Notice of Meeting
UNIVERSITY OF HAWAI‘I
BOARD OF REGENTS COMMITTEE ON PLANNING AND FACILITIES
Members: Regents Moore (Chair), Nahale-a (Vice-Chair), Bal, Higaki, and Sullivan

Date: Thursday, June 4, 2020
Time: 1:00 p.m.
Place: Virtual Meeting

In light of the evolving COVID-19 situation, protecting the health and welfare of the community is of utmost concern. As such, this will be a virtual meeting and written testimony and oral testimony will be accepted in lieu of in-person testimony. Meetings may be monitored remotely via the livestream pilot project by clicking here. See the Board of Regents website for additional information on accessing the livestream: www.hawaii.edu/bor. Mahalo for your consideration.

AGENDA

I. Call Meeting to Order
II. Approval of Minutes of the March 5, 2020 Meeting
III. Public Comment Period for Agenda Items:

All written testimony on agenda items received after posting of this agenda and up to 24 hours in advance of the meeting will be distributed to the board. Late testimony on agenda items will be distributed to the board within 24 hours of receipt. Written testimony may be submitted via the board’s website, US mail, email at bor.testimony@hawaii.edu, or facsimile at 956-5156. All written testimony submitted are public documents. Therefore, any testimony that is submitted for use in the public meeting process is public information and will be posted on the board’s website.

Those wishing to provide oral testimony for the virtual meeting may register here. Given constraints with the online format of our meetings, individuals wishing to orally testify must register no later than 8:00 a.m. on the day of the meeting in order to be accommodated. It is highly recommended that written testimony be submitted in addition to registering to provide oral testimony. Oral testimony will be limited to three (3) minutes per testifier. Individuals that are registered to testify may stay connected to the meeting for viewing purposes or may tune in to the livestream.

IV. Agenda Items
A. Recommend Adoption of Board of Regents Resolution 20-01 Authorizing Hangar 111 Abrogation, Kalaeloa Airport, Barbers Point, Oahu, Hawai‘i

For disability accommodations, contact the Board Office at 956-8213 or bor@hawaii.edu.
Advance notice requested five (5) days in advance of the meeting.
B. Impact of COVID-19 on Capital Improvement Projects (CIP) and Repair and Maintenance Projects

C. Fiscal Year (FY) 2019-2020 3rd Quarter CIP Status Report as of March 31, 2020

D. University Land-Related Strategic Initiatives and Partnerships Program FY 2019-2020 3rd Quarter Update

E. Real Property Transactions Update

F. Committee Annual Review

V. Adjournment
I. CALL TO ORDER

Chair Moore called the meeting to order at 10:52 a.m. on Thursday, March 5, 2020, at the University of Hawai‘i at Mānoa, Information Technology Building, 1st Floor Conference Room 105A/B, 2520 Correa Road, Honolulu, Hawai‘i 96822.

Committee members in attendance: Chair Randy Moore; Vice-Chair Alapaki Nahale-a; Regent Eugene Bal; Regent Wayne Higaki; and Regent Jan Sullivan.

Others in attendance: Board Chair Ben Kudo; Regent Simeon Acoba; Regent Kelli Acopan; Regent Michelle Tagorda; Regent Robert Westerman; Regent Ernest Wilson Jr. (ex officio committee members); President David Lassner; Vice President (VP) for Administration Jan Gouveia; VP for Community Colleges Erika Lacro; VP for Legal Affairs/University General Counsel Carrie Okinaga; VP for Academic Planning and Policy Donald Straney; VP for Research and Innovation Vassilis Syrmos; VP for Information Technology/Chief Information Officer Garret Yoshimi; VP for Budget and Finance/Chief Financial Officer Kalbert Young; UH Mānoa (UHM) Provost Michael Bruno; UH Hilo (UHH) Chancellor Bonnie Irwin; UH West O‘ahu (UHWO) Chancellor Maenette Benham; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

II. APPROVAL OF MINUTES OF THE DECEMBER 5, 2019 MEETING

Regent Higaki moved to approve the minutes of the December 5, 2019, meeting, seconded by Regent Bal, and noting the excused absence of Regent Sullivan, the motion carried, with all members present voting in the affirmative.

Regent Sullivan arrived at 10:53 a.m.

III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office did not receive any written testimony, and no individuals signed up to provide oral testimony.

IV. AGENDA ITEMS

A. Fiscal Year (FY) 2019-2020 Second Quarter Capital Improvement Project (CIP) Status Report as of December 31, 2019

VP Gouveia provided a brief report on the status of CIPs through the second quarter of FY 2019-2020 stating that the report encompasses construction projects with budgets
in excess of $5 million and design projects in excess of $1 million. She stated there are
15 active construction projects noted in the report, four of which have been completed
pending finalization and four projects that are at least 90% complete. The report also
contains seven design projects with construction contracts slated to be awarded by
June 30, 2020, for four of the projects. At present all projects are moving forward as
planned with no significant issues being experienced. However, two shortcomings have
been discovered with respect to two design-build projects contained in the report – the
Bachman Hall renovation project and the Culinary Institute of the Pacific Project. VP
Gouveia noted that the shortcomings were mainly related to the way information in the
report was presented. In both projects, the design-build method being employed
involves the retaining of a request for proposal (RFP) criteria consultant that assists the
administration in formulating the criteria packet used to issue the design-build contract.
However, the work conducted by the RFP criteria consultant is a bridge process that is
technically not considered part of the design process or part of the construction process.
As such, in the case of the Bachman Hall project, the $400,000 criteria consultant fee
was not included in the report.

Similarly, the criteria consultant fee of approximately $2 million for the Culinary
Institute of the Pacific project was not included in the second quarter CIP report.
However, VP Gouveia remarked that this project was slightly unusual in that it also
involved a phasing process. She explained that the original design for the project was
very elaborate and included a host of amenities that increased expenses beyond the
amount budgeted for the project. The project had to be redesigned and resized,
facilities had to be relocated, and changes had to be made to the site plans. As a
result, additional and more extensive RFP criteria consultant work became necessary
causing an increase in consultant fees. VP Gouveia noted that this was an unusual
situation and that consultant fees were not typically this high. She also stated that the
funds for this project were only released by the Governor in December of 2019 and the
administration is working expeditiously to award a construction contract for this project
prior to June 30, 2020, when the appropriated funds are scheduled to lapse.

VP Gouveia remarked that the administration was not certain if RFP criteria
consultant fees should be included in the quarterly CIP reports but that it was her belief
that they should. Chair Moore opined that if these fees are part of the overall project
budgets then they should be included in the report. VP Gouveia agreed and stated that
the next CIP quarterly report will contain these figures.

Regent Wilson asked whether the report could include timeframes for the completion
of each phase of a CIP project and their associated costs. VP Gouveia replied that it is
possible but a little difficult when the design-build methodology is used as there is a
certain amount of timeline uncertainty in this process. Once a construction contract is
issued however, reporting of more certain timeframes becomes more feasible. She
noted that the administration would do its best to include associated costs for the
different phases of a project in the report.

Regent Higaki questioned what the RFP criteria consultant fee was for the Bachman
renovation project and whether the fee was based on industry standards. VP Gouveia
responded that the fee for the RFP criteria consultant on the Bachman renovation project was $400,000 and that it was based on standard fees used by the industry.

Chair Kudo requested the total cost for the Culinary Institute of the Pacific project. VP Gouveia replied that the total cost for the project was $30 million. Chair Kudo questioned why the funds for this project were only released by the Governor in December. VP Gouveia replied that a number of conditions were placed on the funding for this project. President Lassner added that the release of state funding for this project was conditioned upon the university raising $10 million in matching funds, which caused delays. Chair Kudo requested clarification on whether the $30 million for the project needed to be under contract prior to June 30, 2020. VP Gouveia replied in the affirmative.

**B. Annual Report on Real Property Actions Delegated by the Board of Regents**

VP Gouveia presented the annual report on real property actions delegated to the administration by regent policy explaining that all transactions involving real property, such as rental of state facilities for commencement ceremonies and rent paid for use of athletic venues, that are greater than five years in duration require board approval. As such, the report contained a list of all transactions involving real property that were less than five years in duration. A total of 65 transactions were included in the report, with 58 of those transactions having a duration of less than a year; one transaction having a duration of two years; and six transactions having a duration between two and five years. The total dollar value of all the transactions was just over $800,000.

Chair Moore expressed his opinion, and committee members concurred, that regent policy might need to be amended to change the parameters for the projects that need to be reported so that minor transactions do not need to be included.

**C. University Land-Related Strategic Initiatives and Partnerships Program FY 2019-2020 Second Quarter Update**

VP Young presented updates on the UHWO University District, Atherton, NOAA Graduate Housing, and Kaimuki/Leahi Hospital Parcel P3 projects. He noted the following:

- UHWO - University District Project: This project, which is a project that seeks to develop a university village on lands adjacent to the UHWO campus, is currently in limbo. An exclusive negotiations agreement that was signed with Hunt Development Group and Stanford Carr Development expired on August 15, 2019, with negotiations reaching an impasse over terms of a master development agreement. The administration is reevaluating this project and determining how to proceed on a restart of the project. VP Young stated that the trajectory of this project may also change if a bill that provides $200 million for infrastructure development in the area currently before the State Legislature is approved. He also noted that this project differed from potential development projects on adjoining property related to rail or the State film studio.
• **Atherton Project:** This project, which focuses on innovation space and student housing and is being undertaken under a partnership with the UH Foundation (UHF), is currently in the value-engineering design phase which will scale the project to a budget plan and is moving forward as projected. UHF is currently working on refinancing the mortgage on the property and is also negotiating with the administration on converting the existing lease to an equity-share arrangement. Preconstruction site work was started in November of 2019 and Hunt Development Group is expected to submit a draft environmental assessment to the City and County of Honolulu Department of Planning and Permitting (DPP) this month. The Hunt Development Group has begun the entitlement process and is continuing community outreach efforts. The administration is anticipating completion of bond financing transactions once the entitlement process is complete.

• **NOAA Graduate Student Housing Project (NOAA Project):** This project, which is a housing project located near the East-West Center, is just beginning. The administration is awaiting board approval for the ability to negotiate a pre-construction agreement (PCA) with Greystar Development Services, LLC (Greystar) under which the university would agree to reimburse Greystar for pre-construction costs it incurred for architectural, engineering, and other services for the project, if the project failed to proceed.

• **Kaimuki/Leahi Hospital Parcel Project** – This project is currently evaluating the possible disposition of three parcels of university-owned land (6.56 acres) in the Kaimuki area adjacent to Leahi Hospital. Disposition may take the form of a fee-simple sale or long-term ground lease with a developer. The administration has contracted CBRE, Inc. to prepare real property appraisals of the fair market value of the fee-simple interests in the parcels and may award a contract to a contractor to conduct an environmental site assessment and hazardous materials survey that includes estimated costs for structure demolition and abatement work.

Board Chair Kudo expressed his sentiments that the Kaimuki/Leahi parcels not be sold noting his belief that they are very suitable for redevelopment.

