Development Team & Partners
Amend Board action from solar farm to alternative energy park
HCDB is a leading affordable housing non-profit developer in Hawai‘i and has the experience to execute this project.

Development of an Alternative Energy Industrial Park paying market rent. Revenue would be shared between DHHL & HCDB.

HCDB's revenue will go into developing homestead projects.
Archeological Survey showed 27 features

State Historic Preservation Division requires 10 meter buffer zone

7-10 acres of unusable area

Approximately 37 acres available
Current Site Plan

01 Energy Base Yard Lots:
1 - 8 acres
Biofuel digester anchor tenants

02 Small Base Yard Lots:
3,000 - 10,000 sf
Start-ups and small businesses

03 Standard Base Yard Lots:
1 - 1.5 acres
Similar to surrounding parks
Colliers International - Hawaii

INDUSTRIAL MARKET PRESENTATION

Presented for:

DHHL Commission Workshop
Current Economic Factors

Gov’t Lockdowns
- Business closures
- Unemployment
- Consumer spending

Tourism
- Impact on economy
- Expected Recovery

Construction
- Positive momentum through pandemic
- Speculation of slow down in 2021

© 2020 Colliers International Research and Consulting. All rights reserved.
# Lease Comps

<table>
<thead>
<tr>
<th>SHED SPACE</th>
<th>COMP 1</th>
<th>COMP 2</th>
<th>COMP 3</th>
<th>COMP 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yard (SF)</td>
<td>8,660</td>
<td>28,377</td>
<td>5,160</td>
<td>5,710</td>
</tr>
<tr>
<td>Shed (SF)</td>
<td>2,950</td>
<td>7,375</td>
<td>2,950</td>
<td>2,950</td>
</tr>
<tr>
<td>Term (Years)</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Initial Rent</td>
<td>$3,500</td>
<td>$7,300</td>
<td>$3,000</td>
<td>$3,200</td>
</tr>
<tr>
<td>Rate ($/SF)</td>
<td>$0.40</td>
<td>$0.26</td>
<td>$1.58</td>
<td>$0.56</td>
</tr>
<tr>
<td>Increases</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>YARD SPACE</th>
<th>COMP 1</th>
<th>COMP 2</th>
<th>COMP 3</th>
<th>COMP 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yard (SF)</td>
<td>106,500</td>
<td>46,067</td>
<td>4,900</td>
<td>10,000</td>
</tr>
<tr>
<td>Term (Years)</td>
<td>10</td>
<td>5</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Initial Rent</td>
<td>$12,780</td>
<td>$6,500</td>
<td>$980</td>
<td>$1,571</td>
</tr>
<tr>
<td>Rate ($/SF)</td>
<td>$0.12</td>
<td>$0.14</td>
<td>$0.20</td>
<td>$0.16</td>
</tr>
<tr>
<td>Increases</td>
<td>2%</td>
<td>3%</td>
<td>3%</td>
<td>3%</td>
</tr>
</tbody>
</table>

© 2020 Colliers International Research and Consulting. All rights reserved.
# Fee Simple Comps and Ground Rent Analysis

<table>
<thead>
<tr>
<th></th>
<th>AC</th>
<th>SF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Area</strong></td>
<td>43</td>
<td>1,873,080</td>
</tr>
<tr>
<td><strong>Arch. Features (-)</strong></td>
<td>10</td>
<td>435,600</td>
</tr>
<tr>
<td><strong>Infrastructure/ Roads/Utilities</strong></td>
<td>5.04</td>
<td>219,542</td>
</tr>
<tr>
<td><strong>Useable Area</strong></td>
<td>37.96</td>
<td>1,653,53</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>FMV</th>
<th>Value</th>
<th>Development Cost</th>
<th>Unimproved Value</th>
<th>$ PSF</th>
<th>Ground Rent (at 7%)</th>
<th>PSF/Mo</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$</strong></td>
<td>$35</td>
<td>$57,873.81</td>
<td>$29,052.65</td>
<td>$28,821.16</td>
<td>$57,873.81</td>
<td>$2,017.48</td>
<td>$0.10</td>
</tr>
</tbody>
</table>

© 2020 Colliers International Research and Consulting. All rights reserved.
$100 million DHHL Lease Rent

$6.5 billion for Housing

Ikehu Industrial Park
Community Benefits Package

- Business baseyard Lots
- Entrepreneurial opportunities
- Educational opportunities
- Scholarships & internships
- Capacity Grant
- Business Opportunities
- Clean Energy & Biofuel
- Model Project
- Sustainable Development
Hawaiian Workforce Initiative

- Target to employ least 20% of workers to be homesteaders or Native Hawaiians for the general contractor and subcontractors.
- First preference to beneficiaries for property management, maintenance, landscape, security, and repair opportunities.
5 grant awards
$10,000 per award
Annual Award of $50,000 (with 2.5% growth rate every 3 years)
Internship Program

• Approximately 3 summer internships annually
• Available to homesteaders, children of homesteaders, waitlisters, children of waitlisters, and native Hawaiians
• Available to those in fields of engineering, alternative energy, finance, law, urban studies, and community development
George's overview: No Videos
Slides to come
Website links for videos
Sustainable Energy Education Development (SEED)

- Student Agricultural Science & Maintenance Program
- Homestead Farming Opportunities Demonstration Project
- Sustainable Energy Workshops
Benefit #5

Alternative Energy Ancillary Business Opportunities

- Two ancillary businesses will be created by HCDB
- Propane gas distribution company & organic fertilizer company
- Apply for ANA grants for start-up costs
- Preference for native Hawaiian employment
Industrial Lots for Native Hawaiians

• Lots will be offered with a preference to Hawaiians
• There is a demand for these type of lots by Hawaiians
• Discounted rents shall be provided
Work with CHNA and Pono Shim to provide entrepreneurial training to start-up and tenants.

Business Incubation Program
Homestead Development Assistance

- Provide assistance in pre-development, design, financing, and construction of homestead projects
Mahalo nui loa

Questions?