

House District 6

Senate District 4

THE TWENTY-EIGHTH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST – OPERATING

GRANT REQUEST – CAPITAL

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Recipient" means any organization or person receiving a grant.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN):

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN):

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization or Individual: Friends of NELHA

Dbas:

Street Address

Mailing Address: : 73-4460 Queen Ka'ahumanu Hwy #125
Kailua-Kona, HI 96740

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name TOM DANIEL

Title Chair

Phone # 808.989.0171

Fax # _____

E-mail tomdaniel@hawaii.rr.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- OTHER
- SOLE PROPRIETORSHIP/INDIVIDUAL

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

MUSEUM QUALITY EXHIBITS FOR THE GATEWAY ENERGY CENTER

4. FEDERAL TAX ID #: 

5. STATE TAX ID #: 

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2016: \$ 170,000

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE
AT THE TIME OF THIS REQUEST:

STATE \$ _____
 FEDERAL \$ _____
 COUNTY \$ _____
 PRIVATE/OTHER \$ _____

TYPE NAME & TITLE OF AUTHORIZED REPRESENTATIVE:



AUTHORIZED SIGNATURE

TOM DANIEL, CHAIR
NAME & TITLE

29 JANUARY 2015
DATE SIGNED



RECEIVED
1-30-15

✓



Friends of NELHA

73-4460 Queen Kaahumanu Hwy #125, Kailua-Kona, HI 96740

Telephone: (808) 329-8073

www.friendsofnelha.org

I. Background and Summary

A. Brief Description of Friends of NELHA

Incorporated in 2001, Friends of NELHA (FON) is 501(c)(3) nonprofit organization whose role is to educate the public about energy efficiency, renewable energy, food security, and using alternative, sustainable resources. FON is the steward of the Gateway Energy Center Visitor Center building at NELHA (the Natural Energy Laboratory Hawaii Authority), where it gives presentations and offers tours of some of NELHA's tenant facilities. It also has displays and posters which explain or showcase green energy and sustainable technology alternatives and projects.

The Natural Energy Laboratory of Hawaii Authority (NELHA) is a State organization that operates an 800+ acre ocean science and technology park which serves as a business incubator and an economic development agency, using the unique characteristics of the deep and surface sea water and climate of the Kona coast. The facility provides land, pumps, vast quantities of surface and deep seawater to shore, and supports a variety of cutting edge sustainable energy projects, innovative sea water-derived products, pioneering commercial ventures, and educational and research opportunities

FON helps residents, businesses, and visitors from all over the world learn more about what Hawai'i, Hawaii Island, and NELHA are doing to save energy, reduce grid demand, generate their own power, and enhance food security through aquaculture and sustainable technology. FON's presentations and tours are offered Monday through Friday. Visitor Center displays are available for those who cannot attend the presentations and tours.

FON also serves as an education and outreach liaison between the public and NELHA and its tenants. FON often receives inquiries from entrepreneurs, businesses, and scientists about NELHA's facilities and refers potential tenants to NELHA's staff for further evaluation.

B. Goals and Objectives of this Request

FON has begun the design of new, museum quality exhibits (the Exhibits) for the Visitor Center. Existing displays and posters are largely outdated and of middle school science fair quality. This project would allow FON to complete the process of replacing the existing tattered and faded displays and posters with museum-quality exhibits outlining the history of energy in Hawaii, from King Kalakaua's introduction of electricity in Honolulu to ocean thermal energy conversion (OTEC) to the Gateway Energy Center (a LEED Platinum building), the adoption of renewable energy (including the Hawaii Clean Energy Initiative) and sustainable aquaculture, and other technology and renewable resources being used in Hawaii and at NELHA.

FON believes that the new Exhibits will dramatically improve the visitor experience, as well as FON's effectiveness, and will attract more visitors to its presentations and tours. Visitor count growth is essential to improve FON's revenue stream so that it can become a long-term, sustainable operation, independent of ongoing grant funding.

