

House District 30

Senate District 15

THE TWENTY-NINTH 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:
PEARL HARBOR – HONOLULU BRANCH 46 FLEET RESERVE ASSOCIATION

Dbn:

Street Address: 891 VALKENBURGH STREET
HONOLULU, HI 96818

Mailing Address:

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name GLENN SHAW

Title PRESIDENT/CHAIR BOARD OF DIRECTORS

Phone # 808-486-1924 OR 808-422-2121

Fax # 808-423-6707

E-mail MAGICCARE@ROCKETMAIL.COM

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:

TO COMPLETE THE PURCHASE OF PARCEL OF LAND AT 891 VALKENBURGH STREET FROM THE U.S. NAVY IN ORDER TO CONTINUE DELIVERY OF SERVICES AND RESOURCES OF THE FLEET RESERVE ASSOCIATION. THESE SERVICES AND RESOURCES BENEFIT THE SEA SERVICES OF THE UNITED STATES ARMED FORCES, ALL VETERANS ON OAHU, RESIDENTS OF THE COMMUNITY AT LARGE AND THE CITY AND COUNTY OF HONOLULU.

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2018: \$ 550,000

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 \$ 162,952

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:

[REDACTED]

AUTHORIZED SIGNATURE

GLENN SHAW, PRESIDENT/CHAIR BOD

NAME & TITLE

1-19-17
DATE SIGNED



Application for Grants

If any item is not applicable to the request, the applicant should enter "not applicable".

I. Background and Summary

Pearl Harbor - Honolulu Branch 46 Fleet Reserve Association (Branch 46), a 501(c)19 War Veterans Organization, respectfully submits this Application for Grants and Subsidies to the State of Hawai'i Legislature in the amount of \$550,000. This capital grant is requested to complete the conveyance of the parcel of land located at 891 Valkenburgh Street in Honolulu from U.S. Navy Region to Branch 46 pursuant to Section 2856 of Public Law 111-84.

The impact to both the veteran and local communities should this conveyance not occur would be significant. Branch 46 is the only Veteran Service Organization on the island of O'ahu whose sole mission is to support Navy, Marine Corps and Coast Guard active, reserve and veteran personnel and their families. Since being chartered in March of 1940, Branch 46 has faithfully served the interests of the sea-going community and the veteran community at-large. The Branch enjoys a close alliance with the Pearl Harbor Valor in the Pacific Memorial and played an integral part in raising the funds necessary to build the Arizona Memorial. The Branch is also a sole-source supplier to the Pacific Historic Parks Bookstore for flags, commemorative coins, shadow boxes and reproduction newspapers from December 7, 1941. The income from this partnership helps fund the vital sea-service support programs of Branch 46. Without the Branch 46 facility, this partnership would cease - negatively impacting both organizations.

As the only Fleet Reserve Association Branch Home in the Central Pacific, Branch 46 is also the hub of operations for VFW Post 970, Veterans of Foreign Wars - State Headquarters, American Legion, Marine Corps League Aloha Detachment and the Chosin Few and many others -- all at no cost to the organizations. Without meeting facilities of their own, these groups would be forced to find alternate arrangements for the delivery of their programs and achievement of their missions, thus compounding the effect on the veteran community on the island of O'ahu.

1. Applicant's Background:

The parcel of land on which Branch 46 facilities now sit has been leased by Branch 46 from U.S. Navy Region. The original land lease N6274288RP00012, signed by U.S. Navy Region and Branch 46, commencing 1 February 1988, stipulated that Branch 46 must build a "permanent" Branch Home facility. Branch 46 built it's "permanent" facility in 1988 on the above-referenced parcel of land at a cost to its membership of nearly one million dollars. However, on September 4, 2012, Navy Region notified

Branch 46 that the parcel on which this facility was built had been deemed “non-essential” and was to be sold. Branch 46 was offered the first right of refusal to purchase the parcel at a price of \$650,000 and given 180 days in which to accept the offer.

The Board of Directors reviewed and ultimately accepted the U.S. Navy Region’s offer on 4 March, 2013. Since that time, Branch 46 has appointed a committee to spearhead the fundraising efforts and has raised \$203,733 through a grassroots campaign. However, as a result of our continued fundraising efforts and legal fees, the balance of those funds that is available is \$162,952 and all of these monies will be utilized for the purchase of the land.

