I. CALL TO ORDER

Chair Gabriel Lee called the meeting to order at 10:40 a.m. on Thursday, May 2, 2024, at the University of Hawai‘i (UH) at Mānoa, Information Technology Building, 1st Floor Conference Room 105A/B, 2520 Correa Road, Honolulu, Hawai‘i 96822, with regents participating from various locations.

Committee members in attendance: Chair Gabriel Lee; Vice-Chair Lauren Akitake; Regent Neil Abercrombie; Regent Wayne Higaki; and Regent Diane Paloma.

Others in attendance: Regent William Haning; Regent Laurel Loo; Regent Abigail Mawae; Regent Laurie Tochiki; Regent Ernest Wilson (ex officio committee members); President David Lassner; Vice President (VP) for Administration Jan Gouveia; VP for Academic Strategy Debora Halbert; VP for Community Colleges Erika Lacro; VP for Legal Affairs/University General Counsel Carrie Okinaga; 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) Yvonne Lau; and others as noted.

II. APPROVAL OF THE MINUTES

Chair Lee inquired if there were any corrections to the minutes of the March 7, 2024, committee meeting which had been distributed.

Pointing out his request for the budget reports of KTUH and Ka Leo O Hawai‘i made during the March 7, 2024, committee Meeting, Regent Abercrombie asked if he would be provided with those documents. President Lassner apologized saying he had received the reports from Dr. Theresa Crichfield, Associate Vice Provost for Student Success, and would provide those materials as requested.

Regent Abercrombie then proceeded to talk about components of the minutes particularly those related to the university’s participation in a Memorandum of Agreement (MOA) with the Hawaii Community Development Authority (HCDA), and the State of Hawai‘i Housing Finance Development Corporation (HHFDC) for the development of infrastructure and housing on UH property in West O‘ahu and the
administration’s finalizing of terms for an exclusive negotiating agreement with Island Film Group (IFG) as a potential developer for UHWO University District Lands.

Chair Lee, Regent Abercrombie, and President Lassner engaged in robust discussions on the matter of the MOA between the university, HCDA, and HHFDC, as well as the exclusive negotiating agreement between the university and IFG, with both Chair Lee and President Lassner stating updates on these issues were noted on the committee’s agenda for today. Regent Abercrombie vehemently stressed the need for greater proactive involvement by the board in matters such as those mentioned above, especially when they pertain to the potential use of university lands and associated agreements.

Both Chair Lee and Regent Higaki expressed their strong belief in allowing the administration to negotiate terms of land use agreements which they believe would be most advantageous for the university given their expertise in, and knowledge of, these matters, with both stating the board has the final say in approving or disapproving these agreements. Regent Higaki also mentioned that, should the board lack trust in the administration, then it would behoove the board to seek a new administration.

Regent Haning concurred with the sentiments of Chair Lee and Regent Higaki regarding the roles of the board and the administration stating he did not believe it was the board’s responsibility to serve in what was essentially an executive function of the university with respect to negotiations.

Vice-Chair Akitake shared her thoughts on the building of trust between the administration and a board with a majority of relatively new regents as well as the ability for regents to ask relevant questions and the board’s prerogative to provide the administration with guidance on how it wishes to proceed on an issue, such as the utilization of university lands, which can then be taken up during negotiations.

Regent Loo sought a point of order stating the subject at hand was to approve the minutes and not to engage in deliberations about board governance, the roles and responsibilities of regents and the administration, or other items on today’s agenda.

Regent Abercrombie remarked that it was not his intent to drift from the action to approve the minutes. Rather he was seeking clarification as to his interpretation of the minutes relative to what would be presented at today’s meeting. He also voiced his agreement with sentiments related to the administration being the point on negotiations as was expressed by other regents.

Chair Lee acknowledged Regent Loo’s point of order and once again asked if there were any corrections to the minutes. Hearing none, the minutes were approved.

III. PUBLIC COMMENT PERIOD

Board Secretary Lau announced that, while the Board Office did not receive any written testimony, one individual did sign up to provide oral testimony.
Jill Nunokawa provided oral comments on the proposed development agreement between the university and MW Group, Ltd. for real property at 550 Makapu'u Avenue.

