A. Land Entitlements

1. **Question:** It is our understanding that the 500-acre Kona property currently does not have the necessary County of Hawaii entitlements that would be required to commence immediate development of either the UHCWH campus or the ancillary developments that are intended to fund the development of the campus. In addition, the 1993 reclassification by the Land Use Commission of various State lands, including the Kona property, imposed numerous conditions, including, among others, requirements to provide the following: affordable housing, school facilities, traffic impact analysis report, traffic improvements, wastewater facilities, a flora survey, and an adequate buffer zone from Keahole Agricultural Park. What is the status of the satisfaction of these conditions as to (i) the UHCWH campus portion of the Kona Parcel; and (ii) the non-campus portions of the Kona parcel, and to what extent will the developer of the Kona parcel be required to satisfy these conditions?

**Response:** Pursuant to the requirements contained in this RFQ/P solicitation, the Respondent/Developer is responsible for securing all State and County land use entitlements, including all required discretionary and ministerial permits that are required to support the timely and feasible execution of the approved development concept and plan. With respect to the requirements of the 1993 land classification by the State Land Use Commission, the Respondent/Developer is well-advised to identify, analyze, address and incorporate as necessary the applicable conditions imposed by the Commission as they relate to, impact and/or condition the feasibility of the approved development concept and plan.

2. Given (i) the time that ordinarily would be required to obtain the required entitlements and to satisfy the conditions of the Land Use Commission's reclassification order, and (ii) HawCC's initial occupancy date of August 2008, does HawCC have a special entitlement approach or arrangements with the Land Use Commission and County of Hawaii that will substantially reduce the time required to obtain all necessary land entitlements and meet the conditions of Land Use Commission's reclassification order?

**Response:** HawCC does not have special pre-emptive powers or special entitlement approaches for securing the required land entitlements, securing of all land entitlements and permits shall be the responsibility of the Respondent/Developer and factored into its RFP proposal. However, HawCC will assist and work cooperatively with the
selected Respondent/Developer in the land entitlement processes and applications that are necessary for execution of the approved development concept and plan.

B. Memorandum of Understanding with Hiluhilu Development

3. The Amended and Restated Memorandum dated April 16, 2004, between the University of Hawaii and Hiluhilu Development sets forth certain "aspirations" of the parties and contemplates future discussions between the parties. What is the current status of the contemplated discussions between the University and Hiluhilu Development? In addition, does the University contemplate that the parties will enter into binding legal commitments prior to the expiration of the Amended and Restated Memorandum in April, 2006?

Response: Subsequent to the April 16, 2004, execution date of the subject Memorandum, the University of Hawai‘i and Hiluhilu Development have continued good faith discussions to maintain cooperation and coordination for achieving each party’s land development goals and objectives, with an emphasis on exploring mutually-beneficial planning and actions. At this time, the University of Hawai‘i does not anticipate that there will be binding agreements to enter into any legal commitments before the expiration of the subject Memorandum.

4. The Amended and Restated Memorandum appears to contemplate further discussions between the University and Hiluhilu Development with respect to the development of the UHCWH campus itself. To what extent, if any, will Hiluhilu Development be asked by the University to provide infrastructure and other benefits for the development on the balance of the Kona parcel that it is anticipated would be used to fund the development of the UHCWH campus?

Response: At this time, the University of Hawai‘i does not plan to ask Hiluhilu Development to provide any infrastructure or other benefits for development of the HawCC West Hawai‘i Campus Center, other than those previously discussed and understood by the parties (i.e., roadway alignment and location, and capacity of potable water delivery systems). The short-listed Respondent/Developer teams are encouraged to collaborate as necessary with the Hiluhilu group or other parties to verify the above prior understandings and explore any other mutually-beneficial development strategies.

C. Archaeological Approach

5. The 1993 Decision and Order of the State Land Use Commissions notes that there are a number of archaeological sites and features (43 sites and 388+ features) within the 500-acre Kona parcel and the UHWHC LRDP recommends archaeological approaches that may involve substantial cost and expenses, and require significant time to complete. In addition, while the location and layout of the 33-acre UHCWH campus site appears to be intended to minimize the impact of archaeological sites, development on other portions of the Kona parcel may be significantly impacted by the presence of archaeological sites outside of the campus area. While these approaches may be required, to what extent is HawCC willing to contribute its time and resources to help expedite the process and reduce archaeological mitigation costs?
Response: Respondent/Developer RFP responses shall include an archaeological report including a management and mitigation plan that sufficiently and competently address the archaeological sites, features and issues referenced in the subject state Land Use Commission 1993 Decision and Order. HawCC will reasonably assist and cooperate with the selected Respondent/Developer in addressing the subject archaeological issues, however, this is primarily the responsibility of the selected Respondent/Developer.

D. Sale of Property

6. Is the fee simple sale of HawCC lands possible? If so, under what conditions would such a sale be approved, and would any such sale be contingent upon obtaining legislative approval?

Response: The fee simple sale of HawCC lands is not possible without a compelling reason and shall be subject to Presidential and Board of Regents approval. Respondent/Developer RFP responses should be substantially formulated on a viable long term master ground lease program(s), joint-venture partnership and/or other form/structure to enable land development that will support the feasibility of the approved development concept and plan.

7. The RFP refers to a ground lease arrangement. If the property is developed for single family leasehold residences, will the lessees be entitled to force the sale of the leased-fee interest pursuant to the Hawai‘i leasehold condemnation statute? If so, is the disposition of the fee simple interest in single family residential parcels acceptable to HawCC?

Response: The Respondent/Developer’s RFP response should avoid any situations where the University of Hawai‘i’s fee simple interest in the property is jeopardized as a result of the Hawaii leasehold conversion laws.

E. RFP Process

8. Please clarify whether section 3.3.1 (Page 15) of the RFP is to be answered by all of the successful respondents/developers on the "short list" or only by the final "successful respondent" selected to enter into exclusive negotiations with HawCC? If all short-listed respondents are required to respond to section 3.3.1, please provide further detailed guidance on what should be submitted to satisfy the subcomponents of the deliverables and the approach for completing these deliverables.

Response: Section 3.3.1 on page 15 is to be answered only by the selected (successful) Respondent/Developer.

9. Will each of the three short-listed Respondents have an opportunity to make an oral presentation before the Evaluation Committee?

Response: The three (3) short-listed Respondent/Developer teams will have an opportunity to present their proposals before the HawCC Evaluation Committee. The
10. Regarding section 4.4 (Page 26) of the RFP, will the two highest ranked Respondents have an opportunity to make an oral presentation before the UH Board of Regents (tentatively contemplated to occur on October 20-21, 2005)?

Response: In accordance with the provisions of the RFP, the Chancellor of Hawai‘i Community College will forward the two highest ranked respondents to the President and subsequently to the Board of Regents for their approvals. It is within the President’s and Board of Regents’ sole discretion to request an oral presentation to assist them in their evaluation.