INFORMATION PACKET

Disposition of Hawaiian Home Lands by General Lease for Use as Renewable Energy Project on Hawaii Island

Leasing Agency

State of Hawaii
Department of Hawaiian Home Lands
Land Management Division
91-5420 Kapolei Parkway
Kapolei, Hawaii 96707

March 23, 2018
INFORMATION PACKET
for the Disposition of Hawaiian Home Lands by General Lease for Use as Renewable Energy Project on Hawaii Island

LISTING OF ITEMS CONTAINED IN INFORMATION PACKET:

I. Public Notice –Disposition of Hawaiian Home Lands by General Lease for Use as Renewable Energy Project on Hawaii Island
II. Introduction, Objectives, and General Information
III. Application Criteria and Guidelines
IV. Application and Qualifications Form
V. General Property Information
VI. Appendix

KEY TO ABBREVIATIONS:

DHHL Department of Hawaiian Home Lands
HELCO Hawaii Electric Light Company
HRS Hawaii Revised Statutes
PPA Power Purchase Agreement
PUC Public Utilities Commission
RFP Request for Proposals

AVAILABLE FOR REVIEW ON DHHL’S WEBSITE:

Hawaii Island Plan (2002) at
I. PUBLIC NOTICE

DISPOSITION OF HAWAIIAN HOME LANDS BY GENERAL LEASE FOR USE AS RENEWABLE ENERGY PROJECT ON HAWAII ISLAND

The Department of Hawaiian Home Lands (“DHHL”) intends to dispose of land on Hawaii Island under a general lease for use as renewable energy project by way of direct negotiations pursuant to Sections 171-95 or 171-95.3, HRS, as amended. Beneficiary consultations and public hearings will be part of the leasing process, prior to the eventual issuance of a general lease.

Land to be disposed for a renewable energy project is a portion of Hawaiian Home Lands at Kalaoa, on Hawaii Island, State of Hawaii, identified as Tax Map Key No. 3\textsuperscript{rd}/7-3-010-007 comprising 200 acres. The southern half of the parcel comprising approximately 100 acres is being designated for the site of a renewable energy project. The site in Kalaoa appears to be best suited for a solar facility but DHHL is willing to consider other types of renewable energy projects that may be appropriate for the site and its surroundings.

Individuals, companies and/or corporations interested in leasing the property herein described shall have fourteen (14) days from the date this notice is published, that date being March 23, 2018, in which to submit a completed application to DHHL to be qualified for participation in the selection process. The completed application must contain the information set forth below, in addition to the information and materials set forth in Sections II and III of the Information Packet for a proposed renewable energy project:

- Description of the conceptual design of the project
- Timeline for the completion of the project
- Description of the financial plan for project financing
- Description of the business concept of the project
- Description of the landscape and acreage requirements, including public and private lands
- Why the renewable energy project being proposed would be more advantageous for the site than a solar facility (not applicable if a solar facility is being solely proposed); and
- Any other qualifications that DHHL later deems necessary and required for the performance of the project.

Chapter 343, Environmental Assessment: The selected Lessee shall be required to complete compliance with Chapter 343, HRS, as amended, prior to the start of any general lease for the site. Such compliance shall assess the impacts that the proposed development will have on the surrounding community and environment.
An Information Packet containing what to include in an application, as well as property information, objectives and criteria, and other requirements is available on DHHL’s Procurement webpage at http://dhhl.hawaii.gov/procurement/ or for pick-up by prospective developers during regular office hours at DHHL’s headquarters located at 91-5420 Kapolei Parkway, in Kapolei, on the Island of Oahu.

All applications must be received by 4:00 pm HST on Friday, April 6, 2018, hand-delivered and addressed to the Department of Hawaiian Home Lands, Land Management Division, Attention: 2018 Renewable Energy Projects, at 91-5420 Kapolei Parkway, Kapolei, Hawaii 96707. Applications received by this deadline shall be reviewed to determine which applications have met DHHL’s objectives and criteria to be qualified for participation in the selection process.

For additional information not in the Information Packet, contact Allen G. Yanos, Property Development Agent, in the Land Management Division, at (808) 620-9460 or via email at allen.g.yanos@hawaii.gov.

DHHL reserves the right to cancel or modify this proposed disposition at its sole discretion.