Regent Acoba asked VP Young to briefly explain the equity share arrangement between UHM and UHF for the Atherton Project in more detail. VP Young responded that under the current lease agreement with UHF which has been in place since 2016, UHM is responsible for paying all of the carrying costs for the property, e.g. property tax, mortgage costs, debt service, and insurance. In the equity share arrangement that is presently being negotiated, the funds contributed by each of the public partners for the Atherton Project will be recognized as their share of equity in the project. As the project moves forward and begins to generate revenues, the equity share arrangement will allow for net revenues to be divided between UHF and UHM based upon their equity in the project.

Regent Acoba inquired as to what DPP considered to be a major modification to the UHM Long-Range Development Plan (LRDP) for the Atherton Project. VP Young
explained that “major modification” is a term DPP uses for amendments to the LRDP. The city-approved LRDP for UHM is somewhat dated and the university is in the process of updating it to include the Atherton property, which it currently does not include. DPP considers this addition to be a major modification of the UHM LRDP that would require approval from the Honolulu City Council. Obtaining this approval involves an extensive and lengthy process (six months to a year to complete) which the university has already initiated.

D. NOAA Redevelopment Project Contract

VP Young stated that the administration was requesting the committee to recommend board approval for the administration to enter into a PCA of up to $2,407,199 with Greystar, UHM’s development partner for the NOAA Project, which will allow Greystar to begin engaging in pre-construction work to provide architectural, engineering, and other services for the project, including entitlement work and a market demand study, through the end of this calendar year. The administration will seek board approval for the disposition of any additional funds that extend beyond the end of the calendar year. VP Young explicitly noted that the PCA funds were being advanced by Greystar and that any pre-construction costs it incurred for architectural, engineering, and other services for the project would be reimbursed by the university if the project failed to proceed. The NOAA Project currently remains on schedule with completion and occupancy anticipated in August 2023.

Regent Sullivan asked why the advances contained in the PCA are subject to a minimum payment of 6% interest when interest rates are currently decreasing. VP Young explained that the terms of the PCA were negotiated toward the end of 2019 and that current interest rates were not anticipated. He further noted that the interest rate used is consistent with similar projects at other universities and that the risk exposure for the university is only if the NOAA Project does not proceed beyond close.

Regent Acoba requested clarification on the cost of the NOAA Project, how it would be funded, and whether the university would be liable for project costs. VP Young explained that the forecasted cost of the NOAA Project was $130 million, would be funded using project revenue bonds issued by a national housing developer with proceeds from the sale of the bonds being used to reimburse the developer, and that the university would not be liable for the payment of debt service on the bonds since it was not issuing the bonds. Regent Acoba inquired as to what the ramifications for the project would be if the board authorized approval of only a portion of the funds presently being requested for the PCA. VP Young replied that it would only affect the timing of when the administration would need to return to the board to seek additional approval which may result in additional time for the project to reach completion.

Stating his concerns regarding the need for the NOAA Project, Regent Acoba asked whether any evidence exists proving that graduate student housing is needed at UHM. VP Young stated that the university is currently proceeding with this project based upon anecdotal evidence which is why conducting the market demand study contained within the PCA was critical. Regent Acoba queried if the market demand study could be completed if the board decided to reduce the amount of funds the administration is
currently requesting for the PCA by half. VP Young responded that he believed it would. He noted, however, that Greystar will need to conduct a number of studies for the NOAA project, such as site studies, in addition to a market demand study and so the university would have to prioritize what studies it wanted completed if the board reduced funding for the PCA from what was currently being requested.

Regent Acoba posed additional inquiries regarding financial issues for the NOAA project including whether the development fee begins to accrue as soon as the administration signs the PCA, if the university would be liable for the development fee if the NOAA project was terminated, and what the sources of funds would be to make these payments. VP Young replied that the development fee will start to accrue as soon as an agreement is signed, that the university will be liable for development fees if the project is terminated, and that the administration would have to identify a source of funding within UH to make these payments.

Regent Higaki asked whether the bonds anticipated to be issued for this project were special purpose revenue bonds (SPRBs) and whether the developer is required to obtain financial backing for the SPRBs. VP Young responded that the NOAA Project is one-hundred percent project financed, with a housing type of revenue bond issued by a national housing non-profit bond issuer and Greystar securing repayments to the bond purchasers.

Stating that the current terms of the PCA restricts use of the housing portion of the NOAA Project to UH-affiliated individuals, Board Chair Kudo suggested that the administration consider building flexibility in the PCA that would possibly allow for the units to be rented to persons not affiliated with UH at market value and that perhaps the market demand study can look at that as an option. He expressed his belief that this flexibility would provide the university with tenant options should there not be sufficient numbers of UH-affiliated individuals to occupy all of the units. VP Young responded that the university would prefer that only UH-affiliated persons have tenancy in the facility, although the private developer would probably prefer tenancy to be open to anyone. The market demand study will show if demand for this project is sufficient and if it is not, the possibility exists for cascading levels of tenancy, with some amount of non-UH affiliated fair market rental units to be negotiated as the project evolves.

Regent Moore asked whether UH-affiliated individuals included students from the community colleges. VP Young responded in the affirmative.

Regent Sullivan moved to recommend board approval for the administration to enter into a PCA of up to $2,407,199 with Greystar, seconded by Regent Higaki, and the motion carried with all members present voting in the affirmative.

E. Future Status of the Planning and Facilities Committee

Chair Moore expressed his belief that, rather than each committee determining the status of its own future, the most impartial method of addressing this issue would be to charge the Committee on Personnel Affairs and Board Governance with reviewing and
making recommendations on the future status of all of the various committees of the board. Board Chair Kudo and all committee members concurred.

V. ADJOURNMENT

There being no further business, Regent Higaki moved to adjourn, seconded by Regent Sullivan, and with all members present voting in the affirmative, the meeting was adjourned at 11:46 a.m.

Respectfully Submitted,

Kendra Oishi
Executive Administrator and Secretary of the Board of Regents
MEMORANDUM

TO: Benjamin A. Kudo
Chairperson
University of Hawai‘i Board of Regents

VIA: David Lassner
President
University of Hawai‘i

VIA: Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai‘i

FROM: Erika Lacro
Vice President for Community Colleges
University of Hawai‘i

SUBJECT: HANGAR 111
ABROGATION AND RELEASE OF RESTRICTIONS
KALAELOA AIRPORT, BARBERS POINT, EWA, O‘AHU

SPECIFIC ACTION REQUESTED:

In accordance with Board of Regents Policy RP 10.201, it is requested that the Board of Regents:

(1) Approve Abrogation and Release of Restrictions. Approve the Abrogation and Release of Restrictions ("Abrogation") between the United States Department of Education ("USDOE"), as grantor, and the University of Hawai‘i ("University"), as grantee, under which the USDOE, upon receiving the required payment from the University, will release certain restrictive covenants encumbering the premises comprising Hangar 111, located at Kalaeloa Airport, Barbers Point, Ewa, O‘ahu ("Property"), in accordance with the terms described in the attached major term sheet.

Erika Lacro
Vice President for Community Colleges
(2) Authorize the President or VPBF to finalize and execute. Authorize the University President and/or the University Vice President for Budget and Finance/Chief Financial Officer (“VPBF”), in accordance with Board of Regents Policy RP 10.201, to negotiate, finalize, and execute the Abrogation (consistent with the attached major term sheet), take other action, and execute such other documents as may be necessary or appropriate to implement the Abrogation, which will enable the University to allow other entities to use the Property for non-educational purposes and permit the University to lease the Property to third parties for commercial purposes; and

(3) Authorize the Issuance of a Board of Regents Resolution. Authorize the issuance of a Board of Regents resolution confirming that the Board of Regents has authorized the President and/or the VPBF to: (a) execute the Abrogation consistent with the terms described in the major term sheet; (b) take such other action and execute such other documents as may be necessary to implement the Abrogation; and (c) proceed with the finalizing and closing the transaction to effect the Abrogation.

RECOMMENDED EFFECTIVE DATE:

It is requested that any authority granted to the University by the Board of Regents to enter into the Abrogation be effective upon approval. Under the Abrogation, upon the University's payment of the amounts required under the Abrogation (“Abrogation Payment”), the USDOE will release certain restrictive conditions that were imposed by USDOE in the Quitclaim Deed dated July 20, 2000, and recorded on December 13, 2000, by which USDOE conveyed title to the Property to the University (“Deed”) and which duration had been extended three (3) years by that certain Amendment to Deed (“1st Amendment”) previously approved by the Board of Regents. At the time that the Property was obtained from USDOE, Honolulu Community College (“HonCC”) used it for its Commercial Aviation program.

ADDITIONAL COST:

No costs other than the Abrogation Payment are expected to be incurred.

PURPOSE:

The University and the USDOE have negotiated and tentatively agreed on the terms of the Abrogation, the more significant terms of which are listed on the attached
major term sheet. The Abrogation will enable the University to allow others to use the Property for non-educational purposes and permit the University to lease the Property to third parties for commercial purposes.

BACKGROUND INFORMATION:

A. Quitclaim Deed.

The USDOE conveyed the Property by Deed to the University in July 2000. At the time, the Property was considered Federal surplus real property. The Property is approximately 4.520 acres with improvements that consist primarily of an aircraft hangar enclosing about 105,000 square feet of the Property.

The Property was conveyed to the University subject to certain restrictive covenants and conditions contained in the Quitclaim Deed (collectively the "Restrictive Covenants"), which were to remain in effect for thirty (30) years and included: (1) using the Property solely and continuously for educational purposes consistent with the program proposed by the University in its application; (2) refrain from selling, leasing, renting or otherwise transferring any interest in the Property (unless authorized by USDOE); (3) submit to USDOE an annual operating and maintenance report; and (4) remain a tax supported institution or a nonprofit institution exempt from taxation under section 501(c)(3) of the IRS Code.

From the time it acquired the Property from USDOE, the University, through HonCC, operated a flight training program that allowed students to earn an Associate of Science in Commercial Aviation. Upon completion, the students were eligible for direct transfer to a bachelor's degree program at a private institution such as Embry-Riddle which had a location in Honolulu. The flight training program was suspended in September 2016. The property and facility could be used for other programs and utility purposes of the University, but the current restrictions and convenants with USDOE limit potential options.

HonCC has also operated for years an aeronautics maintenance technology program at a hangar located at Daniel K. Inouye (Honolulu) International Airport ("HIA"). Having programs at both Kalaeloa Airport (flight training) and HIA (aeronautics maintenance technology) gave HonCC a presence at Oahu's two premier aviation/aeronautical sites.
B. **1st Amendment.**

Under the 1st Amendment that the Board of Regents approved around September 2010, HonCC continued to operate its flight training program and allowed the University to construct and operate its Applied Research Laboratory ("ARL") in a portion of Hangar 111. The ARL is a U.S. Department of Defense University-Affiliated Research Center sponsored by the U.S. Navy that was approved by the Board of Regents in September 2007. As a condition of permitting the flight training program and the ARL, the USDOE asked for additional considerations on the property by extending the duration of already agreed upon covenants. Pursuant to conditions required by USDOE in the 1st Amendment, the duration of the Restrictive Covenants period was extended by three (3) years. The USDOE did approve the 1st Amendment pursuant to an amended application submitted by the University.

