

## 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

  
AUTHORIZED SIGNATURE

Blake Vance, President  
PRINT NAME AND TITLE

1/20/2023  
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:

Kunia Village Development Corporation

Amount of State Funds Requested: \$ 2,000,000

Brief Description of Request (Please attach word document to back of page if extra space is needed):

As the only US state capable of commercial production of most tropical crops, Hawaii has an opportunity to develop a tropical botanical extract industry. The limited availability of commercial space suitable for botanical extract production in compliance with the US Food and Drug Administration's (FDA) current Good Manufacturing Practices (GMP) is a significant barrier limiting Hawaii farmers and entrepreneurs from entering this \$4.5 billion a year market. The requested funds will be used to repurpose the former Del Monte machine shop at Kunia Village to serve as a hub facility for the

Amount of Other Funds Available:

State: \$ 0

Federal: \$ 0

County: \$ 0

Private/Other: \$ 0

Total amount of State Grants Received in the Past 5 Fiscal Years:

\$ 2,286,805

Unrestricted Assets:

\$ 1,757,000

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:

PO BOX 100

City:

Kunia

State:

HI

Zip:

96759

Contact Person for Matters Involving this Application

Name:  
Blake Vance

Title:  
President

Email:  
bvance@harc-hspa.com

Phone:  
808-383-8419

Federal Tax ID#:

██████████

State Tax ID#

██████████

Blake Vance

Authorized Signature

Blake Vance, President

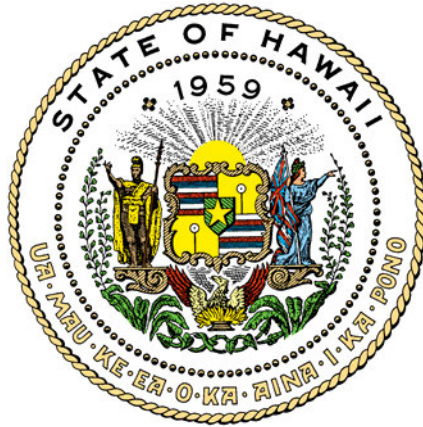
Name and Title

20 Jan. 2023

Date Signed

#### Brief Description of Request:

As the only US state capable of commercial production of most tropical crops, Hawaii has an opportunity to develop a tropical botanical extract industry. The limited availability of commercial space suitable for botanical extract production in compliance with the US Food and Drug Administration's (FDA) current Good Manufacturing Practices (GMP) is a significant barrier limiting Hawaii farmers and entrepreneurs from entering this \$4.5 billion a year market. The requested funds will be used to repurpose the former Del Monte machine shop at Kunia Village to serve as a hub facility for the intake of locally grown farm products and production of natural products in compliance with FDA GMPs.



## 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

#### KUNIA VILLAGE DEVELOPMENT CORPORATION

was incorporated under the laws of Hawaii on 06/23/2010 ; that it is an existing nonprofit corporation; and that, as far as the records of this Department reveal, has complied with all of the provisions of the Hawaii Nonprofit Corporations Act, regulating domestic nonprofit corporations.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Department of Commerce and Consumer Affairs, at Honolulu, Hawaii.

Dated: January 20, 2023

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; and
- 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.
- 4) The use of grant-in-aid funding complies with all provisions of the Constitution of the State of Hawaii (for example, pursuant to Article X, section 1, of the Constitution, the State cannot provide "... public funds ... for the support or benefit of any sectarian or nonsectarian private educational institution...").

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.

Kunia Village Development Corporation

\_\_\_\_\_  
(Typed Name of Individual or Organization)

Blake Vance  
(Signature)

20 Jan. 2023  
(Date)

Blake Vance  
(Typed Name)

President  
(Title)

## PUBLIC PURPOSE

The requested grant will be used for a public purpose pursuant to Section 42F-102, Hawaii Revised Statutes.

