



Property for Lease

Request for Proposal Honolulu Power Plant

170 Aloha Tower Drive | Honolulu, HI 96813

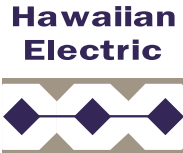




Table of Contents

Offering Summary	1	Market Overview	10
Property Profile	4	Oahu Visitor Statistics	11
Site Plans	6	Location and Demographics	13
Property Benefits	7	Submarket Snapshot	14
Location Overview	8	Central Business District Area Map	15
Project Timeline	9	Kakaako / Ward Area Map	16
		Rail / Transit Oriented Development	17
		HART Easement	18
		Property Tours	19
		Attachment A	20



Part 1

Offering Summary

Offering Summary

Hawaiian Electric Company's Honolulu Power Plant

170 Aloha Tower Drive
Honolulu, Hawaii 96813

Hawaiian Electric Company ("HECO") is seeking proposals with the primary objective of leasing all or a portion of the buildings located at the Honolulu Power Plant, 170 Aloha Tower Drive in Honolulu, Hawaii (the "Property").

Instructions

Deadline for submitting proposals is 4:00 p.m. on February 17, 2023. Proposals received after this time will not be considered. Proposals will be rated on a number of factors including, but not limited to rent, term, commencement, concessions requested, intended use, and the credit worthiness of the tenant.

After all proposals are received and evaluated, a letter of award confirming the acceptance will be sent to the selected tenant, followed by a lease agreement to be signed by all involved parties. If HECO determines that the selected tenant is unable to successfully come to terms regarding the contract, HECO reserves the right to terminate contract discussions with that tenant and either select another tenant from the RFP process, cancel the RFP, or reissue the RFP if deemed necessary.

Additional terms and conditions governing this Request for Proposal are attached as Attachment A and incorporated herein by reference.

Pre-Proposal Questions

All questions regarding the services specified or the RFP terms and conditions will be accepted in written format and will subsequently be answered as an addendum to all interested parties. Questions must be emailed to brandon.bera@colliers.com no later than 4:00PM on January 31, 2023.

Offering Summary

Hawaiian Electric Company's Honolulu Power Plant

170 Aloha Tower Drive
Honolulu, Hawaii 96813

Proposals

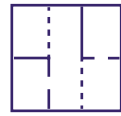
Each submitted proposal must include the full legal name of the tenant and signed by the person(s) legally authorized to bind the tenant to a contract. If proposals are submitted by an agent, satisfactory evidence of the agency authority is required. All proposals and associated materials become the property of HECO, and all proposals received in response to this RFP will be considered public record. The following information must be included in the proposal to be eligible for evaluation:

- Tenant legal name
- Proposed commencement date
- Proposed rental terms and any related concessions
- Lease term
- Any special occupancy requirements or requests
- Summary of the intended use of the property
- Summary of the overall business, other locations, financial standing
- Tenant contact information

An aerial view of a city skyline, rendered in a dark blue, semi-transparent style. The buildings are densely packed, and the overall image has a monochromatic, professional appearance. The text is overlaid on this background.

Part 2

Property Profile



Property Profile

Address	170 Aloha Tower Drive, Honolulu, HI 96813
TMK Number	(1) 2-1-14-6
Zoning	B-2
Administering Agency	Kaka'ako Community Development District – Administered by HCDA
Building Size	Approximately 58,570 SF
Land Size	Approximately 3.21 acres (139,867 SF) plus 9,777 SF easement granted to HECO
Flood Zone	AE and X
Tsunami Evacuation Zone	Yes

Site Plan





Property Benefits

01

Prime Location

The property is a rare, waterfront property in the heart of Honolulu in close proximity to a growing residential base, numerous Class A & B office buildings, government offices, Hawaii Pacific University's campus, and the destination of many cruise line passengers arriving nearby along with other tourists visiting the area.

02

Zoning Advantage

B-2 zoning* provides great flexibility in the types of uses permissible for this property including, but not limited to amusement & recreation facilities, business services, eating establishments, labs, office buildings and more.

*Kaka'ako Community Development District. – Administered by HCDA





Location Overview

170 Aloha Tower Drive is located in the heart of the urban core of downtown Honolulu. The property is only a short walk from Chinatown, the Capital District, the Central Business District, and the growing Kaka'ako area with its continually growing residential and commercial presence.