HonCC, however, discontinued the flight training program as of September 2016. The ARL relocated from Hangar 111 in 2018. With no educational or research programs currently identified to immediately utilize the Property, the University is seeking the flexibility to allow third parties to use Property for commercial purposes to benefit the University of Hawai'i.

C. **Abrogation.**

The Deed does provide for a process, called abrogation, by which the University could obtain relief from the Restrictive Covenants. It is described in paragraph 15 of the Deed.

1. **Abrogation defined.** At the time the Board of Regents approved the 1st Amendment, it was noted that unless the University decided to seek the early release and termination of USDOE's restrictive covenants contained in the Deed (defined as an "abrogation"), the University would not incur any additional costs due to the 1st Amendment.

2. **Abrogation requires Abrogation Payment to USDOE.** If the University decided to seek such an abrogation, the University will be obligated to make the Abrogation Payment to USDOE.

3. **Abrogation Payment formula.** The Abrogation Payment is to be equal to the fair market value of the Property as of the date of abrogation: (1) multiplied by the percentage public benefit allowance that was granted at the time the Property was conveyed to the University (which public benefit allowance was reduced by three (3) years by USDOE pursuant to the 1st Amendment);
(2) divided by 360; and (3) multiplied by the number of months, or any portion thereof, of the remaining period of restrictions to be abrogated. Based on the abrogation payment formula, the USDOE has determined that, and the University agrees, the Abrogation Payment amount is Eleven Million One Hundred Seventy-Three Thousand Five Hundred And No/100 Dollars ($11,173,500).

Upon receiving the Abrogation Payment from the University, USDOE will release the Restrictive Covenants and allow the University to permit third parties to use the Property for non-educational purposes, including the University leasing the Property to such third parties.

Attached is a major term sheet summarizing the more significant terms of the Abrogation.

**ACTION RECOMMENDED:**

It is requested and recommended that the Board of Regents:

1. **Approve the Abrogation.** Approve the Abrogation between the USDOE, as grantor, and the University, as grantee, consistent with the terms described and contained in the attached major term sheet.

2. **Authorize the President and/or VPBF to finalize/execute the Abrogation.** Authorize the President and/or the VPBF, in accordance with Board of Regents Policy RP 10.201, to negotiate, finalize, and execute the Abrogation (consistent with the attached major term sheet) and take such other action and execute such other documents as may be necessary or appropriate to implement the Abrogation.

3. **Authorize the Issuance of a Board of Regents Resolution.** Authorize the issuance of a Board of Regents resolution confirming that the Board of Regents has authorized the President and/or the VPBF to: (a) execute the Abrogation consistent with the terms described in the major term sheet; (b) take such other action and execute such other documents as may be necessary to implement the Abrogation; and (c) proceed with finalizing and closing the transaction to effect the Abrogation.

**Attachments**

- Major Term Sheet – Abrogation
- Draft Board of Regents Resolution

**c:** Executive Administrator and Secretary to the Board Kendra Oishi
ATTACHMENT I

MAJOR TERM SHEET

ABROGATION AND RELEASE OF RESTRICTIONS
BETWEEN

UNITED STATES OF AMERICA,
acting by and through its Secretary of Education

AND

UNIVERSITY OF HAWAI‘I
(for the benefit of Honolulu Community College)

Hangar 111
Kalaeloa Airport, Barbers Point, Oahu, Hawai‘i

1. Parties.
   a. Grantor: United States of America, acting by and through its Secretary of Education ("USDOE").
   b. Grantee: University of Hawai‘i ("University") for the benefit of Honolulu Community College ("HonCC").

2. Property. The property is located at the former Barbers Point Naval Air Station, Barbers Point, City and County of Honolulu, Oahu, Hawai‘i, consisting of approximately 4.52 acres, designated as Tax Map Key No. (1) 9-1-013:025, and shown on the map attached hereto as Exhibit A and upon which Hangar 111 (approximately 105,000 square feet) is situated (collectively the "Property").

3. Quitclaim Deed. Quitclaim Deed dated July 20, 2000, and recorded on December 13, 2000, by which USDOE conveyed title to the Property to the University ("Deed").

4. Conditions Subsequent. The Deed contained several conditions subsequent ("Conditions Subsequent") which were to remain in effect for thirty (30) years and included the University: (1) using the Property solely and continuously for educational purposes consistent with the program proposed by the University in its application; (2) refraining from selling, leasing, renting or otherwise transferring any interest in the Property (unless authorized by USDOE); (3) submitting to USDOE an annual operating and maintenance report; and (4) remaining a tax supported institution or a nonprofit institution exempt from taxation under section 501(c)(3) of the IRS Code.

5. Deed Amendment. Amendment to Deed dated May 26, 2011, recorded on July 11, 2011 ("1st Amendment") which allowed the University to continue HonCC’s flight training program and establish the Applied Research Laboratory ("ARL") within Hangar 111. The 1st Amendment also extended the duration of the Restrictive Covenants by three (3) years to a total of thirty-three (33) years with a corresponding reduction in the University’s public benefit allowance (which is a factor considered in calculating the appropriate Abrogation payment amount).
6. **Restrictive Covenants.** In addition to the Conditions Subsequent, the Deed contained a number of covenants that were intended to run in perpetuity or for a period longer than thirty-three (33) years (collectively the "Restrictive Covenants"), including the following:

a. **Notice of Entry covenant.** If the University was found to be in breach of any of the terms and conditions of the Deed, the USDOE could file a Notice of Entry to regain ownership of the Property ("Notice of Entry covenant").

b. **Educational Use covenant.** If title to the Property is reverted to the USA for noncompliance, the University, shall at USDOE’s option, be responsible for reimbursing the USA for: (1) the decreased value thereof that is not the result of reasonable wear and tear, an act of God, or alterations and conversions made by the University and approved by USDOE; (2) the costs to adapt the Property to the educational use for which the Property had been transferred; and (3) damage USDOE may sustain as a result of such noncompliance, including, but not limited to, costs incurred to recover title to or possession of the Property ("Educational Use Cost covenant").

c. **Restricted transfer covenant.** The University may not sell, lease, mortgage, encumber or otherwise transfer ("Transfer") the Property or any interest therein without USDOE’s prior written consent, and if the University does so, the University shall hold in trust for the USA, subject to USDOE’s direction, all revenues and the reasonable value of any other benefits to the University, as determined by USDOE, deriving directly or indirectly from such Transfer ("Restricted Transfer covenant").

d. **Restricted Extraction covenant.** At all times during the period that the University holds title to the Property subject to the Conditions Subsequent: (a) the University shall not engage in or authorize the extraction or production of any minerals from the Property without USDOE’s prior written consent; and (b) should such an extraction or production of minerals occur during such period, the University will hold all payments, rentals, royalties, net revenues and proceeds generated by such extraction or production in trust for and promptly pay the same to USDOE (collectively the "Restricted Extraction covenant").

e. **Insurance covenant.** The University is required to insure the Property against certain risks and losses (including flood damage if the Property is located within a floodplain) and if any loss, damage, or destruction to the Property shall occur during the period the University holds title, the University shall hold said insurance proceeds in trust and promptly use it to repair and restore the Property to its former condition (or replace it with at least equivalent facilities) or if not so used, shall pay it over to the USA in an amount equal to the unamortized public benefit allowance of the Property multiplied by the current fair market value of the improvements lost, damaged or destroyed (the "Insurance covenant").

f. **Grantor Consent to SHPO Activity covenant.** The University covenanted to consult with USDOE and obtain USDOE’s concurrence that any activities approved by the State Historic Preservation Officer ("SHPO") are consistent with the terms and requirements of the Deed conveyance with respect to Federal public benefit allowance transfers ("Grantor Consent for SHPO Activity covenant").

7. **Abrogation Payment.** Based on the formula described in the Deed, as amended by the 1st Amendment, the total abrogation payment that the University is required to submit to USDOE is Eleven Million One Hundred Seventy-Three Thousand Five Hundred and No/100 Dollars ($11,173,500.00), after applying the reduced public benefit allowance ("Abrogation Payment").
8. **USDOE's Excess Share.** USDOE has based its calculation of the Abrogation Payment on a real estate appraisal completed for USDOE that estimated the Property's fair market value at $19,500,000.00.

   a. **Grantor's Excess Share.** As further confirmation as to the fair market value of the Property, USDOE is requiring that if the University, prior to late February 2023, sells, transfers, conveys, leases or otherwise disposes of the Property or any rights therein for a sum in excess of $19,500,000.00, as determined by USDOE ("Excess Amount"), then the University shall remit to USDOE a portion of the Excess Amount equivalent to 57.3% of the Excess Amount ("Grantor's Excess Share").

   b. **University to remit Excess Amount and furnish agreements.** The University shall remit to USDOE any such portions of the Excess Amount within ten (10) days of the University's receipt of such Excess Amount together with pertinent copies of the agreements that establish the amount of actual or promised consideration, the Excess Amount, and the Grantor's Excess Share.

   c. **University as trustee.** The University agrees that all sums received in excess of $19,500,000, including the Grantor's Excess Share, shall be held in trust by the University for the USA, subject to USDOE's direction and control.

9. **USDOE Release.** Under the Abrogation, USDOE is releasing the University from having to comply with all of the Conditions Subsequent and all of the Restrictive Covenants. USDOE is also releasing any interest in or rights to all benefits under the Deed except the Grantor's Excess Share.

10. **Remainder of Deed Effective.** Except as otherwise amended under this Abrogation, the remaining provisions in the Deed, including those relating to USDOE's conveyance of title to the Property to the University, remain valid and in full force and effect.
WHEREAS, certain real property owned by the UNITED STATES OF AMERICA, located in the City and County of Honolulu, State of Hawai‘i, had been declared surplus and was subject to assignment for disposal for educational purposes by the Secretary of the U.S. Department of Education, under provisions of section 203(k)(1) of the Federal Property and Administrative Services Act of 1949, as amended (Act), (63 Stat. 377), and the rules and regulations promulgated pursuant thereto, more particularly described as follows:

Hangar 111, consisting of approximately 105,000 square feet with second floor offices, a small ramp area and an adjacent parking lot with a total land area of about 4.5 acres at the former Barbers Point Naval Air Station, City and County of Honolulu, island of Oahu, State of Hawai‘i, designated as Tax Map Key No. (1) 9-1-013:025 (collectively the “Property”).

