

House District \_\_\_\_\_

Senate District \_\_\_\_\_

THE TWENTY-EIGHTH LEGISLATURE  
APPLICATION FOR GRANTS  
CHAPTER 42F, HAWAII REVISED STATUTES

Log No: \_\_\_\_\_

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST – OPERATING

GRANT REQUEST – CAPITAL

"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.

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

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

Līhu'e, HI 96766

Mailing Address:

Kaua'i Economic Development Board

4290 Rice Street

Līhu'e, HI 96766

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name Susan Tai Kaneko

Title President & CEO

Phone # (808) 245-6692

Fax # (808) 246-1089

E-mail skaneko@kedb.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- OTHER
- 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 FILM INDUSTRY JOB TRAINING AND WORKFORCE DEVELOPMENT HUB WITH STATE-OF-THE-ART FACILITIES AND PROGRAMS FOR FILMING, EDITING, PERFORMANCES, COWORKING AND MORE.

THE KCTC WILL BE THE ONLY PROFESSIONAL FILM STUDIO AND POST-PRODUCTION FACILITY ON KAUA'I; THE FIRST TO BRING RELIABLE, HIGH-SPEED BROADBAND INTERNET TO THE ISLAND; AND THE AMPLIFIER THAT WILL TAKE AN ESTABLISHED, THRIVING SECTOR TO THE NEXT LEVEL. IT WILL SERVE NOT ONLY THE PROFESSIONAL INDUSTRY, BUT ALSO THE COMMUNITY, AND IT WILL BE A COMMUNITY GATHERING PLACE OF INNOVATION AND ECONOMIC GROWTH.

4. FEDERAL TAX ID # \_\_\_\_\_

5. STATE TAX ID # \_\_\_\_\_

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2016: \$ 3,400,000

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

[Redacted Signature]

AUTHORIZED SIGNATURE

Susan Tai Kaneko, Pres & CEO

NAME & TITLE

1/22/16

DATE SIGNED



RECEIVED  
1-30-16

✓

Application for Grants

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. Please include the following:

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

**The Kaua'i Economic Development Board (KEDB) has successfully initiated and managed dozens of high-impact projects in partnership with businesses as well as state and federal government agencies.**

KEDB is a private, nonprofit organization formed in 1984 by a group of business leaders who recognized the need to broaden and strengthen Kaua'i's economy. The primary purposes of the organization are to explore potential areas for economic diversification and create and strengthen industries that can flourish on Kaua'i.

KEDB's projects over the past 30 years have driven economic growth in various sectors including technology, education, tourism, energy and agriculture. As Kaua'i's economic sectors expand and evolve, KEDB continues to seek new opportunities to bolster Kaua'i's established and emerging industries – benefiting both those directly involved and the entire community.

Since 1999, KEDB has:

- initiated and managed over \$7 million in capital construction projects
- administered program grant appropriations of over \$1.2 million

**With new President and CEO Susan Tai Kaneko returning to the organization, KEDB is continuing and amplifying its diverse initiatives to advance economic development on Kaua'i. Ms. Kaneko brings with her years of expertise and experience in generating economic development, creating new partnerships, and sharing her abiding love for the island and people of Kaua'i.**

2. The goals and objectives related to the request;

**KEDB requests \$3.4 million toward the construction of the Kaua'i Creative Technology Center (KCTC), a new state-of-the-art facility for job creation, workforce development and community programs in the creative industries sector.**

The goal of this request is to secure funding toward initiating the construction of the KCTC building. Our objective is to complete all construction design, site assessment, engineering

and permitting in 2015, with the intention of opening KCTC in 2018. While KEDB is also seeking funding from other public and private sources, the state's support in fiscal year 2016 is key to advancing this project and maximizing the opportunities that are at hand, today, for the community.

The KCTC will be constructed adjoining the existing Kaua'i War Memorial Convention Hall on Hardy Street in Līhu'e, Kaua'i. *(See attached KCTC briefing document.)*

Construction of the KCTC will require both assessment of the existing Convention Hall building and assessment of the Convention Hall grounds where the KCTC will be located. The project will include the construction of the KCTC building and some improvements of the Convention Hall grounds, such as additional parking stalls, to accommodate increased traffic and site usage.

Of the \$3.4 million that KEDB is requesting from the State:

- \$1.2 million will be used toward:
  - a due diligence site assessment, which will include a comprehensive analysis of the topographical, geotechnical, civil, structural, mechanical, electrical, traffic and parking, and zoning and building code requirements;
  - project administration, design and planning, including a detailed construction cost analysis;
  - and preparation of the site for groundbreaking and construction.
- \$2.2 million will be used toward the construction of the KCTC building – a 30,000-square-foot world-class facility with multi-purpose space for training, filming, editing, performances, lectures, meetings, coworking and more.

Whenever possible, KEDB will hire locally throughout the construction phase of the project to ensure funds from the GIA go directly back toward creating new jobs and economic growth on the island.

3. The public purpose and need to be served;

**The creative technologies is an area of growth on Kaua'i. The time is right to build a center like the KCTC that will be a catalyst for even greater sector growth.**

The filmmaking industry on Kaua'i has experienced significant growth in recent years as more large-scale productions from out of state have chosen Kaua'i as a filming location. In 2014 alone, Kaua'i generated more than \$4.4 million in movie production expenditures.<sup>1</sup> In addition, digital media productions on the island are growing by leaps and bounds. School programs such as the digital media program at Chiefess Kamakahelei Middle School in Līhu'e are renowned statewide, and videos by Kaua'i students have taken top honors in national competitions.

These trends, coupled with other examples of economic growth in robotics, web development, music and design, indicate the strong potential for the creative technologies to become an

economic driver for Kaua'i and the need for the facility and programs of the KCTC to elevate the creative industries. The KCTC will enhance the quality of the work, spark innovation, enable Kaua'i work to reach larger audiences and, ultimately, attract new sources of funding and support to Kaua'i.

The feasibility study for the KCTC found that although the creative sectors have established a firm foothold on Kaua'i, a center for further training, workforce development and collaboration with professional-grade facilities and equipment is sorely needed. Without the KCTC, the growth of the creative sector will continue to be limited by the existing resources on the island.

