

Kapolei Business Park Phase 2 Infrastructure Completed

72% already sold or in escrow; prices set to increase April 1

Kapolei's industrial sector got a huge shot in the arm recently with the completion and blessing of Avalon Development Company's Kapolei Business Park Phase 2. So pent up was the demand for industrial space that by a week after the blessing, businesses had already snapped up about 72 percent of the 34-acre Phase 2A. This accounted for 11 of 17 completed lots either closed or in escrow.

Avalon announced that seven more lots will become available in July this year when Phase 2B is completed on a 14-acre section of the 54-acre business park. The company also said that high demand is driving an increase in prices by \$1 more per square foot or \$43,560 more per acre. Potential investors have until March 31 to take advantage of the current rate before the increase goes into effect on April 1.

"The demand is a result of the very limited options for businesses looking for environmentally clean, zoned and build-ready industrial space on O'ahu," said Christine Camp, president and CEO of Avalon Development. "The buyers of the first 11 lots recognize that Kapolei is the growth center of the island and is the strategic choice for business growth."

The first business to break ground at the business park is American Tire Warehouse, which is building a 24,000-square-foot



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—Alan Batty

From left to right: Kahu Kamaki Kanahele, Rep. Ty Cullen, Avalon President & CEO Christine Camp, Walton Street Capital Principal James Holmes, Rep. Sharon Har, and Kahu Kalena Hew Len.

Below: American Tire Warehouse President Alan Batty.



warehouse. The company's President Alan Batty, who spoke at the blessing, proudly pointed to the construction activity on his company's new lot and said, "Five years ago, we rented space in Kapolei and saw our business grow. This second phase of Kapolei Business Park allows us

the opportunity and the facility to respond faster to our customer's needs by avoiding the traffic closer to downtown."

For the family owned and locally owned small business that has provided auto repair and commercial tires for the last 23 years, this acquisition means long-term security for American Tire Warehouse. "Owning the land underneath our business secures our future," said Daniel Batty, Alan's son and the company's general manager. "We can build equity and not worry about rent increases or the prospect of possibly losing the facility if the landowner decides to put the land into some other use."

Aside from American Tire Warehouse, businesses that have purchased lots include: Medline Industries (a medical supply company), Ito En (a beverage company), Richard Pentacost who is currently developing an indoor soccer facility, and Penske (a national truck rental business).

"We're pleased with the positive response to the project," said Camp. "This project represents an investment of \$50 million so far in the ground. There will be another \$60 million coming in this year alone in the form of vertical development."

Scott Mitchell and Guy Kidder of Colliers International are the

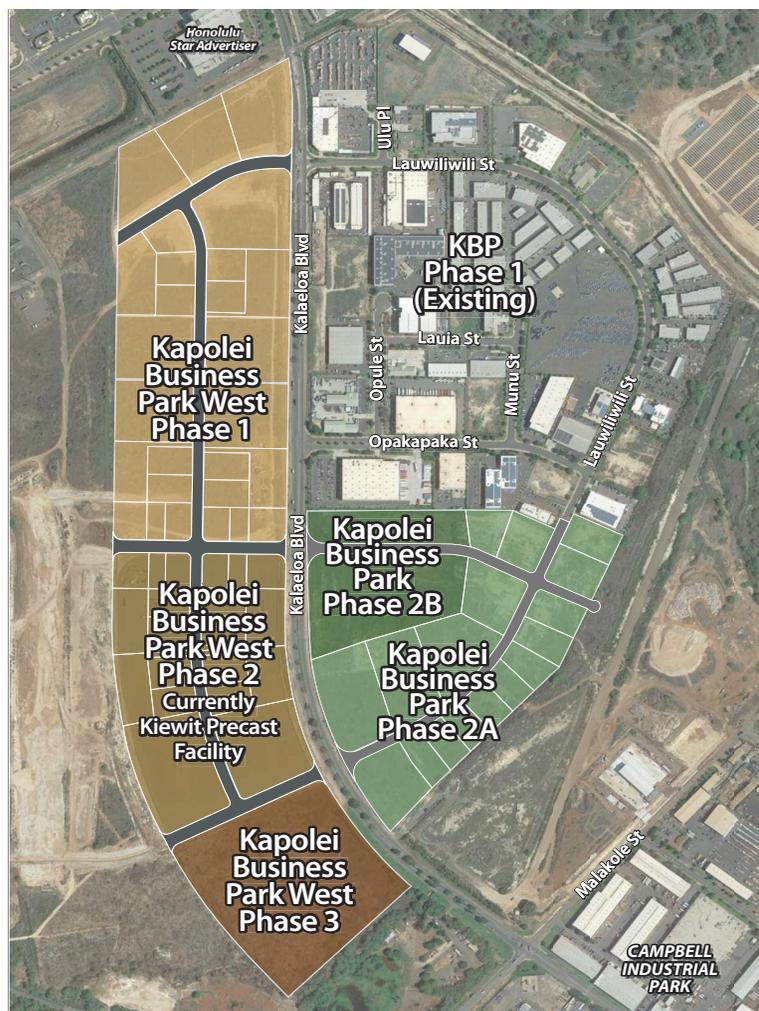
listing agents for Kapolei Business Park. For more information on Kapolei Business Park Phase 2, go to www.kapoleibusinesspark.com or call 587-7770.

