

NEIL ABERCROMBIE
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION
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August 19, 2013

**REQUEST FOR PROPOSALS
DEVELOPMENT OF A VACANT LAND PARCEL
WITHIN THE EAST KAPOLEI II PLANNED COMMUNITY
KAPOLEI (EWA), OAHU, HAWAII
TMK (1) 9-1-017: 109
HHFDC JOB NO: DEV-RFP-13-001**

ADDENDUM NO. 3

This Addendum No. 3, consisting of six pages (inclusive of this page), is hereby made a part of the Request for Proposals – Development of a Vacant Land Parcel Within the East Kapolei II Planned Community, issued by HHFDC on June 5, 2013.

ADDENDUM NO. 3 APPROVED:



Karen Seddon, Executive Director
Hawaii Housing Finance and Development Corporation

AUG 20 2013

Date

Please detach and execute receipt below and return immediately to the Hawaii Housing Finance and Development Corporation, 677 Queen Street, Suite 300, Honolulu, Hawaii 96813.

Receipt of Addendum No. 3 is hereby made a part of the Request for Proposals – Development of a Vacant Land Parcel Within the East Kapolei II Planned Community issued by HHFDC on June 5, 2013.

Signed: _____ Title: _____

Company: _____ Date: _____

The Offeror shall be responsible for incorporating Addendum No. 3 into its copy of the Request for Proposals.

The following additional questions and clarification are hereby provided for the RFP:

1. Q: Please clarify the number of originals and copies for submission. Page 17 of the RFP (Section 4.2) states to include “one (1) original hardcopy, four (4) copies of the original, and one copy of the proposal on CD”. However, page 4 of the Application Instructions states to include “the original, three copies, and 1 CD of the final Application... with your proposal as required in Section Four of the RFP.” Please confirm the number of copies to include for submission.

A: Submission of proposals shall be as noted on page 17 of the RFP, which is to provide one (1) original hardcopy marked “ORIGINAL”, four (4) copies of the original marked “COPY”, and one copy of the proposal on compact disc (CD)...” The last sentence on page 4 of the Application Instructions is hereby amended to read as follows:

“THE ORIGINAL, FOUR COPIES, AND 1 CD OF THE FINAL APPLICATION MUST BE SUBMITTED WITH YOUR PROPOSAL AS REQUIRED IN SECTION FOUR OF THE RFP.”

2. Q: May the Offeror replace Exhibit 6 (Tax Clearance from the Department of Taxation and the Internal Revenue Service) and Exhibit 7 (Certificate of Good Standing as issued by the Department of Commerce and Consumer Affairs) with a current and valid Certificate of Vendor Compliance from the Hawaii Compliance Express (HCE) system; which requires proof of Tax Clearance and a COGS along with unemployment insurance, workers’ compensation, temporary disability insurance and prepaid health care?

A: Yes. The HCE is an electronic system that allows vendors/contractors/service providers doing business with the State to quickly and easily demonstrate compliance with applicable laws. It is an online system that replaces the necessity of obtaining paper compliance certificates from the Department of Taxation, Federal Internal Revenue Service, Department of Labor and Industrial Relations, and Department of Commerce and Consumer Affairs. Offerors should register with HCE at <https://vendors.eHawaii.gov>. The annual registration fee is \$12.00. The “Certificate of Vendor Compliance” from HCE will be accepted as proof of compliance in place of Exhibits 6 and 7.

3. Q: Does the selected Developer have the same bilateral rights as HHFDC to add/modify/remove terms and conditions of the Development Agreement?

A: The terms and conditions of the Development Agreement are bilateral and can only be changed by an instrument in writing executed by the HHFDC and Developer. The terms may not be waived, modified, or in any way changed by implication, unless specifically agreed to in writing by HHFDC and Developer.

4. Q: At what point (date or milestone) would the Developer be responsible for payment to DHHL of the allocable pro-rata share of the infrastructure costs?

A: Payment terms for the DHHL allocable pro-rata share of off-site infrastructure costs will need to be negotiated and incorporated in a Reimbursement Agreement with DHHL at the appropriate time. For the LDA Parcel 2 project, DHHL requests that the payment be made at the end of three months from the commencement of construction of the project.

