MINUTES
BOARD OF REGENTS COMMITTEE ON PLANNING AND FACILITIES MEETING
OCTOBER 3, 2018

I. CALL TO ORDER

Committee Vice Chair Simeon Acoba called the meeting to order at 8:40 a.m. on Thursday, October 3, 2018, 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: Committee Vice Chair Simeon Acoba; Regent Randy Moore; Regent Jan Sullivan; Regent Michelle Tagorda; Regent Ernest Wilson, Jr.

Committee members excused: Committee Chair Stanford Yuen.

Others in attendance: Board Chair Lee Putnam; Regent Brandon Marc Higa; (ex officio committee members); Vice President for Administration Jan Gouveia; Vice President for Legal Affairs/University General Counsel Carrie Okinaga; Vice President for Academic Planning and Policy Donald Straney; Vice President for Research and Innovation Vassilis Syrmos; Vice President for Information Technology/Chief Information Officer Garret Yoshimi; Vice President for Budget and Finance/Chief Financial Officer Kalbert Young; UHM Vice Chancellor for Research/Interim Vice Chancellor for Academic Affairs Michael Bruno; Interim UH-Hilo (UHH) Chancellor Marcia Sakai; Honolulu Community College (HonCC) Chancellor Erika Lacro; Executive Administrator and Secretary of the Board of Regents (Board Secretary) Kendra Oishi; and others as noted.

II. APPROVAL OF MINUTES OF THE AUGUST 2, 2018 MEETING

Committee Vice Chair Acoba indicated that the minutes of the August 2, 2018, meeting were being deferred as they were not able to be provided to the committee in time, and will be taken up at the next committee meeting.

III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office received written testimony in opposition to the proposed UHM parking rates from Robert Lipske, Brian Bowen, Pao-Shin Chu, Nanea Lo, Bahram Sanginabadi, Richard Wainscoat, Bonnyjean Manini, Soksamphoas Im, Ebrahim Seidi, Tom Hackett, Ann Sakaguchi, Kathleen Tatem, Tom Iwanicki on behalf of Academic Labor United, and Rebecca Maria Goldschmidt; written testimony offering comments regarding the proposed UHM parking rates for motorcycles and mopeds from Henri Casanova, Michael Melzer, and Halana Genest; and written testimony offering comments on the proposed UHM parking rates from Brandon Yoza, Garrett Hillyer, C. Paul, Layla Kilolu, and Jonathan Osorio on behalf of the Hawai‘inuiākea School of Hawaiian Knowledge; and written testimony in support of the proposed UHM parking rates from Andy Lachman. The Board Office received late written testimony in opposition to the proposed parking rates from Rumika Suzuki; Alex Miller; and Jannah
Lyn Dela Cruz, President of the Associated Students of the University of Hawaii at Mānoa.

The following individuals provided oral testimony:

1. Oral testimony was provided by Garret Hillyer, UHM graduate student, and Jonathan Valdez, President of the UHM Graduate Student Organization (GSO), in opposition to the proposed UHM parking rates as it relates to graduate student employees.
2. Oral testimony was provided by Mark Yap, a UHM employee, in opposition to the proposed UHM parking rates as it relates to APT employees.
3. Oral testimony was provided by Bonnyjean Manini and Thomas Hackett in opposition to the proposed UHM parking rates.
4. Oral testimony was provided by Carolyn Stephenson who referenced the testimony from Ann Sakaguchi and a UHM Faculty Senate Resolution raising serious concerns about the proposed parking rate increase, and provided personal written testimony in opposition to the proposed UHM parking rates.
5. Oral testimony was provided by Ismael Salameh, a UHM student, in opposition to the process by which the proposed UHM parking rates were unveiled.
6. Oral testimony was provided by Jason Tremblay in opposition to the proposed UHM parking rates for motorcycles.

Halana Genest signed up to provide oral testimony but did not testify.

IV. AGENDA ITEMS

A. For Review & Approval

1. **Recommend Board Approval of UH Mānoa Parking Rates**

   VP Gouveia provided the committee an overview of the proposed UHM monthly parking rates and intended use of the revenues, historical background, comparable monthly parking rates, and alternative transportation initiatives for commuter services.

   Regent Moore arrived at 9:25 a.m.

   Regent Sullivan moved to defer action on the proposed monthly parking rates pending further information to be provided by administration, seconded by Regent Wilson.