The original deadline for conveyance of the property was March 2015; however, the Board of Directors, realizing that the grassroots efforts were insufficient to meet the purchase price, requested of Navy Region a one-time extension to the purchase agreement. Although a ten-year extension was requested, Navy Region approved a three-year extension, taking the deadline for closing on the property to March of 2018.

The extension notwithstanding, at our current fundraising pace, it is apparent to the Board and to the Land Acquisition Committee that without a major influx of cash we will not meet our goal and will not only have to relinquish our building, but also pay to have it razed and the land returned to the government in the condition in which it was received.

While self-sustaining, Branch 46 revenues are insufficient to undertake such a monumental capital project without assistance. **Because the loss of the Branch 46 home would cause a significant hardship for the veteran community on the island of O‘ahu, we do earnestly seek the support of the Legislature in averting this loss.**

2. Goals and Objectives Related to the Request

This capital grant is requested to complete the conveyance of the parcel of land located at 891 Valkenburgh Street in Honolulu from U.S. Navy Region to Branch 46 pursuant to Section 2856 of Public Law 111-84.

The goal is to complete the conveyance of the parcel of land at 891 Valkenburgh Street, Honolulu from U.S. Navy Region to Branch 46. It is estimated that Branch 46 will need to cover the following: cost of the land, conveyance costs, escrow and other associated fees, and other incidental costs, including legal counsel for an estimated total of \$750,000.

3. Public Purpose and Need to be Served

Benefit to Veterans

The primary purpose of Branch 46 is to provide facilities, opportunities, and support, free-of-charge, to our core membership of prior-service, active duty, and retired Navy, Marine Corps, and Coast Guard enlisted personnel. We are committed to following our ethos as charged in parts of the Preamble to Constitution of the Fleet Reserve Association:

Our responsibility to aid in maintaining adequate defense for our beloved country;

Our desire to assist in obtaining the best type of personnel for our Sea Services;

Our interest in the welfare of those who served and are now serving;

Our devotion to our Shipmates in good fortune or distress;

Our reverence of the memory of our departed Shipmates;

Since occupying the property at 891 Valkenburgh in 1988, Branch 46 has served and continues to serve as the meeting place for numerous veteran organizations, including the VFW, American Legion, Marine Corps League and the Chosin Few. In addition, it has served as a training facility for the Pearl Harbor Naval Shipyard and U.S. Pacific Command's Joint POW/MIA Accounting Command (JPAC). Branch 46 has also provided meeting space to numerous veteran motorcycle organizations and their supported charities.

In addition to the organizations who consider Branch 46 their home, the Branch itself provides significant support to the military community through its sponsorship of U.S. Pacific Fleet Sailor of the Year and U.S. Coast Guard District 14 Enlisted Person of the Year, NJROTC program at Radford High School, the Marine Corps Reserve Toys 4 Tots program and sea service personnel in need both in Hawai'i and abroad. Additionally, we open our doors to provide similar support for Army, Air Force, Hawai'i National Guard, and reserve force members, both officer and enlisted.

We truly encompass the meaning of ohana and have an active auxiliary of parents, spouses, children and grandchildren of our members who support Branch 46's mission and dedication to Veterans and Veteran causes.

A fine example of the work we do occurred on Armed Forces Day on May 17, 2015. Branch 46 and its Auxiliary held a special fundraiser - Jacob's Quest - to benefit a US Coast Guard family whose son, Jacob, is stricken with a life-threatening disease

(Spinal Muscular Atrophy) and whose daughter has Autism Spectrum Disorder. Branch 46 and its Auxiliary raised over \$21,600.00 to help the family buy a handicap-accessible van to accommodate Jacob's special mobile wheelchair.

In partnership with other veteran organizations, such as Mo's Heroes, Operation Coverdown, Building Homes for Heroes, Fisher House, the Veterans Administration, US Vet Dogs, just to name a few, our Branch 46 ohana participates and supports the ongoing mission of serving those who serve and their families.

