

House District 44

Senate District 21

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:

Waianae Economic Development Council
87-151 Liliana Street
Waianae, HI 96792

P.O. Box 737
Waianae, HI 96792

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Joseph Lapilio
President and CEO
(808) 265-3975
JWL3@thewedc.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:

PLANNING, DESIGNING AND CONSTRUCTING A BUSINESS
DEVELOPMENT AND EMPLOYMENT TRAINING CENTER ON THE
WAIANAE COAST

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: [REDACTED]

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2018: \$ 1,490,000

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	\$ 1,490,000
FEDERAL	\$ 0
COUNTY	\$ 2,770,000
PRIVATE/OTHER	\$ 0

JOSEPH LAPILIO

PRESIDENT AND CEO

JANUARY 20, 2017

NAME & TITLE

DATE SIGNED



RECEIVED
1/20/17

114

Application for Grants

I. Background and Summary

The Waianae Economic Development Council (WEDC) was formed to identify and develop economic opportunities on the Waianae Coast. Its mission is to create the conditions for the community to flourish based on its rich resources – its culture, history, natural resources and people. The Waianae Economic Development Council will accomplish this mission by adhering to the following operating principles:

- Create value for our community, our clients, and their customers;
- Build relationships among businesses and within the community; and
- Demonstrate respect for our clients, our community and its culture.

To fulfill its mission, the Waianae Economic Development Council has taken on the following roles and responsibilities:

- Building capacity by providing training and ongoing technical assistance.
- Improving access to financing, capital and other resources.
- Facilitating the promotion and marketing of Waianae Coast products and services.
- Developing new companies, activities and partnerships, particularly those that stimulate further development and help existing businesses.
- Developing a capable workforce.

Our goals over the next three years include:

- Developing a cohort of community development leaders for the Waianae Coast and acquiring certification as a Community Based Development Organization (CBDO).
- Building the physical infrastructure needed for local businesses to develop and grow including a business development center, certified kitchen facility and a retail outlet.
- Improving access to capital by securing certification as a Community Development Financial Institution (CDFI).
- Creating an employment training center.
- Marketing the community and its products and services.

The Waianae Economic Development Council will meet these goals with the support of experienced leadership in community economic development, collaboration with experienced partners in the field of business development, and with ongoing participation of the community.

1. The goals and objectives related to the request;

The goals of the Waianae Economic Development Council include building the physical infrastructure needed for local businesses to develop and grow. For purposes of this Grant-in-Aid request, the Waianae Economic Development Council is requesting funding to plan, design and construct a certified multi-kitchen facility, food service training café, agricultural employment training and business development center.

2. The public purpose and need to be served;

Economic conditions on the Waianae Coast – its high levels of unemployment, low income households, homelessness and overall community wellness – have perplexed policy makers for decades.

Strategies to develop the local economy have not gained traction. The community remains largely dependent on public sector employment or government subsidies. Employment training is dependent on job availability outside the coast exacerbating other quality of life issues (traffic). With some exceptions, most of jobs available in the community are low paying resulting in other socio-economic issues (housing).

The community must take responsibility for its development. We are a community of many strengths. Our creative talent expresses itself in the arts, in technology, and culture. The energy and hard work of our residents is seen in our farmers and fishermen, mechanics and truckers, and in laborers and builders who construct quality projects outside our community. We need to harness this creative energy and develop it. We need a stronger, more vibrant business sector.

This proposal requests funding to create a business hub benefitting Waianae Coast businesses and emerging entrepreneurs. This hub will improve access to business resources, provide business development support, create networking opportunities, incubate start-up companies and provide a voice for local entrepreneurs.

The members of the Waianae Economic Development Council have provided business training and technical assistance to Waianae Coast residents and businesses for many years. A central theme from training participants and existing businesses is the lack of facilities that can help these businesses meet the requirements, both regulatory and operationally, to produce products in a safe and cost efficient way.

One of these deficiencies is the lack of accessible certified facilities to prepare food and food products. Second is the lack of a retail outlet for Waianae Coast products. Third is the lack of a central location and approach to helping residents start and build businesses.

