MINUTES

BOARD OF REGENTS' COMMITTEE ON PLANNING AND FACILITIES MEETING

FEBRUARY 11, 2016

I. CALL TO ORDER

Committee Chair Ben Kudo, called the meeting to order at 2:35 p.m. on Thursday, February 11, 2016, at the University of Hawai‘i at Mānoa, Information Technology Building, 1st Floor Conference Room 105A/B, 2420 Correa Road, Honolulu, Hawai‘i 96822.

Committee members in attendance: Committee Chair Ben Kudo; Committee Vice Chair Stanford Yuen; Board Vice Chair Jan Sullivan; Regent Jeffrey Portnoy; Regent Michelle Tagorda; Regent Ernest Wilson, Jr.

Members excused: Regent David Iha.

Others in attendance: Regents' Chair Randy Moore; Regent Simeon Acoba, Regent Wayne Higaki, Regent Michael McEnerney, Regent Lee Putnam (ex officio committee members); President David Lassner; Vice President for Academic Affairs Risa Dickson; Vice President for Administration Jan Gouveia; Vice President for Community Colleges John Morton; Vice President for Legal Affairs and University General Counsel Carrie Okinaga; Vice President for Research Vassilis Syrmos; Vice President for Vice President for Budget & Finance/Chief Financial Officer Kalbert Young; Interim UH Mānoa (UHM) Chancellor, Robert Bley-Vroman; Interim UH-West O‘ahu (UHWO) Chancellor, Doris Ching; Executive Administrator and Secretary of the Board of Regents Cynthia Quinn; and others as noted.

II. APPROVAL OF THE MINUTES OF THE NOVEMBER 4, 2015 MEETING

Board Chair Moore moved to approve the minutes of the November 4, 2015 meeting, seconded by Regent Wilson, and the motion carried unanimously.

III. PUBLIC COMMENT PERIOD

Executive Administrator and Secretary of the Board Cynthia Quinn announced that the Board Office received late written testimony, and 13 individuals had signed up to give oral testimony.

The following individuals provided testimony:

1. Alison Sherwood, Chair of UHM Department of Botany, provided written testimony regarding support of the Snyder Project Plan.

2. Marguerite Butler provided oral testimony regarding faculty concerns about increasing course fees; lack of transparency and faculty input on the development

of the UHM budget allocation model and the plans regarding the new life science building.

3. Kaho Tisthammer, Graduate Assistant at Pacific Biosciences Research Center (PRRC), provided oral testimony in support of interdisciplinary research, modern facilities, and collaboration.

4. Margaret McFall-Ngai, Director of PBRC, provided written and oral testimony regarding support of a new life sciences building.

5. Marilyn Dunlap, Interim Associate Director of the Pacific Biosciences Research Center (PBRC) and Director of the Biological Electron Microscope Facility, provided written and oral testimony in support of the new life sciences building.

6. Kristin Kumashiro, Interim Dean of UHM College of Natural Sciences, provided oral testimony in support of the College of Natural Sciences, and a new life sciences building.

7. Thomas Ranker, Interim Associate Dean of UHM College of Natural Science, provided oral testimony in support of a new life sciences building.

8. Sterling Keeley, UHM Botany professor, provided oral testimony in support of a new life sciences building with state-of-the-art labs.

9. Thomas Hemscheidt, UHM Chemistry professor, provided oral testimony in support of a life sciences building.

10. Joseph Jarrett, Professor & Associate Chair, UHM Department of Chemistry, provided written and oral testimony in support of a new life sciences building.

11. Philip Williams, UHM Associate Chemistry professor, provided oral testimony in support of a new life sciences building.

12. James Murphy, Graduate Assistant at PBRC, provided oral testimony in support of a new life sciences building.

13. James Douglas, UHM Microbiology professor, provided oral testimony in support of renovating the existing Snyder building that includes a BSL3 laboratory and restores the synergy with the biology program at Edmonson Hall.

14. Stuart Donachie, Chair of UHM Microbiology Department, provided oral testimony in support of co-locating microbiology lab-based, instructional and research programs in the same building.

IV. AGENDA ITEMS

A. For Information:

1. FY16 Quarterly Status Report on Capital Improvement Projects (CIP)

VP Gouveia provided a status report on the Capital Improvement Projects (CIP) for the FY16 quarter. Highlights included three active design projects over $1 million, and construction projects over $5 million that include several repair and maintenance (R&M) projects with many pending close-out, as administration actively works on completely punch list items.

