a viable television station at the Sand Island Access Road facility. After conducting cost savings analyses and undergoing several rounds of value engineering, the total actual cost to finish construction is now \$27 million, significantly lower than the original estimate. We have already raised \$21.4 million and have an invitation from a funding source to fund the last \$3 million. A \$2 million grant-in-aid will enable us to go to this source for final funding.

We have already purchased the new property and have selected Cumming Corp USA, a project and cost consulting firm, to serve as our owner's representative. We have also begun working with HA Designs, our building integrators, and Group 70 International, our architects, on broadcast systems integration. PBS Hawaii's Board of Directors oversee the capital improvement project. The owner's rep will also ensure that the project is completed on time and on budget.

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

| | |
|-----------------------------|--|
| February 2013 – June 2014: | Construction Design and Document Phase |
| July 2014: | Start of Demolition |
| August 2014 – January 2016: | Construction |

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

To ensure the building design meets the station’s unique needs, we have hired Group 70, a respected, local architectural firm. Taking the input gathered from staff, board and stakeholders, the architect designed a dynamic space that incorporates the wide variety of services that PBS Hawaii wants to continue to provide to the community as well as allowing ample room to grow into a gathering place.

PBS Hawaii will go through a bid process to select a licensed contractor. A project manager will oversee construction. Evaluation of the construction project will be reviewed on an on-going basis by the Facilities Committee of PBS Hawaii’s Board of Directors and progress reports will be made to the full board of PBS Hawaii.

4. List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency).

If awarded, PBS Hawaii shall provide reports to the State that measures the progress of the construction of our new home against our timeline.

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 2015.**

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

- 3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2015.**

Local and Mainland Foundations \$3,600,000

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.**

Not applicable.

5. **The applicant shall provide the balance of its unrestricted current assets as of December 31, 2013.**

The net unrestricted current assets as of December 31, 2013 is \$1,508,917.

IV. Experience and Capability

A. Necessary Skills and Experience

PBS Hawaii Facilities Committee

Under the leadership of Board Chair, Robert Alm, and President and CEO, Leslie Wilcox, a Facilities Committee was convened that includes members of the PBS Hawaii Board of Directors and other community leaders with expertise in general contracting, development and building supplies and manufacturing.

Beth Lum, Capital Campaign Consultant

Beth joined Creative Fundraising Associates, Inc. in 1995 and currently serves as Executive Vice President. As a fundraising consultant, she has helped to secure over \$175 million for various non-profit organizations in Hawaii over the past twenty years. For the past five years, Beth has also taught the fund development module for the Kapiolani Community College Not for Profit Management Program and serves as an instructor for the Weinberg Fellows and Castle Colleagues Programs. She was past board president of Moiliili Community Center and continues to serve on their board.

B. Facilities

Currently, PBS Hawaii leases its facilities from the University of Hawaii. The lease expires in 2016 at which time the University will be moving its own scholastic programs into PBS Hawaii space. PBS Hawaii has already purchased property at the corner of Nimitz Highway and Sand Island Access Road for its new home. This site previously housed KHNL/KFVE's Newsplex. PBS Hawaii will use the existing framework as a base for the new building, lowering the cost of the renovation. The new facility will be designed to be ADA compliant and accessible to the public.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

Proposed staffing for the new PBS Hawaii home will remain the same. PBS Hawaii's 26-member board consisting of leaders from the community will be responsible for ensuring proper implementation of the capital campaign, along with President and CEO Leslie Wilcox.

Key PBS Hawaii Staff

Leslie Wilcox, President and CEO

Leslie Wilcox heads a lean, media-seasoned team in running Hawaii's public television system. It is the islands' only nonprofit educational TV station and the sole Hawaii member of the trusted Public Broadcasting Service (PBS). A former longtime print and broadcast journalist, Leslie has served as assistant news director and executive producer at commercial TV stations and anchored Hawaii's nightly news on CBS, NBC and Fox affiliates. She was a co-anchor of Asia Now, a PBS program seen in 166 U.S. cities. She also has produced documentaries and moderated statewide live televised election debates.

At PBS Hawaii, Leslie is leading initiatives that go further and deeper in meeting the state's educational needs. One of the programs is the award-winning HIKI NŌ ("can do"), the nation's first statewide student news network, with 84 public, private and charter schools. The network includes students from the private island of Niihau. PBS Hawaii staff train HIKI NŌ students in 21st-century skills and provide free professional development for teachers in media literacy, journalism and video production. The result is a quality weekly primetime student newscast with youth voices.

Under Leslie's seven-year leadership, PBS Hawaii has expanded local programming and international perspectives, particularly from Asia and the Pacific, as the state serves as a crossroads for East and West. Following the 2011 Japan earthquake, PBS Hawaii provided ten uninterrupted hours of satellite-live tsunami coverage from Japan's public broadcaster, NHK.

