

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



Tin Myaing Thein, Executive Director

01/16/2020

AUTHORIZED SIGNATURE

PRINT NAME AND TITLE

DATE



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

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

PACIFIC GATEWAY CENTER

was incorporated under the laws of Hawaii on 03/22/1984 ; 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 16, 2020

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.

<u>Pacific Gateway Center</u> (Typed Name of Individual or Organization)	
<u></u> (Signature)	<u>01/17/2020</u> (Date)
<u>Tin Myaing Thein</u> (Typed Name)	<u>Executive Director</u> (Title)

§42F-102 Applications for Grants

Requests for grants shall be submitted to the House Committee on Finance and the Senate Committee on Ways and Means of the legislature at the start of each regular session of the legislature.

(1) The name of the requesting organization:

Pacific Gateway Center

(2) The public purpose for the grant

The public purpose of the grant application is to support food-related businesses owned and operated by residents of Hawaii by providing a range of essential infrastructure and support services to help facilitate growth and success

(3) The services to be supported by the grant

Providing access to the State of Hawaii's Department of Health's certified commercial kitchens (food production areas which meet state and federal food safety requirements, meeting areas, storage space,) outsourced services (marketing, insurance, marketing,) access to locally fresh produce, and education via technical assistance in business development.

(4) The target group:

The target group consists of stakeholders in the food value chain from growers to food processors and other value-added producers to the end-users.

(5) The cost of the grant and the budget. [L 1997, c 190, pt of §3; am L 2014, c 96, §6]

The budget requested in this application is \$362,935

Application for Grants

I. Certification

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, 2019.

Enclosed.

2. Declaration Statement

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

Enclosed

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](#))

Enclosed, see attached

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

Pacific Gateway Center (PGC), a non-profit organization registered in the State of Hawaii, has over 40 years of extensive experience in community programs. Established by three churches in the State, Kaumakapili Church, Alder Gate Church and St Elizabeth's Church in 1973, PGC has grown to become an experienced Community Development Corporation. Since its inception, PGC has established and maintained an excellent track record of successfully accomplishing projects with Federal, State, City and private funding over its 40 years of operation. The agency possesses the capacity to administer, implement, and promote development programs to support economically and socially disadvantaged populations including low-income, immigration, refugee, and victims of human trafficking. For this project, PGC through its Social Enterprise arm will organize the structure, programs and services of the Accelerating Food Business Incubator for a greater business development project and will provide the administrative, technical, and financial oversight to ensure the project's success.

PGC offers both social services and business development opportunities and services to its targeted population segments and the general public of the state. The majority of PGC's clients reside in the low-income communities of Kalihi-Palama-Iwilei-Chinatown where its two key (retail and food) business incubators are located. The agency has extensive experience, expertise, and bilingual staff capacity to provide various social services, bilingual case management, and economic development programs including job creation and development, acquisition and rehabilitation, and financial technical assistance and loan support in servicing startup enterprises and microbusiness development in Hawaii.

PGC outreaches to traditionally marginalized, low-income, and diverse ethnic communities and provides resources, mentoring, counseling, and other assistance thanks to its excellent organizational structure with a multi-cultural and multi-lingual staff and volunteers. Therefore, over the years, PGC has developed an extensive and effective grassroots approach to outreach into the ethnic communities that include ethnic radio and newspapers and direct accessibility to civic and cultural organizations. Examples of PGC support to target specific populations include state identity card assistance, social security cards application, affordable housing, health screening, language and skill training for job placement and retention, and acculturation to Hawaii's employment and economic systems. In conjunction with religious institutions, i.e., Buddhist temples and Christian churches, PGC provides outreach and festival events. PGC also provides cash assistance, interpretation, job readiness, and English as a second language (ESL) training.

Management: PGC is led by a highly respected management team, which includes the Executive Director, who has extensive management experience in small business administration to support micro-enterprises, start-up farming businesses; the Deputy Director of Operations who has extensive experience in working with community planning, program planning, development, implementation, and assessment and the Deputy Director of Business Development who has extensive experience in food and agricultural development projects and small business development efforts. Additionally, the Board of Directors is comprised of eleven (11) members who are residents, businessmen and civic leaders in the community in Hawaii. They support the efforts of PGC in providing training services and other assistance in social services, job training, economic development and small business administration for local entrepreneurs. The board members are non-paid volunteers who provide board leadership, governance, and oversight to ensure that PGC meets its mission, functions, and operational and fiscal responsibilities.

PGC's Established Networks and Collaborations: PGC has numerous networks that work in unison with the agency to achieve the same goal of assisting its clients towards self-sufficiency. PGC is a member of the Inter-Agency Council that serves people of low-income, immigrants, and refugees. PGC heads the coalition of Rescue and Restore made up of organizations that work on Human Trafficking issues. PGC's Executive Director serves on the People's Task Force on the Choice Neighborhood of Kuhio Park Terrace, awarded by HUD. PGC's Director of Immigration Services is a member of the statewide Advisory Council of the Office of Language Access. The Deputy Director of Business Development is active nationally and internationally with business development projects.