WHEREAS, the University of Hawai‘i (“University”) Board of Regents authorized the University to acquire ownership of the Property (see University of Hawai‘i Board of Regents, Resolution dated October 9, 1998, signed by Board Chair Donald Kim and certified by Board Secretary David Iha), and the University completed acquiring the Property by Quitclaim Deed dated July 20, 2000, and recorded on December 13, 2000 (“Deed”) from the United States of America, by its Secretary of Education (“USDOE”); and

WHEREAS, the Deed contains certain restrictive covenants and conditions that apply to the Property (collectively “Restrictive Covenants”) in favor of USDOE, relating primarily to requiring the University to continue using the Property for the educational purposes as described in the University application submitted to USDOE, which University application has been amended over time; and

WHEREAS, some of the Restrictive Covenants are scheduled to be in effect for up to thirty-three (33) years or longer; and

WHEREAS the Deed contains a procedure by which the University may abrogate or terminate early the effectiveness of the Restrictive Covenants; and

WHEREAS, this abrogation or early termination procedure requires the University to submit a payment to USDOE that is determined in accordance with the abrogation payment formula described in the Deed and is based on a fair market value appraisal of the Property reduced by an offset for the applicable public benefit allowance; and

WHEREAS, the University desires to abrogate or terminate early the Restrictive Covenants; and
WHEREAS, the University anticipates that with the abrogation or early termination of the Restrictive Covenants, the University will be able to allow third parties to use the Property for non-educational purposes and the University will be permitted to lease the Property to entities for commercial purposes; and

WHEREAS, USDOE has determined that the University should submit to USDOE an abrogation payment of Eleven Million One Hundred Seventy-Three Thousand Five Hundred and No/100 Dollars ($11,173,500.00), which calculation is based on a fair market value appraisal of the Property reduced by an offset for the applicable public benefit allowance ("Abrogation Payment"); and

WHEREAS, the Hawai‘i State Legislature has appropriated $11,500,000 and the University has requested release of such funds in part to pay the Abrogation Payment to USDOE; and

WHEREAS, the University and USDOE have reached tentative agreement upon the terms of the Abrogation and Release of Restrictions ("Abrogation"), under which the University would pay the Abrogation Payment to USDOE and USDOE will release all of the Restrictive Covenants and enable the University to allow third parties to use the Property for non-educational purposes and permit entities to lease the Property for commercial purposes; and

WHEREAS, the University is seeking approval from the Board of Regents to finalize and execute the Abrogation.

NOW, THEREFORE, BE IT RESOLVED that the Board of Regents of the University of Hawai‘i hereby approves the Abrogation, authorizes the University of Hawai‘i ("University"), through its President and/or Vice President for Budget and Finance/Chief Financial Officer ("VPBF"), to negotiate, finalize, and execute the Abrogation, submit the Abrogation Payment to USDOE, and take any action and execute such other documents as the President and/or the VPBF deem necessary to implement the Abrogation; and

BE IT FURTHER RESOLVED that the University has legal authority, is willing and is in a position financially and otherwise to implement the Abrogation and gain additional flexibility to allow third parties to use the Property for non-educational purposes and permit the University to lease the Property to entities for commercial purposes, and that President David Lassner and Vice President for Budget and Finance/Chief Financial Officer Kalbert Young are hereby authorized, for and on behalf of the University, to do and perform any and all acts and things which may be necessary to carry out this resolution, including the negotiation, finalization, and execution of the Abrogation, preparing and filing of plans, applications, reports and other documents, the execution, acceptance, delivery, and recordation of agreements, deeds and other instruments pertaining to the Abrogation and the implementation of the Abrogation, and the payment of any and all sums, fees, or costs incurred in connection with the Abrogation, including, the Abrogation Payment, the preparation of surveys, title searches, and appraisals, the establishment of an escrow, and the recordation of instruments.
A copy of the Abrogation will be filed with the permanent minutes of the Board of Regents.

Benjamin A. Kudo  
Chairperson, Board of Regents  
University of Hawai‘i

I, Kendra T. Oishi, hereby certify that I am the Executive Administrator and Secretary of the Board of Regents, University of Hawai‘i, and that the foregoing resolution is a true and correct copy of the resolution adopted by a vote of a majority of the members of said University of Hawai‘i Board of Regents present at a meeting of said Board on the __________ day of ________________, ________, at which a quorum was present.

Kendra T. Oishi  
Executive Administrator and Secretary of the Board of Regents  
University of Hawai‘i  
2444 Dole Street  
Honolulu, Hawai‘i 96822

Adopted by the Board of Regents  
University of Hawai‘i  
______________, 2020
COVID-19 CIP & R&M Project Updates

CURRENT/ACTIVE PROJECTS

• Overall, little to no impact on budget or schedule
• Isolated incidents where furniture, fixtures and equipment delayed
• Travel quarantine restrictions not a significant impact
• R&M Projects: Accelerated project schedules with minimal activity on campus

UPCOMING PROJECTS

• Majority of bids are coming in above our estimate
• FY20 CIP Funds only partially released ($74.4 million out of $193.7 million)
Mānoa

COCONUT ISLAND UTILITY REHAB/REPLACEMENT
Scope: drill bore 40’ below Kāne‘ohe Bay for new sewer and telecommunication lines and replace existing sewer pump station and selected sewer pipes on Coconut Island.


9/30/16 – minor cost increase due to additional trenching and pull boxes, completion extended to March 2017 due to unanticipated drilling conditions. 54% complete.

12/31/16 – completion extended to Oct 2017 due to additional work to install the telecom system. 54% complete.

3/31/17 – no change.

6/30/17 – 81% complete.

9/30/17 – cost increased to $9.5 million due to adding a second bore for the waterline. 81% complete.

12/31/17 – completion extended to April 2018 for the second bore and an air release valve and pressure gauge for the sewer line. 58% complete (with addition of second bore to scope).

3/31/18 – cost increased to $10.0 million and completion extended to June 2018 due to installation of a temporary sewer line and air replacement valve and upsizing the waterline to correspond with the new 8” waterline installation. 84% complete.

6/30/18 – minor cost increase and completion extended to Sept 2018 due to emergency waterline repair. Changes to the Hawaiian Telcom duct-bank and manhole, erection of a retaining wall, grass paver parking lot at Lilipuna pier, new fiber optic conductors, and tie-in of waterline. 86% complete.

9/30/18 – completion extended to May 2019 due to installation of a backflow preventer and additional waterline. 88% complete.

12/31/18 – completion extended to Aug 2019 because rain caused a retaining wall to cave in. 92% complete.

3/31/19 – 97% complete.

6/30/19 – 98% complete.

9/30/19 – minor cost increase, completion extended to Jan 2020 due to unforeseen underground work to tie-in the new waterline to the existing distribution system. 99% complete.

12/31/19 – completion extended to Summer 2020 due to delay of installation of fiber optic cable from O‘ahu to Coconut Island by Hawaiian Telcom.

03/31/20 – all construction work has been completed. Notice of Beneficiary Occupancy issued on 12/24/2019. Project pending closeout. This is the last update for this project and it will be removed from the next update.
COCONUT ISLAND INTERIOR RENOVATION AND GENERAL REPAIRS – MARINE LAB BUILDINGS 1 & 2
Scope: renovate marine lab buildings with new research and teaching laboratories, general repairs (includes replacing and upgrading mechanical, electrical and architectural systems and structures), and significant structural retrofitting.

12/31/15 – construction cost estimated $14 million, bid Feb 2016
3/31/16 – pending contract execution $21.0 million.
6/30/16 – no change.
12/31/16 – no change.
3/31/17 – minor cost increase, completion extended to March 2018 due to replacement of a subcontractor.
6/30/17 – 23% complete.
9/30/17 – 35% complete.
12/31/17 – 50% complete.
3/31/18 – completion extended to July 2018 and cost increased to $21.0 million due to upgrades. 57% complete.
6/30/18 – completion extended to July 2019 due to existing conditions. 65% complete.
9/30/18 – completion extended to Nov 2019 due to additional work. 71% complete.
12/31/18 – minor cost increase, completion extended to June 2020 due to chiller lead time and testing and water savers. 74% complete.
3/31/19 – cost increased to $21.5 million due to new concrete flooring required for 3 rooms, floor leveling, additional power receptacles, rust demo, relocation of exterior lights, HECO transformer infrastructure. 75% complete.
6/30/19 – completion extended to Dec 2020 because work was suspended for contractor lacking a specialty license. 75% complete.
9/30/19 – no change.
12/31/19 – work has resumed; chillers are being installed and interior work is on-going. 87% complete.
03/31/20 – no change. 95% complete.

LAW SCHOOL COMMUNITY LEGAL OUTREACH CENTER
Scope: construction of 6,000 sq.ft., 2-story building in the parking lot on the University Ave side of the law school and a connecting bridge to the law school.

6/30/16 – pending contract execution $7.4 million.
12/31/16 – 3% complete.
3/31/17 – 18% complete.
6/30/17 – 53% complete.
9/30/17 – 68% complete.
12/31/17 – minor cost increase, completion extended to March 2018 due to installation of card access system, addition of PV panels, details for a gate and bollards, parking lot revisions, and additional rebar. 78% complete.
3/31/18 – minor cost increase, completion extended to Oct 2018 due to lengthy procurement process for the revision of the interior wall system. 85% complete.

6/30/18 – cost increased to $8.0 million due to special inspections and ADA requirements. 90% complete.

9/30/18 – minor cost increase, completion extended to Aug 2019 due to lengthy procurement process for the revision of the interior wall system and doors. 94% complete.

12/31/18 – cost increased to $8.5 million due to incorporation of owner-furnished wall system into the contract. 94% complete.

3/31/19 – Minor cost increase due to installation of marker boards and extension of landscape maintenance period. 95% complete.

6/30/19 – cost increased to $9.0 million due to installation of aluminum louvers along the roof line and security cameras, substitution of LED lamps in the streetlights, replacement of compromised high voltage cables and two existing doors. 98% complete.

9/30/19 – minor cost increase, completion extended to Dec 2019 due to landscape maintenance, additional door stops and locksets. Pending closeout. 99% complete.

12/31/19 – Notice of Beneficial Occupancy issued on 11/15/2019. Pending close out process and final project acceptance.

**03/31/20** – **completion extended to June 2020 due to continuing review of close out documents.**

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**LIFE SCIENCES BUILDING**

*Scope:* first of three phases of “Mānoa mini master plan” – a new building on the site of Henke Hall. Phases 2 and 3 are the redevelopment of Snyder and Kuykendall Halls.

6/30/16 – advertised for design-build (funds not yet released).

9/30/16 – completion expected Spring 2019.

12/31/16 – cost $49.5 million, design-build contract with Layton Construction.

3/31/17 – Notice to proceed given 3/7/17.

6/30/17 – 5% complete.

9/30/17 – 6% complete.

12/31/17 – cost increased to $50.0 million, completion extended to Summer 2019 due to environmental issues discovered in the soil below Henke Hall and the addition of a second elevator to the project. 6% complete.

3/31/18 – minor cost increase due to chlordane in soil and design enhancements. 11% complete.

6/30/18 – cost increased to $54.0 million, completion extended to Feb 2020 due to increased scope of chlordane soil mitigation. 17% complete.

9/30/18 – minor cost increase due to additional mechanical and electrical provisions to the 3rd floor shell space to accommodate a future virtual lab. 25% complete.

