

House District 13

Senate District 7

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:  
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:

KALAUPAPA BAYVIEW HISTORIC PRESERVATION & ASBESTOS REMOVAL,  
PALI TRAIL HAZARDOUS MATERIAL REMOVAL

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2017: \$ 100,000

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 \$ \_\_\_\_\_

FEDERAL \$ \_\_\_\_\_

COUNTY \$ \_\_\_\_\_

PRIVATE/OTHER \$ \_\_\_\_\_

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[REDACTED]  
AUTHORIZED SIGNATURE

AILEEN UTTERDYKE, VICE PRESIDENT & CFO  
NAME & TITLE

1/21/16  
DATE SIGNED



RECEIVED  
1/22/16  
MA

## 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 1987, PHP entered an agreement with the NPS to support and fund education programs, museum displays and exhibits, and interpretive programs at Kalaupapa National Historical Park. The organization was selected because of their successful past experience in working with NPS 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, including one in Kalaupapa – Uncle "Boogie," a former patient who operates the bookstore. The Board of Directors provides direction and vision. The President & CEO is responsible for operations. PHP is organized into departments: Education, Membership, Publications, Marketing, Bookstore, Audio, Development, Accounting, and Human Resources.

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

Kalaupapa is a small remote community on the island of Molokai, located on Kalaupapa Peninsula at the base of some of the highest sea cliffs in the world. The area, originally the site of a Hawaiian fishing village, is known for its breathtaking scenery.

In 1866, during the reign of Kamehameha V, the Hawaii legislature passed a law that resulted in the designation of the Settlement as a quarantine colony for Hansen's disease (leprosy) patients. At the time, the disease was mistakenly believed to be highly contagious and incurable. More than 8,000 men, women, and children were exiled to this island prison.

Father Damien settled there in 1873, followed by Mother Marianne Cope in 1888. Both were canonized as Saints by the Catholic Church in recent years for their inspirational service to the community.

The isolation law remained in effect until 1969, when it was finally repealed. Although modern medicine has rendered the disease curable and there are no active cases of leprosy in the colony, many of the residents were physically scarred by the disease to an extent that would make their integration into mainstream society difficult, if not impossible. Today, about 11 former patients continue to live there.

Kalaupapa National Historical Park was created in 1980 in part to honor and remember the legacy of Father Damien and those he served in the midst of suffering, and often times, the triumph of the human spirit over great adversity. Kalaupapa National Historical Park is the only known NPS site associated with a saint.

PHP is seeking funds for two projects:

1) Bayview Historic Preservation & Asbestos Removal - \$80,000

The historic Bayview complex is a neighborhood at Kalaupapa that was once home to several patients with advanced stages of Hansen's disease. It is one of the settlement's most elaborate expressions of the plantation style. It consists of two large detached buildings and three buildings joined by covered porches.

Bayview #1, a dormitory, was partially rehabilitated in FY14 using National Park Service funds and labor. However, during the repair process, asbestos was found in the plumbing under the building that halted all ongoing and planned historic preservation projects.

Bayview #5 is the first Bayview building that can be viewed by visitors after exiting the trailhead. It is in significant decline and poses health and safety risks. It is presently occupied and used as housing. Once the asbestos is removed, foundation work and structural repairs need to be made in order to stabilize this building and operations.

Asbestos abatement for health and safety reasons is needed immediately on all Bayview complex buildings in order to move forward with preserving and protecting these

buildings for future generations. Attempts to secure funding for abatement through the NPS has been an ongoing challenge, and the completed rehabilitation work on the buildings will be lost if the asbestos isn't removed soon due to further deterioration. The buildings will be used for interpretation and volunteer housing.

2) Pali Trail Hazardous Material Removal - \$20,000

The old Kalaupapa Lookout at Palaaau State Park at the top of the Pali Trail is the only location in the park where staff can interact with visitors younger than 16. The area also serves an entryway to the park for most visitors - those entering on foot or by mule. An old metal pre-fabricated shed in the area and associated hazardous material (HAZMAT) is hampering the development of the gardens and outreach facility. Immediate removal of the shed and its contents is sorely needed for health and safety reasons and to improve aesthetics at the main portal to the park.

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

First and foremost, the physical state of the two sites pose an eminent danger to the current occupants and visitors. Remediation would ensure the health and safety of these people.

The labor for the repair work will be locally sourced and will contribute to the entire island economy.

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

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

**5. Describe the geographic coverage.**

The main target population to be served includes the residents and estimated 60,000 visitors to Kalaupapa per year.

Unless invited by a Kalaupapa resident, visitors are currently limited to 150 per day and must be older than 16, out of respect to remaining former patients. All tours must be booked through the exclusive operator, Damien Tours. The exception is the Kalaupapa Lookout which is the only area of the park open to all visitors without restrictions and the site of the HAZMAT Removal Project we are requesting funds for, which would restore the area back to full accessibility.

