

**GRANT APPLICATION
SUBMISSION**

**FRIENDS OF THE PALACE
THEATER
38 HAILI STREET,
HILO HAWAII 96720**

Application Submittal Checklist

The following items are required for submittal of the grant application. Please verify and check off that the items have been included in the application packet.

- 1) Certificate of Good Standing (If the Applicant is an Organization)
- 2) Declaration Statement
- 3) Verify that grant shall be used for a public purpose
- 4) Background and Summary
- 5) Service Summary and Outcomes
- 6) Budget
 - a) Budget request by source of funds ([Link](#))
 - b) Personnel salaries and wages ([Link](#))
 - c) Equipment and motor vehicles ([Link](#))
 - d) Capital project details ([Link](#))
 - e) Government contracts, grants, and grants in aid ([Link](#))
- 7) Experience and Capability
- 8) Personnel: Project Organization and Staffing

Wendy B. Peskin

AUTHORIZED SIGNATURE

WENDY PESKIN, BOARD PRESIDENT

PRINT NAME AND TITLE

JANUARY 11, 2019

DATE

**THE THIRTIETH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES**

Type of Grant Request:

Operating Capital

Legal Name of Requesting Organization or Individual: Db:
Friends of the Palace Theater Friends of the Palace Theater

Amount of State Funds Requested: \$ 223,000

Brief Description of Request (Please attach word document to back of page if extra space is needed):
The primary purpose of this request is to obtain State Grant in Aid funding is to continue working on a robust long-range plan to strategically restore and preserve the Palace Theater for future generations.
In 2017, a monetary commitment of \$130,000 for urgently needed air conditioning was awarded by the State government. Unfortunately, the commencement of that project has been delayed due to an unexpected requirement by the Fire Marshall to completely upgrade the outdated fire safety system, an additional cost that the local community

Amount of Other Funds Available:	Total amount of State Grants Received in the Past 5
State: \$ <u>130,000</u>	Fiscal Years:
Federal: \$ _____	\$ <u>130,000</u>
County: \$ _____	Unrestricted Assets:
Private/Other: \$ <u>143,000</u>	\$ <u>339,484</u>

New Service (Presently Does Not Exist): Existing Service (Presently in Operation):

Type of Business Entity:
 501(C)(3) Non Profit Corporation
 Other Non Profit
 Other

Mailing Address:
38 Haili Street,
City: State: Zip:
Hilo Hawaii 96720

Contact Person for Matters Involving this Application	
Name: Robin Worley	Title: Executive Director
Email: robin.worley@hilopalace.com	Phone: 808-934-7120

Federal Tax ID#: [REDACTED]	State Tax ID# [REDACTED]
--------------------------------	-----------------------------

Wendy Peskin
Authorized Signature

Wendy Peskin, Board President
Name and Title

Jan. 11, 2019
Date Signed

received
1/18/19 12:24p [Signature]

The primary purpose of this request is to obtain State Grant in Aid funding is to continue working on a robust long-range plan to strategically restore and preserve the Palace Theater for future generations.

In 2017, a monetary commitment of \$130,000 for urgently needed air conditioning was awarded by the State government. Unfortunately, the commencement of that project has been delayed due to an unexpected requirement by the Fire Marshall to completely upgrade the outdated fire safety system, an additional cost that the local community cannot support. The 2017 monetary commitment of \$130,000 from the State government signifies the importance of the Palace Theater as a valuable asset to the State. We respectfully ask for an additional commitment to repair the fire safety system, obtain final construction permits and commence Phase 1 of the air conditioning installation. The sprinkler system and air conditioning installation will provide a safe and more comfortable performance space.

Application for Grants

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

I. Certification – Please attach immediately after cover page

1. 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, 2018.

See attached Certificate of Good Standing

2. Declaration Statement

The applicant shall submit a declaration statement affirming its compliance with Section 42F-103, Hawaii Revised Statutes. ([Link](#))

See attached Declaration

3. Public Purpose

The applicant shall specify whether the grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes. ([Link](#))

The grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes, as outlined in this application.

II. Background and Summary

This section shall clearly and concisely summarize and highlight the contents of the request in such a way as to provide the State Legislature with a broad understanding of the request. Please include the following:

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

The Friends of the Palace Theater is a community-based non-profit organization established in 2002. Its mission is "to revitalize, restore, and sustain Hilo's historic theater as a venue that will educate, entertain, and inspire our diverse community." The Palace Theater is the largest downtown venue in Hilo, and contributes significantly to the vitality of Hilo's business district. It has served many generations as a cultural gathering place, and as a popular fundraising space for other community non-profits. It is a showcase for Hawaii's performing artists, local and international

filmmakers, and for community-based, multi-cultural events. In 1992, the building was placed on both the State and National Historic Registers.

