



Pre-Proposal Conference

HAWAII REGIONAL HOUSING PRIVATIZATION

N62742-02-RP-00001

4 February 2003



Welcome



- Regional Commander's Perspective by
CAPT Ron Cox, USN – Chief of Staff, Navy
Region Hawaii
- Introduction of NAVFAC and Navy
Representatives



NAVFAC and Navy Representatives



- Scott Forrest – NAVFAC, Director, Special Venture Acquisition
- Joseph Calcara – EFD Pacific, Realty Officer
- Tom Allison – EFD Pacific, Procurement Contracting Officer
- Brad Davis – EFD Pacific, Project Manager
- Jared St. John – Commander, Navy Region Hawaii Housing
- Teresa Peruchi-Murphy – Basile, Baumann, Prost & Associates (BBP)



Agenda



- The Program
- The Project
- Acquisition Process
- Government Assets
- Questions & Answers
- Closing Remarks





Program Background



- FY96 Defense Authorization Act established the Military Housing Privatization Initiative (MHPI)
- The Act provides authorities that allow the DoD and the Services to work with the private sector to revitalize existing and build new military family housing in key areas, nationwide



Program Objectives



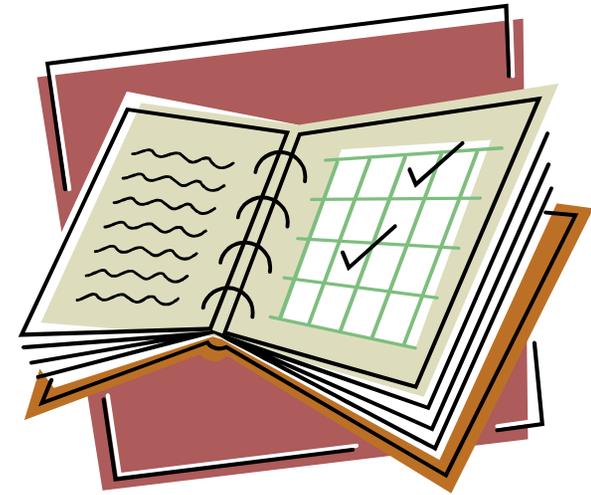
- Leverage private investment with Government participation to accomplish short and long-term development / revitalization objectives faster and at a lower cost to taxpayers
- Provide for the availability of well-located, safe, good-quality, energy efficient, well-managed, affordable housing for DON families, as needed, over the long-term
 - ◆ Zero out-of-pocket beyond Basic Allowance for Housing (BAH) for rent and normal utilities



Project Background



- 13,700 permanent party military personnel in the Pearl Harbor Navy region
- Approximately 5,100 of 7,000 Navy families reside in Navy housing
- 28% reside in private housing
- The supply of available units in the community that are both affordable and of suitable quality is very limited
- Regional rental vacancy is <5%





Project Development Scope



- Privatize up to 2,003 existing Navy-owned homes
 - ◆ ~40% of Navy's end-state
- Invest in a partnership (LLC) to own, construct, and operate homes for a term of 50 years
- Eliminate \$11 million renovation backlog on 942 existing homes
- Demo 961 and replace 906 existing homes that are beyond their useful life
 - ◆ PPV end-state of 1,948 homes





Key Project Features



- DON intends to become an equity partner in a public-private partnership
- Transfer of DON assets included in Project Development Scope via nominal consideration long-term lease
- DON contribution of up to \$25.0 million
- Preferential rents for military families for 50 years



Key Project Features



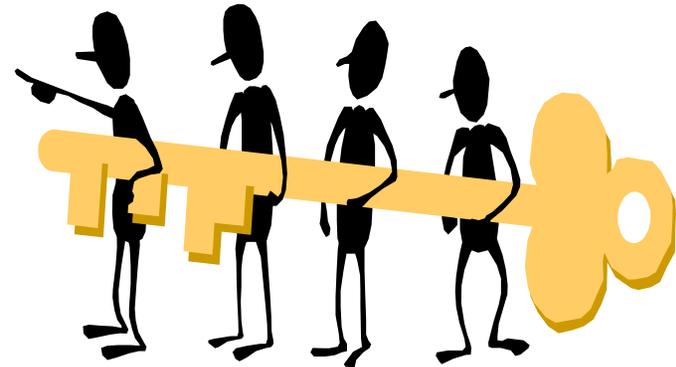
- Short-term renovations and long-term revitalization budgets established for the purposes of this acquisition
- Participation in key decisions of importance over the term of the agreement
- Flexibility to address changing market conditions