PGC has a long and close working relationship with the University of Hawaii (UH), especially with the Shidler School of Business and the Pacific Business Center Program. The UH Manoa's College of Tropical Agriculture and Human Resources has also been invaluable for helping PGC manage its agricultural projects. PGC also receives technical support from the University of Phoenix's MBA program. These entities help guide the management of PGC and its project implementation. PGC has close connections to InnoVate Hawaii (state agency high technology development center), Hawaii Business Development Center, the Patsy Mink Center for Leadership and Business Development, Hawaii office of Small Business Development, SCORES, among other agencies which strongly promote Hawaii's economic diversification through venture capital investment partnerships and provide technical assistance in small business implementation.

Financial Capacity: PGC revenues are generated and funded by contracts, grants, loans, private donors, and fee for services. In addition, as an Aloha United Way agency, PGC also receives funding from the Aloha United Way's allocations. Generally, the agency has established and maintained an excellent tracked record of finance. Certified Public Accountants (CPA) audit the financial statements for conformity with generally accepted accounting principles. These audits are conducted in accordance with Government Auditing Standards and show that PGC has been financially sound.

2. The goals and objectives related to the request

Goals and Objectives

The Pacific Gateway Center's Accelerating Culinary Business Incubator (ACBI) strategy is to improve PGC's Culinary Business Incubator's infrastructure and entrepreneurial development services to better address the unmet needs of small business in the food industry in the state of Hawaii for the purpose of job creation and economic development strategy.

The project was designed to achieve its ultimate goal which is to accelerate the growth of PGC's business incubator for the food-related small business development and sustainability. This directly support small businesses in food production, locally grown producers/farm businesses, and others in the food industry through improving infrastructural space (commercial kitchen space, storage space) and providing additional equipment and entrepreneurial service. This project goal is aligned with the promotion of a diversified and dynamic economy for the Hawaii state economy and two statewide targeted clusters which are 'Hospitality and Tourism' and 'Agriculture and Food Production,' set forth in the Hawaii Comprehensive Economic Development Strategy 2016-2020 (http://files.hawaii.gov/dbedt/op/spb/CEDS_2016_final.pdf). Through supporting small business development, it is our belief that the PGC's proposed project will contribute to fostering self-sufficiency for low-income families and achieving sustained employment opportunities in many local communities. The project further aims to contribute to community revitalization in the state of Hawaii

The objectives of this project are:

- 1) Provide in-depth assessment and technical assistance to existing and new business clients (at least 160 businesses will be directly assisted) to provide relevant technical assistance for their businesses;
- 2) Provide improvements in the kitchen space, dry storage, and cool refrigeration space to change the interior and install additional equipment for at least 80 (old and new) committed incubator enterprises;
- 3) Provide an outlet for up to fifty (50) local farm businesses to sell produce to the businesses which are currently using services at the culinary business incubator;
- 4) Provide an additional mean of business operation for low-income and/or financially-constrained food related businesses through purchasing one (1) food trailer/food truck.
- 5) To maintain the operation of at least 70 small businesses in the food industry by the end of the project.

The literature on the role of business incubation in job creation and community development has revealed that incubators are more likely to make contributions to the economies and communities in which they are based. They are most successful when their mission and goals are in line with the entrepreneurs' needs and sponsoring organizations. (Al-Mubarki and Busler 2010 cited in Isabelle, DA. (2013), "Key Factors affecting entrepreneurs choice of incubators or accelerators," *Technology Innovation Management Review*, pp. 16-22.) In discussions of factors that could be attributable to successful impact of incubators, "upgrading incubator infrastructure" and "having the right equipment to help clients produce their products" are highlighted and recommended to those employing incubators for the purpose of job creation, sustaining employment opportunities, and economic development strategy.

PGC's current strategy to accelerate the growth of its existing culinary business incubator is based on its need assessment of its existing and prospective clients.

3. The public purpose and need to be served

The population of Hawaii in 2018 was 1,420,491 with the vast majority (almost one million) residing in the City and County of Honolulu (<https://www.census.gov/quickfacts/fact/table/HI/PST045218>.) Hawaii is home to almost 250,000 immigrants and is one of the top five states in the nation that has a higher share of foreign-born individuals in the population (<http://research.newamericaneconomy.org/wp-content/uploads/2017/02/nae-hi-report.pdf>.) Nearly 18.4 % of non-citizens live below the poverty line, according to the American Community Survey data in 2014 (https://ballotpedia.org/Immigration_in_Hawaii.) Several pockets of Oahu, in the City and County of Honolulu have a history of high unemployment and poverty. The proposed project covers poverty-stricken areas where a series of Federal, State, City and County low-income housing exists. The population of these areas is mainly immigrants and migrants.