2. The goals and objectives related to the request;

The primary purpose of this request is to obtain State Grant in Aid funding is to continue working on a robust long-range plan to strategically restore and preserve the Palace Theater for future generations. Projects to achieve this goal have been carefully prioritized, and lead up to 2025 – the 100th anniversary of the opening of this historic theater. (see attached Long-Range Plan).

The stunning neoclassical architecture that has remained in its original form for over 90 years inspires awe among visitors, audience members and performers. However, as with all older buildings, the 93 year-old Palace does not conform to the modern-day definition of a comfortable and efficient venue.

In addition to aging, the building suffers from rot and persistent water damage, which was greatly exacerbated by the 6.9 earthquake and Hurricane Lane events in 2018. Professional restoration of the exterior of the building is needed to prevent further deterioration and loss due to water seepage into the cracks in the stucco and wood façade. This is primarily a safety concern, as pieces of the stucco and wood framing are loosened and have been observed falling into the street and adjacent ally.

Current seating is not comfortable, additional backstage room is needed for dressing rooms and storage, and the driveway and parking lot are accessible, but access is perilous.

Most importantly, and most immediately needed, is an adequate air conditioning system. The Palace Theater's former air conditioning system was 'state of the art' in the mid 20th century, but has not functioned for decades. The environment for performers and audiences alike is hardly bearable during warm and humid weather.

The local community does not have the resources to support the kinds of major restoration and improvements that are required for the theater to remain safe and sustainable.

The 2017 monetary commitment of \$130,000 from the State government for urgently needed air conditioning signifies the importance of the Palace Theater as an important and valuable asset to the State. Unfortunately, the commencement of that project has been delayed due to an unexpected requirement by the Fire Marshall to completely upgrade the outdated fire safety system, replacing all of the 1930 heads (600+). This includes heads in the theater proper, some ancillary spaces like bathrooms, offices, parts of the basement, and the two attics. Another improvement that is required is a dedicated line from an in-house electronic fire monitoring system to the firehouse.

The unanticipated requirement to upgrade the existing fire sprinkler system in order to obtain the final building permit to commence installation of the Air Conditioning system was indeed a surprise to all involved, especially since the sprinkler system had not been a barrier for permitting two other major projects undertaken in the last few years (new roof and photovoltaic system). This requirement has added additional cost and time to the project; however, the sprinkler system and air conditioning installation will provide a safe and more comfortable performance space.

We respectfully ask for an additional commitment by the State to repair the fire safety system, in order to obtain final construction permits and commence Phase 1 of the air conditioning installation, for which the State has already awarded \$130,000 which must be used by 2020. We also request funding for critical façade repair and maintenance to ensure public safety.

3. The public purpose and need to be served;

Today, the public is looking for places to meet and gather that are as welcoming and comfortable as possible. A vital part of any theater production is the wellbeing of the people in the seats. The audience expects to watch a film, musical, or concert in optimal conditions, to fully enjoy the emotion of this collective ritual, and to want to return to it.

The public also wants to know that the venue is safe, and in compliance with today's safety codes. In addition to brining the theater up to code immediately, the overhaul of the fire safety system will be a model system for what the Fire Marshall advises will save the building in the event of a fire in any of the inaccessible areas (eg – bcksatge areas).

The enjoyment of a show comes from a comfortable setting where the right temperature, the correct degree of humidity, and the introduction of fresh outside air make the spectator completely comfortable.

The Palace Theater was one of the first venues of its type to offer air conditioning. The original system stopped working many years ago, and is not repairable. The loss of air conditioning and the adjunct high humidity levels contribute to the discomfort of audience and performers. These conditions hinder the performers from giving their best and they also contribute to systems failures of the digital projection system. We had to cancel films during multiple weeks due to high humidity and endured the costs of repairs and some replacement of the electronic equipment. Air conditioning will improve airflow, temperature, and humidity, and provide a much-improved environment for audiences and performers alike. However, before this improvement can occur, public safety must first be addressed through the repair of the fire safety equipment.

4. Describe the target population to be served; and

Palace Theater programs are developed to engage a diverse audience of 20,000 annually from local community members to visitors from other locales. With year-round programming, the theater is active nearly every night year-round, with people of all ages, cultures, and walks of life coming to events. Since many of the productions at the theater are presented in collaboration with other local groups, there is a high degree of community integration in each season's programs.