C. The Public Purpose and Need to be Served

Hawaii relies heavily on the importation of oil to generate electricity, which leads to poor air quality, unpredictable electricity and transportation fuel costs, and overall quality of life issues both for visitors and residents, as well as making business operation a challenge. With the availability of virtually every type of clean energy resource on the island, the State's goal is a significant increase in renewable energy, and the Mayor has announced a goal of 100% renewable energy for Hawaii County. As an example for the entire planet, both the State and the County's the best hope for achieving these paramount goals is active cooperation and support from a critical mass of all citizens.

FON, as steward of the NELHA Visitor Center, uses public presentations to build awareness of the importance of sustainable lifestyles and business practices to Hawaii and the world. Visitors who attend the presentation leave with a better perception of renewable energy and how Hawaii is using it. This helps to move Hawaii – and, for those visiting from elsewhere, the visitor's place of origin -- toward a position of less dependence on foreign goods and energy, meeting what FON believes is an important need for survival. In addition to FON's presentations, a set of static displays and posters are on display at the Visitor Center. While informative in their way, most of them are considerably more than ten years old, faded, and outdated. Some have no explanation, and the *better* ones appear to be of middle school science fair quality. FON would like to upgrade its displays so that they are of museum quality and so that they tell a cohesive story of energy and sustainable technology and practices in Hawaii.

A key element of FON's goals is to educate the next generation of stakeholders. To educate and inspire youth, the Friends of NELHA includes school children from 4th grade up in age-appropriate presentations, and pre-school to 3rd graders in special programs about energy use, the importance of the ocean, and developing sustainable habits. The children in turn "teach" their parents about more environmentally responsible lifestyles. Better, more appealing, and modern, up to date exhibits would assist in that endeavor.

FON would like the Visitor Center to become one of the very few museums available in West Hawaii. From pre-school children to college students to senior groups, from local folks to international visitors, these museum-quality exhibits would carry the theme of renewable, green energy and sustainable aquaculture to an audience of thousands. For guests who cannot attend the presentations FON offers, this may be their only exposure to (a) the role the State of Hawaii is playing in leading the nation in this new world of green energy, and (b) the vanguard role Hawaii Island offers the State of Hawaii in its efforts to make renewables a daily fact of life. For guests who do attend the presentations, the new exhibits will enhance their visits and underline how Hawaii Island is guiding the nation.

FON, with County of Hawai'i grant funding, is currently designing the theme (the story FON wants to tell), the look and feel, and the footprint for the displays, and, finally, the Exhibits themselves. Fabrication of the Exhibits would follow the design phase. Having modern, high quality exhibits will leave a positive and lasting impression on visitors as they contemplate our island's growing renewable energy resources and policies.

Friends of NELHA supports this project because of the educational opportunity to promote the unique Natural Energy Laboratory of Hawaii Authority, Ocean Thermal Energy Conversion (OTEC), and the tenants at Keahole Point who are a showcase of the best of Hawaii's products because of the unique environment found nowhere else in the world. The State of Hawaii has made a major investment in the infrastructure of the NELHA facilities and the businesses at Keahole Point have implemented distinctive techniques and facilities to create unique renewable energy projects. An exhibit tour in the mesmerizing setting at Keahole Point creates an unforgettable experience. Media attention and exposure will inevitably result in increased awareness of the potential of these economic development projects that create new green jobs.

As the Visitor Center is also used for public gatherings, the Exhibits would be built in such a way that they could be moved easily to accommodate additional chairs or activities in the space.

