

House District 19

Senate District 9

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): DLNR

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

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual:
Pacific Historic Parks

Dba:

Street Address: 94-1187 Ka Uka Blvd. Waipahu, HI 96797

Mailing Address: Same

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name LUELLA COSTALES

Title Director of Development

Phone # 808-954-8723

Fax # 808-485-2766

E-mail lcostales@pacifichistoricparks.org

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL
- OTHER

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

DIAMOND HEAD EDUCATIONAL AUDIO TOURS IN HAWAIIAN AND ADDITIONAL LANGUAGES

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2017: \$ 125,300

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE

AT THE TIME OF THIS REQUEST:

STATE \$ _____

FEDERAL \$ _____

COUNTY \$ _____

PRIVATE/OTHER \$ 51,200

PRINT NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[REDACTED SIGNATURE]

AUTHORIZED SIGNATURE

AILEEN UTTERDYKE, VICE PRESIDENT & CFO

NAME & TITLE

1/21/16

DATE SIGNED



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;

Pacific Historic Parks (PHP) is a non-profit cooperating association that supports and funds educational and interpretive programs for the National Park Service (NPS) and State Park sites within Hawaii and the Pacific.

PHP was founded in 1979 as the *Arizona* Memorial Museum Association. Over the years, the organization has expanded to include other large parks to encompass WWII Valor in the Pacific National Monument at Pearl Harbor; Diamond Head State Monument on the island of Oahu; Kalaupapa National Historical Park on the island of Molokai; American Memorial Park on Saipan; and War in the Pacific National Historical Park on Guam.

In 2014, PHP entered an agreement with the State of Hawaii, Department of Land and Natural Resources, Division of State Parks (DLNR) to plan, manage and operate a merchandising kiosk at Diamond Head. The organization was selected because of their successful experience with retail and tour operations at the USS *Arizona* Memorial (part of WWII Valor in the Pacific National Monument at Pearl Harbor).

PHP's unique hybrid business model consists of traditional nonprofit fundraising along with a strong retail component. This has provided stable income and allowed the organization to successfully cover its operational and administrative costs so that received donations can be fully applied to program services.

Currently PHP employs approximately 70 individuals. The Board of Directors sets policy that provides direction and vision. The President & CEO is responsible for operations for all five park sites located in the Pacific. PHP is organized into departments: Education, Publications, Marketing, Bookstore, Audio, Development, Accounting, and Human Resources.

2. The goals and objectives related to the request;

Diamond Head, also known as Leahi, is perhaps the most iconic symbol of Hawaii. Its striking profile, close proximity to Waikiki and Honolulu's urban center, and

affordability make it one of the heavily visited destinations in the state, accommodating more than 3,000 people per day.

Despite its popularity, Diamond Head holds a rich history not well-known to most casual visitors. From geological features – as a classic example of a tuff cone; and colorful chronicles – when explorers in the 1700s mistook calcite crystals for diamonds and hippies held Crater Festival concerts in the 1970s; to military significance – as the site of Fort Ruger, the first military reservation on Hawaii, the site offers an extensive educational experience.

We have determined that self-guided audio tours are the most ideal and cost-effective format to explore many of these educational themes. Narrow paths on the hiking trail pose a safety risk to docent-led tours. The audio format has proven more engaging than handheld maps/brochures, more convenient by leaving one's hands free, and more informative by offering additional in-depth detail via optional audio selections. Visitors will not need to go on hike to use and benefit from the tour.

Currently, PHP is using funds from charitable donations to produce audio tours for Diamond Head in English and Japanese. They are expected to be completed by mid-June 2016. However, we are seeking funding for additional languages in Hawaiian, Chinese (Mandarin), Korean, German, Spanish, and French to be able to service and promote deeper appreciation of this landmark for a much larger population.

