

Maui County
Economic Development Revolving Fund (EDRF)
First Round Grant Reviews
--Report to the Mayor--

Submitted By
Mayor's Office of Economic Development
Teena Rasmussen, Director
August 10, 2014

RECEIVED AT PEA MEETING ON 7/17/17
(*Kenneth Yamamura*)

ECONOMIC DEVELOPMENT REVOLVING FUND (EDRF)

EXECUTIVE SUMMARY

After an initial screening by OED staff, EDRF finalists were invited to meet with an investment committee composed of representatives from the following organizations: **Maui Economic Development Board; Hawaii Small Business Development Center; Hawaii Technology Development Center/Innovate Hawaii; Lokahi Pacific; MEO Business Development Center; and the Mayor's Office of Economic Development.**

The investment committee met with applicants, reviewed their business plans, and asked questions of the applicants. **Collectively, the interview process took more than 10 hours.**

After reviewing and scoring all of the applications and completing the interviews, the committee unanimously recommended funding 5 of the applications.

The businesses recommended for funding come from a wide range of industries including medical research, software development, food and beverage, manufacturing, and construction.

The investment committee carefully considered the amounts requested by applicants, and in most cases the amount recommended for approval is less than requested. The recommended awards are:

HNu Photonics	\$ 250,000
Aumakua Holdings	\$ 250,000
Alpha, Inc.	\$ 125,000
Maui Innovation Group	\$ 175,000
Uptown Chevron	\$ 200,000

LEVERAGED FUNDS AND JOB CREATION

These awards from the County of Maui total \$1 million and will be leveraged with matching funds from each company. An additional \$2,485,600. matching cash funds will be invested by the companies. That means for every dollar Maui County invests, we are getting 2.5 dollars in private investment.

The projects also represent 31 new projected jobs created for Maui County.

ECONOMIC DEVELOPMENT REVOLVING FUND (EDRF)

PROGRAM DESCRIPTION

The Economic Development Revolving Fund (EDRF) for Maui County was established to support several goals, including the promotion of growth, and the diversification of our job base.

EDRF applicants must have a primary place of business in the County. These companies should have a strong balance sheet, have established markets that show growth potential, and show strong potential for creating living wage employment for our residents. The fund is designed to assist companies with these qualifications to expand their business through additional locations, new equipment, exporting opportunities, R&D for a demonstrated capability or product, or to commercialize a capability or new product.

Companies may get extra consideration if they locate in an underutilized, underserved or blighted area within Maui County which may include renovating decaying properties and/or upgrading infrastructure.

Applications have been sought for grants/loans in a minimum amount of \$50,000. Applicants must match all County funding on a minimum one to one basis.

EDRF APPLICATION AND REVIEW PROCESS

- Press Release announcing applications being accepted--2/14/14
- OED outreach to publicize the program
- Applicants sent in Abstracts
- Abstracts were reviewed by OED team
- Companies were notified with denial letter, or a letter to proceed to application phase
- Applications for full proposals were checked in by OED admin
- Applicants were checked for Compliance with DCCA by OED Admin
- Review team was selected and conference call was held to brief them on the review process
- Review sessions were scheduled
- Application packets were mailed out to review team
- Applicants were scheduled for interviews with the review team
- Review team held interviews
- Review team conferred and made recommended awards
- OED presents EDRF Review Committee recommendations to Mayor Arakawa
- Applicants notified of status of their application
- Mayor's Office Transmits Request to Council

EDRF ABSTRACT REVIEW TEAM

All abstracts received for the EDRF were reviewed by OED Staff:

Doug McLeod

Kimberly Haueisen

Teena Rasmussen

Administrative Assistant to the EDRF: Dena Sato

**OED TIME INVESTED IN ADMINISTRATION AND EDRF REVIEW
PROCESS FOR FIRST ROUND: 190 Man hours**

EDRF APPLICATION REVIEW COMMITTEE

Full applications were reviewed by:

Gerry Smith: Maui Economic Development Board

Fred Rickert: Hawaii Small Business Development Center

Mark Ausbeck: Hawaii Technology Development Center/Innovate Hawaii

Susie Thieman: Lokahi Pacific

Craig Swift: MEO Business Development Center

Doug McLeod: Mayor's Office of Economic Development

Facilitator: Teena Rasmussen, Director OED

**VOLUNTEER TIME INVESTED IN REVIEW AND COMMITTEE PROCESS
FOR EDRF FIRST ROUND:**

Collectively 71 volunteer man hours were spent on the application review process.

EDRF APPLICATIONS RECEIVED, REVIEWED AND ACCEPTED BY EDRF REVIEW COMMITTEE AND RECOMMENDED AWARDS FOR FIRST ROUND FUNDING:

1. Uptown Service

Project Name: "Da Car Wash Café"

Recommended Award: \$200,000.

Synopsis of Project: To renovate the existing car wash which is underutilized and no longer needed, and turn it into a full-service and take-out restaurant to serve and help revitalize Wailuku town and the broader surrounding community.

2. Alpha Inc.

Project Name: National T-32 Drill Rig

Recommended Award: \$125,000.