12/31/18 – negligible change in cost resulting from additional cost to provide electrical metering and lab casework design offset by credit for unperformed work during the soil interment. 47% complete.

3/31/19 – 49% complete.

6/30/19 – cost increase to $57.5 million due to additional lab casework and soil testing. 70% complete.
9/30/19 – cost increase to $64.5 million due to improvements to building infrastructure (mechanical, electrical, building envelope, sustainability, etc.) to support faculty moving into LSB and to procure networking equipment. 71% complete.

12/31/19 – substantial completion extended to June 2020 due to added lab casework. 83% complete.

03/31/20 – cost increase to $65.5 million due to added equipment, furnishings, and mechanical maintenance improvements. 93% complete. Final inspection scheduled in June 2020.

KENNEDY THEATER GENERAL REPAIRS AND CODE COMPLIANCE
Scope: general repairs and code compliance work to include replacing the existing sand bag rigging system, theatrical dimming system, main stage curtains, catwalk system and dance flooring and installing a pre-manufactured dust collection booth at the scene shop and a safety cage around the 80-foot spiral staircase.

9/30/16 – out to bid, estimated cost $5 to $10 million.
12/31/16 – cost $5.5 million, completion July 2017.
3/31/17 – minor change in cost due to storage container for theater items during construction. 33% complete.
6/30/17 – 76% complete.
9/30/17 – cost increase to $6.0 million, completion extended to Nov 2017 due to additions to the original contract including mold and efflorescence abatement, light fixture, dimmer rack and electrical power installation, door frame replacement, conduit and circuit replacement and dye vat work. 97% complete.
12/31/17 – minor cost increase, completion extended to June 2018 due to providing user storage to remove items from work area and added changes for safety, reroof and mold remediation of costumes and storage area. 97% complete.
3/31/18 – minor cost increase, completion extended to October 2018 due to lighting repairs/replacement, and repairs to the communication system and outside storage containers. 97% complete.
6/30/18 – minor cost increase due to communication system upgrades for the safety/coordination of students/staff and moving stage/overhead equipment during classes, rehearsals, and performances. 99% complete.
9/30/18 – minor cost increase, completion extended to May 2019 due to scheduling of roof work and additional exit signs, fall protection, and communication conduits, replacing the costume storage container A/C unit, replacing lighting/switches and adding an outlet at the welding station. 99% complete.
12/31/18 – minor cost increase due to rigging system safety upgrades, data service to the new mezzanine offices and wireless access point location for the scene shop, completion extended to Oct 2019 due to scheduling of work after the spring performance season ends. 99% complete.
3/31/19 – minor cost increase due to fire safety request to install an exit sign in the Ernst Lab Theater back of the main stage vestibule. 99% complete.
6/30/19 – cost increase to $6.5 million to reroof the 2nd floor to prevent water leakage onto the newly renovated area and adding a return air duct from the main return air duct on the roof to the ceiling of the Ernst Lab Theater. 99% complete.
9/30/19 – cost increase to $7.0 million, completion extended to Feb 2020 due to replacement of stage fall protection and retrofitting roof drains. 99% complete.
12/31/19 – completion extended to Summer 2020 due to re-roofing in progress. 99.5% complete.

**03/31/20 – no change.**

**SAUNDERS HALL EXTERIOR REPAIRS AND REROOF**
Scope: repair all concrete delaminations, spalls and cracks and reseal entire building (to include re-roofing, new traffic coating, glazing and interior renovation work).

12/31/16 – out to bid, estimated cost $5 million to $10 million.
3/31/17 – $5.2 million contract for new project, completion Aug 2018. 3% complete.
6/30/17 – minor cost increase to remove existing PV system. 12% complete.
9/30/17 – 20% complete.
12/31/17 – cost increase to $5.5 million due to repair of additional unforeseen spalls and cracks on the north and east exteriors of the building. 39% complete.
3/31/18 – minor cost increase to relocate classroom furniture. 42% complete.
6/30/18 – minor cost increase, completion extended to Dec 2018 due to additional unforeseen spalls and cracks, asbestos abatement, new access control system installation, and hearing protection for building occupants. 53% complete.
9/30/18 – minor cost increase, completion extended to April 2019 due to additional unforeseen spalls and cracks on the exterior of the building and replacement of cracked windows. 68% complete.
12/31/18 – cost increase to $6.0 million, completion extended to May 2019 due to additional unforeseen spall repairs and replacement of a rusted door and frame. 82% complete.
3/31/19 – minor cost increase, completion extended to Aug 2019 due to addition of a power over ethernet access control system and possibility that fiberglass reinforced plastic doors do not pass inspection. 85% complete.
6/30/19 – completion extended to Dec 2019 due to unforeseen spall repairs on the east and southwest side of the building. 87.5% complete.
9/30/19 – minor cost increase, completion extended to Feb 2020 due to replacement of cracked windows in eight offices, additional elevator inspection due to change in elevator service provider and weekend installation of exterior floor coating. 90% complete.
12/31/19 – minor cost increase, completion extended to Summer 2020 to repair a cracked drain pipe below the roof and due to weather delays affecting floor coating installation. 93% complete.

**03/31/20 – minor cost increase for additional spall repairs. 97% complete.**
ATHLETIC GYM 1 AND 2 – RENOVATION
Scope: renovate both gymnasiums for intramural sports/activities, educational instruction, and intercollegiate activities; project includes eliminating floor condensation, dust, noise and debris and providing thermal comfort for occupants.

6/30/18 – $8.0 million contract with Layton Construction Co., Inc. increased to $8.3 million due to maintaining the new wood floors during the warranty period and design fees to repave the staging lot; completion March 2019. 6% complete.

9/30/18 – cost increase to $8.5 million, completion extended to June 2019 due to delay in issuance of notice to proceed; additional items added during design development including additional athletic equipment and upgraded bldg. insulation. 39% complete.

12/31/18 – cost increase to $9.5 million due to removal of asbestos discovered after construction started, additional basketball/volleyball fixtures, equipment, court striping, paving the gravel parking lot, PV system size increase, and added logos. 62% complete.

3/30/19 – completion extension to March 2020 due to installation of PV system on new roofs. 82% complete.

6/30/19 – minor cost increase due to insulation added to increase energy efficiency and added monitors. 90% complete.

9/30/19 – cost increase to $10.0 million due to replacement of Gym 1 concrete stoop for ADA compliance, installation of camera system indicator lights and kill switches, and addition of wall graphics in both gyms. 99% complete.

12/31/19 – minor cost increase to address sidewalk access, access control installation, and added wall insulation to comply with the new energy code.

03/31/20 – minor cost increase, completion extended to Sept 2020 to address support coatings at Packaged A/C Unit, downspout repair and Gym 1 door rain drips.

HOLMES HALL RENOVATION
Scope: renovate Holmes Hall (133,350 gross sq.ft.) to accommodate instructional, research, student and administrative workspaces for the College of Engineering and the related UHM engineering community.

6/30/16 – $1.5 million design contract with John Hara Associates executed 3/17/16, completion Feb 2017. 50% complete.

9/30/16 – no change.

12/31/16 – no change.

3/31/17 – completion extended to Aug 2017; estimated construction cost for the conceptual design exceeded the justifiable benefit and the proposed renovation would not meet academic facilities needs for growth, so the scope of pre-design work is being modified to analyze current and future academic program and facilities space need, and develop a programming document for the renovation of Holmes Hall and the use of other existing facilities. 50% complete.

6/30/17 – cost increase to $2.0 million, completion extension to Sept 2017 due to the modification of the scope of pre-design work. 50% complete.
9/30/17 – completion extended to Nov 2017 due to deferred CIP budget request allowing more
time to fully develop the requirements analysis report. 50% complete.
12/31/17 – completion extended to March 2018 due to infrastructure requirements for teaching
and research labs. 75% complete.
3/31/18 – completion extended to June 2018: more time needed. 75% complete.
6/30/18 – completion extended to Sept 2018 due to more time needed to respond to comments
on the executive committee final report. 75% complete.
9/30/18 – completion date suspended pending request for additional design and construction
funds. All awarded funds expended. 100% complete to gut and replace the entire
Holmes Hall building in 3 phases.
12/31/18 – no change.
3/31/19 – no change.
6/30/19 – no change.
9/30/19 – minor cost increase to refine design scope to focus on targeted and strategic spaces
as prioritized by the dean.
12/31/19 – no change.
03/31/20 – no change.

CTAHR DUE DILIGENCE FOR VARIOUS DEFERRED MAINTENANCE
IMPROVEMENTS
Scope: document property information, code requirements and conditions at each of CTAHR’s
27 sites statewide; provide recommendations for future work.

9/30/15 – $1.2 million design contract with INK Architects executed 8/25/15, completion Sept
2017.
12/31/15 – design 20% complete.
3/31/16 – no change.
6/30/16 – design 38% complete.
9/30/16 – design 42% complete.
12/31/16 – no change.
3/31/17 – no change.
6/30/17 – completion extended to June 2018 due to the requirement that additional
information be included in the documents to provide for facilities planning of future
projects for the various sites. 42% complete.
9/30/17 – completion extended to Dec 2018 due to revisions and changes to the site
assessment reports. 42% complete.
12/31/17 – 48% complete.
3/31/18 – no change.
6/30/18 – no change.
9/30/18 – completion extended to March 2019 due to additional time required to fully assess
the existing conditions of the six remaining sites. 48% complete.
12/31/18 – completion extended to Sept 2019 due to additional time needed. 48% complete.
3/31/19 – 63% complete.
6/30/19 – no change.
9/30/19 – completion extended to Dec 2019 due to additional time required to fully assess the
condition of the facilities. 63% complete.
12/31/19 – completion extended to Summer 2020 to incorporate review comments. 95% complete.

03/31/20 – no change. 98% complete.

ELEVATOR MODERNIZATION, PHASE IV (11 ELEVATORS INITIALLY)
Scope: modernize existing elevator systems and machine rooms, replace elevator cabs where feasible, and install access card readers and CCTV cameras.

Design
12/31/17 – $1.1 million new design contract with Design Partners, Inc., completion Dec 2018. 5% complete.

3/31/18 – no change.

6/30/18 – completion extended to Dec 2019 due to additional time needed for the design consultant to complete construction documents. 5% complete.

9/30/18 – minor cost increase due to installation of new card readers and associated equipment in elevator cabs. 12% complete.

12/31/18 – cost increase to $1.5 million due to addition of parking structures phases I and II-A modernization; access of machine rooms for survey work/inspections, and the astronomy topo survey. 40% complete.

3/31/19 – 65% complete.

6/30/19 – 75% complete.

9/30/19 – completion extended to May 2020 due to extensive internal review of access controls and security. St. Johns elevators (2) removed from project scope (added to phase V) per facilities’ request. 95% complete.

12/31/19 – design is 100% complete. Planning to award construction project in May.

Construction
03/31/20 – construction project out to bid, pending release of funds.

MINI MASTER PLAN, PHASE 2 (FORMERLY NEW CLASSROOM BUILDING)
Scope: new facility with classrooms and offices, parking improvements and hardscaping.