3. The public purpose and need to be served;

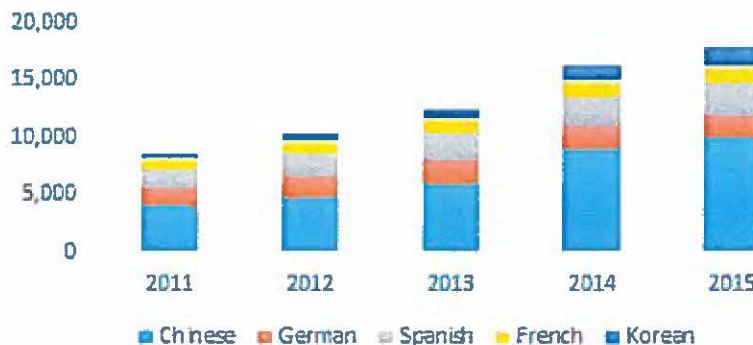
Learning about Diamond Head's history will promote a greater appreciation and understanding for Hawaii's culture. It will also increase respect for the park environment, by encouraging conservation and preventing ecological degradation.

Research has shown that travelers, especially younger ones, are increasingly valuing cultural experiences above others. Audio tours will help provide a richer experience at the most iconic landmark in Hawaii, ideally increasing satisfaction for visitors during their stay in the islands.

On-the-ground observation indicates the visitor population at Diamond Head is becoming increasingly international in composition. The additional audio tour languages we would like to add reflect the top visitor groups according to Hawaii Tourism Authority and other agency research.

Of the six populations (Hawaiian, Chinese, Korean, German, Spanish, and French) we are focusing on, Chinese and Korean appear to be the most important as their numbers are increasing based on new visa waiver programs for Taiwan and South Korea. Sales figures from the USS *Arizona* Memorial audio tours over the last five years appear to confirm this (see chart below). Chinese increased by 142%, while Korean increased by 366%.

Arizona Memorial (Valor) Audio Tour Sales by Foreign Language



As an official state language, Hawaiian should always be offered as an option. Diamond Head is already a staple destination for Hawaii Department of Education field trips, so this will afford Hawaiian-language students the unique opportunity to practice their linguistic skills in a fun and interesting way.

At the USS *Arizona* Memorial, the audio tour has essentially become a “digital ranger” by providing self-help guidance and information to visitors. This has allowed NPS to reduce the number of human park rangers it has had to hire for the site. We hope the same can be provided for Diamond Head State Monument.

- 4. **Describe the target population to be served; and**
- 5. **Describe the geographic coverage.**

Our target population includes the non-English and non-Japanese speakers of the approximately 900,000 people whom visit Diamond Head annually. Specific demographics were covered in the previous section.

The offering of audio tours in general will encourage trips by new visitors of all ages and nationalities whom are not interested in the physically-demanding activity of hiking the crater (currently the main attraction at Diamond Head). This would include the potentially large markets of student groups and the aging population.

PHP has been successfully partnering with tour operators to provide audio tour packages at the USS *Arizona* Memorial. This allows the companies to offer more activity options to their guests and to provide better service to different cultural markets. PHP is currently in discussions to provide the same services to tour companies at Diamond Head.

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;

PHP has already contracted with Acoustiguide to produce up to a 60 minute interpretive audio tour which may be played via 1) device with headset that is worn around neck, and 2) mobile phone app. 100 players have already been purchased for initial English and Japanese tours. The players can also be used for the additional languages as well.

We are requesting funding for the translation and production of additional languages beyond English and Japanese. Acoustiguide will be contracted to handle scripting, casting, direction, narration, music and sound design, recording, post-production, and delivery of the tour.

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

Because the English and Japanese audio tours are already in production, creating additional language versions require only a three month turnaround, versus one year for research and development.

Script Translations	June 2016
Client Review	June 2016
Record Narrations & Post Production	July 2016
Client Review	July 2016
Complete Production	August 2016
Delivery & Installation	August 2016
First Use	September 2016

Schedule subject to change depending in funding availability.

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

As indicated in the timeline, there will be at least two scheduled client reviews before delivery of the product. PHP, along with DLNR, Hawaiian culture experts, and historians, will approve the content. PHP will have University of Hawaii language experts verify the translations. As at the USS *Arizona* Memorial, PHP will continually monitor sales and solicit feedback to gauge and further improve the audio tour program.