Benefit to the Community

Branch 46 serves as a training and meeting facility for the Honolulu Fire Department, the Department of Education, Head Start, the Hawai'i Joint Police Association, Street Bikers United - Hawai'i, the Emergency Amateur Radio Club, Friends in the Fellowship (a local Alcoholics Anonymous group) and numerous other fraternal and philanthropic organizations. In addition, the Branch sponsors Boy Scouts of America Hawai'i Council Troop and partners with Holy Family School to provide educational and entertainment opportunities for their students.

Our Americanism and Patriotism program provides thousands of dollars to Hawai'i students in grades eight through twelve each year through an essay contest, giving state winners an opportunity to compete on the national level for additional monetary awards.

From hosting wet-downs, promotions, retirements and reenlistments to celebrating keiki first birthdays, weddings and anniversaries, to honoring those who are now serving on the Staff of the Supreme Commander, the Branch 46 home is an integral part of the community - both military and civilian.

Economic Benefit

Branch 46 supports an annual payroll of \$144,872 for 11 employees and contributes over \$254,296 per year to the local economy through its purchase of goods and services. Additionally, through its food and beverage and retail operations, Branch 46 generated \$34,462 in general excise tax income for the City and County of Honolulu in 2016.

With the completion of the project funded by this grant, Branch 46 anticipates steady growth in revenue numbers and an increase in the number of employees on its payroll.

4. Target Population to be Served

The primary beneficiaries of Branch 46 are the approximately 81,000 military veterans who reside on the Island of Oahu, representing 72% of all veterans in the State of Hawai'i, the veterans' family members which includes generational

descendants and widows, and hundreds of military-affiliated, government and community charitable organizations' members and their families.

The Branch is home to the second largest Veterans Service Organization in the State of Hawai'i, serving over 2,000 core members. Additionally, the Branch is located right outside the main gate of Joint Base Pearl Harbor – Hickam and serves the needs of an additional 11,000 to 14,000 veterans and their families by providing dining opportunities and space for fundraisers, meetings, promotions, retirements and morale events like returning ship parties and Celebration of Life events.

Approximately 7,500 community members annually utilize the Branch through classes and activities such as weddings and wedding showers, baby's First Birthday celebrations, AA meetings, Boy Scout and Cub Scout meetings, BBQs, fundraisers of all types, training classes and seminars and Celebration of Life events.

Branch 46 plays an integral role to more than 18 charitable motorcycle organizations' missions by providing them a base of operations for planning and meetings. The Branch is home to approximately 10 annual community motorcycle charity fundraisers that draw over 2,500 motorcycle enthusiasts and generate an average of \$80,000 a year that goes towards local charities.

Federal, state and city government offices also utilize Branch 46 for community presentations, trainings and meetings.

5. Geographic Coverage

Pearl Harbor-Honolulu Branch 46 is located at 891 Valkenburgh Street, Honolulu, HI 96818 in House District 30/Senate District 15. It serves veterans of the Navy, Marine Corps and Coast Guard on Maui, Lanai, Kauai, Hawai'i and O'ahu. The Branch also extends services to veterans of all service components, their families and, as space allows, civilians of the greater City and County of Honolulu.

II. Service Summary and Outcomes

The goal of the project is to complete the conveyance of land from U.S. Navy Region to Pearl Harbor – Honolulu Branch 46 Fleet Reserve Association in order to continue operation of the facility.

1. Scope of Work, Tasks and Responsibilities

Land Conveyance

- Complete the purchase of the land from U.S. Navy Region

2. Projected Annual Timeline:

July – December 2017 – Secure Fiscal Year Funding to complete purchase of land

3. Quality Assurance and Evaluation Plans

Branch 46 recognizes its responsibility to adhere to all applicable State and Federal statutes and guidelines governing the operation of the facility and the administration of its finances, including the distribution of grant funds.

Branch 46 evaluates the operation of the facility monthly and obtains input from the Board of Directors and appropriate committee chairpersons.

Branch 46 has retained the services of an experienced Corporate Bookkeeper, who partners with the Branch Treasurer to oversee the accounting procedures and the production of all required financial and tax documentation. Branch 46 adheres to all Generally Accepted Accounting Practices and ensures that necessary financial internal controls are implemented and practiced.

4. Measures of Effectiveness

The success of the project will be measured by the following outcomes:

- Successful transfer of the title for the property from the Department of the Navy to Pearl Harbor – Honolulu Branch 46 Fleet Reserve Association.

