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PRESENTATION

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

Good morning. Welcome to Citi's 2024 Global Property CEO Conference. I'm Craig Mailman of Citi Research, and we're pleased to have with us Alexander & Baldwin and CEO, Lance Parker. This session is for Citi clients only. If media or other individuals are on the line, please disconnect now.

Disclosures are available on the webcast and at the AV desk. For those in the room or the webcast, you can go to liveqa.com and enter code GPC24 to submit any questions, if you do not want to raise your hand.

Lance we will turn it over to you and introduce your company and team, provide any opening remarks and tell the audience the top reasons an investor should buy your stock today, and then we can move on to Q&A.

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

Awesome. Well, Craig, good morning. Thank you very much for the inclusion here at the Citi conference. We're happy to be here. We were speaking with Craig just a minute ago about the fact that coming from Hawaii, we may have had the farthest amount of travel, but I'm really excited to be here and share our story with everyone.

So with me to my left is Clayton Chun, he's our Chief Financial Officer. To my right is Jordan Hino, he is our head of IR, and we represent the team here at Citi.

So we are from Hawaii, and that is effectively our investment thesis. We are a geographically focused REIT. We are asset class diverse, but we view Hawaii as a very sort of special and unique market with interesting market dynamics, and that's really what leads us to focus there. Our management team is from there. We live there. And so for us, it's really more than just being a landlord. It's being a steward of our properties and understanding how they operate within that environment, and being able to drive value that way ultimately for our investors.

And I would say, Craig, in terms of why buy the stock today? I would say two things. The first is just the investment thesis. We think it's unique. It's a niche market, and we're a niche player. And so I think that differentiates us a bit from others in the space. The second thing that I would say is that we're at an interesting time in our history. I think it's a good time to get into the stock. So the company itself is 154 years old, it's always been headquartered in Honolulu. It's had its roots in agriculture. We've been a REIT since 2017, but we've really spent the last few years cleaning up the story.

We've had diverse businesses that we finally got rid of last year, and now we're really at the point where we are a pure-play commercial real estate company. And I think it's certainly exciting for us as a management team to be in that position now to really focus on the future and grow the platform. And I think it presents a unique time for investors to get in.

QUESTIONS AND ANSWERS

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

Great. That was helpful. And you had mentioned the deep ties that Alexander & Baldwin and the management team have to Hawaii. Can you just go through the reasons to continue to -- to focus solely on that market, what it is that makes it special in your view to make it the investable story of a single market stock. Other than great property tour destinations, what it is for investors that Hawaii really offers?

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

Sure. So our NOI right now is about 2/3 retail, the remaining 1/3 is split about 50% between industrial and ground leases. And so maybe just doing a walk down of the 3 asset classes, why we like them and how it operates a bit differently in Hawaii would be helpful. So the first on the retail side, it is a supply-constrained high barrier to entry market. If you look within the strip space, which is where we are, it is the second least populated per capita, strip retail per capita in the U.S. And I think that just speaks again to the high barriers to entry.

Interestingly, for retailers that are there, these are nationals typically have some of their highest-performing stores in Hawaii. But by the same token, if you look at top 25 retailers in the country, at least by volume, almost 1/3 of them don't have physical presence in the state. And so we see that really 2 advantages for us. And in many cases, weaker retailers have not chosen to come to the market. And so we have historically less exposure to some of the national bankruptcies.

But on the plus side, it presents opportunity to bring what will be new concepts to Hawaii, and that's something that we focus on, having the leading market share in the retail space of about 20% of strip ownership, our pitch to tenants is, if you want to enter the market and you should, we should be the landlord that you have the conversation with. If you need multiple locations across the state or you have a single location that you need, chances are we either own it, we can buy it or we can build it.