The Kunia Village Development Corporation (KVDC) requests a grant to improve the overall benefits to the people of Hawaii by providing increased diversified agriculture and economic opportunity in the state. The grant will be used to leverage existing Kunia Village infrastructure to facilitate the advancement of Hawaii's agricultural and natural products industries.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Kunia Village Development Corporation  
(Typed Name of Individual or Organization)

*Blake Vance*  
(Signature)

Blake Vance  
(Typed Name)

1/20/2023

\_\_\_\_\_  
(Date)

President  
(Title)

## II. Background and Summary

### *1. Description of the Applicant's Background*

The Kunia Village Development Corporation (KVDC) is a private, nonprofit organization (501c3) supporting diversified agriculture in Hawaii through continued operation and improvement of Kunia Camp in central Oahu. Kunia Camp was originally established in 1920 by the predecessor of Del Monte Corporation. It served as a permanent residence for Del Monte farm workers between 1920 and 2009, when Del Monte withdrew from Hawaii. The Village reverted to the landowner The James Campbell Company, which subdivided out the Village property from a larger parcel. The Hawaii Agriculture Research Center (HARC) originally accepted ownership of Kunia Village in 2009 and KVDC was established with the explicit goal to enable improvements to the existing infrastructure. These actions prevented the demolition of the housing and infrastructure of Kunia Camp and continued its traditional functions for farm residences and agribusiness. Kunia Village assets supported by KVDC:

- 121 single plantation homes constructed between 1928 and 1945 to be maintained in perpetuity as affordable rentals for agricultural workers and Del Monte retirees
- 150,000 square feet of warehouse reserved for agricultural companies. Current tenants include Oils of Aloha, Kunia Country Farms, Hawaii Export (Pa'ina Hawaii), Kohana Rum and Nutrien Ag Solutions.
- Community services buildings including a gymnasium, research and administrative offices. Free rent is provided for Hawaii Farm Bureau Federation, Oahu Resource Conservation and Development, and Hawaii Agricultural Leadership Foundation.
- Potable water source and wastewater treatment plant.

Dr. Blake Vance has served as the President of KVDC's Board of Directors since its inception and has been closely involved in Hawaii's agricultural industry for over 30 years. KVDC has overseen the conversion of Del Monte pineapple acreage and camp to a vibrant agricultural complex and Kunia Village housing for low-income farm workers. KVDC has a proven track record of successful projects in collaboration with local, state and federal agencies, universities and private industry.

### *2. Goals and Objectives*

The primary goal of this project is to leverage existing Kunia Village infrastructure to facilitate the advancement of Hawaii's agricultural and natural products industries. An approximately 21,000 square feet "warehouse" at Kunia Village is severely underutilized as it was originally designed to serve as the machine shop for Del Monte's pineapple equipment and is in a state of disrepair. The proposed capital improvement project would enable KVDC to convert the former machine shop into a warehouse designed to house multiple agribusinesses. In particular, the requested funds will enable the development of a commercial space suitable for the extraction of botanicals for the creation of natural products from Hawaii's diverse tropical crops in compliance with FDA's Good Manufacturing Practices. Without the ability to extract botanicals locally, Hawaii farmers will remain cut off from this rapidly growing market.

### *Natural Products and Botanical Extracts Market*

Consumer demand for a wide range of natural products continues to grow, with global sales exceeding \$200 billion annually. This includes a wide range of products, including items such as plant-based cleaning detergents, nutrient supplements, and cosmetics. While there is a clear recent trend in consumer preference for “natural” products, nature has always been the primary source of foods and ingredients that are beneficial to human health.

Botanical extracts are increasingly becoming important additives in the natural food, wellness, and cosmetics industries due to their high content of bioactive compounds. The global botanical extracts market reached \$4.65 billion in 2020 and is projected to reach \$10 billion by 2028.

Examples of commonly used botanical extracts:

- Vanilla extract (flavor)
- Green tea extract (skin care, health)
- Cacao extract (health)
- Coffee extract (skincare, beverage)
- Soybean (skincare)

