



Indicative Design Concept from the Conceptual Master Plan

NEW
**ALOHA
STADIUM**
ENTERTAINMENT DISTRICT

REAL ESTATE PROJECT
Market Outreach Book

NASED & PROJECT OVERVIEW

NASED OVERVIEW

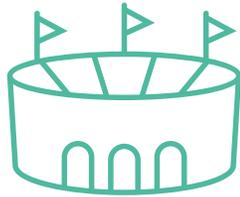


The New Aloha Stadium Entertainment District (**NASED**) Program will create a vibrant live-work-play-thrive destination on O‘ahu with a new multi-sport stadium serving as the centerpiece for a mixed-use real estate development on the existing 98-acre Aloha Stadium site located in Hālawā.

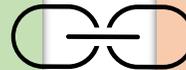
NASED = TWO PROJECTS

Linkages Are Critical

The Stadium Project



A new stadium facility delivered under a Public-Private-Partnership (**P3**) between the State and a private developer selected through a State procurement Request for Qualifications (**RFQ**) / Request for Proposals (**RFP**) process (**Stadium Project**). The RFQ stage is already complete, and the RFP is anticipated to be released to the priority listed respondents in July.



The Real Estate Project

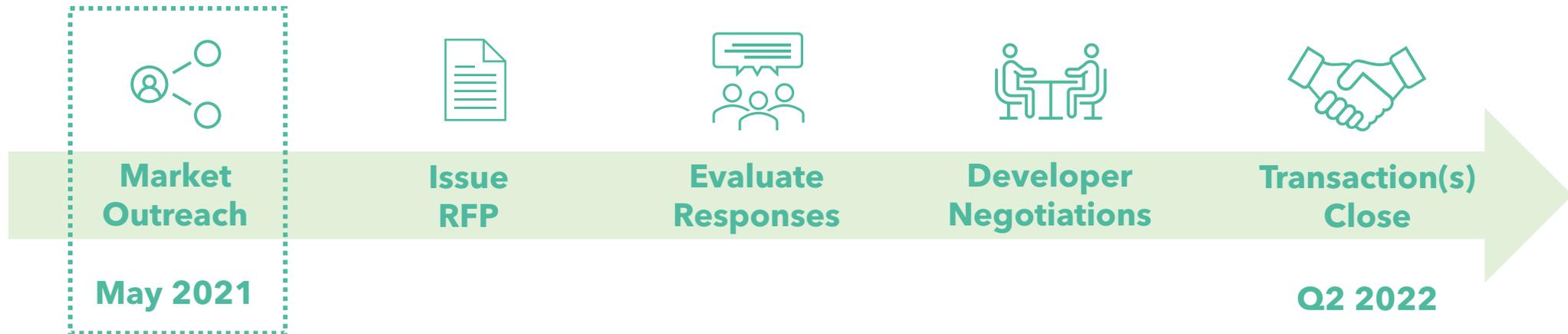


A unique mixed-use real estate development opportunity to design and deliver an entertainment district surrounding the new Stadium Project and the HART Site between the State and a private developer selected through a State procurement integrated hybrid RFQ/RFP process (**Real Estate Project**). The hybrid RFP is anticipated to be released in July.

MARKET OUTREACH

Purpose and Procurement Timing

The State* is conducting this Market Outreach process to provide the real estate development market with an opportunity for a structured dialogue at this stage of the Real Estate Project procurement. This step not only gauges the viability of the State’s current thinking about the project’s details and transaction structure, but also provides developers with the opportunity to provide invaluable feedback on how certain aspects of the Real Estate Project should be defined or potentially amended to ensure private sector participation and foster the highest levels of competition to be the State’s long-term Real Estate Project partner as part of the fulfillment of the NASED vision.



* - “State” refers to the Stadium Authority, the Department of Accounting and General Services and the Hawai’i Community Development Authority.



HYBRID P3 OPPORTUNITY

More Than Just A Real Estate Transaction

The Real Estate Project represents a unique hybrid Public Private Partnership (P3) opportunity to truly form a long-term partnership between the State and the selected developer. The contemplated hybrid approach is one where the State and developer share in long-term project risks but also share in the long-term financial benefits of a vibrant mixed-use entertainment district surrounding the new Aloha Stadium. The State is open to developer feedback as to structures and concepts to strengthen this long-term partnership approach which will differ somewhat from traditional public agency ground leases or approaches the State has utilized in the past to lease State lands to developers for other mixed-use projects.



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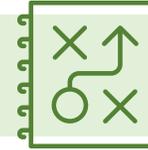
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**Contemplated
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**Initial Commercial
Framework**



Project Website



Next Steps



REAL ESTATE PROJECT TEAM

REAL ESTATE PROJECT TEAM

I. State of Hawai'i (**State**)

- Aloha Stadium Authority (**Stadium Authority**)
- State Department of Accounting & General Services (**DAGS**)
- Hawai'i Community Development Authority (**HCDA**)



II. Real Estate Project Lead Advisory Team (**Advisory Team**)

- Masterplan & Design - Crawford Architects
- Real Estate & Program Manager - WT Partnership
- Legal Advisor - O'Melveny & Myers LLP
- Financial Advisor - Goldman Sachs & Co. LLC



NASED OVERVIEW

HISTORY OF THE SITE

Pre-Aloha Stadium Era

The NASED site and adjacent areas were used for agricultural purposes, including growing rice and sugar as well as grazing lands for livestock, dating back hundreds of years.

In 1876 due to the Reciprocity Treaty, the United States was given free access to Pearl Harbor. Kamehameha Drive, which is adjacent to the NASED site, was built in the 1930s as part of the US Navy's expansion in the areas adjacent to Pearl Harbor. Prior to and during WWII, the United States constructed substantial residential and support facilities on and around the present-day NASED site.

The Navy housing on the NASED site was slowly drawn down after the war and used for low-income housing until the 1970s when the existing Aloha Stadium was constructed.



Sugar plantation in Aiea, Oahu. Pearl Harbor in background (ca. 1912)



Smoke billows over Pearl Harbor on Dec. 7, 1941, after a surprise Japanese attack. (National Park Service/SAFP)

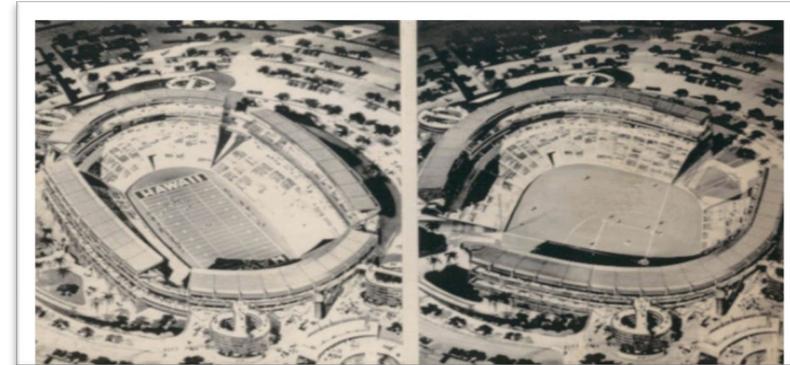
HISTORY OF THE SITE

Aloha Stadium Era

Aloha Stadium has formed the centerpiece for sports and entertainment in Hawai'i since it first opened in 1975. The innovative design created a stadium that was able to transform from a football stadium configuration to a baseball configuration.

Over the years Aloha Stadium has played host to the NFL Pro-Bowl, NFL and MLB exhibition games, College Bowl games, Nationally televised boxing matches, WWE wrestling events, Monster Truck shows and numerous concerts including Frank Sinatra, the Police, the Eagles, U2 and recently Bruno Mars.

The Stadium site also the home for the Aloha Stadium Swap Meet which occurs every Wednesday, Saturday and Sunday and the annual 50th State Fair.



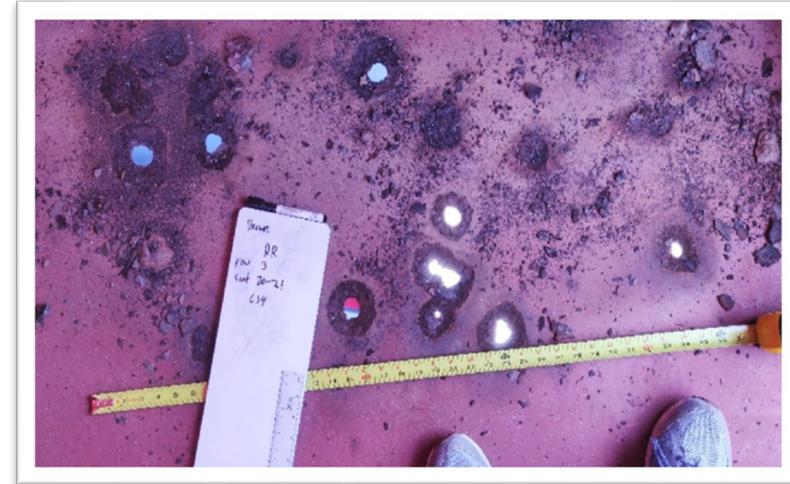
Images of Aloha Stadium over the years

COR-TEN steel was used in the construction of the Aloha Stadium. This steel alloy, often called weathering steel, has a resistance to atmospheric corrosion and over time develops a layer of oxidation that inhibits deeper penetration of corrosion. Unfortunately, the location adjacent to the Pacific Ocean and salt-air in Hawai'i is an environment that is too harsh for this material. The protective qualities of the material did not sufficiently develop, and the Stadium has been excessively corroding since its initial construction.

A 2005 planning study identified deficiencies of varying degrees within the Stadium, both code and accessibility issues as public safety issues due to the deterioration of the stadium steel.

In 2017, an update to this study concluded that the existing Stadium required approximately \$300-million in critical health and safety repairs as well as \$121-million in additional improvements to bring the Stadium into code compliance.

NASED INCEPTION



Corrosion extending through the full depth of the existing steel deck



Failure of structural weld joint due to excessive corrosion.