D. Target Population to be Served

Friends of NELHA serves a variety of visitors – local residents, residents from other islands, Mainland visitors, and international visitors. Guests range from pre-school children, school classes, and college students, to young adults, to adults in their 80's and 90's; from engineers and scientists to tourists searching for a different side of Hawaii, which they find in abundance at NELHA. FON's 2013 visitors fit the following profile:

<u>Age ranges</u>	<u>(rounded off)</u>
Under 8	2%
Students 8+	31%
Adults	47%
Seniors	20%

E. Geographic Coverage

Friends of NELHA is located on the greater NELHA campus near the airport in Kailua-Kona. Visitors have come from Europe, Asia, Latin America, Africa, the North American continent, and the Middle East. FON hosts between 4000 and 5000 visitors each year. FON's 2013 visitors fit the following profile:

<u>Origins</u>	<u>(rounded off)</u>
from HI Island	25%
from HI, off-island	10%
from US, not HI	56%
International	9%

II. Service Summary and Outcomes

A. Scope of Work, Tasks, and Responsibilities and

B. Projected Timeline

The goal is to produce museum quality exhibits (Exhibits) for deployment in approximately 575 square feet of the NELHA Gateway Energy Center's Visitor Center. Design for the Exhibits has recently begun, and we anticipate having the design, including layout, photographs/diagrams, text, and other content ready by summer 2015. The next step is fabrication of the Exhibits. The tasks for the fabrication and deployment of the Exhibits and the approximate timeline would be:

Quarter 1

- a. Engage project manager.
- b. Verify continuing appropriateness of the existing designs and planned layout in the Visitor Center. Build and maintain relationship with stakeholders.
- c. Identify and investigate potential fabricators.

Quarter 2

- d. Develop a request for proposals (RFP) and a list of potential fabricators. Submit RFP.
- e. Evaluate RFP responses. This would include references and viewing examples of their work. Adjust RFP, if needed, based on responses. Provide adjustments to top RFP responders.
- f. Select the appropriate fabricator.
- g. Develop final timeline, milestones, quality assurance parameters, communication protocols, and progress payment schedule with fabricator, if not already done, and incorporate into contract. Sign contract.

Quarter 3

- h. Respond to questions and concerns and monitor milestones, protocols, and work quality.
- i. Perform regular, periodic inspections on premises and/or remotely, and maintain relationship with fabricator.

Quarter 4

- j. Arrange for transportation to Kona.
- k. Delivery, inspection, and deployment of the Exhibits.
- l. Complete any unfinished task.
- m. Write final report, if appropriate.

C. Quality Assurance and Evaluation Plans (how to monitor, evaluate, and improve results)

Various quality assurance goals and milestones would be built into the terms of the contract. FON would require visits to the fabricator's premises, as well as regular telephone or Skype (or both) updates. We anticipate that the contract would call for these reports, as well as progress payments based on verification of milestones met.

D. Measures of Effectiveness to be Reported to the Expending Agency

In the past, FON has relied heavily on visitor statistics, as well as visitor comments and surveys in person and online, to measure its success. As it may take some time after deployment to see an appreciable increase in visitor arrivals, FON would likely look to visitor comments and surveys for early measures of effectiveness. However, in time, both visitor numbers and comments/surveys would be an excellent measure of the project's overall success.

During the project, achievement of stated milestones will help to measure progress.

III. Financial

A. A budget is attached.

B. Anticipated quarterly funding requests are:

Quarter 1	Quarter 2	Quarter 3	Quarter 4
\$40,000	\$45,000	\$50,000	\$35,000

C. Listing of Other Sources of Funding

Anticipated (but not yet awarded) other sources: \$10,000 from Kona Brewers Festival and another small source. Also, in-kind donations of approximately \$15,000.

D. No Tax Credits, state or federal

No Other Government Contracts or Grants have been awarded for fabrication of the Exhibits.