Key Project Features



- Allocation of liability, risk and return
- Incentive fee structures
- Adequate safeguards and protections
- Protection of asset value
- Project dollars remain in the project





Acquisition Process



- Non-FAR Acquisition
- Step 1 RFQ – Statement of Qualifications
 - ◆ Not more than 4 best qualified offerors invited to participate in Step 2
- Step 2 RFP - Technical and Financial Proposals
 - ◆ Oral presentations
 - ◆ Offeror providing best value designated for exclusive negotiations



Acquisition Process



- Certain rights reserved by the DON
 - ◆ Exclusive negotiations may be terminated and initiated with another offeror
 - ◆ Final terms and conditions may differ from original proposed
 - ◆ Ability to privatize additional DON-owned family housing on Oahu and Kauai, Hawaii using the business entity established via this phase





Acquisition Process



Step 1 RFQ

- Interested parties submit Statement of Qualifications
 - ◆ Vision Statement describing overall project concept and approach to long-term operations and management
 - ◆ Statement of the formation of the entity for the development, operation management and maintenance of the proposed project
 - ◆ Company/team's qualifications, experience and past performance with projects of similar nature, scope, and scale
 - Development
 - Operations and Management
 - Key Project Participants
 - ◆ Financial capability to carry out project as proposed



Acquisition Process



Step 2 RFP

- Qualified developers/teams submit detailed technical and financial proposals

Technical

- ◆ Program statement for Replacement Construction and Short/Long Term Renovations
- ◆ Details
 - Conceptual Site Plans
 - Conceptual Design Plans
 - Operating, Management and Maintenance Plan for the project over the long-term
 - Completion Schedule for key events



Acquisition Process



Step 2 RFP - Continued

Financial

- ◆ Statement of Project Ownership: organizational structure; identifying principals; and nature, extent, liability, and interest of each
- ◆ Development budget describing all costs associated with replacement units as well as short-term renovations
- ◆ Description of all income and operating expenses of the project for the term of the agreement
- ◆ Sources and Uses of funds
- ◆ Distribution of net cash flow for the term of the agreement



Acquisition Schedule



Solicitation Issued	17 Jan 03
Pre-Proposal Conference & Site Visit	04 Feb 03
SOQ's Due	21 Feb 03
Issue Invitations for Step 2	<i>10 Apr 03</i>
Proposals Due	<i>10 Jun 03</i>
Oral Presentations	<i>TBD</i>
Select Offeror for Exclusive Negotiations	<i>Aug 03</i>
Execute Operating Agreement	<i>Mar 04</i>



Aloha and Welcome to Commander, Navy Region Hawaii



**Pearl Harbor:
The BEST Homeport in the Navy**

NAVY REGION HAWAII FAMILY HOUSING

TOTAL DWELLING UNITS - 7407

**Pacific Missile Range
Facility-Kauai**



**Naval Computer and Telecommunications
Area Master Station Pacific - Wahiawa**

Camp Stover

**Naval Magazine & Naval
Radio Transmission Facility
Lualualei**

Camp Smith

Red Hill

**Former Barber's Point Air Naval
Station:
Makai
On-Station**

Orion
Orion Park

**Iroquois Point/
Puuloa**

Pearl Harbor Complex

Pearl City	Marine Barracks	Hokulani	Halsey
McGrew	Hale Alii	Moanalua	Radford
Halawa	Makalapa	Maloelap	Manana
Ford Island	Little Makalapa	Catlin Park	
Hospital Point	Hale Moku	Doris Miller	





NAVY REGION HAWAII

Vision for Quality Housing



To provide dedicated, professional and personal one-stop customer service and top quality living accommodations that enhance quality of life, morale, and retention.





Quality of Life



- **Facilities**

- Since 1994, DoN has spent \$426 million on revitalization and replacement of old, inadequate homes.

- **Amenities**

- Improved Life Cycle Materials
- Energy Efficient Materials
- Termite Evasive Materials

- **Neighborhood Projects**

- Community Centers
- Play Grounds/Tot Lots
- Parks



Revitalization



Pearl City Peninsula



Camp Stover



Hokulani



NCTAMS EASTPAC



Revitalization

Maintaining Historic Integrity



Hospital Point



Makalapa



Hale Aii



Marine Barracks



Replacement



Moanalua Terrace



Replacement



Pearl City



Hale Moku



Radford (Phase I In Progress)