NASED OVERVIEW

Live-Work-Play-Thrive

As referenced earlier, NASED will encompass two vitally important projects: (a) the construction of a new stadium facility and (b) an integrated real estate development project that will serve to create NASED on the grounds of the existing Aloha Stadium site in Hālawā.

NASED is envisioned to be a mixed-use development, offering a full complement of live, work, and play components, as well as thriving community assets.

NASED will appeal to a wide variety of people, including both residents and visitors. Proposed amenities include entertainment venues, retail stores, restaurants, housing, hotels, recreational sites, cultural amenities, green space, and other community benefits.



Indicative Design Concept from the Conceptual Master Plan

STADIUM PROJECT

OVERVIEW

The Stadium will be downsized from its existing capacity of 50,000 seats to a capacity of approximately 30,000 to 35,000 seats. It will be configured to support a variety of sports and entertainment events, including football, soccer, rugby and other sports that are played on a rectangular field.

In addition, concerts, community functions and family-oriented events will be hosted in the facility. The multipurpose stadium would have a comprehensive array of fan amenities and support spaces to market new events, including additional luxurious seating options, more extensive concessions, and improved facility circulation.

The State will release the RFP for the Stadium Project in July 2021 in order to complete the process and select a final developer (**Stadium Co**), anticipated to reach financial close Q2 2022.

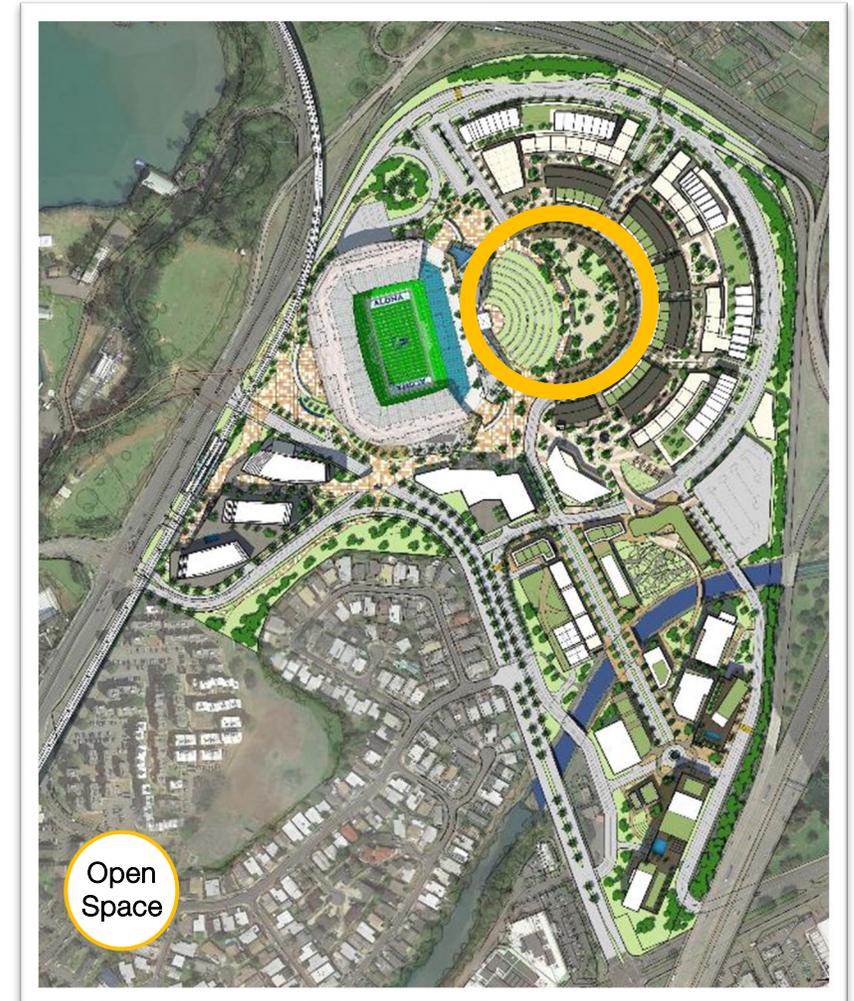


OPEN SPACE

A key scope item for NASED is that the Stadium Project will be responsible for the demolition of the existing Aloha Stadium.

The State envisions significant amounts of open space throughout NASED and would like to see those spaces programmed as recreational elements for residents and the community. The demolition of the existing stadium will result in open space located in the yellow circled area at right. While an amphitheater has been discussed for this area, it is purely a planning concept at this time.

Given the timing of Market Outreach as part of the Real Estate Project, the State welcomes feedback from the real estate development market / private sector as to thoughts and ideas as to what the area identified as Open Space at the right could or should become in the future if not open space.



PROJECT COORDINATION

Stadium and Real Estate

The Real Estate Project and Stadium Project will require close coordination between the State and the developers of both projects. This collaboration and cooperation will be expected from developers of both projects starting at Procurement and run all the way through Construction and long-term Operations and Maintenance of the entire NASED district. More details will be shared at the Real Estate Project RFP stage.



HĀLAWA AREA TOD MASTER PLAN

Developers interested in the Real Estate Project should become familiar with the contents and guidelines of the Hālawā Area TOD Master Plan as the vision and goals of this overlapping planning effort completed by the City and County of Honolulu will provide invaluable content and serve as one of the many important planning documents that have already been established with key project stakeholder input.



Images from the Hālawā Area TOD Master Plan

CONNECTIVITY



Stadium and Station –
 Make a Strong Connection



Accessibility –
 Comfortable Multimodal Access

LAND USE



Retail and Entertainment – Create a Destination



Residential and Housing Diversity – Reflects A Variety of Lifestyles



Working District – Encourages More Visitation



Sustainability – Efficiency and Economy

OPEN SPACE



Community Gathering – Cultural Programs and Public Events



Green Network – Active, Open, Community Spaces



Images from the Hālawā Area TOD Master Plan



REAL ESTATE PROJECT

OVERVIEW - VISION, MISSION, PRINCIPLES & OBJECTIVES

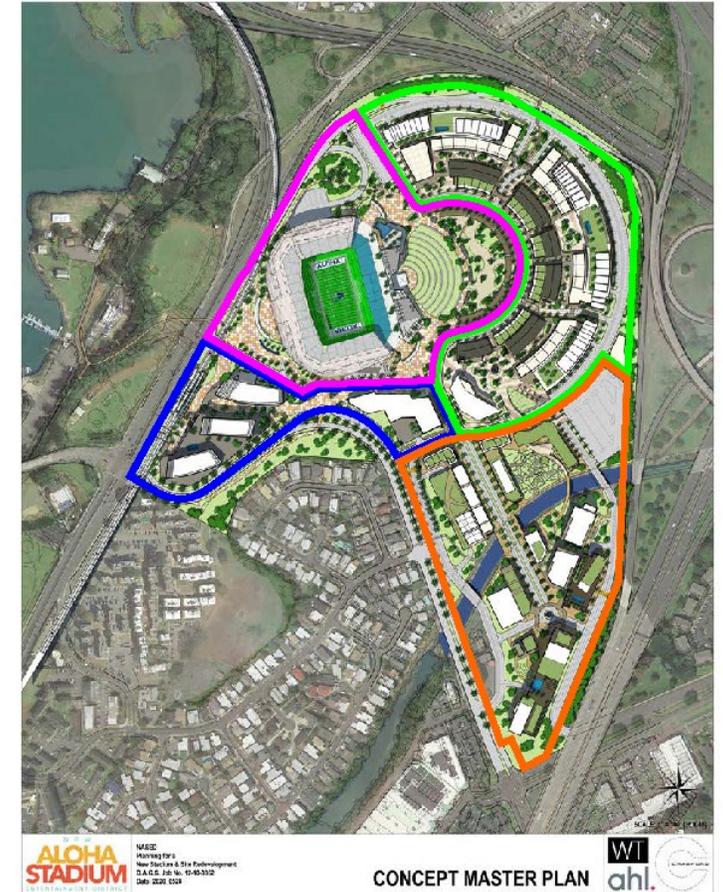
REAL ESTATE PROJECT

Overview

The Real Estate Project will comprise the development of approximately 70 to 80 acres of the NASED site (highlighted at right in blue, green and orange) and will deliver a mixed-use, live-work-play-thrive entertainment district. Development is expected to occur over 20+ years and include residential (rental and for sale options), hotels, office, retail / commercial and entertainment uses in a manner that supports the NASED vision and objectives alongside the new Aloha Stadium.

After the conclusion of Market Outreach, the State intends on conducting an open procurement process to select a developer for the entirety of the Real Estate Project area in line with the NASED vision while optimizing economic benefit to the State and minimizing the State's financial risk.

The State expects to contract with the selected developer (**Real Estate Co**) via a long-term ground lease revenue structured transaction (**Ground Lease**) for the site that will ultimately result in the development of a vibrant mixed-use entertainment district that fully supports the vision of NASED and will bring annual revenue to the State to help offset the cost and expenses of the Stadium Project.