IV. AGENDA ITEMS

A. Fiscal Year (FY) 2023-2024 Third Quarter UBS Legacy Endowment Fund Investment Performance Report

Kyle Yoneshige and Lori Hamano from UBS provided a report on the Fund for the third quarter of FY 2023-2024. Mr. Yoneshige briefly went over the Fund’s asset allocation and investment performance; drew attention to a $2.3 million distribution of funds to the university in January 2024 stating these monies were raised in November 2023; and noted the Fund’s compliance with all investment policies contained within Regent Policy (RP) 8.207.

Ms. Hamano briefed the committee on current economic conditions mentioning several factors contributing to market volatility including delays in interest rate cuts by the Federal Reserve due to persistent inflation, geopolitical tensions, and upcoming elections. All things taken into consideration, UBS maintains its belief that equities, especially international equities, still afford the best opportunity for long-term returns on investment at this time.

Regent Abercrombie asked if UBS believes the Federal Reserve will not be lowering interest rates for the foreseeable future as has been reported in financial publications. Mr. Yoneshige responded in the affirmative.

B. Recommend Board Approval of Revisions to Attachment 1 of Regents Policy (RP) 10.207, Parking and Operation of Motor Vehicles, for the Adjustment of the Parking Permit Fee Schedule for the University of Hawai`i at Mānoa Kaka’ako Parking Lot

Dr. Nancy Foster, Associate Dean for Administration, Finance, and Operations and Chief Financial Officer for UHM’s John A. Burns School of Medicine (JABSOM), provided background information on, in addition to the rationale for, the request to adjust the parking permit fee for the 55-stall Kaka’ako Zone onsite parking lot at JABSOM and the University of Hawai`i Cancer Center (UHCC). She also stated the fee adjustment of three percent will allow for the permit parking rate at the onsite parking lot to be consistent with those being charged at a larger, non-University parking area utilized by JABSOM and UHCC via a lease agreement with HCDA, known as Lot C, which were recently raised by three percent.

Regent Abercrombie asked if there was a basis for the rate increase at Lot C. Dr. Foster replied that, in general, parking rates at Lot C have risen by three percent for the last several years and it was her understanding these rates were based upon market prices. While it declined to keep Lot C parking fees for JABSOM and UHCC users at the rate that was in place prior to the latest increase, HCDA did agree to fix the current parking rate for the next five years. Craig Nakamoto, Executive Director of HCDA, concurred with Dr. Foster’s assessment of the situation adding that the parking rates at
Lot C for JABSOM and UHCC users were less than those charged to other individuals or entities using the parking facility.

Citing the essential nature of parking for users of JABSOM and UHCC, in particular students, Regent Haning inquired as to whether the university has ever sought to acquire Lot C rather than leasing a portion of the property from HCDA. Dr. Foster replied that JABSOM, working in partnership with the university system and in collaboration with HCDA, has attempted to find more long-term solutions for parking near the Kaka‘ako campus. However, given that HCDA has future plans for the parcel, attempts at securing Lot C for potential use as a permanent parking facility have thus far been unsuccessful. Dr. Foster also spoke about other alternatives considered, including the construction of a parking garage in the courtyard on the main campus grounds which a study determined to be feasible but untenable for JABSOM users.

Regent Mawae declared her support for the requested fee increase especially in light of the permit parking rates being charged at UHM some of which she believed to be exorbitant. She also asked if JABSOM and UHCC were able to accommodate all requests for parking permits, and if not, where the individuals who were unable to attain a permit parked. Dr. Foster replied that JABSOM and UHCC were currently able to accommodate all requests for parking permits utilizing either Lot C or the main parking area on the campus proper. However, visitor parking remains an issue.

Referencing Dr. Foster’s comments with respect to Lot C, Regent Abercrombie sought information about HCDA’s future plans for development of the property. Dr. Foster stated she was uncertain about HCDA’s current intent for the parcel but believed past plans included development opportunities in partnership with Stanford Carr. Executive Director Nakamoto provided information on past plans for Lot C, which currently houses the Entrepreneurs Sandbox, a community innovation facility operated by the Hawai‘i Technology Development Corporation (HTDC). Although some of the proposals for disposition of this parcel included the building of office space for technology or high technology uses under a partnership agreement with Stanford Carr Development, LLC., this is no longer the case. HCDA is presently considering working with HTDC to determine the most suitable, best use for this property. Executive Director Nakamoto also emphasized that any plans for the development of the remainder of Lot C will take into account the parking needs of the Kaka‘ako region, including those of JABSOM, UHCC, and other state agencies located in the area, and attempt to address them accordingly.