Leslie is a member of the national governing board of the Association of Public Television Stations, and serves as a board director of The Queen's Medical Center and the East-West Center Foundation in Honolulu. She was named a Ho'okele Outstanding Nonprofit Leader by the Hawaii Community Foundation in 2011; Pacific Business News' "Businesswoman of the Year," nonprofit sector, in 2012; and one of eight "Women Who Make a Difference" in 2013, recognized by the International Women's Forum.

Robert Pennybacker, Executive Producer, Learning Initiatives

Robert began his career as a producer-director at Hawaii's CBS affiliate (later to become Promotion Manager for that station), and moved to the NBC affiliate in 1994 as its Director of Marketing. In 2001 he left the FOX station to start his own production and marketing firm—Pennybacker Creative, LLC. Under that banner he has written approximately twelve television documentaries and has written, produced, and directed award-winning marketing videos,

commercials, and PSAs. For the last five years Robert was Vice President of Creative Services at PBS Hawaii, overseeing all of the station's local productions. He is now the Executive Producer, Learning Initiatives, a new division at PBS Hawaii which reflects the importance of the organization's groundbreaking educational work in the community. In this position, he will be responsible for the management and evolution of HIKI NŌ, PBS Hawaii's student news network.

B. Organization Chart

See attached.

C. Compensation

The applicant shall provide the annual salaries paid by the applicant to the three highest paid officers, directors, or employees of the organization by position.

The top three positions and salaries are as follows:

██████████, President and CEO, \$200,683
██████████, Senior Vice President and CFO, \$113,034
██████████, Vice President of Creative Services, \$86,700

VI. Other

A. Litigation

PBS Hawaii is not a party to any pending litigation.

B. Licensure or Accreditation

PBS Hawaii is a member of the Public Broadcasting Service and is licensed by the Federal Communications Commission (FCC).

BUDGET REQUEST BY SOURCE OF FUNDS

(Period: July 1, 2014 to June 30, 2015)

Applicant: PBS Hawaii

| BUDGET CATEGORIES | Total State Funds Requested (a) | Private Funding (b) | 2011, 2012, 2013 Grants-in-Aid (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 | | | | |
| 10 | | | | |
| 11 | | | | |
| 12 | | | | |
| 13 | | | | |
| 14 | | | | |
| 15 | | | | |
| 16 | | | | |
| 17 | | | | |
| 18 | | | | |
| 19 | | | | |
| 20 | | | | |
| TOTAL OTHER CURRENT EXPENSES | | | | |
| C. EQUIPMENT PURCHASES | | | | |
| D. MOTOR VEHICLE PURCHASES | | | | |
| E. CAPITAL | 2,000,000 | 19,000,000 | 6,000,000 | |
| TOTAL (A+B+C+D+E) | | | | |
| SOURCES OF FUNDING | | Budget Prepared By: | | |
| (a) Total State Funds Requested | 2,000,000 | Leslie Wilcox | 808-372-6055 | |
| (b) Private Funding | 19,000,000 | Name (Please type or print) | Phone | |
| (c) 2011, 12, 13 GIA Funding | 6,000,000 | [REDACTED] | | |
| (d) | | | | |
| TOTAL BUDGET | 27,000,000 | Leslie Wilcox, President and CEO | | |
| | | Name and Title (Please type or print) | | |

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: PBS Hawaii

Period: July 1, 2014 to June 30, 2015

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

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: PBS Hawaii

Period: July 1, 2014 to June 30, 2015

| DESCRIPTION EQUIPMENT | NO. OF ITEMS | COST PER ITEM | TOTAL COST | TOTAL BUDGETED |
|--------------------------------|-----------------|------------------|---------------|-------------------|
| N/A | | | \$ - | |
| | | | \$ - | |
| | | | \$ - | |
| | | | \$ - | |
| | | | \$ - | |
| 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: PBS Hawaii

Period: July 1, 2014 to June 30, 2015

| 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: 2012-2013 | FY: 2013-2014 | FY:2014-2015 | FY:2014-2015 | FY:2015-2016 | FY:2016-2017 |
| PLANS | | | | | | |
| LAND ACQUISITION | 5,200,000 | | | | | |
| DESIGN | 1,000,000 | | | | | |
| CONSTRUCTION | 9,241,500 | 5,958,500 | 2,000,000 | 3,600,000 | | |
| EQUIPMENT | | | | | | |
| TOTAL: | 15,441,500 | 5,958,500 | 2,000,000 | 3,600,000 | | |
| JUSTIFICATION/COMMENT | After conducting cost savings analyses and undergoing several rounds of value engineering, the total actual cost to finish construction is \$27 million, lower than original estimate. We have already raised \$21.4 million and have an invitation from a funding source to fund the last \$3 million. A \$2 million grant-in-aid will enable us to go to this source for final funding. | | | | | |

**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, Hawaii 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, Hawaii 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, Hawaii 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, Hawaii 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.

PBS Hawaii

(Typed Name of Individual or Organization)


(Signature)

1/31/14

(Date)

Leslie Wilcox

(Typed Name)

President and CEO

(Title)