Another target population are the long-time performers who support the Palace as well as newer performers who find the Palace a welcoming venue to showcase their talents when they are starting out. Air conditioning has been the most requested improvement among patrons and performers alike.

Both the comfort and safety of these target groups is paramount in this proposal.

5. Describe the geographic coverage.

The Palace Theater is the largest venue of such historic significance and of its type on the east side of Hawaii Island. In addition, due to its attention to the emerging needs of visitors to the island, its geographic service area now extends to the mainland, as well as parts of Asia and Europe, as visitors come to experience the authentic Hawaiian performances for which the Palace Theater is renowned. Still, the majority served are from Hawaii, and mostly East Hawaii Island.

III. Service Summary and Outcomes

The Service Summary shall include a detailed discussion of the applicant's approach to the request. The applicant shall clearly and concisely specify the results, outcomes, and measures of effectiveness from this request. The applicant shall:

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

The scope of work for fire safety upgrades includes fixing pipe leaks, replacing heads and escutcheons, and installing a new monitoring system.

The first step is an engineered plan design, which will be reviewed by the Fire Marshall for compliance to code, safety for the public, and relevance to the preservation of the theater for future generations. A mechanical engineer has been hired for this purpose, and once the finished drawings are completed, and permits issued, bids will be sought for the sprinkler head replacement and necessary adjunct carpentry and other repairs. The selected contractor will remove and replace the sprinkler heads, interfacing this with the adjunct carpentry.

With respect to the air conditioning, the Board of Directors had already approached approached Engineering Partners – Progressive Solutions LLC (long-time consultants to the Palace Theater) to create an overall design for ventilation and air conditioning, to assess the costs of A/C installation, adjunct electrical upgrades, and finish work.

Bids for electrical, mechanical systems, and finish work have been solicited and received from local business known for their experience and the quality of their work on large commercial projects.

To commence the installation of the air conditioning system, the ductwork from the old air conditioning system will be demolished. Then the electrical upgrades will be completed. A concrete pad and secure area for the exterior mechanical equipment will be completed, and then the mechanical systems (consisting of traditional AC/heat pump units, mini-splits and fan coils) will be installed, with adjunct ductwork out of sight above the theater's ceiling and within the attic. The final stage will be the finishing carpentry and insulation.

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

Repairs to the façade will commence immediately, in order to ensure maximum public safety.

With adequate funding, sprinkler upgrade will be completed by August, 2019. This must be completed and approved before the air conditioning project can commence. It is anticipated that the first phase of the air conditioning installation can be completed by the end of 2019.

The A/C system has been designed to allow for staged installation of the mechanical components, so that incremental cooling can be achieved for both small audiences and ultimately, a full house.

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

All projects in the long-range plan have included the direct oversight and input of the Architect, the late Boone Morrison of Volcano, who was the only Historic Preservation Architect on the Big Island. He worked on the Palace Theater more than 20 years ago; he had detailed drawings and documents on the structure, and was willing to consult on the Air Conditioning project on a pro bono basis.

Quality of workmanship will be monitored and evaluated by specialists. For example, the sprinkler upgrade will be performed by a vendor specializing in plumbing and licensed in the area of fire safety (PacRim), and the project will be overseen and monitored by the Fire Marshall to ensure compliance with the Fire Safety code.

Each stage of air conditioning installation will be overseen by vendors specializing in their field, with progress reports to the Board of Directors and with oversight by the two Directors involved in architecture and construction.

The work done in each of the three projects will lead to an overall increased level of comfort and safety for theater patrons. Comfort, especially because of the air conditioning, should bring a considerable boost in attendance. We also anticipate maintaining our current pool of performers and increasing that number over time due to reduced heat and humidity during performances. The high heat level is a topic at nearly every live performance as artists try to cope with excessive amounts of perspiration and discomfort while on stage.

More subtle measurements include customer satisfaction and return visits. Data is collected at performances to determine how patrons respond to the changes in theater programs and how they heard about specific performances. This data is reviewed at Board meetings.

Facebook and Twitter accounts and webmail are monitored noting both the comments and the increase in followers.

We also specifically measure attendance, volunteers and donors, as an indication that theater comfort and programming is on track with consumer tastes, and that we are attracting new patrons .

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.