Taking into consideration the abovementioned response, Regent Abercrombie and Executive Director Nakamoto engaged in a lengthy conversation about HCDA’s long-term plans for Lot C, as well as the astuteness of engaging with HTDC, UHCC, JABSOM, and others in the establishment of a master plan for the area inclusive of parking amenities.

Regent Abercrombie moved to recommend board approval of revisions to Attachment 1 of RP 10.207, as requested, seconded by Regent Paloma, and the motion carried with all members present voting in the affirmative.
C. **Recommend Board Approval of Authorizing UH to Enter into a Development Agreement and Option to Lease with MW Group, Ltd. (MW Group) for Real Property at 550 Makapu'u Avenue**

Chair Lee announced that, out of an abundance of caution, he would be recusing himself from discussions on Agenda Item IV.C due to his past business involvements with MW Group, Ltd. As such, Vice-Chair Akitake would be conducting the meeting for the duration of this matter.

Chair Lee left the meeting at 11:40 a.m.

VP Young presented information on the administration’s request for authorization to enter into a development agreement and option to lease with MW Group for approximately 2.5 acres of vacant, university-owned land located at 550 Makapu'u Avenue on O'ahu which is currently being utilized as a temporary parking area for Hawai'i Health Systems Corporation employees from the adjacent Le'ahi Hospital. He offered an historical perspective on how the university acquired the acreage, as well as initial considerations for use of the lot; highlighted past board directives for the administration to find opportunities for better use of underutilized university properties such as this one; spoke about a recent attempt by the Legislature to transfer this parcel from the university to the Department of Hawaiian Homelands (DHHL) and the outcomes of this effort; reviewed the process used for soliciting and evaluating proposals to develop and lease the site, which resulted in the selection of MW Group from a list of respondents; and noted the major terms of the agreement provided in the committee materials packet stressing this was more akin to a straight-up ground lease as opposed to a public-private partnership.

Daniel Cody, Chief Investment Officer with MW Group, gave an overview of the company’s origins, emphasizing it is a locally owned, privately held, commercial real estate development company that has been doing business in Hawai'i since 1996 with a portfolio consisting of, among other things, assets such as Hawai'i Self Storage and Plaza Assisted Living (Plaza) facilities. He briefly talked about MW Group’s proposal to develop, finance, and operate a Plaza facility on the abovementioned property; pointed out some of the expected challenges facing this project, including land topography issues; noted the typical demographics of a Plaza facility and the services it provides; and went over a number of the mutually beneficial, collaborative opportunities for the university and MW Group projected to be realized through this agreement.

Regent Abercrombie disclosed his past relations with Stephen Metter, Chief Executive Officer of MW Group, along with his personal familiarity with the services provided by the Plaza, while Regent Paloma announce MW Group was the landlord for the business for which she serves as President and Chief Executive Officer. However, both felt these links did not rise to a level necessitating recusal from the conversations and underscored a belief in their ability to remain impartial and objective in this matter. Vice-Chair Akitake asked if committee members had any objections to Regent Abercrombie or Regent Paloma taking part in these discussions. No objections were raised by any of the regents present.
Regent Mawae inquired about average room rates at a Plaza facility. Mr. Metter stated room rates at a Plaza facility range from $6,000 up to somewhere above $13,000 or $14,000 per month depending upon the level of assistive care an individual requires. He also pointed out that Plaza facilities consist entirely of rental units unlike other assisted living or skilled nursing type of facilities which can typically cost around $18,000 per month depending on the level of care needed and usually involve large, up-front buy-ins of hundreds-of-thousands-of dollars.

Vice-Chair Akitake asked if Plaza facilities accepted Medicaid. She also sought clarification as to whether the collaborative opportunities mentioned earlier, such as those involving JABSOM and the university’s nursing programs, are specifically laid out in the development agreement. Mr. Metter replied that Plaza facilities do not take Medicaid as a form of payment. With respect to collaborative opportunities for university academic programming, while this concept is currently written into the development agreement, language detailing specific programs and arrangements is not and is something that will need to be worked out over time. Nevertheless, discussions have taken place between the administration, various university departments, and MW Group about the prospects of developing experiential learning curricula such as internships at the proposed Plaza facility on Makapu‘u Avenue as well as others across the islands.