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.

PHP will provide progress reports to the State as the timeline milestones are reached and a final report detailing overall success of accomplishment.

III. Financial

Budget

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

See attached.

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2017.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$125,300				\$125,300

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2017.

The only other source of funding will be through PHP and charitable contributions.

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 federal, state, and county government contracts and grants it has been and will be receiving for program funding.

Not applicable.

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2015.

Estimated at \$8.8 million.

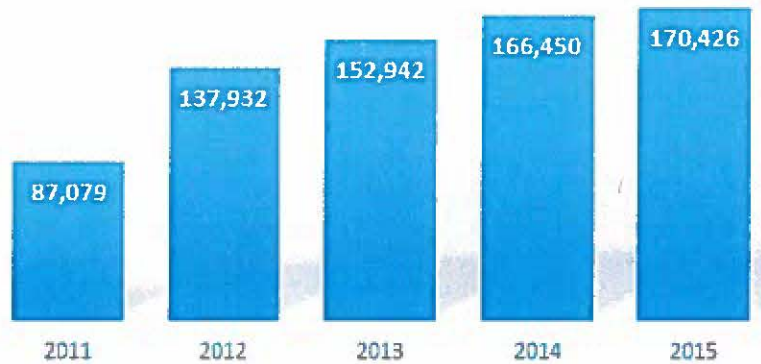
IV. Experience and Capability

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.

PHP has successfully implemented audio tours at the USS *Arizona* Memorial since 2010. The audio tour is the top selling item at the site, accounting for 25% of the revenue generated there. We have seen continued growth in the unit sales each year, almost doubling from 87,079 tours sold in 2011 to 170,426 in 2015 (see chart below). Other attractions at Pearl Harbor (USS *Bowfin* Submarine Museum and Pacific Aviation Museum) have both followed suit in offering audio tours similar to the ones sold by PHP.

Arizona Memorial (Valor) Audio Tour Sales



Acoustiguide was selected by DLNR for price competitiveness and their hiking tour experience. Acoustiguide is a world leader in audio and multimedia interpretation guides and creative content for museums, tourist sites and visitor centers. They launched the first mobile interpretation application in 1957. Last year more than 30 million people speaking nearly 50 languages experienced an Acoustiguide. The company has spent decades producing cutting-edge and engaging multimedia content, enhanced by the patented, proprietary technological capacity of their hardware, software, and apps. Acoustiguide is owned and managed by Espro-Acoustiguide Group which operates worldwide through seven subsidiaries and a network of distributors.

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 Division of State Parks constructed the Diamond Head interpretive kiosk in 2000 to provide visitor services and house exhibits about the history and resources of the crater. Through a collaboration with Pacific Historic Parks, the kiosk was renovated in 2014 also offer a venue for purchasing items related to Diamond Head.

The space is staffed by professionally trained PHP employees and is equipped to begin selling headset audio tours immediately. The mobile app will not require any physical retail space at all.

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.

Executive oversight will be provided by Aileen Utterdyke. Aileen has served as the Vice President & CFO for PHP since 2012, overseeing the entire financial strategy and stewardship of the organization. She briefly served as Interim CEO, when the federal government entered a 16-day shutdown in October 2013. She successfully saw the organization through the period without incurring any layoffs despite a full closure of Pearl Harbor.

Prior to PHP, Aileen worked as a consultant and was the Tax Senior Manager at Ernst & Young for over 20 years. She is Certified Public Accountant and the author of "Taxes of Hawaii: A Comprehensive Guide for Taxpayers and Tax Professionals."

Aileen will be supported by Edean Saito, Special Projects & Program Services Manager. Edean has been with PHP since 1981, serving as the Retail Manager of the store at the USS *Arizona* Memorial, then as the Business Manager overseeing operations of the bookstores at Pearl Harbor, Kalaupapa, Guam, and Saipan.

Edean established and oversaw the implementation of the audio tours at the USS *Arizona* Memorial.

Edean was the Project Manager for the implementation of the agreement between PHP and the State and oversaw the operations of the retail kiosk at Diamond Head State Monument. She is currently the project manager for the development of the audio tour at Diamond Head working directly with Acoustiguide.