This project is designed to benefit the general public of Hawaii, particularly to many existing clients of PGC’s happen to reside in the rural area of Kunia, in the district of Leilehua, and urban areas of Kalihi-Palama-Iwilei-Chinatown, contiguous neighborhoods ending in Chinatown.

Leilehua and Kalihi-Palama-Iwilei-Chinatown have been identified as areas of priority due to high levels of public-housing residents, unemployment, and poverty. Leilehua has a higher percentage of persons below poverty level, families below poverty level, and unemployment when compared to the County of Honolulu and the State (see table 1 below).

The statistics of the rural district of Leilehua reveal the following:

	Leilehua area (%)	Honolulu County (%)	State of Hawaii (%)
Persons below the poverty level	11.30	9.7	11.2
Families below the poverty level	8.46	6.5	7.7
Civilian unemployment rate	8.0	5.6	6.1

Source: U.S. Census Bureau, 2011-2015 American Community Survey 5-Year Estimates

Since the building of public housing units in 1953 in the Kalihi-Palama-Iwilei-Chinatown areas, these neighborhoods have seen persistent poverty. This gives an example of the unemployment rates in the public housing in the neighborhoods of Kalihi, Palama, Iwelei, Chinatown making these the most persistently poverty-stricken areas of Oahu, with a history of poverty for these neighborhoods dating as far back as 65 years ago (Hawaii Public Housing Authority Annual Report 2014-2015, Department of Human Services State of Hawaii.) These areas are ethnically diverse with the majority being Hawaiian/part-Hawaiian, Samoan, Micronesian, Chinese, and Vietnamese. In the neighborhoods, fifty-seven percent of the families receive public assistance and 72.4% live below the poverty level (The Hawaii Statewide GIS Program (Hawaii Statewide Office of Planning, 2012 American Community Survey), which is worse than the national rate which is 60% (Most working HUD-assisted households have below poverty earnings. Retrieved at <https://www.cbpp.org/most-working-hud-assisted-households-have-below-poverty-earnings>.) The population speaking a language other than English is 62.1% (Ibid.)

The local food production and supply businesses demand reliable and good quality commercial kitchen spaces to comply with the requirement of Hawaii State Department of Health. The 10 kitchen Culinary Business Incubator facility of the Pacific Gateway Center was constructed since early 2000 to serve just that purpose. Over the years over 640 jobs were created and over 130 businesses have been benefited by participating in this program.

Food industry has been a primary focus for PGC’s programming activities, as “food” is at the top of PGC’s list of values for the organization. PGC’s value of food is aligned with the local economic

priority adopted by the State of Hawaii. As an isolated State, Hawaii imports as much as 80% of the State's food from the mainland (<http://www2.hawaii.edu/~kent/FOODSECURITYINHAWAII.pdf>) The State estimates that if imports ceased, there would be enough food supplies for the population for only one week. Therefore, as a part of the island's own food security, the State has made agriculture an important priority that generates \$2.9 billion into the State's annual economy. The future of food and agriculture has not even reached its potential with the State designating food security among its highest priority.

The frequency with which the statistic is cited of Hawaii being 85% food import dependent and reliant on a seven-day food supply is a reminder of a greater public interest in increasing island food self-sufficiency. Public support for diversified agriculture is high and in turn agricultural processors such as a commercial kitchen facility like CBI helps to fuel and invigorate the demand for local food production. PGC makes its significant contribution to increasing the island food-self-sufficiency of our island economy by making its kitchen and food processing facility conveniently and economically accessible to all food-related businesses and increasing the availability of locally made value added food products and other food production.

4. Describe the target population to be served

The ACBI project proposal responds to the need for job creation through business development and sustainability for individuals, including the low-income and other socially/economically disadvantaged, particularly within PGC targeted communities located in the communities of Kalihi-Palama-Iwilei-Chinatown, an area of persistent poverty (also designated as an Opportunity Zone with one additional adjacent census tract). This urban sub-region of Honolulu includes a mix of old industrial uses along with the oldest public housing stock in Honolulu with a population of 25,255 people of which 21% live in poverty compared to a U.S. total of 13.4% poverty and Honolulu's 10.3% (U.S. Census 2017 Update. (2017). Retrieved from <http://www.city-data.com/city/Honolulu-Hawaii.html>)

5. Describe the geographic coverage

The geographic coverage will be specifically the island of Oahu where 80% of the population of the State lives.