Referencing comments made by testifiers about the duration of the ground lease and noting the possibility of concepts changing over such a long time period, Vice-Chair Akitake questioned whether the ideas offered today could somehow be memorialized in the development agreement. VP Young responded that, while the concept of formulating collaborative opportunities to enhance the university’s educational programming can be generally reflected in the development agreement or ground lease arrangements for the parcel in question, ongoing exploration of occasions in which the university and MW Group could experience mutually beneficial outcomes throughout the course of the lease via a variety of academic programs would not be laid out prescriptively in the development agreement document. However, he stressed the notion of these collaborative opportunities, as well as other suggestions made at this meeting, could be included in something such as a preamble to the development agreement. Additionally, input from regents will be taken into consideration when formulating the final development and lease agreements, both of which will require approval by the full board.

Regent Abercrombie shared his thoughts on the opportunities afforded to both the university and MW Group by this agreement and expressed his desire for a Medicaid element to be taken into consideration for this specific Plaza facility when final lease terms are negotiated, particularly given the project’s use of university lands. He then spoke at length about the growing need for assisted living facilities in Hawai‘i, the expenses associated with the provision of long-term care, and failed attempts to address this matter at the Legislature.

An extended conversation took place between Regent Abercrombie, Regent Akitake, and Mr. Metter regarding the business model for Plaza facilities as compared to other
assisted living facilities; Medicaid reimbursements as they relate to this business model and the costs of delivering care; the possibility, as well as necessity, of securing subsidies from the State or other entity to offset the costs not compensated for by Medicaid; and the potential for providing a set number of accommodations at the specific Plaza location to accept Medicaid eligible individuals.

Regent Mawae offered her opinions about the utilization of the identified parcel for a senior assisted living facility which she felt was not the best choice especially when taking into consideration the property and facility needs of programs that have a direct correlation to the university. She also verbalized her opposition to what she feels is the ongoing privatization of the university’s land assets.

Regent Paloma communicated her point of view on this project and imparted some of her past experiences with Medicaid payments, concurring with earlier statements about low reimbursement rates and the challenges this can pose to businesses such as the Plaza. She also asked if additional information regarding the possible transfer of the noted parcel from the university to DHHL could be shared with the committee. VP Young explained that Act 316, Session Laws of Hawai‘i, 2022, provided DHHL with the option to negotiate with the university for the transfer of the fee simple interest in the parcel located at 550 Makapu‘u Avenue. However, after meetings with university administrators, DHHL determined it would not be in its best interest to acquire the fee simple interest in the property. Instead, the university and DHHL mutually agreed to search for other opportunities, particularly in West O‘ahu, where joint efforts to utilize university lands would provide greater benefits to the respective missions of each institution. He also talked about some of the other options considered by the university for the property, including those for academic or student housing facilities, in response to the previous comments made by Regent Mawae.

Vice-Chair Akitake questioned whether there were any deadlines applicable to board approval of the administration’s request. VP Young responded that the first three years or so of the development agreement would involve MW Group performing its on-site due diligence and project conceptualization to validate whether it would be feasible to move forward. This three-year period would begin once the development agreement is finalized and entered into. MW Group will also have internal milestones to meet during this timeframe including things such as financing arrangements, construction planning, and the securing of permits and entitlements.

Given the discussions thus far, the desire conveyed by others for Chair Lee to take part in this portion of the meeting and the lack of a formal opinion on the necessity of his recusal from this conversation, and the disclosure by other regents of associations with MW Group, Vice-Chair Akitake stated she had contacted Chair Lee about returning to the meeting. Chair Lee informed Vice-Chair Akitake that he would take this request under advisement and consider returning to the meeting should deliberations continue for an extended period of time.

Regent Higaki spoke about the complexities of Medicaid which, in his estimation, would be a difficult financial hurdle to overcome. However, he requested MW Group to
consider creative ways by which it could assist the Medicaid segment of the population in attaining assisted living services. Mr. Metter replied that MW Group has been searching for innovative approaches to provide needed assisted living services to the Medicaid segment of the population for a number of years. However, it has yet to find a sustainable economic model for doing so without some form of subsidization.