E. Unrestricted current assets

As of 12/31/2014:	\$ 9,668
As of 1/28/2015:	\$12,822

IV. Experience and Capability

A. Necessary Skills and Experience

As indicated, FON was incorporated in 2001 and is a 501(c)(3) nonprofit, charitable organization. It has operated continually since its start and has promulgated a series of programs and projects, many with funding from Hawaii County, including a seafood farmer's market, a gourmet roving dinner event at NELHA, and, most recently, an Exceptional Energy Lecture Series on varied topics in the energy field. It has operated events, presentations, and tours at the NELHA Gateway Energy Center Visitor Center since approximately 2005, significantly expanding both the number and type of presentations and programs it produces, and increasing the number of visitors it hosts from around 2000 in 2011 to slightly under 5000 visitors in 2013.

B. Facilities

Much of the work for this project will be done at the Gateway Energy Center using NELHA staff and volunteers. The facilities include a large office space, in addition to the Visitor Center in which the Exhibits would, upon completion, be deployed. Fabrication would be performed off-site.

V. Personnel – Project Organization and Staffing

A. Proposed Staffing

FON currently has in its employ three part-time employees:

Sarah Crawford, Executive Director (start date 2013)

Jane Kelleher, Event Director (start date 2012)

Barbara Schatz-Harris, Project Manager, Exhibit Design (start date 2015)

We expect that the Executive Director would provide overall supervision of the project, as she does now for the project designing the Exhibits. The Project Manager would coordinate the project itself, making sure that each step of the process is monitored and that quality is assured.

Sarah has an extensive background as an attorney counseling high tech start-ups, as well as a 15-year track record of working with nonprofits as a volunteer, including event staging and volunteer outreach. Prior to going into high tech law, Sarah was an attorney with the US Department of Energy.

Jane, a retired businesswoman and educator, is a long-time FON volunteer and presenter who served as interim ED after the sudden death of Guy Toyama, FON's prior ED, in late 2012. After Sarah became the ED in April 2013, Jane assumed a part-time position with FON as Event Director. Jane and Sarah job-share one full-time equivalent job.

Barbara, who recently began working with FON as Project Manager for the design phase for the Exhibits, has a background in marketing and design, desktop publishing, and administration, both commercially and in the nonprofit world.

FON uses both staff and volunteers in its programs and projects. Its volunteer program includes people who act as presenters, docents, tech and A/V experts, and who come from a number of backgrounds, including oceanography, international sales, scuba instruction, teaching, hospitality, and engineering.

B. Board of Directors

The FON Board of Directors sets policies, serves as a sounding board, and often pitches in as additional volunteers for special projects, as well. The Board consists of various leaders of the Big Island community:

Friends of NELHA Officers and Board of Directors (2015)

Board Chair - Dr. Tom Daniel, Educator/Energy Administrator, Retired

Vice Chair - Cynthia Dyal, Solar Energy Sales Consultant and Realtor, Founder of FON

Treasurer - Riley Saito, Senior Manager, Hawaii Projects, SunPower Corporation

Secretary - Peggy Andersen, CPA

Director - Lee Fausek, Oceanographer, CEROS, Retired

Director - Fern Gavelek, Owner of Fern Gavelek Communications

Director - Ed Haitzuka, Attorney, Carlsmith Ball

Director - Curtis Muraoka, Co-director, West Hawaii Explorations Academy

Director - Toby Taniguchi, Executive VP, Store Operations, KTA Super Stores

Executive Director (ex-officio) - Sarah Crawford

C. Organization Chart

Executive Director – reports to Board chair

Event Director – reports to Executive Director

Project Manager – reports to Executive Director, and, in that person's absence, the Event Director.

D. Compensation

Executive Director – works part-time – 2014 compensation: \$23,849

Event Director – works part-time – 2014 compensation: \$14,621

Project Manager – works part-time – began in 2015 at \$15.10 per hour

VI. Other

A. Litigation – none.

B. Licensure or Accreditation – federal and state tax exempt status.

C. Federal and County Grants – \$24,000 from Hawaii County, Department of Research and Development to assist with design of the Exhibits.

D. Private Educational Institutions – no portion of the grant would be used to support or benefit a private educational institution.

E. Future Sustainability Plan – this grant is meant to fund a specific project which would be completed in within one year.

