Notice of Meeting
UNIVERSITY OF HAWA‘I
BOARD OF REGENTS COMMITTEE ON PLANNING AND FACILITIES
Members: Regents Tagorda (Chair), Higaki (Vice-Chair), Acoba, Acopan, Nahale-a, and Sullivan

Date: Thursday, May 6, 2021
Time: 8:30 a.m.
Place: Virtual Meeting

In light of the evolving COVID-19 situation, protecting the health and welfare of the community is of utmost concern. As such, this will be a virtual meeting and written testimony and oral testimony will be accepted in lieu of in-person testimony. Meetings may be monitored remotely via the livestream pilot project. See the Board of Regents website for information on accessing the livestream: www.hawaii.edu/bor. Mahalo for your consideration.

AGENDA

I. Call Meeting to Order

II. Approval of Minutes of the February 3, 2021 Meeting

III. Public Comment Period for Agenda Items:

All written testimony on agenda items received after posting of this agenda and up to 24 hours in advance of the meeting will be distributed to the board. Late testimony on agenda items will be distributed to the board within 24 hours of receipt. Written testimony may be submitted via the board’s website through the testimony link provided on the Meeting Agendas, Minutes and Materials page. Testimony may also be submitted via email at bor.testimony@hawaii.edu, U.S. mail, or facsimile at (808) 956-5156. All written testimony submitted are public documents. Therefore, any testimony that is submitted for use in the public meeting process is public information and will be posted on the board’s website.

Those wishing to provide oral testimony for the virtual meeting may register here. Given constraints with the online format of our meetings, individuals wishing to orally testify must register no later than 7:00 a.m. on the day of the meeting in order to be accommodated. It is highly recommended that written testimony be submitted in addition to registering to provide oral testimony. Oral testimony will be limited to three (3) minutes per testifier.

IV. Agenda Items

A. Recommend Board Approval of Authorization to Amend Pre-Closing (Pre-Construction) Agreement with Greystar Development Services, LLC for Development of a Multi-Family Rental Housing Facility at the Former NOAA Site

For disability accommodations, contact the Board Office at 956-8213 or bor@hawaii.edu. Advance notice requested five (5) days in advance of the meeting.
B. Recommend Board Approval Authorizing Negotiation and Approval of Lease of Facility Between the University of Hawai’i and the Agribusiness Development Corporation for the Benefit of Leeward Community College

C. Recommend Board Approval of Resolution 21-03 Requesting the Administration of the University of Hawai’i to Pursue an Adjusted Utility Rate Structure for Institutions of Higher Education from the Hawaiian Electric Company, Inc.

D. Fiscal Year (FY) 2020-2021 3rd Quarter Capital Improvement Project Status Report as of March 31, 2021

E. FY 2020-2021 3rd Quarter University Land-Related Strategic Initiatives and Partnerships Program Update

V. Adjournment
Note: On January 30, 2020, the World Health Organization declared the outbreak of COVID-19 a public health emergency of international concern, subsequently declaring it a pandemic on March 11, 2020. On March 16, 2020, Governor David Y. Ige issued a supplementary proclamation that temporarily suspended Chapter 92, Hawai‘i Revised Statutes, relating to public meetings and records, “to the extent necessary to enable boards to conduct business in person or through remote technology without holding meetings open to the public.”

I. CALL TO ORDER

Chair Michelle Tagorda called the meeting to order at 8:32 a.m. on Wednesday, February 3, 2021. The meeting was conducted virtually with regents participating from various locations.

Committee members in attendance: Chair Michelle Tagorda; Vice-Chair Wayne Higaki; Regent Simeon Acoba; Regent Kelli Acopan; Regent Alapaki Nahale-a; and Regent Jan Sullivan.

Others in attendance: Board Chair Benjamin Kudo; Regent Eugene Bal, Regent Randy Moore; Regent Robert Westerman; Regent Ernest Wilson (ex officio committee members); President David Lassner; Vice President (VP) for Administration Jan Gouveia; 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) Kendra Oishi; and others as noted.

II. APPROVAL OF MINUTES

Vice-Chair Higaki moved to approve the minutes of the November 5, 2020, meeting, seconded by Regent Acopan, and the motion carried, with all members present voting in the affirmative.

III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office did not receive any written testimony and that no one had signed up to provide oral testimony.
IV. AGENDA ITEMS

A. University of Hawai‘i Space Utilization Update (deferred from 11/5/20)

VP Gouveia explained that the university has been working with an architectural consulting firm to acquire a better understanding of the university’s space utilization and overall inventory through quantitative evaluations and analyses of campus facilities. She introduced Nate Goore of MKThink who would be providing an update on the space utilization work conducted to date on the UHM Campus, as well as report on baseline data gathered during a preliminary analysis of the UHWO campus.

Mr. Goore stated that MKThink has collaborated with the university for a number of years on the development and execution of a vision plan that is aligned with the university’s Framework for the Future Initiative (Initiative). The Initiative encompasses a set of guidelines to create a sustainable physical campus that will support the university’s strategies and priorities over the next 20 to 40 years. He noted that one of the major goals of the Initiative is to reduce overall facility square footage through increasing and improving the use of existing physical assets; reconfiguring existing spaces to increase occupancy to full-capacity; and assessing existing inventory to determine areas of square footage that can be removed or redeployed over time.

In 2017, the MKThink consulting team embarked on a discovery phase for the UHM Campus, gathering key data, assessing facilities campus-wide, and inventorying space. The information collected was then used to inform planning and decision-making for the physical assets on the UHM campus. Mr. Goore stated that UHM has an overall inventory of approximately 9.4 million square feet of facility space and that a goal was set to reduce this amount by about 1 million square feet, with a reduction target of 500,000 square feet for the UHM campus itself.

Details on the categorization of the types of spaces contained within UHM’s inventory were provided with Mr. Goore noting that plans are currently in place to effectuate the reduction of square footage through a focused approach that minimizes the effects of overall space reduction and involve actions such as shifting space composition from predominately classroom use to laboratory use and consolidating faculty and office spaces to more of a shared-use configuration. He also highlighted several planned capital improvement projects (CIPs), including the Snyder Hall and Kuykendall Hall replacement projects, the Student Success Center project at Sinclair Library, the portable building demolition project, and administration center project, that will support the repurposing and reduction of overall square footage across the various space categories through increased density, efficient and effective reconfiguration, and space modification and modernization.

Although an emphasis was placed on improving classroom use as a means to reduce overall square footage when discussions regarding space utilization first began, Mr. Goore stated that the UHM classroom utilization rate remains at about 34 percent which equates to approximately 15.4 hours of use out of a possible 45 hours per week. He noted that the lack of a centralized system of classroom management at UHM is one of the biggest issues affecting the efficient and effective use of this space. As currently
structured, the Vice Chancellor for Academic Affairs (VCAA) has oversight and control over class scheduling for 29 percent of the available classroom and laboratory space on campus with jurisdiction and class scheduling control for the remaining 71 percent of the available space falling under individual departments. This bifurcated system often results in less-than-optimal use of available classroom space. Information and data on other factors affecting classroom use including the time-of-day and day-of-the-week classes are scheduled were also reviewed and discussed. MKThink anticipates that the CIPs mentioned earlier, improvement in the mechanics and governance of class scheduling, and implementation of other actions to right-size and reconfigure classroom space will begin to impact classroom utilization rates at UHM in the near future and allow the target goals of 75 percent classroom use at 80 percent occupancy to be met.

In 2020, MKThink began its space utilization analysis of the UHWO campus using similar metrics, principles, and methodology that was employed in the assessment of the UHM campus. Mr. Goore presented baseline data and some of the preliminary findings of this analysis, noting that UHWO has an overall inventory of approximately 263,000 square feet of facility space, including 39,400 square feet of classroom space, that is contained within six buildings on campus. He highlighted several unique attributes of the UHWO campus that will need to be considered when developing any proposed actions to improve facility utilization such as the almost even distribution of classroom and office space across all buildings on campus and the large amount of interior space (approximately 32 percent) considered to be circulation space specifically designed to promote student interaction.

Information and data on classroom use, as well as factors affecting this use, such as the time-of-day and day-of-the-week classes are scheduled, were also reviewed and discussed. Mr. Goore stated that the UHWO classroom utilization rate is about 40 percent, which equates to approximately 17.8 hours of use out of a possible 45 hours per week, and that classroom occupancy rates hover around 50 percent. Further analysis of classroom-use data also indicates that programmatic design of courses offered at UHWO results in relatively consistent class sizes of 20 students being held in classrooms initially designed for an occupancy of 50 students or more. As such, there is ample opportunity to recapture space for academic or other uses.

Mr. Goore remarked that MKThink began conducting space utilization analyses of each of the remaining campuses of the university system to gain a better understanding of facility use and inventory systemwide. He noted that the analysis of Leeward Community College has already been completed and that work on gathering and analyzing data for the remaining campuses is expected to be completed over the next few months.

Mentioning that numerous businesses and institutions are rethinking the way they conduct operations given the limitation on in-person interactions due to the COVID-19 pandemic, Regent Sullivan asked if MKThink observed any trends among educational institutions regarding remote learning and working opportunities that should be considered by the university. Mr. Goore replied that the pandemic compelled educational institutions to quickly adapt to rapidly changing situations, particularly with regard to instructional modalities. Educational institutions, including post-secondary
institutions, were pressed to switch from a predominantly in-person modality of instruction to a form of instruction that occurred almost exclusively online. He noted that while some institutions continue to focus attention and efforts on upgrading facilities and improving the design and configuration of classrooms to accommodate fully online learning as a longer-term instructional option, these institutions recognize that courses that require more of a hands-on experience such as laboratory and studio courses, as well as courses in the trades, will require in-person instruction. However, the vast majority of institutions understand that the provision of online instruction in some form provides an opportunity to broaden the educational opportunities for students at their respective institutions. As such, a number of these institutions, including UHM, have begun to assess, and focus on, the creation of a hybrid modality of instruction that balances in-person instructional requirements with online instructional and learning capabilities. Mr. Goore stated that, from an employment perspective, there are a number of policy changes that are being implemented across institutions that address the ability of staff to work from home more frequently. There is also a trend towards making greater use of shared-space accommodations for faculty and staff to conduct on-campus work.

Regent Acoba asked whether there had been a plan developed or timeline established for using the information acquired by the space utilization study (Utilization Study) to implement changes that would increase the effective use of the physical assets on the UHM campus. Mr. Goore replied that data and information collected in the UHM Utilization Study is already being used to direct programmatic changes and changes to physical assets on the UHM campus to increase efficient and effective use of facilities. This is especially evident in several of the CIP projects currently being pursued by UHM as a number of these projects used information from the Utilization Study to guide building design. VP Gouveia added that various factors also need to be considered when contemplating some of the proposals contained within the Utilization Study particularly with regard to programmatic changes and classroom and facility requirements to accommodate those changes. She noted that both the administration and members of the UHM faculty classroom committee have been assessing a number of these issues. However, she believed that development of facilities with an emphasis placed on the creation of flexible, adaptable, and open spaces was key to being able to quickly adapt to various programmatic or facility changes necessitated by faculty and student expectations.

Regent Moore opined that the current reduction of on-campus activity provided the administration with an opportunity to centralize the governance responsibility for classroom space and scheduling and that it may be worthwhile to initiate similar centralization of governance efforts with regard to office space on the UHM campus.

Regent Moore asked about successes experienced by other universities in increasing classroom space utilization through actions such as amending course instruction times or days. He also inquired as to whether universities have contemplated centralizing or creating shared-use faculty office space not only for efficiency purposes but also to provide for greater collaboration among faculty members. Mr. Goore responded that other universities have experienced success in
increasing classroom use and occupancy through adjusting the days and times for class offerings and provided examples of some of these efforts. As for the centralization of office space, aggregating faculty from different disciplines into single environments where collaboration and enhancement of programs could occur has become popular among universities. Mr. Goore stated that the creation of shared-use office space for faculty, on the other hand, has experienced limited success and that additional amenities needed to be provided to faculty, in exchange for the loss of personal office space, at universities where these efforts were successful.

Regent Bal left at 9:27 a.m.

Extensive discussions took place between Regents and the administration regarding the vision and goals of the university for both the near- and long-term future and how the information and data collected will be used by the administration in creating a sustainable physical campus plan that would support the university’s long-term strategies and priorities. Several Regents remarked that, while the data collected in the Utilization Study is extensive and informative and a number of promising recommendations and proposals have been put forth, the university needs to develop a clearer vision and understanding of where it wants to be in the future and the role it wants to play in meeting the needs of the community. They commented that, without such a vision, it will be difficult to understand the university’s facility requirements and effectively use the information ascertained by the Utilization Study to assist in determining whether the best course of action to achieve greater effectiveness and efficiency at the university will be the renovation, reconfiguration, repurposing, and redeployment of existing facilities; the demolition and replacement of older facilities with newly constructed facilities with more flexible and adaptable designs; or a combination of these options.

