

House District _____

Senate District _____

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): _____

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:

Kaua'i Economic Development Board

Db:

Kaua'i Creative Technology Center

Street Address

4290 Rice Street

Lihue, Kaua'i, HI 96766

Mailing Address:

Kaua'i Economic Development Board

4290 Rice Street

Lihue, Kaua'i, HI 96766

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name MERRILEE AKO

Title Vice President, Kaua'i Economic Development Board

Phone # (808) 245-6692

Fax # (808) 246-1089

e-mail mako@kedb.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:

Funding is requested for capital construction costs of the new Kaua'i Creative Technology Center (KCTC), a 32,000 square foot community center for digital media production, education, and collaboration.

KCTC will promote creativity and innovation through the use of technology. It will be a state-of-the-art facility that offers industry-grade equipment and technology-based educational programs that cultivate local talent and catalyze job creation and economic growth on Kaua'i.

4. FEDERAL TAX ID #: _____

5. STATE TAX ID #: _____

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2015: **\$3,750,000**

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 \$ 0

COUNTY \$ 0

PRIVATE/OTHER \$ 0

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

AUTHORIZED SIGNATURE

MERRILEE AKO, VICE PRESIDENT
NAME & TITLE

DATE SIGNED

1/27/14

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;

Kauai Economic Development Board (KEDB) is a private, non-profit organization formed in 1984 by a group of business leaders who recognized the need to broaden and strengthen Kauai's economy. The primary purposes of the organization are to explore potential areas for economic diversification and to create and strengthen industries that can flourish on Kaua'i. KEDB has successfully initiated and managed dozens of high impact projects in partnership with businesses as well as state and federal government agencies, driving economic growth in diverse sectors including high technology, energy, tourism, agriculture and education.

Funding is requested to support capital construction costs of the new Kaua'i Creative Technology Center (KCTC) in the amount of \$3.75M toward a total construction budget of \$15M. The mission of KCTC is job creation and work force development through the use of technology while fostering creativity and innovation. It will manage a state-of-the-art facility that offers industry-grade equipment and technology-based programs that cultivate local talent and catalyze economic growth on Kaua'i.

Two years in development, KCTC is a "shovel-ready" project. The viability of the project has been firmly established by a feasibility study (2012) and a comprehensive business plan (2013) funded by the County of Kaua'i, and commissioned by KEDB. The 2012 feasibility study showed strong community readiness and high demand for a creative technology center that will provide facilities, equipment, education, training and job development on Kaua'i. The 2013 business plan showed that the facility would become a self-sustaining entity with realistic revenue streams.

In all, the Center has received overwhelming support by Kaua'i's film, business, education, technology and cultural communities as well as by local and state government officials.

Statewide, the film industry grew to \$184M in 2011, a 58% increase from 2006. A professional digital media center, coupled with Kaua'i's known scenic appeal, enhanced tax incentives and an increasingly technology-based workforce, can help Kaua'i capture a proportionate share of the growing creative industries economy.

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

The vision of a creative technology center was first proposed in the Kauai Comprehensive Economic Development Strategy (CEDS) report published in March 2010 by the State of Hawai'i's Office of Planning, Department of Business Economic Development & Tourism (DBEDT) along with the Kaua'i Economic Development Board (KEDB).

KCTC will be a centralized state-of-the-art training, production and presentation center for digital media and the creative industries. It will be a place of learning, collaboration and creativity, where ideas and dreams become reality. KCTC will serve as the catalyst to enhance a growing economic engine that will be a significant part of Kaua'i's future.

KCTC will be a 32,000 square foot facility with versatile commercial and community spaces for film and video production, performing arts, recording, editing, teaching, training, co-working and video-conference meetings. It will be the only mini-sound stage option for movie and television production teams on Kaua'i and will offer high-speed broadband connectivity for global digital collaboration.

- See attached KCTC concept floor plan in the Appendix.

3. *The public purpose and need to be served;*

Kaua'i -- unlike Mau'i, Hawai'i Island and O'ahu -- does not have a professional sound stage and production studio and its attendant apprenticeship and training opportunities. By fostering a pool of local talent at the "top of their game" KCTC will generate new independent productions and capture more of the dollars spent by mainland film and television production companies that already recognize the unique qualities of Kaua'i (*The Descendants, Jurassic Park, Pirates of the Caribbean*).

