

Shall the Authority Authorize the Executive Director to Prepare and Release a Request for Proposal for Civic/Mixed-Use Commercial Development on Lot C Including Sandbox for Hawaii Technology Development Corporation?

Staff Report

November 4, 2015

Background: The Lot C (Tax Map Key (“TMK”): 2-1-15: 052) civic/mixed-use commercial development is envisioned to be a multi-phase, public-private partnership between the State and private developers to establish an innovation hub in Kakaako Makai. The initial phase of this development is expected to include an Entrepreneur’s Sandbox/Collaboration Center; and Innovation Hale (“Project”) in collaboration with the High Technology Development Corporation (“HTDC”), Hawaii Community Development Authority (“HCDA”) and private partners. A portion of this initial phase will be funded by an Economic Development Administration (“EDA”) grant of \$3M which was awarded to the HTDC and the HCDA in September 2014. A solicitation for Request for Proposals (“RFP”) will provide for a fair and objective process for evaluation and selection of a developer for the initial phase of this Project.

On January 8, 2014, the Authority authorized the Executive Director to enter into a Memorandum of Agreement (“MOA”) with the HTDC for the delegation of funds for the planning and design of HTDC’s facility to be located on Kakaako Makai Lot C.

On May 7, 2014, the Authority authorized the Executive Director to expend up to \$2,725,000.00 in Capital Improvement Projects funds pursuant to the MOA between the HTDC and the HCDA and engage consultants for planning and design of office facility for the HTDC to be located on Kakaako Makai Lot C.

On September 3, 2014, the Authority authorized the Executive Director to enter into a Memorandum of Understanding (“MOU”) with the HTDC documenting HCDA’s and HTDC’s respective roles and responsibilities regarding a federal grant application for that certain project referred to as “Entrepreneur’s Sandbox at the Kakaako Collaboration Center” to be located on Kakaako Makai Lot C, TMK: (1)2-1-15: 052.

Subsequent to the Authority’s approval of the MOU, the EDA required a revision to the September 3, 2014 MOU, hence the Authority was asked again on October 1, 2014 for authorization for the Executive Director to enter into an updated and amended MOU with the HTDC.

Discussion: HCDA’s planning and design consultant, Ferraro Choi and Associates Ltd., has produced a conceptual master plan and schematic design plans for the initial phase of this

Project. The design program and concept plans will be incorporated into the RFP as development parameters which include provisions for a 13,500 square foot Entrepreneur's Sandbox/Collaboration Center, and 149,600 square foot Innovation Hale.

Respondents to the RFP have the option of utilizing the concept plans or propose other alternatives. The respondents will be required to comply with any special conditions of the EDA in relation to the \$3M grant. Of significance is the EDA's timeline to utilize the grant by September 2019 and for the private partner to provide at least \$1.3M for the construction of the Sandbox. A preliminary development schedule is provided as Exhibit A indicating time is of the essence.

A copy of the draft RFP is provided as Exhibit B. The RFP evaluation criteria for the selection and evaluation of a developer, considers real estate development experience, financial feasibility, project programming, and quality of design and innovation. The Authority should also establish an evaluation committee to evaluate the proposals and make recommendations on selection of a developer for the Project.

Recommendation: Staff recommends that the Authority: (1) authorize the Executive Director to prepare and release the attached Request for Proposal for civic/mixed-use commercial development on Lot C including Sandbox for the HTDC and (2) establish a Request for Proposals evaluation committee to evaluate the proposals and recommend the selection of the private partners for the project.

Attachments: Exhibit A – Preliminary Development Schedule
Exhibit B – Draft Request for Proposal