Regent Nahale-a asked whether conversation has occurred on how the data and information obtained in the Utilization Study can be applied to advance the guiding principles contained in the Initiative. Mr. Goore responded in the affirmative stating that, while the information presented was focused on the single topic of the efficient use of space in the broader framework of the UHM campus, all of the information and data contained in the Utilization Study is intended to provide guidance in the development of mechanisms, policies, and procedures that will allow projects that adhere to the guiding principles contained in the Initiative to be executed on the UHM campus. VP Gouveia added that the guiding principles contained in the Initiative have broadened the focus of the administration with regard to facilities and that the Utilization Study is what the facilities and CIP team at UHM uses to prioritize and develop campus projects.

Regent Sullivan expressed her concerns regarding the decentralized manner in which space at the university is managed stating that, until decisions are made and parameters and policies are established at an administrative level, this issue will remain unresolved. It was also her belief that an excellent opportunity currently existed to begin discussions and make decisions on various options to address the efficient and effective use of space on campus, particularly with regard to classrooms and offices.
Regent Acoba mentioned that the committee will be considering action on Regents Policy (RP) 4.204 which relates to classroom, office, research, study, meeting, and gathering spaces at the university. In his opinion, the proposed RP 4.204 would be setting-forth and establishing general guidance for the administration with regard to space utilization. He also believed that the administration would present any major plan for implementing substantial changes to the use of space on campuses to the board.

President Lassner thanked the Regents for the robust conversation and stated that the administration will attempt to incorporate this input and address the multitude of ideas that have been raised.

B. Review of 2018 Board of Regents Resolution Supporting a Moratorium on Square Footage Growth

VP Gouveia provided a brief history of a resolution adopted by the board in 2013, which was subsequently amended in 2018, that established a moratorium on new university construction projects that did not meet specific requirements. She stated that this was part of an effort to place a greater emphasis on addressing the university’s deferred maintenance backlog rather than new construction projects. As endeavors such as the aforementioned Utilization Study provided a better understanding of the use of campus facilities, a shift in strategy regarding campus development and the prioritization of CIP and other projects began to occur. The administration started to transform from a narrowly focused approach to campus development and planning that underscored the addressing of deferred maintenance and the foregoing of any new projects, to a broader approach that stressed the use of space utilization concepts to increase the efficiency and functionality of existing facilities and place a greater emphasis on the creation of flexible, adaptable, and open spaces when considering new construction projects. As such, and in light of the requirement that this resolution be reviewed every three years, the administration felt that a reevaluation of the resolution was warranted and proffered amendments that incorporated the concepts of space utilization in campus development initiatives for review by the committee.

Board Chair Kudo stated that he believed it would be premature to amend the resolution at this time given earlier discussions on the university’s lack of a clear, long-term vision. VP Gouveia remarked that while the administration is open to deferral of the matter until such time that it can reflect the priorities that may be contained in a clearer, long-term vision for the university, situations are often very dynamic and adoption of broader principles on the approach taken to campus development and facility utilization will allow for a more nimble and rapid response by the administration to changing circumstances.

Brief discussion occurred on the necessity of amending the resolution, the positive and negative benefits of amending the resolution, and whether it would be more appropriated for the contents of the resolution to be placed in regent policy.

President Lassner commented that the administration was asked to provide a draft resolution for discussion and that conversations and discussions regarding this matter and space utilization at the university have been productive. It was his understanding
that the initial resolution was drafted to reflect the board’s sentiment and send a message to both the administration and the Legislature that construction of new facilities should not be pursued when existing facilities were falling into disrepair. Board Chair Kudo provided additional context to the rationale for the adoption of the original resolution including the continued provision of funds to increase facility inventory despite the university lacking funding to address the deferred maintenance backlog for its existing facilities. He added that this issue was revisited in 2018 and the decision was made to amend the resolution to create footprint limitation parameters rather than simply banning new construction thereby providing greater flexibility to the administration while maintaining the major tenets of the original moratorium.

Given these discussions, and noting that this was not an item requiring action, Chair Tagorda suggested that Regents continue to provide feedback and comments on the resolution to the Board Office for further consideration.

C. Review Changes and Recommend Board Approval of Amendments to RPs Related to Planning:

1. RP 4.201, Mission and Purpose of the University (to be renamed, Vision, Mission, and Guiding Principles of the University)

2. RP 4.202, Strategic Planning (to be renamed, Integrated Strategic Planning)

3. RP 4.203, Unit Academic Plans (to be renamed, Unit Missions)

4. RP 4.204, Long-Range Physical Development Plans (to be renamed, Campus Development and Capital Improvement Planning)

5. RP 4.208, Sustainability Policy (to be renamed, Sustainability)

Board Secretary Oishi stated that both the board and administration formally adopted the Integrated Academic Facilities Plan (IAFP) in 2017 and that the intent of the IAFP is to provide guidance and structure as to how the university prioritizes the use of resources through integrated planning, particularly with regard to academic programs, facilities, and finances. She stated that, although the administration has been using the IAFP to guide its activities, the RPs related to strategic planning were never updated to conform to the IAFP. As such, proposed revisions to RPs 4.201, Mission and Purpose of the University, 4.202, Strategic Planning, and 4.203, Unit Academic Plans, were prepared by the Board Office and distributed to Regents at the board meeting in February 2020 for discussion and input. While some feedback was provided at the meeting, Board Chair Kudo requested that Regents review the proposed policies and provide comments or suggestions to the Board Office for consideration as the next set of draft policies were prepared. Revised drafts of the aforementioned policies were subsequently presented to the Committee on Personnel Affairs and Board Governance (PA&BG) during its May 2020 meeting. PA&BG voted to recommend that the Board approve revisions to the RPs, subject to consultation to be conducted by the administration. The administration has concluded its consultation process and the proposed policy amendments are once again being presented for consideration.
A brief synopsis of RPs 4.201, 4.202, and 4.203, was provided by Board Secretary Oishi. She also reviewed the proposed amendments for each of the RPs and any substantive changes made since the May 2020 PA&BG meeting based on conversations that occurred during the consultation process.

Board Secretary Oishi noted that amendments are also being proposed for two additional RPs, RP 4.204, Campus Development and Capital Improvement Planning, and RP 4.208, Sustainability, and called upon VP Gouveia to offer a more detailed explanation of these proposals. VP Gouveia stated that amendments incorporating several of the concepts regarding space utilization that were discussed earlier are being proposed for RP 4.204 to provide clearer guidance to the administration regarding campus development initiatives. Amendments to RP 4.208 propose to add the term “or equivalent” wherever Leadership in Energy and Environmental Design, or LEED, designations are referenced within the policy. VP Gouveia explained that LEED certification is a nationally-driven certification process to ensure the use of energy efficiency strategies in building design and construction. However, a number of the strategies that are required to be adopted to achieve LEED certification do not apply in Hawai‘i. While the administration agrees with the objectives of LEED, allowing the use of building design standards that are equivalent to LEED certification standards will provide it with the flexibility to pursue these objectives in a more focused, targeted, and cost-effective approach that is more applicable to Hawai‘i.

Discussions ensued on the history of the administration’s requested changes to the RPs, as well as the context and reasoning behind the proposed amendments, particularly with regard to the incorporation of the IAFP into the RPs. Regents also commented that, while the amendments to RPs 4.201, 4.202, and 4.203, have already been discussed, the complexity of the amendments, as well as the additional request for amendments to RPs 4.204 and 4.208, may require that more time be allotted for their review. Concerns were also raised about impacts the lack of clarity with regard to the university’s future mission and its facility needs to achieve this mission may have on the proposed amendments to the RPs.

Regent Sullivan made a motion to recommend approval of the proposed amendments to RP 4.201 with further amendments being made to clarify or delete provisions from its vision and mission statements and the motion was seconded by Vice-Chair Higaki.

Questions were raised regarding the recommended motion and discussion followed as to whether the committee should proceed with moving any of the proposed amendments to the RPs forward or whether they should be vetted further and brought back to the committee at a later date.

Regent Sullivan withdrew her motion and Vice-Chair Higaki withdrew his second.

Noting that she was taking into consideration the expressed sentiments of committee members, Chair Tagorda deferred action on the proposed amendments to the RPs to allow time for Regents to provide additional comment and feedback.
Regent Sullivan specifically requested that the administration review RP 4.204 to determine whether the concepts contained within the resolution supporting a moratorium on square footage growth should be integrated into this policy. VP Gouveia responded that the proposed amendments to RP 4.204 already encompassed most of the concepts contained within the resolution but that the administration will review the possibility of amending RP 4.204 to more thoroughly encapsulate the intent of the moratorium established by the resolution.

D. Review and Recommend Board Approval of Amendments to the Bylaws of the Board of Regents Article II.D.2.c., Committee on Planning and Facilities (P&F)

Board Secretary Oishi provided an overview of, and rationale for, proposed revisions to the charge for the P&F committee contained within the board bylaws. She explained that the proposed amendments more accurately reflect the oversight functions and responsibilities of the P&F committee and briefly reviewed each of the proposed amendments. Amendments include the removal of the responsibility for reviewing and recommending action on long-range plans for the development of the university from the functions of the P&F committee with the intent that this function becomes the direct purview of the full board; clarification of P&F’s oversight responsibility of the university administration relating to the CIP program; and specification that the review and approval of certain real property transactions, including all real property transactions for the disposition or acquisition of real property in fee simple or by lease or equivalent interest with a term exceeding five years, as well as the review and approval of fees for parking permits and other parking fees for facilities under the jurisdiction of the university, fall within the general functions and responsibilities of the P&F committee.

Regent Moore explained that changes to the bylaws were proposed in the spring of 2020 after being reviewed by the P&F committee for consistency with RPs. The amendments being proposed are an attempt to better align the bylaws with the RPs as they pertain to the P&F committee.

Regent Sullivan asked whether there would be any objections to inserting language into the bylaws specifically stating that oversight of the efficient use of campus facility space comes under the jurisdiction of the P&F committee. Regent Moore replied that, while the P&F committee already, in effect, has this responsibility in that it reviews and recommends action on the administration’s CIP budget, he did not envision a problem with inserting this language into the bylaws. Regent Sullivan remarked that, in her opinion, by the time a project is included in the CIP budget, planning for the project has already occurred and there is no real opportunity for the committee to provide input or oversight at that point.

Additional discussions took place as to whether action on the proposed amendments to the bylaws should be deferred since earlier discussions appeared to indicate that further amendments could be made to RPs that are aligned with this particular section of the bylaws thus requiring additional changes to be made to the bylaws.

Given these discussions, Chair Tagorda deferred action on the recommended changes to board bylaws stating that it is an issue that can be revisited in the future.
E. **Annual Report on Sustainability at the University of Hawai‘i**

VP Gouveia introduced Mr. Matt Lynch, Director of Sustainability Initiatives in the Office of Sustainability (Sustainability Office), and Mr. Miles Topping, Director of Energy Management, who would provide updates on the university’s sustainability and net-zero energy use efforts.

Mr. Lynch stated that Executive Policy 4.202 is the mandate that guides the Sustainability Office and directs it to integrate the concepts of sustainability across the operations, curriculum, research, and cultural engagement and connection functions of the university. He noted that while climate change and sustainability is already affecting, and will continue to impact, the university, it is an issue of worldwide concern and one that continues to be extremely important among university students both in Hawai‘i, and around the world. To this end, the Sustainability Office team has worked with students on all campuses through direct projects and focus groups to understand their concerns about climate change and deliver an educational experience that is relevant to students.

A video presentation was made by Dominique Peña, a recent graduate of the College of Engineering at UHM who received the Outstanding Senior Award, who reflected on the educational opportunities provided to her at UHM; the issues of climate change and sustainability and their impacts to society; and the concerns and fears of her generation regarding these issues. She also stated that the incorporation of the concepts of sustainability into the academic curricula at UHM enriched her educational experience noting that it provided her with a broader perspective of future global challenges and will allow her to not only be a responsible professional in her chosen field of study but also a responsible global citizen.

Mr. Lynch discussed efforts undertaken to incorporate sustainability literacy across the entire university curriculum. He noted that, in addition to critical thinking skills, greater emphasis and focus must be placed on increasing systems thinking, strategic thinking, features thinking, values thinking, and collaborative thinking competencies of students. He also highlighted several successes of the university’s sustainability education efforts including an initiative that utilizes and embraces university campuses as living laboratories so that students can apply the lessons they are learning in the classroom to solving real world challenges. Finally, he outlined the next steps that the university must take to be a global leader in sustainability and better equip students with the knowledge, skills, and experiences to face uncertain climate futures.