The KEDB feasibility report resulted from more than two years of meetings with a diverse range of Kaua'i's communities. There is a strong demand from Kaua'i's academic, cultural and professional media communities for a central facility and a continuum of complementary and supplementary resources to aid in professional development and job creation in the creative industries.

• Key findings from the KEDB feasibility study show that:

- a creative technology center will elevate Kaua'i's economic development, not only by growing the creative industries, but also by adding lift to economic drivers such as tourism, marketing of agricultural products and encouraging entrepreneurial development.
- film industry expenditures in Hawai'i grew from \$116.4M in 2006 to \$184.1M in 2011, and total jobs generated in the economy grew from 1,410 in 2006 to 1,946 in 2011.¹
- on Kaua'i average revenue from film productions is between \$1.3M and \$1.8M, but can top \$60M in years with multiple major productions.²
- a higher tax incentive on the neighbor islands (25% vs. 20% on Oahu) means it could be more profitable for productions to be filmed on Kaua'i if the available resources were comparable to that found on Oahu.
- a creative technology center can be a new employer and job creator as demonstrated by examples of successful media centers studied on the continental U.S..
- a professional-level creative technology center will build upon the already excellent programs on the island and create a continuum of learning and development that will serve everyone from elementary school children to community-college students and established professionals.
- a flexible, multipurpose facility is the most cost-efficient way to serve a broad spectrum of programs and needs on the island of Kaua'i.
- the center can make available much-needed high-speed broadband that will connect the community to other production and distribution facilities around the world.

¹ Source: State of Hawai'i. Department of Business, Economic Development & Tourism. *Hawai'i's Creative Industries, Update Report 2012*. July 2012

² Source: Kaua'i County film commissioner Art Umezu as quoted in Pacific Business News, "State gives its film industry a boost." May 3, 2013

4. *Describe the target population to be served; and*

KCTC will serve a diverse and growing population of individuals and businesses involved in the creative industries including students, educators, independent producers, performing arts groups, professional photographers, filmmakers, designers and web developers. Additionally, small businesses of any type will utilize KCTC's high-speed broad service to conduct meetings and to collaborate across the islands and beyond.

The 2010 DBEDT report on Hawaii's Creative Industries identified the market as an emerging one, potentially ready for "take off". It revealed that in the County of Kaua'i there were more than 1,400 people employed in the sector. Importantly, it noted that the growth of computer and digital jobs on Kaua'i was remarkable and far outstripped the growth of those jobs nationwide.

Leroy Laney , in his 2013 First Hawaiian Bank Economic Outlook for Kaua'i, stated that "movies are a big thing for Kaua'i" as a part of its economic future.

5. *Describe the geographic coverage.*

KCTC will principally serve the creative industry communities on Kaua'i in its initial phases (2015-2017). But, as a result of Kaua'i's unique geographic and cultural beauty, and a comprehensive marketing plan, it has the potential to serve -- and capture revenue from -- industry professionals from across the State of Hawaii as well as from the mainland and around the world.

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;*

Funding is requested to support capital construction costs of the new Kaua'i Creative Technology Center (KCTC) in the amount of \$3.75M. KCTC is a "shovel-ready" project with a total construction budget of \$15M. After extensive meetings with community stakeholders and a thorough review of potential locations, the state-owned site presently occupied by the old Lihu'e Police Station has been identified as an ideal location. Kaua'i Mayor Carvalho strongly supports the KCTC project and KEDB is in the process of obtaining the building site.

KCTC will include:

- 32,000 square feet of versatile spaces for use by the community, individual and commercial producers.

- spaces for recording, editing, co-working, performing, teaching, video conferencing, community meetings and more.
- the only mini-sound stage option for movie production teams on Kaua'i.

- office and production spaces for rent.

- state-of-the-art technology, software and equipment.

- high-speed broadband service allowing users to connect and collaborate globally.

- technical classes and workshops for students and adults.