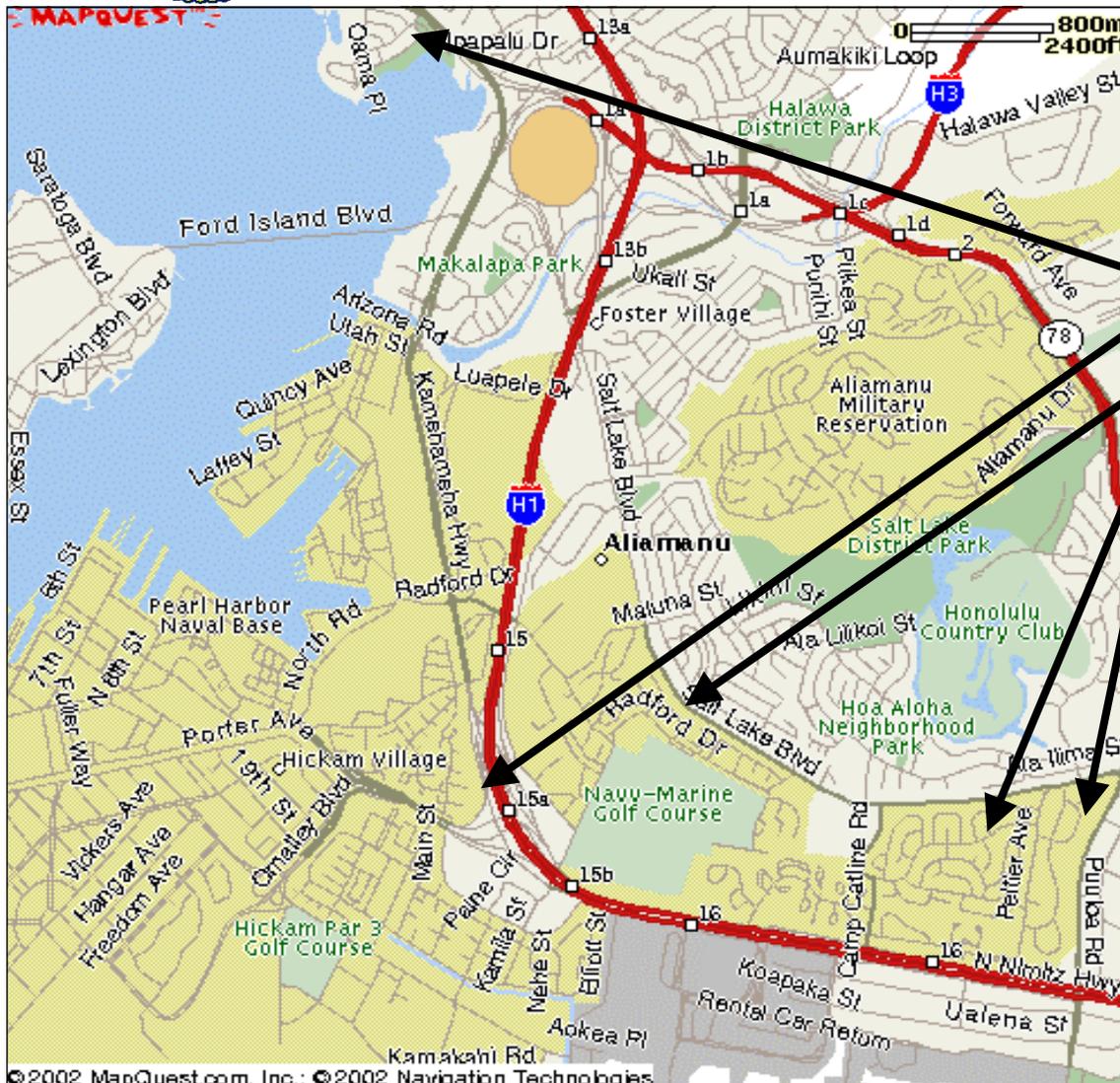


Neighborhood Projects



Oahu Neighborhoods

Phase I



<u>Neighborhood</u>	<u>Current</u>	<u>End-State</u>
McGrew Point	140	130
Hokulani	190	190
Moanalua Terrace	752	752
Halsey Terrace	503	475
Radford Terrace	418	401
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Total	2,003	1,948