The KCTC will:

- **Create 43 jobs per year** in the creative sector and other industries such as tourism that benefit from increased Hollywood film production on the island. This is comparable to a 50% increase in job growth in the Kaua'i creative sector.
  - In addition, there will be 40 construction jobs created during the 3-year construction period of the facility and 10 permanent jobs that will be created for KCTC staff.
- **'Graduate' 300 people per year** through the best film industry job training and workforce development programs in the state. KCTC 'graduates' will have the training and/or certifications to compete with Hollywood and Silicon Valley professionals in diverse careers ranging from producers, directors, screenwriters, grips and gaffers, to gaming, mobile app and animation developers, to graphic designers and visual artists.
  - Within three years of opening, the KCTC aims to more than double the number of local film crew members hired on Kaua'i, from 129 in 2014 to 276 in 2020.
- **Attract more large-scale film productions** to Kaua'i as the first and only professional film studio and post-production center on the island. Despite the high level of filmmaking activity on the island, Kaua'i is currently the only major island in the state without a professional film studio.
  - The KCTC aims to increase expenditures by large-scale film productions on Kaua'i to \$4.1 million by 2020, a significant increase from the approximately \$2.5 million in expenditures in 2014.
  - Within 15-18 years of opening, the KCTC aims to 'pay for itself' by bringing in \$20.5 million in out-of-state film industry expenditures on Kaua'i – a sum equivalent to the total project cost for construction and startup operations.
- **Connect Kaua'i to the world** by bringing the first reliable, high-speed broadband Internet connection to the island. Broadband will empower people on Kaua'i to collaborate and create with others across the globe.

The KCTC will be complementary and supplementary to the existing (and highly successful) programs in K-12 schools, at the community college, and offered by Hō'ike Community Television. Increasing creative technology programs on Kaua'i will not only directly benefit the economy, but also support increased student achievement. Integrating creative arts education into the curriculum has been demonstrated to enhance critical thinking and create a climate of high performance in schools.<sup>2</sup> And there is growing recognition that the arts can play a critical

new role in STEM-related programs and outcomes<sup>3</sup> as well as enhance the academic experience of at-risk youth.<sup>4</sup> The KCTC will serve 300 students when it opens, increasing up to 1,600 by 2024 or the equivalent of 15% of the current student population on Kaua'i.

**KCTC is a “shovel-ready” project: an in-depth feasibility study, detailed business plan, and pre-construction planning have all been completed. KEDB has also secured enthusiastic support for the project from Kaua'i educators, students, creative industry professionals and businesses as well as local, state and federal government officials.**

For further details, see the attached KCTC briefing document and Economic Impact document.

<sup>1</sup> Source: “*‘Jurassic World’ helps Kaua'i top \$4M in movie production spending,*” *Pacific Business News*, Jan. 14, 2015

<sup>2</sup> Source: President's Committee on the Arts and the Humanities [PCAH], “*Reinvesting in Arts Education: Winning America's Future Through Creative Schools.*” May 2011

<sup>3</sup> Source: “*Putting Art in STEM,*” *The New York Times*, Oct. 31, 2014

<sup>4</sup> Source: National Endowment for the Arts, “*The Arts and Achievement in At-Risk Youth: Findings from Four Longitudinal Studies,*” March 2012

4. Describe the target population to be served; and

**The KCTC will serve a diverse population of Kaua'i residents including K-12 students, community college students, adults and seniors; Kaua'i businesses; and creative industry professionals from out of state.**

The 2010 DBEDT report on Hawai'i's Creative Industries identified Kaua'i's market as ready for “take-off,” revealing that more than 1,400<sup>5</sup> people are employed in the sector and that growth of computer and digital jobs on Kaua'i far outstripped the growth in those jobs nationwide.

There is a growing population of individuals involved in the creative industries on Kaua'i who will benefit from the KCTC, including students, educators, independent producers, film crew grips and gaffers, performing arts groups, photographers and designers.

Through the KCTC's training and education programs, more individuals will have the opportunity to have jobs and pursue careers in the creative industry such as:

directors and producers • screenwriters • production managers, coordinators and assistants • grips and gaffers • cameramen and film editors • sound and lighting engineers • photographers • graphic designers • fashion and costume designers • visual artists • musicians and composers • actors, dancers and other performing artists • set designers • website and mobile app developers • computer-generated images (CGI) and animation artists • gaming designers, programmers and developers

In addition, in line with the center's mission to serve the community, small businesses, entrepreneurs and professionals in other industries will be able to utilize KCTC's multipurpose space and high-speed broadband Internet connection for meetings, seminars, video conferencing, presentations, and collaboration with others around the world.

<sup>5</sup> Source: State of Hawai'i. Department of Business, Economic Development & Tourism. *Hawai'i's Creative Industries*, Update Report 2012. July 2012.

5. Describe the geographic coverage.

**The KCTC will primarily serve industry professionals, students and the community islandwide on Kaua'i.** The facility will be centrally located in Līhu'e, adjacent to the Kaua'i War Memorial Convention Hall, a longtime and beloved community gathering place and event venue.

As the only facility of its kind in the state, the KCTC will also serve filmmakers and creative industry professionals from all islands when they travel to Kaua'i. Kaua'i's long and successful history of attracting film productions means KCTC will serve – and capture revenue from – industry professionals from across the State of Hawai'i 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;

**The Kaua'i Economic Development Board requests \$3.4 million to use toward the Kaua'i Creative Technology Center's total construction budget of \$15 million.**

- \$1.2 million will be used toward:
  - a due diligence site assessment, which will include a comprehensive analysis of the topographical, geotechnical, civil, structural, mechanical, electrical, traffic and parking, and zoning and building code requirements;
  - project administration, design and planning, including a detailed construction cost analysis;
  - and preparation of the site for groundbreaking and construction.
- \$2.2 million will be used toward the construction of the KCTC building – a 30,000-square-foot world-class facility with multi-purpose space for training, filming, editing, performances, lectures, meetings, coworking and more.

All work will be supervised by KEDB and will be completed using the services of leading companies, agencies and consultants for architecture, interior design, engineering and environmental and cultural impact assessments.

Whenever possible, KEDB will hire locally throughout the construction phase of the project to ensure funds from the GIA go directly back toward creating new jobs and economic growth on the island.