Dated: Honolulu, Hawaii, March 23, 2018

State of Hawaii
DEPARTMENT OF HAWAIIAN HOME LANDS
By Jobie M. K. Masagatani, Chairman
Hawaiian Homes Commission

Honolulu Star-Advertiser
The Garden Island
The Hawaii Tribune-Herald
West Hawaii Today
The Maui News

---

1 Information is located on DHHL’s procurement webpage for ease of reference only. The potential dispositions of Hawaiian home lands set forth herein are not governed by chapter 103D, Hawaii Revised Statutes.
II. INTRODUCTION, OBJECTIVES, AND GENERAL INFORMATION

Disposition of Hawaiian Home Lands by General Lease
for Use as a Renewable Energy Project on Hawaii Island

Introduction

The State of Hawaii, Department of Hawaiian Home Lands (“DHHL”) is governed in large part by the Hawaiian Homes Commission Act of 1920, as amended, enacted by the U.S. Congress to rehabilitate the lives of native Hawaiians (“HHCA”). The Act created a Hawaiian Homes Commission to administer certain public lands, called Hawaiian home lands, for homesteads. Native Hawaiians are defined as individuals having at least 50 percent Hawaiian blood.

DHHL is authorized to lease lands not required for homestead leasing to the public, including native Hawaiians, on the same terms applicable to the disposition of public lands under Chapter 171, HRS.

General Objectives and Criteria:

DHHL intends to lease a parcel of Hawaiian home lands located in Kalaoa, on Hawaii Island, to qualified renewable energy producers and other entities described in Section 171-95, HRS, for use as a renewable energy project. A solar facility is envisioned for Kalaoa but DHHL is willing to consider other renewable energy facilities that may be appropriate for the site and its surroundings.

The leasing process for renewable energy producers as defined in Section 171-95, HRS will be conducted pursuant to Section 171-95.3, HRS; otherwise, the process will be undertaken through Section 171-95, HRS for other entities. The processes being undertaken by DHHL is on an expedited basis to help meet the timetables set forth for the renewable energy generation RFP by HELCO.

To be eligible for consideration as Lessee, an interested party must submit an application, including supporting documents that meet certain criteria described in more detail within this Information Packet, including payment of a non-refundable application review fee. An initial review of all completed applications received by the established deadline shall determine those applicants who are “qualified” to be selected as the Lessee of the Kalaoa site requested for a renewable energy project. If DHHL determines that there is more than one “qualified” applicant for the site, then DHHL may require, at its sole discretion, further review of said “qualified” applicants that may include, but is not limited to, fulfillment of additional criteria and/or submission of additional information; otherwise, DHHL may select more than one “qualified” applicant for the site.
Other General Information and Necessary Qualifications:

- Applicants must qualify as a “renewable energy producer” as defined in Section 171-95(c), HRS, unless they are government entities, such as the United States, city and county, counties; governmental agencies; or public utilities.

- Applicants selected as “qualified” applicants shall be issued a letter of intent to confirm that DHHL will issue the “qualified” applicant a non-exclusive Right-of-Entry permit (“ROE”) to conduct due diligence activities on a site, with an eventual conversion to a general lease in a subsequent process involving consultations with DHHL’s beneficiaries and the satisfaction of additional requirements, including compliance with Chapter 343, HRS; final award of its project by HELCO; a PPA; and Hawaiian Homes Commission approval.

- DHHL will use commercially reasonable efforts to provide the “qualified” applicant with documentation within DHHL’s custody and control to respond to HELCO’s RFP requirement for site control.

- In some cases, DHHL may issue a non-exclusive ROE on the site to more than one “qualified” applicant to conduct due diligence studies.

- Within seven (7) working days of the issuance of DHHL’s letter of intent, a non-refundable deposit of $10,000.00, shall be paid to DHHL and apply towards the non-refundable annual ROE fees proposed by the qualified applicant.

- DHHL will require a non-refundable annual fee for due diligence studies under the ROE for an initial period of up to two years. Upon request and for good cause shown to DHHL, the ROE permit may be extended for three additional one-year periods with a minimum advance written notice of 180 days.

- DHHL seeks to provide applicants with the maximum flexibility possible in proposing both pricing and leasing terms for its projects. DHHL may consider lease pricing on a per acre basis and as a percentage of the project’s annual gross revenues. If a percentage of the project’s annual gross revenues is proposed, DHHL will not accept performance risk, so a floor annual rent must be proposed as well. For example, the annual rent payment will be the higher of (i) $XXX,XXX.00 or (ii) X% of the project’s annual gross revenues. Further DHHL expects that lease rents will be stepped up over the lease term. With regard to the lease term, please provide pricing in the context of lease term and requested renewal terms, as necessary.

- Applicants shall be responsible for all the costs involved in preparing and submitting an application.