In summer 2015, Edean collaborated with Yara Lamadrid-Rose, DLNR Diamond Head State Monument Park Coordinator, to develop the outline, themes, interpretive, and educational guidelines for the audio tour from which Acoustiguide will develop their content. These are based on the interpretive guidelines in the "Interim Interpretive Plan" for Diamond Head, produced by the DLNR, Division of State Parks in July 1998.

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.

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.

Ray L'Heureux – President & CEO: \$160,000
Aileen Utterdyke – Vice President & CFO: \$127,500
Carlton Kramer – Vice President of Marketing: \$105,000

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.

Not applicable.

C. 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.

D. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2016-17 the activity funded by the grant if the grant of this application is:

- (1) Received by the applicant for fiscal year 2016-17, but
- (2) Not received by the applicant thereafter.

After the initial cost outlay, there should be no maintenance costs. The audio tour product will remain as a DLNR asset in perpetuity. A percentage of net profits from the tour will also be given to DLNR in the form of Direct and Indirect Financial Aid, which contributes directly to the park's interpretive and educational programs. This will provide funding for future initiatives.

E. 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, 2015.

See attached.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2016 to June 30, 2017

Applicant: Pacific Historic Parks

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries	30,000			15,000
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST	30,000			15,000
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. Translation Review by Lang. Experts	10,000			2,000
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	10,000			2,000
C. EQUIPMENT PURCHASES	85,300			34,200
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	125,300			51,200
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	125,300	Aileen Utterdyke		808-954-8760
(b) Total Federal Funds Requested		Name (Please type or print)		Phone
(c) Total County Funds Requested		[REDACTED]		1/21/16
(d) Total Private/Other Funds Requested	51,200	Signature of Authorized Official		Date
TOTAL BUDGET	176,500	Aileen Utterdyke, Vice President & CFO		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2016 to June 30, 2017

Applicant: Pacific Historic Parks

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Special Projects & Program Services Manager	1	\$75,000.00	40.00%	\$ 30,000.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				30,000.00
JUSTIFICATION/COMMENTS: The technical nature of the project requires inhouse focus to ensure quality.				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2016 to June 30, 2017

Applicant: Pacific Historic Parks

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Audio Tours	100.00	included	\$ 119,500.00	119500
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:	100		\$ 119,500.00	119,500
JUSTIFICATION/COMMENTS:				

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
Not applicable.			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2016 to June 30, 2017

Applicant: Pacific Historic Parks

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: 2014-2015	FY: 2015-2016	FY:2016-2017	FY:2016-2017	FY:2017-2018	FY:2018-2019
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:	Not applicable.					
JUSTIFICATION/COMMENTS:						

GOVERNMENT CONTRACTS AND / OR GRANTS

Applicant: Pacific Historic Parks

Contracts Total: -

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	Not applicable.				
2					
3					
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**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAI'I REVISED 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, Hawai'i Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant 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, Hawai'i Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.

- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawai'i Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawai'i Revised Statutes, for grants 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.

Pacific Historic Parks

(Typed Name of Individual or Organization)



(Signature)

1/21/16

(Date)