These needs have been expressed by the Nanakuli-Mailii and the Waianae Coast Neighborhood Boards and is being discussed at the Economic Development Committee of the Waianae Coast Neighborhood Board.

On August 27, 2016, the Waianae Economic Development Council hosted a Community Development Planning Summit to identify issues and solutions to the community's economic development needs. Approximately 150 residents attended the summit. A priority recommendation from the group is a call for a place for businesses and entrepreneurs to meet, acquire training and network with others.

The summit also prioritized the need to develop the community's agricultural industry including employment training to assist residents to acquire agricultural related jobs.

3. Describe the target population to be served; and

This facility will provide a location for current businesses and emerging entrepreneurs to develop their businesses, create food products and offer these products for sale. It is expected the majority of facility users will be from the Waianae Coast but it will be available to businesses from other areas of Oahu as requested.

4. Describe the geographic coverage.

The facility will be located on the Waianae Coast. It will be available to anyone who requests and reserves its use.

II. Service Summary and Outcomes

1. Describe the scope of work, tasks and responsibilities;

This project, if funded, will help the Waianae Economic Development Council to plan, design and construct a business development and employment training center. This center will house a certified multi-kitchen facility, café, retail outlet, business training classrooms and an agricultural employment training center. This center will provide educational workshops, business development training and access to common supports needed for business to operate. Specifically, the facility will include:

- Multi-kitchen facility including preparation, baking and full kitchens
- A healthy food cafe
- Classroom space for training and business development workshops
- Business center including printing and other operational support services
- An agricultural project to provide employment training for entry level workers
- Office space for managing and operating the facility
- Parking, Security and lighting

Funding from this GIA will be used solely for planning, design and construction.

The Waianae Economic Development Council Board of Directors will hire a Project Manager (contracted). The Project Manager will hire an Architect (contracted) to design the facility and submit reports to the board of directors and to the State of Hawaii as requested. The Project Manager will also complete a business plan for the project.

The Architect will gather input from the community meetings, board of directors and the executive director to translate recommendations into design. A draft will be completed for review by the board of directors with a final design completed by Month Four.

2. Provide a projected annual timeline

Months	Task	Responsibility
1	Project Manager Function Starts	Board of Directors
1	Hire an Architect	Project Manager
1-2	Develop preliminary drawings and concept	Project Manager/Architect
2-3	Board review, revisions, approval	Board of Directors
4	Final Design, Hire Construction Firm	Project Manager/Architect
5-9	Construction and Renovations	Project Manager/Architect
10	Inspection and Certificate of Occupancy	Project Manager/ Architect
11	Prepare Site for Occupancy	Project Manager
12	Final Report	Board President

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

The Waianae Economic Development Council is fortunate to have a member of the board with experience on this type of project. Dan Gomes, the Board Vice-President, was the person with oversight on the construction of a multi classroom building that included a culinary arts facility at Waianae High School. Dan managed each step of construction, from ground breaking to completion, to certification of the kitchen and acceptance of the building. He will ensure that all benchmarks are met, and that the project is done professionally on budget and on schedule.

3. List the measure(s) of effectiveness

The following measures will be used to report on the progress of this project:

- Site control will be secured. Documentation verifying site control will be available.
- Contracts for the Project Manager and Architect will be completed and on file.
- A report of the planning process will be completed and submitted.
- A preliminary design will be completed by the architect and submitted.
- Community comments on the preliminary design will be recorded and filed.
- A final design for the project will be completed and submitted.

IV. Experience and Capability

A. Necessary Skills and Experience

The Waianae Economic Development Council is governed by a Board of Directors who volunteer and bring a wealth of experience and expertise in community economic development. The members of the board are also active members of the Waianae Coast community and bring a broad perspective to the planning and implementation of this project and the organization's larger goals. The members of the board of directors include:

Joseph Lapilio, President and Founder of the Waianae Economic Development Council, has worked on the Waianae Coast for more than forty years. Joseph is a community and organizational development consultant. He is currently a partner in several firms including a certified community entity (CDE) specializing in financing construction projects for low income communities. He was the executive director of the Waianae Coast Coalition for eleven years and coordinated community projects focused on economic development including leading the Waianae Business Center for five years. Joseph is active in the community including the Waianae Coast Rotary Club, the Lualualei Hawaiian Civic Club and the Native Hawaiian Chamber of Commerce, among others. Joseph is a lifelong resident of the Waianae Coast. Joseph will take responsibility for general needs of the Waianae Economic Development Council and planning for the future of the facility, including fund raising for its construction. He will serve in this capacity as an unpaid volunteer.