The property is also conveniently located only a short drive from Ala Moana Shopping Center, Waikiki, and the Honolulu International Airport making it a perfectly central location to draw visitors staying in various parts of the island, as well as local residents and businesses.

170 Aloha Tower Drive is a rare, waterfront property in the expanding urban core.



Major Roads

Ala Moana Blvd
1 min / .2 miles

H-1 Freeway
4 min / .9 miles



Harbor

Honolulu Harbor
3 min / .9 miles



Neighborhoods

CBD
3 min / .6 miles

Kakaako
3 min / .7 miles



Project Timeline



The background of the slide is a dark blue, semi-transparent aerial photograph of a city. The city features a dense grid of buildings, with several prominent skyscrapers. In the lower right portion of the image, a large cruise ship is docked at a pier, extending into a body of water. The overall aesthetic is professional and modern.

Part 2

Market Overview

Oahu Visitor Statistics

Tourism at a Glance

Oahu is the third largest of the Hawaiian Islands and is home to about two-thirds of the State’s population. The island is also home to the state capital, the Honolulu International Airport and Honolulu Harbor, the main port for the State. Oahu’s primary economic engines are tourism and government/military. Overall economic conditions are recovering well from the pandemic with continued gains and a steady growth in real gross state expenditures.

Visitor Arrivals & Expenditures

Year	Visitor Arrivals	% Change	Visitor Expenditures (millions)	% Change
2017	5,690,752	4.47%	\$7,611.6	3.70%
2018	5,862,357	3.02%	\$7,969.1	4.70%
2019	6,154,248	4.98%	\$8,139.8	2.14%
2020	1,393,226	-77.36%	N/A	N/A
2021	3,326,622	138.77%	\$5,708.7	N/A
YTD June 2022	2,269,353	71.3% YoY June	\$4,003.0	49.6% YoY June
2022 Projected	4,698,400	41.1%	-	-
2023 Projected	5,460,000	16.2%	-	-
2024 Projected	5,525,300	1.2%	-	-

Source: Department of Business, Economic Development & Tourism (“DBEDT”)

The Island of Oahu tourism market continues to recover from COVID with visitor arrivals approaching pre-pandemic levels. The market is seeing positive movement going into the second half of the year with the return of visitors from outside of the U.S.

- YTD 2022 (through June) Visitor Arrivals to Oahu increased by 71.3% to 2,260,353 from 1,319,874 during the same period in 2021. Prior to COVID (2019), Oahu historically saw approximately 6 million annual visitors.
- YTD 2022 (through June) Total Visitor Expenditures on Oahu increased to \$4.00 billion from \$2.19 billion during the same period in 2021 representing an 82.7% increase. This is on track to approach the Pre-COVID 2019 Annual Visitor Expenditures of \$8.14 billion.
- Hawaii hospitality enjoys a longer Average Length of Stay (ALS) by its guests than many other major metropolitan US cities, with an ALS of approximately 7.5 days per visit.
- Domestic travel to Hawaii increased almost two-fold through the first half of 2022, such that total visitor count to Hawaii has surpassed 90% of pre-pandemic levels. During this time, there was a notable decrease in travel from East/Asia. Historically, the Eastbound traveler has made up a significant percentage of total visitor counts to Oahu. Once COVID restrictions begin to relax in those regions of the world, it is anticipated that Hawaii, and Oahu in particular, will experience visitor counts far exceeding those of the pre-pandemic era.



Oahu Visitor Statistics

In general, demand is expected to continue to improve over the next several years, with Hawaii's Department of Business, Economic Development & Tourism (DBEDT) forecasting a full recovery to 2019 visitation levels (10.28 million - State of Hawaii) between 2024 (10.1 million - State of Hawaii) and 2025 (10.3 million - State of Hawaii).

However, existing market data suggests that the ongoing recovery has been more robust and accelerated, with recovery levels anticipated to outperform historic levels over the next couple years, due to the pent up demand of the International traveler, and, in particular, the Eastbound traveler.