Extensive discussion ensued regarding concerns about the status of the College of Pharmacy building bid, adequate funding for construction, and status of other projects exceeding contingency amounts. It was reported that the bids for the UHH Pharmacy building exceeded the original design amount due to escalating market conditions. Administration is exploring all options within the boundaries of the Hawai‘i State Procurement Code to encumber funds by June 2016. Regarding construction projects exceeding original budget estimates, it was explained how the design-build process is preferred to mitigate overages that have to occured when utilizing a lowest bid process for construction of a project design that inevitably incurs change orders to address unexpected flaws or changed circumstances. On the other hand, the design build contractor is responsible for the design and deliverables at a fixed price. The only projects where funds lapsed were those that leadership determined to not proceed. No lump sum appropriations for health and safety, capital renewal and deferred maintenance (CRDM) have lapsed and did not impact the scope or priorities of those projects. Projects nearing completion are nominal punch list items and within the contingency amount. President Lassner indicated that in addition to rising construction costs and timing issues, there are projects where the Legislature does not appropriate the requested level of funding, or projects where the appropriation does not provide the flexibility to move money between projects or type of projects. It was discussed how lump sum appropriation provides administration the flexibility to meet the stringent timeframes, and deal with the uncertainties of government projects.

2. Update on Snyder Project Plan

VP Gouveia provided a handout (Attachment 1) regarding a revised phased approach to address capital renewal and deferred maintenance on the UHM campus involving the College of Natural Sciences and Kuykendall and Henke Hall buildings. Highlights included how the original approach to relocate departments from Snyder building to a brand new building near Biomed (Phase 1), utilizing Snyder building as swing space for occupants of Kuykendall Hall, were revised because the Biomed site had cost prohibitive infrastructure restrictions unsuitable for a new building. Henke Hall site has been identified as a possible alternative site for a design-build life sciences building that will result in a $40 million decrease in CRDM. However, $30 million of the original funding would be reallocated to be used for CRDM and health & safety projects to avoid the funds lapsing. This is required because the Department of Budget & Finance will not allow the repurposing of the $30 million funds from smaller CRDM and health & safety projects to the construction of the new proposed replacement building without explicit legislative approval.

The new building on the Henke site will require approximately $52 million, compromised of $20 million in current appropriation that will not lapse until 2017, and a legislative request for $32 to $33 million that is supported by key legislators who like the strategic approach to addressing the project.

Lengthy discussion ensued regarding the complex and challenging environment under which the university has to operate, the priority of addressing deferred maintenance, and status of the proposed plan for Kuykendall that administration has had as the number one priority for years, and alternate plans to reduce CRM by $15 million and square footage by 2,500.

It was reported that the current proposal could alleviate $38 million in deferred maintenance and the proposed phased approach represents a different holistic approach to addressing deferred maintenance at UHM triggered when phase I gets funded, resulting in a $2.5 million reduction in CRDM at Henke, and the demolition of Snyder, which results in a $19 million reduction in CRDM, which brings the total reduction in CRDM for phase I to over $21 million.

B. <u>For Action:</u>

1. **<u>Recommend Approval of Capital Improvements Program and Repairs and Maintenance Project Contracts for Fiscal Year 2015-2016:</u>**
   a) **Kennedy Theater – General Repairs and Code Compliance (UHM 14-541-800) $6,568,000**
   b) **Saunders Hall Exterior Repairs and Reroof (UHM 13-541-310) $5,268, 275**
   c) **Hamilton Library Addition, Ph III – Upgrade Controls, Central Plant and Reheat Systems (UHM 10-541-265A) $5,191,580**

VP Gouveia requested the committee recommend board approval of certain capital improvements program and repairs and maintenance project contracts for FY 2015-2016, as board policy requires board approval for all construction projects over $5 million. As previously discussed, there is now $30 million available for smaller CRDM and health & safety projects, and three projects from the initial project list require board approval. Highlights explained how projects would result in a reduction in deferred maintenance of $1.3 million at Kennedy Theater, $1.7 million at Saunders Hall, and a $600,000 annual reduction in the energy bill for Hamilton Library.

Board Chair Moore moved to recommend board approval of the Capital Improvements Program and Repairs and Maintenance Project Contracts for Fiscal Year 2015-2016, as proposed, seconded by Regent Wilson and the motion carried unanimously.

2. **<u>Recommend Approval of Amendments to RP 10.201, Interests and Real Property</u>**

VP Gouveia requested the committee recommend board approval of certain amendments to RP 10.201, interests and real property that clarify that any transactions requiring the disposition or acquisition of real estate title, or leases longer than five years

require board approval and the president has the discretion to bring any transactions that present a significant public concern to the board.

Extensive discussion ensued regarding recognizing the need to streamline processes and the challenge of ensuring the policy uses clear, unambiguous terms, reflects proper scope and breadth of appropriate board oversight, empowers the president to efficiently manage the university's operations, and complies with statutory requirements. Consideration of the statutory requirement limiting board approval to disposition or acquisition of real property, and implementing certain dollar or term limit thresholds in combination with caveat for exceptions or descriptive language was discussed. Comments and concerns raised related to the president's discretion to seek board input or approval on exceptional matters, and how setting dollar or term limit thresholds with a caveat for exceptions at the president's discretion are useful but could result in unintended negative consequences of either artificially limiting proper oversight or requiring excessive and unnecessary approvals for minor and administrative matters more appropriately within the scope of the president authority. Administration indicated comments would be considered for a revised draft and brought back to the committee.