Discussions ensued on the exploration of other options to assist Medicaid eligible individuals with securing assisted living accommodations in Hawai‘i.

Vice-Chair Akitake sought clarification as to whether the request being put forth at this meeting was for the committee to recommend board authorization for the administration to enter into a development agreement and option to lease with MW Group. VP Young responded in the affirmative. He also mentioned the possibility of incorporating input and suggestions from regents into the final development agreement despite consensus having been reached between the university and MW Group on the bulk of the agreement’s major terms as indicated in the committee materials packet. Additionally, he stated the full board will have the opportunity to weigh in on this matter when it comes up for approval at its next scheduled meeting.

In view of VP Young’s response and referencing the preceding discussions, Vice-Chair Akitake asked if amendments could be made to the terms of the development agreement presently before the committee. Mr. Metter concurred with VP Young’s assessment of the situation and assured regents of MW Group’s awareness of the views communicated by committee members. While every attempt can be made to explore some of the ideas brought up at this meeting, time is of the essence with respect to this agreement particularly when considering the impact delays can have on project costs and financing.

Regent Higaki moved to authorize the university to enter into a development agreement and option to lease with MW Group for real property located at 550 Makapu‘u Avenue on O‘ahu. The motion was seconded by Regent Paloma.

Conversations took place among regents regarding the logistics involved with moving forward on this matter should the committee vote to recommend board approval.

Vice-Chair Akitake asked whether, at present, MW Group had any other facilities it was contemplating on building. Mr. Metter stated that this is the only project MW Group currently has in its pipeline pertaining to assisted living facilities. He also underscored MW Group’s capacity to build multiple facilities at the same time. Vice-Chair Akitake then engaged in dialogue with Mr. Metter about MW Group’s business philosophy and principles, the impacts business decisions can have on marginalized groups, the board’s fiduciary responsibilities to the university, and the honoring of assurances made today in the context of an evolving future and changing leadership at both the university and MW Group.
There having been a motion that was made and seconded, a roll call vote was taken, and noting the recusal of Chair Lee, the motion carried with all other members present voting in the affirmative.

Chair Lee returned at 12:55 p.m. and announced Agenda Item IV.E would be taken up at this time.

E. Update on Project Status by HCDA, State of Hawai‘i Housing Finance Development Corporation (HHFDC) and UH for the Development of Infrastructure and Housing on UH property in West O‘ahu

VP Young briefly reviewed background information on the proposed multi-agency plan for the development of infrastructure and housing on university property located in West O‘ahu near the UHWO campus through a MOA, as well as UHWO’s Long Range Development Plan and current Land Use Plan, much of which was presented to the board at previous meetings in December 2023 and March 2024. He also provided further details about the property in question and updated regents on some of the university’s activities since authorization to proceed with the MOA was received from the board.

HCDA Executive Director Nakamoto and Dean Minakami, Executive Director of HHFDC, spoke about the contributions, roles, and responsibilities of their respective agencies in connection with the tri-party agreement. They also highlighted actions undertaken by each agency to begin the process of moving forward on this project including HCDA’s procurement of design-build proposals for the construction of roadways and associated infrastructure which are currently being evaluated and HHFDC’s preparation and pursuit of a Request for Proposals (RFP) concerning the building of a mixed-use University village with commercial, for-sale leasehold and rental housing targeted to Hawai‘i residents which is anticipated to be released sometime in July.

Chair Lee asked whether low-income housing tax credits (LIHTC) or similar financing tool will be used by developers to construct affordable rental units on the UHWO property. Executive Director Minakami stated this could be an option although HHFDC’s preference would be for the majority of this project to encompass mixed-income rentals or leasehold types of units.

Regent Abercrombie questioned whether individuals have been chosen to serve on the RFP developer selection committee. Executive Director Minakami and VP Young responded that the developer selection committee has not yet been formed.

Chair Lee, Regent Abercrombie, and Mr. Minakami engaged in a protracted discussion about the goals of the housing project envisioned by this land development proposal; the possibility of integrating these objectives, in addition to conditions related to affordability, into the RFP; language in the MOA regarding potential uses for the land which Regent Abercrombie felt was unclear, and at times, contradictory; potential Area Median Income (AMI) requirements for units within the development; the rationale for
including leasehold, for sale residences in the plan; and the impacts of high interest rates and development costs on the building of affordable housing, among other things.