Referencing a statistic presented that noted 96 percent of undergraduate students surveyed in 2020 stated that they are concerned or very concerned about climate change, Regent Moore opined that perhaps another goal of sustainability efforts should be to instill and embed a culture of sustainability across the entire university system. He also commented that it was disappointing that only 50 percent of students in the field of education expressed concerns about climate change.

Prior to Mr. Topping’s report, Board Chair Kudo inquired as to whether Regents would be interested in pursuing a possible discount in utility rates from Hawaiian Electric
Company (HECO) for institutions of higher education that use extremely large amounts of electricity on an annual basis through the adoption of a board resolution. A brief discussion occurred on this proposal.

Mr. Topping provided a net-zero update showing energy consumption and production by campus for fiscal year (FY) 2020-2021. While the university has only achieved six percent of its net-zero goals to date, he noted that much of the currently installed photovoltaic (PV) projects, which produce 11.1 megawatts of renewable energy, as well as future PV projects and other energy efficiency and production initiatives, such as a green tariff project, were not reflected in the data collected during the performance period. It is anticipated that this data will be included in the 2021 performance report which will correlate to a significant improvement in the percentage of net-zero goals achieved by the university. Mr. Topping also highlighted data indicating that, since 2015, the university has continued to experience increases in its production of renewable energy and witnessed steady decreases in energy consumption.

A focused update on energy consumption and production for the UHM campus was presented by Mr. Topping who noted that, as a R1 research university with an average campus population of 23,000 on any given day, UHM's energy needs and consumption are immense, with many of its research facilities, laboratories, dorms, and information technology centers requiring 24-hour energy use. He reviewed peak demand statistics for the 2019-2020 calendar year noting that energy demand peaks mainly during warmer periods of the year when the use of air conditioning greatly increases. However, it was noted that the majority of energy used on campus is supplied through a university-owned grid fed by substations located around the campus and that this provides flexibility for UHM to pursue additional energy production opportunities. Mr. Topping also went over statistics and trends for UHM’s energy-costs in relation to its consumption as well as the impacts energy efficiency projects and the COVID-19 pandemic had on these figures.

Mr. Topping summarized the next steps that the university intends to take to continue progressing toward achieving its net-zero and energy efficiency goals, including the buildout of the remaining four megawatts of PV at UHM; the procurement of energy saving performance contracts; increased scrutinization and optimization of LEED opportunities that are beneficial to the university; and continued pursuit of the development of a strategic energy management plan, green tariff program, and various ongoing energy efficiency projects.

Board Chair Kudo asked about the status of the installation and use of electric meters on UHM campus facilities that can be read and operated remotely to adjust for periods of decreased facility use. Mr. Topping replied that the metering project to install digital meters on buildings on the UHM campus is in phase three of a four-phase process. Data obtained from these meters is currently providing valuable information regarding the energy requirements and use of individual buildings on campus which will allow for the optimization of energy-efficiency initiatives. However, he stated that the ability to control the use of electricity remotely is more challenging due to a variety of factors such as air conditioning chiller start-up and shut-down requirements. VP
Gouveia added that while there are lofty plans to provide the university with the ability to control a facility’s energy consumption on-demand, the reality of the situation is that these types of projects are funded by Renew, Improve, Modernize (RIM) money. While the administration has prioritized a number of energy efficiency initiatives including upgrading heating, ventilation, and air conditioning systems, limited RIM money must be divided over a wide-range of projects, and in her opinion, the university would not be fully transformed for at least ten years.

F. Fiscal Year (FY) 2020-2021 2nd Quarter Capital Improvement Project (CIP) Status Report as of December 31, 2020

VP Gouveia provided a brief report on the status of CIPs through the second quarter of FY 2020-2021 stating that all projects are moving forward as planned with no significant issues. She highlighted that the design phase of the Cancer Center project has been completed and the request-for-proposal process is currently in progress.

G. FY 2020-2021 2nd Quarter University Land-Related Strategic Initiatives and Partnerships Program Update

VP Young provided a brief update on the status of several university land-related strategic initiatives through the second quarter of FY 2020-2021. He pointed out that the UHWO University District Project now includes progress related to Honolulu Authority for Rapid Transportation transit-oriented development projects as well as the possible development of a film studio; the Atherton Project is expected to begin construction this year; and planning for the NOAA Graduate Student Housing Project, which includes value-added propositions for design, is nearing completion. One project that conceptualizes the University Press parcel in Mānoa as a potential land-monetization opportunity has also been added to the list of initiatives and updates on this project will be provided in future reports.

H. St. Francis Property Update

VP Young provided an update on the status of the attempted acquisition of the St. Francis School property, which is comprised of approximately 11 acres near the UHM campus. Although the university procured an independent appraisal of the property and submitted a letter of intent as an offer to purchase the property, the administration received notification that another party is in final negotiations for acquiring the property. Barring any changes to this situation, the university will no longer pursue this endeavor.

V. ADJOURNMENT

There being no further business, Regent Sullivan moved to adjourn, seconded by Regent Higaki, and with all members present voting in the affirmative, the meeting was adjourned at 12:14 p.m.

Respectfully Submitted,
Kendra Oishi
Executive Administrator and Secretary
of the Board of Regents
April 28, 2021

TO: Benjamin Kudo  
Chairperson, Board of Regents  

Michelle Tagorda  
Chair, Committee on Planning and Facilities  
Board of Regents  

VIA: David Lassner  
President  

Jan S. Gouveia  
Vice President for Administration  

FROM: Kalbert K. Young  
Vice President for Budget and Finance/Chief Financial Officer  

SUBJECT: Authorization and Approval to Amend Pre-Closing (Pre-Construction) Agreement (PCA) for Development of a Multi-Family Rental Housing Facility, Greystar/NOAA Site—Second Amendment

SPECIFIC ACTION REQUESTED:

Pursuant to Regents RP Policy 8.201 (Contracts and Official Documents), prior Board of Regents approval is required for consultant work estimated to be in excess of one million dollars ($1,000,000), and construction projects totaling more than five million dollars ($5,000,000). The University of Hawai‘i ("UH or University") President and its Chief Financial Officer (together "Administration") is seeking a second amendment to the pre-closing (pre-construction) agreement ("PCA") between UH and Greystar Development Services, LLC ("Greystar"), which the Board of Regents approved at its March 19, 2020 meeting.

The total cost for pre-construction activity is approximately five million dollars ($5,000,000) of the completed project cost estimated at approximately one hundred thirty million dollars ($130,000,000), all to be financed with 100% project-based, tax-exempt bonds. The Administration’s approach is to authorize project spending by Greystar in tranches for related pre-construction work so that the University can assess progress and viability as the Project develops. Accordingly, the original PCA authorized one million five hundred thousand dollars ($1,500,000) for pre-construction activity under the PCA. On September 17, 2020, the Board of Regents authorized an additional one million dollars ($1,000,000) for pre-construction activity under the PCA by allowing the Administration to negotiate and enter into that First Amendment to Pre-Closing Agreement, effective November 24, 2020.
Now, the Administration requests authorization to negotiate and enter into a second amendment to authorize an additional one million dollars ($1,000,000) for the next tranche of pre-construction activity under the PCA, as summarized in the following table:

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<tr>
<th>Approximate Pre-construction Budget</th>
<th>PCA April 20, 2020</th>
<th>PCA Am. No. 1 Nov. 24, 2020</th>
<th>PCA Am. No. 2</th>
<th>Total Authorized If Am. No. 2 Approved</th>
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The tranches authorized by the University are for expenses that Greystar will incur and pay for to complete work for the project. Although pre-construction costs are advanced by Greystar and not paid by UH in anticipation of bond financing, there are conditions upon which UH would reimburse Greystar and own the pre-construction work product if the Project does not proceed as discussed below.

Administration is noting that the project schedule has been adjusted to target project occupancy for the start of Fall 2025, rather than Fall of 2024. Milestone delays had affected delivery of the initial market study (due to COVID shutdown), design work (additional value engineering required), environmental assessment approval, and the PRU modification approval resulting in some adjustment to the project schedule. Greystar is still working towards an "ideal" project opening and full available occupancy before Fall 2025. Ideally, student housing facilities will want to target Fall semester for availability rather than an opening mid-year.

**RECOMMENDED EFFECTIVE DATE:**

Upon authorization and approval of the Board of Regents.

**BACKGROUND:**

UH owns a parcel formerly known as the National Marine Fisheries Service ("NOAA Site"), located on the UH at Manoa ("UHM") campus, at 2570 Dole Street, and designated Tax Map Key No. (1) 2-8-023:009.

On November 7, 2018, UH issued a Request for Proposals for the Development of a New Multi-Family Mixed-Use Rental Project ("RFP"). The purpose of the RFP was to solicit proposals from qualified real estate developers and development teams that were interested in entering into a public-private partnership with UH to design, build, finance, operate, and maintain a family-oriented mixed-use rental housing project to be located at the NOAA Site (the "Project").
The Project conceptualizes building family-oriented rental housing units in a multi-story facility intended primarily to serve UHM graduate students, but which may also serve UHM junior faculty to the extent Project units are available. Depending on market demand, the Project units may also be available for UHM staff and other parties affiliated with UHM or the University.

The University has a strong preference that the Project include a child care facility (to be operated by the University). This child care facility could either replace or supplement the existing UHM Children’s Center (located at 2600 Campus Road, QLCSS #414B). The University child care program currently services approximately one hundred (100) young children of UHM students and employees between the ages of two and five years old. If feasible, the University also prefers that the Project include commercial components that provide goods and/or services to Project residents and the greater UHM community. The University believes that the components of the Project will foster and create a live, work, play environment in the areas surrounding the NOAA Site.

In September 2019, UH selected Greystar to be its private partner as real estate developer and manager of the Project. UH and Greystar entered into the PCA, effective April 30, 2020. The PCA includes various pre-construction work to be completed prior to the closing of the tax-exempt bond financing for the Project up to a certain approved budget agreed to and approved by UH.

In coordination and consultation with UH, the work performed by Greystar and the development team on the Project under the PCA includes the following:

- Contracted with sub-contractors to produce work on design drawing, preliminary construction materials, etc.;
- Conducted a market study, engineering studies, environmental review, and title investigations;
- Completed construction pricing for the 50% schematic design drawing set;
- Completed the 100% schematic design drawing set;
- Began construction pricing for the 100% schematic design drawing set;
- Completed and submitted the Final Environmental Assessment ("FEA") and Finding of No Significant Impact ("FONSI") determination to the Office of Environmental Quality Control ("OEQC");
- Published the FEA and FONSI with OEQC;
- Began the Plan Review Use ("PRU") Minor Modification Application for the City and County of Honolulu Department of Planning and Permitting; and
- Additional consultant work with community and university stakeholders.

As discussed above, UH has authorized Greystar to spend two million five hundred thousand dollars ($2,500,000) of the approximately five million dollars ($5,000,000) cost
for pre-construction activity under the PCA. The Administration is requesting that the Board of Regents authorize an additional one million dollars ($1,000,000) in a second amendment to the PCA.

Before April 2022, the Administration anticipates that there will be another request for a (third and) final PCA amendment authorizing the spending of the remaining approximately one million five hundred thousand dollars ($1,500,000) of pre-construction work needed to complete the PCA scope of the Project. At that point, Greystar will proceed with the proposed transaction structure to finance the Project, and upon closing, construction could begin in Summer 2023 as planned. Subsequent development, construction, financing, and property management/operational agreements are anticipated.

APPLICABLE REGENTS POLICY:

Pursuant to Board of Regents Policy RP 8.201, this request for approval by the Board of Regents is to authorize a second amendment to the approved PCA for an additional one million dollars ($1,000,000).

AGREEMENT(S) ANTICIPATED:

As with the First Amendment to Pre-Closing Agreement, if the Board of Regents approves this request, the Administration will negotiate and enter into a Second Amendment to Pre-Closing Agreement to authorize spending of an additional one million dollars ($1,000,000) for pre-construction activity under the PCA.

PHASED SPENDING APPROACH:

Under the conditions of the PCA, Greystar has been and will continue to advance the costs and expenses for all work that is required. All costs and expenses are anticipated to be reimbursed to Greystar (with interest) from bond proceeds upon closing of bond financing for the entire Project. Closing of the tax-exempt bond financing for the Project is considered the “closing” of the pre-closing (pre-construction) work.