### *Opportunities for Hawaii*

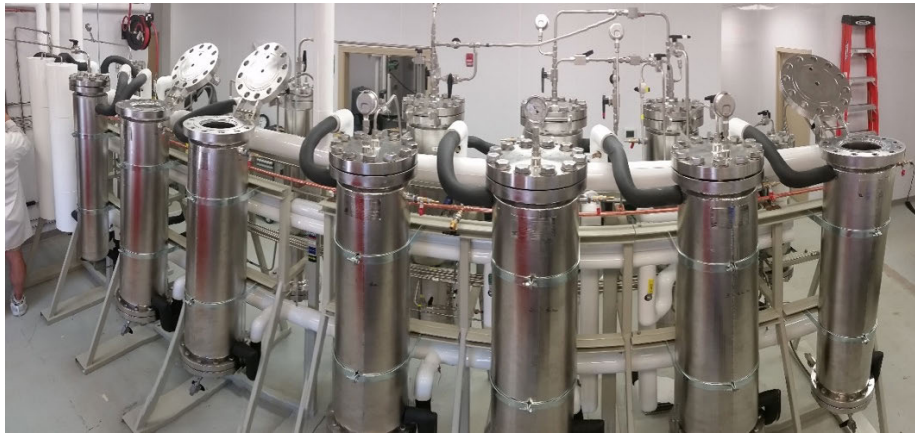
As the only US state capable of commercial production of most tropical crops, Hawaii has a unique opportunity to develop a US-based tropical botanical extract industry. Hawaii farmers have experience in producing a diverse suite of tropical crops and a local botanical extract industry would provide access to a rapidly growing market and create new value-added opportunities for farmers and entrepreneurs. Crops currently grown in Hawaii with high potential for production of botanical extracts include:

- Mamaki
- Kava
- Coffee
- Cacao
- Vanilla
- Tropical flowers

### *Current Challenges*

The limited availability of commercial space suitable for botanical extract production in compliance with the FDA’s Good Manufacturing Practices (GMP) is a significant barrier for potential entrepreneurs in Hawaii. Facilities require appropriate space to efficiently intake, clean, prepare and store raw agricultural products prior to extraction. Facilities must be capable of housing specialized extraction equipment in a laboratory environment with strong environmental controls, sanitation, and security.





The requested funds will be used to repurpose the former Del Monte machine shop at Kunia Village to serve as a hub facility for entrepreneurs to intake raw farm products and produce botanical products in compliance with FDA's GMPs.

### *3. Public purpose and need to be served*

As large commercial agricultural production of sugarcane and pineapple decreased in the state, many farmers and agricultural workers have struggled to survive. Hawaii now produces a wide range of diversified crops for local consumption and export. Value added agricultural products offer an opportunity for Hawaii to increase revenues and diversify offerings. The proposed project will facilitate a new market for Hawaii's farmers through creation of high value botanical extracts. While the FDA's GMPs are important for consumer safety, they put Hawaii-based manufacturers at a competitive disadvantage due to the high costs of compliance compared to other regions of the world. Without the ability to extract botanicals locally, Hawaii farmers will remain excluded from this rapidly growing market.

#### *4. Target population*

The immediate population served by the project will be Hawaii farmers through increased demand for tropical crops and entrepreneurs interested in entering the botanical extracts industry. The agricultural workers of Hawaii will benefit through the increased employment opportunities created. The general population will benefit from increased accessibility of safe, natural products utilizing botanical extracts produced in Hawaii. The State of Hawaii will benefit from increased tax revenue. The Hawaii tourism industry will benefit from increased availability of highly desirable, Hawaii grown and manufactured natural products.

#### *5. Geographic*

The project has statewide implications as all inhabited islands have farm growing tropical crops suitable for extract production.

### **III. Service Summary and Outcomes**

#### *1. Scope of work, tasks and responsibilities*

KVDC will finalize plans for the redesign and repair of the existing Kunia Village Machine Shop for conversion into space to house GMP-compliant, botanical-extract production. KVDC will then select a Hawaii-based general contractor for the required capital improvements and ensure completion of the project to the design specifications and in accordance with all applicable laws and regulations.

#### *2. Timeline*

A: Finalize design and select contractor(s): 1-4 months.

B: Complete improvements for conversion of Kunia Village Machine Shop suitable for commercial manufacturing of botanical extracts: 5-12 months.

#### *3. Quality assurance and evaluation plans*

KVDC has a successful history of managing diverse capital improvement projects such as residential housing, wastewater treatment, and commercial agribusiness space. KVDC President, Dr. Blake Vance successfully oversaw the building of approximately 20,000 square feet of laboratory and office space at the Hawaii Agriculture Research Center. KVDC hires a third-party auditor annually for financial compliance. All work will be done by qualified contractors licensed in the State of Hawaii. Contractors will be selected through a procurement process, wherein the low-cost, qualified bidder will be selected. The existing Village management team will commit personnel and resources to provide timely review of milestones and approve payment requests.