Synopsis of Project: To purchase drilling rig that would enable the company to drill deep wells. The project would bring a piece of equipment to Maui that no one currently has on island. There is only one other company in Hawaii with this rig, and they currently enjoy a monopoly. Not only will Maui benefit from the jobs created, but Alpha, Inc. will be able to offer lower cost drilling to Maui deep well projects because the equipment will not have to be shipped from other islands.

3. Maui Innovation Group

Project Name: Medical Care Management Software

Recommended Award: \$175,000.

Synopsis of Project: Final phase of development of medical care management software solution for medical offices to better manage patients' care, and to comply with new Affordable Care Act regulations.

Awards Continued...

4. HNU Photonics, LLC

Project Name: Scorpio V- Stem Cell Optical Research Platform in Orbit.

Recommended Award: \$250,000.

Synopsis of Project: Purchase of infrastructure improvements and equipment acquisition to deploy proprietary technology on the International Space Station for the purpose of stem cell research. HNU has been awarded the opportunity under a NASA Space Act Agreement to serve the needs of the Center for Advancement of Science In Space (CASIS) funded biological researchers who are studying stem cell differentiation under microgravity conditions.

5. Aumakua Holdings, Inc.

Project Name: Maui Brewing Co.

Recommended Award: \$250,000.

Synopsis of Project: Adding equipment to new facility in Kihei to go into three additional new lines of beverages for consumption locally and for export.

Economic Development Revolving Fund (EDRF)

The Economic Development Revolving Fund (EDRF) for Maui County has been established to assist and help develop the county's economy for growth and the diversification of its job base.

ABSTRACT FORM

Applicant Name: _____	Date of Application: _____
Project Name: _____	
Point of Contact: _____	
Address: _____	
Phone Number: _____	Email: _____
Amount of Funds Requested: _____	
Type of Applicant: (Individual, Corporation, LLC etc.) Check Boxes	
<input type="checkbox"/> Individual	
<input type="checkbox"/> Corporation	
<input type="checkbox"/> LLC	
<input type="checkbox"/> Other: _____	
Incorporated in Hawaii? Yes <input type="checkbox"/> No <input type="checkbox"/>	Month _____ Year _____
Are you applying for? Grant <input type="checkbox"/> Loan <input type="checkbox"/>	
Do you currently have a presence in Maui County? Yes <input type="checkbox"/> No <input type="checkbox"/>	
If yes, date established _____	Location _____

Please submit a written abstract describing your project. Maximum 400 words.

PLEASE NOTE, ITEMS SUBMITTED SHALL BE SUBJECT TO THE UNIFORM INFORMATION PRACTICES ACT CHAPTER 92F OF THE HAWAII REVISED STATUTES (HRS00092F).

Your abstract will be reviewed within 15 business days after receipt of abstract. After review, the Office of Economic Development will contact you about the status of your application.

STAFF USE ONLY:		
Date Abstract Received	_____	
Application Accepted Date	_____	Application Denied Date _____

Economic Development Revolving Fund (EDRF)

The Economic Development Revolving Fund (EDRF) for Maui County has been established to assist and help develop the county's economy for growth and the diversification of its job base.

APPLICATION FORM

Applicant Name: _____ Date of Application: _____
Project Name: _____
Point of Contact: _____
Address: _____
Phone Number: _____ Email: _____
Amount of Funds Requested: _____

Type of Applicant: (Individual, Corporation, LLC etc.) Check Boxes

- Individual
 Corporation
 LLC
 Other: _____

Incorporated in Hawaii? Yes No Month _____ Year _____

Do you currently have a presence in Maui County? Yes No
If yes, date established _____ Location _____

Please include your submitted abstract with your completed application.

Economic Development Revolving Fund (EDRF)
APPLICATION FORM

1. Will you be conducting the project in Maui County? Yes No
2. How many employees do you have in Maui County at time of application?

Full Time _____ Limited Duration Long Term
Part Time _____ Limited Duration Long Term
3. Hawaii Compliance Express Status: Compliant Yes No
(Note: If not currently in compliance, your application will not meet funding approval criteria).
4. List other sources and amount of funding or investments you have received or are seeking for this project.
5. What percentage of this funding will be used in Maui County? _____
6. Please provide the Project Plan including the following areas: (10 page limit)
 - a. Goals and objectives
 - b. Statement of work
 - c. Detailed description of work to be performed
 - d. Key personnel and Management team
 - e. Facilities and equipment
 - f. Measures of success
7. Which of the public purposes set forth in Maui County Ordinance 3.81.020 will this project address?
Please check all that apply and explain how the project addresses the purposes checked.
 It will strengthen and diversify the County's economy
 Support existing County business
 Promote Job Creation
 Attract new business, industry, construction and events
8. What are the key metrics in your organization and field, and how do you anticipate your project will compare to those norms?
9. Are you expecting to have patents, trademarks, copyrights or other intellectual property related to this project? Yes No

Please attach Budget and in a Budget narrative please explain each Budget item.

STAFF USE ONLY:

Date Abstract Received _____
Application Accepted Date _____
Application Notified Date _____

Application Denied Date _____