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

**KCTC Project Timeline**

2015	Lease secured; fundraising; due diligence site assessment; legal entity established; groundbreaking
2016-2018	Construction; fundraising
2018	KCTC opens

**The timely completion of the KCTC is enabled by the thorough assessment, planning and stakeholder outreach that has been executed over the last three years.**

The idea for a creative technology center was first proposed in the Comprehensive Economic Development Strategy (CEDS) Report Update published in March 2010 by the County of Kaua'i Office of Economic Development and KEDB under an award from the U.S. Department of Commerce, Economic Development Administration.

The feasibility study for the KCTC was completed in June 2012 and indicated strong community demand and readiness. Key stakeholders in the creative and technology industries, education, tourism and other businesses, as well as local and state government officials and prospective public and private funders, have been apprised of and involved in the project since the beginning of the feasibility study.

A business plan for the KCTC including 3-year pro forma financials, governance structure and operation plans was completed in September 2013 and established a sustainable financial model and space utilization plan for the KCTC.

Pre-construction planning has progressed smoothly throughout 2013-2015. After reviewing multiple possible sites, KEDB has determined that the space adjacent to the Kaua'i War Memorial Convention Hall will be the optimal location for the KCTC. Upon the execution of the lease from the County of Kaua'i and the completion of the due diligence site assessment, we intend to break ground this year.

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 rely on its successful history initiating and managing capital construction projects to continuously monitor, evaluate and improve the KCTC construction process, creating quarterly benchmarks, status reviews and course corrections to ensure the project is completed on time and on budget.**

Only contractors with the very best credentials and track records will be hired, and only after thorough vetting of their work history, success in meeting timelines and commitment to agreed upon budget and payment terms. KEDB will also use the expertise of its lead project consultant, Alan Tang of Olomana Loomis ISC, and the extensive experience of KEDB members in creating successful startups, profitable businesses and socially beneficial nonprofits.

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.

**KEDB will report back to the State expending agency as well as the Kaua'i County and other funders regarding the progress and completion of the KCTC's due diligence site assessment, permitting, design and planning, groundbreaking and construction.**

These reports will detail:

- most recent KCTC construction benchmarks met in relation to the project's overall timeline.
- monies spent against the funding received from the State and against the KCTC's overall construction budget.
- grants, major donations and significant in-kind contributions secured toward the construction of the KCTC.
- media coverage and community support generated for the KCTC.

### III. Financial

#### Budget

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

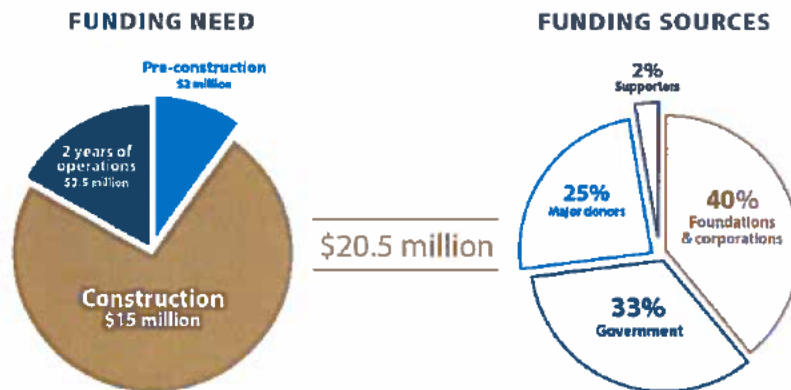
*Please see attached budget sheets.*

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2016.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$1,200,000	0	0	\$2,200,000	\$3,400,000



3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2016.



The total budget for the pre-construction, construction and two years of operations for the KCTC is \$20.5 million. KEDB is seeking funding from public and private sources over the next three years, from 2015 through the center's opening in 2018. **Our focus for fiscal year 2016 is on raising the majority of the \$15 million that will be required for construction.**

**Funding Sources for the KCTC:**

**Foundations & Corporations: \$7 million – \$9 million**

- Private Foundations including:
  - Atherton Family Foundation
  - Annie Sinclair Knudsen Memorial Fund / Kaua'i Community Grants Program
  - Antone & Edene Vidinha Charitable Trust
  - Elsie H. Wilcox Trust
  - Ford Foundation
  - G.N. Wilcox Trust
  - James M. Cox Foundation
  - McInerny Foundation
  - Strong Foundation
  - The Clarence T.C. Ching Foundation
  - The Harry & Jeanette Weinberg Foundation
  - W.K. Kellogg Foundation
- Corporations/Corporate Foundations including:
  - Bank of Hawaii Foundation
  - First Hawaiian Bank Foundation
  - Hawaiian Airlines
  - Hawaii Gas
  - Kaua'i Island Utility Cooperative
  - Oceanic Time Warner Cable
  - Young Brothers / Hawaiian Tug & Barge

**Government: \$6 million – \$8 million**

- County of Kaua'i
- State of Hawai'i Grant-in-Aid
- U.S. Economic Development Administration
- National Endowment for the Arts

**Major Donors: \$4 million – \$6 million**

**Supporters: \$300,000 – \$500,000**

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 a listing of all government contracts and grants it has been and will be receiving for program funding.

**See attached "Government Contracts and/or Grants"**

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2014.

**KEDB's unrestricted current assets as of 12/31/2014: \$1,184,951.48**

## **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.

**KEDB has been serving the people of Kaua'i since 1984 by developing opportunities for economic diversification and by creating and strengthening industries that will flourish on Kaua'i.**

KEDB works closely with the County of Kaua'i, as well as with numerous businesses and state and federal government agencies on an array of economic development initiatives. Over the past 30 years, KEDB has successfully initiated and managed dozens of high-impact projects, driving economic growth in various sectors including technology, education, tourism, energy and agriculture. As Kaua'i's economic sectors expand and evolve, KEDB continues to seek new opportunities to bolster Kaua'i's established and emerging industries – benefiting both those directly involved and the entire community.