III. Service Summary and Outcomes

1. Describe the scope of work, tasks and responsibilities

1.1) Provide in-depth assessment and technical assistance to existing and new business clients (at least 160 businesses will be directly assisted) to provide relevant technical assistance for their businesses;

Through PGC's 19 year history of operating three incubators, PGC has become aware that many new business enterprises, especially startups with new entrepreneurs, have a difficult time with many hurdles to surpass and only a certain percentage remain in business. Generally only 80% make it to the second

year, 70% went on to the third year and 62% to the fourth year and 56% to the fifth year. After five years, the business survival rate in Hawaii is only 47%.

PGC is confident in its capacity to provide technical assistance to its food-related business clients provided its extensive experience in service provision and able to leverage its established network with varied stakeholders, including government agencies, the private sector entity and other nonprofits to service local small businesses. To facilitate the growth of its culinary business incubation, PGC first focuses on the needs of the participating businesses through their case history and recognize a hierarchy of needs in order to provide individual consultancies on the particular issue at hand. Each business will then be followed by the case manager to evaluate the progress.

Throughout the project cycle, PGC plan to conduct assessments for its, at least 160 business clients, and follow-up with technical assistance accordingly. If the participating clients need additional business training, PGC will facilitate and leverage its established network to help its clients to participate in relevant training workshops.

1.2) Provide improvements in the kitchen space, dry storage, and cool refrigeration space to change the interior and install additional equipment for at least 70 (old and new) committed incubator enterprises; PGC's incubation has existed for over a decade. The incubation is faced with the compelling need to ensure its kitchen equipment is in the best condition to support many local businesses whose livelihood and business status depend upon the use of the CBI facility. Based upon an internal evaluation on the conditions of existing CBI equipment and clients' reflections we are aware that due to age, some of the equipment is constantly breaking down. Other essential equipment for catering, e.g., rice cookers, mixers that are essential to catering need to be replaced. Other equipment needs to be replaced to ensure that CBI maintains its certified kitchens endorsement. For example, having a hot water pressure washer to clean and sanitize the facility and kitchen equipment, i.e., hood filters, floor, will significantly improve the sanitary process because our kitchen users deal daily with excessive grease and grime.

1.3) Provide an outlet for up to fifty (50) local farm businesses to sell produce to the businesses which are currently using services at the culinary business incubator;

1.4) Provide an additional mean of business operation for low-income and/or financially-constrained food related businesses through purchasing one (1) food trailer/food truck to allow enterprises to expand sales and outreach according to DOH food safety regulations.

It is very costly for financially constrained food related business owners to buy a food truck/trailer. It does not make sense for one to invest in at a minimum of \$40,000 for a food truck, and then loose money when the business does not work out as planned.

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

<p>PGC Accelerating Culinary Business Incubator <u>QUARTER 1</u></p>
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Planned Activities for Quarter 1	
Activity	Month
Complete contract negotiations	June
Obtain Notice to Proceed	June
Notify and connect with Partners	July
Planning revisions, intake and assessment, activity and logistic arrangements)	August, September,
Design and plan equipment placement, Workshop training on food safety for business clients	August, September
Budget Assessment (projected to actual)	September
Staff Training	August, September
Connect and Collaborate with business development partners e.g. the Department of Health	August, September
Screening, Intake and Assessment	August, September
Connect with Farmers	August, September
Assist with business plans and marketing	August, September
Other Social Services	August, September
Connect to Financial Assistance Providers	August, September
Connecting Farmers to Value added Producers	August, September
Anticipated Outcomes for Quarter 1	
70% usage of facility / capacity by hours / production	1 Educational Sessions Quarterly Progress Report

PGC ACBI Work plan <u>QUARTER 2</u>	
Planned Activities for Quarter 2	
Activity	Month
Continue installation / upgrades	October November

ongoing marketing	October, November, December
Ongoing Support Services continue	October, November, December
Distribution of agricultural goods to value added producers	November December
One training session held	November December
Connect to Financial Assistance Providers	October, November, December
Anticipated Outcomes for Quarter 2	
88% Usage / Productivity	1 Informational Session
Quarterly report	Progress Report

PGC ACBI Plan		
<u>QUARTER 3</u>		
Planned Activities for Quarter 3		
Activity	Month	
Internal Program Assessment	January	
Screening, Intake, Assessment	January, February, March	
Ongoing Support Services	January, February, March	
Continue Marketing activities	January, February, March	
Food Safety Classes Continue	January, February, March	
Other Social Services	January, February, March	
Assessing connections	March	
Assessing pricing, quality of products	January	
Evaluate distribution logistics	January	
Anticipated Outcomes for Quarter 3		
88% Usage / Productivity	Completed 50 assessments	1 Training Session completed
Progress Report		Quarterly Report

PGC ACBI
<u>QUARTER 4</u>

Planned Activities for Quarter 4		
Activity	Month	
Continue Outreach, Screening, Intake, Assessment	April, May June	
Ongoing Support Services	April, May June	
Assess the impact of value added sales	April May June	
Assess the impact of direct sales	April May June	
Food Safety Classes Continue	April, May, June	
Other Social Services	April, May, June	
Training Sessions	April, May, June	
Anticipated Outcomes for Quarter 4		
92% Usage / Productivity.	Completed All 4 Training Sessions	Impact assessment and Final Report