However, NPS is already making plans make the park more accessible as it transitions from servicing patients to the public and anticipates increased pilgrimages from religious visitors. These projects will lay the foundation for serving a much greater population, regardless of age, nationality, or physical handicap.

## 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;**

NPS is currently evaluating potential contractors and will cover logistical support for the selected contractor for the duration of the project.

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

Upon selection of a contractor and availability of funds, we hope to complete the projects within 12 months.

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

Quality assurance will mainly be overseen by NPS, as they are ultimately responsible for maintaining the environment of Kalaupapa.

In addition, the residents will have a significant voice in evaluating the success of the projects. Their feedback will be used to make further improvements.

**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 as any additional funds are raised.

## 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
\$100,000				\$100,000

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 worked with NPS since its inception in 1979. PHP lead a fundraising effort for eight years and oversaw the construction contracts for a new Pearl Harbor Visitor Center at the WWII Valor in the Pacific National Monument (USS *Arizona* Memorial), which held its grand opening on December 7, 2010.

The facilities includes a centralized ticketing desk for all Pearl Harbor attractions, an Education & Research Center, a giftstore, renovated theaters, and two museum galleries with state-of-the-art, interactive exhibits. The site experienced an immediate 20% increase in attendance following the year after opening from the year prior to construction. The USS *Arizona* Memorial continues to be the number one visitor attraction in Hawaii, with approximately 1.7 million visitors a year.

The NPS is a bureau of the US Department of the Interior. Their mission is to preserve unimpaired the natural and cultural resources and values of their parks for the enjoyment, education, and inspiration of this and future generations. The As the custodians of Kalaupapa National Historical Park since December 22, 1980, it is NPS' primary duty to provide a well-maintained community that ensures the present residents may live out their lives peacefully and comfortably.

**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 facilities consist of the five historic homes in Bayview, a complex that originally included dormitories and a dining hall for infirm patients, and a metal pre-fabricated shed at the top of the Pali Trail. We are seeking funds to improve all these structures.

**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 work directly with Erika Stein Espaniola, NPS Superintendent for Kalaupapa. Erika has been Superintendent for the past several years and worked at the park for more than five years prior. She began as an Archaeologist, then as the Cultural Resource Program Manager.

Erika has grown the cultural resource program at Kalaupapa, as well as its interpretation and education program. Among her accomplishments are her work with the Hawaiian Legacy effort to perpetuate traditional knowledge and her involvement with with local student groups. She was also was part of the planning team for events celebrating the canonization of Saints Damien and Marianne.

**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.

PHP believes that further maintenance costs can be funded by NPS and Federal grants. Regular maintenance requirements should be manageable after the initial expenditure is taken care of.

As the park becomes more accessible to the public and additional visitor services are offered, Kalaupapa is expected to generate revenue to support future programs.

**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)
<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				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
<b>TOTAL OTHER CURRENT EXPENSES</b>				
<b>C. EQUIPMENT PURCHASES</b>				
<b>D. MOTOR VEHICLE PURCHASES</b>				
<b>E. CAPITAL</b>	<b>100,000</b>			
<b>TOTAL (A+B+C+D+E)</b>				
<b>SOURCES OF FUNDING</b>		<b>Budget Prepared By:</b>		
(a) Total State Funds Requested	100,000	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		Signature of Authorized Official		Date
<b>TOTAL BUDGET</b>	<b>100,000</b>	Aileen Utterdyke, Vice President & CFO		
		Name and Title (Please type or print)		

## BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Applicant: Pacific Historic Parks

Period: July 1, 2016 to June 30, 2017

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Not applicable.				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
<b>TOTAL:</b>				

**JUSTIFICATION/COMMENTS:**

## 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
Not applicable.				
			\$ -	
			\$ -	
			\$ -	
			\$ -	
<b>TOTAL:</b>				
<b>JUSTIFICATION/COMMENTS:</b>				

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

## 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			100000			
EQUIPMENT						
<b>TOTAL:</b>			100,000			
<b>JUSTIFICATION/COMMENTS:</b>						

**GOVERNMENT CONTRACTS AND / OR GRANTS**

Applicant: Pacific Historic Parks

Contracts Total: -

	<b>CONTRACT DESCRIPTION</b>	<b>EFFECTIVE DATES</b>	<b>AGENCY</b>	<b>GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)</b>	<b>CONTRACT VALUE</b>
1	Not applicable.				
2					
3					
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**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.