The University will be assuming contingent risk for reimbursing Greystar for pre-closing expenses if the Project fails to secure bond financing for the following reasons:

1. **University termination of PCA.** If the University terminates the PCA for reasons other than those described in the following Paragraph 2, then the University shall pay to Greystar: a) Pre-Closing Advances plus interest thereon; and b) an accrued Development Fee.
2. **Failure of bond closing/Greystar default.** If the University terminates the PCA due to: a) the failure of the tax-exempt bond financing for the Project; or b) as a result of Greystar's material default of the PCA, then the University shall pay to Greystar only the Pre-Closing Advances plus interest thereon.

3. **Outside closing date.** If the tax-exempt bond financing has not closed by a certain date, then the University shall pay to Greystar: a) the Pre-Closing Advances plus interest thereon; and b) an accrued Development Fee.

In each case summarized above, upon termination payment, the University would own all of the Project design and contract documents prepared by Greystar and its third-party vendors. If the Project proceeds to closing (bond financing), the University will not have to outlay any funds, and Greystar will be reimbursed from bond proceeds.

**ACTION RECOMMENDED:**

It is recommended that the Board of Regents approve the following actions:

1. **Committee approval recommendation.** The Committee on Planning and Facilities review and recommend to the full Board of Regents the Board's authorizing the University President and its Chief Financial Officer to amend the PCA agreement with Greystar.

2. **Committee approval recommendation.** The Committee on Planning and Facilities recommend to the full Board of Regents the Board's approval of the second PCA amendment as follows: (1) to authorize Greystar's spending of an additional one million dollars ($1,000,000)—for a total authorization of up to three million five hundred thousand dollars ($3,500,000) for pre-construction, (2) advancing Project occupancy from “fall 2024” to “fall 2025”, (3) advancing the outside closing date from “January 31, 2021” to “September 30, 2022”, and (4) replacing the Budget for Pre-Closing Advances and Development Fee as set forth in “Exhibit B.”

3. **Board of Regents approval.** The Board of Regents authorize the University Administration to enter into a second PCA amendment as follows: (1) to authorize Greystar's spending of an additional one million dollars ($1,000,000)—for a total authorization of up to three million five hundred thousand dollars ($3,500,000) for pre-construction; (2) advancing Project occupancy from “Fall 2024” to “Fall 2025”; (3) advancing the outside closing date from “January 31, 2021” to “September 30, 2022”; and (4) replacing the Budget for Pre-Closing Advances and Development Fee as set forth in “Exhibit B.”

**Attachments:**

1. Major Term Sheet Amended.
2. PCA Budget Schedule (pro-forma).
MAJOR TERM SHEET AMENDED
(Amendments shown in red)

UNIVERSITY OF HAWAI‘I AT MĀNOA NEW MULTI-FAMILY MIXED-USE RENTAL PROJECT
DEVELOPMENT PRE-CLOSING AGREEMENT
(Including Amendment 2, May 2021)

BETWEEN
UNIVERSITY OF HAWAI‘I

and

GREYSTAR DEVELOPMENT SERVICES, LLC

1. Parties.
   a. UH: University of Hawai‘i
   b. Greystar: Greystar Development Services, LLC, a Delaware limited liability company

2. Property. 2570 Dole Street, Honolulu, O‘ahu, Hawai‘i 96822, identified as Tax Map Key No. (1) 2-8-023:009.

3. Project. Development of a facility housing approximately 573 beds for UH-affiliated persons, with associated amenities (including a UH-affiliated childcare center), to be agreed upon by the parties and located on the Property, ground-leased by UH to a 501(c)(3) nonprofit corporation (the “Leaseholder”), to be developed for Fall 2024 delivery and financed through the issuance of tax-exempt bonds issued by the Leaseholder.


5. Pre-Closing Activities. Greystar and/or certain third parties engaged by Greystar, for the benefit of UH, will perform certain Pre-Closing activities, including but not limited to, site visits and meetings with UH representatives; engagement of certain professionals and consultants; coordination of the preparation of designs and plans; assessment of the Project site including feasibility and other studies; coordination of governmental approvals; and preparation of a detailed Project schedule.

6. Pre-Closing Advances. The Pre-Closing Activities shall be performed directly by Greystar or by third parties engaged by Greystar for the benefit of UH, and all third-party costs and expenses paid or incurred by Greystar or third parties engaged by Greystar in connection with the Pre-Closing Activities shall be advanced by Greystar as an accommodation to UH. The Pre-Closing budget agreed upon by the parties (the “Pre-Closing Budget”) sets forth Greystar’s estimation of the monthly budget for Pre-Closing expenditures, and the initial Pre-Closing Budget is $1,500,000.00 $3,500,000.00.
7. **Right-of-Entry Agreement.** UH and Greystar to negotiate and enter into a separate
Right-of-Entry Agreement.

8. **Compensation and Repayment for Pre-Closing Advances.**

   a. **Payment of Pre-Closing Advances.** At the Closing, UH shall cause to be paid to
   Greystar from the Closing proceeds: (a) the actual, reasonable and documented
   Pre-Closing Advances; plus (b) interest at a floating rate equal to the Wall Street
   Journal U.S. Prime Rate plus two percent (2%) compounded monthly (provided,
   however, such interest shall not be at a rate less than six percent (6%) per annum)
   on amounts advanced by Greystar; plus (c) the accrued Development Fee.¹

   b. **Termination Payment.** In the event of a termination of the agreement by UH, UH
   shall pay to Greystar: (i) the actual, reasonable and documented Pre-Closing
   Advances; plus (ii) interest at a floating rate equal to the Wall Street Journal
   U.S. Prime Rate as published in the plus two percent (2%) compounded monthly
   (provided, however, such interest shall not be at a rate less than six percent (6%) per annum) on amounts advanced by Greystar from the date advanced until the
date repaid to Greystar; plus (iii) the accrued Development Fee. Notwithstanding
the foregoing, if UH terminates the agreement due to the failure of the tax-exempt
bond financing for the Project or as a result of Greystar's material default of the
agreement, UH shall have no liability to pay Greystar any portion of the
Development Fee unless UH wishes to proceed with the Project without engaging
Greystar's continued development services.

   c. **Termination Payment on Outside Closing Date.** In the event that the Closing has
not taken place on or before January 31, 2022 September 30, 2022² (the "Outside
Closing Date") UH hereby agrees to repay Greystar: (i) the actual reasonable
documented Pre-Closing Advances; plus (ii) interest at a floating rate equal to the
Wall Street Journal U.S. Prime Rate plus two percent (2%) compounded monthly
(provided, however, such interest shall not be at a rate less than six percent (6%) per annum) on amounts advanced by Greystar; plus (iii) the accrued Development
Fee.

9. **Ownership of Materials.** Upon termination of the agreement for any reason, Greystar
shall assign to UH all of Greystar's right, title, and interest in and to the design documents
and the contract documents.

10. **Development Agreement.** UH will negotiate in good faith with Greystar a definitive
development agreement for the Project to be effective at the Closing for the delivery of
services set forth in the Development Agreement to complete the design, construction,

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¹ The Development Fee is equal to 4% of total Project costs.
² Under Pre-Closing Agreement, this date would be amended each time that the Board
approves an increase to the Pre-Closing Budget.
and delivery of the Project, which shall be approved by its Board of Regents. The Development Agreement will require Greystar Real Estate Partners, LLC, a Delaware limited liability company, to guarantee completion of the Project for on-time and on-budget delivery by the agreed upon date of substantial completion and provide for a mechanism for damages to UH in the case of a late delay.
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**End Notes:**
- **S&H Fee (Design + Basic Subconsultant)**
- **GC Pre-construction Services**
- **Construction Payment Default**
- **Total Consulated**
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April 28, 2021

MEMORANDUM

TO: Benjamin Kudo  
Chair, Board of Regents  
University of Hawai‘i

VIA: David Lassner  
President  
University of Hawai‘i

VIA: Kalbert K. Young  
Vice President for Budget and Finance/Chief Financial Officer  
University of Hawai‘i

VIA: Erika Lacro  
Vice President for Community Colleges  
University of Hawai‘i

FROM: Michael Unebasami  
Associate Vice President  
Office of the Vice President for Community Colleges

SUBJECT: APPROVAL OF LEASE AGREEMENT BETWEEN THE STATE OF HAWAI‘I BY ITS AGRIBUSINESS DEVELOPMENT CORPORATION, AS LESSOR, AND UNIVERSITY OF HAWAI‘I FOR THE BENEFIT OF LEEWARD COMMUNITY COLLEGE, Wahiawa, O‘ahu (Tax Map Key No.: (1) 7-4-012:016).

Leeward Community College (“LCC”) requests the Board of Regents approve a proposed 35-year lease agreement (“ADC Lease”) between the State of Hawai‘i, by its Agribusiness Development Corporation (“ADC”) and the University of Hawai‘i (“University”) covering a land parcel located at 1001 California Avenue, Wahiawa, Hawaii, consisting of approximately 68,475 square feet, designated as Tax Map Key No. (1) 7-4-012:016 (“Leased Area”), and zoned B-2 Community Business District under the City and County of Honolulu Land Use Ordinance. Under the ADC Lease, the University will provide educational services for the benefit of the Central Oahu community at large and LCC will operate a Value-Added Agriculture Production Development Center (“Center”). LCC plans to renovate an existing warehouse and other Leased Area improvements (collectively the “Improvements”) at an estimated
cost of $17.2 million to integrate an agricultural based academic and business oriented curriculum into and as part of the Center.

SPECIFIC ACTION REQUESTED:

In accordance with Board of Regents Policy RP 10.201, it is requested that the Board of Regents:

1. Approve the ADC Lease. Approve the ADC Lease consistent with the attached Major Term Sheet for the ADC Lease ("Major Term Sheet"); and

2. Authorize the President and/or VPBF to finalize and execute. Authorize the President and/or the Vice President for Budget and Finance/Chief Financial Officer ("VPBF") to conclude the negotiations and finalize and execute the ADC Lease on behalf of the University, consistent with the terms described herein and in the attached Major Term Sheet and take such other action and execute such other documents as they deem necessary to implement the ADC Lease.

RECOMMENDED EFFECTIVE DATE:

ADC and the University have agreed upon the terms of the ADC Lease, ADC and the University have agreed to seek approval of the ADC Lease terms from their respective governing boards. Consequently, ADC is currently in the process of seeking approval by their governing board for the proposed ADC Lease terms.

Pending mutual approval by both governing boards, the term of the Lease would start no later than July 1, 2021.

ADDITIONAL COST:

The approval and execution of the ADC Lease will allow the University to renovate the existing property (at a current estimated cost of $17.2 million) to convert it into the Center. CIP funds were appropriated in a specific appropriation in FY 18 ($7.425 million), and supplemented with Minor CIP funds ($9.775 million). Additionally, 3.00 FTE positions to manage and operate the Center were appropriated in FY 19, but later abolished in FY 21. Subsequently, 2.00 FTE and 1.00 FTE have been appropriated in FY 22 and FY 23, respectively, to provide operational support of the Center. It is anticipated that the University will generate revenues from user fees to offset basic operating costs of the Center. The College will also be seeking grant funding opportunities from USDA Rural Development Value-Added Producers Grants.
ADC is charging the University an annual lease of $1.00 per year to be paid annually in advance at the time of the execution of the ADC Lease.

PURPOSE:

The proposed ADC Lease will enable the University to secure long-term use of the Leased Area and allow the University to move forward with its renovation project to create the Center. The intent is to have the Center up and operating within two (2) years of the Effective Date of the ADC Lease. The University’s intent is to operate a value-added agriculture production center to provide educational, technical research, and hands-on training as a means to encourage diversification of Hawai‘i’s economy within the local agricultural business sector, and encourage entrepreneurial ventures within the greater community.

BACKGROUND INFORMATION:

The Board of Regents was first apprised of this project in a report on CIP funds that were appropriated to the University during the 2017 Legislative session. This item was included as a legislative add-on for plans, design, construction and equipment to renovate a facility for a farm-to-table values-added product development center. At a September 3, 2020 meeting, the Board’s Planning and Facilities Committee, was informed, as part of a fiscal year 2020 Fourth Quarter CIP Status Report (as of 06/30/20), that the University Community Colleges ("UHCC") began a project to convert a warehouse on California Avenue in Wahiawa into the Center. The intent was for the Center to be jointly managed by UHCC and ADC. Since then the University and ADC have determined that the best way forward is for ADC to lease the Improvements and Leased Area to the University and have the University complete the renovation project, manage, and operate the Center.

To meet a deadline for lapsing CIP funds, a construction contract for the renovation project was awarded in June 2020 ($17.2 million) while negotiations were on-going with ADC for the ADC Lease. Construction of the renovation project is tentatively scheduled to begin no later than July 2021.