Since 1999, KEDB has:

- initiated and managed over \$7 million in capital construction projects
- administered program grant appropriations of over \$1.2 million

Over the past three years, KEDB has successfully led and administered multiple economic development projects related to technology, education and innovation. KEDB has:

- continued to develop the Comprehensive Economic Development Strategy (CEDS) for Kaua'i. An updated CEDS report will be published next year.
- fostered interest in science and math in education by awarding \$156,811 for STEM programs and, via the Aloha 'Ike program, awarding \$42,760 to support 35 school projects.
- secured additional tenants for the West Kaua'i Technology Center.
- founded the Kaua'i Coffee Agricultural Business Plan Competition.
- hosted island-wide Summer Student and Teacher Workshops.
- organized two conferences focused on stimulating discussion across various industry clusters.
- participated in a range of statewide conferences exploring renewable energy, food sustainability, the aerospace industry, health and wellness and supporting entrepreneurship in Hawai'i.

## **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 Kaua'i Creative Technology Center will be located in Lihue, connected to the Kaua'i War Memorial Convention Hall on Hardy Street. KEDB is securing a lease from the County of Kaua'i which will be transferrable to the KCTC. Its central location was selected specifically to ensure its accessibility to Kaua'i's geographically diverse communities, and create potential for synergy with the Convention Hall, Kaua'i Community College and other facilities serving the people of Kaua'i.

*For more details on the KCTC facility, please refer to section I.2 and I.3 of this application.*

## **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.

**Susan Tai Kaneko, President & CEO**

Susan Tai Kaneko recently assumed the role of President & CEO at Kaua'i Economic Development Board (KEDB) where she will lead the organization in its mission to diversify and strengthen Kaua'i's local economy, create jobs for local residents, incentivize innovation and technology, and attract business to Kaua'i and the state of Hawai'i. Before joining KEDB in this new role, Susan served as the Manager of Community Outreach for Syngenta Hawaii LLC in Kekaha, Kaua'i, spearheading Syngenta's community outreach and government relations for its Kaua'i operations while serving on KEDB's executive committee as its second vice chair. Before Syngenta, Susan spent six years as the Director – Kaua'i Economic Development Plan at KEDB, overseeing its initiatives in renewable energy, food and agriculture, and strategic planning. She also managed the development and implementation of the county's ten-year Comprehensive Economic Development Strategic (CEDS) plan.

Susan has over 16 years of business development, economic development and consulting experience. Before joining KEDB, Susan was the Director of the Hawai'i Small Business Development Center Network's Kaua'i office (SBDC). Prior to SBDC, Susan also served as the Director of Entrepreneurship Programs, playing a lead role to create what is today the Polsky Center for Entrepreneurship at the University of Chicago Booth Graduate School of Business.

Susan attended the University of Chicago, concentrating in biology and a minor in French. She was a recipient of the 2009 Hawai'i SBA Women in Business Champion and has spoken on panels at events such as the Kaua'i Chamber of Commerce Small Business Expo, Kaua'i Women in Business Roundtable, leadership Kaua'i, TechEnterprise Hawai'i, and Asia Pacific Clean Energy Summit & Expo (APCESE). She has also served or continues to serve on boards and committees with organizations, including the Kaua'i Medical Clinic Board of Directors, County of Kaua'i Energy Sustainability Plan planning committee, Kaua'i Chamber of Commerce Board of Directors and Government Affairs Committee, County of Kaua'i Workforce Investment Board, County of Kaua'i General Plan Advisory Committee, Mayor of Kaua'i's Housing & Traffic Coalition, APCESE Advisory Committee, and Hawai'i Department of Labor Healthcare Skills Panel.

**Marleen Duarte, Executive Administrative Assistant**

Marleen Duarte has been employed at Kaua'i Economic Development Board for 16 years, providing administrative and fiscal duties for the organization. For the past three years, Marleen provides on-site bookkeeping duties including maintaining accounting records on QuickBooks software (e.g., accounts receivable and accounts payable). Marleen also prepares monthly invoices, monitoring and maintaining accounting files and processes payroll and payroll liabilities. Marleen also works closely with KEDB's contracted CPA in gathering all financial information for month end bank reconciliations, preparation of general ledger and financial statements each month and gathering all financial information in preparation for year-end audit and other financial related duties that may arise.

**Alan Tang, Consultant / Project Manager**  
**President, CEO and Chairman, Olomana Loomis ISC**

Alan is an energetic leader and strategist who combines a passion for big-picture thinking and clear, results-driven solutions. His vision for business enterprise, community transformation and leadership development serves as an inspiration for peers and colleagues in Hawai'i and abroad. Alan founded Olomana Marketing in 1996, and his background includes 30 years of expertise in the areas of: community engagement, strategic planning, business development, reputation management, institutional advancement, brand strategy, marketing, advertising, communications, public relations, crisis communications, and nonprofit fund development.

He has worked extensively with leading for-profit and nonprofit organizations in Hawai'i to develop effective brand, marketing, communication, outreach and fundraising campaigns. Alan's diverse industry expertise spans: education, healthcare, financial services, energy, real estate, tourism, retail, arts & culture, human services, technology, and government. He has received recognition for his work from local, national and international organizations.

**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 organization chart that illustrates the placement of this request.

*See attached Organization Chart*

**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.

Susan Tai Kaneko: \$90,000.00  
Marleen Duarte: \$55,986.53

**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.

**Not applicable**

**B. Licensure or Accreditation**

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

**None**

**C. Federal and County Grants**

The applicant shall separately specify the amount of federal and county grants awarded since July 1, 2014.

**County of Kaua'i:**

Comprehensive Economic Development Study Implementation: \$40,000

Commercial Kitchen Business Incubator: \$50,000

Kaua'i Creative Technology Center: \$150,000

Arts & Culture Industry Feasibility Study: \$44,000

North Shore Shuttle – Implementation Grant: \$200,000

**D. Private Educational Institutions**

The applicant shall specify whether the grant will be used to support or benefit a sectarian or non-sectarian private educational institution. Please see Article X, Section 1, of the State Constitution for the relevance of this question.

**Not applicable**

**E. Future Sustainability Plan**

The applicant shall provide a plan for sustaining after fiscal year 2015-16 the activity funded by the grant if the grant of this application is:

- (1) Received by the applicant for fiscal year 2015-16, but
- (2) Not received by the applicant thereafter.