3. Quality assurance and evaluation plans

Consistent with its vision, PGC is committed to providing its highest quality services and being accountable to clients, constituents, funding sources, and the general public for its programs and the use of its resources. PGC programs are systematically planned and evaluated regularly in view of its program goals and objectives and meet the requirements for utilization of its services. The organization has a track record of providing quality services, training, and established systems. Evaluation methods include pre/post quality surveys from clientele, statistical data review and analysis, and monitoring service records for timeliness and completeness; and qualitative tools such as staff and supervisory meetings to review caseloads, progress, and feedback.

Our vision for the ACBI (Accelerating Culinary Business Incubator) project is to provide effective and efficient services and support to small business in the food-related industry, so that they can secure their business and its staff employment for economic self-sufficiency which might broadly generate reduced poverty and viable development in their community. For quality assurance, PGC while respecting the privacy and security rights of the clientele, develops a data collection system that allows the staff to document, update, track project activities and other assistance, efficiently generate quarterly and annual reports to the State of Hawaii Departments/Agencies and provide effective monitoring of the entire project. PGC conducts monthly staff meetings to allow the project team to make appropriate adjustments in activities to better reflect the clientele’s needs.

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)

- 1) In-depth assessment and technical assistance provision to business clients
 - Number of businesses receiving assessment throughout the project cycle
 - Number of businesses receiving technical assistance

- 2) Provide improvements in the incubator's infrastructure
 - Number of the kitchens to be improved throughout the project cycle
 - Number of dry/cool storage space to be provided,
 - Number of business clients accessing to the new dry/walk-in refrigerator storage
 - Number of new equipment installed
 - Number of business clients directly using the new equipment

- 3) Provide an outlet for local farm businesses to sell their produce
 - Number of local farm businesses assisted in selling produce at the incubator throughout the project cycle
 - Number of veggies stand purchased for farm business clients

- 4) Provide an additional mean of business operation for low-income and/or financially-constrained food related businesses through purchasing one (1) food trailer/food truck.
 - Number of business clients directly using the food trailer/truck throughout the project cycle
 - Number of days of operation of the food trailer/truck

- 5) To maintain the operation of at least 70 small businesses in the food industry by the end of the project.
 - Total number of small businesses to be serviced and benefited from the project.

IV. Financial

Budget (please see form 6-10 enclosed)

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](#))

2. The applicant shall provide its anticipated quarterly funding requests for the fiscal year 2021.

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
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\$154,014	\$69,641	\$69,641	\$69,641	\$362,935
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3. The applicant shall provide a listing of all other sources of funding that they are seeking for fiscal year 2021.

At this moment, PGC has not developed a concrete plan to seek other sources of funding for fiscal year 2021.

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.*

Neither State nor Federal Tax Credits have been applied nor granted within the prior three years.

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 2021 for program funding.*

- **GIA 2017:** “Empowering Kupuna, Connecting Generations” - \$185,000
- **GIA 2018:** “Senior Moment” - \$150,000
- **GIA CIP 2019:** “Historic 653 Ala Moana Pump Station: Improve the Building for Public Purpose” \$125,000
- **Federal DHHS,** Administration for Children and Families, Office of Refugee Resettlement: “Agriculture for Trafficked Survivors” 2016-2019: \$100,000 for each year
- **Federal DHHS** Administration for Children and Families: Community Economic Development: PGC Social Enterprises Program: 2019-2024: \$400,000.
- **Federal DHHS** Administration for Children and Families: Community Economic Development: Job Creation Through Agriculture 2016-2019: \$492,762.

6. *The applicant shall provide the balance of its unrestricted current assets as of December 31, 2019.*

\$7,845,782.76 ending 09/30/2019

V. Experience and Capability

1. Necessary Skills and Experience

The applicant shall demonstrate that it has the necessary skills, abilities, knowledge, 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.

PGC has accumulated over 15 years of operating its culinary incubation facility for small business in food industry statewide. Its 11 commercial facility of the Pacific Gateway Center was constructed since early 2000. Over the decade, more than 640 jobs were created. On average, CBI offers

its services between 60-70 business clients. PGC makes its significant contribution to increasing the island food-self-sufficiency of our island economy by making its kitchen and food processing facility conveniently and economically accessible to all food-related businesses and increasing the availability of locally made value added food products and other food production. CBI program has contributed to providing entrepreneurial opportunities for local residents, many of them having little access to reliable commercial kitchen spaces, equipment with limited resources.