On the industrial side, it's a smaller market. And I guess that holds true probably across all asset classes for the state of Hawaii. It's about 54 million square feet total statewide. But historically, it's had one of the lowest vacancy rates, right now, it's sub-2%. It's a submarket that doesn't get a lot of attention due to its size relative to other mainland markets. But for us, it does provide sort of a link to our retail holdings in that Hawaii is geographically isolated. We're 2,500 miles west of the West Coast. And so for retailers that do have a presence in the state, the logistical piece is a little more complicated for them.

It's simply not plugging into an existing distribution network where they can go another 100 miles with a truck to service stores.

And so that industrial piece becomes very important, either for retailers looking to enter the state or to expand, and we put ourselves at that crossroads as well. And then the last piece, it's our ground leases. And so these are the fee ownership under leasehold interest, and for us, that presents a very interesting value proposition, where you have the opportunity with fair market value step-ups toward the end of the lease that are typically outsized.

We've had just over the last 2 years, increases anywhere from 39% increasing over $1 million for our portfolio that's meaningful up to 5x in terms of rent step-ups. But ultimately, the value unlock comes in the reversion of those leasehold assets, either through buying them back near the expiration of the term at a discount or getting them back for free. And so for us, that's sort of a combination of the market dynamic as well as the asset classes and why we like it.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

And could you talk a little bit about kind of the fundamental environment? How much of your portfolio is dependent on foreign tourism and domestic tourism, I guess, versus local consumption?

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

Clayton, you want to take that one?

Clayton K. Y. Chun - *Alexander & Baldwin, Inc. - Executive VP, Treasurer & CFO*

Yes. So as a whole, our portfolio is not dependent on tourism, although it's fair to say that as -- the state itself, that tourism is an important aspect of Hawaii's economy. And so -- although we are focused as a grocer, it's need space, as the Hawaii economy benefits from tourism, so do we just by virtue of having the surrounding neighborhoods remain well employed. And so through that, our portfolio is able to benefit from tourism overall.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

As you think about you know the demographics of Hawaii residents and maybe this is an assumption you can correct me, but hospitality is a big driver of employment on the island. Could you talk a little about the ability to drive rents in Hawaii retail and where OCRs could go, given the inflationary environment and the ability of your tenants to pass along the inflation to their customers and kind of how that dynamic plays into -- what kind of rent growth you can have versus maybe what's happening on the mainland where there's a little bit more of a diversified kind of demographic base of employment?

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

Yes. So I would start by acknowledging the fact, I mean, to Clayton's point about tourism, on any given day probably about 20% to 25% of Hawaii's GDP is generated through the tourism industry that includes hospitality. On the retail side, we find that ultimately, the buyers typically have more spending power in brick-and-mortar retail. And part of that is driven by the fact that we have, along with Alaska, one of the lowest Internet penetration rates in the country. And so as sort of similar to the dynamic on the industrial side, I think one can appreciate some of the challenges of getting goods to the state with short supply chain or delivery times.

Even Amazon, by way of example, in many markets has same-day delivery and Hawaii is still for Prime members 5 to 7 days on average. Now they are building their first facility within the state and look to drive that delivery time down to closer to 3 days. But I think it still represents more opportunity for our customers, ultimately, our tenants in terms of driving sales. And for us, that ends up equating to rent. And so when you look at where we are from an ABR perspective, we have some of the highest rents that we're able to achieve within our retail portfolio relative to other markets in the country.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

And you walked through a little about the type of assets that you own, a little bit of the makeup between the different subsectors. Can you drill down into retail, how much is maybe grocery-anchored versus power center versus just smaller neighborhood and give us kind of a drill down into the type of retail assets that you guys generally own?

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

Yes. So the majority of our retail is grocery-anchored, as Clayton mentioned. We do have what would, I think, sort of typically be described as a power center within our portfolio, our Pearl Highlands asset. It is the largest by square footage. But predominantly, it is anchored either by drug or grocery within the retail sector.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

The plan long term, is this going to be a Hawaii-centric portfolio forever? Do you guys have plans to branch out to the mainland. The closest comp we have is Douglas Emmett, who owned a little bit in Hawaii, but also is very West Coast focused. Is that a model that works for you guys? Or is there enough opportunity in Hawaii to continue to grow the portfolio and harvest value that you think it's -- you don't need to do that yet or ever?