- ***The elimination of water leakage as a result of façade repair***
- ***Increased public safety as a result of repairs to stucco and façade***
- ***The approval of the fire safety plan, allowing the issuance of permits for the commencement of the air conditioning project***
- ***The increase in audience attendance due to increased theater comfort: 2020-2021***
- ***The increase in the number of performers who chose and return to perform at the theater due to increased theater comfort: 2020-2021***
- ***The increase in the number of other organizations choosing to rent the theater for their activities: 2020-2021***
- ***The increases in Facebook and Twitter followers: 2020-2021***
- ***The increase in donors and volunteers who support the theater as an indication that theater comfort is on track, and that new patrons are being attracted: 2020-2021***

IV. Financial

Budget

1. The applicant shall submit a budget utilizing the enclosed budget forms as applicable, to detail the cost of the request.
 - a. Budget request by source of funds ([Link](#))
 - b. Personnel salaries and wages ([Link](#))
 - c. Equipment and motor vehicles ([Link](#))
 - d. Capital project details ([Link](#))
 - e. Government contracts, grants, and grants in aid ([Link](#))

Please see attached forms

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2020.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
59,000	60,000	40,500	63,500	223,000

3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2020.

Fundraising designated for A/C and fire safety = \$143,000
GIA from 2017 for air conditioning (must be spent by 2020) =\$130,000

4. The applicant shall provide a listing of all state and federal tax credits it has been granted within the prior three years. Additionally, the applicant shall provide a listing of all state and federal tax credits they have applied for or anticipate applying for pertaining to any capital project, if applicable.

Not Applicable

5. The applicant shall provide a listing of all federal, state, and county government contracts, grants, and grants in aid it has been granted within the prior three years and will be receiving for fiscal year 2020 for program funding.

See attached

6. The applicant shall provide the balance of its unrestricted current assets as of December 31, 2018.

See attached Balance Sheet. The fiscal year for the Friends of the Palace Theater is January 1 to December 31. Balance sheets for November 2018, and December 2018 have been attached.

V. Experience and Capability

1. 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.

The Friends of the Palace Theater Board of Directors has demonstrated more than a decade of stewardship of the 93- year old building, raising and investing over \$1M on various physical upgrades to meet ADA requirements, retrofit the building to withstand seismic threats, add a new metal roof, rebuild the performance stage and convert stage lighting to LED for energy conservation. The theater projection system is also fully digital to meet the latest requirements in movie screening. This has improved the theater both internally and externally, while at the same time creating employment within the community and enhancing audience safety and enjoyment.

The first-year project in the long-range plan was the installation of the PV panels. Funding and implementation were achieved in less than 18 months and this project paved the way for the far more ambitious A/C project.

There is one architect and one contractor on the Board of Directors, and they work closely with the Fire Marshall and specialist vendors to ensure a high quality of work and ongoing sustainability of the system.

In addition, the Board members have previously worked closely with a historic preservation specialist, the late Boone Morrison, to assure that the historic value is preserved and enhanced and that no detail is lost or damaged by the work.

2. 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 Palace Theater is a 93- year old building in downtown Hilo. Although it was left empty for many years, the stewardship of the Friends of the Palace Theater Board of Directors over the last 15+ years has ensured its structural soundness, and the restoration projects described above will renew its vibrancy as a viable and sustainable venue for performing arts

VI. Personnel: Project Organization and Staffing

1. 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.

Following a decade of stewardship of the Palace Theater, the Board of Directors is very familiar with the quality of the work of local vendors. Each component of the air conditioning project has been designed by Engineering Partners LLC, and each component is bid out through a competitive request for proposals. Selection of vendors and oversight of the work will be managed by the Board of Directors in consultation with an historic preservation specialist.

2. 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.

Currently, staff consists of one full-time Executive Director, one full-time office manager, and one full-time administrative assistant. Front house operations are executed by 12 part-time hourly employees

3. Compensation

The applicant shall provide an annual salary range paid by the applicant to the three highest paid officers, directors, or employees of the organization by position title, not employee name.

Executive Director	\$36,000
Office Manager	\$32,000
Admin Assistant	\$26,250

VII. Other

1. 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.

The Friends of the Palace Theater organization is not party to any litigation

2. 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.

The Palace Theater is a registered non-profit in the State of Hawaii. 501 (c) (3) with a 100% volunteer Board of Directors.

3. 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

4. Future Sustainability Plan

The applicant shall provide a plan for sustaining after fiscal year 2019-20 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2019-20, but
- (b) Not received by the applicant thereafter.

The upgrade of the sprinkler system and installation of an air conditioning system are one-time only projects. Once these system are installed, they will be maintained as part of the contracts awarded to the vendors chosen to design and install them.

The increase in box office proceeds due to an expanded audience will make the system self-sustaining. No further funding for air conditioning is required.