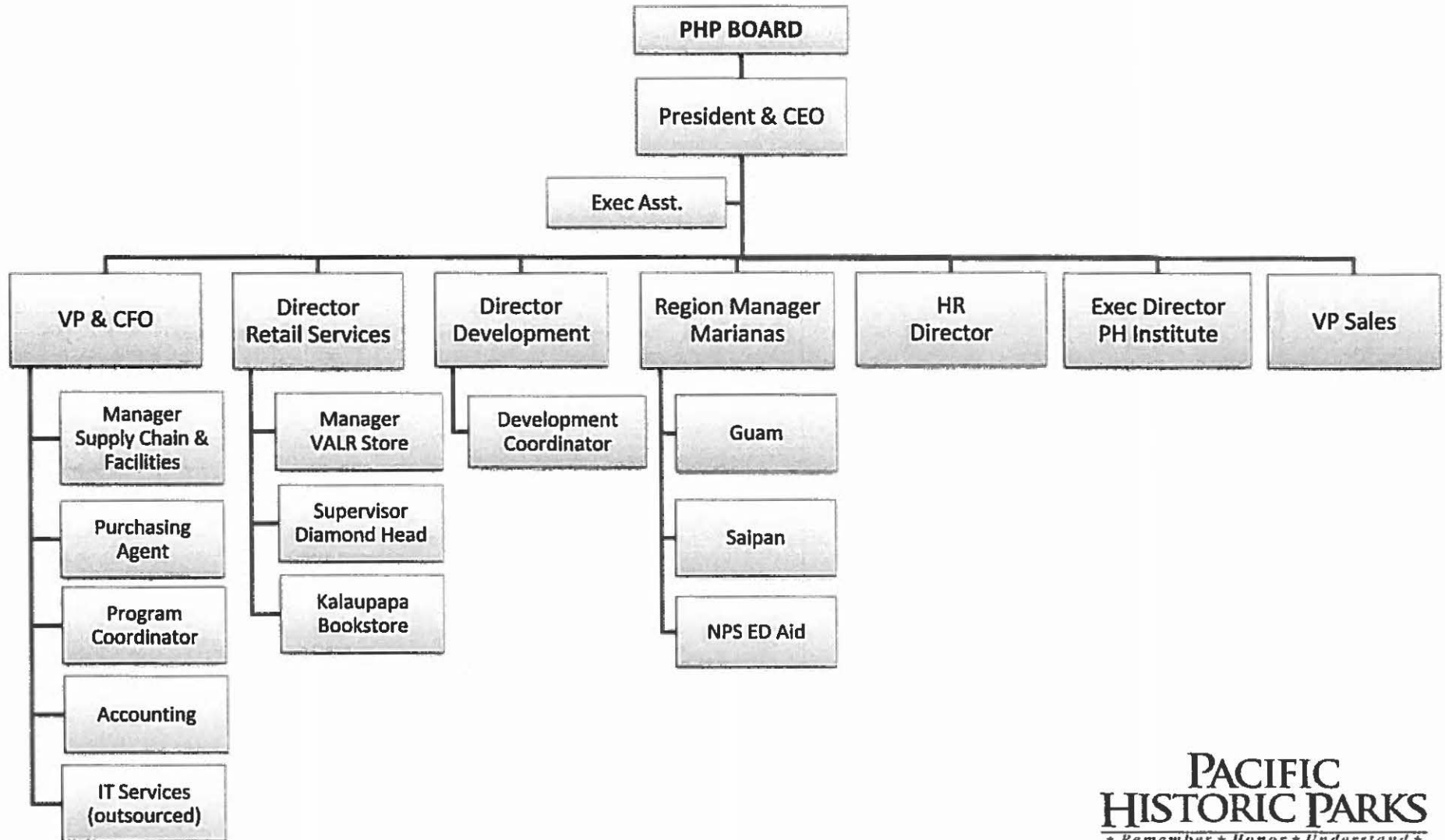
Aileen Utterdyke

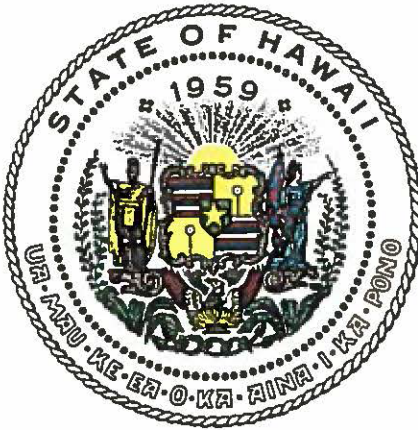
(Typed Name)

Vice President & CFO

(Title)

PHP 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

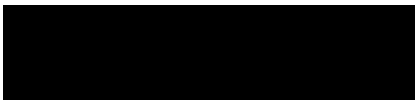
PACIFIC HISTORIC PARKS

was incorporated under the laws of Hawaii on 09/21/1979 ; 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 20, 2016



Director of Commerce and Consumer Affairs