LCC has been selected as the campus responsible for operating and managing the Center and providing educational and administrative support. LCC’s Office of Continuing Education and Workforce Development will spearhead the educational credit and non-credit components at the Center. LCC’s initial plan to operate the Center is attached and includes additional detail on the educational programming and partnership opportunities to assist the agricultural and overall community.
Board of Regents Policy RP 10.201 Criteria.

1. Promote and support the mission and goals of the university in education, research, service and economic development.

The ADC Lease will promote and support the University’s mission and goals in the areas of education, entrepreneurial innovation/research, service and economic development to the community. LCC will utilize the Center for its educational programs in support of promoting the diversification Hawaii’s economy in the Central Oahu area, particularly in expanding economic opportunity in the agricultural sector. A goal of the Center is to preserve, as well as create, local jobs and new business ownership within our state by developing confidence and business competence among local agricultural producers to provide them opportunities to become global exporters of their finished goods. With this in mind, the Center will also be an outreach for K-12 schools in the area to promote entrepreneurship through innovation in agriculture and farming in general.

2. Advance principles and practices of sound environmental stewardship and sustainability.

The ADC Lease will advance principles and practices of sound environmental stewardship and sustainability by helping develop additional economic opportunities that utilize local agricultural production, including continuing and expanding markets for locally grown crops. This, in turn, encourages keeping more land in agricultural production; thereby supporting not only in-state food supply sustainability, but also environmental sustainability and stewardship through efforts to preserve the productivity of the soils and the growing environments.

3. Ensure that alternative actions are considered, investigated and analyzed.

In proposing the ADC Lease, UHCC explored other alternatives, including partnering with ADC in the development and operation of the Center. These alternatives included having ADC complete the renovation project with the University: (a) providing educational program and business consulting support for Center operations or (b) being responsible for the operation of the Center, integrating its educational programs and consulting support. In the end, the
better decision was for the University to assume responsibility and control for the entire project, including the responsibility to complete the renovation of the existing Improvements to create the Center and operate the Center thereafter. The Legislature and the governor were supportive of this decision and appropriated and made available the CIP funding for the renovation portion of the project.

4. Be fairly priced in the context of applicable fair market values and other relevant factors.

The ADC Lease is fairly priced from a lease rental perspective as ADC will be charging the University only one dollar ($1.00) per year, with the University being responsible for all Center operating costs. The initial 35-year term of the ADC Lease is expected to be sufficient to fully amortize the cost of the Center improvements.

5. Generate revenue from real property not critical to long range plans for the university to support the university's core mission.

The Center is expected to generate incidental revenue through short-term facility use rentals, co-packing/contract packager arrangements, public loft product showcase and event space, and community activities. LCC's ability to allow third parties to use portions of the Leased Area for profit making ventures and opportunities will be limited due to the use of general obligation bond funding to renovate the Improvements to create the Center.

6. Be consistent with and support long range plans that have been approved by the BOR.

Establishing and operating the Center is consistent with the LCC long-range development plan (LRDP) and in alignment with processes in the LCC current integrated academic facilities plan (IAFP) (2015 – 2021).
ACTION RECOMMENDED:

It is recommended that the Board of Regents:

1. **Approve the ADC Lease.** Approve the ADC Lease consistent with the terms of the ADC Lease described herein and the attached Major Term Sheet.

2. **Authorize the President and/or VPBF to finalize and execute.** Authorize the President and/or the Vice President for Budget and Finance/Chief Financial Officer ("VPBF") to conclude the negotiations and finalize and execute the ADC Lease on behalf of the University, consistent with the terms described herein and in the attached Major Term Sheet and take such other action and execute such other documents as they deem necessary to implement the ADC Lease.

c: Executive Administrator and Secretary to the Board, Kendra Oishi

Attachments:

- ADC Lease Major Term Sheet (Attachment 1)
- Leeward Community College’s Project Summary (Attachment 2)
ATTACHMENT I

MAJOR TERM SHEET

LEASE AGREEMENT

BETWEEN

AGRICULTURE DEVELOPMENT CORPORATION

AND

UNIVERSITY OF HAWAI'I

(for the benefit of Leeward Community College)

Former Tamura Warehouse
Wahiawa, Honolulu, Oahu, Hawaii

1. Parties.

   a. Lessor: Agribusiness Development Corporation, a public corporate body and
      instrumentality and agency of the State of Hawai‘i and an attached agency of the
      Department of Agriculture of the State of Hawai‘i ("ADC").

   b. Lessee: University of Hawaii ("University") for the benefit of Leeward Community
      College ("LCC").

2. Premises. The leased area or "Premises" are located on certain property located in Wahiawa,
   Oahu, Hawai‘i, consisting of: (a) approximately 68,475 square feet, designated as Tax Key (1) 7-
   4-012-016, with an address of 1001 California Avenue, Wahiawa, Hawai‘i, all as more
   particularly shown on the map attached as Exhibit "A" (the "Property") and (b) all improvements
   located thereon, including a warehouse structure consisting of approximately 33,327 square feet,
   associated structures, and a paved parking area and driveway consisting of approximately 40,540
   square feet (collectively the "Improvements"), all as shown on the map attached hereto as Exhibit
   B (the Property and the Improvements are collectively the "Premises").

3. Term. Thirty-five (35) years starting from July 1, 2021, the effective date ("Effective Date")
   of this lease agreement between ADC and the University covering the Premises ("Lease").
   The Lease term does not commence until the storage lease between ADC and AAA Rent to
   Own Hawaii, Inc. ("Colortyme") dated September 1, 2006 ("Colortyme Lease") terminates
   and Colortyme vacates the Premises (expected to be about June 6, 2021).

4. Option to extend. The University has an option to extend the Lease term for 10 years on
   same Lease terms except as otherwise agreed upon between the parties. The University must
   give ADC at least 180 days written notice prior to the expiration of the Lease term.

5. Existing tenant agreements. ADC shall terminate the following tenant agreements prior to the
   Effective Date: (a) the Colortyme Lease and (b) the vehicle parking revocable permit between
   ADC and Guardian Transport Services, LLC dated July 3, 2019. The University will take
   possession of the Premises subject to the cell antenna lease between the ADC and Cellco
Partnership dba Verizon Wireless ("Verizon"), as the current lessee, dated May 17, 2006 ("Antenna Lease"). ADC will retain the Antenna Lease, be responsible for all lessor obligations, and continue to collect the lease rent.

6. Rent and Other Charges. Under the Lease, the annual base lease rent is $1. There will be no rental reopeners during the Lease term.

   a. Taxes. The University is obligated to pay all taxes and assessments that may be applicable to the Premises and the Improvements.

   b. Common Area Maintenance ("CAM"). The University is not obligated pay any CAM charges or assessments in connection with the Lease.

   c. Other Charges. None.

7. Use – Authorized Activity.

   a. Authorized Use. The University may renovate and improve the Premises and any Improvements thereon to adapt the Premises for the University’s intended use as an agricultural product development center ("Development Center") to promote locally grown agricultural and agricultural based products and services ("Authorized Activity"). The University will use Premises solely for purposes of the Authorized Activity.

      (1) Business Incubator. The University may create a business incubator (the "Business Incubator") within the Development Center, in which start-ups may rent space to process, manufacture, assemble, make, convert, and produce new agricultural and agriculturally based products using agricultural products as raw materials and setting up storefronts to market and sell the agriculturally based end products to the general public.

      (2) Third party use permissible. The University may allow third parties to use space within the Business Incubator and the Development Center for purposes consistent with the Authorized Activity (collectively the "Tenants"). The University will keep ADC informed of the Tenants but the University is not required to obtain ADC’s written or other approval to allow Tenants to use such space.

      (3) Operating associations. The University may establish operating groups or associations of Tenants to assist in operating, managing, maintaining and repairing the Development Center and the Business Incubator.

      (4) Educational programs. The University plans to develop and integrate educational programs into the Business Incubator and the Development Center, including requiring Tenants to provide employment, internship, and other experiential opportunities for University and LCC students and faculty.

   b. Observe Laws. The University and ADC are to observe all Applicable Laws.

8. University use/possession of Premises.

   a. Subject to Encumbrances. The University’s use of the Premises shall be subject to any recorded covenants, conditions, and restrictions and all recorded and unrecorded encumbrances on the Premises, including all drainage, roadway, and utility easements (collectively the “Encumbrances”) existing as of the Lease Effective Date. ADC to use its best efforts to inform the University of all Encumbrances that may affect or encumber
the Property, including copies of maps and documents.

b. **ADC will not grant easements or property interests without University approval.** From and after the Effective Date, ADC shall not grant any easements, Encumbrances or property interests affecting the Premises without first obtaining the University's approval.

c. **University use exclusive.** ADC may not lease or otherwise allow any person or entity other than the University to use or occupy the Premises or the Property, except for the Antenna Lease.

d. **University covenants.** The University agrees to not: (1) construct any cesspools on or within the Premises, (2) allow any residential use within the Premises, (3) commit any act that results in any liens filed against or involving the Premises, and (4) store abandoned vehicles within the Premises. The University will also implement measures, as necessary, to control excessive soil erosion. The University will not use the Premises, nor permit the Premises to be used in support of, any policy that unlawfully discriminates against anyone based upon creed, color, national origin, sex, or a physical handicap.

e. **No ADC warranties.** ADC does not warrant the condition of the Premises, as the University is accepting the Premises "as is" with the University assuming all risks incident to its use, and takes possession of the Premises subject to the following preconditions: (1) ADC retention of the Antenna Lease, (2) ADC obligation to terminate all other Tenant Agreements and (3) ADC removal of abandoned vehicles and trash.

f. **Personal property stored at University's own risk.** ADC is not responsible for any damage to University personal property except for any caused by ADC or a pre-existing condition for which the University has no responsibility.

g. **No insurance required.** ADC is not requiring the University to obtain any liability or property insurance covering the Premises or the University’s operations therein.

9. **Improvements.**

a. **Development Center.** The University may proceed with implanting its development plan ("Development Plan"), which ADC confirms ADC has already approved, including the planning, design and construction and installation work to upgrade the existing improvements into the Development Center, without having to obtain any further ADC approvals. The University's renovation of the existing improvements into the Development Center is expected to take about 2 years.

c. **Repairs.** The University is obligated, at the University's cost, to repair and maintain all improvements in good order and condition during the Lease term.

d. **Ownership of Improvements.** The University will own all improvements comprising the Development Center until the expiration or termination of the Lease at which time ADC will assume ownership of the improvements. ADC will not have the right to require the University to remove the improvements.

10. **Subletting and Assignment.** The University may sublease space within the Premises to 3rd parties without having to obtain ADC approval. The University may not transfer or assign its interest in the Lease without obtaining ADC's prior written approval, which will not be unreasonably withheld, delayed or conditioned, provided that the University may assign or transfer its interest to a University related entity.
11. University Limitations.

a. University Responsibility. The University is responsible for damage or injury caused by its officers and employees in the course of their employment to the extent that the University's liability for such damage or injury has been determined by a court or otherwise agreed to by the University. The University will pay for such damage or injury to the extent permitted by law and provided that funds are appropriated, allotted, and otherwise properly made available for that purpose.

b. University Not Authorized to Indemnify or be Responsible for Others. ADC agrees that the University is not authorized to indemnify, defend, hold harmless ADC or other persons and cannot be responsible for the acts or omissions of any persons or entities other than the University's employees, including under any circumstances arising out of or related to the Lease or University's occupancy of the Premises. Any provision or obligation that purports to require the University to so indemnify, defend, hold harmless or be responsible shall be deemed void and of no force or effect.

c. Subject to Funding. To the extent that the University is obligated to perform, make any payments, or satisfy a liability under the Lease, the University's ability to satisfy such obligations or liabilities, particularly any obligations to pay monies, is limited to that which is permitted by law and is subject to the condition that funds are properly appropriated, allotted, or otherwise properly made available for the purpose of satisfying such obligations or liabilities.

d. Lessee Limitations definition. The parties agree that sections entitled "University Responsibility," "University not authorized to indemnify," "University not responsible for others," and "Subject to funding" are collectively the "Lessee Limitations." Notwithstanding and superseding anything to the contrary contained in the Lease (and any exhibits attached to the Lease), any and all University obligations, duties, responsibilities, and liabilities under the Lease are expressly subject to and limited by the Lessee Limitations.

