

WRITTEN DIRECT TESTIMONY OF THOMAS W. HOLLIDAY

1. **Please state your name and business address for the record.**

Thomas W. Holiday
CBRE
1003 Bishop Street, Suite 1800
Honolulu, Hawaii 96813

2. **What is your current occupation?**

Director with CBRE – Valuation and Advisory Services.

3. **How long have you worked in this profession?**

I have worked as a real estate development consultant and appraiser in Hawaii since 1980.

4. **Did you provide a copy of your resume for these proceedings?**

Yes.

5. **Is Petitioner's Rebuttal Exhibit 32 a true and correct copy of your resume?**

Yes.

6. **Please briefly describe your educational background.**

I majored in Communications/Journalism from California State University, Fullerton . I have completed numerous specialized appraisal and market study courses offered by the Appraisal Institute, Counselors of Real Estate and Royal Institute of Chartered Surveyors.

7. **Do you specialize in any particular areas?**

My practice focus is market studies, feasibility analyses, economic impact and public fiscal assessments, and hotel appraisals.

8. **To what professional organizations do you belong?**

I am a designated Counselor of Real Estate (CRE – National Board of Realtors); and Fellow of the Royal Institute of Chartered Surveyors (FRICS – International Real Estate Accreditation Institute)

9. **Please briefly describe some of the projects that you have been involved with over the course of your career.**

Maui
Maui Research & Tech Park (Mixed-Use Community) Maui Lani (Mixed-Use Community)
Honuaula (Mixed-Use Community)

Makena Beach Resort
Maui Business Park, Phase II (Industrial/Commercial) Kapalua Mauka (Master Planned Community) Hailiimaile (Mixed-Use Master Planned Community)
Pulelehua (Master Planned Community)
Westin Kaanapali Ocean Villas Expansion (Resort/ Timeshare)
Upcountry Town Center (Mixed-Use Project)

Big Island

Kamakana Villages (Mixed-Use Residential Development)
W.H. Shipman Ltd, Master Plan (Various Urban Uses)
Nani Kahuku Aina (Mixed-Use Resort Community Kona Kai Ola (Mixed-Use Resort Community) Waikoloa Highlands (Residential)
Waikoloa Heights (Mixed-Use Residential Development)

Kauai

Hanalei Plantation Resort (Resort/Residential)
Kukuiula (Resort/Residential)
Waipono/Puhi (Mixed-Use Planned Development)
Eleele Commercial Expansion (Commercial) Village at Poipu
(Resort/Residential) Ocean Bay Plantation (Resort/Residential)

Major Neighbor Island Valuation Assignments

Mauna Lath Bay Hotel
Courtyard Kahului Airport Hotel
Maui Oceanfront Days Inn
Holiday Inn Express - Kona Hotel (proposed)
Keauhou Beach Hotel
Courtyard King Kamehameha Kona Beach Hotel
Aloha Beach Resort
Coco Palms Resort
Grand Hyatt Kauai
Islander on the Beach
Waimea Plantation Cottages
Coconut Beach Resort
Sheraton Maui Hotel
Outrigger Wailea Resort Hotel
Maui Lu Hotel
Coconut Grove Condominiums
Palauea Bay Holdings
Wailea Ranch
Maui Coast Hotel
Westin Maui Hotel
Maui Marriott Hotel
Waihee Beach
Kapalua Bay Hotel and The Shops at Kapalua

10. **Have you ever testified under oath as an expert based on your work position before a judicial or administrative body?**

Yes.

11. **If yes, when and where did you testify?**

I have testified before the State of Hawaii Land Use Commission and various state and county boards and agencies on multiple occasions since 1983.

12. **Are you familiar with the Lima Ola Workforce Housing project (“Project”) being developed by the County of Kauai Housing Agency?**

Yes.

13. **Please describe your involvement in the Project.**

We were retained to complete a series of market and econometric analyses associated with the proposed Lima Ola community, a 550-unit master planned workforce and residential community.

14. **Is Petitioner’s Rebuttal Exhibit 30 a true and correct copy of your report?**

Yes.

15. **Please summarize the scope of the report.**

The study builds upon and updates a previous analysis regarding the proposed project that was published in June 2014. The study is primarily comprised of three elements: (1) Market Study, to ascertain whether there will exist sufficient demand in the South/West Kauai study area residential real estate market sectors; (2) Economic Impact Analysis, to estimate the general and specific effects on the local economy which will result from the development of Lima Ola; (3) Public Cost/Benefit Assessment, to quantify the impact on the public purse arising from the subject project in regards to tax/fee revenues that will be received from the State and Kauai County due to the project’s actualization.

16. **In your professional opinion, and based upon your report, is there sufficient market demand for the Lima Ola Workforce Housing Project?**

Yes. We estimate the demand for new residential units in the Lihue to Kekaha region through 2040 will total between 7,358 and 9,743 units. Single family homes and lots will comprise about 62 percent of the total area demand and condominium units 38 percent. We estimate the 550 proposed home and units of Lima Ola will require about 11 years to be fully absorbed following commencement of pre-sales.

13. In your professional opinion, and based upon your report, what is the economic impact of the Lima Ola project on the Kauai and Statewide community during the course from the anticipated ground-breaking in 2018 through 2029, and thereafter?

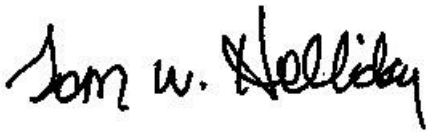
The development of Lima Ola will bring in an estimated \$190 million of new, direct capital investment with significant unquantified indirect expenditures into Kauai’s real estate market and generate \$391.7 million in total new economic activity islandwide during its buildout over a 12-year period (circa 2018 to 2029). The development will contribute approximately \$21.9 million in annual economic activity on a stabilized business thereafter.

The construction of Lima Ola infrastructure, completed single family homes and multifamily units will directly create an estimated 1,057 “worker-years” of employment in the trades and supply businesses during buildout.

At buildout, the resident population is estimated to be 1,508 persons. The cumulative resident household income during the first 11 years of occupancy will total \$375.2 million and is expected to stabilize at \$42.1 million annually thereafter. Discretionary spending into Kaua‘i businesses by the Lima Ola population will be approximately \$150.1 million during buildout, and an average \$16.8 million annually on a stabilized basis.

The County will realize “new” real property taxes in the amount of \$5.7 million from 2017 to 2030, with annual collections of \$826,509 thereafter. Secondary receipts and development fee will total an estimated \$9 million from 2018 to 2030, and \$1.3 million annually on a stabilized basis thereafter.

DATED: Honolulu, Hawai‘i, June 2, 2017.

A handwritten signature in black ink that reads "Tom W. Holliday". The signature is written in a cursive, slightly slanted style.

Tom Holliday, CRE, FRICS
Director
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