Dan Gomes is the Vice-President of the Board of Directors. He is also a member of Ulu Mau Development LLC, a firm specializing in business developments benefiting the Waianae Coast. Prior to this, Dan was a consultant to the principal at Waianae High School with oversight on the construction of the culinary arts facility (including a certified kitchen) at the school. Dan is retired from Pitney Bowes where he was the District Manager. Dan is active in the community as a member of the board of directors for the Waianae Coast Comprehensive Health Center and a member of the board of directors for the Waianae Boys and Girls Club. He is also a member of the Waianae High School Community Council. Dan will oversee the planning and designing of the facility and provide regular reports on its progress. Dan will also be responsible to oversee quality controls. He will serve in this capacity as an unpaid volunteer.

Gail Gomes is the Secretary-Treasurer and a member of the Board of Directors for the Waianae Economic Development Council. Gail is the editor of Westside Stories, the community's monthly newspaper and she is noted for her awareness of the community. Gail has served on the Waianae Coast Neighborhood Board, the Neighborhood Commission with the City and County of Honolulu and the Waianae Coast Rotary Club. Gail will be responsible for coordinating the publication of community business directory and convening community meetings to solicit input from residents and businesses in the planning phase of the project. She will provide this support to the project as a volunteer.

Frances Ah Nee is a member of the Board of Directors. She is the branch manager for Bank of Hawaii in Waianae. Frances is active in the community as a member of the Waianae Coast Rotary Club. Frances assists with business development classes and other support activities to current and local businesses. She provides this support as an unpaid volunteer.

The Waianae Economic Development Council is also home to a cadre of associates who bring broad range of experience and education. These associates are residents of the community and work on the coast in a variety of fields including education, employment training, business and nonprofit management and law, among others.

B. Facilities

While the community hosts several stand alone certified kitchens, those that are not operating solely as food establishments are difficult to find and use on a regular basis. Most Waianae Coast businesses who are required to use a certified kitchen build their own kitchens or must travel to Honolulu to the certified kitchen facilities of Pacific Gateway in Kalihi.

Many small and emerging businesses do not have the capital needed to build their own facilities and are unable to travel to town. A large number of vendors operate under the radar and skirt the rules. This is particularly true for those businesses that sell products along the highway or are hidden from view and inspection.

Many start-up businesses, including micro-businesses, need a certified kitchen but also require some time to establish their businesses and gain the experience and knowledge needed to succeed. A certified multi-kitchen facility linked to the Waianae Economic Development Council would serve as an incubator for those needing it and provide access to experienced and knowledgeable individuals who can train and deliver the needed technical assistance.

This type of facility does not exist on the Waianae Coast and is the reason for this request. Funding from this GIA, if awarded, would be used to plan and design a multi-kitchen facility certified for food preparation by the Department of Health. The facility would also be used to hold classes and workshops for residents interested in starting or are already in business and need additional support. The Waianae Economic Development Council will be in the new facility to provide ongoing support to those that are starting their businesses and/or using the kitchen.

Negotiations for a site on the coast are underway and will be completed before funding for this project is released.

V. Personnel: Project Organization and Staffing

A. Proposed Staffing, Staff Qualifications, Supervision and Training

Joseph Lapilio is the organization’s President and Chief Executive Officer. He is an experienced nonprofit executive and served in a number of organizations and has demonstrated experience in large projects.

The Board President and CEO will oversee the project. He will work with the board of directors to hire a Project Manager. Selection of the Architect will be the responsibility of the Project Manager. The Project Manager will monitor the progress and deliverables of the Architect, make recommendations to the Board of Directors, and provide reports as needed.