Oahu Average Visitor Personal Daily Spending (Through June 2022)

Category	Average Daily Spending
Food	\$44.90
Entertainment	\$20.90
Transportation	\$25.20
Shopping	\$23.20
Lodging	\$105.20
Misc	\$5.40
Total	\$224.80

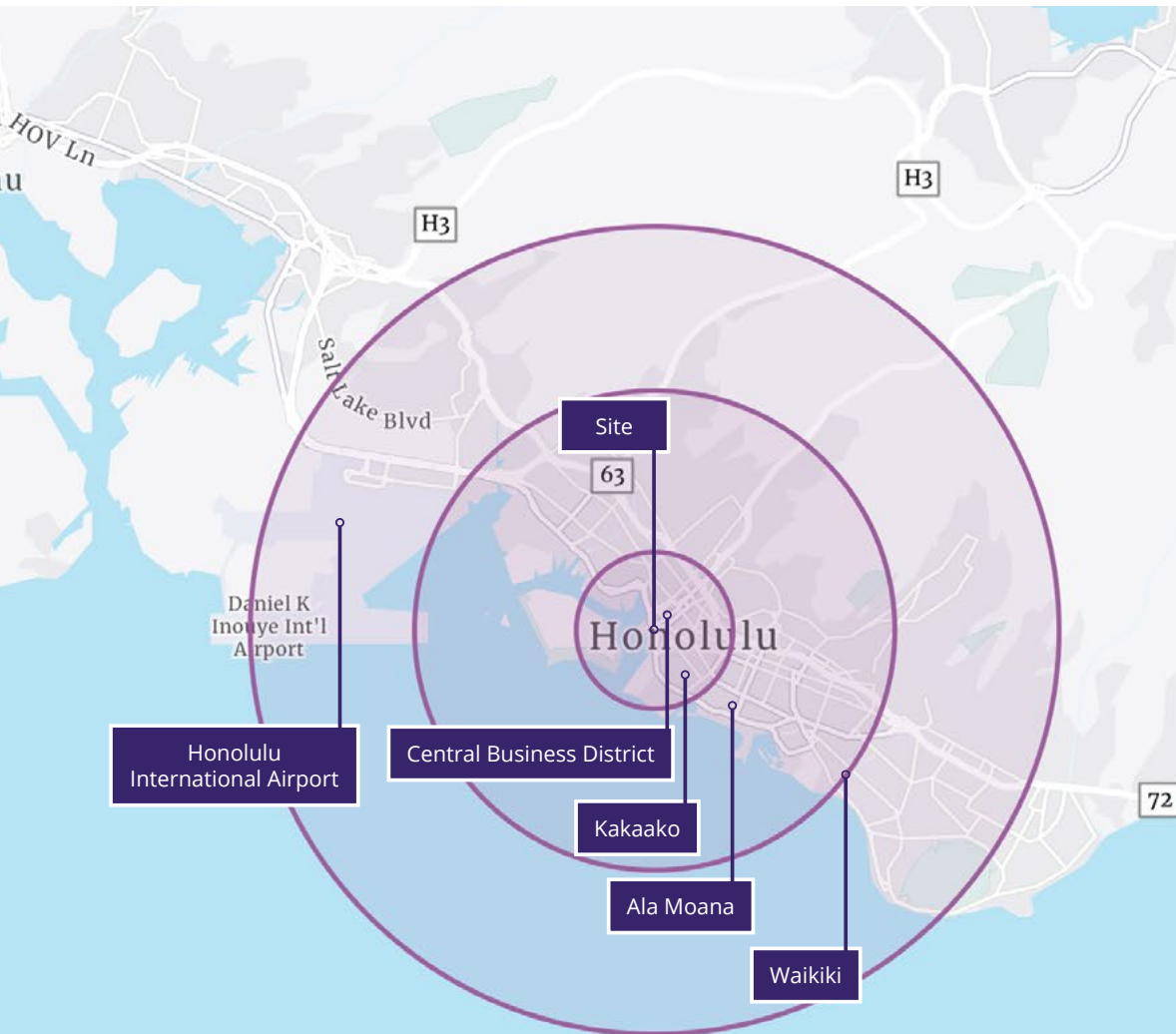
Source: DBEDT

Oahu Average Length of Stay (Through June 2022)

Year	Days
2017	6.75
2018	6.9
2019	6.8
2020	8.52
2021	8.09
2022 YTD	7.53

Source: DBEDT

Location and Demographics



Demographics (2022)

	1-Mile	3-Mile	5-Mile
Population	36,785	209,183	333,322
Households	17,409	85,401	131,590
Avg HH Income	\$91,650	\$101,634	\$108,236
Median Age	47.1	44.5	43.1
Daytime Demos	103,878	306,012	450,955
Total Housing Units	19,138	98,336	150,746