A. <u>For Information cont.:</u>

3. <u>Update on University of Hawai'i at West O'ahu Master Developer</u>

VP Gouveia provided a verbal update on the status of selecting a master developer for the UHWO lands, that administration will be issuing part II of the request for business proposals (RFBP) to a select number of offerors by the end of February, and then enter a 3-4 month second phase to select a master developer and negotiate a contract to bring to the board for approval. Procedural delays were noted to garner feedback from potential developers as part of the phase I solicitation to define and refine the RFBP content.

The process remains confidential and the names of developers can be released once the master developer is selected.

V. <u>ADJOURNMENT</u>

There being no further business, Regent Yuen moved to adjourn, and Regent Wilson seconded, and with unanimous approval, the meeting was adjourned at 4:39 p.m.

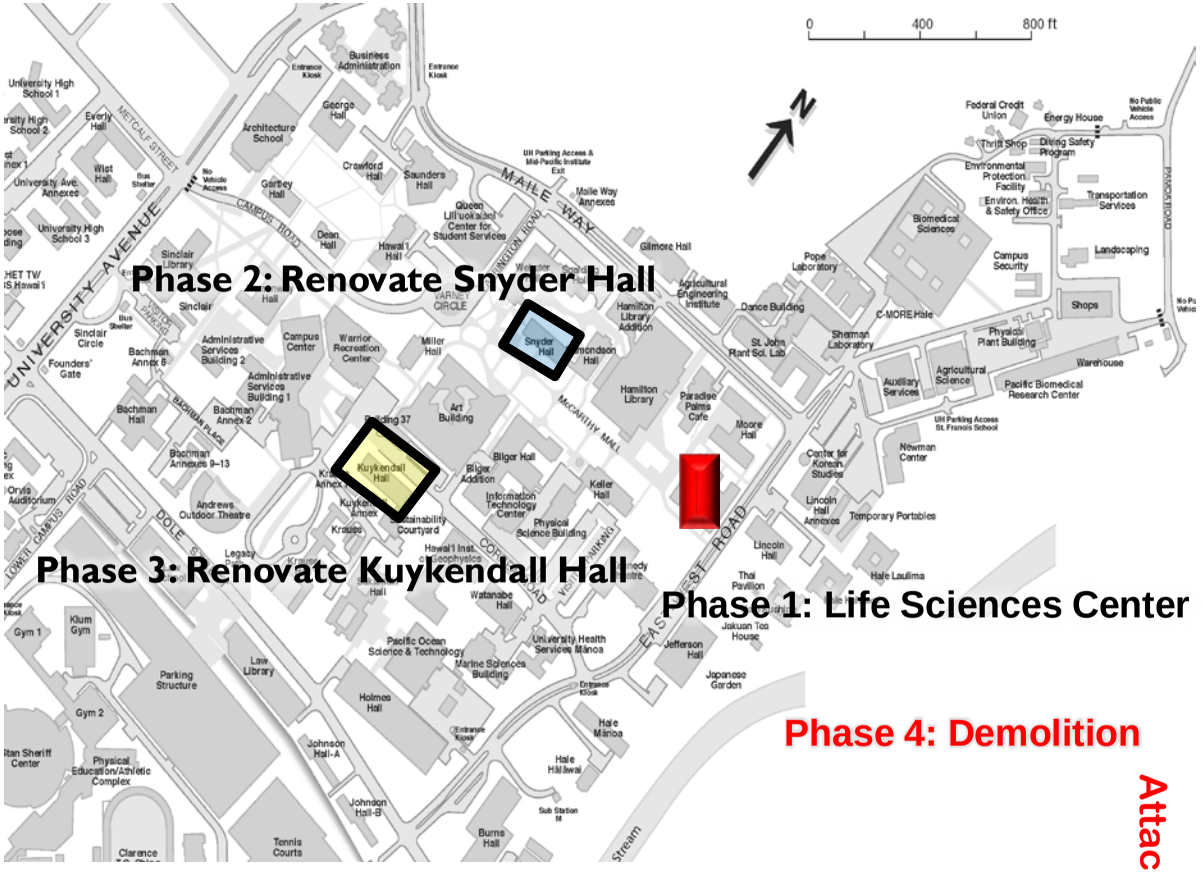
Respectfully Submitted,

/S/

Cynthia Quinn
Executive Administrator and
Secretary of the Board of Regents

Updated Mānoa Mini-Master Plan Description

- Design-build Life Sciences Center on Henke site (teaching/research)
- Renovate/repurpose Snyder Hall for undergraduate classrooms & offices, which strengthens the undergraduate pathway along McCarthy Mall
- Renovate/repurpose Kuykendall Hall for modern classrooms, consolidation of programs
- Net decrease of 10,924 gsf
- Decrease in CRDM by $40m