- Applicants will be expected to propose a community benefits package above and beyond fair-market appraisal rent or lease compensation.

- Applicants selected as a “qualified” applicant agree to cooperate with and support DHHL’s Home Ownership Assistance Program (HOAP) to provide training and job opportunities
to native Hawaiians in a manner consistent with applicable federal and state labor law. Applicants also agree to include in its community support program support for community development, job training and placement, and educational and/or cultural programs for residents of Hawaiian home lands on Hawaii Island where the project is located.

- The issuance of a general lease shall be subject to compliance with, and completion of, the environmental disclosure requirements under Chapter 343, HRS, and provided that such environmental review does not reveal significant adverse impacts that cannot be reasonably mitigated. All costs of compliance with Chapter 343, HRS, as well as any required mitigation measures, shall be the sole responsibility of the Lessee. All mitigation measures shall also be incorporated as material conditions of the general lease.

- The selected Lessee shall be responsible for obtaining all funds needed to develop its renewable energy project.

- More than one application may be submitted by an Applicant, each proposing a specific renewable energy project for the site.

- Applicants interested in being selected as the Lessee must meet the qualifications and furnish all the required information for each application covering a specific project as described in Section III to DHHL for its evaluation.

- Due to the expedited schedule for this solicitation, no group on-site visit will be scheduled.

- Questions may be emailed to Allen Yanos, in the Land Management Division, at allen.g.yanos@hawaii.gov. Responses will be provided as soon as practical in addenda to this solicitation on DHHL’s Procurement webpage.
III. APPLICATION CRITERIA & GUIDELINES
Disposition of Hawaiian Home Lands by General Lease for Use as a Renewable Energy Project on Hawaii Island

All parties interested in being selected as the Lessee of the subject property shall have until 4:00 p.m. HST on Friday, April 6, 2018, for delivery of a completed application to the Department of Hawaiian Home Lands, Land Management Division, Attention: 2018 Renewable Energy Projects, at 91-5420 Kapolei Parkway, Kapolei, Hawaii 96707.

A completed application shall consist of delivery of five (5) hard copies and a PDF copy of the same on a CD or thumb drive. Any applications received after the April 6, 2018 deadline (including those sent by the United States Postal Service, or by private mail services, such as Federal Express) or delivered anywhere other than as specified, will not be considered.

Any person or entity may submit a completed application, except one that:

a) Is in arrears in the payment of taxes, rents or other obligations owing to the State of Hawaii or to any of its political subdivisions;
b) Is a minor; or
c) Has had during the five (5) years preceding March 23, 2018, a previous sale, lease, license permit or easement covering public lands canceled for failure to satisfy the terms, conditions, and covenants thereof.

A completed application shall consist of the following covering a specific renewable energy project:

A. Qualifications and Experience Summary:
In submitting a completed application, an Applicant is expected to meet HELCO’s Eligibility Requirements and subsequent Threshold Requirements as described in its RFP, issued for its proposed project to be considered for an eventual award. Applicants must therefore satisfy DHHL’s following minimum qualifications and experience requirements to be “qualified” to be selected as the Lessee:

- Successfully completed and placed in service at least five renewable energy projects of solar and/or wind energy, one of which is at least 1MW in size; and

- Satisfy ANY TWO of the following:
  o Total cost of renewable energy projects successfully completed and placed in service by Applicant exceeds $10,000,000
  o Total book value of applicant’s company exceeds $5,000,000
  o Written evidence of ample funding to develop and construct Applicant’s proposed renewable energy project
Include a narrative and any supportive materials that provides information pertaining to the above documenting the Applicant’s ability to develop a renewable energy project on DHHL’s properties. Attach any additional pages to the application.

B. Additional Experience Information:
Having satisfied the minimum qualification and experience requirements in A. above, the Applicant shall also submit the following information:

1. A list and brief description of renewable energy projects developed and their sizes.
2. The role of the Applicant in developing the listed renewable energy projects.
3. If applicable, a description of all the renewable energy projects or facilities owned and operated by the Applicant.
4. Previous experience performing relevant work in the State of Hawaii, if any.

C. Project Information:
For the specific renewable energy project being proposed, an Applicant shall further provide for DHHL’s evaluation the following:

1. Description of the conceptual design of the project.
2. Timeline for completion of the project.
3. Description of the financial plan for project financing (financial information will be kept confidential to the extent allowed under Chapter 92F, HRS).
4. Description of the business concept for the project.
5. Description of the landscape and acreage requirements, including public and private lands.
6. Why the renewable energy project being proposed would be more advantageous for the site than a solar facility (not applicable if a solar facility is being solely proposed); and
7. Any other qualifications that DHHL later deems necessary and required for the performance of the project.