The Project Manager and Architect for this project have not been selected at this time. If funding is approved, the Waianae Economic Development Council Board of Directors will establish the process for selection of the Project Manager and the Architect.

B. Organization Chart



C. Compensation

All current positions within the Waianae Economic Development Council are filled by volunteers. No one is compensated for their work or contributions to the organization. If this grant is awarded to us, management of this project will be contracted to a project management firm. In turn, the Project Management firm will hire the Architect.

VI. Other

A. Litigation

The Waianae Economic Development Council does not have any pending litigation to which it is a party nor does it have any outstanding judgments.

B. Licensure or Accreditation

Licenses and/or accreditation are not needed at this point. However, planning and designing the facility will require that the architect be licensed. The design of the kitchen will also need to ensure that the facility is certifiable by the Department of Health.

C. Private Educational Institutions

This grant, if awarded, will not be used to support or benefit a sectarian or non-sectarian private educational institution.

D. Future Sustainability Plan

A business plan outlining the revenue projections of the certified multi-kitchen facility is being completed. Preliminary projections indicate that the certified multi-kitchen facility will generate sufficient income to meet operating costs.


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

A copy of the current certificate of good standing from the Director of Commerce and Consumer Affairs is attached.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2017 to June 30, 2018

Waianae Economic Development Council

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	0	0	0	0
B. OTHER CURRENT EXPENSES				
1. Planning and Engineering	125,000			
2. Demolition and Removal	15,000			
3. Onsite Improvements	200,000			
4. Landscaping	150,000			
5. Rehabilitation	150,000			
6. Building Construction	250,000			
7. Inspection	15,000			
8. Project Management	200,000			
9. Audit	30,000			
10. Land Acquisition			2,770,000	
TOTAL OTHER CURRENT EXPENSES	1,135,000		2,770,000	
EQUIPMENT PURCHASES	355,000			
MOTOR VEHICLE PURCHASES	0			
CAPITAL	0			
C. (a) Total State Funds Requested	1,490,000		(808) 265-3975	
D. (b) Total Federal Funds Requested	0		Phone	
E. (c) Total County Funds Requested	2,770,000		Date	
D. (d) Total Private/Other Funds Requested	0		Date	
TOTAL SOURCES OF FUNDING	4,260,000	Joseph Lapilio, President and CEO		
		Name and Title (Please type or print)		
TOTAL BUDGET	4,260,000			

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2017 to June 30, 2018

Waianae Economic Development Council

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Equipment for Certified Kitchens	3.00	\$60,000.00	\$ 180,000.00	180000
Training Equipment	1	\$125,000.00	\$ 125,000.00	125000
Office Equipment	1	\$50,000.00	\$ 50,000.00	50000
			\$ -	
			\$ -	
TOTAL:	5		\$ 355,000.00	355,000

JUSTIFICATION/COMMENTS: The project will include equipping three kitchens, a training and conference center and the site office

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

Waianae Economic Development Council

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2015-2016	FY: 2016-2017	FY:2017-2018	FY:2017-2018	FY:2018-2019	FY:2019-2020
PLANNING AND DESIGN	0	0	125000		0	0
LAND ACQUISITION	0	0	0	2770000	0	0
LANDSCAPING	0	0	150000	0	0	0
CONSTRUCTION	0	0	600000	0	0	0
PROJECT MANAGEMENT	0	0	200000	0	0	0
TOTAL:	0	0	1,075,000	2,770,000	0	0
JUSTIFICATION/COMMENTS: Planning and Design will include expansion of the existing parking lot, design of a café, remodeling for a conference and training center and buildout of three certified kitchens. Acquisition funding has been requested from CDBG. Construction includes buildout of the kitchens, the café and conference center.						

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII 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, 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.

Waianae Economic Development Council

	zation)
(Signature) Joseph Lapilio	January 20, 2017
(Typed Name)	(Date) President and CEO
	(Title)



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

WAIANAE ECONOMIC DEVELOPMENT COUNCIL

was incorporated under the laws of Hawaii on 08/21/2014 ; 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: December 12, 2016

Director of Commerce and Consumer Affairs