Indicative Design Concept from the Conceptual Master Plan

REAL ESTATE PROJECT



REAL ESTATE PROJECT



REAL ESTATE PROJECT

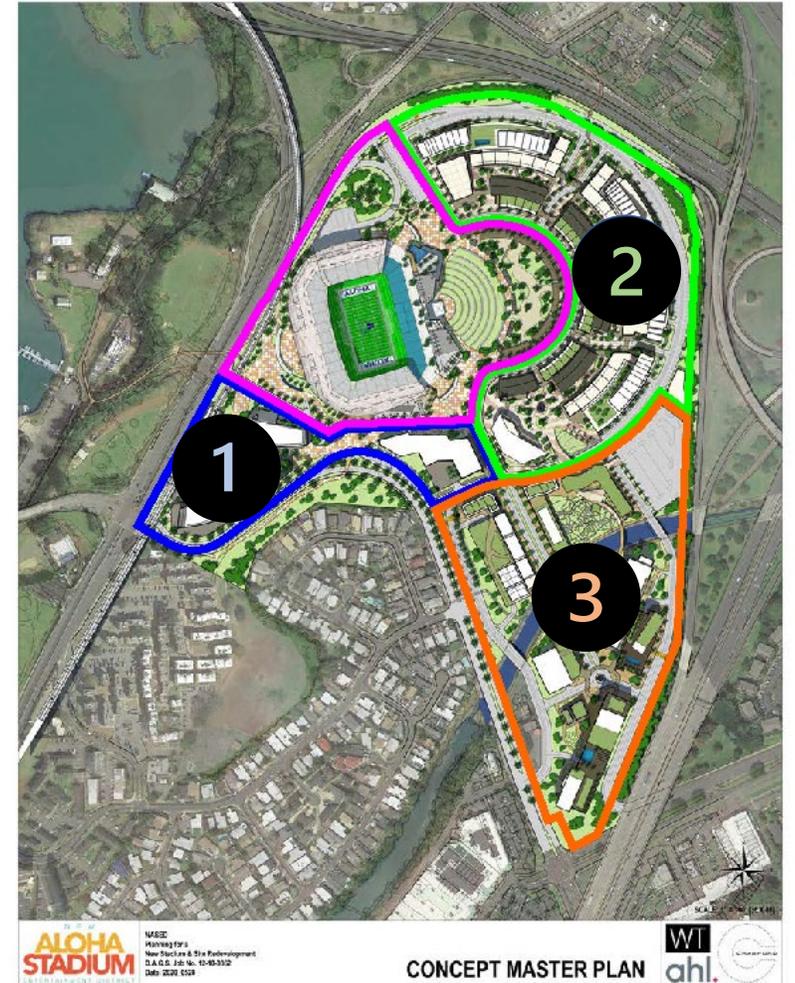


REAL ESTATE PROJECT

Hypothetical Sequence of Development

After careful consideration of market, economic and absorption data obtained during the project due diligence period, the State initially contemplates that development of the Real Estate Project area could take place in the following sequence. As part of soliciting developer feedback during the Market Outreach, the State welcomes feedback as to the accuracy of this hypothetical sequencing or if developers have alternative ideas about what area(s) might be developed first:

- 1** HART Site
- 2** Area surrounding the Stadium Project
- 3** Southern portion of the Site (Hālawa North & South)



VISION, MISSION & PRINCIPLES

Real Estate Project



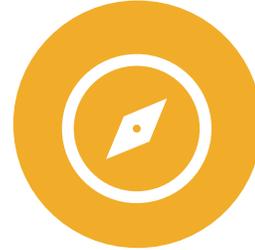
VISION

NASED will be a live-work-play-thrive District that celebrates Hawai'i and inspires a feeling of Aloha for residents and visitors alike.



MISSION

The NASED Program will deliver a world class and community-centric mixed-use district, anchored by a new sports and entertainment venue that catalyzes ongoing successful development of the district for the benefit of the State of Hawai'i.



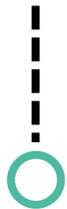
PRINCIPLES

- **Community:** engaging and working with the community
- **Partnering:** engaging with, listening to, and leveraging the private sector through partnership
- **Sustainable:** creating a pathway to a financially self-sustainable and environmentally conscious district
- **Long-term thinking:** balancing the needs of today with a vision for the future
- **Innovation:** fostering and promoting innovation and using experience to guide decision making
- **Resilience:** establishing resilience to local, national and global events and the ability to adapt to change

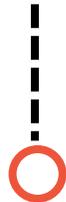
KEY OBJECTIVES

Critical for Project Success

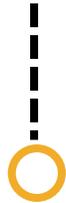
There are six Key Objectives as part of the overall NASED strategy. More details about each Objective are listed out in the following pages of the Market Outreach Book.



DISTRICT



FINANCIAL



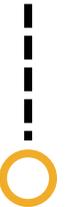
**PROJECT
MANAGEMENT**



TRANSPORTATION



DEVELOPMENT



COMMUNITY

District - deliver a community-centric, integrated live-work-play-thrive district that:

- transforms the area into an active environment, with a vibrant mix of land uses that respond to the site and are appropriate for Hawai‘i
- is founded on sound urban design and planning principles that can respond to emerging trends including transit-oriented development initiatives
- heightens the area’s use as a community gathering place through the provision of spaces for recreation, cultural programs and public events
- encourages and supports a range of lifestyles and activities for residents and visitors
- is environmentally sustainable and operationally efficient
- accommodates and enhances the attractiveness and viability of the Aloha Stadium Swap Meet

Financial

- optimize revenue generation from development and NASED operations with the NASED vision, mission and other objectives
- optimize long-term economic benefits to the State and local community
- minimize the State's exposure to long-term financial risks

Project Management - ensure that:

- the State and Stadium Co and Real Estate Co can demonstrate the value of a partnership between public and private sector entities to optimize value for money and innovation
- trust and integrity in the public and governmental contracting process is maintained
- investment and funding decisions are well-considered and optimize value for money to the State
- compliance with HRS Chapter 343; Act 50 SLH 2000; and HAR Chapter 11-200.1 are maintained fully and acted upon in good faith during the development

Development - deliver development surrounding and supporting the New Aloha Stadium that:

- is complementary to the operation and financial sustainability of the New Aloha Stadium itself
- provides a highly integrated and activated live-work-play-thrive district that will not only enhance and complement the excitement of stadium events but will also be a seven-day-a-week destination that is valued by residents and visitors alike
- encapsulates the vision of the NASED Program as a full service, mixed-used development that offers a wide range of amenities that serves the residents of and visitors to of the State of Hawai'i
- includes initial development that:
 - establishes the sense of place and live-work-play-thrive vision for the district
 - builds critical mass that sets the stage and creates momentum for value creation and future development opportunities
 - allows for future flexibility to respond to changing market demands

Transportation - ensure that:

- an optimal mix of transport options are provided that respond to NASED user needs and demands in a safe and integrated manner
- development increases access and transportation availability arising from the HART Station
- development provide safe, secure connections that link the HART Station to the area's major destinations, including adjacent historic sites, cultural amenities and activity centers

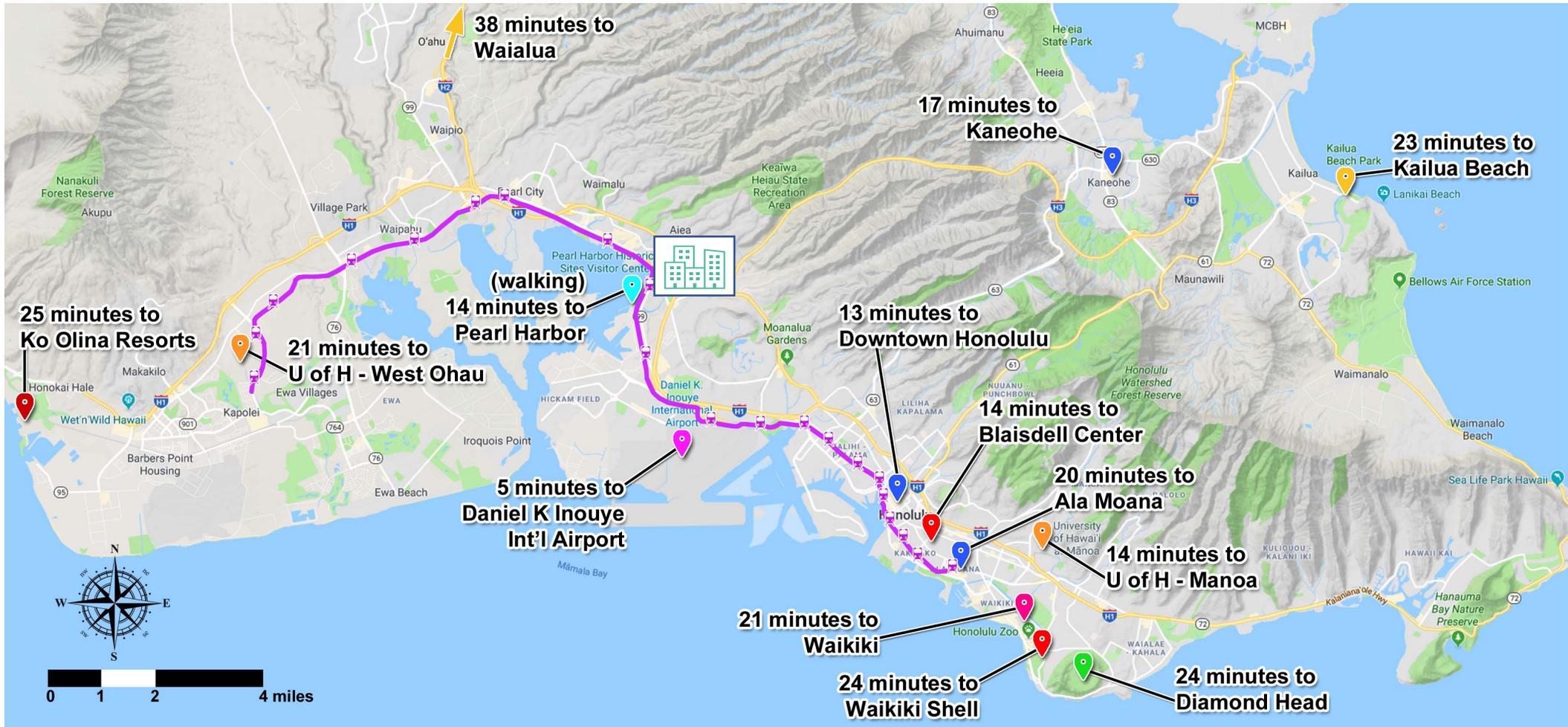
Community - ensure that:

- NASED engenders a sense of pride and delivers a sense of place through the promotion of local community identity and culture
- input from the local communities, businesses, stakeholders, and government agencies and authorities is sought and, where appropriate, reflected in project planning
- strategies that maximize the benefit to the public are considered in the planning process



SITE OVERVIEW

VICINITY MAP



SITE OVERVIEW

The site is the existing area around Aloha Stadium and is located immediately adjacent to highways H1, H201, and Salt Lake Boulevard, on the Diamond Head side of Pearl Harbor.