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

- 2014-2015 construction development and fundraising
- 2016-2017 construction

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

KEDB will monitor and evaluate the progress of the design and construction phase of KCTC using its staff's extensive experience in successfully planning and bringing to completion previous capital construction, community building and economic development projects. KEDB will also draw upon the expertise of its members for regular evaluation and recommendations for improvement.

KEDB will engage the services of leading companies, agencies and consultants for architecture, interior design, engineering and environmental and cultural impact assessments for KCTC. All aspects of the project will be put out to bid and the selection process will include review of work history, commitment to timelines and agreed upon budget and payment terms.

4. *List the measure(s) of effectiveness that will be reported to the State agency through which grant funds are appropriated (the expending agency). The measure(s) will provide a standard and objective way for the State to assess the program's achievement or accomplishment. Please note that if the level of appropriation differs from the amount included in this application that the measure(s) of effectiveness will need to be updated and transmitted to the expending agency.*

For the construction phase of KCTC, KEDB measures of success will include:

- architectural aesthetic excellence and environmental sustainability
- ability to complete project phases on deadlines and within budget

- community support and participation

After construction is complete and KCTC is up and running, several measures will be used to gauge its success including:

- community involvement / use of the facility
- number of clients using the facility and client evaluations of services provided
- cost / revenue analysis of operations
- new and/or continued support by foundations, government, philanthropists
- quality of productions generated measured by awards, media reviews, etc.
- number of non-Kaua'i production companies using the facility

KEDB will collect both quantitative and qualitative data whenever possible and will share this data with relevant State expending agencies.

III. Financial

Budget

- *The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.*
- Please see attached budget sheets in the Appendix.
- *The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2015.*

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$3,750,000				\$3,750,000

- *The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2015.*
- Atherton Family Foundation
- Annie Sinclair Knudsen Memorial Fund / Kaua'i Community Grants Program
- Kaua'i Island Utility Cooperative (KUIC)
- The James M. Cox Foundation
- The Harry and Jeanette Weinberg Foundation
- Antone & Edene Vidinha Charitable Trust
- The Clarence T.C. Ching Foundation
- G.N. Wilcox Trust
- Elsie H. Wilcox Trust
- Hawaii Community Foundation
- McInerny Foundation
- Strong Foundation

- Bank of Hawaii Foundation
 - First Hawaiian Bank Foundation
 - Young Brothers / Hawaiian Tug & Barge
 - Oceanic Time Warner
 - Hawaii Gas
 - National Endowment for the Arts / Our Town
 - Ford Foundation
 - W.K. Kellogg Foundation
 - U.S. Economic Development Administration
 - Private donations from major contributors
- *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.*

NA

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

\$0 as of December 31, 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.

Kauai Economic Development Board (KEDB) is a 501(c) (3) non-profit organization formed in 1984 by a group of business and community leaders who realized the importance of broadening and strengthening Kauai's economy. In 2014 KEDB will celebrate its 30th anniversary.

The organization continues to maintain strong partnerships with various state, county, and federal authorities. It has established solid strategic collaborations with the Pacific Missile Range Facility (PMRF), the County of Kaua'i, Kaua'i Visitors Bureau, and Kaua'i Community College. At the state level, it has partnered with the Department of Business, Economic Development and Tourism (DBEDT) and High Technology Development Corporation (HTDC),

generating funding sources for many of our initiatives. At the federal level, KEDB sustains a strong liaison with our Congressional members and continues to work closely with the Economic Development Administration to bring federal dollars to Kaua'i.

KEDB has worked diligently to support educational development programs to foster and cultivate Kauai's future workforce. These educational programs actively encourage involvement from our business community. The Aloha 'Ike Program, an initiative of the KEDB Education Committee, has supported K-12 teachers throughout the island with direct funds to enrich their classroom activities. Since the inception of the grant program in 2005, one hundred forty-one projects have been funded impacting more than four thousand students from around the island. A total of half a million dollars has been invested into Kaua'i's education community.

KEDB supports both business interests and the visitor industry through a variety of services, activities and programs. These include an array of historical and cultural activities and displays at the West Kaua'i Visitor's & Technology Center (WKTVC); representation at mainland conferences/symposiums; and attracting science and technology conferences, symposiums and workshops to Kaua'i.