The total budget for the pre-construction, construction and two years of operations for the KCTC is \$20.5 million. While our focus for fiscal year 2016 is on raising the majority of the \$15 million that will be required for construction, KEDB is seeking funding from public and private sources over the next three years, from 2015 through the center's opening in 2018.

To enable the success of the KCTC, the business plan for the center calls for funds to be raised not only for the construction of the facility, but also to cover two years of operations. This two-year timeframe will allow the programs of the KCTC to be firmly established for long-term sustainability.

**F. Certificate of Good Standing (If the Applicant is an Organization)**

If the applicant is an organization, the applicant shall submit one (1) copy of a certificate of good standing from the Director of Commerce and Consumer Affairs that is dated no earlier than December 1, 2014.

***See attached***

APPENDIX:

- KCTC Briefing Document
- KCTC Economic Impact
- KEDB Organization Chart
- KEDB Certificate of Good Standing
- Budget Worksheets
  - Budget Request by Source of Funds
  - Budget Justification – Personnel Salaries and Wages
  - Budget Justification – Equipment and Motor Vehicles
  - Budget Justification – Capital Project Details
- Government Contracts and/or Grants
- Declaration Statement of Applicants for Grants Pursuant to Chapter 42F, Hawai'i Revised Statutes

**Training**



**Recording Studio**

Photo credit: SPLICE, Minneapolis, MN



**Presentations**



**High Speed**



**Edit Bays**

Photo credit: SPLICE, Minneapolis, MN

# KAUA'I CREATIVE TECHNOLOGY CENTER

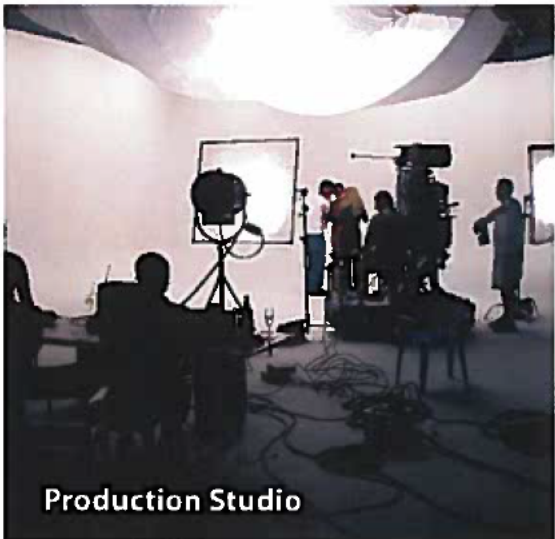
BE A PART OF REALIZING THIS VISION



**Robotics**



**Students**



**Production Studio**



**Computer Labs**



**Performances**



**Animation**

Photo credit: Randy Miramontez

Photo credit: Justin Tang, Interactive Media, University of Southern California School of Cinematic Arts



## THE KAUA'I CREATIVE TECHNOLOGY CENTER (KCTC) WILL BE THE FIRST OF ITS KIND IN HAWAII.

The idea for the center was first proposed in the Comprehensive Economic Development Strategy (CEDS) Report published in March 2010 by the County of Kaua'i Office of Economic Development and the Kaua'i Economic Development Board (KEDB) under an award from the U.S. Department of Commerce, Economic Development Administration.

### Project Timeline



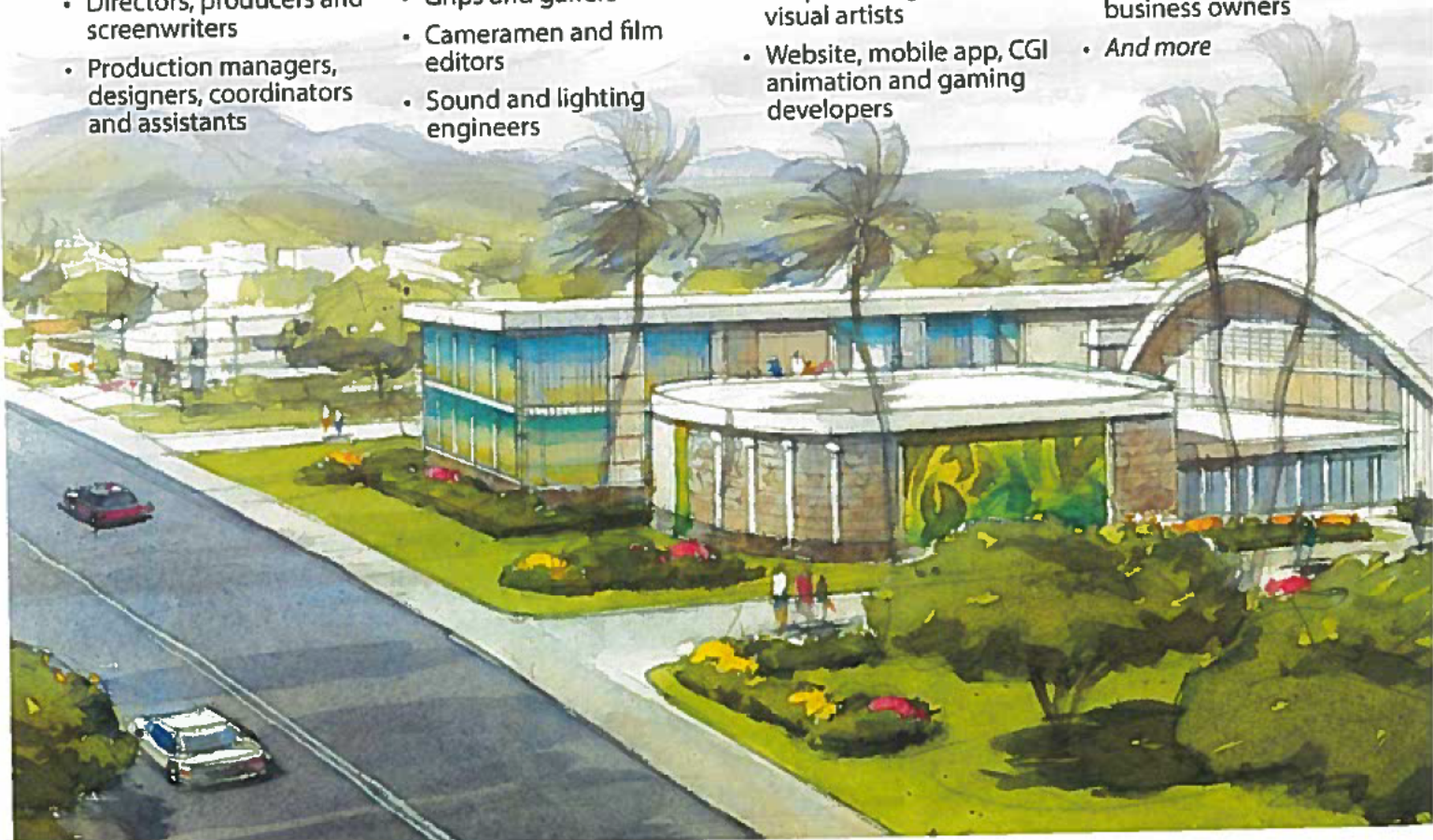
From the beginning, we have engaged diverse stakeholders: industry professionals, educators, artists, grantmakers, and policymakers. The feedback from the community has been overwhelmingly positive.