PGC has done its best to operate its culinary business incubation facility which includes offering infrastructure space (kitchen, dry and cool storages, parking, meeting and training rooms, office supplies). It is PGC's plan to provide stable and reliable access to certified commercial kitchens to local food production business. Some clients successfully graduated after being incubated at PGC's CBI facility and have expanded their business at a larger scale. Below are some examples:

1. Edith Ho dba Aunty Nani Hawaiian Cookies: A former Royal Hawaiian Hotel employee who enjoys baking so much that when she retired from the hotel, she pursued her baking business. She has been with PGC CBI facility for almost 10 years. In the program she receives support from PGC via connecting her with community event organizers, farmers' markets and other venue for her business sales. She has been participating in various farmer's markets, craft fairs, food expos, etc, and established followers that have been supporting her business very well.
2. Sean Priester dba Soul Patrol. A former executive chef at The Top of Waikiki restaurant pursued his passion of Southern cooking and created Soul Patrol. He first took his cooking style to various farmers' markets and later opened up a food truck. Soul Patrol, through the help of the CBI, was able to obtain their own kitchen space on Waiialae Avenue and later opened a second location on Bishop Street.
3. Kristin Kato dba A Cake Life. Kristin is a paralegal by profession. After attending law school and worked at a law firm upon her return, she felt bored at her job and left. She enjoyed baking and she pursued her passion and signed up for some baking classes offered by one of CBI former client (Cake Creations). She took a cake decorating class and was able to start her own business. Today, Kristin has moved on to own her own bakeshop in Mo'ili'ili.

PGC has established and fostered public-private partnerships. CBI program brings in the participation of public agencies, i.e., Hawaii State Department of Health, Sanitation Branch, Hawaii State Department of Taxation, Department of Business, Economic Development and Tourism, private entities, such as insurance companies, banks. Thanks to the self-reliance and sufficiency of CBI, the program stimulates the development of other businesses in the local economy through linkages, such as Pacific Biodiesel (grease trap), OTIS Elevator Co. (Elevator service), Sandwich Isle Pest Solutions (Pest Control), Electrix (electrician), Eddie's refrigeration (Refrigeration services), Hawaii Gas (gas), Commercial Appliances Repair (kitchen equipment repairs), Creative Plumbing and Roto Rooter (plumbing), etc. Specifically, PGC has worked effectively with the Department of Health, Sanitation Service Office to assist clients to complete application for temporary or long-term permits. Health inspectors at the Sanitation Office also refer many other clients who seek commercial kitchen spaces, to PGC. Similar support and referrals also come from Department of Taxation. Officers refer prospective entrepreneurs in the food industry to PGC should they wish to seek a certified commercial kitchen. In addition, PGC's CBI program has received much support and advocacy from commercial banking offices, i.e., Hawaii National Bank, Bank of Hawaii, Central Pacific Bank, Oahu-based Small Business Development Center, Department of Business, Economic Development and Tourism, Department of Agriculture. The private sector, such as insurance

companies, also supports PGC's marketing and promotion plan as they refer food-related business owners to CBI.

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.

PGC's main office at 723 C Umi Street in Kalihi Neighborhood

This is PGC's 2-story Culinary Business Incubator building. The ground floor houses 11 certified professional kitchens. There are also private offices and multiple group conference areas available for workshop training, one-on-one and/or small group consultation / technical assistance. The facility also offer 20 parking spaces, accessible for people with disability, big trucks, and smart-vehicle users.

83 North King Street Building in downtown Honolulu

This is a three-story historic facility of over 10,200 square feet on a major public transportation arterial. This site has 2 meeting rooms that can accommodate 10-15 people and the dining area that is currently occupied by the Pig and the Lady restaurant. This site is fully equipped with wireless Internet connectivity and with machines for duplication, canning, color reproduction, LCD projector and screen for group training, assessment and technical assistance provision.

"Na Kupuna Makamae (aka the "Old Pump Station") located at 653 Ala Moana Boulevard

The site is comprised of 3 buildings of 3,500 square feet with parking.

The pump station was added to the National Register of Historic Places in 1989 with its historic building number 78001022. The building was completely renovated with construction funds by the State (Hawaii Community Development Authority.) This site can be used for group training, assessment and technical assistance provision.

PGC Farms, 94-405 Kunia Road, Kunia, Hawaii 96759

PGC leases 206 acres of farmland in the rural area of Kunia with 41 five acre plots for small scaled farming businesses owned by local agricultural farmers. These farmers are targeted to sell their fresh produce at PGC's culinary business incubator.

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.

Direct Staff: The following are key positions of the project

Incubation and Program Manager (1.0FTE), is a full-time position and will be filled by Avemaia A'asa, who assists in all aspects of facility management of the Culinary Business Incubator.

Business Case Manager (1.0 FTE): is a full-time position. The case manager will have a strong educational background in case management. Under PGC's case management system, the business clients will all be screened and assessed to identify needs for assistance. Ms. Skyler Smela has been a career professional in case management, providing services to underserved individuals and communities.