12. Hazardous materials. The University shall be responsible for any environmental issue occurring on Premises after the date of this Lease and arising out of the acts or omissions of the University, provided that such issue or condition is not caused by or can be attributable to ADC or any person or entity claiming by, through or under ADC or who occupied portions of the Premises at any time prior to the Effective Date.

a. No release except as permitted by law, testing and informing of discovery. The University will not cause or permit the escape, disposal, or release of any hazardous materials except as permitted by law. The University must obtain ADC's prior written consent to use or store any hazardous materials within the Premises. If any government agency requires testing to confirm whether there has been a release of hazardous materials, the University will be responsible for such reasonable testing costs if the results show that the University was responsible for such a release. The University will promptly inform ADC if the University discovers or becomes aware of any past, present or potential future discharge or release of hazardous materials and any hazardous materials claims.

b. University responsibility for hazardous materials conditions. The University will be responsible for hazardous materials on or within the Premises, including any clean-up and remediation, to the extent that it can be proven or established that the presence, discharge, or release of hazardous materials on or within the Premises is or can be attributable or attributed to actions of the University, subject to and governed and limited by the Lessee Limitations. This University obligation will survive the expiration or termination of the Lease.
(1) University not responsible for hazardous materials conditions that are part of Hazardous Materials Baseline. The University shall not be held responsible for the presence, discharge or release of any of the hazardous materials to the extent contained in the Hazardous Materials Baseline, which establishes the levels of hazardous materials contamination on or within the Premises that have: (1) pre-existed the Lease Effective Date and (2) so far been discovered.

(2) University may elect to remediate as part of development of Development Center. As part of the University’s development of the Development Center, the University may elect to remediate, clean up and/or remove such hazardous materials described in the Hazardous Materials Baseline as the University deems necessary to complete such development. The University, by making such election, will not be assuming responsibility to clean up, remediate, or remove any other portions of the hazardous materials described in the Hazardous Materials Baseline or otherwise existing on or within the Premises prior to the Lease Effective Date.

   a. Notice of breach/default. If the University fails to perform an obligation, ADC may issue a notice of breach/default and the University will have 60 days to cure or correct such breach/default.
   b. ADC may terminate. If the University fails to timely cure the breach/default, ADC may terminate the Lease but not before completing the dispute resolution process below.
   c. Dispute resolution. Upon the University’s receipt of a breach/default notice, ADC and the University shall use best efforts to address and resolve any issues relating to the breach/default before ADC takes any further action against the University for such breach/default. If the staffs of the University and ADC are unable to resolve the dispute within 30 days of the initial meeting, the dispute may be referred to ADC’s Executive Director and the University’s Vice President for Community Colleges for resolution. If the dispute remains unresolved, it may be referred to the Chair of the State Board of Agriculture and the University President for resolution. If the dispute remains unresolved, it may be referred to the Governor for final resolution.

14. Abandonment. If after placing the Premises into service, the University does not use the Premises for 8 or more consecutive months, the University will be deemed to have abandoned the Premises and ADC may terminate the Lease.

15. Surrender. Upon expiration or sooner termination of the Lease, the University will peaceably surrender to ADC possession of the Premises, together with all Improvements thereon by whomsoever made, in good repair, order and condition, reasonable wear and tear and damage due to unavoidable casualty excepted.

16. ADC grants limited permission to publicize use of Premises. The University may note in the University’s course and educational materials that portions of some LCC programs will be held at the Premises. The University may publicize, advertise, and promote the University’s use of the Premises and the Improvements, including the Development Center and the Business Incubator, with the University acknowledging ADC’s cooperation and support. In such publicizing, advertising, and promotional efforts, ADC authorizes the University to use any ADC insignia, logo, mark, photo, picture, video, live stream or any other electronic communication without first obtaining ADC’s prior written approval.
ATTACHMENT 2

The Wahiawā Product Development Center
(A Value-Added Agriculture Facility)
Project Summary

The University of Hawai‘i Community Colleges (UHCC) is proposing to construct the Wahiawā Product Development Center (WPDC) located at 1001 California Avenue in downtown Wahiawā. The goal of the project is to repurpose an existing warehouse that formerly housed Tamura’s Wholesale Outlet and a parking area. The warehouse and underlying property was acquired by the State of Hawai‘i Department of Agriculture’s (DOA) Agribusiness Development Corporation (ADC) in 2013 to advance agriculture in Hawai‘i. The WPDC is to be managed primarily by Leeward Community College (LCC) and UHCC.

PROJECT SITE

The proposed project site is located in downtown Wahiawā on the island of O‘ahu with the warehouse consisting of about 32,375 square feet and the underlying land consisting of about 1.572 acres and is further identified by Tax Map Key (TMK) [1] 7-4-012:016.

The project site is located at the corner of California Avenue and Plum Street and the surrounding area is characterized by residential neighborhoods to the south, Ho‘āla School and the Wahiawā Hongwanji Mission to the east, Fred Wright Park to the north and a shopping center that includes Long’s Drug Store, Supercuts, GNC, various restaurants, and other enterprises to the west. Nearby businesses include is Wahiawā Auto Repair and Maintenance, a 76-gas station and the Wahiawā Transit Center & Park and Ride.

PURPOSE AND NEED

The WPDC will advance agriculture by teaching value-added agriculture and entrepreneurship. Value-added agriculture generally focuses on production or manufacturing processes, marketing, or services that increase the value of primary agricultural commodities. The WPDC will offer a set of programs, services, and training that promote innovation and entrepreneurship within the agricultural industry. The WPDC will provide students access to land, capital, credit, and opportunities to learn and develop skills in agribusiness. Specifically, the WPDC will support postsecondary education programs aimed towards the development and marketing of value-added food products through recycling of nearby agricultural byproducts.

The WPDC will also market and develop products and platforms that promote the promulgation of locally grown food resources. The WPDC aims to develop students to be leaders and successful in the food sciences industry and food systems development.

In general, the objectives of the WPDC are:

- Support postsecondary education in the incubation and marketing of value-added food products;
- Offer and inspire work and a learning environment capable of attracting students to pursue careers in the food sciences;
- Support the community college’s agricultural product processing curriculum;
- Contribute to the Hawai‘i Agricultural Industry by increasing the opportunity to grow and produce more foods to generate new sources of revenue for producers;
- Encourage agribusiness through food-related product development.
- Build the capacity for local residents to develop entrepreneurial skills and create successful small businesses;
- Provide community access to small business resources and develop a network of public and private partnerships that contributes to the success of small businesses; and
• The WPDC becomes the premier education and consulting resource for aspiring and current entrepreneurs.

PROJECT DESCRIPTION

The new WPDC facility would serve as a multi-purpose facility for activities including, but not limited to, festivals, farmer's markets or other similar market activities, tasting events, merchandising for food products from the facility, etc. The main user of the WPDC will be LCC. Their educational programming will include:

• An entrepreneurship program that will introduce skills vital to start and sustain a food product based business;
• Integration of curriculum with existing Career and Technical Education (CTE) courses in the areas of agriculture, business, culinary, and industrial integrated technology (manufacturing); and
• Short-term trainings and workshops that target aspiring or existing small business owners. Topics can include but are not limited to the areas of human resources, business development, food safety, process analysis, sales and marketing.

When in not in use by LCC, the food production facilities will be open to the public or small businesses. The design and innovation of the WPDC facility will help to build interconnected performance among innovation, commerce, public awareness, and education. The WPDC facility will be designed to include space for:

• A welcoming center;
• A public loft;
• A tasting court;
• Public restrooms;
• An allergen kitchen;
• An event/media kitchen;
• A product incubation loft;
• A receiving/shipping/storage space;
• Core/storage space; and
• An administration/testing loft.

The WDPC production processes proposed include but not limited to: baked goods, juicing, fermentation/pickling, food grade cosmetics, and packaging. Additional processes proposed are: chocolate, charcuterie, confections, and ice cream.

BUSINESS PLAN - EDUCATION PROGRAM AND OPERATIONS

LCC intends to provide value-added agriculture and educational services through the WPDC, by taking into consideration the needs of the agriculture business community with the following educational and service criteria in mind:

1. Making available expertise and equipment that can assist agricultural producers/farmers in changing the physical state or form of their current products. Processes could include extrusions, extractions, and enzymatic hydrolysis & fermentation. Examples of this would include processing for turning wheat into flour, corn into ethanol, fruit into juices, and base plants into alcohol.

2. The need to provide educational services to develop effective business plans to assist product producers in a manner that enhances their product value. A good example of this is organically produced products.
ATTACHMENT 2

3. Marketing and branding assistance that can help producers to physically segregate their agricultural commodities or products in a manner that results in the enhancement of the value of that commodity or product. Examples include an identity preservation system for a variety or quality of grain or root-based product that is desired by an identified end-user or the trace-ability of hormone-free livestock to the retailer.

4. Ensuring we educate the community that the term “value-added agricultural product” includes any agricultural commodity or product that is used to produce renewable energy on a farm or ranch. Examples include corn into ethanol and animal waste into methane.

5. Ensure we educate the community on the definition of locally produced and marketed farm products are those that are grown on their own farm and are sold within a 400-mile radius of their farm or within the state in which it is produced. This last point is essential if the institution intends to apply for and use USDA Rural Development Value-Added Producer Grants.

Our Long-Term Goals

Promote, preserve, and create new business ownership opportunities within our state by developing confidence and business competence among local producers to provide them opportunities to become global exporters of their finished goods.

Our Immediate Goals

- Put together a physical location that will bring the much-needed educational services, facilities and equipment together to train interested agriculture producers and entrepreneurs from the area.
- Develop educational curriculum and pathways to improve the business competence of local agriculture producers and community that will enable them to be successful entrepreneurs locally and globally.

Climate and Opportunity Survey

The most recent Census for Agriculture in 2017 indicates there were 927 farms with an average size of 77 acres. However, a large majority of farms are considered small by size and sales with 91% being less than 50 acres and 79% of farms have sales less than $50,000.

In May 2019, LCC assembled an internal committee to discuss the WPDC concept, goals and objectives, facility design, equipment needs, market segments, personnel needs, etc. Periodic discussions have continued since then to present. The college has presented and engaged with the Wahiawā Community & Business Association in January 2020; engaged with Senator Dela Cruz along with community and industry representatives in February 2020 to discuss the Whitmore Project; and presented its educational concept to the Wahiawā-Whitmore Village Neighborhood Board in November 2019 and 2020. Based on the internal committee input and external community feedback, the following are the WPDC target markets:

**Farmers Small**
**Business Owners**
**Aspiring Entrepreneurs**
**High School Vocational Partnerships**
**Current Leeward CC degree seeking students**

We intend to officer Non-Credit educational programming that is industry need driven, provides access to entry-level employment, and strengthens/updates skill sets required for continuous certification and/or licensing.
ATTACHMENT 2

- WPDC to offer short-term trainings and workshops that target farmers, aspiring or existing small business owners. Topics can include but are not limited to the areas of Human Resources, Business Development, Food Safety, Process Analysis, and Sales & Marketing.
- An entrepreneurship program that introduces skills vital to start and sustain a food-product based business. Portland Community College’s “Getting Your Recipe to Market” (GYRM) program will be evaluated as a viable model.
- Consulting for new or existing businesses of all sizes related to manufacturing processes, market research, business development, food safety and regulations, and access to exports.
- Possible products to be produced at WPDC to include baked goods, juicing, fermentation & pickling, food grade cosmetics, candies, ice creams, dressings, etc. Consequently, appropriate fixed and mobile equipment to produce the above products will be available in the four hot and cold laboratories, and in the packaging and storage bays.

We also intend to offer Credit-Based educational programming with the opportunity for completion in one semester, one year, two years, with the goal of being employable:

- Integration of curriculum with existing Career & Technical Education (CTE) courses or create new courses in the areas of Agriculture, Business, Culinary, and Industrial Integrated Technology (IIT) (manufacturing). Implementation strategies include
  - Identify existing courses that lend itself to product development opportunities.
  - Create elective courses that would integrate the processes available at the WPDC.
  - Target specific program students or graduates and provide supplemental entrepreneurship instruction i.e. a project-based environment that gives culinary students the opportunity to work with local farmers to solve the problem of monetizing off-grade produce.
- Develop lab or internship opportunities with the IIT program. The equipment and programming at the WPDC also lend itself to encourage the expansion of the program to add a track of courses that focus on food manufacturing equipment maintenance and repair.
- Faculty have had initial discussions with area high schools in regards to an agricultural pathway from Early College offerings to a one-semester Certificate of Competence to a one-year Certificate of Achievement to a two-year Associate in Science degree. Additionally, discussions on updating our existing articulation agreements with UH – Mānoa’s (UHM) Bachelor of Science in Tropical Plant and Soil Sciences (TPSS) and Bachelor of Science in Plant and Environmental Protection Sciences (PEPS), and with UH – West O‘ahu’s Bachelor of Applied Science in Sustainable Community Food Systems will occur in spring 2021.