KEDB has initiated and brought to completion two important capital construction projects.

The West Kaua'i Technology & Visitor Center, Phase I was a capital construction project in partnership with the County of Kaua'i. Funded by the US Department of Commerce, EDA division at \$2.4 million, the building sits on 1.0 acres with a total footprint of 7,500/ SF. The Center opened in the Spring of 1999, offering office suites to defense contractors that serviced the Pacific Missile Range Facility (PMRF).

The second capital construction project, the West Kaua'i Technology Center, Phase II was a sole venture of the organization. With a project budget of \$4,598,900, funded through US Department of Commerce – EDA, US Department of Housing & Urban Development, State of Hawaii CIP and private monies, the 12,000 SF facility sits on 1.5 acres of land. The Center opened in the Spring of 2002 and offers office suites to defense contractors of the Pacific Missile Range Facility (PMRF) and seed production companies.

In addition to capital construction projects KEDB has demonstrated the ability to administer and deliver on a large grant appropriation. Since 2008, KEDB has been awarded a total of \$1.2 million dollars through the US Department of Education – Innovation & Improvement Division. The funds are used to supplement the Aloha 'Ike Program that supports and enhances educational opportunities for Kaua'i's K-12 students.

The KCTC has garnered broad support from a diverse group of stakeholders who realize the vision and mission of the center:

- creative industry professionals including filmmakers, photographers and web designers
- the performing arts, music, fine arts and design communities
- educators and students – from elementary to high school to community college level
- businesses including hotels, restaurants, retailers and manufacturers
- Kaua'i Mayor Carvalho and the Kaua'i County Council
- Senator Kouchi and Representatives Kawakami, Tokioka and Morikawa
- U.S. Senator. Schatz and Hirono and U.S. Representative Gabbard

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.

NA

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.

- Matilda Yoshioka, President & CEO
- Merrilee Ako, Vice President, Director of Education & Workforce Development
- Marleen Duarte, Executive Administrative Assistant

• Matilda (Mattie) Yoshioka

President & CEO

Ms. Yoshioka is the current President & CEO of the Kaua'i Economic Development Board. Ms. Yoshioka oversees the activities between the Board of Directors and the overall management of the corporation. She provides broad oversight on the business affairs of the corporation and is responsible for the developing and maintaining linkages and collaboration with the public and private for-profit and not-for-profit sectors on the community.

Ms. Yoshioka brings with her over 22 years of knowledge and experience in grants management, community development and government affairs. She has distinction of serving in various appointed capacities under four mayors of the County of Kaua'i. In her previous life as a public servant, she held positions as the Director of Offices of Community Assistance, overseeing the operations of the Transportation Agency, Office of Elderly Affairs and the Housing Agency; the County Housing Agency Administrator and a Program Manager for the Community Development Grant Program. Ms. Yoshioka also supervised the completion of Kauai Economic Development Board's two major capital construction projects.

- Merrilee Mia Ako

Vice President & Director of Education & Workforce Development

Ms. Ako is the current Vice President & Director of Education & Workforce Development of the Kaua'i Economic Development Board. Ms. Ako oversees the management of the business affairs of the corporation, conservation and control of the property (two technology centers in Waimea, Kaua'i) of the corporation, and quality management of programs of the corporation. Ms. Ako currently manages the \$1.2 million education grant issued by the US Department of Education.

Ms. Ako has worked in the field of education and workforce development for 20+ years. She has taught in the classroom and at the college level. Ms. Ako has worked extensively with the business community in developing partnerships between the education and the business community. Prior to her employment with Kaua'i Economic Development Board, Ms. Ako worked within the University of Hawaii system, working with the business community in addressing workforce and training issues.

- Marleen Duarte, Executive Administrative Assistance

Ms. Duarte has been employed at Kaua'i Economic Development Board for twelve years. Ms. Duarte provides administrative and fiscal duties for the Board of Directors and the corporation.

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.

- Please refer to the attached organization chart in the Appendix.

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.