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

Yes. We subscribe to the geographical focus. We like the islands. We like the market dynamics and importantly, to your point, we do think that there is enough headroom for us to continue to grow at scale within the state. So despite the fact that we've got 20% market penetration on the retail side and are the leading owner, I think we can easily get up to 35%, 40% and effectively double our portfolio on the retail side. On the industrial side, our ownership represents only about 2% of the total market. And so opportunity either to buy more into that space or to build into that space because we do have legacy lands with industrial zoning that we own.

And I would also say that it wasn't that long ago as part of our composition as a company that actually the majority of our commercial real estate assets were U.S. mainland based, and so we had properties as far east as Savannah, Georgia and in many states, all the way working West back to Hawaii. And one of the things that we found is we were better at driving value within the state because we understood some of those dynamics within Hawaii -- and I fully subscribe to boots on the ground -- than we were in driving value in other markets. And so going forward, I don't see our strategy changing.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

You mentioned you guys only own 2% of -- or 2% owner in the market. Can you go through how fragmented or I guess, the type of ownership structures you have today? Is it all families? Is it other local private investors of scale kind of what's the opportunity to actually break free some of these opportunities to grow the portfolio over time? And maybe the plans longer term to finance them from a debt or equity perspective?

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

So on the specific -- I guess this holds true really for the asset classes that we're in. So maybe I'll start with retail, Craig, and -- it is a fragmented market. There are no other public REITs that own retail space on the strip side within our marketplace. And so really, our competition is smaller family offices, some private landowners. And so I think over time, we do have opportunity to eat into that space.

On the industrial side, ILPT does have a large industrial holding of ground leases within the state. There are a few other large owners that are sort of legacy owners that probably are not sellers. But beyond that, the same dynamics hold true in terms of smaller family offices and sort of one-off ownerships. We also have a higher percentage of owner-user ownership within the state in the industrial sector.

And so that's been an avenue that we've pursued. In fact, our last industrial acquisition was an off-market sale leaseback where we sort of use the opportunity to unlock value to the owner, and then to stay in the building as a tenant of ours for the next 10 years. So we'll continue to pursue those opportunities as well. And then I mentioned building. So on the industrial side, just given the vacancy rates within the marketplace, we've got an industrial park on the island of Maui that's immediately adjacent to the airport. It's about 2 miles to the harbor, very strategically located, all of the off-site infrastructures in. The zoning is very flexible, that allows from light industrial all the way through retail.

We're now in our third development within that park. This will be for a national industrial user on a build-to-suit. We're just starting that process right now. So there will be opportunity for us to grow through building as well.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

And on the balance sheet side, can you just talk a little bit about dry powder today, financing new acquisitions, kind of what the balance sheet could support on an annual basis, given maybe where your leverage thresholds are internally?

Clayton K. Y. Chun - *Alexander & Baldwin, Inc. - Executive VP, Treasurer & CFO*

Sure. So I'll take that. We view the balance sheet as a core strength for the company. We had ended the year with a net debt to Adjusted EBITDA ratio of 4.2x. And so that enables us to have ample dry powder to fund our growth aspirations with growth being a focus of ours. I think that we have the ability to flex our balance sheet somewhat. What I would say as far as our target, we would target our ratio to be within the 5 to 6x net to debt ratio. But to the extent that there are opportunities that are attractive, we will be willing to flex somewhat for the right opportunity.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

And where is your cost of debt today? I know it's been pretty volatile the last couple of months here, but where do you think you could kind of price debt today? And can you go through, I guess, just where cap rates are for the different property types that you guys own in the market? And what type of accretion you may be able to drive?