### A COMMUNITY GATHERING PLACE

The KCTC will be connected to the Kaua'i War Memorial Convention Hall on Hardy Street in Lihu'e, with the intent of creating synergy between the two facilities.

The KCTC will enable more residents to have fulfilling careers in the creative technology industries, including:

- Directors, producers and screenwriters
- Production managers, designers, coordinators and assistants
- Grips and gaffers
- Cameramen and film editors
- Sound and lighting engineers
- Graphic designers and visual artists
- Website, mobile app, CGI animation and gaming developers
- Entrepreneurs and small business owners
- *And more*

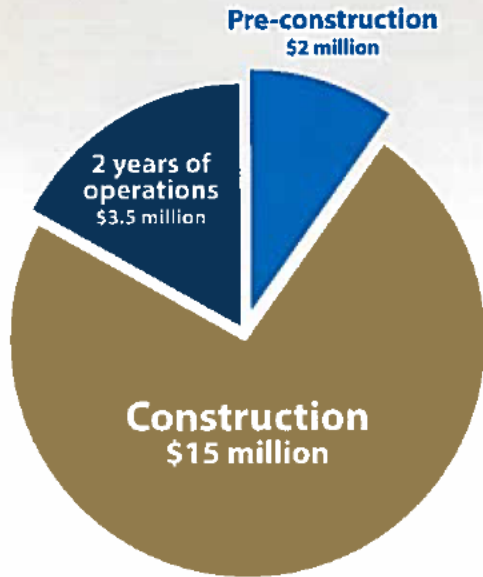




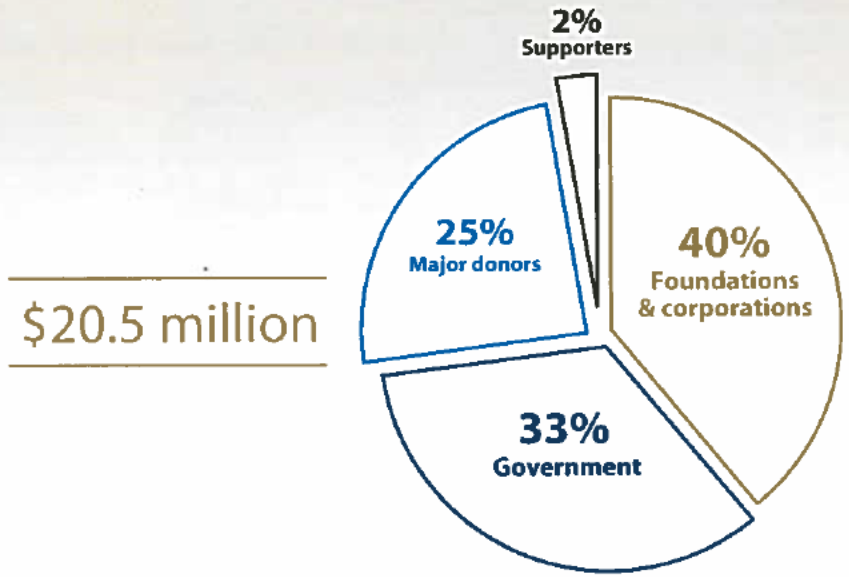
## THE TIME IS NOW

The KCTC will be owned and operated by a new independent nonprofit organization with representatives from government, donors and different industry sector leaders guiding the vision for the center.

### FUNDING NEED



### FUNDING SOURCES



**\$20.5 million**

*With your support, we can amplify creativity, catalyze economic growth, and build a stronger community on Kaua'i.*

**[kuaicreativetechcenter.com](http://kuaicreativetechcenter.com)**



**KAUAI ECONOMIC DEVELOPMENT BOARD**  
4290 Rice Street  
Lihu'e, HI 96766  
808.245.6692



**KAUAI COUNTY OFFICE OF ECONOMIC DEVELOPMENT**  
4444 Rice Street, Suite 200  
Lihu'e, HI 96766  
808.241.4946

### Economic Impact

#### Job Creation

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Expenditures*	\$2.525	\$2.651	\$2.784	\$2.923	\$3.069	\$3.223	\$3.384	\$3.553	\$3.731	\$3.917
FTEs**	93	98	103	108	114	119	125	132	138	145
Staff	6	7	8	8	9	9	10	10	11	11
Consultants	4	4	4	4	4	5	5	5	5	5
Construction	40	40	40	40	40	40	40	40	40	40
Other	43	47	51	56	61	65	70	77	82	89

SOURCE: Arts and Economic Prosperity IV Calculator, Americans for the Arts, January 2015

\*Expenditures in millions of dollars. Includes depreciation; assumes a 5% increase in expenses each year.

\*\*Full-time equivalent jobs, cumulative. All jobs are given in cumulative figures, i.e. in 2018, 5 new jobs are created on top of the 93 jobs that were created in 2017 for a cumulative total of 98 jobs in 2 years.