Design
12/31/17 – $3.0 million new project for (i) design of a new classroom bldg. approved by the BOR in 2008 and (ii) an updated PRU/LRDP/master plan and EA, completion June 2020. Design consultant is Ushijma Architects, Inc

3/31/18 – design is 1% complete.

6/30/18 – design is 5% complete.

9/30/18 – design is 35% complete.

12/31/18 – no change.

3/31/19 – cost increase to $4.0 million to add architectural, mechanical, electrical and LEED research of existing site conditions and complete charrettes for future scope, site selection evaluation and analysis, programming communication and outreach through in-person and website updates; and space planning analysis. Design is 35% complete.

6/30/19 – minor cost increase to design the demolition of Snyder Hall for preparation of site for the new classroom building; design includes contract documents and permit application. Design is 35% complete.
9/30/19 – cost increase to $4.5 million to prepare criteria for mini master plan, phase 2, Varney Circle, and parking structure and project-specific EA. 47% complete.
12/31/19 – no change.
03/31/20 – cost increase to $5.0 million to provide additional criteria for demolition of Snyder Hall, Varney Circle and Campus Road, which includes performing the Environmental Assessment for this project. 50% complete.

Construction (N/A)

BACHMAN HALL RENOVATION
Scope: renovate building including new central HVAC system and roofing system; exterior painting; window, floor, ceiling, restroom and partition wall replacement; and mechanical, electrical, plumbing, telecom and life safety system replacement.

Design
6/30/19 – planning phase in progress; $15 million estimated construction cost. RFP for design-build expected to be issued in Sept 2019.

Construction
9/30/19 – part 1 of RFP was issued; part 2 expected to be issued in Dec 2019.
12/31/19 – RFP part 2 issued on 1/9/20; planning to select Design-Build contractor by Summer 2020.
03/31/20 – RFP Part 2 pending award in May 2020.

UHM CENTRAL ADMINISTRATIVE AND TRANSPORTATION CENTER (NEW PARKING STRUCTURE)
Scope: Design and construct 6-story parking structure on Mānoa Campus with 1,000 stalls.

Design
03/31/20 – $700,000 for design consultant for concept design, grant preparation, and Environmental Assessment preparation. 1% complete. Estimated design completion is June 2021. $60 million estimated construction cost.

Construction (N/A)

FACILITIES SPACE UTILIZATION STUDY
Scope: perform baseline analysis of current space utilization and create strategic space utilization strategies to align facilities with future program needs for all University of Hawai‘i campuses.

03/31/20 – $950,000 for space utilization study of Mānoa campus (phase 1 - 80% complete) and West O‘ahu campus (50% complete). Estimated completion date is July 2020. Project is pending negotiations and award for additional Mānoa campus updates and space utilization study for Hilo and Community College campuses with estimated completion date of Dec 2021.
DEMOLITION AND ABATEMENT OF SNYDER HALL
Scope: Complete demolition and abatement of the existing Snyder Hall, including the slab-on-grade, below grade utilities, and foundations.

03/31/20 – Design-Build project awarded April 2020 for $6.2 million.

BILGER HALL AND BILGER ADDITION, REROOF
Scope: Remove existing TPO roofing and install new modified bitumen roofing. Replace all doors accessible from roof and equipment stands for HVAC equipment that do not meet maintenance clearance requirements.

03/31/20 – bids received; estimated construction cost is approx. $5 million.

Hilo

DANIEL K. INOUYE COLLEGE OF PHARMACY
Scope: 2-level facility with lecture rooms, student spaces, an administration suite, offices, labs, medication therapy management suite and mock pharmacy. Also includes new surface parking lot, landscaping and site lighting.

9/30/15 – $30 million construction cost estimate; bids due 10/6/15.
12/31/15 – design contract signed 8/30/10; current design contract amount = $5.5 million.
3/31/16 – contract award in progress.
6/30/16 – contract pending execution.
9/30/16 – $31.3 million contract with Isemoto Contracting Co., Ltd., completion May 2018. 5% complete.
12/31/16 – 7% complete.
3/31/17 – 20% complete.
6/31/17 – 24% complete.
9/30/17 – minor cost increase due to structural steel changes, underground electrical line extension and pole relocation, and extension of paved area for emergency site access due to county fire department’s comments. 42% complete.
12/31/17 – completion extended to Oct 2018 due to additional 2’ of excavation and backfill under the building foundation. 49% complete.
3/31/18 – 56% complete.
6/30/18 – minor cost increase due to audio visual rough-in work. 65% complete.
9/30/18 – completion extended to May 2019 due to reinstatement of the AV system and additional foundation excavation required to address cinder pockets. 80% complete.
12/31/18 – cost increase to $33.5 million and completion extended to July 2019 due to purchase, rough-in work and installation of AV system and equipment. 82% complete.
3/31/19 – minor cost increase and completion extended to Dec 2019 due to change order to install a temporary handicap stall at the pharmacy modular building and install network switches for AV equipment. 86% complete.
6/30/19 – no change.
9/30/19 – pending closeout. 98% complete.
12/31/19 – Certificate of Occupancy received on 12/4/19. Contractor addressing minor punchlist items and preparing close-out documents. 99% complete.
03/31/20 – no change.

HALE ‘ALAHONUA AIR CONDITIONING IMPROVEMENTS
Scope: install air conditioning for 152 apartment units and PV system.

9/30/18 – executing consultant contract; estimated construction cost is $5 to $10 million.
12/31/19 – consultant contract executed, finalizing project documents.
3/31/19 – no change.
6/30/19 – $4.6 million contract awarded to Isemoto Contracting Co., Ltd. to install A/C units at the tenat units and lounges 1 and 4, with panel-mounted PV system to achieve an overall design of net zero, completion date Aug 2020. Awaiting building permits before starting construction.
9/30/19 – no change.
12/31/19 – no change.
03/31/20 – 10% complete. Pending release of funds to add PV panels and battery storage system (additional $2 million).

RENOVATE PHARMACY MODULAR BUILDINGS
Scope: Renovate Building B, including revisions to the interior space, A/C system, structural components, and reroofing. A structure adjacent to Building B will be constructed for the Nuclear Magnetic Resonance machines. This project will also include the relocation of equipment from the Waiākea Research Station to the project site.

03/31/20 – $7.0 million contract awarded April 2020 to Isemoto Contracting Co., Ltd.

West O'ahu

ADMINISTRATION AND ALLIED HEALTH FACILITY
Scope: 43,000 sq. ft. building with offices, classrooms, laboratories and other related spaces.

9/30/15 – design contract executed 6/27/14, completion originally Oct 2014 extended to Feb 2016 @ $2.6 million. Design 45% complete.
12/31/15 – no report.
3/31/16 – bidding in progress, bids due 5/17/16.
6/30/16 – $29.9 million contract pending execution.
9/30/16 – $29.9 million contract, completion July 2018.
12/31/16 – completion extended to Sept 2018 due to bid protest.
3/31/17 – completion extended to Oct 2018 due to changes in roof drainage design, which affected coordination with underground utilities. Interior roof drains were replaced with exterior downspouts to address campus concerns for long-term maintenance. 8% complete.
6/30/17 – 22% complete.
9/30/17 – minor cost increase due to demolition of existing site electrical, replacing valves on chilled water loop, adjusting the location of the emergency power electrical duct, and cutting and plugging existing utility lines. 34% complete.

12/31/17 – cost increase to $30.5 million due to furniture revisions, revisions due to unavailability of specified products, and replacing inoperable existing underground valves. 48% complete.

3/31/18 – cost increase to $31.0 million due to underground site conditions, re-routing existing electrical ducts, changes in the AV equipment and room layout, and increasing the depth of the underground utilities. 70% complete.

6/30/18 – minor cost increase, completion date extension to Dec 2018 due to adding a rooftop PV system, revisions to roof drainage system exterior downspouts, extending the creative media facility sidewalk, drainage connections to emergency eyewash stations in labs, and temporary electrical service for construction power. 85% complete.

9/30/18 – minor cost increase, completion extended to March 2019 due to additional building identification signs and an unforeseen need to close off non-functioning chilled water loop valves. 98% complete.

12/31/18 – cost increase to $31.5 million, completion extended to Sept 2019 due to exterior CMU water repellant, interior revisions to meet updated campus requirements, and landscape irrigation revisions. 99% complete.

3/31/19 – minor cost increase due to adjustments to rainwater recycling system, architectural revisions, additional AV system network monitoring, lab AC improvements, and elevator inspection requirements. 99% complete.

6/30/19 – cost increase to $32.0 million, completion extended to March 2020 due to modification of utilities for laboratory equipment to resolve field conditions and various electrical details to resolve field conditions, user requests, and regulatory changes. 99% complete.

9/30/19 – cost increase to $32.5 million, completion extended to April 2020 due to added rooftop PV system and extended builder’s risk insurance coverage. Pending closeout. 98% complete.

12/31/19 – cost increase to $33.0 million, completion extended to Dec 2020 due to additional design and permit processing time for rooftop PV system. 99% complete.

03/31/20 – no change.

CREATIVE MEDIA
Scope: 33,000 sq.ft. building for Academy of Creative Media program.

Design
9/30/15 – design contract for science technology and creative media building executed 6/30/14, completion originally Oct 2014 extended to June 2016 @ $2.5 million. Design 20% complete.

12/31/15 – no report.
3/31/16 – no report.
6/30/16 – no report.
9/30/16 – no report.
12/31/16 – no report.
3/31/17 – no report.
6/30/17 – currently in design, estimated construction cost is $30 to $40 million.
9/30/17 – currently in procurement, estimated construction cost $32 million, completion June 2020.
12/31/17 – determining final design-build team; notice of award planned for Feb 2018; anticipated construction contract $33.5 million.
6/30/18 – design-build drawings are 30% complete.
9/30/18 – design-build drawings are 80% complete.
12/31/18 – 100% of design, 0% of construction complete.

Construction
3/31/19 – construction 5% complete.
6/30/19 – cost increase to $34.0 million, completion extended to Aug 2020 due to grading permit delays and to upgrade below-grade CMU stem walls to cast-in-place concrete; install large recessed-type electrical floor boxes in labs, classroom, meeting and other spaces to reduce tripping hazards; and for new storm drain catchment system. 25% complete.
9/30/19 – cost increase to $34.5 million to add seating riser in the lobby area and power/telecom infrastructure for the outdoor screening area. 46% complete.
12/31/19 – 60% complete.
03/31/20 – 75% complete.

Honolulu Community College

No projects.

Kapi‘olani Community College

CULINARY INSTITUTE OF THE PACIFIC, PHASE 2
Scope: 3 phases as funds are made available: 8,000 sq.ft. restaurant, 3,000 sq.ft innovation center, 3,500 sq.ft. auditorium, site work, utilities, and parking.

Design
6/30/19 – planning phase in progress, $2.0 million budget for design, $30 million estimated construction cost.
9/30/19 – no change, awaiting release of funds.