The site is 98 acres in total size and has access to a HART stop and an additional 20 bus stops are present in a ¼ mile radius from the site perimeter.

Approximately 258,000 residents of O‘ahu live within a 10 - minute drive from the Site.

A challenge of the Site would be not to deprive the University of Hawai‘i Athletics Program of a functioning venue during demolition and construction.

Zoning is currently R-5 but the State is in the process of amending to BMX-3. The anticipated timing of this change is currently estimated at late summer 2021.



Indicative Design Concept from the Conceptual Master Plan

SITE OVERVIEW

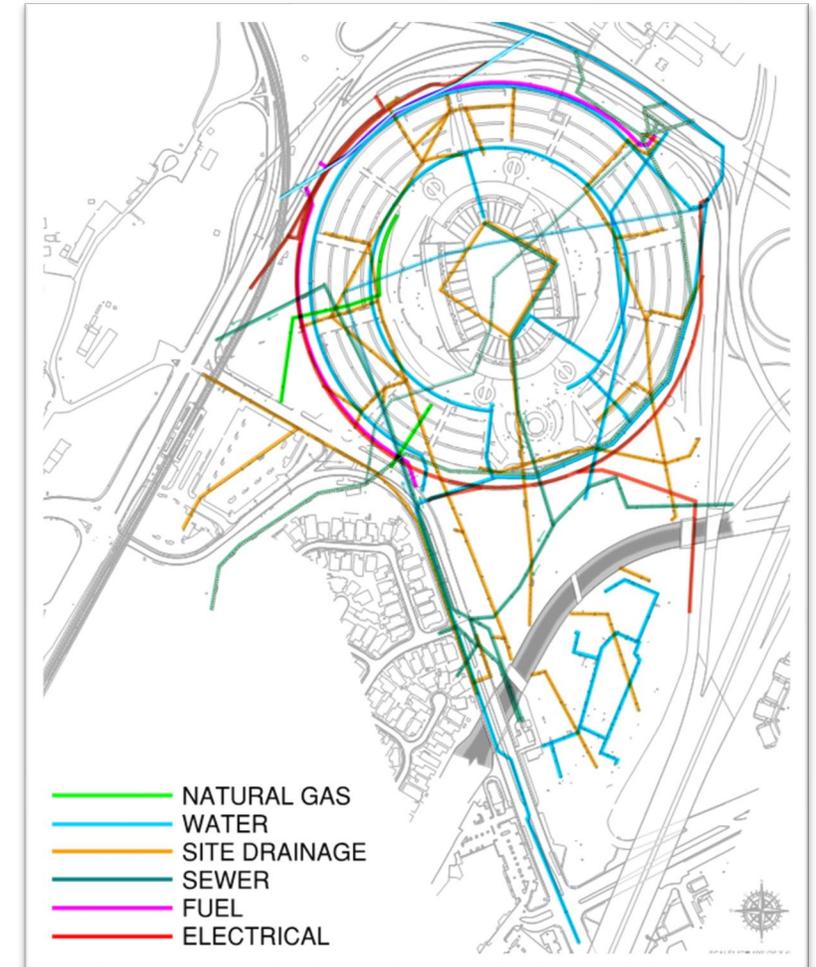
Current Infrastructure

The site currently contains numerous utilities lines and utility easements.

The majority of the easements running through the site follow the ring road around the perimeter of the site.

The majority of the other utilities on the site are in place to serve the existing Stadium and Stadium parking lots.

The State is currently in discussion with relevant agencies and authorities regarding on-site wastewater treatment. The State intends to provide the outcomes of these discussions through the Real Estate Project procurement process.



ADDITIONAL SITE PRIORITIES



ADDITIONAL SITE PRIORITIES

Beyond the Vision, Mission and Key Objectives of NASED, the Real Estate Project site itself has several priorities that real estate developers and their respective teams should take into consideration when contemplating pursuing this opportunity.

- Maintaining and enhancing open space for the Swap Meet and the State Fair
- Establishing connectivity to the HART Station
- Improving traffic flow on and around the site
- Improving parking and ride share locations
- Improving connectivity of the site to surrounding neighborhoods
- Ensuring safe pedestrian and bicycle paths through the site



Indicative Design Concept from the Conceptual Master Plan

ADDITIONAL SITE PRIORITIES





ENVIRONMENTAL OVERVIEW

ENVIRONMENTAL OVERVIEW

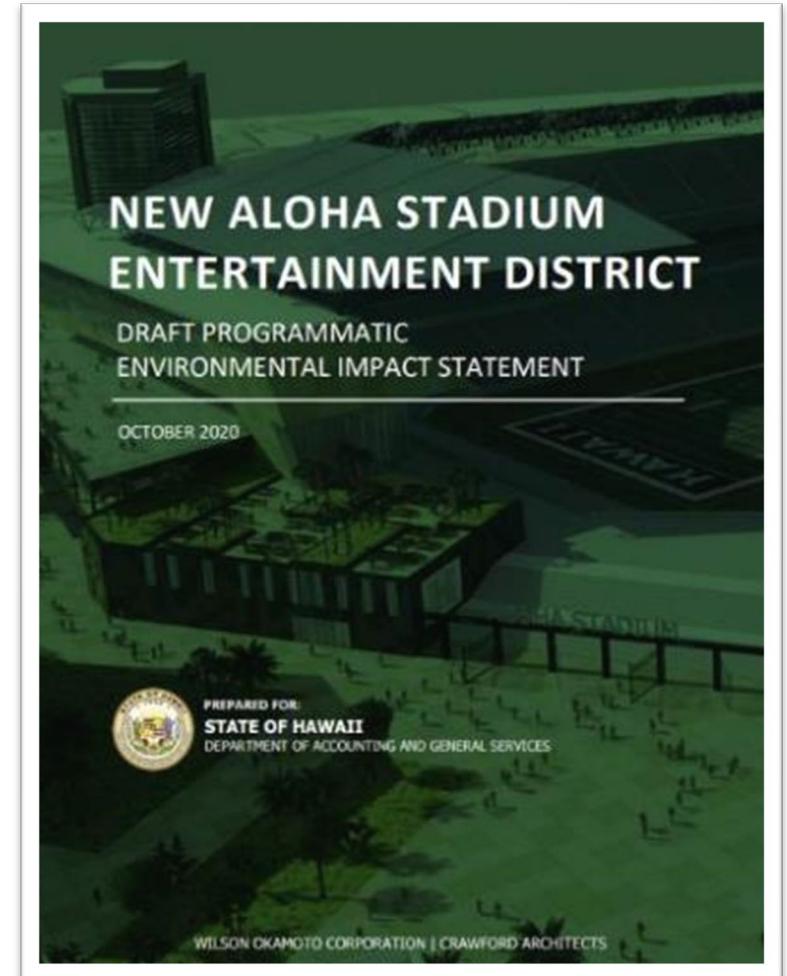
The Draft Programmatic Environmental Impact Statement (EIS) has been prepared pursuant to Chapter 343, Hawai'i Revised Statutes (HRS), and Title 11, Chapter 200.1, Hawai'i Administrative Rules (HAR), Department of Health (DOH), State of Hawai'i. The report covers matters such as: archaeological, cultural, flora and fauna, geotechnical, noise, engineering, hazardous materials, traffic, and economic considerations.

The Final EIS is scheduled to be completed in summer of 2021.

While the State will work to complete the Programmatic EIS, Real Estate Co will be responsible to remediate any potential environmental issues on the site. During the procurement process, the State will discuss with Real Estate Co potential methods to effectively manage such costs, such as Brownfields voluntary agreements and other documentation.

If supplemental EIS' or further environment assessments are required, this will be the responsibility of Real Estate Co to obtain. Copies of the EIS can be accessed here [Click Here](#)

http://oeqc2.doh.hawaii.gov/the_environmental_notice/2020-12-23-ten.pdf



ENVIRONMENTAL OVERVIEW

A Phase I Environmental Site Assessment has been prepared to support the EIS. It has identified several areas of concern that will likely require further investigation and potential site remediation.

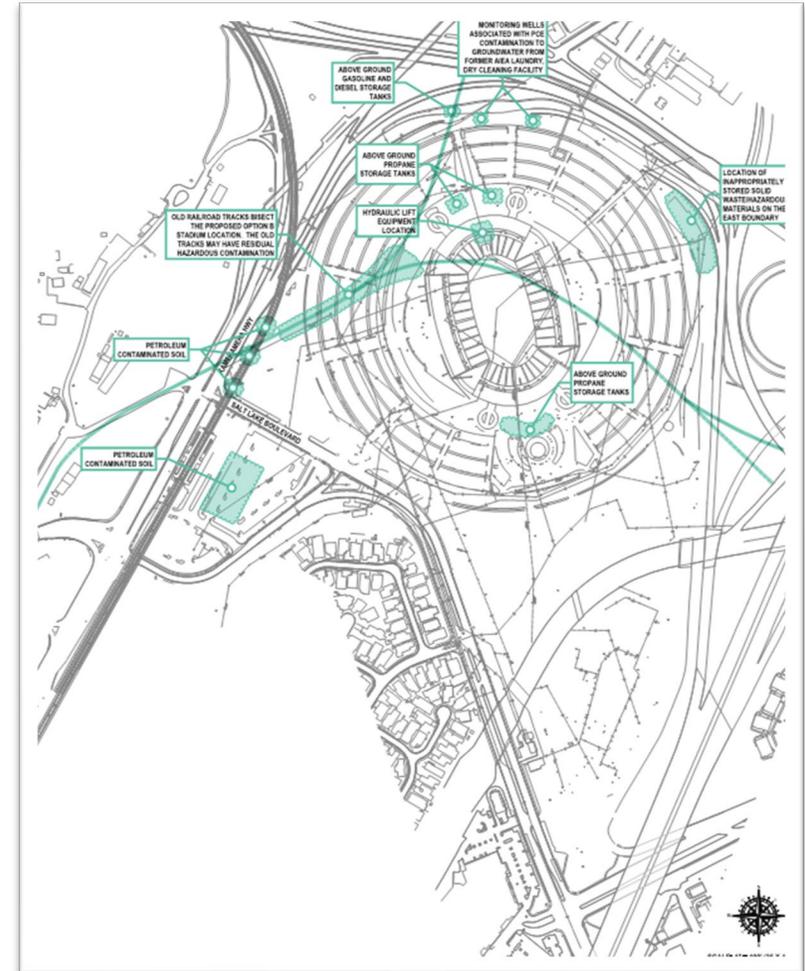
A railroad line ran east-west through the middle of the site prior to the construction of the existing Stadium.