*4. Measure of effectiveness*

Reports will be made to the legislature describing the success of proposed activities. The information will be reported with the results and training of their usefulness and application to Hawaii farmers and agribusinesses. The increase in commercial space for production of botanical extracts is to serve as the most important measure of effectiveness. The proposed project anticipates converting approximately 40,000 square feet of space for the various components needed during manufacturing of botanical extracts.

**IV. Financial**

*1. See Enclosed Budget Forms*

*2. Quarterly Funding Requests*

Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Grant
\$250,000	\$750,000	\$750,000	\$250,000	\$2,000,000

*3. No other funding sources are requested at this time.*

*4. KVDC has not applied for or received any tax credits in the past three years and does not anticipate receiving any in the foreseeable future.*

*5. Government contracts, grants and grants in aid received by KVDC*

A: Federal:

- USDA, SEARCH grant for water system plan and ER report, \$121,000, 2020-2023.

B: State of Hawaii:

- Kunia Village water system upgrade, Department of Accounting and General Services, GIA, \$665,000 2018 – 2020.
- Kunia Village water system upgrade, Hawaii Department of Health, \$1,622,000, 2020 – 2023.

6. As of December 31, 2022, KVDC had unrestricted current assets of \$1,757,000

## V. Experience and Capability

### *1. Necessary Skills and Experience*

Previous development and capital improvement experience of KVDC and its parent Company, the Hawaii Agriculture Research Center (HARC) include:

- owning and operating facilities for decades: Aiea HSPA/HARC facility
- owning and overseeing construction of 20,000 sq. ft. Kunia laboratory facility at HARC's Kunia research site
- owning and operating Kunia Village Agribusiness Complex, and
- completion of \$34,000,000 renovation of housing and infrastructure in Kunia Village using a combination of Low-income Housing Tax Credits, USDA funding, historic tax credits, solar tax credits development fees and in-house loans.

### *2. Facilities and Equipment*

HARC acquired the assets and land of Kunia Village in 2010 from the James Campbell Company. The Village consists of a 118-acre parcel containing 135 housing units and roughly 150,000 square feet of agricultural warehouses and offices. HARC established KVTHC and KVDC as subsidiaries to develop and manage the Village respectively. The Kunia Village machine shop is located within the larger Kunia Village complex. The existing building is 21,000 square feet and includes an intact concrete pad, electrical supply and potable water. While the metal roof and many of the secondary beams require replacement, the primary steel beams remain intact and will be utilized. Within the machine shop, there is roughly 2,000 square feet of office space and 1,600 square feet for mezzanine to be utilized. The building footprint is surrounded by 21,000 square feet of fenced, open space suitable for delivery and initial processing/cleaning of raw agricultural products, parking and storage.





## **VI. Personnel: Project Organization and Staffing**

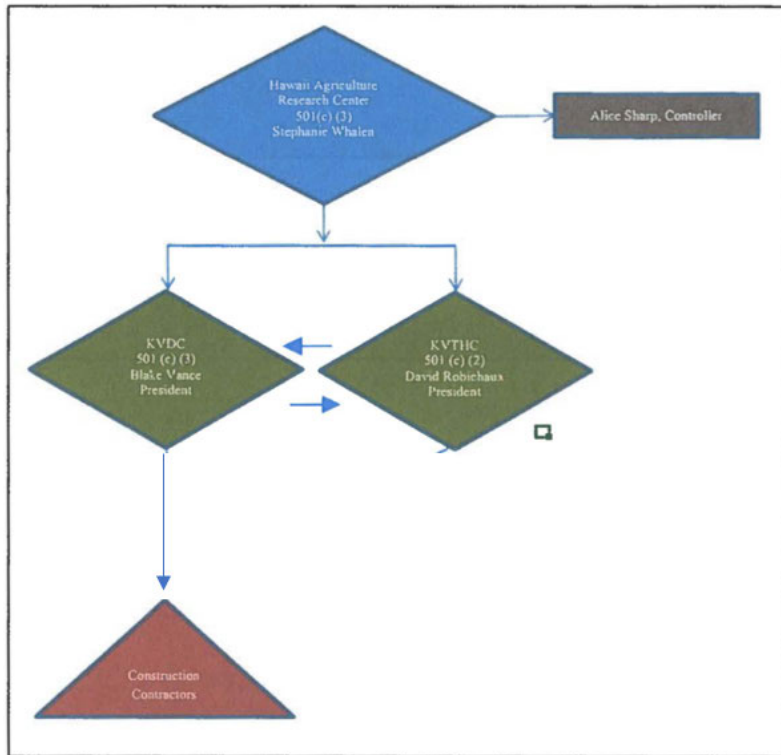
### *1. Proposed staffing, qualifications, supervision and training*