Distance From

Honolulu International Airport	10 min / 4.8 miles
Central Business District	3 min / 0.6 miles
Kakaako	3 min / 0.7 miles
Ala Moana Center	6 min / 1.7 miles
Waikiki	11 min / 3.3 miles

Submarket Snapshot

Central Business District

The Central Business District (“CBD”) is at the home and heart of commerce in Hawaii. It plays host to professionals, residents, students, and tourists on a daily basis. The office market has held steady in the face of headwinds caused by the pandemic and is poised, due to residential conversions on the horizon, to outperform national occupancy averages for office and retail tenants.

- The CBD accounts for approximately 50% of Oahu’s office building inventory and all of the Class A properties.
- Hawaii Pacific University has its campus operations based next door at Aloha Tower Marketplace, as well as down the street at Waterfront Plaza.

Kakaako / Ward

Kaka’ako has been home to the most significant transformation in the entire State of Hawaii over the past decade through its numerous residential towers, its redevelopment of commercial space, and its modern, eccentric vibe in certain areas drawing residents and visitors in masses. It is also the second largest submarket for office space in Hawaii.

- SALT Kaka’ako and the surrounding residential towers have become a hub on the western end of Kaka’ako significantly growing the residential base and commerce in the area with a host of a eateries, entertainments, and retail shops.
- Ward Village, the master planned community on the opposite end of Kaka’ako, is continuing its expansion by Howard Hughes Corporation. The Ward area has become a centerpiece in the live, work, play lifestyle with everything at your fingertips for locals and tourists alike.

Central Business District Demographics (2022)

Population	5,665
Households	3,062
Avg HH Income	\$138,698
Median Age	46.7
Daytime Demos	27,092
Total Housing Units	3,390

Kakaako/Ward Demographics (2022)

Population	30,374
Households	15,936
Avg HH Income	\$104,300
Median Age	47.5
Daytime Demos	69,294
Total Housing Units	18,446

Central Business District Area Map



Existing Residential

New Developments/Conversion

Kakaako / Ward Area Map



Existing Residential

New Developments/Conversion

Transit Oriented Development

Construction is underway on the long-awaited Honolulu Rail Transit System which will service 21 rail stations between Kapolei and Ala Moana. Development and planning is progressing rapidly near the stations with the entire rail system anticipated to be fully operational in 2030.



HART Easement

HART will own the 9,777 SF portion of the property outlined below for the downtown Passenger Station of the rail and will grant an easement back to HECO accordingly.





Property Tours

Property tours are available from January 3 - 31, 2023. To schedule a tour, please contact:

Brandon Bera
808 523 8309
brandon.bera@colliers.com

Karen Birkett
808 523 9729
karen.birkett@colliers.com



Attachment A

Additional Terms and Conditions

1. Subject to these Additional Terms and Conditions, following the RFP process, HECO intends to select a proposer and execute a lease agreement (“Lease”) with the selected proposer with respect to the Property. The Lease will be based in part on the selected proposer’s Proposal and other information, if any, submitted during the RFP process. The Lease may be subject to approval by the Public Utilities Commission of the State of Hawaii (“Commission”) before becoming effective.
2. The Proposal is due on or before 4:00 p.m., Hawaii Standard Time, on February 17, 2023, which date and time constitute the “Proposal Due Date”. HECO, in its sole discretion, may cancel or postpone the Proposal Due Date at any time by providing notice to the proposer, which notice shall be deemed an amendment of this RFP.
3. The proposer bears sole responsibility for assuring that the Proposal submitted is complete and correct. HECO shall be entitled to rely on the correctness and accuracy of the Proposal contents.
4. This RFP, the selected proposer’s Proposal, and all other material representations made by the selected proposer in connection with its Proposal may or will be written or incorporated into the Lease between the selected proposer and HECO. Thus, by submitting a Proposal, the proposer understands and acknowledges that HECO will rely on the Proposal and all material representations made by the proposer in selecting the selected proposer and in entering into the Lease, and the proposer warrants that the statements made in the Proposal and other material representations are truthful and accurate.
5. Based on its evaluation of the Proposals, HECO may require some or all proposers to answer additional follow up questions and/or submit additional information for HECO’s review.