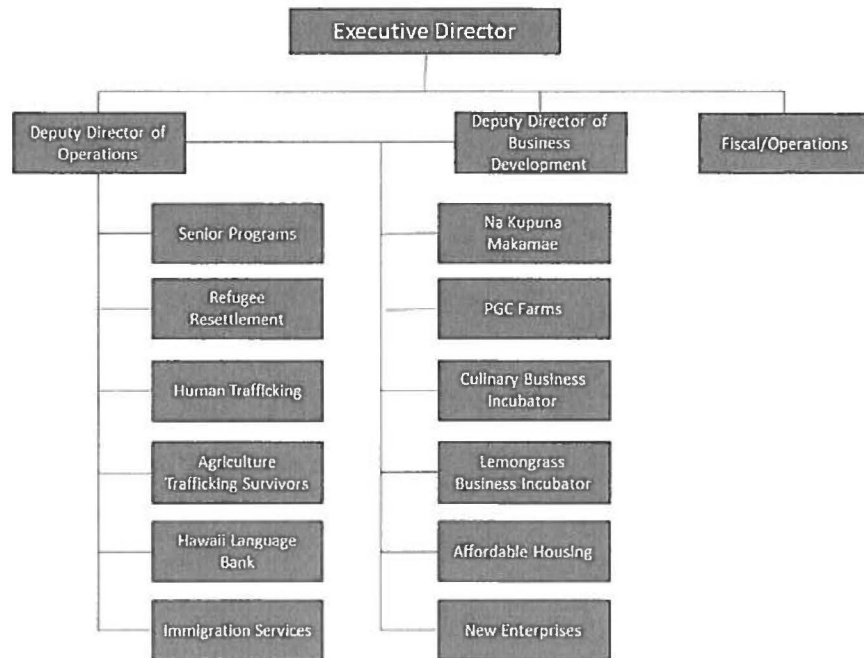
Facility Maintenance (2.0 FTE), is a full-time position. The two staff will be responsible for maintaining the incubation infrastructure space, daily checking status of equipment, documenting feedback from business clients if any, reporting directly to the Incubation and Program Manager.

Administrative Assistant (.25 FTE) will be filled by Jordan de Abreu, and in this position Mr. de Abreu will assist with office related tasks and scheduling. He has over 10 years of experience in support services related to scheduling, client customer service, tracking merchandise, and other administrative needs. Mr..de Abreu speaks Spanish and works exceptionally well with clients from different backgrounds.

Project Manager (.10FTE), if a part time position filled by Hao Nguyen, Deputy Director of Operations and is responsible for monitoring project activities, has extensive management experience in small business administration to support micro-enterprises.

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.



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: \$75,000
 Business Incubation Manager: \$55,000
 Deputy Director of Operations: \$55,000

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.

Pacific Gateway Center has no pending litigation with any party.

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.

Pacific Gateway Center receives a food establishment permit for its culinary business incubation facility. The permit #: 007310.

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 2020-21 the activity funded by the grant if the grant of this application is:

- (a) Received by the applicant for fiscal year 2020-21, but*
- (b) Not received by the applicant thereafter.*

PGC's future sustainability plan is based on PGC's experiences in entrepreneurial startups and expansion of businesses which has helped them to identify major challenges to the financial viability of the clientele.

Sustainability would be achieved through two levels. One of the keys to improving success is to find the right business niche for entrepreneurs which in PGC's cases was agricultural (farming) and food production (value added production and food retail outlets). Part of the sustainability is ensuring that the organization is to establish solid connections to the community and local government. The plan's first step would be to build up the networks to the local government and to the community. Secondly, the connections to the industry points such as the distribution systems and the end users such as food processors as well as the food outlets would be established on the first year's activities. The third step would be to provide individual consultancies on the particular issue at hand and when possible in a group with similar issues. Each business will then be followed by a case manager to evaluate the progress.

At second level the clients will be dependant on the project to continue to provide services to them, This requires financing for personnel and activities. Thus the issue is related to the ability to generate income. Having access to multiple sources of finances and technical assistance, PGC will request financial support for the project. The second level of the plan then is to have them reach out to funding sources such as private foundations, local government, and federal grant agencies as well as private investors. The project will build on the resources of the first year and capital expenses will be used to leverage the activities of the following year. Another component of the sustainability plan is to derive income by charging a fee for the activities of technical assistance, in the distribution of agricultural products, processing value added products and deriving income from this activity as well as adding the cost of delivery to retail outlets.