Attachment 1

Net Impact to Mānoa Campus

- Decrease in CRDM - $40 million
- Net decrease in square feet – (10,924)

Project Summary	Phase 1	Phase 2	Phase 3	Phase 4	Totals
Name	New Life Sciences Center	Snyder Hall	Kuykendall Hall	Demolition	
Total Decrease in CRDM	($2,333,416)	($19,055,925)	($15,016,890)	($4,079,000)	($40,485,231)
Added Square Feet	60,000	0	0	0	60,000
Reduced Square Feet	(24,686)	0	(3,514)	(42,724)	(70,924)
Net Square Feet	35,314	0	(3,514)	(42,724)	(10,924)

SNYDER OPTIONS

NO ACTION	REPAIR		REPLACE		RENOVATE
	$1 MILLION / 2 YEARS	$5 MILLION / 5-10 YEARS	$52 MILLION NEW @ HENKE	$58 MILLION NEW @ SNYDER	$58 MILLION RENOVATED SNYDER
Scope: Continue with current occupants utilizing spaces in current conditions.	**Scope:** Continue with current occupants utilizing spaces with emergency capital repairs to accommodate continuing uses over a 1 to 2 year period.	**Scope:** Continue with current occupants utilizing spaces with emergency capital repairs and longer term repairs to accommodate continuing uses over a 5 to 10 year period.	**Scope:** Design-Build a new Instruction and Research Building at Henke site. Current occupants utilizing existing spaces at Snyder with emergency capital repairs to accommodate continuing uses over a 1 to 2 year period. Demo Snyder and Henke.	**Scope:** Design-Build a new Instruction and Research Building at Snyder site. Current occupants will be relocated to other locations in interim. Demo Snyder only.	**Scope:** Renovate the existing Snyder in place. Current occupants will be relocated to other locations in interim.
Pros/Benefits:	**Pros/Benefits:** • Minimizes relocation of existing users • Existing users currently occupy unassigned spaces • New Window Air Conditioning units with plastic sheeting over widows • Various leak repairs • Cleaning of fire suppression facilities • Floor tile patching	• Bird deterrents • Roof Repair / Reroof • Replacement boiler • Chiller repair • Lighting replacement • Electrical and Mechanical Code updates • Water supply system overhaul • Cabinetry repairs • Repaint throughout	**Pros/Benefits:** • Move into new 45,000 NSF building within 2.5 years • New home to BIO, MICRO, BOT, PBRC • Modernized Instruction and Research Facilities • New resource-efficient technologies • Attract/Retain faculty and students • Creates space for landmark building along McCarthy Mall	**Pros/Benefits:** • Move into new 45,000 NSF building within 3.5 - 4 years • New home to BIO, MICRO, BOT, PBRC • Henke Hall not demolished • Biology program next to Edmondson Hall • Modernized Instruction and Research Facilities • New resource-efficient technologies • Attract/Retain faculty and students	**Pros/Benefits:** • 2 year completely refreshed 64,000 GSF building. • Refreshed home to BIO, MICRO, PBRC • Design almost complete • Biology program next to Edmondson Hall
Cons/Risks: • Eroding of all useable Snyder space within 1-2 years • Will need to relocate current occupants to useable space within 1-2 years	**Cons/Risks:** • Eroding of all useable Snyder space within 3-4 years • Pretreatment RO filters operate at 1/3 efficiency • Inefficient use of space – cost per faculty • No ROI on improvements	**Cons/Risks:** • Eroding of all useable Snyder space within 6-10 years • Does not address surge space requirements to proceed on other building projects such as Kuykendall and Holmes Hall • Inefficient use of space – cost per faculty • Not the highest and best use of limited funding	**Cons/Risks:** • Biology program not next door to Edmondson Hall • Requires permanent relocation of existing Henke users	**Cons/Risks:** • $6m more than Henke site • Requires existing Snyder users to relocate twice • Confined building site • Limitations on floor to floor heights due to connecting bridges • Potential historic building	**Cons/Risks:** • $6m more than Henke site • Requires existing Snyder users to relocate twice • Limited floor to floor height

Mānoa Mini Master Plan
Budget

Support This 2016 Legislative Session

- **Funding for Phase I of the Mānoa Mini Master Plan to design-build a new Life Sciences Center for $53 million**
- **Seeking full funding with GO Bonds**
- **UH willing to augment any appropriation for this project with current appropriation of up to $20 million ($35million in new money)**
- **Project is ready to bid within 1 month of release from the Governor**