**New Proposed Certificate of Competence (CO) in Agricultural Entrepreneurship (11 credits)**

- Orientation to Hawai‘i Agriculture Industry* 1 cr
- Food Safety & Post-Harvest Handling* 1 cr
- Introduction to Entrepreneurship* 3 cr
- Starting a Business* 3 cr
- Value Added Products & Post Harvest Handling 3 cr

*Can be offered as Early College courses

The Certificate of Competence in Agricultural Entrepreneurship noted above will also be designed for:

- Those pursuing a lifelong interest to start a new business related to food, farming, gardening, etc.
ATTACHMENT 2

- Existing small business owners and farmers
- Adults looking to make a career change
- Returning veterans
- High school grads not yet ready to go to college full time

As the college determines our pre-opening course/program offerings to the community in an online, hybrid, or in-person delivery, a projected Summer 2021 start is planned.

Other Revenue Generation Activities

- Facility use/rentals
- Co-packing/contract packager
- “Public loft” product showcase and event space
- Community activities i.e. night market, food truck rally, fundraisers

Leveraging Our Expertise

It is essential we create a partnership formed between LCC, CTAHR, UHM Food Sciences, the Office of Innovation & Commercialization, the Wahiawa Community & Business Association, Innovate Hawai‘i, Wahiawā-Whitmore Village Neighborhood Board, area farmers, area high schools, Go Farm Hawai‘i, and other organizations and agencies. A successful partnership through the WPDC location could offer seamless assistance.

Critical Areas of Competency

- How to conduct a product feasibility study
- How to develop a cohesive marketing plan and brand strategy
- Operational business planning (logistics of equipment and resource needs)
- Financial business planning (cash flow analysis, pro forma, profit/loss statements, etc)
- Human Resource Development
- Ecommerce development strategy
- Negotiation skills

Physical Plant Capabilities

- Food Science assistance with providing ingredient composition and nutritional value of products
- Specialized small-scale equipment for extraction, extrusion, enzymatic hydrolysis, fermentation, baking/cooking, packaging, and bottling.
- Organizing a network of producers and end-users (e.g. restaurateurs, food product manufacturers, etc).
- Assistance with crop-yield improvement.
- Assistance with copyright and trademark registration.
- A scalable retail outlet to complete the cycle of research and development (physical retail as well as ecommerce)
- Small scale warehouse space for cold and dry storage of experimental finished manufactured products (rent-controlled with set time limits)
- Assistance with finding grant opportunities and writing grants (USDA Rural Development, DBEDT, etc)

Operational 3-Year Plan for Success

| Pre-Opening And Year 1 | • Engage the Wahiawā community to develop awareness and program support through synergy and collaboration. Target |

5
organizations such as the Wahiawā Community & Business Association, Wahiawā Fresh (CBDO), Leilehua Alumni and Community Association, Department of Education and Leilehua High School, and the Wahiawā-Whitmore Village Neighborhood Board.

- Collaborate with industry to develop a network of partnerships related to agriculture, food manufacturing, food distribution, and exports.
- Identify partnerships and stakeholders to support small business development activities i.e. Small Business Administration, SCORE, Pacific Asian Center for Entrepreneurship.
- Identify UH System partnerships and expertise that can support WPDC activities and clients.
- Secure all Federal, State, and County certifications and requirements to manufacture, sell, and export food-based products.
- Identify and apply for grant funds to support WPDC activities focusing on direct to student or community resources and services.
- Introduce non-credit, credit CTE, and Early College programming in agriculture, culinary, and entrepreneurship
- Apply for USDA Rural Development Value-Added Producer Grants.

| Year Two | • Expand non-credit programming including entrepreneurship bootcamp, and small business resource workshops  
| | • Expand credit CTE and Early College programming in agriculture, culinary, and entrepreneurship  
| | • Implement Integrated Industrial Technology CTE credit programming  
| | • Implement production and packaging facility-use agreements  
| | • Implement programming targeting high schools and middle schools  
| | • Implement facility rentals for public loft for private or community use  
| | • Implement consultation and product testing services  
| | • Apply for USDA Rural Development Value-Added Producer Grants.  
| | • Introduce consultancy expertise and services |

| Year Three | • Expand non-credit, credit CTE, and Early College programming in agriculture, culinary, and entrepreneurship  
| | • Expand production and packaging facility-use agreements  
| | • Expand programming targeting high schools and middle schools  
| | • Expand facility rentals for public loft for private or community use  
| | • Expand consultation and product testing services  
| | • Apply for USDA Rural Development Value-Added Producer Grants.  
| | • Expand consultancy expertise and services |
## Three-Year Pro Forma for Wahiawā Product Development Center — as of 4-28-21

<table>
<thead>
<tr>
<th>Operational Revenues</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit Courses (Agriculture, Business, Entrepreneurial, etc)</td>
<td>12,000</td>
<td>40,000</td>
<td>79000</td>
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<tr>
<td>Non-Credit Courses (Agriculture, e-commerce, etc.)</td>
<td>$16,000</td>
<td>$50,000</td>
<td>$100,000</td>
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<tr>
<td>Long-Term Rentals – Production Labs</td>
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<td>$55,000</td>
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</tr>
<tr>
<td>Short-Term Rentals – Production Labs, Special Events, etc.</td>
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<td>$75,000</td>
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<tr>
<td>Finished Goods Storage Fees</td>
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<td>$45,000</td>
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<tr>
<td>Grant Funds</td>
<td>$25,000</td>
<td>$50,000</td>
<td>$100,000</td>
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<tr>
<td>Total Revenues</td>
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<td>$242,000</td>
<td>$454,000</td>
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</table>

<table>
<thead>
<tr>
<th>Operational Expenses</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel*</td>
<td>$100,000</td>
<td>$362,000</td>
<td>$370,000</td>
</tr>
<tr>
<td>Lecturers</td>
<td>$20,000</td>
<td>$50,000</td>
<td>$75,000</td>
</tr>
<tr>
<td>Utilities* (gas, water, sewer, electricity, estimate based on cost of $3.35/sq. ft)</td>
<td>$125,000</td>
<td></td>
<td>$130,000</td>
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<tr>
<td>Janitorial &amp; Grounds Services* (interior &amp; exterior, professional cleaning services, rubbish pickup &amp; removal, landscaping maintenance cost)</td>
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<td>$70,000</td>
<td>$75,000</td>
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<tr>
<td>Other Current Expenses</td>
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<tr>
<td>Equipment &amp; Maintenance Support*</td>
<td>$15,000</td>
<td>$84,000</td>
<td>$87,000</td>
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<tr>
<td>Equipment Depreciation and Replacement (equipment-rich lab environment will require funds set aside on annual basis to cover costs of depreciation and replacement)</td>
<td>$250,000</td>
<td>$250,000</td>
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<tr>
<td>Total Operations Request</td>
<td>$145,000</td>
<td>$961,000</td>
<td>$1,017,000</td>
</tr>
</tbody>
</table>

* 2.00 FTE and 1.00 FTE permanent general funded positions included in FY22 and FY23, respectively.
RESOLUTION

Requesting the Administration of the University of Hawai‘i to Pursue an Adjusted Utility Rate Structure for Institutions of Higher Education from the Hawaiian Electric Company, Inc.

WHEREAS, one of the major costs associated with operations of the ten-campus University of Hawai‘i System (“University”) is the cost of electricity, which amounted to approximately $46,500,000 in fiscal year 2019-2020; and

WHEREAS, in concert with the State energy goals of reducing energy consumption and achieving 100% renewable energy generation by 2045, the University has worked actively to control its electricity costs through actions such as energy efficiency and conservation efforts, increased renewable energy production, and decreased energy consumption; and

WHEREAS, the University has also embarked on an ambitious goal of becoming net-zero with respect to energy use by January 1, 2035, meaning that it would produce as much renewable energy as it consumes across all ten campuses to a 2015 baseline by this date; and

WHEREAS, although the University has only achieved six percent of its net-zero energy goals to date, it has simultaneously experienced overall increases in renewable energy production as well as year-over-year decreases in utility purchased energy since fiscal year 2015, with significant improvements anticipated in the near future as an increasing number of photovoltaic energy production projects are energized; and

WHEREAS, among the ten campuses of the University, the University of Hawai‘i at Mānoa (“UHM”), including but not limited to the main campus in addition to offsite affiliates, such as the John A. Burns School of Medicine, Cancer Center, College of Tropical Agriculture and Human Resources, and the Waikīkī Aquarium, is the largest consumer of utility-purchased energy, consuming a total of 145,403,480 kWh of electricity in fiscal year 2019-2020 at a total cost of nearly $35 million; and

WHEREAS, as an R1 research university with an average campus population of 23,000 on any given day, the energy needs of UHM are immense with many of its research facilities, laboratories, dormitories, and information technology centers requiring 24-hour energy usage, primarily for air conditioning; and

WHEREAS, as large consumers of electricity, several institutes of higher education have embarked on efforts to lower electric utility costs through the negotiation of lower rates from electric utility providers based upon the volume of electricity consumed; and

WHEREAS, UHM has a working relationship with the Hawaiian Electric Company, Inc. (“HECO”); and
WHEREAS, the Board of Regents ("Board") recognizes that among the core priorities of
the University are to increase energy efficiency and renewable energy production, as well as
decrease operational costs associated with utilities, particularly given the current fiscal situation
of the State.

NOW THEREFORE, BE IT RESOLVED that the University administration is requested
to encourage HECO to adopt an adjusted rate structure that reduces the overall cost of energy for
state institutions of higher education, including but not limited to a maximum charge for fixed
costs, and report its progress on this request at the November 2021 Board meeting.

Adopted by the Board of Regents
University of Hawai‘i
______________________, 2021
Mānoa

COCONUT ISLAND INTERIOR RENOVATION AND GENERAL REPAIRS – MARINE LAB BUILDINGS 1 & 2
Scope: renovate marine lab buildings with new research and teaching laboratories, general repairs (includes replacing and upgrading mechanical, electrical and architectural systems and structures), and significant structural retrofitting.

3/31/16 – pending contract execution $21.0 million.
6/30/16 – no change.
12/31/16 – no change.
3/31/17 – minor cost increase, completion extended to March 2018 due to replacement of a subcontractor.
6/30/17 – 23% complete.
9/30/17 – 35% complete.
12/31/17 – 50% complete.
3/31/18 – completion extended to July 2018 and cost increased to $21.0 million due to upgrades. 57% complete.
6/30/18 – completion extended to July 2019 due to existing conditions. 65% complete.
9/30/18 – completion extended to Nov 2019 due to additional work. 71% complete.
12/31/18 – minor cost increase, completion extended to June 2020 due to chiller lead time and testing and water savers. 74% complete.
3/31/19 – cost increase to $21.5 million due to new concrete flooring required for 3 rooms, floor leveling, additional power receptacles, rust demo, relocation of exterior lights, HECO transformer infrastructure. 75% complete.
6/30/19 – completion extended to Dec 2020 because work was suspended for contractor lacking a specialty license. 75% complete.
9/30/19 – no change.
12/31/19 – work has resumed; chillers are being installed and interior work is on-going. 87% complete.
3/31/20 – no change. 95% complete.
6/30/20 – no change. 97% complete.
9/30/20 – cost increase to $21.6 million due to existing air conditioning system repairs. Base contract work is complete, but unforeseen repairs to existing air conditioning system are ongoing. 97% complete.
12/31/20 – completion extended to March 2021 due to additional work required on the existing New Pauley air conditioning system. 98% complete.
3/31/21 – completion extended to June 2021 due to long lead materials on order to address remaining 10% of punch list items.
SAUNDERS HALL EXTERIOR REPAIRS AND REROOF
Scope: repair all concrete delaminations, spalls and cracks and reseal entire building (to include reroofing, new traffic coating, glazing and interior renovation work).