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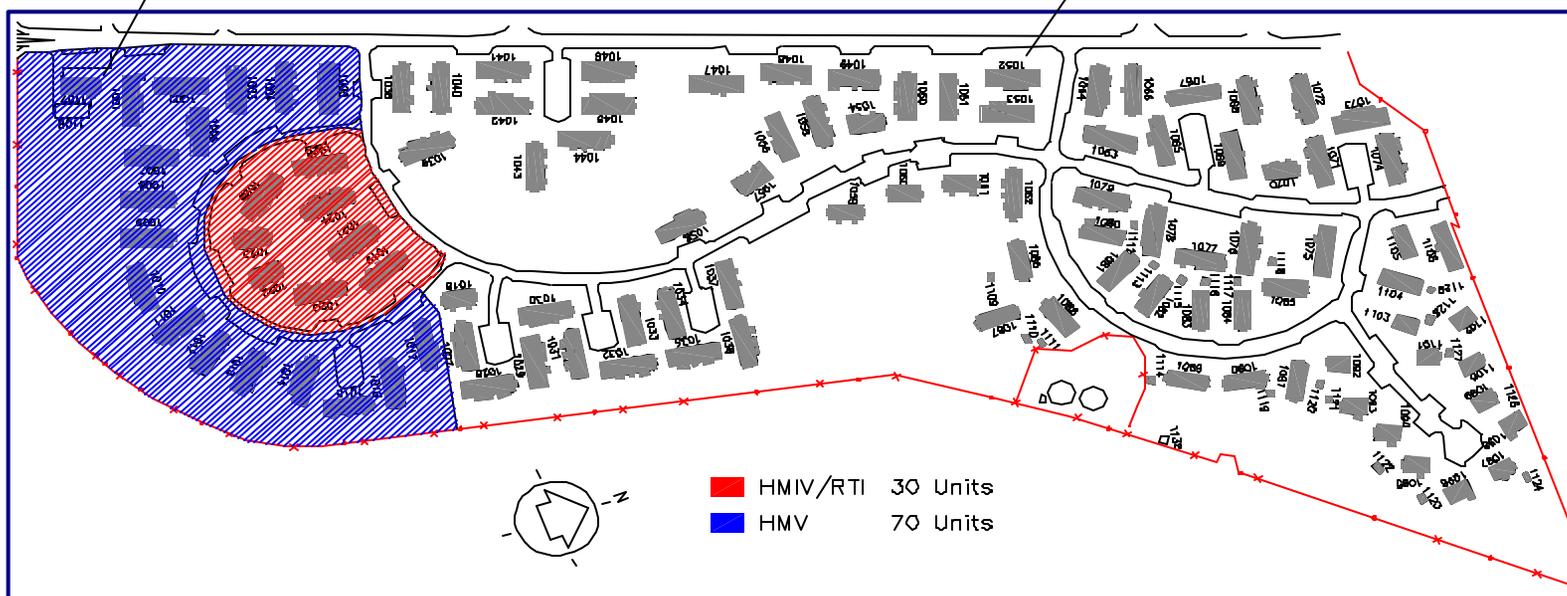
Radford Terrace

418 Homes



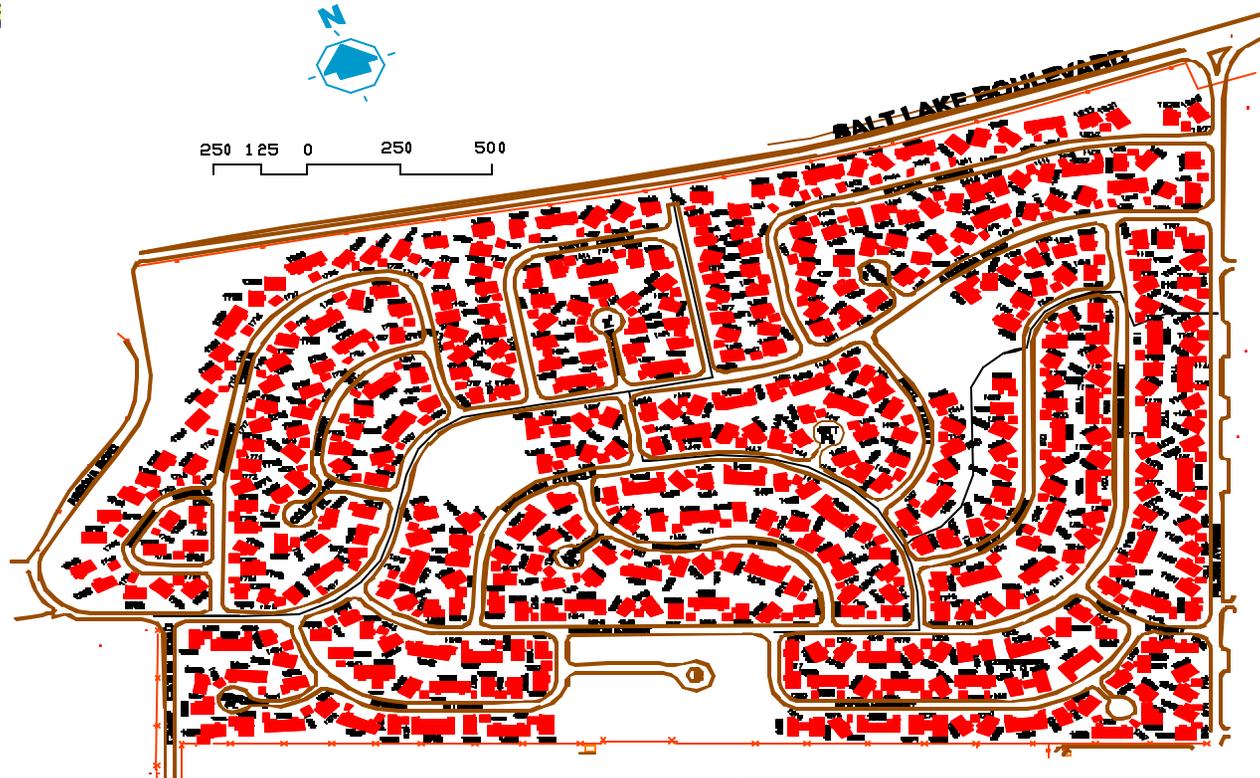
Project Site Location Replacement Construction, 100 units
Currently In Progress; Estimated Completion Spring 2004