#### Wages

	Starting Salaries^	
	Low	High
Mobile Developer	\$76,440	\$110,565
Game Designer	\$57,103	\$89,408
Video Producer	\$55,510	\$78,715
Video Editor	\$49,595	\$71,890
Web Designer (1-5 years)	\$48,003	\$72,345
Interactive Designer (1-5 years)	\$49,595	\$71,663

SOURCE: 2014 Salary Survey, The Creative Group

^Adjusted for Hawai'i market.

NOTE: State of Hawai'i creative industries average annual earnings: \$45,912 in 2013.

SOURCE: Hawai'i State Dept. of Business, Economic Development & Tourism.

# OPPORTUNITIES FOR DIVERSE INTERESTS AND IDEAS

**THE ONLY** professional film studio and post-production facility on Kaua'i. Currently, Kaua'i is the only county in the state without a professional film studio.

**THE FIRST** to bring reliable, high-speed broadband Internet connection to Kaua'i.

**THE BEST** film industry job training and workforce development programs and facilities on Kaua'i.

- 30,000+ square feet of world-class multipurpose creative technology facilities for training, filming, editing, performances, lectures, meetings, coworking, and more – the largest facility of this kind on the island.
- 43,000 hours of professional and community services and programs per year.
- \$2 million operating budget.

**THE AMPLIFIER** that will take an established, thriving sector to the next level.

**Total Expenditures by Large-Scale Film Productions on Kaua'i**  
(Large-Scale Film Production Budget = \$100,000+)

  
\$2.5 million  
2014

  
\$2.9 million  
2017  
KCTC opens

  
\$4.1 million  
2020

**Film Crew Members Hired from Kaua'i**

  
129 people  
2014

  
150 people  
2017  
KCTC opens

  
276 people  
2020



**40** jobs created for construction workers and vendors



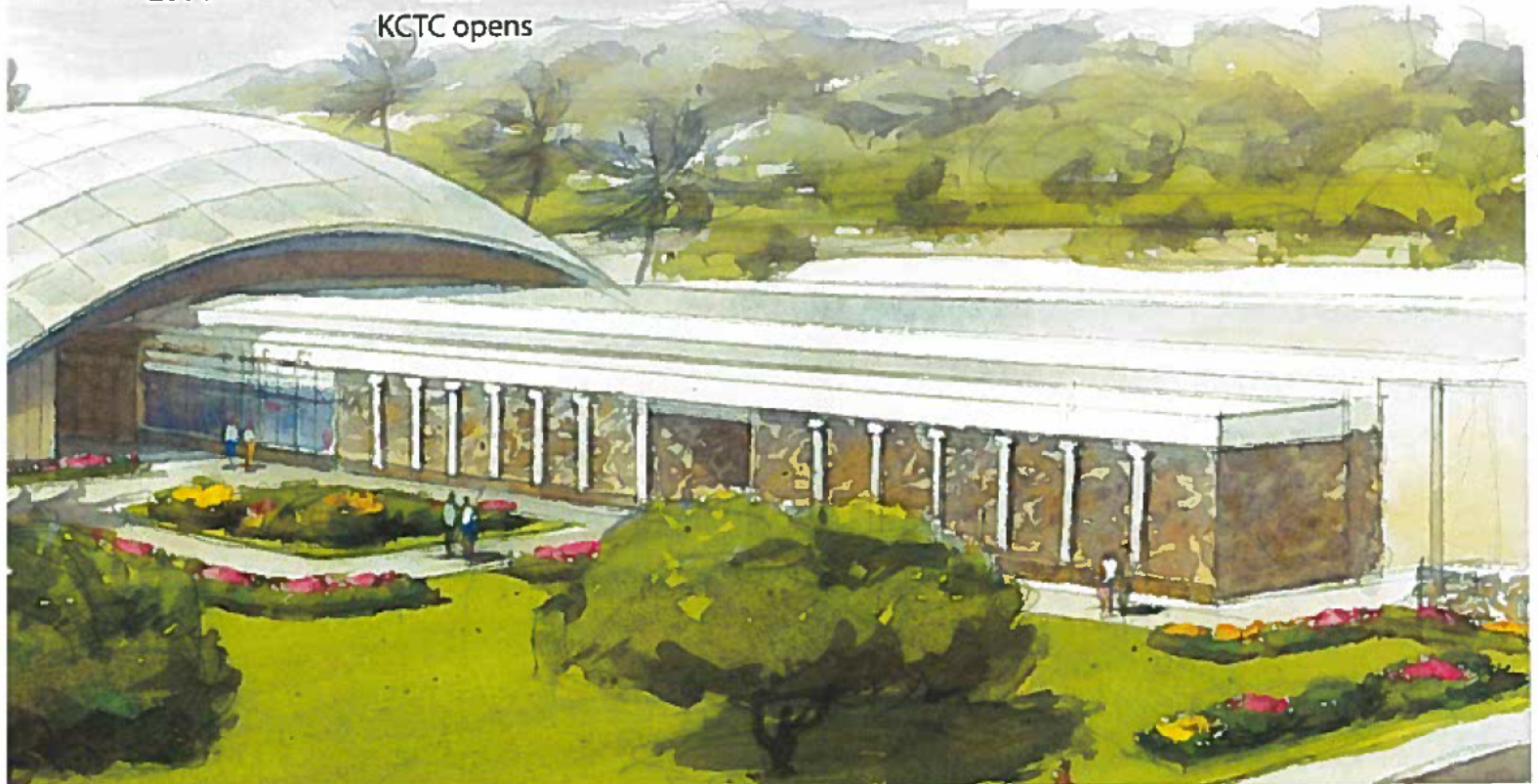
**10** permanent jobs created for staff members



**300** people educated/trained to enter the workforce in the first year



**43** new jobs created per year in the creative sector and other industries



**Youth Served**

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>No. Participants in School-Age Programs^^</b>	292	368	564	705	881	1,102	1,212	1,333	1,466	1,613
<b>% Growth</b>		26%	53%	25%	25%	25%	10%	10%	10%	10%
<b>% Kaua'i Students Served***</b>	3%	3%	5%	6%	8%	10%	11%	12%	13%	15%

^^Students who participate in multiple programs are counted in each program.

