



August 26, 2009

MEMORANDUM

TO: The Honorable Linda Lingle
Governor, State of Hawai'i

THROUGH: Honorable Georgina K. Kawamura
Director, Department of Budget and Finance

FROM: Brian K. Minaai *Brian K. Minaai*
Associate Vice President for Capital Improvements

SUBJECT: Request Permission to Negotiate Planning and Design Contracts, and Release of Planning and Design Funds for University of Hawai'i at Mānoa, Cancer Research Center of Hawai'i, O'ahu, Project Number UH 09-R13, as Authorized by Act 162, Session Laws of Hawai'i 2009, Item G-96

Permission is requested for the release of \$28.000 million in special funds for the subject project.

1. This request consists of an allotment of \$1.000 million to finance the planning cost, and \$27.000 million to finance the design cost for the University of Hawai'i at Mānoa's Cancer Research Center of Hawai'i (CRCH) project in Kaka'ako (Project).
2. Additional information or comments:

Act 162, Session Laws of Hawai'i (SLH) 2009, authorized a total of \$236.302 million for the development of the Project. The authorized means of financing is through a combination of special funds, revenue bonds (with debt service to be paid from the special fund), and federal funds. The source of revenue for the special fund is from the Cigarette Tax established by Act 84, SLH 2008. The current balance in the special fund is approximately \$35 million and tobacco tax revenues are projected at \$20 million per year.

The new Cancer Research Center of Hawai'i Project is important to the CRCH, the University of Hawai'i, and the entire State of Hawai'i as it would help the CRCH to maintain its National Cancer Institute (NCI) designation as a recognized cancer center. There are sixty-three Cancer Centers in the United States that carry the NCI designation as a cancer center and CRCH is one of them. This designation is only awarded to cancer centers that excel in basic science together with either population science or clinical science. NCI awards its highest designation of "comprehensive cancer center" to centers that demonstrate excellence in all three of these research areas.

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The University's vision is to bring the NCI's highest designation of comprehensive cancer center to Hawai'i. The basic and population research currently conducted at the CRCH, coupled with the translation of that research knowledge into the tools of cancer prevention, early cancer diagnosis, and more effective treatments through clinical research, will help advance the University's efforts to attain the coveted highest NCI designation. More importantly, this effort (improving early diagnosis and treatment) will significantly benefit the citizens of Hawai'i, the people of the United States, and visitors from Pacific Rim and Asian countries who will travel to Hawai'i for treatment because of CRCH's growing reputation for excellence.

This allotment request will enable the initiation of plans and design, hiring of a project manager, a development team, and project related consultants for the CRCH Project and all of its ancillary and complementary facilities needs. The University will seek additional allotments in the future for land acquisition (if applicable), construction, and equipment.

The timely approval of this allotment request and subsequent commencement of the planning and design of the CRCH Project is critical in ensuring the continuation of a \$1 million per year NCI federal grant that supports ongoing CRCH research work. In the fall of 2009, the NCI Cancer Center Program Director is scheduled for a site visit to review the Project's progress and determine the continued funding for Fiscal Year 2010-2011.

3. The Associate Vice President for Capital Improvements ensures that there are adequate funds currently appropriated for the planning and design of this project, and upon completion, the project will comply with the following:
 - a. All applicable Federal, State, and County laws, statutes, codes, ordinances, and rules and regulations;
 - b. Educational specifications and standards for facilities; and,
 - c. Americans with Disabilities Act standards.

Department contact: Brian Minaai (808) 956-7935

As required, the following documents are attached:

1. CIP Project Information and Justification Sheet (Table R);
2. CIP Summary of Proposed Expenditures (CIP Form 2);
3. Allotment Advice (Form A-15); and
4. Appropriate map or site plan

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RECOMMEND:

_____ APPROVAL

_____ DISAPPROVAL

Director of Finance

Date: _____

_____ APPROVED

_____ DISAPPROVED

Governor of Hawai'i

Date: _____

Attachments

c: President Greenwood
Vice President/CFO Todo
Chancellor Hinshaw
Interim Director Carbone

CAPITAL PROJECT INFORMATION AND JUSTIFICATION SHEET

Expending Agency	UOH
Program ID	UOH 100
Project Number	R13

Island	Sen. District	Rep. District	Priority No.	Prev. Priority No.	Project Scope	Scope Codes	Date
O'ahu	12	23	N/A	N/A	N	N - New I - Renovation A - Addition R - Replacement O - Ongoing	26-Aug-2009

PROJECT TITLE: UHM, Cancer Research Center of Hawai'i, O'ahu

PROJECT DESCRIPTION: Plans, land acquisition, design, construction, and equipment for the development of the Cancer Research Center of Hawai'i. Project to include ground and site improvements, development and/or acquisition of building, renovations, and all project related costs. This project is deemed necessary to qualify for federal aid financing and/or reimbursement.