Monitoring wells associated with a former laundry facility that served the Navy Barracks are located at the northern end of the site.

The hydraulic equipment used to reconfigure and rotate the large stadium sections is a potential source of contamination.

Petroleum contaminated soil exists on the HART Site and along the Navy's fuel line near the HART Site.

The Phase I Environmental Site Assessment does not identify any monitoring wells to check on the plume from the Red Hill fuel tanks.



Source: Programmatic EIS



MARKET STUDY & PREFERRED USES

MARKET DEMAND STUDY



New Aloha Stadium Entertainment District
Halawa, Oahu, HI
Prepared for Crawford Architects / WT Partnership
September 4, 2020

RCLCO
REAL ESTATE ADVISORS

Various market studies were conducted for NASED in 2019 and 2020, including a Market Feasibility Study & Economic Impact Analysis, a Strategic Market Analysis, and a Financial and Land Value Analysis.

These studies covered demographic/socioeconomic profiles and comparative market analysis, stadium program recommendations, and immediate and long-term ground lease expectations.

These studies also covered site opportunity, economic & demographic drivers, market analysis, and a potential development program for the Real Estate Project that could find support in the marketplace.

The Market Demand Study also helps support the State's vision for a vibrant live-work-play-thrive entertainment district for the Real Estate Project site.

MARKET DEMAND STUDY

Overview

The State has conducted an independently prepared Market Study to better understand potential supportable uses, absorption rates, and supportable underlying ground lease values as part of the Real Estate Project. A summary of the Market Study observations are located on the following slides:

- The NASED site reflects a unique opportunity to create a vibrant mixed-use entertainment district anchored by the redeveloped Aloha Stadium and forthcoming transit project.
- The NASED site can also draw from strong existing characteristics of the local market benefitting from proximity to Pearl Harbor and transit access.
- As the only stadium-anchored project in all of Hawai'i, NASED can establish a sense of place unlike anything that exists across the islands today or well into the future.
- Despite the ongoing concerns with COVID-19, the study incorporates expectations that the economic downturn and recovery period will persist in Honolulu over the next several years. Given this downturn, some of the projections assume development delivery and lease activity when the economy has resumed a growth trajectory (estimated in 2024).
- As with all long-term market growth and absorption studies over a 20+ year period, there are likely to be several periods of economic growth and decline and the performance of the market is likely to deviate from the long-term average in any given year.

MARKET DEMAND STUDY

SWOT



- The site has the ability to create a cohesive mixed-use environment as it is one of the few remaining large-scale development opportunities in all of O‘ahu.
- Integration with the Stadium is key to bring in additional traffic.
- Adjacent to multiple highways and Honolulu International Airport.
- Future rail station improvements will improve access and bring in more residents and visitors and enhance viability of multiple uses.
- Close to Joint Base Pearl Harbor-Hickam and Pearl Harbor National Memorial.
- Potential views of water and surrounding nature from much of the site.

MARKET DEMAND STUDY

SWOT

- Aside from Pearl Harbor, area is otherwise not a primary visitor destination and will need to find creative ways to use the Stadium and mix of uses to attract visitors and residents who would otherwise not have visited the site.
- Little immediate opportunity for integration with surrounding neighborhoods due to highways circling the site.
- Area is considered secondary/tertiary location for multifamily, office and retail uses. However, opportunity for major mixed-use entertainment development to induce new demand.



MARKET DEMAND STUDY

Potentially Supportable Uses

The following summary provides an overview of potential primary uses identified in the Market Study that would support the NASED vision. Civic/Public space was also contemplated in the Market Study to support the vision of NASED as well.



Retail / Entertainment

- Will need to serve local households, stadium guests, employees and visitors.
- Potential uses include grocer, restaurants, hard/soft good boutiques, and significant lifestyle/entertainment.



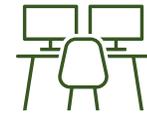
Residential

- Pent-up demand for various unit configurations from professionals, lifestyle renters-by-choice, families, and military households.
- Strong demand from singles, couples and families versus high-end/second-home buyers.
- Opportunity to attract local, mainlander and international buyers who want to be in a vibrant mixed-use entertainment district project.



Hotel

- Market could likely support new hotel rooms beyond known pipeline by 2026, especially given the new Stadium Project.
- The likely candidates for hotel product are a mix of limited and full-service options.



Office

- Attractive location but key factors temper higher demand at the Site.
- While office supports the NASED vision, it will likely need to be value-engineered.

MARKET DEMAND STUDY

Hawai'i Residents vs Visitors

The Market Study objectively evaluated various sources of demand and determined the site's capture of those sources. The results of this analysis suggest that almost 80% of the development program analyzed could be supported by Hawai'i Residents. The following is a breakdown by demand category.

RETAIL / ENTERTAINMENT



RESIDENTIAL



OFFICE



HOTEL



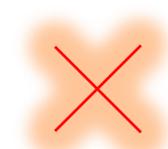
PREFERRED USES SUMMARY

Uses Needed to Support NASED Vision



State Preferred Uses Supported by Market Study

- Residential
 - Rental - various types and unit configurations
- Retail
 - Community-serving
 - Lifestyle / Themed Entertainment
- Hotel
 - Mix of Full and Limited Service
- Office
- Public/Civic



Uses Not Supported by the State*

- Automobile sales and rentals
- Medical research and labs
- Self-storage
- Food manufacturing/ processing
- Distribution centers
- Correctional facilities
- Other uses not supporting a vibrant mixed-use entertainment district
- Uses currently allowed by the City and County of Honolulu under BMX-3 Zoning
(note – current Zoning is R-5 but planned to be changed to BMX-3)

MARKET DEMAND STUDY

Demand Projections Overview

- The Market Study projected the development potential at NASED as part of realizing the NASED Vision and implementing the Real Estate Project Conceptual Master Plan.
- The build-out projections contained in the Market Study and summarized in the Market Day book are of uses that support the NASED vision, but do not represent a prescriptive development program or delivery schedule that developers must adhere to.
- However, alternative development programming and delivery schedules as part of developer proposals must still support the overall vision for NASED.

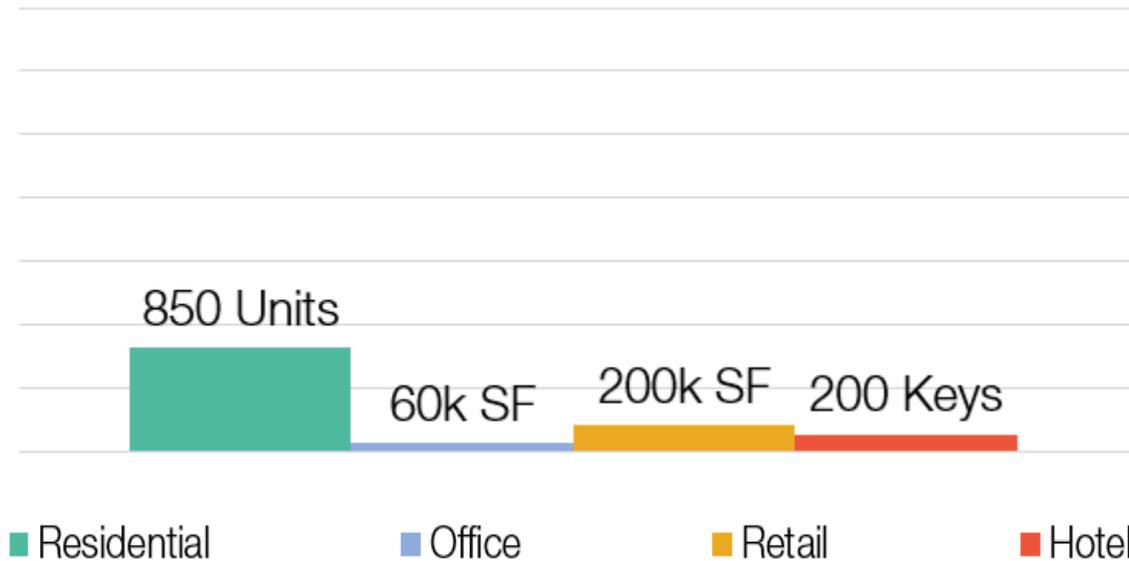


MARKET DEMAND STUDY

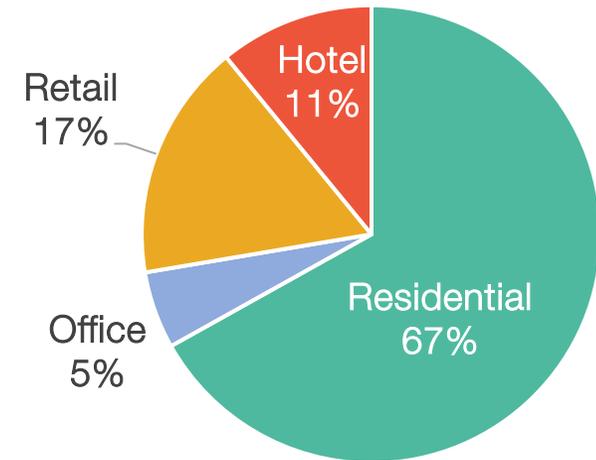
First Five-Year Projections

Within the first five years, the Market Study projects potential support for **1.2 million** square feet of development* within the Real Estate Project site.