Funding requests for the other projects listed as part of the Long-range Strategic Plan will be considered and put forward as necessary, depending on the availability of funds from other sources.

**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.

Friends of the Palace Theater
(Typed Name of Individual or Organization)

Wendy B Peskin
(Signature)

January 11, 2019
(Date)

Wendy Peskin
(Typed Name)

Board President
(Title)

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2019 to June 30, 2020

App

Friends of the Palace Theater

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	63,000			121,000
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	160,000			152,000
TOTAL (A+B+C+D+E)	223,000			273,000
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	223,000	Isobel Donovan 808-938-1328		
(b) Total Federal Funds Requested	0	Name (Please type or print) Phone		
(c) Total County Funds Requested	0	<i>Wendy B Peskin</i> <i>JAN. 14, 2019</i>		
(d) Total Private/Other Funds Requested	273,000	Signature of Authorized Official Date		
TOTAL BUDGET	496,000	Wendy Peskin <u>BOARD PRESIDENT</u> Name and Title (Please type or print)		

NOT APPLICABLE

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2019 to June 30, 2020

Applicant: FRIENDS OF THE PALACE THEATER.

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B
TOTAL:			

JUSTIFICATION/COMMENTS:

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2019 to June 30, 2020

Friends of the Palace Theater

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Fire Safety: sprinkler heads, escutcheons, hoses, doors, lumber etc.			\$ 51,000.00	51000
Air Conditioning:HVAC Equipment			\$ 121,000.00	121000
Façade: metal, decorative flashing			\$ 12,000.00	12000
			\$ -	
			\$ -	
TOTAL:			\$ 184,000.00	184,000

JUSTIFICATION/COMMENTS:

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				

JUSTIFICATION/COMMENTS:

Also please see attached long range plan for capital improvements - detailed description of equipment, etc.

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2019 to June 30, 2020

Friends o the Palace Theater

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2017-2018	FY: 2018-2019	FY:2019-2020	FY:2019-2020	FY:2020-2021	FY:2021-2022
PLANS						
LAND ACQUISITION						
DESIGN		N/A	48000		N/A	N/A
CONSTRUCTION		N/A	112000	152000	N/A	N/A
EQUIPMENT	130000	N/A	63000	121000	N/A	N/A
TOTAL:			223,000	273,000	N/A	N/A
JUSTIFICATION/COMMENTS:						
Additional State funding needed due to unanticipated requirement for Fire Safety upgrade and damage due to earthquakes and hurricanes						

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

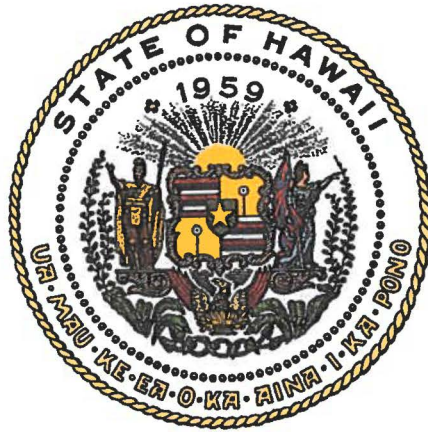
App:

Friends of the Palace Theater

Contracts Total:

130,000

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	Support for Air Conditioning Project	2017-2020	House Committee on	State	130,000
2			Finance/Senate Ways		
3			and Means		
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29					
30					



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

THE FRIENDS OF THE PALACE THEATER

was incorporated under the laws of Hawaii on 08/29/2000 ; 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 04, 2018

Director of Commerce and Consumer Affairs





**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

CERTIFICATE OF VENDOR COMPLIANCE

This document presents the compliance status of the vendor identified below on the issue date with respect to certificates required from the Hawaii Department of Taxation (DOTAX), the Internal Revenue Service, the Hawaii Department of Labor and Industrial Relations (DLIR), and the Hawaii Department of Commerce and Consumer Affairs

Vendor Name: THE FRIENDS OF THE PALACE THEATER

DBA/Trade Name: THE FRIENDS OF THE PALACE THEATER

Issue Date: 12/04/2018

Status: Compliant

Hawaii Tax#:

New Hawaii Tax#:

FEIN/SSN#: XX-XXX2607

UI#: XXXXXX8350

DCCA FILE#: 119925

Status of Compliance for this Vendor on issue date:

Form	Department(s)	Status
A-6	Hawaii Department of Taxation	Compliant
	Internal Revenue Service (Compliant for Gov. Contract)	Compliant
COGS	Hawaii Department of Commerce & Consumer Affairs	Exempt
LIR27	Hawaii Department of Labor & Industrial Relations	Compliant

