



News Release

Economic Impact Generated by NELHA's HOST Park Approaching \$100 Million Annually

(KAILUA KONA, HI, June 12, 2012) – An analysis of the economic impact of the Natural Energy Laboratory of Hawaii Authority's (NELHA) ocean science and technology park at Keahole Point found that the park is generating a significantly larger impact than previously reported. The Economic Research Organization at the University of Hawaii (UHERO) completed the assessment for NELHA.

Total expenditures from businesses at NELHA were \$81.0 million dollars, of which about \$50 million was paid to Hawaii entities in 2010. Using type II multipliers from the state's input-output model, UHERO estimated the total economic output to the greater Hawaii economy was \$87.7 million dollars, which generated \$4.5 million dollars in state tax revenue for 2010.

The analysis also found that NELHA tenants employ hundreds of people and that their expenditures contributed to hundreds of other jobs in the larger Hawaii economy. UHERO's estimate is that NELHA generated 583 jobs in Hawaii last year.

"This data validate the vision and decisions of state policy makers, the legislature and the NELHA's board of directors over the past 30 years to develop and support the technology park." said John DeLong, chairman of the NELHA Board of Directors.

"NELHA's focus on green economic development projects such as renewable energy and ocean science fulfills statewide priorities and complements the visitor industry in West Hawaii," he said. "In this regard, it is important to note that not only were a large number of jobs generated, a significant number of these jobs are in the research and education-related fields and provides a choice for the residents of Hawaii Island."

The UHERO report notes that these types of jobs contribute to Hawaii through investment. Knowledge spillovers and are important to Hawaii developing a technology and innovation community.

An important payoff from such research activity is the types of jobs it creates. The report notes that these are highly skilled, highly productive, engaged citizens that benefit the community.

NELHA generates all of its operating revenue and has become self-sufficient in 2010. It receives no state tax dollars to fund its operations.

State government does help support NELHA's capital improvement projects such as roads and pipelines and has funded operating costs in the past. Over the past 10 years, NELHA has received an average of \$2 million per year in state support.

According to Dr. Carl Bonham, the executive director of UHERO, "one way to look at the state's return on these expenditures is to consider what the states investment has provided in terms of the net impact from NELHA. For every dollar of state expenditures on NELHA results in \$42.80 of output is generated in the Hawaii economy."

"This data shows the importance of our current operations and will be used to guide future growth at HOST Park" said Gregory Barbour, NELHA executive director.

Barbour noted that since much of the basic infrastructure is completed "these numbers will only get better over time."

"Our efforts are now focused on generating new alternative revenue streams while maintaining our mission and increasing the efficiency of our operations to lower costs for businesses that locate in the park," Barbour added.

The economic impact assessment is based on standard empirical research methods. To estimate expenditures, UHERO researchers developed a survey of total expenditures broken down into 11 categories for 2010. Of the 41 surveys sent, 23 were completed. Using survey data, data supplied by NELHA and UHERO estimates, the State of Hawaii's 2007 20 sector input-output (I-O) model was used to determine the economic impact for direct, indirect and induced economic activities by category.

About NELHA: NELHA administers the world's premier energy and ocean technology park. This unique master-permitted park is located on 870 acres of prime coastal property in Kailua-Kona Hawaii and offers research support facilities for the development of renewable energy and

other demonstration projects that utilize the unique resources found at the park. It is the world's only facility that continually brings ashore high quality, pristine supplies of both warm surface and cold deep seawater 24 hours a day which allows for various tests to take place with views to reap economic potentials from the dual temperature seawater delivery system and high solar insolation. Tenants located in HOST Park work at the pre-commercial, commercial, research and educational levels. It is the largest diversified economic development project in the State and is solely focused on developing green economic projects. For more information, go to www.nelha.org.

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