Remaining 318 Homes Require Replacement





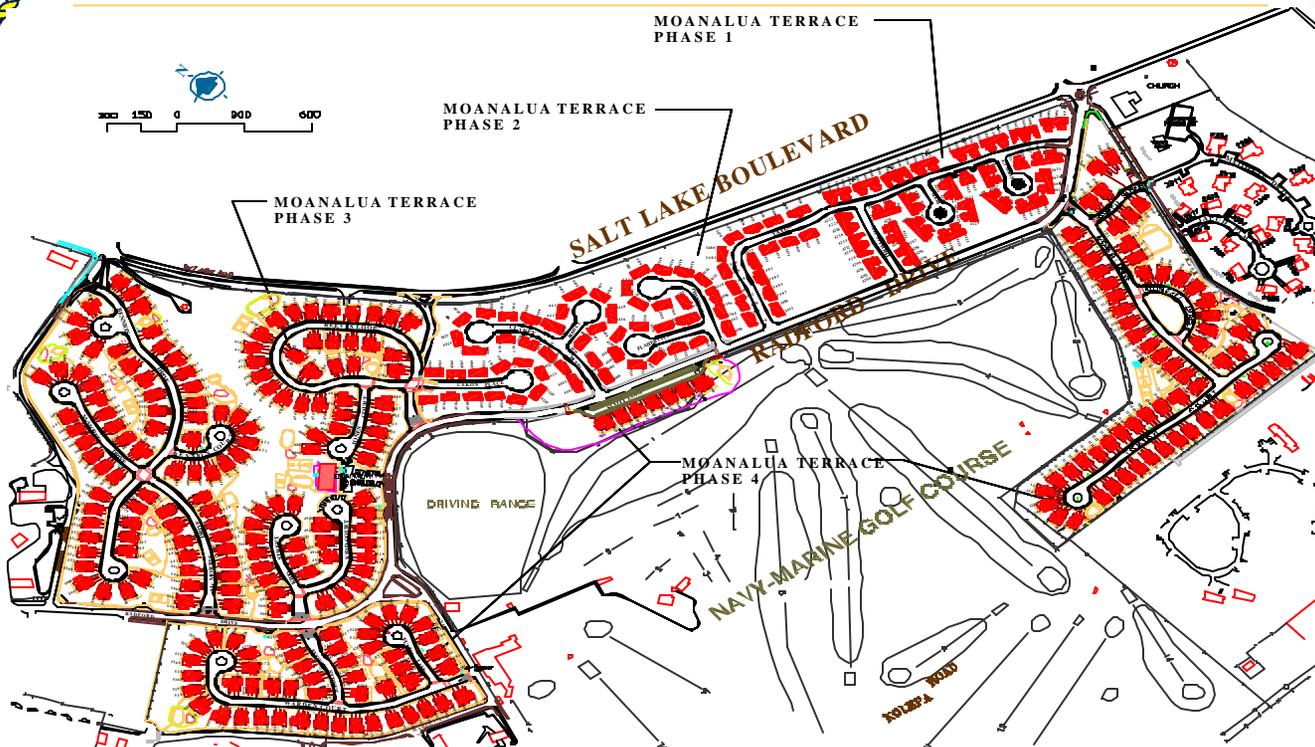
Halsey Terrace 503 Homes





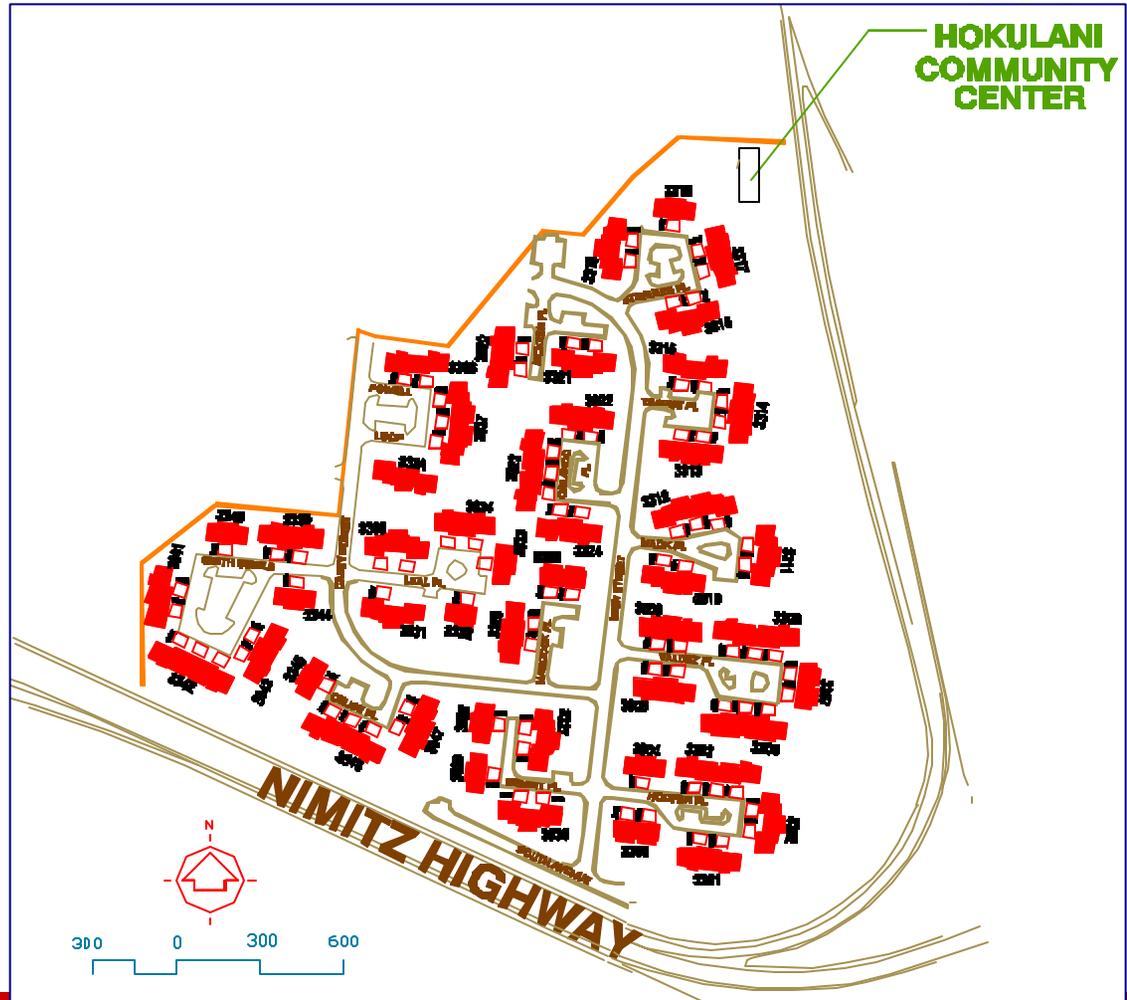
Moanalua Terrace

752 Homes





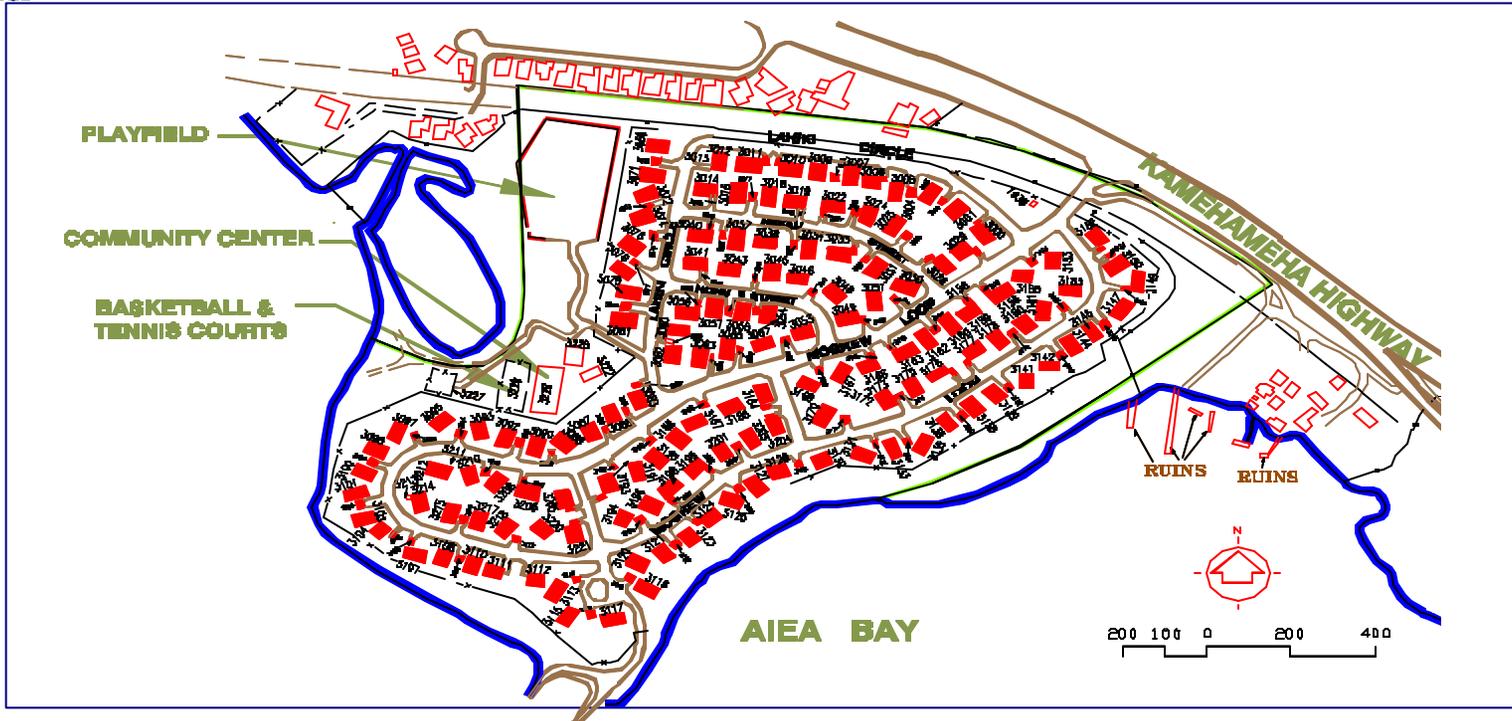
Hokulani 190 Homes





McGrew Point

140 Homes





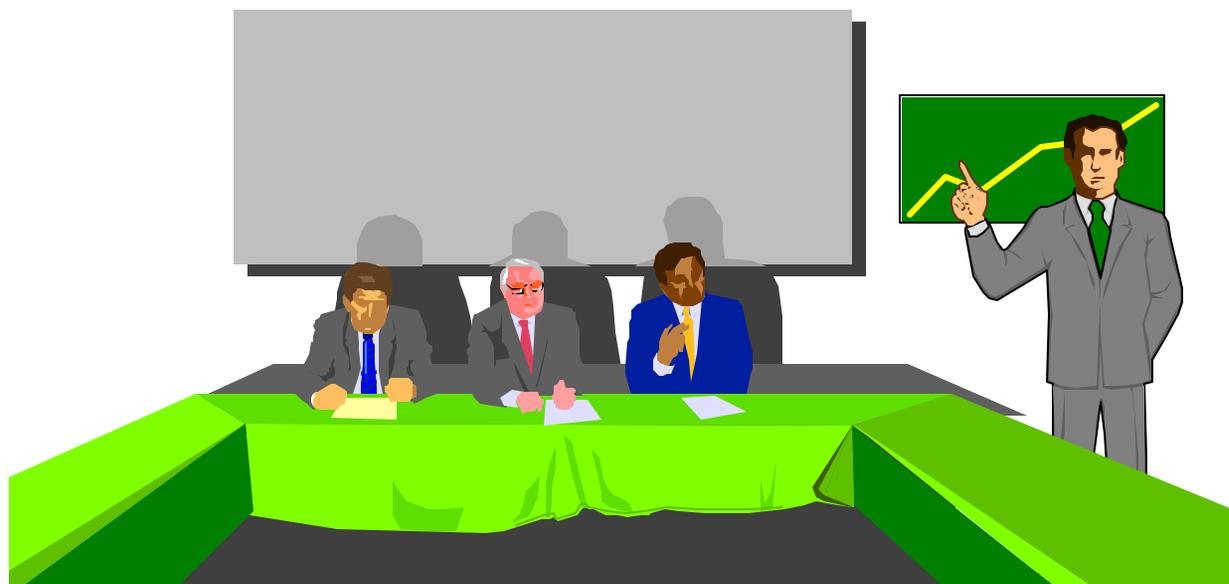
