



October 16, 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 Advertise for Bids and Award Construction Contract, and Release of Design, Construction, and Equipment Funds for University of Hawai'i at Mānoa, Cancer Research Center of Hawai'i, O'ahu, Project Number UH 09-R13-B, as Authorized by Act 162, Session Laws of Hawai'i 2009, Item G-96

Permission is requested for the release of \$6,800,000 in special funds for the subject project.

1. This request consists of an allotment of \$300,000 to finance the design cost, \$5,500,000 to finance the construction cost, and \$1,000,000 to finance the equipment cost for renovations at the University of Hawai'i at Mānoa's Biomedical Sciences Building for the John A. Burns School of Medicine (JABSOM) and Cancer Research Center of Hawai'i (CRCH).
2. Additional information or comments:

Project Authorization

Act 162, Session Laws of Hawai'i (SLH) 2009, authorized a total of \$236.302 million for improvements benefitting CRCH. 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 this allotment request is special funds.

Relationship to Approved Allotment

On October 12, 2009, the Governor approved the allotment of \$28,000,000 in special funds to initiate the planning and design of CRCH facilities in Kaka'ako. This allotment request, while utilizing the same project authorization in Act 162, SLH 2009, is separate from the Kaka'ako development. This allotment request is to renovate portions of the

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Biomedical Sciences Building, which is located on the campus of the University of Hawai'i at Mānoa. The renovation of portions of the Biomedical Sciences Building are for CRCH and JABSOM, and are complimentary to the Kaka'ako development.

Scope of Project

The scope of this project at the Biomedical Sciences Building includes the renovation of approximately 15,000 square feet of laboratory space in Courtyards A, B, and C. The renovations will provide appropriate space for CRCH researchers and their staff, along with renovations for JABSOM's Institute for Biogenesis Research (IBR) faculty who are currently located at JABSOM's Kaka'ako Campus.

JABSOM's IBR faculty are currently split between two campuses: Kaka'ako and Mānoa. The split operations were recently identified as a detriment by the External Advisory Committee of the Institute of Biogenesis Research–Center of Biological Research Excellence, a \$10,000,000 National Institutes of Health (NIH) grant to support the IBR. In order to retain the NIH grant, the University must renovate spaces in the Biomedical Sciences Building and consolidate all IBR faculty to the Mānoa campus. The renovations will ensure the continuance of the NIH grant and provide synergistic interaction for the IBR faculty.

The spaces vacated by JABSOM IBR faculty at the Kaka'ako Campus will directly benefit the CRCH, who will then occupy these spaces. Additionally, the renovations at the Biomedical Sciences Building will also provide space for CRCH faculty and their staff. The current need for additional research space is related to the development of the CRCH in Kaka'ako. The University is aggressively recruiting high caliber cancer research faculty. It is envisioned that these researchers will eventually be located at the Kaka'ako development; however, the Kaka'ako development may take five years to be completed. Therefore, there is an immediate need for quality research space to house CRCH faculty while the CRCH Kaka'ako is being developed.

As in the case of the JABSOM NIH grant, the renovations are also necessary for the continuation of a \$1 million per year National Cancer Institute (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 progress made with the Kaka'ako development as well as current facility conditions to determine the continued funding for Fiscal Year 2010-2011.

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The University of Hawai'i respectfully requests expeditious allotment of funds for this project, as it has a direct impact to recruitment and federal grants that support JABSOM and CRCH.

Source of Special Funds for Renovations at the Biomedical Sciences Building

Act 14, Third Special Session of 2001, Section 4, authorized the issuance of \$150,000,000 in revenue bonds to finance the University of Hawai'i Health and Wellness Center, which comprises JABSOM and CRCH. The source of funds to repay the debt service on the revenue bonds is the Hawai'i Tobacco Settlement Special Fund. The University of Hawai'i utilized the \$150,000,000 in revenue bond proceeds to develop the JABSOM complex in Kaka'ako, which was completed in 2002.

During the development of the JABSOM complex in Kaka'ako, the University invested the revenue bond proceeds. The interest accrued on the revenue bonds is restricted to benefitting JABSOM and CRCH.

3. The Associate Vice President for Capital Improvements ensures that there are adequate funds currently appropriated for the design, construction, and equipment 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: Ryan Kurashige (808) 956-8216

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

STATE OF HAWAII
ALLOTMENT ADVICE

TO: The Honorable M.R.C. Greenwood, President
University of Hawaii

ADVICE NO. 10-0134
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COMPTROLLER'S NO. _____
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I have this day approved the following allotment from the special fund appropriation
authorized by Act 162, SLH 2009, for the purpose indicated.

TC	F	YR	APP	D	ALLOT CAT	SOURCE/ OBJECT	ITEM	TITLE AND PURPOSE OF ALLOTMENT	M O F	AMOUNT	
xxx	x	xx	xxx	xx	xx	xxxx	xxxxxx	(20 x)	x	xxxxxxxxxxxx	xx
473	S	09	400	F			G-96	UHM, Cancer Research Center of Hawaii, Oahu (L/S)	B	300,000	00
474	S	09	403	F			G-96	UHM, Cancer Research Center of Hawaii, Oahu (Design)	B	300,000	00
531	S	09	403	F	20		G-96	UHM, Cancer Research Center of Hawaii, Oahu (Design) Plans, land acquisition, design, construction, and equipment for the development of the Cancer Research Center of Hawaii. Purpose: To finance design costs for renovations at the Biomedical Sciences Building for the John A. Burns School of Medicine (JABSOM) and Cancer Research Center of Hawaii (CRCH).	B	300,000	00

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xxx	x	xx	xxx	xx	xx	xxxx	xxxxxx	(20 x)	x	xxxxxxxxxxxx	xx
473	S	09	400	F			G-96	UHM, Cancer Research Center of Hawaii, Oahu (L/S)	B	5,500,000	00
474	S	09	404	F			G-96	UHM, Cancer Research Center of Hawaii, Oahu (Construction)	B	5,500,000	00
531	S	09	404	F	20		G-96	UHM, Cancer Research Center of Hawaii, Oahu (Construction) Purpose: To finance construction costs for renovations at the Biomedical Sciences Building for the JABSOM amd CRCH.	B	5,445,000	00
531	S	09	404	F	20		G-96	UHM, Cancer Research Center of Hawaii, Oahu (Construction) Purpose: To allot works of art funds to the Works of Art Special Fund (To be transferred at a later date)	B	55,000	00
473	S	09	400	F			G-96	UHM, Cancer Research Center of Hawaii, Oahu (L/S)	B	1,000,000	00
474	S	09	405	F			G-96	UHM, Cancer Research Center of Hawaii, Oahu (Equipment)	B	1,000,000	00

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TC	F	YR	APP	D	ALLOT CAT	SOURCE/ OBJECT	ITEM	TITLE AND PURPOSE OF ALLOTMENT	M O F	AMOUNT	
xxx	x	xx	xxx	xx	xx	xxxx	xxxxxx	(20 x)	x	xxxxxxxxxxx	xx
531	S	09	405	F	20		G-96	UHM, Cancer Research Center of Hawaii, Oahu (Equipment) Purpose: To finance equipment costs for renovations at the Biomedical Sciences Building for the JABSOM and CRCH. Total Allotment - \$6,800,000.00 UH Job No. 09-R13-B	B	1,000,000	00

Henry K Kawamura

 DIRECTOR OF BUDGET AND FINANCE

Liz Zelle

 GOVERNOR, STATE OF HAWAII

DATE: December 30, 2009