What legislators have to say

From Washington, D.C., Congressman Mark Takai said, "The development of Kapolei Business Park will open opportunities for small businesses to operate in close proximity to a large market, as well as other commercial ventures. Our economy is the foundation upon which our great state is built. Phase 2 of the Kapolei Business Park provides our local businesses and entrepreneurs with the infrastructure they need to build a robust economy for our citizens."

Speaking at the blessing, Rep. Ty Cullen said, "Kapolei's growth has been remarkable. This project will provide residents with more opportunities to work close to home and avoid having to drive into town for work."

"This investment is really about investing in our local people," said Rep. Sharon Har who also spoke at the event. "It's a great opportunity for them to find high-paying jobs where they live."



Mehana at Kapolei | *More than half way there*



With five of the 10 planned neighborhoods already complete, four now under construction, and the last one in the early stages of planning, D.R. Horton's mixed-use master-planned Mehana at Kapolei is on track for full build out by 2017. At that time, the community will have about 1,150 homes.

Mehana residents have a wide selection of homes best suited to their lifestyle and pocketbooks — whether they are looking for single-

family homes at both market and affordable prices, single-family condominium homes, condominium townhomes also available at market and affordable prices, or the popular Flex Homes®.

The Flex Homes® are ideal for families and small business owners, thanks to the flexibility in space. For example, families can configure the space so that they can take care of aging parents or use it as a den or guest room, while businesses can use part

of the space to operate their commercial enterprise. Some small businesses now operating at Mehana include a physical therapist and a hair salon, Mehana Salon, which will be celebrating their two-year anniversary this summer.

With 600 households already living in Mehana, families with elementary school age kids have the brand new Ho'okele Elementary School right there at Mehana. These homeowners and all future Mehana residents will also have access to neighborhood parks, a recreational center, commercial space, and a dog park that will open in 2016.

"The new Ho'okele Elementary School, the Mehana Activity Center, the trike and dog parks are community amenities that have been thoughtfully planned for the residents of Mehana," said Cameron Nekota, vice president of D.R. Horton Hawaii. "In many ways, Mehana is a small-scale version of Ho'opili, our master-planned community in East Kapolei. We've put a lot of care into creating a fun, convenient lifestyle for the families who will make their home here."



Mehana at a glance

Completed neighborhoods:

- Nānālā
- Kukuna
- La Hiki
- Awalea
- Pulewa

Under construction:

- Olino
(40 single family homes, market and affordable)
- Kawena
(52 single family condominium homes)
- Kahiku
(140 condominium townhomes with some Flex Homes®)
- Manawa
(80 condominium townhomes including commercial space and Flex Homes®; two buildings for commercial use, including restaurants, medical clinics, retail stores and other types of businesses.)

Being planned:

- Pohakala
(multi-family townhomes)

Visit www.drhorton.com/hawaii for more information on these projects.



KAPOLEI PROPERTIES DIVISION

Kapolei Properties Division is a division of the James Campbell Company LLC focusing on the development of the City of Kapolei, and on economic development and job creation in the Kapolei region.

FOR MORE INFORMATION ON KAPOLEI, PLEASE VISIT: www.kapolei.com or contact Steve Kelly at stevek@kapolei.com

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