Potential Development Program - First Five Years



Potential Use Breakdown - First Five Years



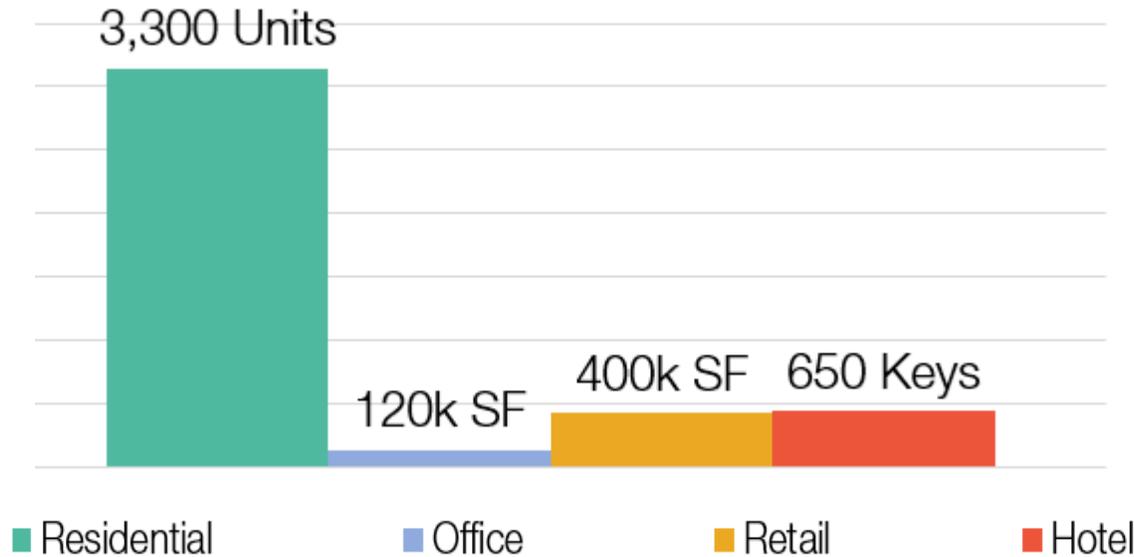
* - These are projected estimates only and do not convey actual allowable building area pending final EIS approval and approvals by the City and County of Honolulu
 Source: RCLCO Market Study – September 4, 2020

MARKET DEMAND STUDY

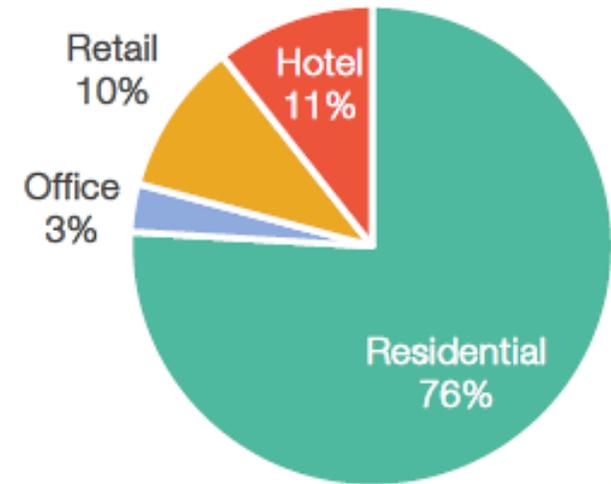
20+ Year Projections

Within the anticipated 20+ year buildout, the Market Study projects potential support for 4.1 million square feet of development* within the Real Estate Project site.

Potential Development Program - 20+ Years



Potential Use Breakdown - 20+ Years



* - These are projected estimates only and do not convey actual allowable building area pending final EIS approval and approvals by the City and County of Honolulu
 Source: RCLCO Market Study – September 4, 2020



CONTEMPLATED PROCUREMENT PROCESS

PROCUREMENT PROCESS

Procurement Analysis

Based on current procurement policies, the State then conducted an analysis of potentially available procurement options based on existing guidelines and best practices within the industry. While several different options and iterations exist for procuring the Real Estate Project, the State identified a hybrid approach that appears to be the most viable for this project.

The Procurement Evaluation

The State utilized the following evaluation factors when designing the Real Estate Project Procurement Process:

- Certainty
- Risk
- Competition
- Innovation
- Time
- Cost



The Procurement Process

A hybrid process that includes the issuance of a single document combining the essential elements of both an RFQ and RFP that selects one or more bidders based on their qualifications and their overall development and financial proposal, that leads either directly to contract award or to negotiations with the selected bidder(s).

CONTEMPLATED PROCESS

Additional Details

The State plans to issue a single integrated Request for Proposals (RFP) document open to all prospective bidders that will combine traditional elements of both an RFQ and RFP process that includes two integral stages:

Stage 1 - Sample Qualification Requirements:

- Financial capacity
- Organizational capacity
- Successful comparative experience such as:
 - transit-oriented development (TOD),
 - stadium/sports facility adjacent,
 - mixed-use entertainment districts,
 - ground lease with public agencies, and
 - projects with culturally diverse communities with essential public amenities such as a swap meet



Stage 2 - Sample Proposal Requirements:

- **Technical:**
 - Integrative Master Plan
 - Functional uses
 - Timing of development
- **Commercial:**
 - Commercial Terms and Financing Plan
 - Ground Lease Proposal (i.e. returns to the State)



The State then either:

- directly enters into contract(s) with one or more preferred bidder(s); or
- enters into negotiations with the preferred bidder(s) to resolve outstanding matters and then enter into contract(s).

CONTEMPLATED TIMING

The State anticipates the following timeline to complete Market Outreach, issue the integrated RFP, select a development partner, and then reach agreement on the primary development opportunity site(s) by Q1 2022 to coincide with the anticipated closing of the Stadium Project transaction.

Market Outreach



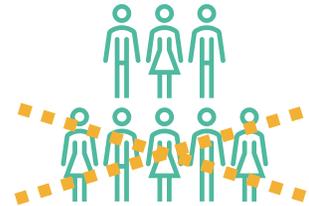
May

Integrated RFP (Q-stage)



July - September

Integrated RFP (P-stage)



October - December

Financial Close



Q2 2022

Stadium Project



ONGOING PUBLIC INPUT

It is critical for the community to have a voice in order for NASED to be successful. This includes ongoing public review and feedback during the entire Real Estate Project process from Market Outreach through to horizontal and vertical development. Developers will be expected to develop a comprehensive Community Outreach and Communication Plan if selected to participate in the Proposal phase of the integrated RFP.

Market Outreach



Integrated RFP (Q)



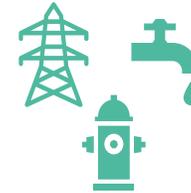
Integrated RFP (P)



Negotiation & Contracting



Horizontal Development



Vertical Development



Public Review and Feedback





INITIAL COMMERCIAL FRAMEWORK ELEMENTS

COMMERCIAL FRAMEWORK

Introduction

At this stage in the procurement process, the State has developed an initial commercial framework that spells out expectations, roles and responsibilities that are at this time known and/or preferred to occur between the State and selected developer. At the RFP stage, the State will have developed a more detailed Term Sheet and Assumptions that will go into further details than what is being shared during the Market Outreach process. Items included for developer review and feedback as part of Market Day include the following:



**Contract
Terms**



Scope



Utilities



Planning



Operations



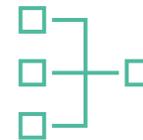
Maintenance



**Property
Tax**



**Financial
Terms**



**Procurement
Process**



Termination

COMMERCIAL FRAMEWORK

Contract Terms & Duration

The State expects to enter into an agreement with Real Estate Co to deliver the Real Estate Project. While the State will prepare contracting documents, it is open to market feedback as to potentially appropriate alternative contract structuring. By way of reference, the State has been initially considering:

- a single master lease/tenant arrangement over the entire Real Estate site; and
- a master developer arrangement over the Real Estate Site, with ground lease opportunities for Real Estate Co to undertake each parcel of development directly or sublease.

The State intends on offering ground lease terms of up to 99 years. No fee simple arrangements are permissible, and the State does not intend to offer the right to convert ground leases into fee ownership.



COMMERCIAL FRAMEWORK

Scope

The State does not intend on prescribing the required mix of asset categories (residential, retail, hotel, office, etc.) or timing of project deliveries of vertical development but may set minimum requirements. Offerors to the Real Estate Project procurement process will be expected to each propose a Development Plan that describes their proposed mix of asset categories and timing of development. Real Estate Co will also be expected to comply with and deliver upon its Development Plan.

Development will need to be consistent with the planning controls and principles described in the State's Conceptual Master Plan for NASED. Any proposed departures or deviations will be subject to the approval of the State. The intent is not to be prescriptive on development approach, but to ensure an appropriate level of planning oversight over the Real Estate Project by the State.

Development will need to comply with all City and County of Honolulu planning requirements and applicable planning documents.

The State expects to complete the Programmatic Environmental Impact Statement for NASED; however, Real Estate Co will be responsible for any further potentially required environmental assessments or supplemental environmental impact statements.

Real Estate Co will be expected to deliver and fund all requisite horizontal / supporting infrastructure within the Real Estate Project Site to support NASED. This is expected to include the internal vehicular and pedestrian network, public spaces, landscaping, parking and all related above and below-grade horizontal infrastructure.

Real Estate Co will be expected to deliver additional supporting infrastructure for the new Aloha Stadium, including connecting roadways and pedestrian routes (including pedestrian access to and from the HART Rail Station) mass parking for Stadium events and facilities for the Aloha Stadium Swap Meet and the 50th State Fair.

COMMERCIAL FRAMEWORK

Utilities

The existing Real Estate Project site is serviced by utilities sufficient for the new Aloha Stadium. There may be some minor capacity available after the new Aloha Stadium is built; however, it is expected that Real Estate Co will arrange and provide for any additional utility requirements for the Real Estate Project, including power, water, wastewater treatment, telecommunications, etc.