• [REDACTED]	\$88,893.12
• [REDACTED]	\$71,795.05
• [REDACTED]	\$55,986.72

VI. Other

A. Litigation

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

NA

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.

NA

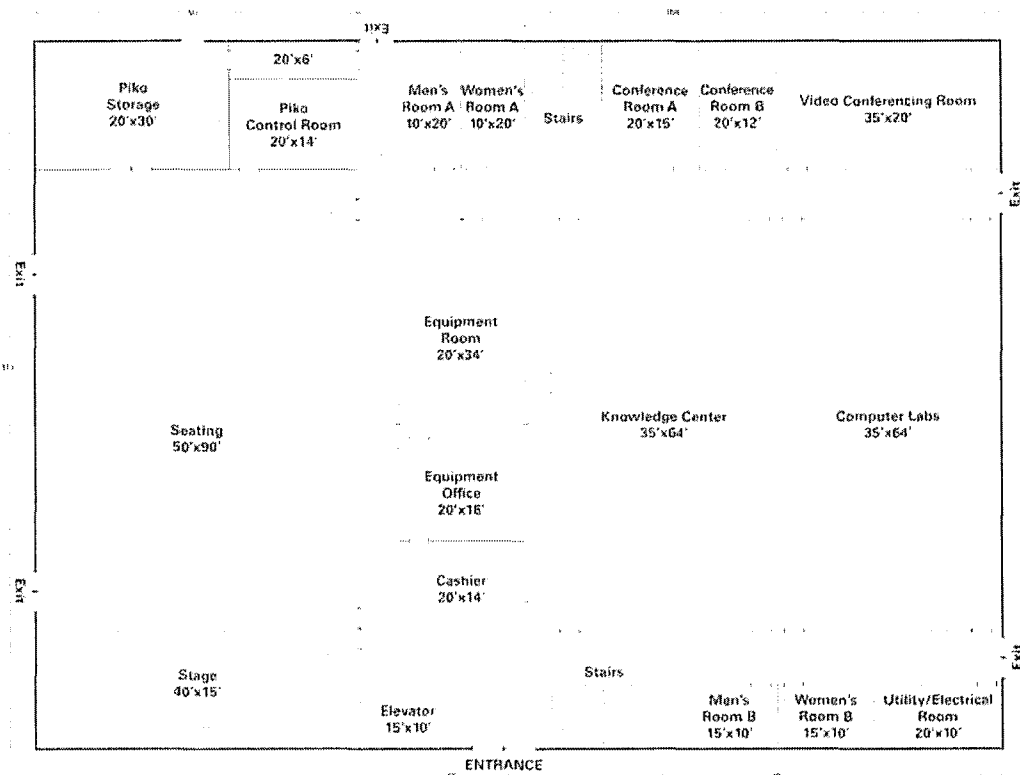
APPENDIX:

- KTC concept floor plan
- Budget Worksheets
 - a. Budget Request by Source of Funds
 - b. Budget Justification: Personnel
 - c. Budget Justification: Equipment and Motor Vehicles
 - d. Budget Justification: Capital Project Details
- Organization Chart

Facilities – Ground Floor

The ground floor is where the community will gather and convene, whether it is for a live performance or for a workshop or seminar, or to connect to the rest of the world through a high-speed video conferencing center.