All construction contracts will be monitored and managed using existing personnel at no costs to the project. There are no personnel costs included in this funding request.

KVDC President, Dr. Blake Vance will overs all aspects of construction. His recent project management experience is included as Appendix B of this application.

KVDC Controller, Alice Sharp will oversee all financial aspects of the project.

## 2. Organizational Chart



## 3. Compensation

No salary request is included in this proposal. KVDC is all-volunteer run organization with no paid employees.

## VII. Other

1. KVDC has no pending litigation or outstanding judgements.
2. No special licensures or accreditation is necessary to complete the project.
3. No grant funds will be used to support or benefit a sectarian or non-sectarian private educational institution.
4. Future sustainability of the project will rely on private funding.

## BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2023 to June 30, 2024

App

Kunia Village Development Corp.

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST				
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES				
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL	2,000,000			
<b>TOTAL (A+B+C+D+E)</b>	<b>2,000,000</b>			
<b>SOURCES OF FUNDING</b>		Budget Prepared By:		
(a) Total State Funds Requested	2,000,000	Alice Sharp <span style="float: right;">808-621-1351</span>		
(b) Total Federal Funds Requested		Name (Please type or print) <span style="float: right;">Phone</span>		
(c) Total County Funds Requested		<i>Blake Vance</i> <span style="float: right;">20 Jan. 2023</span>		
(d) Total Private/Other Funds Requested		Signature of Authorized Official <span style="float: right;">Date</span>		
<b>TOTAL BUDGET</b>	<b>2,000,000</b>	<i>Blake Vance, President / KVDC</i> Name and Title (Please type or print)		

## BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2023 to June 30, 2024

Applicant: Kunia Village Development Corp.

<b>FUNDING AMOUNT REQUESTED</b>						
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: 2021-2022	FY: 2022-2023	FY:2023-2024	FY:2023-2024	FY:2024-2025	FY:2025-2026
PLANS						
LAND ACQUISITION						
DESIGN			75000			
CONSTRUCTION			1925000			
EQUIPMENT						
<b>TOTAL:</b>			<b>2,000,000</b>			
<b>JUSTIFICATION/COMMENTS:</b>						



Blake Vance, PhD  
HARC Assistant Director, Facilities  
KVDC President

Some of the projects I have been involved in are listed below:

- Property Management of HARC's 80k SF 4-story lab in Aiea, tenant leases.
- Sale of HARC's parcel in Aiea (\$20.65M).
- Purchase of HARC's 108-acre parcel in lower Kunia (\$3.8M) from James Campbell Co. and formulating one of the first USDA NRCS Federal Farm and Ranch Lands Protection Program (FFRP) and State Legacy Lands Conservation Program (LLCP) conservation easements in Hawaii, which preserves this parcel in agriculture in perpetuity.
- Receipt of HARC's 119-acre parcel in upper Kunia, where the Del Monte Fresh Produce operated its pineapple packing facility, its 120-house Village for its employees, and the location of an EPA Superfund site.
- Served as Project Manager for the construction of HARC's new lab (\$5.7M) at lower Kunia.
- Serve as President of the Kunia Village Development Corp. (KVDC) to renovate/build 82 houses within Kunia Village (\$25M, completed August 2017).
- Assorted other projects include a) a 100-foot cell tower; b) a 144-kW/DC photovoltaic (PV) system on the roof of our lower Kunia lab; c) imminent construction of a 442-kW PV array on a carport system over a field road at HARC's Experiment Station to derive multiple uses of that land; d) passage of a bill through the State legislature to allow the installation of PV on Land Study Bureau "A"-classified land in strictly delineated circumstances where land would not be taken out of farm production; and e) manage the Experiment Station.