The State is currently in discussion with relevant agencies and authorities regarding on-site wastewater treatment. The State intends to provide the outcomes of these discussions to prospective bidders through the procurement process.



COMMERCIAL FRAMEWORK

Planning Controls

The State is in the process of completing the Programmatic Environmental Impact Statement (EIS). Details can be found here:

- [Volume 1](#)
- [Volume 2](#)
- [Volume 3](#)

The State intends on working with the City and County of Honolulu to change the zoning provisions of the NASED site from R-5 to BMX-3. The anticipated timing of this change is currently estimated at late summer 2021.

The State fully expects the Real Estate Co to work cooperatively with the Stadium Co on all planning activity prior to construction and during all post-delivery activities. More Planning Control details are provided on the following page.



PLANNING CONTROLS DETAIL

Maintaining the State's Vision for NASED

The following Planning Controls are critical for the State to enforce:

- The Stadium Project and Real Estate Project (and the District as a whole) must apply an integrated approach from a public realm / built form / urban design / master planning perspective.
- The State will retain an appropriate level of oversight / control over both projects and the District as a whole – master planning is expected to evolve over time but will be undertaken in a controlled manner subject to State oversight.
- The State's private sector development partners will be responsible for working collaboratively with the State and the City and County of Honolulu.

From a transaction and contractual perspective, the following is also critical:

- Developers will be required to submit project specific Master Plans as part of the Proposal stage of the RFP.
- Developers will need to demonstrate understanding of the State's requirements / intent for NASED from a planning control perspective and the State's Concept Master Plan requirements (including built form, urban design controls and the appropriate mix of asset categories, density, etc.) will be evaluated.
- Developers' project specific Master Plans (Stadium / Real Estate Projects) will be incorporated into the relevant contracts with corresponding obligations to implement in accordance with those plans and the State's Concept Master Plan.



COMMERCIAL FRAMEWORK

Operations

The State requires the use of certain Real Estate Project elements for its continued operation of NASED, including:

- access to and use of approximately 5,000 car parking stalls on event days for the new Aloha Stadium;
- access to and use of a prescribed area and assets for the Aloha Stadium Swap Meet, the 50th State Fair, and for emergency management requirements.

The State also intends on reserving the rights to be responsible for the management, operation and, where relevant, commercialization of the following within public rights of way within the Real Estate Project Site:

- traffic management;
- signage, including digital signage and advertising;
- telecommunications and technology partnerships; and
- potentially other rights, to be further defined.



COMMERCIAL FRAMEWORK

Maintenance

The State understands that several options are available for maintaining the public areas of the Real Estate Project Site such as roads, sidewalks, utilities, landscaping, etc.

Through this Market Outreach and the following RFP procurement process, the State seeks to define an appropriate allocation of responsibilities and costs for ongoing capital investments, maintenance, operation and repairs to such areas.



COMMERCIAL FRAMEWORK

Property Tax

Property tax is expected to be required to be paid by Real Estate Co.



COMMERCIAL FRAMEWORK

Financial Terms

The State does not anticipate bearing any cost or expense associated with the development of the Real Estate Project.

Real Estate Co will reimburse the State for the State's expenditures incurred in relation to the preparation and negotiation of definitive agreements with the State (including its legal expenses), as well as costs and expenses associated with the ultimate planning, design and implementation of the Real Estate Project.

The Real Estate Project must be a source of revenue to help offset the costs of delivering and maintaining the Stadium Project. Proposals from developers will be scored on various factors, however the economic contribution from the Real Estate Project will be one of the primary scoring factors.

Whereas the Real Estate Project may be developed over several years, the State wishes to explore the opportunity to sensibly bring forward Real Estate Project revenue and may wish to explore different options with respect to balancing the timing of development and project cash flows.

At the same time, proposals from developers will also be assessed based on their long term, overall economic contribution to the State. In this regard, the State will consider various economic proposals including longer term profit participation arrangements.



COMMERCIAL FRAMEWORK

Procurement Process

The State intends on conducting a single stage, integrated RFP process for the Real Estate Project. The RFP will be open to all prospective bidders and will include an integral qualifications stage whereby the State will seek qualifications from bidders and then shortlist two to five bidders based on their qualifications. Only the shortlisted bidders will be invited to continue in the procurement process and submit fully developed proposals. The initial qualifications are expected to include:

- prior experience in planning and delivering large scale real estate mixed-use entertainment districts; and
- design build projects adjacent to stadiums, transportation, cultural, and tourist related developments.

The shortlisted bidders will then be invited to continue on in the procurement process to submit fully developed proposals. The proposals are expected to include:

- a Development Plan that describes the proposed approach to developments, including for each parcel or part of the site, land uses, timing, required market conditions, potential tenants and operators, etc.
- a financial proposal that describes the proposed approach to funding the Real Estate Project and the financial arrangement with the State (e.g., ground lease terms and other payments).

The State wishes to explore Development Plans and financial proposals that address the expected long-term nature of development within the Real Estate Project. That is, the State expects certainty over immediate term land uses, designs, etc., along with certainty over financial matters therein. However, the State is willing to consider increasing flexibility to respond to market conditions and opportunities for those parcels or parts of the site that may not be developed for many years.

COMMERCIAL FRAMEWORK

Termination

The State expects that the contractual arrangement(s) with Real Estate Co may be subject to termination in the following cases in part:

- material delay in the negotiations
- breach of agreements
- failure to achieve primary milestones by specified dates
- failure to reach agreement upon design, scope, allocation of responsibilities
- “cause events” such as misrepresentation, reputational issues
- protracted litigation or administrative or regulatory challenges arising from the proposed Development Plan

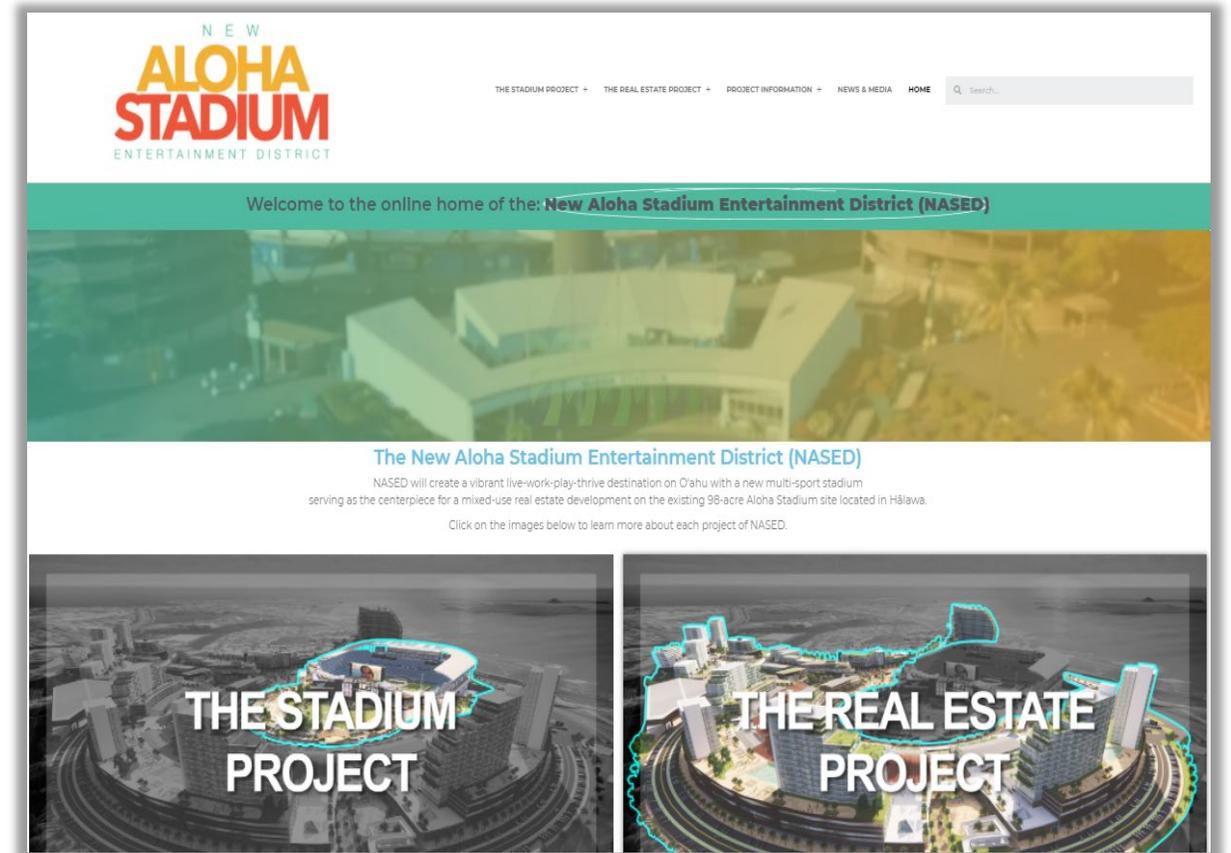




PROJECT WEBSITE

PROJECT WEBSITE

- Project Information and Background
- Market Outreach Information Hub
 - Registration
 - Market Workbook and Presentation Information
 - Market Outreach Feedback Survey
- Project Documents
- Project Milestones
- <https://nased.hawaii.gov>



FEEDBACK SURVEY

A feedback survey will be available following the Market Outreach Event. The intent of the survey is to garner initial comments and feedback on the proposed project vision, initial procurement and commercial frameworks, and more.

Participation in the survey will grant you access to the NASED Market Outreach Book and Presentation along with a list of attendees.