Regent Abercrombie asked if a study was done to determine whether the income demographics of West O'ahu comport with the affordable housing plan being put forth and gauge the interest for purchasing of these residences among students, faculty, and staff of UHWO. VP Young replied that, although UHWO along with the university system is already engaging in a market sounding study for student housing in the area, this issue is separate and apart from the matter presently being talked about. Nevertheless, information gathered via this study will help to inform the economic feasibility of this project. He also mentioned the current proposal’s intent of providing affordable housing for the open market as opposed to specifically targeted groups of individuals such as faculty, students, and staff of UHWO;underscored the ability for qualifying individuals within the immediately preceding constituencies to apply for a unit; noted some requirements contained within the MOA were placed in there due to land use restrictions placed upon the university when it secured the entitlements to the property; and reiterated previous remarks he made about the administration and its development partners taking into consideration input and suggestions from regents for possible inclusion in RFP or other agreements between the three agencies.

A vigorous debate arose between Regent Abercrombie and VP Young on the willingness of the administration to take into consideration the ideas and desires put forth by regents on projects such as this one, the need for affordable housing in Hawai’i, and the criteria to determine the affordability of units within this development.

Chair Lee inquired about the status of the RFPs for this development project. VP Young stated HCDA is currently reviewing and evaluating design-build proposals for the roadway portion of this project and expects to issue an RFP sometime in May. Details of the RFP for the housing portion of this development plan continue to be worked on with an anticipated issuance date later this summer. VP Young also stressed the importance, once again, of receiving input from regents on their desires for the housing project at this point in time since the RFP for this matter is still being developed. Executive Director Minakami provided additional details on the RFP for the housing development noting the existence of an internal draft for which details still need to be hashed out between the university and HHFDC. However, the possibility exists for an RFP to be issued as early as July 2024. Executive Director Minakami also spoke to comments made about the lack of affordable rental housing in Hawai’i and some of the challenges to meeting this need. Chair Lee suggested, at minimum, the inclusion of conditions related to affordability contained within the MOA in the RFP. He also recommended HHFDC and the university develop three scenarios for the housing proposal including one involving units at the 80 to 140 AMI level, one with 50 percent for sale units, and one with 25 percent for sale units and determine the feasibility of each.

Regent Abercrombie continued to fervently underscore the need to include larger numbers of affordable rental housing units in this project as opposed to leasehold for sale units. He also suggested the administration and HHFDC come back to the board with a more concrete and clear housing proposal for this property and noted the
existence of several nonprofit entities in Hawai‘i who would be willing to build affordable rental housing on the West O‘ahu parcel.

Chair Lee asked if the administration, HCDA, and HHFDC will be providing additional updates on this project. VP Young replied in the affirmative stating regents requested periodic updates on this project at a previous meeting. He also noted the provision of quarterly updates on strategic land initiatives provided to the full board which includes this project.

The meeting recessed at 1:42 p.m.

The meeting reconvened at 1:56 p.m.

D. University Land-Related Strategic Initiatives and Partnerships Program, FY2023-24 Third Quarter Report

Michael Shibata, Director of the Office of Strategic Development and Partnership, provided an update on the status of several university land-related strategic initiatives through the third quarter of FY 2023-2024 and, in the interest of time, highlighted the following, taking into consideration the previous discussions on several projects:

• University Avenue ‘Ewa Parcel Project: The administration has selected a consultant to undertake a feasibility study for the redevelopment of the parcel and is currently in the process of finalizing contract terms with this entity.

• Hale Kāwili Apartments Project: The administration issued an invitation to submit proposals for the rehabilitation or redevelopment of a 6.75-acre site located at 430 West Kāwili Street in Hilo so that it can continue to serve as housing for UHH students, faculty, and staff in early April with responses due by July, 2024. Additionally, the lease extension with ASH Hawai‘i, which was approved by the board at its February 16, 2024, meeting, is in the process of being finalized.

Regent Abercrombie sought clarification on the purpose of the feasibility study for the University Avenue ‘Ewa Parcel Project. Director Shibata touched upon plans for the phased relocation of current uses on the parcel to other portions of the UHM campus proper. The feasibility study is intended to analyze and determine the best suitable uses for the parcel. Information obtained from the study can then be used to develop a long-range plan for the property. Regent Abercrombie asked if the construction of affordable housing was one of the uses being evaluated for the property. Director Shibata replied in the affirmative.