GROUND FLOOR



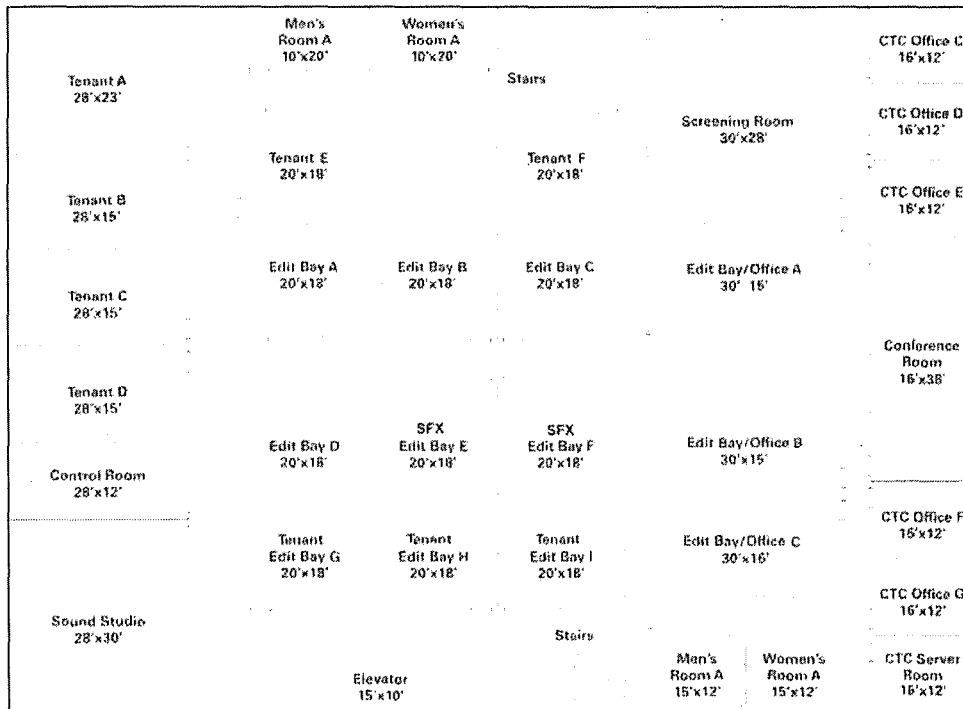
This is a conceptual rendering for planning purposes only.

Piko main studio	50 x 90	4,500	Equipment Room	20 x 34	680
Piko Storage	30 x 20	600	Cashier	20 x 14	280
Piko Control Room	20 x 14	280	Equipment Office	20 x 16	320
Men's Room A	12 x 20	240	Knowledge Center	35 x 64	2,240
Women's Room A	12 x 20	240	Computer Labs	35 x 64	2,240
Conference Room A	20 x 15	300	Men's Room B	10 x 15	150
Conference Room B	20 x 12	240	Women's Room B	10 x 15	150
Video Conferencing Room	35 x 20	700	Utility/Electrical Room	10 x 20	200

Facilities – Second Floor

The second floor houses the main workspace for professionals or the film industry. There will be six office spaces for long-term tenants as well as nine edit bays for the public. One third of the floor will be dedicated to the movie industry professionals with private edit bays/offices and a screening room.

SECOND FLOOR




This is a conceptual rendering for planning purposes only.

Tenant A	23 x 28	644	Edit Bay D	18 x 20	360	Edit Bay/Office C	16 x 30	480
Tenant B	15 x 28	420	SFX/Edit Bay E	18 x 20	360	Men's B	15 x 12	180
Tenant C	15 x 28	420	SFX/Edit Bay F	18 x 20	360	Women's B	15 x 12	180
Tenant D	15 x 28	420	Tenant Edit Bay G	18 x 20	360	CTC Office C	16 x 12	192
Tenant E	18 x 20	360	Tenant Edit Bay H	18 x 20	360	CTC Office D	16 x 12	192
Tenant F	18 x 20	360	Tenant Edit Bay I	18 x 20	360	CTC Office E	16 x 12	192
Sound Studio	28 x 30	840	Men's A	10 x 20	200	CTC Office F	16 x 12	192
Control Room	28 x 12	336	Women's A	10 x 20	200	CTC Office G	16 x 12	192
Edit Bay A	18 x 20	360	Screening Room	28 x 30	840	CTC Server Room	16 x 12	192
Edit Bay B	18 x 20	360	Edit Bay/Office A	15 x 30	450	Conference Room	16 x 38	608
Edit Bay C	18 x 20	360	Edit Bay/Office B	15 x 30	450			

BUDGET REQUEST BY SOURCE OF FUNDS
(Period: July 1, 2014 to June 30, 2015)

Applicant: KEDB dba Kauai Creative Technology Center

BUDGET CATEGORIES	Total State Funds Requested (a)	GIA (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				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	3,750,000	3,750,000		
TOTAL (A+B+C+D+E)	3,750,000	3,750,000		
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	3,750,000	Merrilee Ako	808-245-6692	
(b)		Name (Please type or print)	Phone	
(c)			1/27/14	
(d)		Signature of Authorized Official	Date	
TOTAL BUDGET	3,750,000	Merrilee Ako, Vice President		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION PERSONNEL - SALARIES AND WAGES