5. Q: With regard to "other activities taking place in the East Kapolei II Planned Community", does DHHL have any immediate plans to build-out/develop any parcels in the next 2 years? If so, where are these projects located?

A: DHHL has provided the attached status summary of its East Kapolei II projects (see Exhibit A). Road E is under construction and is scheduled to be completed in November 2013. DHHL's first East Kapolei II residential component will be Increment IIB (160 lots), for which roads and utility construction are scheduled to be bid this summer. Occupancy is anticipated to begin in 2015. Development of future increments is subject to availability of funding.

6. Q: Please confirm "Contract Award Date/Selection of Developer" has been moved up to October 10, 2013. BAFO dates have been moved up as well.

A: The October 10, 2013 contract award date and the BAFO date noted in the Fact Sheet that was distributed at the informational meeting (and made a part of Addendum No. 1) are erroneous and are hereby corrected to be the dates stated in Section 1.3, on page 2 of the RFP. Note, however, that the contract award and BAFO dates are estimates and may change at HHFDC's sole discretion.

7. Q: Can the 3 year project timeline requirement start when the Development Agreement is executed, instead of starting at Contract Award Date?

A: No. HHFDC does not want the negotiation process for the Development Agreement unnecessarily prolonged. Note that HHFDC may approve two extensions for up to one-year each, at its sole discretion.

8. Q: Under what circumstances will HHFDC approve the "two extensions for up to one-year each"?

A: Circumstances vary, change, and affect projects in different ways. The Developer will need to describe the circumstances affecting its ability to meet the project completion date, and provide reasons to substantiate its request for extension.

9. Q: Is GAS available to the site?

A: Yes. Gas lines have been installed in East-West Road (now known as Keahumoa Parkway), with a lateral stubbed-out at the driveway to LDA Parcel 2.

10. Q: Is the property located in Ewa Villages Owners Association or another AOA? DHHL Master Association?

A: No. There is no master association for East Kapolei II. If DHHL establishes one, it would only cover the DHHL-owned lands.

11. Q: Are there master association fees?

A: No, see response above.

12. Q: Will HHFDC consent to subdivision of LDA 2 or CPR overlay, if necessary, for development phasing?

A: Yes.

13. Q: Will HHFDC subordinate its ground lease to private, senior lenders?

A: No. The Developer may mortgage the leasehold interest in the property, including the buildings and fixtures thereon, but HHFDC will not subordinate its ground lease to the mortgage.

14. Q: Is "300 units" the Maximum Unit Count or will additional points be awarded for units above and beyond 300?

A: Infrastructure capacities, especially water and sewer allocations, for the East Kapolei II Master Plan area were based on a unit count of 300 for this parcel. A unit count exceeding this amount will need to be coordinated with the DHHL and the City.

EAST KAPOLEI II, O'AHU

East Kapolei II is being developed on a 404-acre parcel located on the 'Ewa Plains, mauka of the Ewa Villages Golf Course and east of the newly opened Kualaka'i Parkway (formerly known as North-South Road). 205 Undivided Interest Leases awarded in October 2008 for Increments IIB and IIC.

Development Components

Approximately 1,000 Single-family Residential Lots

Approximately 1,000 Multi-family Residential Units (to be developed by DHHL and others) – Ko'oloa'ula, Phase 1 (120 units, developed and managed by Mutual Housing Association of Hawaii) construction completed, occupancy started.

Kroc Community Center (developed and operated by The Salvation Army) – opened February 1, 2012

Special Olympics Hawai'i

Middle School and Elementary School (Department of Education)

DHHL Projects

Off-site trunk sewer and drainage – completed

Mass Grading of Increments IIB and IIC – completed

East-West Road – completed

Remediation of Former Pesticide Mixing and Loading Plant (U.S. EPA-designated Brownfields) – scheduled completion December 2013

Road E Extension –construction started November 2012; scheduled completion November 2013

East Kapolei IIB Subdivision (160 lots) –scheduled infrastructure construction start October 2013