Overview of Site Tour



- **February 4, 2003**
 - **Depart 1:00 p.m. @ Ala Moana Hotel (Mahukona Street)
(Four buses available)**
 - **Neighborhood Site Visits**
 - **Radford Terrace**
 - **Halsey Terrace**
 - **Moanalua Terrace; and Community Center**
 - **Hokulani; and Community Center**
 - **McGrew Point**
 - **Return to hotel at approximately 4:30 p.m.**



Questions & Answers

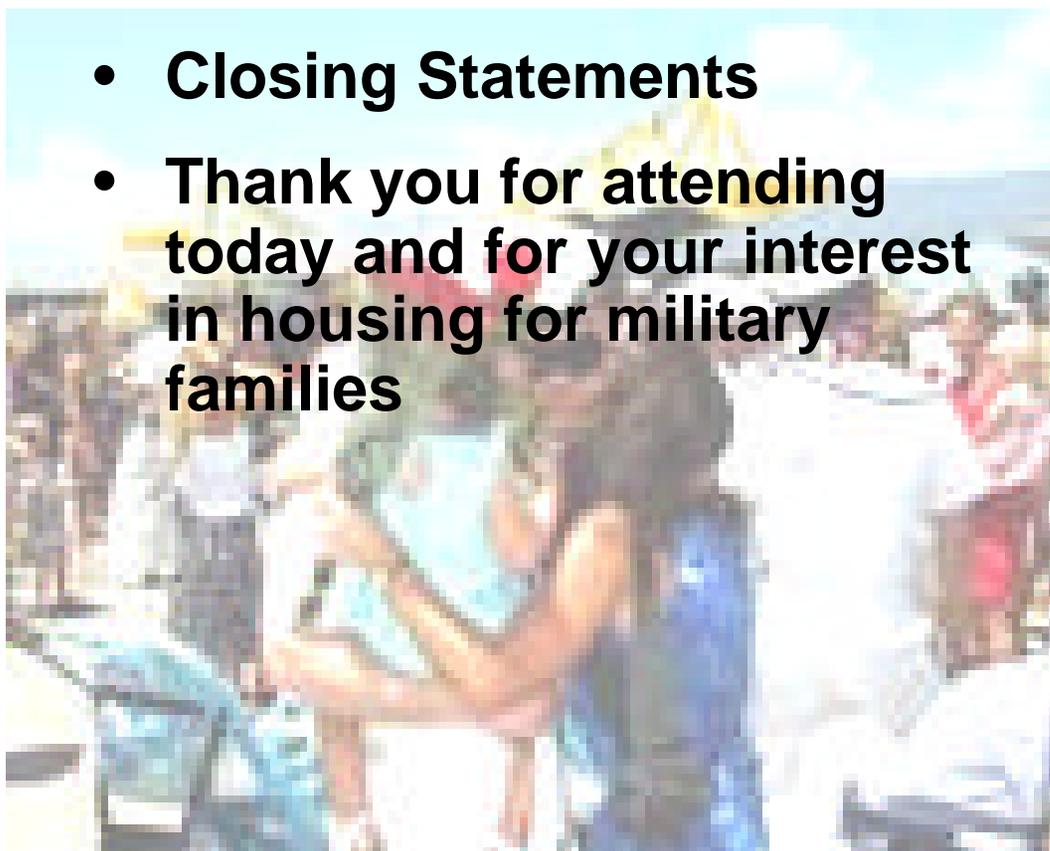




Closing Remarks



- **Closing Statements**
- **Thank you for attending today and for your interest in housing for military families**





PPV Related Websites



- **Information on the Housing Privatization Program:**
<http://www.ppv.hsgnavfac.com>
<http://www.acq.osd.mil/installation/hrso>
- **Access to the RFQ/P Document - Use solicitation N6274202RP00001 in the search engine:**
<http://esol.navfac.navy.mil/>
- **FedBizOpps Synopsis:** <http://www.fedbizopps.gov/>
- **Basic Allowance for Housing (BAH) - use Zip Code 96860:** <http://www.dtic.mil/perdiem/bahform.html>