Referencing plans for the demolition of the Public Broadcasting Service Hawai‘i (PBS) building which is located on the University Avenue ‘Ewa parcel, Regent Abercrombie inquired about the rationale for doing so as opposed to renovating the building for use by the Academy of Creative Media’s School of Cinematic Arts (ACM/CINE) at UHM, which he understood was supposed to occupy the facility. VP Gouveia replied that a decision was made to demolish the PBS building due to safety concerns and the necessity of making significant code upgrades for the building to be
utilized as an educational facility, which has been estimated to be in the millions of dollars. She further explained that just over six years ago the board adopted a broader, six-year strategic plan for UHM, one element of which was to bring all core academic programs, including ACM/CINE, onto the core UHM campus. At the time it was anticipated that the administration could consider land on which the PBS building is located for other, higher-use purposes, once UHM tenants residing on the parcel vacated the property.

Regent Abercrombie vehemently disagreed with VP Gouveia as to the condition of the PBS building and the amount of funds necessary for its rehabilitation. He and VP Gouveia engaged in dialogue relating to, among other things, what appeared to be an abrupt change in direction concerning the relocation of ACM/CINE at UHM to the PBS building; and the absence of plans to develop amenities for ACM/CINE at UHM, which was an up-and-coming program with high enrollment that could serve to diversify Hawai‘i’s economy. Regent Abercrombie and VP Gouveia further discussed the ACM facility at UHWO and its availability for use by ACM/CINE students at UHM; past regent requests for the administration to consolidate duplicative programs and utilize more shared space on campuses; the board’s creation of an Integrated Academic Facilities Plan which stressed more strategic use and construction of university facilities; the causes behind the deterioration of the PBS building to the point where it needed to be leveled; attempts to find suitable tenants for the facility in its current state; the demolition timeline; whether any other structures on the parcel were going to be torn down; and the provision of accommodations for ACM/CINE on the Mānoa campus. With respect to this last point, Director Shibata stated no other facilities on the University Avenue ‘Ewa parcel were being considered for demolition at this juncture.

Regent Paloma questioned whether permits were already secured for the demolition of the PBS building. VP Gouveia responded in the affirmative.

Regent Abercrombie asked about the costs of demolishing the PBS building and voiced his concerns with the administration’s decision to demolish the facility, or any other structure currently on the University Avenue ‘Ewa parcel, prior to completion of the aforementioned feasibility study and the establishment of a plan for the area. VP Gouveia stated the costs for razing the PBS building were somewhere in the range of $2 million.

Robust deliberations ensued among regents about the cost-effectiveness of demolishing the PBS building as opposed to rehabilitating the facility; the administration’s due diligence in making the determination to tear down the structure; the prospects for halting the demolition and whether this was something the board should consider; and the purported extent of the building’s structural and safety issues.

Regent Abercrombie questioned the timing of the decision to demolish the PBS building in light of the alleged disrepair of the structure when the university obtained the facility. VP Young explained that funding for demolition of the PBS building was appropriated prior to the start of the COVID-19 pandemic. However, procurement for removal of the structure was suspended and the funding was allowed to lapse.
Regent Paloma asked if funds for tearing down the PBS building were obtained, and if so, what the fate of those monies would be should a decision be made by the board to stop the demolition. VP Gouveia noted the receipt of $2 million from the Legislature in Renew, Improve, and Modernize funding for demolishing the PBS building and stated the funds will lapse should they not be encumbered by June 30, 2024.

Chair Lee inquired whether a contract had already been awarded for tearing down the PBS building. VP Gouveia responded that while a solicitation for the project did go out, a contract for removal of the structure has not yet been awarded.

Further discussions occurred between Regent Abercrombie, President Lassner, and VP Gouveia on the administration’s response to the facility needs of ACM/CINE at UHM and ended with Regent Abercrombie voicing his displeasure with the responses he received.

V. ADJOURNMENT

There being no further business, Chair Lee adjourned the meeting at 2:30 p.m.

Respectfully Submitted,

/S/

Yvonne Lau
Executive Administrator and Secretary
of the Board of Regents