Construction
03/31/20 – RFP Part 2 issued 3/16/20. Project awarded on 5/20/20 to Ralph S. Inouye Co., Ltd. for $25.7 million.
Leeward Community College

REPAIR AND REFURBISH THEATER
Scope: upgrade and update areas throughout the theater including the seating and stage area and stage equipment, renovate entry area, restrooms and concession, and improve exterior drainage and landscaping.

9/30/16 – $10.3 million contract, completion Sept 2017. 1% complete.
12/31/16 – completion extended to Oct 2017 due to unforeseen site and interior conditions, additional abatement work, and extended campus relocation. 20% complete.
3/31/17 – completion extended to Nov 2017. 38% complete.
6/30/17 – 52% complete.
9/30/17 – minor cost increase, completion extended to Jan 2018 due to additional labor to remove and relocate items left behind by LCC staff; asbestos abatement, and additional concrete seal, spall and crack repairs. 65% complete.
12/31/17 – completion extended to April 2018 due to installation of a new waterproof coating and relocation and redesign of auditorium accessibility-related items. 87% complete.
3/31/18 – completion extended to July 2018 due to replacement of chilled water lines due to a newly-discovered leak. 95% complete.
6/30/18 – cost increased to $11.0 million, completion extended to Oct 2018 due to repairs to exterior brick face walls/spalling/rebar, new canopy structural conditions, and waterproof coating the exterior 2nd floor concrete deck to resolve ongoing leaks. 95% complete.
9/30/18 – completion extended to May 2019 due to contractor repairing leaks on decks and completing punchlist items. 98% complete.
12/31/18 – cost increased to $12.0 million due to additional electrical work, waterproofing due to additional leaks, modification to exterior canopies and existing mechanical units due to balancing requirements, new exhaust for dryer at basement, extension of 4’ data conduit, and new AC UV lights. 98% complete.
3/31/19 – completion extended to July 2019 due to reorder/replacement of defective materials for the lighting system (long lead), extended testing and balancing of the HVAC system, replacement of the flooring transition cover piece at the practice dance room and repairs to the stage lift gear/shaft. 99% complete.
6/30/19 – completion extended to Sept 2019 due to extended testing and balancing of the auditorium and basement level to maintain a level temperature during full capacity events; and additional aisle lights, transformers, stair nosing at accessible seating areas (long lead), and lighting at the backstage area (long lead).
9/30/19 – completion extended to Jan 2020 to investigate and resolve new low water pressure issue affecting lavatories and fire hose system. Pending closeout. 99% complete.
12/31/19 – final inspection and project acceptance received 11/27/19. Contractor finalizing close-out documents.
03/31/20 – project completed; close-out documents and as-built drawings were approved. Final invoice for the consultant and contractor has been approved and submitted for processing. This is the last update for this project and it will be removed from the next update.
BUILDING 7881 DA NATIVE HAWAIIAN CENTER FOR EXCELLENCE
Scope: renovate building (includes offices, classrooms, social and study areas) and add a dance studio.

9/30/18 – 2% complete.
12/31/18 – 15% complete.
3/31/19 – 30% complete.
6/30/19 – cost increase to $7.0 million, completion extended to Feb 2020 due to additional 3,000 sq.ft. of hazardous material abatement at the 2nd floor exterior deck, third party air monitoring, temporary deck protection, ramp/handrail fabrication, alternate access gate for preschool, spalled concrete/corroded reinforcement repairs, crumbling telecom hand hole replacement, and fire-rated window system installation. 45% complete.
9/30/19 – minor cost increase, completion extended to April 2020 due to work to address Hawai'i Fire Department comments, unforeseen interior/exterior slab conditions, additional power required for HVAC units, correction of water/drain pipe for ADA compliance, and addition of new electronic access locks for exterior doors. 60% complete.
12/31/19 – cost increase to $7.5 million, completion extended to May 2020 due to alterations to design/layout affecting structural, mechanical and electrical work. 85% complete.
03/31/20 – minor cost increase, completion extended to July 2020 due to additional work to address cracks and spalling, deteriorated asphalt, contamination of existing sub-base materials, and alteration to window panels. 95% complete.

PRODUCT DEVELOPMENT CENTER RENOVATION
Scope: repurpose a metal warehouse on California Avenue in Wahiawā into a facility that will be jointly managed by the UH community colleges and the Agribusiness Development Corporation. The facility will include commercial-grade kitchen space, classroom space, processing and manufacturing rooms, testing labs, cold storage and a public meeting space.

3/31/19 – fee negotiation in progress, estimated construction $5 to $10 million.
6/30/19 – planning phase in progress.
9/30/19 – no change.
12/31/19 – final design phase in progress, estimated construction cost increased to $16.5 million.
03/31/20 – IFB issued 2/27/20 and all bids have been received; planning to award by June 2020.

Windward Community College

No projects.
Maui College

RENOVATE KITCHEN & ACCESSORY SPACES IN PILINA BUILDING
Scope: renovate existing commercial kitchen space on second floor and loading dock on first floor for Food Manufacturing Facility.

3/31/17 – in design phase, estimated construction cost $5 to $10 million.
6/30/17 – no change.
9/30/17 – no change.
12/31/17 – no change.
3/31/18 – in bidding phase.
6/30/18 – $7.2 million construction contract awarded to Hawaiian Dredging Construction Co., Inc. on 6/15/18, completion June 2019.
9/30/18 – 16% complete.
12/31/18 – 32% complete.
3/31/19 – completion extended to Aug 2019 due to unforeseen field conditions within ceilings/walls prior to demolition and obstructed access to the locations of the new drains, sewer pipes and steel beams. 40% complete.
6/30/19 – completion extended to Dec 2019 due to additional unforeseen field conditions within plenum spaces and 2nd floor structural slab conditions. 45% complete.
9/30/19 – minor cost increase and completion extended to April 2020 due to unforeseen conditions in walls, beam obstructions, structural restrictions for ceiling height, sump pit work, relocation of mechanical/electrical infrastructure, and user-requested kitchen equipment changes. 50% complete.
12/31/19 – no change.
03/31/20 – completion extended to Dec 2020 due to long-lead kitchen equipment changes and revised infrastructure. 54% complete.

Hawai‘i Community College

HALE ALOHA RENOVATION
6/30/19 – $7.9 million project has been in litigation since completion in 2016. Mediation scheduled for Sept 26-27, 2019.
12/31/19 – no change.
03/31/20 – no change.

Kaua‘i Community College

No projects.
West O’ahu – University District Lands

Scope: This project seeks to partner with a Developer to develop approximately 180 acres of land on the perimeter of the West O’ahu campus with commercial, mixed-use facilities that complement the West O’ahu campus by creating a unique destination that also serves the broader community and takes advantage of Transit-Oriented Development (TOD) opportunities in and around the two rail stations on the campus. The vision is to create a vibrant, sustainable mixed-use university village community that will accommodate various residential options retail/commercial activities, entertainment, and recreational and cultural venues.

Historical Background (Major Milestones):
- RFQ Solicitation for Developer issued on September 23, 2015.
- RFBP Solicitation for Developer issued on February 29, 2016.
- ENA term retroactively extended by one year at HDG & SCD’s request on November 20, 2018.
- ENA with HDG & SCD expired on August 15, 2019, with negotiations reaching an impasse over terms of a master development agreement.
- Project scope (to be) re-evaluated with a possible priority focus on the development of lands immediately adjacent to the rail stations.

Third Quarter Update: No change.

Atherton – Innovation Space/Student Housing

Scope: This project seeks to partner with Developers to construct or redevelop the site for University of Hawai‘i (UH) student housing, to incorporate an innovation center space, to develop office space, and to provide a (private) developer option for commercial/retail space. The property is approximately 0.99 acres and located at 1810 University Avenue, Honolulu, Hawai‘i 96822.

Historical Background (Major Milestones):
- UH Foundation (UHF) acquired Atherton YMCA property in November 2016.
- Regents approved UHF/University Master Lease of Atherton YMCA property in November 2016.
- UH Mānoa (UHM)/UHF project to renovate Atherton for UHM Student Housing ("Project 1.0") started in 2017.
- Project 1.0 suspended early 2018, due to determined insufficient budget for renovations after pre-construction estimates completed.
• UH/UHF project restarted as “Atherton 2.0” in April 2018, which preserves 1.0 project objective as renovated student housing and enhances project deliverable to include innovation center; project consultant hired by UHF.
• Project 2.0 contemplates P3 development model as approach.
• Issued developer RFP in December 2018. RFP closed on March 5, 2019.
• Hunt Development Group (HDG) selected as developer in April 2019. Project estimated at $70 million.
• Established UHF/UH governance committee in April 2019; determining business structure and financial structure arrangements.
• UHF negotiated exclusive negotiating agreement (ENA) in September 2019.
• Preliminary design in value-engineering phase for construction and community outreach started in October 2019.
• UHF refinanced mortgage on property May 2020. Conversion to interest-only loan, extended loan maturity to October 2023.

Third Quarter Update:
• UHF and UH continuing negotiations converting existing lease in favor of UHM Housing to an equity-share arrangement between UHF and UH.
• Pre-construction site work started at property in November 2019. Soil and environmental sampling began in Q2. Interior sampling and testing began in Q3.
• Master Development Agreement (MDA) being worked on between UHF/UH and HDG. Components contemplate some future responsibilities for UH.
• Draft Environmental Assessment posted with Office of Environmental Quality Control (OEQC) on March 8, 2020. Public and agency comment period through April 7, 2020.
• Determination (or not) if/of Finding of No Significant Impact (FONSI) anticipated mid-to-late May 2020.
• Value engineering and design work continues for building(s), facility designs, room units, etc.
• Consultative work on “major” modification to the UHM Long-Range Development Plan (LRDP) and Plan Review Use (PRU) permit process, entitlement, and other permitting, to begin in early Q4.
• Anticipated bond financing transaction after securing all entitlement requirements. Cognizant of COVID impacts on financial markets, future demand, industry adaptions, etc. As of end of Q3, still targeting November/December 2020 for bond transaction.

Mānoa – Graduate Student Housing (NOAA)

Scope: This project seeks to partner with a Developer to develop family-oriented mixed-use rental housing at below-market rates for graduate students, junior faculty, and staff at University of Hawai‘i at Mānoa (UHM). The project could also be developed to serve other UH faculty, staff, and other UH-affiliated persons at other UH campuses. UH has a strong preference that the project also include a child care facility (to be operated by UHM) to support the relocation of the UHM Children’s Center currently operating at 2320 Dole Street. The property is approximately 2.21 acres located at 2570 Dole Street, Honolulu, Hawai‘i 96822.
Historical Background (Major Milestones):

- Two Step RFP Solicitation for Developer issued at end of 2018.
- Project kick-off on August 22, 2019; project estimated at $117 million.
- Exclusive Negotiation Agreement (ENA) signed with Greystar Real Estate Development Services on November 1, 2019.

Third Quarter Update:

- Limited Pre-Construction Agreement (PCA) authorized by Board of Regents March 2020. Phase 1, up to $1,500,000 authorized. Anticipated pre-construction work through 2020.
- Market demand survey anticipated to begin in early Q4.

