MINUTES OF THE REGENTS' COMMITTEE ON
BUDGET & LONG-RANGE PLANNING

Date: Thursday, October 21, 2004

Place & Time: University of Hawai‘i at Hilo
University Classroom Building, Room 127
3:07 p.m.

Committee Members Present: Regents
Tanaka (presiding)
Albano
Bender
de la Peña
Haynes
Kai
Kakuda
Lagareta
Yamasato
Lee (ex-officio)

Committee Member Excused: Regent Tatibouet

Others Present: David McClain, Acting President, University of Hawai‘i#
Walter S. Kirimitsu, Vice President and University
General Counsel
Jan Yokota, Director, Office of Capital Improvements
David Iha, Executive Administrator and Secretary of
the Board
Carl Makino, Executive Assistant to the Board

Approval of Committee Meeting Minutes

Regent Kai moved to approve the minutes of the meeting of the Regents’ Committee on
Budget and Long-Range Planning held on September 9, 2004. The motion was
seconded by Regent Kakuda and unanimously carried.

1. Draft Request for Qualifications for the Development of the Cancer Research Center
   of Hawai‘i on the Kaka‘ako Waterfront

2. Draft Request for Qualifications for the Development of the University of Hawai‘i-
   West O‘ahu Campus
Draft Request for Qualifications for the Development of the Cancer Research Center of Hawai‘i (CRCH) on the Kaka‘ako Waterfront

Director Yokota explained that she was presenting the initiation of a Request for Qualification process for the development of the Cancer Research Center of Hawai‘i at the Kaka‘ako waterfront and the next item as an informational item.

On July 16, 2004, the Board of Regents approved, on a conceptual basis, the initiation of a Request for Qualifications (RFQ) process for the development of the Cancer Research Center of Hawai‘i on the Kaka‘ako waterfront. According to Director Yokota, as the first step in a two-step procedure to select a developer for the project, a draft RFQ document has been prepared. This first step involves the solicitation of expressions of interest and qualifications for the provision of comprehensive real estate development services to plan, design, finance, construct and manage the project. A short list of the three to five most qualified candidates will be selected as the result of the RFQ submittals and evaluations. Those selected will be invited to participate in a subsequent Request for Proposals (RFP) process.

CRCH has grown from a regional cancer research center to an internationally recognized NCI-designated Cancer Center with an extramural research budget of over $42 million annually. The existing building that CRCH occupies is not able to accommodate its current and future space needs and changing technical requirements and does not have room for expansion. In addition, the building’s structural module and floor plan do not meet CRCH’s need for space flexibility and is not suited for a cancer care facility.

The proposed project site is a 5.5 acre parcel located in Kaka‘ako and owned by the State of Hawai‘i through the Hawai‘i Community Development Authority (HCDA), the state agency that oversees redevelopment of Kaka‘ako, the district situated between downtown Honolulu and Waikiki. The site is positioned at the southwest corner of Ilalo and Ohe Streets and is west of and adjacent to the new location of the University’s John A. Burns School of Medicine. The site will be made available through a long-term ground lease with the Hawai‘i Community Development Authority.

Draft Request for Qualifications for the Development of the University of Hawai‘i-West O‘ahu Campus

Director Yokota informed that the administration is developing a long-range development plan for the West O‘ahu campus. As the first step the process to select a master developer for the project a draft Request for Qualifications document has been prepared.
On July 16, 2004, the Board of Regents adopted a Long-Range Development Plan (LRDP) for the University of Hawai‘i at West Oahu (UH-West O‘ahu) for a 500-acre site in Kapolei and requested that the University administration prepare a Request for Proposals (RFP) document for consideration by the Regents for the private development of Phase I of the campus and the associated infrastructure. As the first step in a two-step process to select a master developer for the project, a draft Request for Qualifications (RFQ) document has been prepared. This first step will allow interested developers to submit development and financial qualifications that would indicate the experience, expertise and creativity necessary to develop the Phase I campus and the non-campus lands. A short list of three to five development teams will be selected from the respondents to the RFQ and invited to participate in the second step of the process, which will be initiated by a separate RFP for the development, construction and financing of the project. In exchange for the development of the campus and its associated infrastructure, the University will grant the developer the right to construct, market, offer and sell up to 320 acres of the non-University lands under the conditions specified in the RFP.