Status Legend:

Status	Description
Exempt	The entity is exempt from this requirement
Compliant	The entity is compliant with this requirement or the entity is in agreement with agency and actively working towards compliance
Pending	The entity is compliant with DLIR requirement
Submitted	The entity has applied for the certificate but it is awaiting approval
Not Compliant	The entity is not in compliance with the requirement and should contact the issuing agency for more information

Long Range Strategic Plan for Capital Improvements

Strategic planning, December 2019 (revision to 5 year plan)

The Palace Theater needs to take the following steps to preserve the theater for future generations and to maintain its role as home to diverse cultural activities and as an economic driver in downtown Hilo for both East Hawaii residents and tourists.

The East Hawaii community has provided significant support for the Palace. Over the last dozen years, we have raised nearly a million dollars for capital improvements. However, our community does not have the resources to support the major restoration and improvements that are necessary for the theater to prosper and continue to serve the local population. At the current fund raising rate, maxing out at about \$75,000/year, it would take 30-35 years to accomplish what **must** be attended to very soon.

The Palace Theater is a Hilo icon and an outstanding historic building statewide. It contributes to the vitality of Hilo's business district and serves a diverse clientele. Our duty is to restore and sustain it for future generations. It is hoped that we can accomplish everything in this plan by 2025, the 100th anniversary of opening the Hilo Palace. **If we do not act soon to preserve this piece of Hawaiian history and architecture it will be too late.**

PRIORITIES for a multi year plan to:

REVITALIZE, RESTORE AND SUSTAIN THE PALACE THEATER

Year 1 (completed 2016) \$165,000

Clean and duct fresh air to existing fan system (done)\$ 7,000
Install 81-panel photo voltaic system(done)\$138,000
Engineering plans for AC system (done)\$ 20,000
Total 2016 expenses (all funding has been raised and spent) \$165,000

Year 2 2017

Provide AC plan and apply for 3 stage permits to Air Condition the Palace.
Permits denied. Fire Department requested more information about Fire Safety at the Palace.

Years 3, 4, 5 2018-2020 (three year) expenses \$796,000

Fire Safety initiative. Begun. Goal is to make the Palace as safe as possible for patrons, performers and staff and be in compliance with today's fire safety code. Renovate and make operational the 1930 sprinkler system. Make other adaptive initiatives to obtain full compliance, and to go beyond compliance to follow Fire Dept suggestions to improve their access in case of a fire. Total cost \$139,500

- A. Provide engineered fire safety plan to Fire Department (\$8,000)
- B. Replace 610 out dated sprinkler heads and labor/adjunct carpentry (\$70,100/\$11,000)
- C. Add 26 new sprinklers and pipes in areas not formerly covered (\$5,650)
- D. Replace remaining hose-pipes. (\$7,500)
- E. Monitoring panel with direct connection to fire dept (\$8500)

F. Hydro-test system. (\$4,750)

G. Building repairs: replace damaged fire doors and hardware, add closing hardware to all fire doors adapt rear façade and gate for access to meet Fire dept suggestions. (est combined cost \$24,000)

Begin to air condition theater: Phase 1 \$233,000 (total cost bids are HVAC \$486k/Elec \$88.5k/demolition and carpentry \$36k. Total cost \$ 610,500).

- a. Phase 1 cost estimate \$233,000. Provide adequate AC for less than half house full.
- b. Phase 2 and 3 to be completed at a later date.

Do critical façade and maintenance (\$83,500)

- a. Make repairs where a possible building failure is a danger to passers by, and where severe water leaks permeate the building. (Est cost \$83,500)

Do critical restoration of the marquee awning (\$340,000)

Restore the marquee awning which is already failing.

- a. Restore the marquee, carpentry, metal work and electrical work. (Est \$300,000)
- b. Architectural fees for design and supervision (Est. \$40,000)

Funds raised \$453,000. \$165,000 year one, \$288,000 so far for years 3, 4, 5. Spent: \$165,000 year 1, \$27,000 years 3,4,5. Additional assets: 2017 GIA award of \$130,000 restricted to AC and valid until 2020, plus \$131,000 in cash from community and grants.

To finish fire safety, phase 1 AC, critical façade maintenance and restore the marquee, we need to raise an additional \$519,000.

Year 6-7, proposed for 2021-2022 \$555,000

Complete façade restoration (Est \$300,000)

Architectural fees (estimated) \$ 40,000

Air Conditioning Phase 2 cost estimate \$215,000. Provides adequate AC for most conditions.