Kaimukī Parcels (Leahi)

Scope: This project seeks to evaluate options for disposition of three parcels of land totaling approximately 6.56 acres adjacent to Leahi Hospital. Disposition/use options may include fee-simple sale, property development - either by way of long-term ground lease to developer or with UH as developer, - or other options.

Historical Background:

- The subject parcels were acquired by UH in 1977 as part of a land assemblage for the establishment of a School of Medicine, which was eventually located in Kaka’ako.
- Parcels are currently either vacant or have aged wooden structures, and are unencumbered by any long-term use agreements.

Third Quarter Update:

- CBRE, Inc. contracted to perform a market value appraisal on the real property parcels in January 2020.
- CBRE, Inc. approximates market value for parcels in the aggregate at $15.3 million, with individual parcels ranging in value between $4.5 million to $5.5 million.
- Administration assessing potential options for disposition of the parcels.
Waialeʻe Land Transfer Background (May 2020 Update)

DESCRIPTION
• Four TMKs (5-8-001:013, 5-8-001:055, 5-8-001:007, 5-8-001:0006).
• CTAHR-Administered Research Station no longer in active use.
• Ceded lands, includes kuleana parcels.
• Approximately 131.7 acres.

STATUS
• Board of Regents approved conveyance of property to Hawaii Agribusiness Development Corporation (ADC), March 2018.
• Board authorized President and/or VP-B&F/CFO to negotiate, finalize, and execute fee simple conveyance to ADC.
• ADC Board decided not to accept property, November 2019.

Photo: John Bilderback
Waiale’e Land Transfer Status

CURRENT STATUS
• BOR informed that ADC does not want to acquire this property (November 2019).
• A number of community groups, non-profits, private businesses, private persons, and other government agencies have contacted UH, some with opinions about what UH should do and some exploring interest in assuming the property.
• UH Administration dealing with escalated community complaints about illegal dumping, squatting, trespassing, and criminal activity on property. HPD has been engaged.
• Administration has already been exploring and assessing alternative dispositions for the property.

ADMINISTRATION PROPOSAL
• Administration is considering new strategy for disposition of this property.
  (1) Makai portion: Solicit for a long-term lessee who will be responsible for conservation, preservation, and restoration of cultural sites and wetlands, and assume responsibility to secure and manage the property.
  (2) Mauka portion: Option A: Lease transfer property to the Department of Hawaiian Homelands for their agriculture homestead lot program.
    Option B: Solicit for a short-term to intermediate-term agricultural lessee who can develop active agriculture or ranching production.
    Option C: Combination of A and B.
Kauai Fruit Disinfestation Facility Property Transfer

DESCRIPTION
- CTAHR assigned property, formerly ADC leased property.
- Unutilized agriculture facility. Approximately 2.7 acres.

UH ACTION
- BOR authorized the President to negotiate and complete the property transfer to HDOT, March 2018.
- Negotiating with US-EDA for mortgage release on property before can transfer.

STATUS
- On-going negotiations with US-EDA for conditions of their release of mortgage.
- Working on recording additional property covenants as required by US-EDA.
- Additional CTAHR reporting required by US-EDA.
- Fire on property occurred, February 2020.
- Administration desires to transfer property as soon as procedurally possible.

OBJECTIVE
- Property transfer to Hawaii Department of Transportation – Airports (HDOT).
St. Francis School Property

DESCRIPTION
• 2707 and 2715 Pamoa Road, Honolulu, HI
• TMK 2-9-004:01
• Former St. Francis School (K-12) property
• Adjacent to UH-Mānoa campus
• Approximately 11.120 acres

UH ACTION – March-May 2020
• Procured independent property appraisal, February 2020.
• UH Administration submitted a letter of intent as an offer to purchase property in March 2020.

STATUS
• Seller requested BAFO’s April 8.
• UH Administration responded with BAFO.
• Seller has suspended acceptance of offers.

OBJECTIVE
• Acquisition for development of faculty housing.
Leahi Properties

DESCRIPTION
• Three parcels in near proximity to Kapi‘olani Community College campus.
  1. 550 Makapu‘u Ave. (TMK: 3-2-30, par 2)
  2. 3614 Kīlauea Ave. (TMK: 3-2-32, par 1)
  3. 3670 Kīlauea Ave. (TMK: 3-2-33, par 1)

UH ACTION – March-May 2020
• Procured independent property appraisal, April 2020.
• Procured title reports for due diligence.

STATUS
• Administration developing options to propose to President and Regents.
• Anticipate presenting Administration recommendation early-FY21.

OBJECTIVE
• Primary project objective is monetization of the property.
HART Property Issues

DESCRIPTION
• Numerous real property actions at a number of campuses
  • UHWO (stations #1 & #2)
  • LCC (station #6)
  • Pearl City Urban Garden
  • HCC (station #15)

REAL ESTATE ACTIONS
• Construction rights of entry (CROE)
• Grants of easements
• Relocation
• Use and Occupancy Agreement
• Master Use and Development Agreement (Long-Term Use Agreement)

FUTURE BOR ACTION
• Long-Term Use Agreement will require approval of UH, HART, and C&C DTS.
UHWO, University Village

DESCRIPTION
• Development of “University District Lands” for a University Village.
• Approximately 160+ acres.

OBJECTIVE
• Develop real estate with a private development partner via a P3 model.
• Develop activity and use that enhances the UHWO campus attraction (but, not necessarily academic-related).
• Develop long-term revenue stream to support UHWO and UH.

STATUS
• Exclusive Negotiating Agreement (ENA) established August 2017 to negotiate Master Development Agreement (MDA) with development partner.
• ENA lapsed August 2019 with no MDA. ENA terminated.
• Project lead repositioned to OSDP. Next approach will be to find development partner(s) for smaller development parcels.
DESCRIPTION

- Pilot project with Hawaiian Electric Company (HECO) that allows UH to benefit from renewable energy projects generated at remote sites
- HECO handles the transfer of money and energy to and from a renewable energy project and UH
- No site has been selected
- January 16, 2020: Board authorized administration to support a Public Utilities Commission (PUC) filing by HECO

UPDATE

- UH and HECO teams still negotiating final terms of filing
  - New rate structures introduced in last 6 months required re-modeling and analysis
  - Updated analysis continues to support proceeding with Green Tariff program
- Anticipate UH and HECO internal approvals in next 2 months
- HECO to submit PUC filing by Dec. 2020 (est.)
AES SOLAR PROJECT UPDATE

DESCRIPTION

• Land transaction to lease 90+ acres of UH West O‘ahu – Mauka property to AES
• AES selected to develop and deliver 12.5 MW solar photovoltaic power and 50 MWh storage to HECO grid
• March 2018: Board authorized administration to execute Letters of Intent (LOI) to enter into long-term land agreements with 6 developers responding to HECO RFP
• July 2018 Board Update: Only 2 developers submitted proposals to HECO
• January 2019 P&F Committee Update: UH administration negotiating final long-term land agreements with AES (the selected HECO developer)
• August 2019 Board Update:
  • UH Administration executed Option Agreement with AES West O‘ahu Solar, LLC to allow developer to complete due diligence within 3 years
  • 60 – 80 acres
  • 25 years with 2 x 5-year renewal options
AES SOLAR PROJECT UPDATE (cont.)

**UPDATE**

- Amended size of project site to “up to 97 acres”
- Pending: State Special Use Permit and Conditional Use Permit (Minor)
- Q3 2021 (est.) long-term Easement recorded
- Q4 2021 (est.) start construction

Visit the project website at: [https://aesdistributedenergy.com/west-oahu-homepage/](https://aesdistributedenergy.com/west-oahu-homepage/)
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<tr>
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<th>9/5/19 mtg</th>
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<tr>
<td>1. Review, study, and make recommendations to the Board relative to the long-range plans for the development of the University, considering academic needs, priorities, and fiscal capabilities of the State.</td>
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<td>2. Review, study, and make recommendations to the Board relative to the physical facilities master plans for each campus in the University system and periodically review approved campus master plans in order to recommend revisions, if necessary, to meet the needs of the University.</td>
<td>Reviewed and recommended approval of 10-yr UHM development plan update</td>
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<td>3. Review proposals relative to naming of University improvements and facilities and make its recommendations to the Board.</td>
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<td>4. Review policies and make recommendations to the Board on matters pertaining to the use of University facilities and ensure an environment that is complementary to the educational mission of this institution.</td>
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<td>5. Work in concert with the university administration relating to the capital improvement budget. [Proposed language: “Provide general oversight of the University’s CIP program, to include review and approval of CIP plans and budget requests and review of deferred maintenance and plans to reduce it.”]</td>
<td>Reviewed and recommended approval of FY 20 and FY 21 biennium CIP expenditure plan; also (a) $11.65m to purchase a hanger at Kalaeloa Airport, (b) $4m to buy out PV system leases, and (c) $3m to refit office and classroom modular units at UHH for research.</td>
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<td>Review Impact of COVID-19 on CIP and R&amp;M projects.</td>
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<td>6.</td>
<td>Provide general oversight of the University’s land-related strategic initiatives and partnerships program.</td>
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<td></td>
<td>Reviewed 4th Q FY 19 CIP status report</td>
<td>Reviewed 1st Q FY 20 CIP status report</td>
<td>Reviewed 2nd Q FY 20 CIP status report</td>
<td>Review 3rd Q FY 20 CIP status report</td>
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<td>Reviewed 4th Q FY 19 CIP status report</td>
<td>Reviewed 1st Q FY 20 CIP status report</td>
<td>Reviewed 2nd Q FY 20 CIP status report</td>
<td>Review 3rd Q FY 20 CIP status report</td>
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<td>7. Proposed:</td>
<td>review and approve all real property transactions for the disposition or acquisition of real property in fee simple or by lease or equivalent interest with a term exceeding five years, including amendments and extensions thereof, and review the annual list and description of all real property transactions, the authority for which has been delegated to the president. (R.P. 10.201)</td>
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<td>Reviewed status of Waialee land transfer to Agribusiness Development Corp. [ADC no longer interested.]</td>
<td>Reviewed status of Waialee land transfer to Agribusiness Development Corp. [ADC no longer interested.]</td>
<td>Reviewed status of Waialee land transfer to Agribusiness Development Corp. [ADC no longer interested.]</td>
<td>Review update.</td>
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<td></td>
<td>9/5/19 mtg</td>
<td>12/5/19 mtg</td>
<td>3/5/20 mtg</td>
<td>May ’20 mtg pending</td>
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<td>Reviewed annual report of real property transactions, authority for which had been delegated to the president.</td>
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<td>Recommended to the board approval for the admin to negotiate and enter into a “preconstruction agreement” for the NOAA site.</td>
<td>Review update</td>
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<td>8. Proposed: review and approve fees for parking permits and parking fees per day, per hour, or fraction thereof on the roadways and in the parking areas under the jurisdiction of the university. (R.P. 10.207).</td>
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<td>9. Committee governance</td>
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<td>Review committee’s work for the year.</td>
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