The current UH-West O‘ahu is a two-year, upper division, baccalaureate degree-granting campus of the University of Hawai‘i system, located on the campus of Leeward Community College. The facilities consist of 30,000 square feet of space in 29 portable buildings that include seven classrooms, faculty and staff offices, a computer lab, a writing center, and faculty and student lounges. UH-West O‘ahu has its own small library that is separate from, but housed within, the Leeward Community College library facility and uses other Leeward facilities, including the theater and cafeteria.

The Kapolei site is located on 500 contiguous acres of land in Ewa that is approximately 20 miles from UH-Manoa and about 1.5 miles east of the City of Kapolei. The property is adjacent to the Villages of Kapolei and the Kapolei Golf Course to the west, Farrington Highway to the north, the proposed North-South Road to the east and land owned by the Department of Hawaiian Home Lands (DHHL) to the south.

The University’s development objectives for the project include the following:

1. To develop the first phase of the new UH-West O‘ahu campus to accommodate an initial student population of 1,520 based on the LRDP adopted for the campus.

2. To develop the required off-site and on-site infrastructure that will support the ultimate development of the property, including the planned maximum development of the campus and non-campus lands.

3. To develop a University community, including a mixed-use “University Village”, commercial uses, residential uses and other community facilities that are compatible with the UH-West O‘ahu campus.
4. To utilize planning, design and development standards and concepts that will foster a sense of community interaction and identity.

Phase I of the UH-West O‘ahu campus includes the construction of all Phase I campus buildings to support a student population of 1,520 students together with the infrastructure appropriately sized to support the campus building and development of the remaining non-campus lands. The current development program, which is subject to refinement and modifications and during the design phase of the project, is based on a program specified in the LRDP. Phase I of the project currently consists of:

- Site Development for the Non-Campus Lands
- Site Development for the Campus Lands (on-Site and Off-Site Infrastructure)
- Central Plaza and Pedestrian Malls
- Parking Areas and Services Drives
- Administration/Student Services Building (Building 1-40,245 gsf)
- Campus Center (Building 2-52,380 gsf)
- Library (Building 3-48,030 gsf)
- Central Chiller Plant and Appurtenances (Building 4-7,800 gsf)

The anticipated costs for the Phase I facilities total approximately $88.8 million dollars ($49.3 million for buildings, $15.0 million for off-site infrastructure and $24.5 million for on-site infrastructure). In addition, in order to provide sufficient infrastructure for the non-campus lands, an additional $31.1 million will be required.

In exchange for the development of Phase I of the campus and the associated infrastructure, the selected developer will have the right to develop, lease or sell up to 320 acres of the non-campus lands. The developer will be required to comply with the following conditions:

- Development of the non-campus lands must be in accordance with the master plan, concepts and guidelines established in the LRDP. The LRDP includes design guidelines for the development of both the campus and non-campus lands. The University will establish a process and structure for the design review to determine compliance with the LRDP and the objectives of the project. As deemed appropriate by the University, or as may be required by a governmental agency during the entitlement process, the University may prepare additional design guidelines for the non-campus lands.

- The developer will be responsible for securing subdivision of the property and necessary building permits and fulfilling any additional permitting requirements.
The developer will be required to construct the project in accordance with construction documents approved by the University.

The University will acquire all of the entitlements for the property. The property has received State Land Use Urban District classification, but does not have the proper County zoning for the lands uses envisioned in the master plan. In granting the Urban District Classification, the State Land Use Commission attached a number of Conditions to the development of the property. The University is working with the State Land Use Commission to address or amend these conditions. The University will acquire the necessary zoning for the property (a PRU for the campus and zone change for the non-campus lands), complete an Environmental Impact Statement for the project, and acquire necessary Corps of Engineers permits for the project.

There being no further business before the Committee, the meeting was adjourned at 3:27 p.m.

Respectfully submitted,

David Iha, Secretary

Dated: November 12, 2004

c: Chairperson Patricia Y. Lee
    Members, Committee on Budget and Long-Range Planning
    Acting President David McClain