Clayton K. Y. Chun - *Alexander & Baldwin, Inc. - Executive VP, Treasurer & CFO*

Yes. So from a cost of debt perspective, we -- I guess I'll start off by saying the fact that our preference would be to pursue unsecured debt as opposed to secured overall. But our spreads, what we're looking at is probably around the 200 bps. And so I think for us, our balance sheet where we are today, I think that we -- we've been selective as far as just the investment opportunities, trying to make sure that we maintain our discipline as we pursue our growth aspirations.

But we feel that through our market itself, that there are ample opportunities, whether it's internal or external and the lens in which we will continue to pursue our growth, we'll be ensuring that we have the proper risk-adjusted returns as we are considering our growth. But with cap rates, Lance, do you want to comment on that?

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

So historically, the Hawaii market would see cap rate compression relative to other mainland markets, and I think that dynamic still holds true today. I say that really more from an expectation rather than actually being able to point to a lot of comps to prove that out because there has not been a lot of transactions, within the marketplace. And I think part of the reason for that is sort of exactly what Clayton described and maybe where you're getting at is just the disconnect between cost of capital and expectations on returns, particularly on sellers' pricing expectations versus what we view value at.

And so we really have been at least over the last couple of years, been focusing more on internal growth opportunities where we can still drive returns that are accretive out of the door, whether they're redevelopment of assets that are in the high single-digit type returns. Photovoltaic, which is something that we've been successful in starting to scale over the last 2 years. And so while on the surface, it doesn't sound that exciting with adding rooftop solar to our existing assets. It's actually been a really good investment for us, both just in terms of sustainability, but also on the return profile.

By the end of this year, we will be nearing about $1 million in incremental NOI that, that investment will drive for us. And for a portfolio that last year generated $123 million in NOI, that's pretty meaningful. And from an IRR standpoint, we're hitting IRRs that are mid-teens, in one case, north of 30%. So it's been really accretive and we'll continue to invest in opportunities like that. But to Clayton's point, we do -- we are starting to see some movement in the market. My expectation is that we will be able to find opportunities on the acquisition or investment outside of internal growth that will either be FFO-accretive day one or certainly in the near term, and I think that gets to Clayton's other point about just being disciplined as an investor, recognizing that we may look at an immediately FFO-dilutive opportunity if we believe in the near term that it has a value-add opportunity to bolt on to it.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

I think you guys are guiding to 2% to 3% same-store NOI growth, ex prior period collections, is -- can you walk through whether this is a normalized growth rate that investors should expect? Or should your portfolio -- or I guess, a better way to say is where should your portfolio stack up to other open air centers names in the U.S., which have been in that kind of 3% plus or minus range.

Clayton K. Y. Chun - *Alexander & Baldwin, Inc. - Executive VP, Treasurer & CFO*

Yes, sure. So I think it's important to note that in our 2024 guidance, there's a couple of key factors that are influencing the guidance that we provided. And so the first one that we -- that should be noted is the fact that we don't have any significant fair market value resets planned for 2024 related to our ground leases. And so Lance had mentioned earlier the fact that we had been benefiting from these types of rent steps in the past couple of years. So 2023 case in point was, we had a ground lease rent step that enabled us to achieve a 39% increase in ABR. So that translated to about $1.1 million really great for it to occur in 2023, but as we look in 2024, we're not planning for any such of those instances. And so that's factored into our guidance. The other consideration is we are anticipating lower NOI related to our office assets. And so I want to caveat this by saying the fact that our office assets that we own, we only have 4, so relatively small. But that being said, we are anticipating that there's going to be lower NOI mainly because of some move-outs that are occurring.

And so what's occurring on that front is the fact that we're planning to have these be more of a strategic move outs, which enables us to reposition the assets in -- effectively have a higher and better use going forward.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

And maybe another way to ask, if you segment it between retail and industrial, and then maybe the drag from office. What are the different kind of internal growth levels that investors should expect from the different components?