F. Certificate of Good Standing – FON is registered with Hawai'i Compliance Express, which automatically updates our DCCA Certificate of Good Standing (attached).

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2015 to June 30, 2016

Applicant: Friends of NELHA

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	30,000			
2. Payroll Taxes & Assessments	3,500			
3. Fringe Benefits	3,750			
TOTAL PERSONNEL COST	37,250			
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island	450			
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training	1,800			
6. Supplies				
7. Telecommunication	100			
8. Utilities				
9. Fabrication of Exhibits	120,000			10,000
10. Consultant on Exhibits	10,000			
11. Other travel expenses	400			
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	132,750			10,000
C. EQUIPMENT PURCHASES				
D. MOTOR VEHICLE PURCHASES				
E. CAPITAL				
TOTAL (A+B+C+D+E)	170,000			10,000
SOURCES OF FUNDING		Budget Prepared By:		
(a) Total State Funds Requested	170,000	Sarah Crawford 808-329-8073		
(b) Total Federal Funds Requested		Name (Please type or print) Phone		
(c) Total County Funds Requested		Signature of Authorized Official Date		
(d) Total Private/Other Funds Requested	10,000	Thomas H. Daniel, Chair		
TOTAL BUDGET	180,000	Name and Title (Please type or print)		

BUDGET JUSTIFICATION - PERSONNEL SALARIES AND WAGES

Period: July 1, 2015 to June 30, 2016

Applicant: Friends of NELHA

POSITION TITLE	FULL TIME EQUIVALENT	ANNUAL SALARY A	% OF TIME ALLOCATED TO GRANT REQUEST B	TOTAL STATE FUNDS REQUESTED (A x B)
Executive Director	44000	\$25,000.00	10.00%	\$ 2,500.00
Event Director	39000	\$17,000.00	3.00%	\$ 510.00
Project Manager	30000	\$30,000.00	90.00%	\$ 27,000.00
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
TOTAL:				30,010.00
<p>JUSTIFICATION/COMMENTS: Exec Director and Event Director currently job-share one \$44,000 position. In absence of Exec Director, Event Director will supervise and act as a resource for Project Manager.</p>				

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2015 to June 30, 2016

Applicant: Friends of NELHA

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
Museum Quality Exhibits	12.00	\$10,000.00	\$ 120,000.00	120000
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:	12		\$ 120,000.00	120,000
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, 2015 to June 30, 2016

Applicant: Friends of NELHA

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2013-2014	FY: 2014-2015	FY:2015-2016	FY:2015-2016	FY:2016-2017	FY:2017-2018
PLANS						
LAND ACQUISITION						
DESIGN						
CONSTRUCTION						
EQUIPMENT						
TOTAL:						
JUSTIFICATION/COMMENTS: Not a Capital Project.						

GOVERNMENT CONTRACTS AND/OR GRANTS

Applicant: Friends of NELHA

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
				TOTAL	-0-

**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 NELHA

(Typed Name of Individual or Organization)

(Signature)

29 January 2015

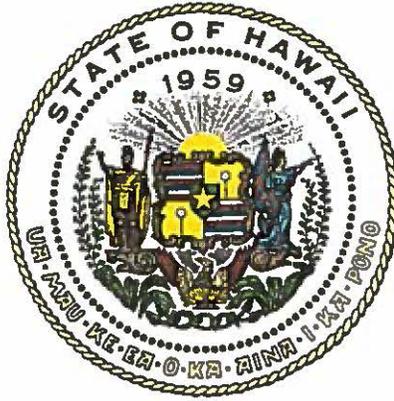
(Date)

Thomas H. Daniel

(Typed Name)

Chair

(Title)



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

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

FRIENDS OF NELHA

was incorporated under the laws of Hawaii on 10/17/2001 ; 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 28, 2015



[REDACTED]

Interim Director of Commerce and Consumer Affairs