Attachment A

Additional Terms and Conditions

6. Upon selection, the selected proposer shall affirmatively state that the terms contained in the Lease are acceptable to the selected proposer, or the selected proposer shall identify specifically which terms and conditions are objectionable and shall propose substitute language for the same that is acceptable to the selected proposer. Terms and conditions with respect to which the selected proposer does not identify objections shall be deemed by HECO to be acceptable to the selected proposer.
7. In preparing and submitting a Proposal, a proposer shall not rely upon any oral statements made by HECO employees, consultants, or agents.
8. Each proposer is solely responsible for and shall bear all costs incurred in its preparation of its Proposal and/or its participation in this RFP, including, but not limited to, all costs incurred in its preparation of its Proposal and/or its participation in this RFP, including, but not limited to, all costs incurred with respect to the review of the RFP documents, site visits, third party consultant consultation, and investigation and informing itself with respect to matters pertaining to its Proposal and this RFP, and the same shall not be reimbursed by the Company to any potential or actual proposer or the selected proposer.
9. HECO shall have the right in its sole judgment and discretion to reject any Proposal or evaluate a Proposal unfavorably based on any exceptions to the RFP taken by a proposer.
10. The evaluation of Proposals will be based upon criteria that HECO, in its sole judgment and discretion, believes to be in the best interest of the Company and its customers. Potential proposers, actual proposers, and the selected proposer are not entitled to disclosure of HECO's evaluation criteria or information pertaining to HECO's evaluation and analysis of Proposals.

Attachment A

Additional Terms and Conditions

11. HECO has the right to reject any Proposal which HECO, in its sole judgment and discretion, believes to be unsatisfactory or unresponsive. HECO may at any time up to the award of the Lease, withdraw this RFP and elect not to award the Lease.
12. HECO has the right to award the Lease to the proposer that, in HECO's sole judgment and discretion, has provided a Proposal that is in the best interest and has the best value to HECO and its customers.
13. Proposers expressly acknowledge that HECO has the right to award the Lease to a proposer, notwithstanding the fact that another proposer may have submitted a Proposal with a more favorable price.
14. HECO has the right to determine not to award the Lease, or to re-bid, restate, revise, withdraw or cancel this RFP at any time. HECO further has the right to postpone, alter, extend, or cancel any due date under this RFP, all without any liability to HECO.
15. The selection of a Proposal is provisional until the execution of a Lease by HECO and the selected proposer and, if applicable, approval of the award of the Lease by the Commission (upon terms that HECO, in its sole discretion, considers acceptable). Until such time, HECO may revoke or change its selection for any reason, including but not limited to the failure of HECO and the selected proposer to agree on final terms for the Lease.
16. Potential proposers, actual proposers, and the selected proposer expressly acknowledge that they have no right to protest or appeal an award under this RFP.
17. No prospective or actual proposer is entitled to: (i) a copy of any Proposal submitted by any proposer, or any information contained therein or provided by or with respect to any other proposer; or (ii) any information from HECO pertaining to the evaluation of Proposals unless otherwise explicitly provided for in this RFP.

Attachment A

Additional Terms and Conditions

18. This RFP constitutes confidential information (“Confidential Information”) and no part of this RFP, or any information disclosed by HECO to a recipient of this RFP (“Recipient”) and related to this RFP may be disclosed to any third party excepting information that: (i) is part of the public domain through no act or omission of the Recipient; or (ii) came into the Recipient’s lawful possession outside of this RFP and through means other than HECO. The Recipient shall exercise at least the same standard of care in protecting the confidentiality of the Confidential Information as it does with its own confidential information of a similar nature, but in any event, no less than reasonable care. The Recipient will hold in confidence and will not directly or indirectly use, reproduce, transmit, or disclose the Confidential Information except as permitted herein or as consented to in writing by HECO. Proposers must enter into a non-disclosure agreement provided by HECO as a condition of participation in this RFP.

19. By retaining this RFP or copies of it, and/or by submitting a Proposal, a potential proposer or actual proposer is deemed to accept and consent to the terms and conditions of this RFP. If a potential proposer or actual proposer does not accept these terms and conditions, all originals and copies of this RFP and any portion hereof must be returned to HECO immediately. The returned materials must be accompanied by a statement that the potential proposer or actual proposer has decided not to respond to this RFP.



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