Clayton K. Y. Chun - *Alexander & Baldwin, Inc. - Executive VP, Treasurer & CFO*

I think if you were to strip out these factors that you would see us being more in line with what you were conveying earlier.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

And what's the play with the office assets? I know one of your public peers converted an office building into workforce housing a couple of years ago, and that in a bit itself helped tighten the market a little bit, but that was pre-COVID. So just try to get a sense of the office market in general, if there's even an avenue to monetize those to reinvest in maybe your -- what I would guess would be more favored asset classes of retail and industrial?

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

Yes. I think that's spot on, Craig. You'll notice that it was intentional on my part when I sort of gave the overview of the assets that were in that I didn't speak to office. And I did that for 2 reasons. Really, it's -- first is to Clayton's point, we only have 4, but importantly, those 4 only represent about 4% of our NOI, but maybe more important to that is the fact that we really view that as not strategic in terms of asset classes that either we want to stay in or that we want to expand into.

And so really, that would be an opportunity to recycle capital into more strategic assets that are providing better yields. One of the 4 sits within a retail project that we have, and we did a build-to-suit for a dialysis company. And so we -- the fact that we have other office properties we put it into our asset classification, if not for the fact that we had other assets, it would sit in retail much like a pad would in a lot of other retail areas, and you wouldn't recognize it. The other 3 are suburban office buildings on the island of Maui, all within a block and a half of each other.

And I think there, if you were to actually dig down and look into our supplement, you've noticed that one building is at about 50% occupied. That's actually been deliberate on our part to sort of shift occupancy out of that building because quite frankly, we view the highest and best use of that either into a conversion or probably more appropriately an owner-user sale. And so that will just provide opportunities for us to recycle capital into new investments.

And that sort of brings back to one of your prior questions about our cost of debt relative to yields in the marketplace. While cost of debt may be higher relative to prior periods for us, we do think we have other sources of capital that can provide lower cost of overall capital for investment, and that would be an opportunity for us to execute on that.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

And you had mentioned that there's a fair amount of national retailers that are not in Hawaii. Could you just walk through though the tenant credit profile of the portfolio given that you have some kind of market native brands versus some of these national retailers and just where bad debt should come in relative to your historical versus today where we've seen a pretty recent time period of pretty manageable kind of bankruptcies over the last 2 years?

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

Yes. Maybe I'll start bigger picture in terms of tenant profile and then Clayton can touch on the bad debt piece. I think the examples that I would use in terms of -- well, maybe let me just start by saying that our tenant mix from a portfolio perspective on the retail side is about 50% local tenants, 50% nationals. And I think if you were to compare us to some of our other strip peers, you would see that there is a significantly higher amount of local tenants.

It's interesting, I think pre-COVID and maybe even today, some people would view that as risk. I would say that we sort of embrace the diversification within our portfolio. And this gets back to Hawaii sort of being a unique community and us understanding the dynamics. In large part because these are the centers that we literally shop at, get our groceries at and so we understand these tenants. And if you look at their performance throughout COVID, which I think for us was sort of the real test to the system, it really validated our investment thesis.

We were the first in our peer set to get back to pre- or to 2019 NOI. So despite the dip in travel restrictions and effectively shutting down all travel to the state, by 2021, our NOI had surpassed 2019 levels. And so I think that speaks to sort of the creditworthiness and just how well our local tenants do. But then if you go forward and think about what opportunities there are to bring new tenants to market. A couple of examples I would cite in the grocery space since we are grocery-anchored predominantly.

We do have Albertsons. We've got 4 Whole Foods. Other than that, there are no other national grocer retailers that are in our marketplace. The second largest grocer is -- it's a family-run grocery operation. And so for us, when you think of opportunities, whether it be an Aldi, whether it be a Trader Joe's, I think there are clearly brands that are missing in the market that would be well received. And I think for us, strategically, that represents opportunity.