How to access the feedback survey:

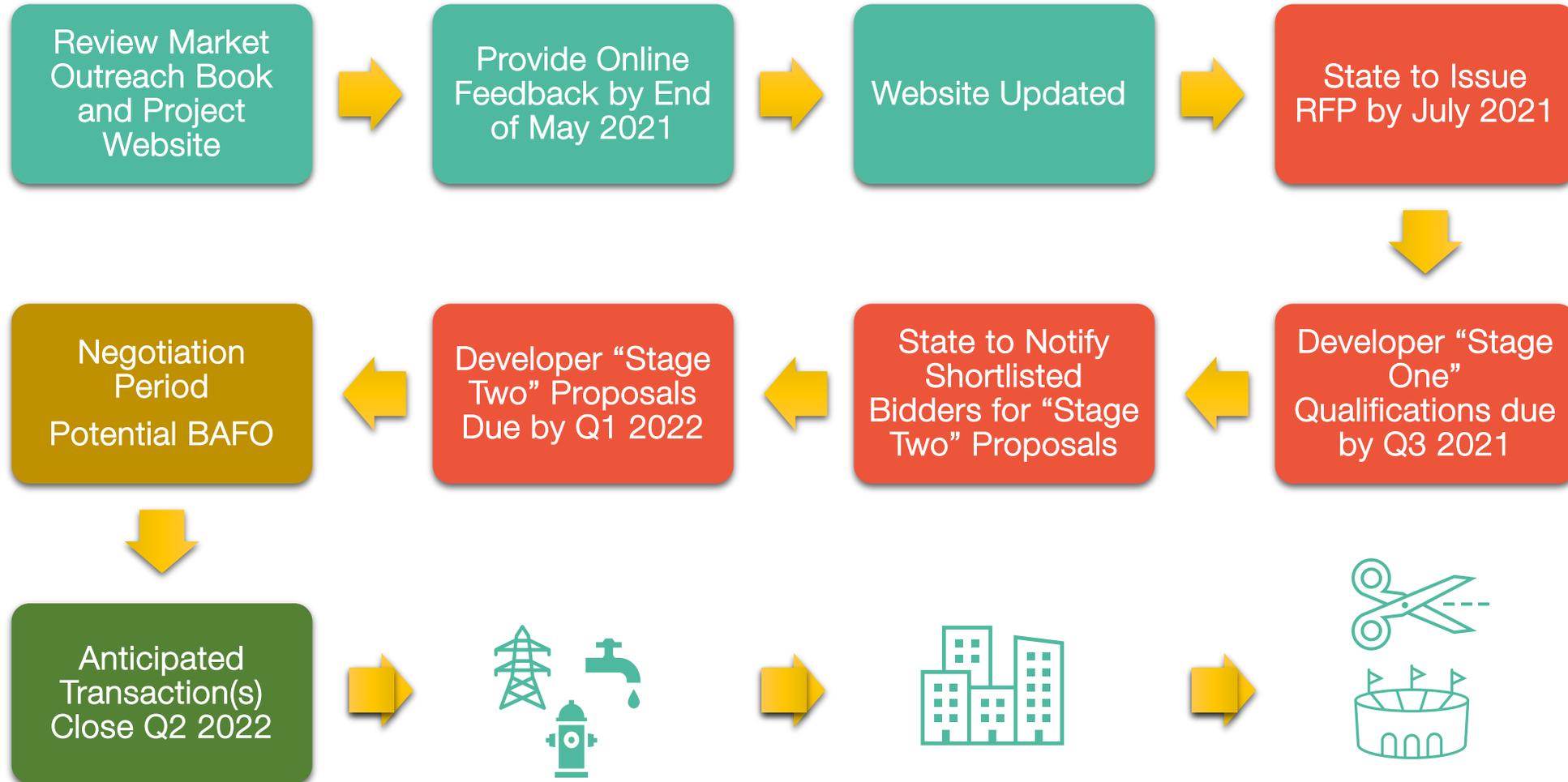
- Go to <https://nased.hawaii.gov/market-outreach-feedback>
- Complete the survey hosted on the webpage





NEXT STEPS

NEXT STEPS





MAHALO

PROJECT CONTACT:

David Harris - NASED Program Director
nasedp3@wtpartnership.co

REAL ESTATE PROJECT WEBSITE:

<https://nased.hawaii.gov/real-estate-project/>



DISCLAIMER

DISCLAIMER

Information contained in or referred to in this Market Outreach Book may have been provided by independent third parties and, to that extent, while believed to be generally accurate, it has not been verified or confirmed independently by the State. Therefore, the information in this Market Outreach Book is provided for background purposes only and is not any representation, warranty, or guaranty by the State or any of its agents, employees, representatives, or contractors regarding the content, validity, completeness, or accuracy of the information, or the qualifications or expertise of the individual(s) or firm(s) that provided or prepared the information.

This Market Outreach Book is not a legally binding document but is simply an informational overview of the Real Estate Project opportunity as part of the overall development of NASED. The State is not under any obligation to any person or firm that reviews or responds in any way to this Market Outreach Book. This Market Outreach Book is not an offer to convey all or any portion of the Real Estate Project area; rather, this Market Outreach Book seeks interested parties' comments and feedback on the NASED Vision, proposed procurement and commercial frameworks, and other conceptual elements to help inform the forthcoming Real Estate Project procurement and related commercial documents.



www.nased.hawaii.gov

NASED Real Estate Market Outreach Attendee Report:

Webinar ID **Duration**
 976-945-875 1 hour 39 minutes

Details

Attended	Last Name	First Name	Firm
Yes	Castillo	Kim	Bowers and Kubota
Yes	Kubota	Dexter	Bowers and Kubota
Yes	Lee	Hae-Dong	Bowers and Kubota
Yes	Naumov-Corbera	Yuri	CBNA Inc.
Yes	Camp	Catherine	Central Pacific Bank
Yes	Yee	Michael	CenturyLink
Yes	Rue	Harrison	City & County of Honolulu
Yes	Close	Jim	Close Construction
Yes	Hamasu	Michael	Colliers International
Yes	Vinton	Nanette	Colliers International
Yes	McNamara	John	Commpac
Yes	Pastine	James	Crawford Architects Development Ventures Group, Inc.
Yes	Biggs	Gavin	DLA Piper LLP
Yes	Barajas	Dino	DLA Piper LLP
Yes	Deeley	Ben	EllisDon Capital
Yes	Rolfe	Douglas	EllisDon Capital Faith Action for Community Equity
Yes	Action	Faith	Goldman Sachs
Yes	McGregor	Malcolm	Goldman Sachs
Yes	Yueh	Jessica	Goldman Sachs Greensfelder Commercial Real Estate LLC
Yes	Greensfelder	David	Greystar Real Estate Partners
Yes	Bruce	Randy	Hawaii Construction Alliance
Yes	Kinney	Nathaniel	Hawaii Laborers' Union Local 368
Yes	Kobayashi	Ryan	Hawaii News Now
Yes	Salgado	Brenda	Hawaii Operating Engineers Industry Stabilization Fund
Yes	Meatoga III	Pane	Hawaiian Dredging Construction Company, Inc.
Yes	Abeshima	James	Hawaiian Dredging Construction Company, Inc.
Yes	Hashizume	Eric	Hawaiian Dredging Construction Company, Inc.
Yes	Majkut	Gerry	Hawaiian Dredging Construction Company, Inc.
Yes	Wong	Andre	Hawaiian Dredging Construction Company, Inc.
Yes	Gi	Sharon	Hunt Companies Hawaii
Yes	Kay	Paul	Hunt Companies Hawaii
Yes	Kitscha	Greg	John Laing Limited
Yes	Pakkala	Alana	Kobayashi Group LLC
Yes	Pennaz	Matthew	Kobayashi Group LLC
Yes	Todani	Susan	Lambda Alpha International
Yes	Stinson	Josh	MacNaughton
Yes	Kokubun	Taiyo	Marubeni Corporation
Yes	Best	David	Media/Other
Yes	Komatsubara	Kerry	Media/Other
Yes	Rodrigues	Gerard	Media/Other
Yes	Ueda	Linda	Media/Other
Yes	Iosua	Michael	Michael Iosua, Imanaka Asato, LLLC
Yes	Kam	Jonathan	Moss & Associates
Yes	Mankin	Robert	NBBJ
Yes	Ngo	Vivian	NBBJ

Yes	Schmunk	Philip	NBBJ
Yes	Leopard	Arianna	Page Southern Page
Yes	Wyatt	Derek	RCL CO
Yes	Lessmann	Stephanie	RSM Design
Yes	RICHTER	KYLE	RSM Design
Yes	Matsumoto	Michael	SSFM International, Inc.
Yes	Sherman	Brett	Stantec Tantec
Yes	Gomes	Andrew	Star Advertiser
Yes	Andrews	Ryan	State of Hawaii
Yes	DePonte	David	State of Hawaii
Yes	Earing	Joseph	State of Hawaii
Yes	Edwards	Ruby	State of Hawaii
Yes	HIDANO	AUDREY	State of Hawaii
Yes	Morioka	Brennon	State of Hawaii
Yes	Otaguro	Curt	State of Hawaii
Yes	Spain	Samantha	State of Hawaii
Yes	Takasaki	Gayle	State of Hawaii
Yes	Uchida	Russell	State of Hawaii
Yes	Wood	Gordon	State of Hawaii
Yes	Moriarty	Gary	Swinerton
Yes	Pang	Jason	Swinerton
Yes	Anderson	Cord	The Howard Hughes Corporation
Yes	Cranmer	Lee	The Howard Hughes Corporation
Yes	Miller	Jim	The Howard Hughes Corporation
Yes	Alexander-Estes	Brett	Trade Media Hui
Yes	Hamm	Gary	TSG Enterprises, Inc.
Yes	Snyder	Abby	UNITE HERE! Local 5 Here
Yes	McKean	Jeffery	WATG
Yes	Zheng	Robert	WATG
Yes	Kyrillou	Christiana	Woods Bagot
Yes	Sigafoos	Amanda	Woods Bagot
Yes	Austin	Kevin	WT Partnership
Yes	Kness	Tom	WT Partnership
Yes	Nixon	Philip	WT Partnership
Yes	Roberts	Tim	WT Partnership
Yes	Talsky	Bennett	WT Partnership
Yes	Uehara	Jona	WT Partnership
Yes	Plaza	Nahomi	WT Partnership