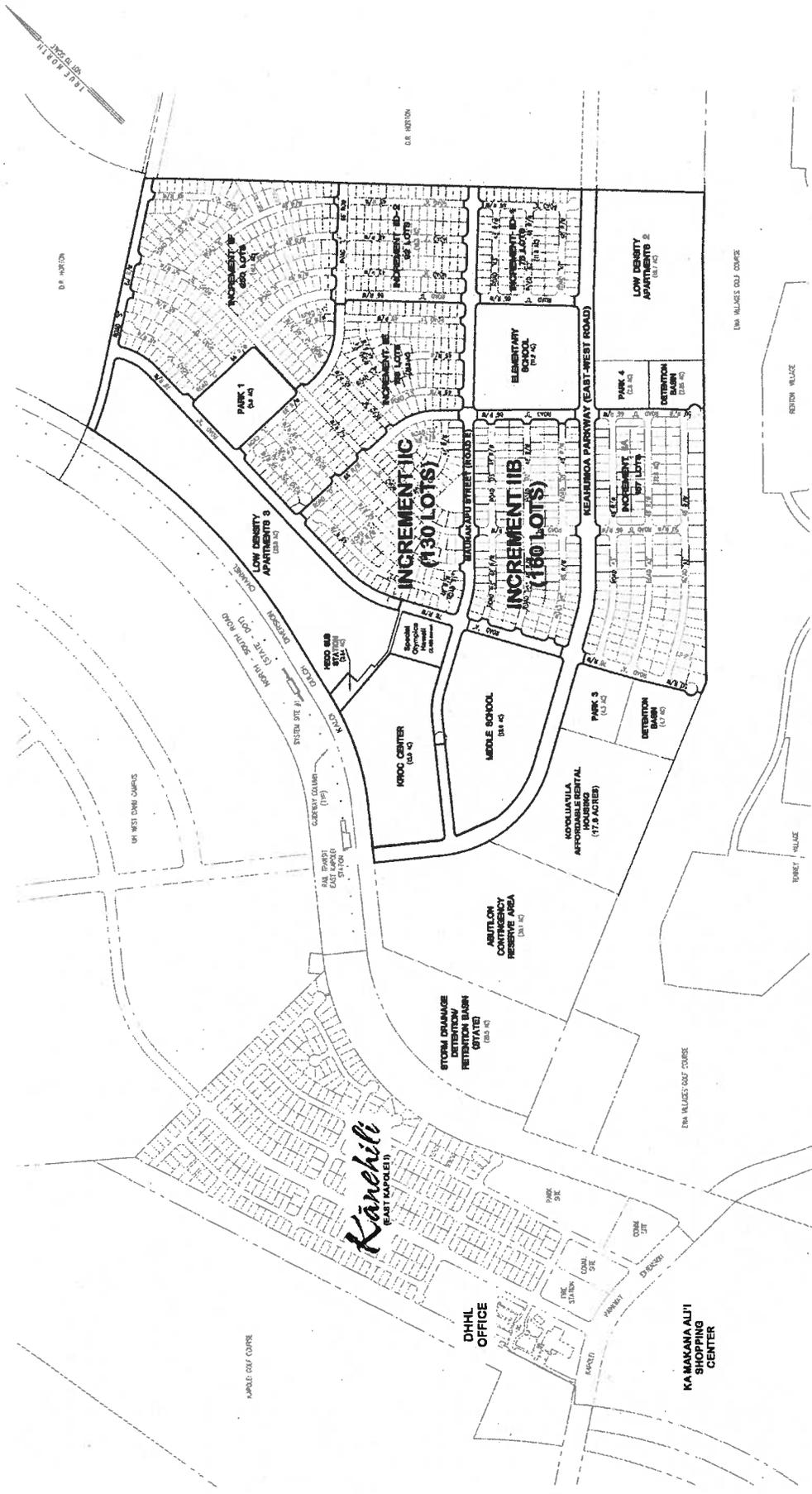
Neighboring Developments

Ka Makana Ali'i (one million square-foot regional shopping center on DHHL lands)

University of Hawaii - West Oahu Campus –opened for classes August 2012

Honolulu Rail Transit Project

Ho'opili master-planned community by D.R. Horton



EAST KAPOLEI II - ROADWAY MASTER PLAN

HONOLULU, EWA, OAHU, HAWAII
 PREPARED BY: COMMUNITY PLANNING AND ENGINEERING
 FOR: DEPARTMENT OF HAWAIIAN HOME LANDS

NOT TO SCALE

SEPTEMBER 28, 2009
 ADDRESS: 11-1111
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PRELIMINARY-SUBJECT TO CHANGE

EXHIBIT A