EXPECTED INCREASE IN REVENUE:


The new equipment and the additional services through increase staff hours, will bring additional usage of hours. Our rental kitchen rates for our clients have been extremely low and have not been increased since 2010. As of January 1, 2019 PGC has instituted a revised rate sheet to our clients, which increases the

rates by 65%; yet, still remains well within our clients' budgets. We expect a \$2,000 net monthly increase. Also, the new element of leasing "food trailer/food truck" is expected to generate an additional \$2,000 net monthly income . All of the mentioned earned income will be used for PGC's share of the facility and equipment maintenance.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2020 to June 30, 2021

Applicant: PACIFIC GATEWAY CENTER

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	158,180			
2. Payroll Taxes & Assessments	17,985			
3. Fringe Benefits	30,450			
TOTAL PERSONNEL COST	206,615			
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	0			
2. Insurance	16,052			
3. Lease/Rental of Equipment	0			
4. Lease/Rental of Space	0			
5. Staff Training	4,600			
6. Supplies	400			
7. Telecommunication	4,055			
8. Utilities	45,841			
9 Other expenses	1,000			
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	71,947			
C. EQUIPMENT PURCHASES	84,373			
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	362,935			
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested		Carmencita P. Centeno 808-851-7010		
(b) Total Federal Funds Requested		Name (Please type or print) Phone		
(c) Total County Funds Requested				
(d) Total Private/Other Funds Requested		Signature of Authorized Official Date		
TOTAL BUDGET		Tin Myaing Thein - Executive Director		
		Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES Period: July 1, 2020 to June 30, 2021

Applicant: _____PACIFIC GATEWAY CENTER_

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Program Manager	1	\$41,600	100.00%	\$ 41,600.00
Business Case Manager	1	\$40,000	100.00%	\$ 40,000.00
Kitchen Maintenance staff	2	\$27,040	100.00%	\$ 54,080.00
Admin Assistant (25%)	0.25	\$24,000	25.00%	\$ 6,000.00
Executive Director (8%)	0.08	\$75,000.00	8.00%	\$ 6,000.00
Deputy Director Operations (10%)	0.1	\$55,000.00	10.00%	\$ 5,500.00
Fiscal (10%)	0.1	\$50,000.00	10.00%	\$ 5,000.00
				\$ -
TOTAL:				158,180.00
JUSTIFICATION/COMMENTS:				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES Period: July 1, 2020 to June 30, 2021

Applicant: PACIFIC GATEWAY CENTER

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Ice Machine, storage and water filtration	1	\$7,688.00	\$ 7,688.00	\$7,688.00
Sewage water jetter machine	1	\$4,500.00	\$ 4,500.00	\$4,500.00
6 Burner Stove	1	\$2,300.00	\$ 2,300.00	\$2,300.00
Double Deck oven	1	\$9,000.00	\$ 9,000.00	\$9,000.00
Storage cages	1	\$16,000.00	\$ 16,000.00	\$16,000.00
Convection Oven	1	\$4,500.00	\$ 4,500.00	\$4,500.00
Prepared foods trailer	1	\$32,985.00	\$ 32,985.00	\$32,985.00
20 qt mixer	1	\$3,300.00	\$ 3,300.00	\$3,300.00
Reach-in reffridgerator	1	\$4,100.00	\$ 4,100.00	\$4,100.00
TOTAL:	9		\$ 84,373.00	\$ 84,373.00

JUSTIFICATION/COMMENTS:

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

JUSTIFICATION/COMMENTS:

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS Period: July 1, 2020 to June 30, 2021

Applicant: PACIFIC GATEWAY CENTER

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OTHER SOURCES FUNDS	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2018-2019	FY: 2019-2020	FY:2020-2021	FY:2020-2021	FY:2021-2022	FY:2022-2023
PLANS			0	0		
LAND ACQUISITION			0	0		
DESIGN			0	0		
CONSTRUCTION			0	0		
EQUIPMENT			84,373	0		
TOTAL:			84,373	0		
JUSTIFICATION/COMMENTS:						

GOVERNMENT CONTRACTS, GRANTS, AND / OR GRANTS IN AID

Applicant: PACIFIC GATEWAY CENTER

Contracts Total: 2,552,762

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1	Nakupuna Makamae Center Renovation	2015-2016	Hawaii Community Development Agency	State of Hawaii	1,000,000
2	Empowering Kupuna, Connecting Generation	10/2016-10/2017	Executive Office on Aging	State of Hawaii	185,000
3	Senior Moments	10/2017-10/2018	Executive Office on Aging	State of Hawaii	150,000
4	Historic 653 Ala Moana Pump Station: Improve the Building for public purpose"		Undetermined	State of Hawaii	25,000
5	Agriculture for Trafficked Survivors	2016-2019	Office of Refugee Resettlement	Federal	300,000
6	Job Creation Through Agriculture	2016-2019	Office of Economic Development	Federal	492,762
7	Social Enterprise Project	2019-2020	Office of Economic Development	Federal	400,000
8					
9					
10					
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