III. Financial

Budget

See attached budget forms.

Anticipated quarterly funding requests:

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$550,000				

Other Funding Sources:

No other sources of funding are being sought at this time.

State and Federal Tax Credits:

As a tax-exempt organization, Branch 46 has no plans to file for state or federal tax credits at this time.

Listing of All Government Contracts and Grants:

Not applicable.

Balance of Unrestricted Current Assets as of December 31, 2016:

Branch 46 currently holds \$47,000

IV. Experience and Capability

A. Necessary Skills and Experience

The Board of Directors of the Pearl Harbor – Honolulu Branch 46 Fleet Reserve Association and the Land Acquisition Committee shall have oversight of the land conveyance. The Board is comprised of elected officers who are retired senior military enlisted or prior service members who are respected and successful leaders within the community. Under the Board's direction, Branch 46 has maintained a secure financial history and continues to meet the mission and goals of a successful Veteran Service Organization.

The Board successfully oversaw the fundraising for and construction of the existing \$1 mil structure and has faithfully fulfilled all related agreements and contracts. The Branch President (CEO) has years of experience in managing a small business, as do other members of the Board and Committee.

B. Facilities

The facility is located at 891 Valkenburgh Street, Honolulu, HI 96818. Navy Region entered into a 25 year lease with Branch 46 for the sum of \$1 for the land on which the facility sits and that lease has been continued by mutual agreement until the deadline for conveyance of 04 March 2018.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

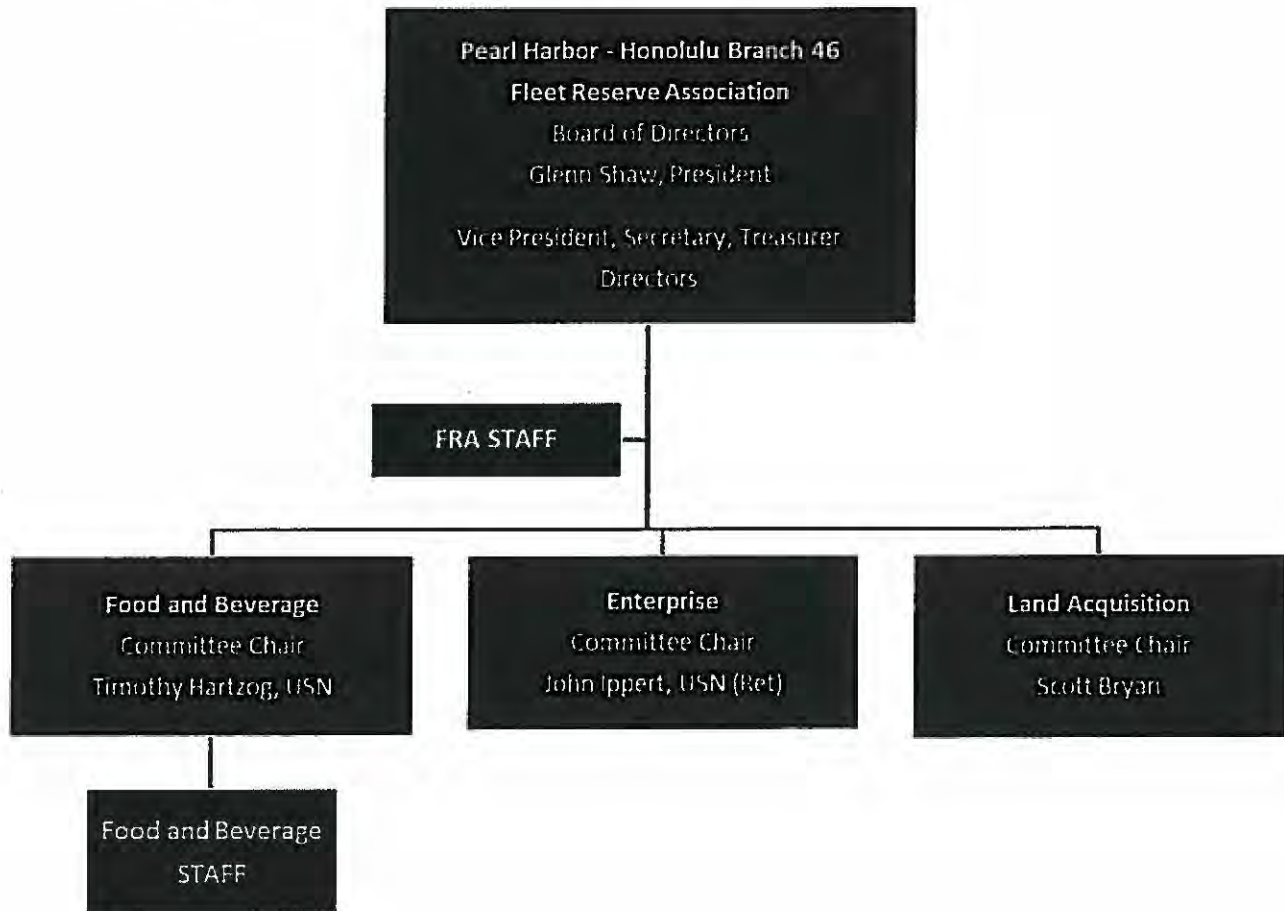
As previously stated, the Board of Directors and Land Acquisition Committee will oversee the land conveyance. The Board had four elected officers: President, Vice President, Secretary and Treasurer and a slate of elected directors. The Land