TOTAL ESTIMATED PROJECT COST (In Thousands of Dollars)

COST ELEMENT	PRIOR APPROPRIATIONS (Including MOF)						BUDGET REQUEST (Including MOF)		FUTURE YEARS	TOTAL PROJECT COST
	ACT YR ITEM	ACT YR ITEM	ACT YR ITEM	ACT YR ITEM	ACT YR ITEM	ACT YR ITEM				
	162-09-G96									
PLANS	1									1
LAND	1									1
DESIGN	45,000									45,000
CONSTRUCTION	174,000									174,000
EQUIPMENT	17,300									17,300
TOTALS	45,005 B									236,302
	180,397 E									
	10,900 N									

PROJECT INFORMATION AND JUSTIFICATION:**a. Total scope of project.**

The project includes the development, renovation, and/or acquisition of a building for the Cancer Research Center of Hawai'i (CRCH). Project to include approximately 215,000 square feet in Kaka'ako to include laboratories, offices, and conference/seminar space to translate cancer research from laboratory to patient care, and to stimulate new research.

b. Identification of need and evaluation of existing situation.

The new Cancer Research Center of Hawai'i is important to the CRCH, the University of Hawai'i, and the entire State of Hawai'i as it would help the CRCH to maintain its National Cancer Institute (NCI) designation as a recognized cancer center. There are sixty-three Cancer Centers in the United States that carry the NCI designation as a cancer center and CRCH is one of them. This designation is only awarded to cancer centers that excel in basic science together with either population science or clinical science. NCI awards its highest designation of "comprehensive cancer center" to centers that demonstrate excellence in all three of these research areas.

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c. Alternatives considered and impact if project is deferred

Should the project be deferred, the University may lose its current NCI designation, resulting in the loss of a \$1 million per year NCI grant that supports ongoing CRCH research work. In the fall of 2009, the NCI Cancer Center Program Director is scheduled for a site visit to review the CRCH project's progress and determine the continued funding for Fiscal Year 2010-2011.

d. Discuss what improvements will take place when project is completed (including benefits to be derived and/or deficiencies this project intends to correct)

The project will develop and/or acquire/renovate a facility to meet the CRCH's needs.

e. Impact upon future operating requirements (show initial and ongoing funding requirements by cost element, including position count, means of financing, fiscal year)

Operating requirements will be financed via the Cancer Research Special Fund, into which a deposit is made from the cigarette tax.

f. Additional information.

Financing of the debt service on the revenue bonds will be via the Cigarette Tax established by Act 84, Session Laws of Hawai'i 2008.

CIP PROJECT SUMMARY OF PROPOSED EXPENDITURES

PROJECT: UHM, Cancer Research Center of Hawaii, Oahu

TITLE: UHM, Cancer Research Center of Hawaii, Oahu

DATE: August 26, 2009

DEPARTMENTAL PRIORITY NO. ___ OF ___

CAPITAL PROJECT No UH 09-R13

COST ELEMENTS	SOURCE OF FUNDS (ACT/ITEM, ACCOUNT NUMBER, FEDERAL, COUNTY, PRIVATE)							TOTAL
	Act 162/09 G-96 S09-400F							
LAND ACQUISITION								
Land								
Consultant Services								
Staff Support								
PLANS	1,000,000							1,000,000
Consultant Services								
Staff Support								
DESIGN	27,000,000							27,000,000
Consultant Services								
Staff Support								
CONSTRUCTION								0
Basic Bid								
Alternates								
Contingency								
Consultant Services								
Staff Support								
Other Costs								
EQUIPMENT								0
Basic Bid								
Consultant Services								
Staff Support								
WORKS OF ART								
TOTAL PROJECT COST	28,000,000							28,000,000
ALLOTTED TO DATE*	--							0
ALLOTMENT REQUEST	28,000,000							28,000,000
BALANCE	--							--
FUNDS APPROPRIATED	28,000,000							28,000,000

*(AA# & DATE)	COMPLETION	COMMENTS:
PLANS: this request	Sep-2010	
LAND:		
DESIGN: this request	Mar-2011	
CONST:		
EQUIP:		

Cancer Research Center of Hawai'i, Kaka'ako University of Hawai'i at Mānoa

Project
Location