   Questions were raised regarding the proposed $35 million bond issuance and proposed parking rate structure, and how the University Parking Revolving Fund (Revolving Fund) fits in. VP Young explained that the Revolving Fund is established under Section 304A-2275, Hawai‘i Revised Statutes (HRS), and that the board has the authority to determine parking fees and authorize expenditures as necessary for improvements to parking facilities. Under the current parking rate structure and service level, there is little “profit” to assist with maintenance and repairs, which is partly attributable to there being no parking rate increase for a number of years. As such, the proposal is to authorize the issuance of $35 million in bonds for parking facility improvements; the university has $100 million in revenue bond authority. VP Young
requested that the board make a decision on this matter prior to the end of the calendar year to allow time to address procedural matters related to construction and financing and to provide adequate notification to students.

VP Gouveia explained that the Revolving Fund covers the cost of operating the Rainbow Shuttle and is not limited solely to parking. An operating balance of approximately $2.3 million is projected for fiscal year 2019, and generally averages about $2 million, not including repairs or renovations. Commuter Services runs a very lean organization, and personnel costs comprise the largest expense.

A question was raised regarding whether the proposed repairs would extend the life of the parking structure. VP Gouveia explained that the proposed repairs would add about 15 to 20 years to the useful service life of the parking structure, with routine maintenance.

Questions were raised regarding parking for research and graduate assistants. UHM Vice Chancellor for Administration, Finance and Operations Kathy Cutshaw responded that the situation with research and graduate assistants is a timing issue because they are not notified about the status of their position until after the distribution deadline for student parking permits. This situation could be addressed by setting aside stalls for research and graduate assistants. VP Gouveia added that faculty and staff are guaranteed parking, and the remaining stalls are distributed to students.

Questions were raised regarding the proposed parking rates for mopeds and motorcycles. UHM Director of Campus Services Deborah Huebler explained that moped and motorcycle permit holders are paying significantly less than the current parking rates for upper and lower campus, and the proposed increase is an attempt to make it more equitable. The majority of moped and motorcycle permit holders park on upper campus, which is nearer to the central part of the UHM campus. The proposed model is based more on proximity, so permit holders parking on upper campus would pay a higher rate.

Moped and motorcycle permits were initially targeted at 50% of the lowest vehicle rate, but feedback from stakeholders was taken into consideration and that amount was reduced to 30% of the lowest vehicle rate, which is the lowest rate possible that still allows Commuter Services to meet their financial obligations. VP Gouveia indicated that the fixed operational costs for parking permits remain the same regardless of the size of vehicle. It was noted that the reduced rate for mopeds and motorcycles will help encourage less use of cars and more use of alternative methods of transportation.

Committee Vice Chair Acoba inquired as to whether improvements to one of the two structures could be deferred in order to spread out the increase in fees over a longer period of time and lessen the impact of the increase. VP Gouveia explained that the parking issue was known since 2009 and there have been several unsuccessful attempts to adjust rates to make improvements to the parking structure. If not addressed, parking stalls would eventually need to be closed down. The proposed increase would be implemented in the next academic year, which would allow time to plan accordingly. VP Young indicated that at least one semester notice is preferable, and would also give administration time to plan before the next legislative session in the event that additional legislative authorization is required for financing. Parking fees are the revenue source for the Revolving Fund. There could be other funding sources to build a parking structure, but
it is unlikely the Legislature would provide funding given the existence of the Revolving Fund. He noted that the proposed rate increases are in three separate phases to meet the expected timing of the debt service for the revenue bonds.

Board Chair Putnam explained that the committee could choose to not act on the proposal and send it to the full board for consideration without any recommendation, and the board could act or send the proposal back to the committee for further exploration, or arrangements could be made for the Committee on Planning and Facilities to meet in November.

Regent Sullivan clarified that her motion that Regent Wilson had seconded was to defer action pending administration providing further information to address concerns raised by the graduate student community; to clarify the nexus between the fees and benefits for moped and motorcycle permit holders; on Commuter Services financial information, including revenues, a project schedule, and how the revenue will be spent; and that the committee follow up with a presentation next year that includes a comprehensive transportation and commuter plan. Committee Vice Chair Acoba stated that it seemed the administration had acted reasonably and in good faith to remedy the lease situation but the economic conditions did not seem to leave any practical alternative.