We've seen more so on the QSR side and smaller tenants that we've been able to bring first to market over the last few years. First, Chick-Fil-A opened 2 years ago in one of our centers for Sonic in our center last year. We have a new specialty grocer from Japan that's got some West Coast presence that will convert and open their first location in one of our centers this year. Ulta was -- they came to our market about 5 years ago. They've only got 4 locations, 3 of those 4 are within our centers, and we opened them first. And so there's sort of a list of examples where we've been able to execute on that, and we continue to look for those types of opportunities.

Clayton K. Y. Chun - *Alexander & Baldwin, Inc. - Executive VP, Treasurer & CFO*

So maybe just to further elaborate on the tenant health itself. We've been fortunate to have benefited from reserve reversal. So these are instances in which we had designated certain tenants on cash basis during the pandemic, there were some rent deferrals that occurred. But over the past couple of years, we've been able to benefit, have an NOI to the tune of over $2 million. And so I think that, that also speaks to the resiliency of our tenants and the overall health.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

Any questions from the audience?

Unidentified Analyst

So I guess it has in past (inaudible) 2 big components in terms of growth initiatives (inaudible) something you'll have to consolidate. And the other part if you're comfortable with Hawaiian economy as a whole. I'm curious if you can talk a little bit about the (inaudible) where I live in Texas and (inaudible) easily move to Florida (inaudible) international folks' second home. What's the state or your exposure to the general public about Hawaii. What's the -- what's (inaudible) the rate that you're seeing people move there for jobs and having to sort of drive (inaudible) Hawaiian economy?

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

Clayton, do you want to touch on that?

Clayton K. Y. Chun - *Alexander & Baldwin, Inc. - Executive VP, Treasurer & CFO*

Yes. So I would say that the Hawaii economy has been stable and strong. We had mentioned the fact that as a whole, that the state does benefit from tourism. I think it's important to also note that, that is not the sole economic driver. And so there is a large government presence, whether it's military or just local government. And so as a whole, I think the economy has been stable with our retail being primarily needs based with grocery anchored or pharmacies. It provides level of stability to -- for income to our portfolio as well. So I think that we are well positioned from that regard. And our portfolio and focus, we've intentionally curated our portfolio in that manner.

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

I would add, I mean, I think if you were to just look at the demographic statistics, one of the things that you might traditionally look for is population growth. And you're not going to see it, you're not going to see a lot of population growth in Hawaii. The mitigating factor to that is the supply constraint, and the fact that it's very, very difficult to entitle to build. And so we don't have that sort of work in parallel where you have population growth and you can expand significant shortage of housing.

Again, part of what drives our low retail per capita is the fact that just to get land entitlements, can typically take 15 to 20 years. Quite frankly, it's part of the reason that we've gone and converted to a REIT. So the historic -- the legacy of the company was in agriculture. At one point, Alexander & Baldwin was the fourth largest private landowner in the state with nearly 90,000 acres.

And so we were -- and part of our value proposition at the time was taking raw agriculture or conservation land and taking it through the entire entitlement process residential development for retail development, the time associated with that, the risk associated with that, the return profile as a result of that, for us, it just -- it wasn't the highest and best use. And so I think that's sort of, again, just a mitigating factor that helps to drive when you have military presence, you have strong construction that's going on in the economy. And look, we downplay the impacts of tourism, but the reality is that's exogenous demand that does exist in the marketplace that helps drive sales.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

Perfect. Maybe we'll head to rapid fire. For your peer set in 2025, what do you think same-store NOI growth could be?

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

3%.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

Will we have more public companies in your peer set a year from now, few or the same?

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

Same.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

And then best real estate decision today: buy, sell, build, redevelop or repurchase stock?

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

Redevelop.

Craig Allen Mailman - *Citigroup Inc. Exchange Research - Research Analyst*

Perfect. Thank you so much, and everyone, enjoy your day.

Lance K. Parker - *Alexander & Baldwin, Inc. - President, CEO & Director*

All right. Thank you.