Year 8, proposed for 2023 \$700,000

New seating (have bid at \$250K for 2017 est. \$325,000)

Driveway and parking lot paving and repairs (estimate) \$ 75,000

Backstage addition and amenities (bathrooms, dressing, storage)

(an educated guess) \$270,000

Architectural fees \$30,000

Year 9, proposed for 2024 \$730,500

Restore the interior (estimated) \$500,000

Architectural fees \$ 40,000

Phase 3 AC \$170,500

Total funds needed for restoration 2016-2024: \$2,946,500 With inflation, approximately 3 million dollars.

Already raised \$448,000. Some spent, some accrued.

\$2,498,500 will be needed over the next 6-7 years, (in time for 100th anniversary) to finish all renovations by 2025

10:24 AM

01/07/19

Accrual Basis

FRIENDS OF THE PALACE THEATER

Balance Sheet

As of November 30, 2018

Nov 30, 18

ASSETS

Current Assets

Checking/Savings

Cash on Hand

Box Office Cash Drawer

400.00

Cafe Cash Drawers

600.00

Cafe Petty Cash

300.00

Change for Cash Box

200.00

Total Cash on Hand

1,500.00

Checking Account

Restricted Funds

69,475.27

Unrestricted Funds

-17,190.50

Total Checking Account

52,284.77

Saving Account

Restricted Funds

5,096.53

Total Saving Account

5,096.53

Total Checking/Savings

58,881.30

Other Current Assets

Grants Recievable

2,275.00

Prepaid Expenses

Prepaid Artist Fee

2,500.00

Prepaid Insurance

Directors Liability

1,345.00

Total Prepaid Insurance

1,345.00

Total Prepaid Expenses

3,845.00

Total Other Current Assets

6,120.00

Total Current Assets

65,001.30

Fixed Assets

Accumulated Depreciation

Accum Deprec- Fixt

-46,001.20

Accum Deprec-Renovations

-126,636.90

Accum Deprec-Software

-3,200.21

Accum Deprec - Equipment

-202,552.68

Total Accumulated Depreciation

-378,390.99

ADA Upgrade.

55,533.89

Air Conditioning System

12,494.15

Bathroom, 2nd Floor

1,677.71

10:24 AM
01/07/19
Accrual Basis

FRIENDS OF THE PALACE THEATER
Balance Sheet
As of November 30, 2018

	Nov 30, 18
Cafe Renovation	67,709.53
Computer Replacements of 2012	12,174.07
Crown Roof Project	127,003.85
Curtain	18,109.87
Curtain-Guillotine	9,292.93
Equipment	
Body Mics	6,382.10
Donated Equipment	36,336.72
Film Rewind Table	2,154.12
Kiosk Appliances	4,068.77
Lights	3,672.00
Popcorn Machine, Gold Medal	1,150.00
Projector, Christie CP2210	
Dolby Media Server IMS2000 2017	6,116.00
Projector, Christie CP2210 - Other	53,581.90
Total Projector, Christie CP2210	59,697.90
Sound Heads	7,500.00
Technical Equipment	32,195.57
Xenon Consoles	14,381.78
Zoom Lens	3,137.00
Total Equipment	170,675.96
Fire Sprinkler System	3,179.00
Foot Lights	17,075.49
Fresh Air Duct	6,000.00
Furniture and Fixtures	6,454.66
General Renovation	3,903.46
LED Stage Lights & Console	16,022.85
Office Renovation	28,054.77
Photovoltaic System	137,756.25
Software	11,926.70
Spot Light Lycian	800.00
Stage Construction	20,245.73
Theater Seating	1,354.17
Total Fixed Assets	349,054.05
TOTAL ASSETS	414,055.35
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Due to Venders	33,834.40

10:24 AM

01/07/19

Accrual Basis

FRIENDS OF THE PALACE THEATER

Balance Sheet

As of November 30, 2018

	Nov 30, 18
Total Accounts Payable	33,834.40
Credit Cards	
Bank Card 8713	159.50
Total Credit Cards	159.50
Other Current Liabilities	
Payroll Liabilities	
Federal Withholding	611.00
FICA Payable	1,846.16
State Withholding	1,026.26
SUTA Payable	289.96
Total Payroll Liabilities	3,773.38
Prepaid Gift Cards	4,242.61
Total Other Current Liabilities	8,015.99
Total Current Liabilities	42,009.89
Total Liabilities	42,009.89
Equity	
Opening Bal Equity	1,574.70
Retained Earnings	319,508.22
Temp Restricted Net Asset	74,571.80
Net Income	-23,609.26
Total Equity	372,045.46
TOTAL LIABILITIES & EQUITY	<u>414,055.35</u>