D. Proposal and other Qualifications Information:
All Applicants shall further include the following:

1. The proposed non-refundable annual ROE fee(s) during the period to conduct due diligence activities.
2. The proposed lease rent(s) under the general lease.
3. The proposed “breakage fee” at any point during the ROE period permitting access onto the property and up to the Commercial Operations Date if the Permittee elects to terminate development of the project.
4. The proposed community benefits to be provided by Lessee to beneficiaries of the Hawaiian Homes Commission Act.
5. A complete copy of the most recent audited financial statements; in lieu of audited financial statements, filed copies of the federal income tax returns for the past two years may be submitted.
7. A current Tax Clearance from the State of Hawaii Department of Taxation and the United States Internal Revenue Service.
8. At least three (3) references from Applicant’s past that may be contacted by DHHL as to Applicant’s part and current project performance.
9. If applicable, a statement of the Applicant’s past or current involvement with DHHL.

E. The completed application shall also include a statement that the Applicant agrees to cooperate with and support DHHL’s Home Ownership Assistance Program (HOAP) to provide training and job opportunities to native Hawaiians in a manner consistent with applicable federal and state labor law. Applicants must also agree to include in its community support program support for community development, job training and placement, and educational and/or cultural programs for residents of Hawaiian home lands on the island where the renewable energy project is located.

F. The completed application covering a specific proposed renewable energy project shall be accompanied by a completed Application and Qualification Form which is included in Section IV of this Information Packet or other written statements containing the same information as requested in the Application and Qualification Form.

G. The completed application may also be accompanied by any other information that supports the Applicant’s proposed qualifications and experience, such as correspondence with other government agencies, feasibility studies, survey reports, funding approvals, letters of community support, and agreements.

H. A non-refundable application review fee in the form of a Certified/Cashier’s Check or US Postal Money Order payable to “Department of Hawaiian Home Lands” in the amount of US $1,000.00 must accompany each completed application submitted. A completed application can cover only one proposed renewable energy project and must be submitted by the deadline and in the manner as specified in this Section III.

I. DHHL reserves the right, in its sole discretion, to determine the best qualified Applicant for each site or select more than one qualified Applicant for each site to proceed with the leasing process.

All prospective Applicants are responsible for thoroughly reading and understanding the terms, covenants, reservations and conditions of this solicitation by reviewing a copy of the Public Notice of Disposition, all data contained in the Information Packet, and other informational items made available for review on DHHL’s website at www.dhhl.hawaii.gov.

Applicants shall also be responsible to check DHHL’s Procurement webpage regularly during the application period for any updates, changes or additional information regarding this solicitation.
IV. APPLICATION & QUALIFICATIONS FORM
Disposition of Hawaiian Home Lands by General Lease for Use as a Renewable Energy Project on Hawaii Island

Please attach a separate page if more space is needed. Should any information change during the proposal evaluation, selection, and award process, it is the responsibility of the Applicant to update DHHL in writing of such changes. A complete application must be submitted for each proposed renewable energy project and accompanied by an application review fee.

Proposed Project Type (Check one): __Solar  __Wind  __Biomass  __Other

Name of Applicant ___________________________ Person to Contact / Title ___________________________

Applicant’s Address ___________________________ Contact Person’s Address ___________________________

City, State, Zip Code ___________________________ City, State, Zip Code ___________________________

Applicant’s Telephone No. ___________________________ Contact Person’s Telephone No. ___________________________

Applicant’s Facsimile No. ___________________________ Contact Person’s Facsimile No. ___________________________