Applicant: KEDB dba Kauai Creative Technology Center

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				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Applicant: KEDB dba Kauai Creative Technology Center

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
N/A			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

**BUDGET JUSTIFICATION
CAPITAL PROJECT DETAILS**

Applicant: KEDB dba Kauai Creative Technology Center

Period: July 1, 2014 to June 30, 2015

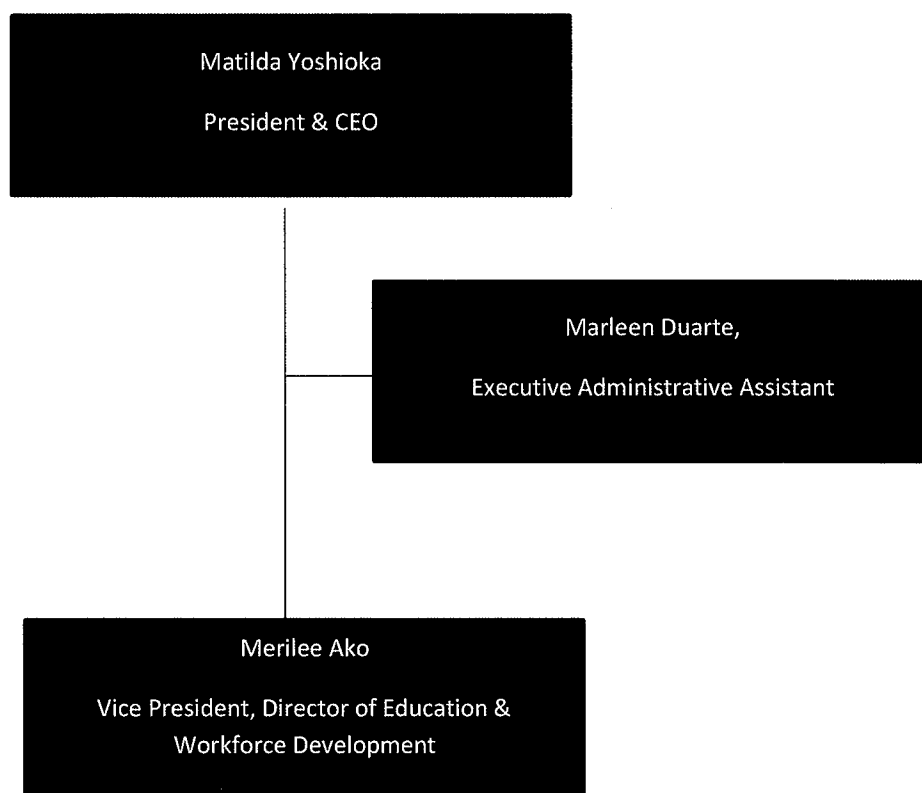
FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2012-2013	FY: 2013-2014	FY:2014-2015	FY:2014-2015	FY:2015-2016	FY:2016-2017
PLANS	-	-	150,000			
LAND ACQUISITION	-	-		1,500,000		
DESIGN	-	-	150,000			
CONSTRUCTION	-	-	3,450,000	5,000,000	1,780,000	
EQUIPMENT	-	-			3,019,000	
TOTAL:	-	-	3,750,000	6,500,000	4,799,000	

JUSTIFICATION/COMMENTS:

At this time, KCTC is projecting a Capital need budget of \$15,049,000 to construct the center on purchased land. As it is still in the site selection phase, the budget was prepared with very conservative assumptions. And as KCTC is still in the early stages of fundraising, it is presently requesting only a quarter of the estimated budget.



Organization Chart



**DECLARATION STATEMENT
APPLICANTS FOR GRANTS AND SUBSIDIES
CHAPTER 42F, HAWAI'I 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, Hawai'i 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.

Kauai Economic Development Board
(Typed Name of Individual or Organization)



(Signature)

1/29/14
(Date)

Merrilee Ako
(Typed Name)

Vice President
(Title)