FRIENDS OF THE PALACE THEATER

Balance Sheet

As of December 31, 2018

Dec 31, 18

ASSETS

Current Assets

Checking/Savings

Cash on Hand

Box Office Cash Drawer	400.00
Cafe Cash Drawers	600.00
Cafe Petty Cash	300.00
Change for Cash Box	200.00

Total Cash on Hand	1,500.00
--------------------	----------

Checking Account

Restricted Funds	69,475.27
Unrestricted Funds	-38,059.06

Total Checking Account	31,416.21
------------------------	-----------

Saving Account

Restricted Funds	5,096.53
------------------	----------

Total Saving Account	5,096.53
----------------------	----------

Total Checking/Savings	38,012.74
------------------------	-----------

Other Current Assets

Grants Recievable	2,275.00
-------------------	----------

Prepaid Expenses

Prepaid Artist Fee	2,500.00
--------------------	----------

Prepaid Insurance	1,345.00
-------------------	----------

Directors Liability	1,250.00
General Liability	

Total Prepaid Insurance	2,595.00
-------------------------	----------

Total Prepaid Expenses	5,095.00
------------------------	----------

Total Other Current Assets	7,370.00
----------------------------	----------

Total Current Assets	45,382.74
----------------------	-----------

Fixed Assets

Accumulated Depreciation

Accum Deprec- Fixt	-46,001.20
--------------------	------------

Accum Deprec-Renovations	-126,636.90
--------------------------	-------------

Accum Deprec-Software	-3,200.21
-----------------------	-----------

Accum Deprec - Equipment	-202,552.68
--------------------------	-------------

Total Accumulated Depreciation	-378,390.99
--------------------------------	-------------

ADA Upgrade.	55,533.89
--------------	-----------

Air Conditioning System	12,494.15
-------------------------	-----------

FRIENDS OF THE PALACE THEATER

Balance Sheet

As of December 31, 2018

	Dec 31, 18
Bathroom, 2nd Floor	1,677.71
Cafe Renovation	67,709.53
Computer Replacements of 2012	12,174.07
Crown Roof Project	127,003.85
Curtain	18,109.87
Curtain-Guillotine	9,292.93
Equipment	
Body Mics	6,382.10
Donated Equipment	36,336.72
Film Rewind Table	2,154.12
Kiosk Appliances	4,068.77
Lights	3,672.00
Popcorn Machine, Gold Medal	1,150.00
Projector, Christie CP2210	
Dolby Media Server IMS2000 2017	6,116.00
Projector, Christie CP2210 - Other	53,581.90
Total Projector, Christie CP2210	59,697.90
Sound Heads	7,500.00
Technical Equipment	32,195.57
Xenon Consoles	14,381.78
Zoom Lens	3,137.00
Total Equipment	170,675.96
Fire Sprinkler System	3,179.00
Foot Lights	17,075.49
Fresh Air Duct	6,000.00
Furniture and Fixtures	6,454.66
General Renovation	3,903.46
LED Stage Lights & Console	16,022.85
Office Renovation	28,054.77
Photovoltaic System	137,756.25
Software	11,926.70
Spot Light Lycian	800.00
Stage Construction	20,245.73
Theater Seating	1,354.17
Total Fixed Assets	349,054.05
TOTAL ASSETS	394,436.79
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
Due to Vendors	12,750.56

FRIENDS OF THE PALACE THEATER

Balance Sheet

As of December 31, 2018

	Dec 31, 18
Total Accounts Payable	12,750.56
Credit Cards	
Bank Card 8713	2,120.91
Total Credit Cards	2,120.91
Other Current Liabilities	
Deferred Revenue	
Co-Production Admissions	300.00
Palace Presentation Admissions	4,910.00
Total Deferred Revenue	5,210.00
Payroll Liabilities	
Federal Withholding	678.00
FICA Payable	2,001.12
Garnishment	51.85
State Withholding	1,611.04
SUTA Payable	500.53
Total Payroll Liabilities	4,842.54
Prepaid Gift Cards	4,988.61
Total Other Current Liabilities	15,041.15
Total Current Liabilities	29,912.62
Total Liabilities	29,912.62
Equity	
Opening Bal Equity	1,574.70
Retained Earnings	319,508.22
Temp Restricted Net Asset	74,571.80
Net Income	-31,130.55
Total Equity	364,524.17
TOTAL LIABILITIES & EQUITY	394,436.79