Pacific Historic Parks

(Typed Name of Individual or Organization)



(Signature)

1/21/16

(Date)

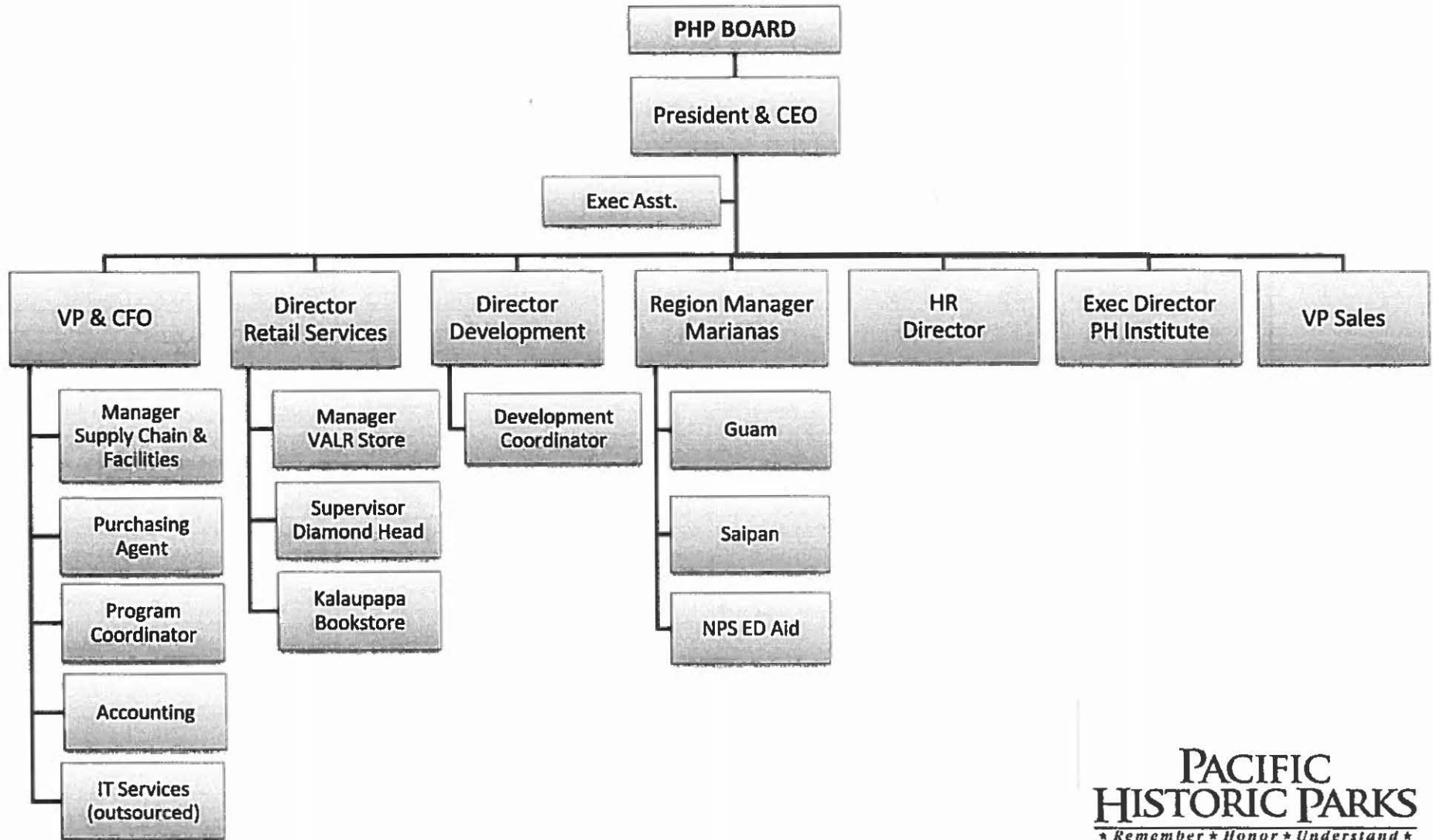
Aileen Utterdyke

(Typed Name)

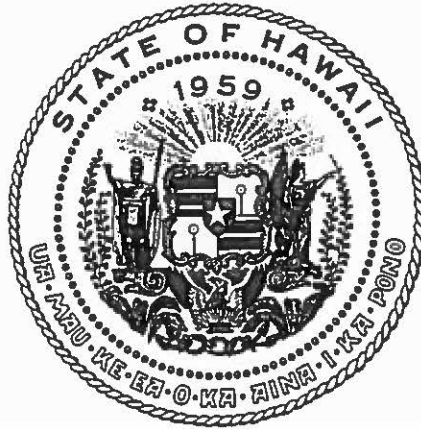
Vice President & CFO

(Title)

# PHP ORGANIZATION CHART







## Department of Commerce and Consumer Affairs

### CERTIFICATE OF GOOD STANDING

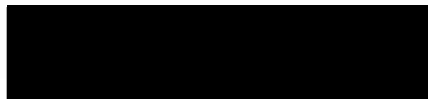
I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

#### 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