

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
KAKAAKO
Honolulu, Hawaii, 96813

November 7, 2018

Chairperson and Members
Hawaii Community Development Authority
State of Hawaii
Honolulu, Hawaii

HCDA Board Members:

SUBJECT: Kauhale Kakaako Parking Garage Management and Maintenance Request for Proposals

SUMMARY:

HCDA is soliciting a Request for Proposals (RFP) for the Kauhale Kakaako Parking Garage Management and Maintenance to increase revenue through the modernization of the garage. The RFP will be awarded to the Respondent with the highest scoring proposal.

BACKGROUND:

In 1991, the Hawaii Finance and Development Corporation nka Hawaii Housing Finance and Development Corporation (HHFDC) and the Hawaii Community Development Authority (HCDA) jointly developed the Kauhale Kakaako affordable housing project located at 860 Halekauwila Street. Kauhale Kakaako consists of 268 affordable apartments and 698 parking stalls. The HHFDC retained ownership and management of the affordable rental component and granted the HCDA a long-term lease for the five-story parking structure.

Under the terms of the parking garage lease, HHFDC currently receives \$10,197 in monthly lease rent, with any excess parking revenue going to the HCDA. The Kauhale Kakaako parking garage generally averages about \$20,000 in monthly net income, representing about \$10,000 in monthly income to the HCDA after HHFDC is paid. In December 2028, the lease rent due to HHFDC drops to \$1 and HCDA will collect the rest of the net parking revenue.

The purpose of HCDA issuing a Request for Proposals (RFP) for the Kauhale Kakaako Parking Garage is to solicit proposals to modernize, increase revenue, and better manage and maintain a safe parking garage for residents, tenants and members of the public.

HCDA's objectives for this RFP include maximizing revenue and making improvements to modernize the Kauhale Kakaako Parking Garage. The RFP will encourage Respondents to propose innovative solutions to streamline operations and enhance the value of this asset to the State.

The scope of the services for this RFP would include the following:

- Provide full physical daily parking garage management and operations services, 365 days a year (Respondent to propose garage public operating hours);
- Market, respond to public inquiries, operate the parking garage;
- Maintain the garage and equipment, including the lighting system;
- Collect all parking income from residents, tenants, and members of the public. (Respondent shall propose Garage public parking rates);
- Pay all applicable utilities and rent to HHFDC;
- Develop and enforce garage rules;
- Provide 24 hours/7 days a week parking garage security;
- Maintain the site in a clean and safe condition at all times; and
- Provide financial, expense, fees, and other reports as requested by the HCDA.

HCDA desires a 3-year contract with two additional 1-year options to extend. The current management contract for the Kauhale Kakaako Parking Garage expires on December 31, 2018 and has no additional extensions. A new contract must be solicited and awarded prior to the end of the year to avoid a lapse in service.

ANALYSIS:

Previously, the HCDA utilized an Invitation for Bids (IFB) process to select a vendor to manage and maintain the Kauhale Kakaako Parking Garage. This method requires the HCDA to award the contract to the lowest responsible bidder. Low pricing does not necessarily correlate with effective management and maintenance of an aging parking garage.

Under the RFP process, Respondents will be asked to propose a means for accomplishing a stated outcome. As HCDA would like to increase its revenue from the Kauhale Kakaako Parking Garage through modernization and more effective management, the winning Respondent will offer the proposal that best achieves this.

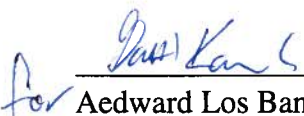
After the closing date, HCDA staff will evaluate and rank the proposals to select the winner. HCDA intends to request that the board authorize execution of a contract with the winning Respondent. HCDA staff will share the details of the winning proposal at that time.

Respectfully submitted,



 Lindsey Doi, Asset Manager

APPROVED FOR SUBMITTAL:



 for Aedward Los Banos, Executive Director