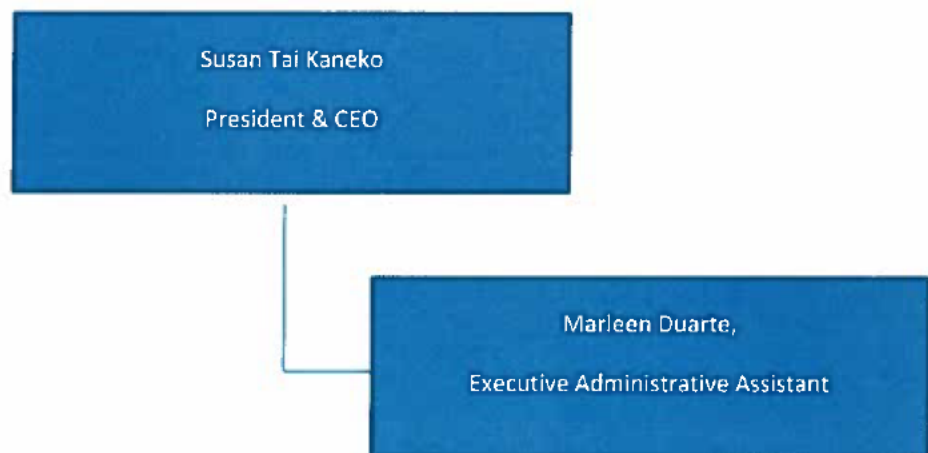
\*\*\*10,983 school-age children on Kaua'i in 2013. SOURCE: Census.gov.

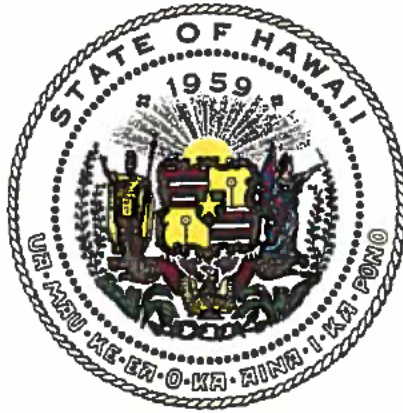
**Economic Driver**

- Approx. 15-18 years to secure out-of-state film industry investment on Kaua'i equal to the project cost of \$20.5 million, assuming very modest growth of only 5% per year.



## Organization Chart





## Department of Commerce and Consumer Affairs

### CERTIFICATE OF GOOD STANDING

I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

**KAUAI ECONOMIC DEVELOPMENT BOARD, INC.**

was incorporated under the laws of Hawaii on 10/19/1984 ; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: January 27, 2015



Interim Director of Commerce and Consumer Affairs

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2015 to June 30, 2016

Applicant: Kauai Economic Development Board

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
<b>A. PERSONNEL COST</b>				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
<b>TOTAL PERSONNEL COST</b>				
<b>B. OTHER CURRENT EXPENSES</b>				
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				
<b>TOTAL OTHER CURRENT EXPENSES</b>				
<b>C. EQUIPMENT PURCHASES</b>				
<b>D. MOTOR VEHICLE PURCHASES</b>				
<b>E. CAPITAL</b>	3,400,000	3,400,000	0	2,500,000
<b>TOTAL (A+B+C+D+E)</b>	<b>3,400,000</b>	<b>3,400,000</b>	<b>0</b>	<b>2,500,000</b>
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	3,400,000	Susan Tai Kaneko (808)245-6692		
(b) Total Federal Funds Requested	3,400,000	Name (Please type or print) Phone		
(c) Total County Funds Requested	0	[Redacted] 1/22/15		
(d) Total Private/Other Funds Requested	2,500,000	Signature of Authorized Official Date		
<b>TOTAL BUDGET</b>	<b>9,300,000</b>	Susan Tai Kaneko, Pres & CEO		
		Name and Title (Please type or print)		



Applicant: Kauai Economic Development Board

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
<b>TOTAL:</b>				
<b>JUSTIFICATION/COMMENTS:</b> <i>- none requested at this time</i>				

Applicant: Kauai Economic Development Board

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				0
JUSTIFICATION/COMMENTS:				
<i>- none requested at this time</i>				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				0
JUSTIFICATION/COMMENTS:				
<i>- none requested at this time</i>				

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: 2013-2014	FY: 2014-2015	FY:2015-2016	FY:2015-2016	FY:2016-2017	FY:2017-2018
PLANS			\$1,200,000			
LAND ACQUISITION						
DESIGN						
CONSTRUCTION			\$2,200,000	\$5,900,000	\$1,950,000	\$780,000
EQUIPMENT						\$3,019,000
TOTAL:			\$3,400,000	\$5,900,000	\$1,950,000	\$3,799,000
JUSTIFICATION/COMMENTS:						

# GOVERNMENT CONTRACTS AND/OR GRANTS

Applicant: Kauai Economic Development Board

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau )	CONTRACT VALUE
1.	CEDS Implementation	7/01/14 - 6/30/15	County of Kauai	Kau	\$40,000
2.	Commercial Kitchen Business Incubator	7/01/14 - 6/30/15	County of Kauai	Kau	\$50,000
3.	Kauai Creative Technology Center	7/01/14 - 6/30/15	County of Kauai	Kau	\$150,000
4.	Arts & Culture Industry Feasibility Study	7/01/14 - 6/30/15	County of Kauai	Kau	\$44,000
5.	North Shore Shuttle - Implementation Grant	7/01/14 - 6/30/15	County of Kauai	Kau	\$200,000
6.	Island-wide Agriculture Parks - Workshop/Feasibility Analysis	1/01/15 - 6/30/15*	County of Kauai	Kau	\$20,000
7.	Comprehensive Economic Development Plan 2015	9/01/14 - 8/31/15*	US Dept. of Commerce: Economic Development Admin. (EDA)/Economic Development Alliance of Hawaii (EDAH)	US / State	\$28,637
	*drafting contracts now				
				TOTAL	\$532,637

**DECLARATION STATEMENT OF  
APPLICANTS FOR GRANTS 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 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 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 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.
- 2) If the applicant is an organization, 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 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 used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant 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 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.

SUSAN TAI KANEKO, KAUAI ECONOMIC DEV'T BOARD

(Typed Name of Individual or Organization)



(Signature)

1/22/15

(Date)

SUSAN TAI KANEKO

(Typed Name)

President & CEO

(Title)

Application for Grants