Regent Sullivan amended the motion to defer action to address the issues raised in committee and defer to the board chair to determine whether the matter should be referred to the committee or the full board. Regent Wilson seconded, and the motion carried unanimously.

2. **Recommend Board Approval of the University of Hawai‘i at Hilo Adult Student Housing Lease Amendment**

VP Gouveia provided an overview of the proposed UHH Adult Student Housing (ASH) 5-year lease extension for the Hale Kawili (HK) apartments that included information on the various housing available at UHH, background information on ASH and the agreement, and estimated repairs needed for the HK apartments to remain operational for the next five years.

Clarification was requested on a statement in the action memo that the five-year lease extension may not provide sufficient transition time to other possible management companies. Chancellor Sakai responded that UHH’s former real property manager had discussions with other potential property managers who indicated that five years was not enough time to bring in a new property manager to assess existing conditions, implement repairs and renovations, and amortize/recapture the necessary repair/unit refurbishment costs.

Regent Sullivan indicated that this was the third time since 2012 that a lease extension for the HK apartments had come before the board. In 2012, a lease extension came before the board and she questioned whether UHH was obligated to seek competitive bids since it had been 41 years since the original lease was signed, and administration provided several reasons why they did not recommend doing so. In 2014, she had the same questions and administration indicated that the property was so
deteriorated that no other companies were interested in taking over the project and ASH was uniquely qualified to retain the lease. There were certain conditions for repairs that were placed upon ASH, and it is unclear if those repairs were addressed. She questioned whether this is the best solution and indicated that she would not support a third lease extension without a plan in place.

Questions were raised regarding what would happen to the existing tenants if the lease is not extended and ASH’s obligations upon the expiration of the lease. VP Gouveia indicated that the current lease expires June 30, 2019, and that ASH wants a firm commitment. If the lease is not extended, UHH would need to start winding down operations and families living in the apartments would need to find housing elsewhere. UHH owns the land and the facility. There are no requirements in the lease regarding the condition of the apartments. Upon termination of the lease, ASH would return the facility to UHH to manage the apartments or begin demolition. UHH is not prepared to maintain operations, especially at the existing rates. ASH has approximately seven onsite staff and is prepared and able to take care of the required renovation work. UHH does not have adequate staffing to support current operations, and would need to engage another property management firm.

Questions were raised regarding the call for offers that was issued in 2014 and the October 2017 assessment. VP Gouveia explained that the call for offers sought a qualified developer to develop its planned University Village Phase II project and the sole proposal submission failed to provide sufficient detail for UHH to adequately evaluate the reasonableness of the proposal. It was clarified that the call for offers was not related to managing the HK apartments. In October 2017, the UHH facilities team and ASH initiated a property condition assessment of the HK apartments to determine the extent of repairs and improvements required to continue operations beyond the five year lease extension ending on June 30, 2019. She noted that 2011 and 2018 studies confirmed that there are no market conditions for any type of mixed-use development on the property.

VP Young indicated that if UHH wants to maintain the level of housing and service for the 200 UHH students and their families, a decision would be needed soon. The condition of the property was sub-par five years ago, and the university is not able to assume responsibility for repairs to bring the property up to code and provide the same level of staffing and services. VP Gouveia added that UHH had reached out to the business community regarding taking over property management of the HK apartments and there was no interest.

Regent Moore made a motion to recommend board approval of the UHH ASH lease amendment authorizing the university to enter into a lease extension of an additional five years during which time ASH will complete improvements and major repairs, and delegating authority to the Vice President for Administration, in consultation with the UHH Interim Chancellor, to negotiate, finalize, and execute the Fifth Amendment to the lease, seconded by Regent Tagorda, with Regent Sullivan and Regent Wilson voting no. Board Chair Putnam voted yes, and the motion carried.

B. For Information & Discussion

1. Honolulu Community College Transit-Oriented Development
Due to time constraints, this item was deferred to a future committee meeting. There were no objections.

V. ADJOURNMENT

There being no further business, Regent Moore moved to adjourn the meeting, and Regent Sullivan seconded the motion, and with unanimous approval, the meeting was adjourned at 10:48 a.m.

Respectfully Submitted,

/S/

Kendra Oishi
Executive Administrator and Secretary
of the Board of Regents