Acquisition Committee reports to the Board of Directors and is comprised of members of Branch 46 and its Auxiliary. All serve on a volunteer basis.

The Branch operations and programs are managed by the Board of Directors in accordance with the By-Laws.

B. Organization Chart

Branch 46 is organized as follows:



C. Compensation

All Branch 46 Officers and Directors are non-paid volunteers. The highest paid employees of the organization are as follows:

Food and Beverage Manager - \$35,231
Duty Manager - \$31,003

VI. Other

A. Litigation

The applicant has no pending litigation to which they are a party.

B. Licensure or Accreditation

Not applicable.

C. Private Educational Institutions

Not applicable.

D. Future Sustainability Plan

Branch 46 maintains an annual combined operating budget in excess of three-quarters of a million dollars, which is sufficient to fund the operations of the facility and the programs and services it provides once the land conveyance have been funded. The organization has successfully operated the facility for the past twenty-nine years and no significant negative change to the income is expected or anticipated.

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

See attached.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2017 to June 30, 2018

Applicant: _____ Pearl Harbor - Honolulu Branch 46 Fleet Reserve Association

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				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	550,000			
TOTAL (A+B+C+D+E)	550,000			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	550,000	Glenn Shaw	808-486-1924	
(b) Total Federal Funds Requested		Name (Please type or print)	Phone	
(c) Total County Funds Requested			1-19-17	
(d) Total Private/Other Funds Requested		Signature of Authorized Official	Date	
TOTAL BUDGET	550,000	Glenn Shaw, President/Chairman of the Board Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2017 to June 30, 2018

Pearl Harbor - Honolulu Branch 46 Fleet Reserve Association

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
NOT APPLICABLE				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2017 to June 30, 2018
 Pearl Harbor - Honolulu Branch 46 Fleet Reserve Association

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
NOT APPLICABLE			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:			\$ -	

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, 2017 to June 30, 2018

Pearl Harbor - Honolulu Branch 46 Fleet Reserve Association

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: 2015-2016	FY: 2016-2017	FY:2017-2018	FY:2017-2018	FY:2018-2019	FY:2019-2020
PLANS						
LAND ACQUISITION	0	0	550000			
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:			550,000			
JUSTIFICATION/COMMENTS:						

GOVERNMENT CONTRACTS AND / OR GRANTS

Pearl Harbor - Honolulu Branch 46 Fleet Reserve Association

Contracts Total: -

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	NOT APPLICABLE				
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
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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

PEARL HARBOR - HONOLULU BRANCH 46, FLEET RESERVE ASSOCIATION

was incorporated under the laws of Hawaii on 10/09/1975 ;
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 13, 2017

Director of Commerce and Consumer Affairs

**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.

Pearl Harbor – Honolulu Branch 46 Fleet Reserve Association
(Typed Name of Individual or Organization)

 _____ 1-19-17
(Signature) (Date)

Glenn Shaw _____ President
(Typed Name) (Title)