List of Corporate Officers and Directors or Individual Partners, Joint Ventures or Owners.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Telephone No.</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>___________________________</td>
<td>___________________________</td>
<td>______________</td>
<td>_____________________________</td>
</tr>
<tr>
<td>___________________________</td>
<td>___________________________</td>
<td>______________</td>
<td>_____________________________</td>
</tr>
<tr>
<td>___________________________</td>
<td>___________________________</td>
<td>______________</td>
<td>_____________________________</td>
</tr>
<tr>
<td>___________________________</td>
<td>___________________________</td>
<td>______________</td>
<td>_____________________________</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Telephone No.</th>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>___________________________</td>
<td>___________________________</td>
<td>______________</td>
<td>_____________________________</td>
</tr>
<tr>
<td>___________________________</td>
<td>___________________________</td>
<td>______________</td>
<td>_____________________________</td>
</tr>
<tr>
<td>___________________________</td>
<td>___________________________</td>
<td>______________</td>
<td>_____________________________</td>
</tr>
<tr>
<td>___________________________</td>
<td>___________________________</td>
<td>______________</td>
<td>_____________________________</td>
</tr>
</tbody>
</table>
THE UNDERSIGNED APPLICANT understands that DHHL is relying on the information provided herein to qualify the undersigned as an eligible Lessee under the Hawaiian Homes Commission Act, 1920, as amended, and pursuant to Hawaii Revised Statutes Sections 171-95 and 171-95.3, as amended. The undersigned represents and warrants that the information provided is true and complete and that DHHL may consider the information as continuing to be true and correct until a written notice of a change is given to DHHL by the undersigned. The undersigned agrees to provide any other information that DHHL deems necessary to determine the qualifications of the Applicant.

_______________________________________________
Name of Company

By____________________________________________
Signature

_______________________________________________
Title

_______________________________________________
Date
V. GENERAL PROPERTY INFORMATION
Disposition of Hawaiian Home Lands by General Lease for Use as a
Renewable Energy Project on Hawaii Island

The general property information provided in the Appendix herein to prospective Applicants have been obtained by DHHL from reputable and reliable sources; however, they are NOT GUARANTEED OR INTENDED TO BE COMPLETE. Applicants are advised to make their own independent study to verify the accuracy of the information and determine its usefulness to the Applicant’s project.

### AVAILABLE LAND FOR A RENEWABLE ENERGY PROJECT

A portion of Hawaiian home lands at Kalaoa, on Hawaii Island, State of Hawaii, identified as Tax Map Key No. 3rd/7-3-010-007 comprising 200 acres as described in the attached Appendix. The Southern half of the parcel comprising approximately 100 acres is being designated for the site of a renewable energy project.
Information Packet and Reports

The data in this Information Packet, information, or reports provided to prospective applicants have been obtained by DHHL from reputable and reliable sources; however, they are NOT GUARANTEED. Applicants are advised to make their own independent study to verify the accuracy of the information and determine its usefulness to the Applicant’s project.
APPENDIX

General Property Information and Exhibit
**KALAOA, HAWAII PARCEL**

**Land Area.** This parcel is identified by Tax Map Key No. 3rd/7-3-010:007, containing 200 acres in Kalaoa, North Kona. See the attached Exhibit “1” for its location. 100 acres in the Southern half of the parcel is being offered for renewable energy projects.

**Property Description.** The parcel has frontage along Queen Kaahumanu Highway and is across from the Kona International Airport. It is currently vacant. Under DHHL’s Hawaii Island Plan, the parcel has been designated for general agriculture and industrial use. The 100 acres designated for industrial use appears suitable for a solar facility but other appropriate renewable energy projects will be considered. The parcel is gently sloping and lava land covered in scrub grass, trees, and shrubs in a dry and arid climate, typical of coastal North Kona.

**County Zoning.** DHHL is not subject to county zoning. However, under DHHL’s Hawaii Island Plan (2002), the northern half of the parcel has been designated for general agriculture use while the Southern half, comprising 100 acres, has been designated for industrial use preserving it for possible other future uses such as for farming and ranching, and in this particular case, for a renewable energy project. County of Hawaii tax records currently reflect the property class for the parcel as “Residential”.

**Utilities.** Some public utilities are unavailable which include water and sewer. The selected project developer shall be responsible for obtaining the necessary utility services for its project and any required upgrades, infrastructure, improvements and connections at its sole expense. Qualified applicants shall be responsible for conducting their own due diligence to determine the availability of all necessary utilities.

**Access.** The property has access from a short roadway off Queen Kaahumanu Highway near the mid-way point of the parcel’s highway frontage.

**Chapter 343, Environmental Assessment.** The selected lessee shall be required to complete compliance with Chapter 343 of the Hawaii Revised Statutes, as amended, prior to the start of any general lease for the site. Such compliance shall assess the impacts that the proposed development will have on the surrounding community and environment.

**Other Information.** Aerial views of the parcel show what appears to be an electrical substation adjacent to the roadway off Queen Kaahumanu Highway. The plat map also reflects an electrical substation easement at that same area.
The Southern half of parcel is designated for a renewable energy project.
SOUTHERN HALF DESIGNATED FOR PROJECT (100 ACRES)

KONA INTERNATIONAL AIRPORT

KALAOA PARCEL

Aerial View
Location of Kalaoa Parcel

Exhibit “1” Page 2