12/31/16 – out to bid, estimated cost $5 million to $10 million.
3/31/17 – $5.2 million contract for new project, completion Aug 2018. 3% complete.
6/30/17 – minor cost increase to remove existing PV system. 12% complete.
9/30/17 – 20% complete.
12/31/17 – cost increase to $5.5 million due to repair of additional unforeseen spalls and cracks on the north and east exteriors of the building. 39% complete.
3/31/18 – minor cost increase to relocate classroom furniture. 42% complete.
6/30/18 – minor cost increase, completion extended to Dec 2018 due to additional unforeseen spalls and cracks, asbestos abatement, new access control system installation, and hearing protection for building occupants. 53% complete.
9/30/18 – minor cost increase, completion extended to April 2019 due to additional unforeseen spalls and cracks on the exterior of the building and replacement of cracked windows. 68% complete.
12/31/18 – cost increase to $6.0 million, completion extended to May 2019 due to additional unforeseen spall repairs and replacement of a rusted door and frame. 82% complete.
3/31/19 – minor cost increase, completion extended to Aug 2019 due to addition of a power over ethernet access control system and possibility that fiberglass reinforced plastic doors do not pass inspection. 85% complete.
6/30/19 – completion extended to Dec 2019 due to unforeseen spall repairs on the east and southwest side of the building. 87.5% complete.
9/30/19 – minor cost increase, completion extended to Feb 2020 due to replacement of cracked windows in eight offices, additional elevator inspection due to change in elevator service provider and weekend installation of exterior floor coating. 90% complete.
12/31/19 – minor cost increase, completion extended to Summer 2020 to repair a cracked drain pipe below the roof and due to weather delays affecting floor coating installation. 93% complete.
3/31/20 – minor cost increase for additional spall repairs. 97% complete.
6/30/20 – project is delayed due to delay in delivery of new doors from Texas manufacturing plant that has been shut down for COVID-19 related reasons. 98% complete.
9/30/20 – completion extended to Dec 2020; doors arrived onsite and are being painted and installed.
12/31/20 – completion extended to March 2021 due to replacement of roof access door locks and programing of power over ethernet card access system. 99% complete.
3/31/21 – completion extended to June 2021 to replace roof door locks and program power over ethernet card access system.
ATHLETIC GYM 1 AND 2 – RENOVATION*
Scope: renovate both gymnasiums for intramural sports/activities, educational instruction, and intercollegiate activities; project includes eliminating floor condensation, dust, noise and debris and providing thermal comfort for occupants.

6/30/18 – $8.0 million contract with Layton Construction Co., Inc. increased to $8.3 million due to maintaining the new wood floors during the warranty period and design fees to repave the staging lot; completion March 2019. 6% complete.

9/30/18 – cost increase to $8.5 million, completion extended to June 2019 due to delay in issuance of notice to proceed; additional items added during design development including additional athletic equipment and upgraded bldg. insulation. 39% complete.

12/31/18 – cost increase to $9.5 million due to removal of asbestos discovered after construction started, additional basketball/volleyball fixtures, equipment, court striping, paving the gravel parking lot, PV system size increase, and added logos. 62% complete.

3/30/19 – completion extension to March 2020 due to installation of PV system on new roofs. 82% complete.

6/30/19 – minor cost increase due to insulation added to increase energy efficiency and added monitors. 90% complete.

9/30/19 – cost increase to $10.0 million due to replacement of Gym 1 concrete stoop for ADA compliance, installation of camera system indicator lights and kill switches, and addition of wall graphics in both gyms. 99% complete.

12/31/19 – minor cost increase to address sidewalk access, access control installation, and added wall insulation to comply with the new energy code.

3/31/20 – minor cost increase, completion extended to Sept 2020 to address support coatings at Packaged A/C Unit, downspout repair and Gym 1 door rain drips.

6/30/20 – no change. Modification is being processed to include re-roofing of both gyms with a time extension to summer 2021.

9/30/20 – cost increase to $11.1 million due to re-roofing of both gyms.

12/31/20 – no change.

3/31/21 – expected completion in June 2021. Gym 1 roof work is ongoing and nearly complete. Work on Gym 2 is starting. 97% complete.

ELEVATOR MODERNIZATION, PHASE IV (11 ELEVATORS INITIALLY)
Scope: modernize existing elevator systems and machine rooms, replace elevator cabs where feasible, and install access card readers and CCTV cameras.

Design
12/31/17 – $1.1 million new design contract with Design Partners, Inc., completion Dec 2018. 5% complete.

3/31/18 – no change.

6/30/18 – completion extended to Dec 2019 due to additional time needed for the design consultant to complete construction documents. 5% complete.

9/30/18 – minor cost increase due to installation of new card readers and associated equipment in elevator cabs. 12% complete.
12/31/18 – cost increase to $1.5 million due to addition of parking structures phases I and II-A modernization; access of machine rooms for survey work/inspections, and the astronomy topo survey. 40% complete.

3/31/19 – 65% complete.
6/30/19 – 75% complete.
9/30/19 – completion extended to May 2020 due to extensive internal review of access controls and security. St. Johns elevators (2) removed from project scope (added to phase V) per facilities’ request. 95% complete.

12/31/19 – design is 100% complete. Planning to award construction project in May.

Construction
3/31/20 – construction project out to bid, pending release of funds.
6/30/20 – no change.
9/30/20 – bids received; pending evaluation of lowest responsible bidder and award.
12/31/20 – contract awarded on 12/10/20 to All Maintenance & Repair for $6.7 million. Pending permit approval.

3/31/21 – expected completion date is Fall 2023. Permits have been received. Tentatively planning to start construction in August 2021 once materials arrive.

MINI MASTER PLAN, PHASE 2 (FORMERLY NEW CLASSROOM BUILDING)*
Scope: new facility with classrooms and offices, parking improvements and hardscaping.

Design
12/31/17 – $3.0 million new project for (i) design of a new classroom bldg. approved by the BOR in 2008 and (ii) an updated PRU/LRDP/master plan and EA, completion June 2020. Design consultant is Ushijma Architects, Inc

3/31/18 – design is 1% complete.
6/30/18 – design is 5% complete.
9/30/18 – design is 35% complete.
12/31/18 – no change.
3/31/19 – cost increase to $4.0 million to add architectural, mechanical, electrical, and LEED research of existing site conditions and complete charrettes for future scope, site selection evaluation and analysis, programming communication and outreach through in-person and website updates; and space planning analysis. Design is 35% complete.
6/30/19 – minor cost increase to design the demolition of Snyder Hall for preparation of site for the new classroom building; design includes contract documents and permit application. Design is 35% complete.
9/30/19 – cost increased to $4.5 million to prepare criteria for mini master plan, phase 2, Varney Circle, and parking structure and project-specific EA. 47% complete.
12/31/19 – no change.
3/31/20 – cost increase to $5.0 million to provide additional criteria for demolition of Snyder Hall, Varney Circle and Campus Road, which includes performing the Environmental Assessment for this project. 50% complete.
6/30/20 – no change.
9/30/20 – completion extended to Dec 2022 due to EA and LRDP preparation. 65% complete.
12/31/20 – no change.
BACHMAN HALL RENOVATION*
Scope: renovate building including new central HVAC system and roofing system; exterior painting; window, floor, ceiling, restroom and partition wall replacement; and mechanical, electrical, plumbing, telecom and life safety system replacement.

Design
6/30/19 – planning phase in progress; $15 million estimated construction cost. RFP for design-build expected to be issued in Sept 2019.

Construction
9/30/19 – part 1 of RFP was issued; part 2 expected to be issued in Dec 2019.
12/31/19 – RFP part 2 issued on 1/9/20; planning to select Design-Build contractor by Summer 2020.
6/30/20 – $20.9 million contract executed with Nan Inc.; estimated substantial completion is July 2022.
9/30/20 – 30% construction design completed. City permit applications be submitted shortly along with the 60% design documents to be issued in October.
12/31/20 – 60% design documents have been submitted and reviewed by the University. Building permits are currently being processed by the City.
3/31/21 – 90% design documents are in progress; submission expected by end of May. City permits are still in progress. Occupant move-out is scheduled for the last week of May.

UHM CENTRAL ADMINISTRATIVE AND TRANSPORTATION CENTER (NEW PARKING STRUCTURE)*
Scope: design and construct 6-story parking structure on Mānoa Campus with 1,000 stalls.

Design
3/31/20 – $700,000 for design consultant for concept design, grant preparation, and Environmental Assessment preparation. 1% complete. Estimated design completion by RM Towill is June 2021. $60 million estimated construction cost.
6/30/20 – no change.
9/30/20 – no change. Design on hold pending funding for construction.
12/31/20 – no change.
3/31/21 – no change.

Construction (N/A)

FACILITIES SPACE UTILIZATION STUDY
Scope: perform baseline analysis of current space utilization and create strategic space utilization strategies to align facilities with future program needs for all University of Hawai‘i campuses.
3/31/20 – $950,000 for space utilization study of Mānoa campus (phase 1 - 80% complete) and West O'ahu campus (50% complete). Estimated completion date is July 2020.
Project is pending negotiations and award for additional Mānoa campus updates and space utilization study for Hilo and Community College campuses with estimated completion date of Dec 2021.

6/30/20 – cost increase to $1.35 million for updates to UHM databases (Revit, AiM, space utilization, and field data). Negotiations and award for Hilo and Community College campuses is still pending.

9/30/20 – cost increase to $1.6 million for Community Colleges space utilization study. 65% complete. Hilo space utilization study pending funding.

12/31/20 – 73% complete.

3/31/21 – 76% complete.

DEMOLITION AND ABATEMENT OF SNYDER HALL*
Scope: complete demolition and abatement of the existing Snyder Hall, including the slab-on-grade, below grade utilities, and foundations.

3/31/20 – Design-Build project awarded April 2020 for $6.2 million.
6/30/20 – Nordic PCL is currently working on the schematic design for submission to UH in August.
9/30/20 – design 75% complete; estimated completion Dec 2021.
12/31/20 – 100% design submittal received; UH is reviewing. Major demolition activities are scheduled to occur during Summer 2021.
3/31/21 – abatement has started in preparation for demolition following graduation. 15% complete.

BILGER HALL AND BILGER ADDITION, REROOF
Scope: Remove existing TPO roofing and install new modified bitumen roofing. Replace all doors accessible from roof and equipment stands for HVAC equipment that do not meet maintenance clearance requirements.

3/31/20 – bids received; estimated construction cost is approx. $5 million.
6/30/20 – construction contract awarded to F&H Construction, Inc. on May 15, 2020 for $4,844,000.
9/30/20 – estimated completion Sept 2021. Construction has begun; 18% complete.
12/31/20 – minor cost increase due to additional asbestos-containing materials discovered; 31% complete.
3/31/21 – 52% complete.

STUDENT SUCCESS CENTER*
Scope: renovate areas of Sinclair to relocate PBS tenants then fully renovate Sinclair to become the new Student Success Center.

3/31/21 – development of the RFP criteria and project program is progressing. Issuance of the RFP Part 1 is expected in June 2021.
PHASE I & II PARKING STRUCTURE
Scope: repairs to the fire protection system, guardrails, and spalls/cracks of the main parking structure.

3/31/21 – $6.0 million contract awarded to Nan, Inc. in Feb 2021. Estimated completion is Summer 2023. On-site construction is scheduled to begin in May 2021.

CLARENCE T.C. CHING COMPLEX IMPROVEMENT PROJECTS
In January 2021, the Office of Project Delivery learned of the decision to utilize the Clarence T.C. Ching Complex (Ching Complex) to host UHM football games starting Fall 2021. To meet the aggressive time schedule, two existing construction contracts were modified to support all improvements necessary to host UHM football games in accordance with NCAA Division I standards. Combined, these contract amounts are expected to exceed $10 million.

The following updates are made as of the time of submission of this report and not the quarter-end date. These projects are expected to be completed by August 2021 and the Administration believes it is most helpful to provide the most current updates.

RMY Construction Contract:
3/3/21 – awarded for $1,002,089; original scope to replace Ching Complex turf.
4/28/21 – contract modified to install new score board, grandstands, press boxes, hospitality units and all related appurtenances; cost increase to $3.2 million for down payment and score board. Anticipated cost increase to $8.5 million by June 2021.

F&H Construction Contract:
4/6/2021 – awarded for $876,679; original scope to include interior improvements, cooling and ventilation, plumbing, electrical, telecom and structural infrastructure for existing press boxes, training areas, and concession areas in Ching Complex.
4/28/21 – No change. Anticipated cost increase to $2 million by June 2021 for additional infrastructure for new press boxes, benches and TV cameras.

Hilo
HALE ‘ALAHONUA AIR CONDITIONING IMPROVEMENTS
Scope: install air conditioning for 152 apartment units and PV system.

9/30/18 – executing consultant contract; estimated construction cost is $5 to $10 million.
12/31/19 – consultant contract executed, finalizing project documents.
3/31/19 – no change.
6/30/19 – $4.6 million contract awarded to Isemoto Contracting Co., Ltd. to install A/C units at the tenant units and lounges 1 and 4, with panel-mounted PV system to achieve an overall design of net zero, completion date Aug 2020. Awaiting building permits before starting construction.
9/30/19 – no change.
12/31/19 – no change.
3/31/20 – 10% complete. Pending release of funds to add PV panels and battery storage system (additional $2 million).
6/30/20 – minor cost increase for furring of AC line enclosures and downspout relocation, construction completion extended to August 2021 due to permitting delays. 35% complete.  
9/30/20 – 45% complete.  
12/31/20 – 62% complete.  
3/31/21 – Completion extended to Dec 2021 due to long lead time of battery storage system. 75% complete.

RENOVATE PHARMACY MODULAR BUILDINGS  
Scope: renovate Building B, including revisions to the interior space, A/C system, structural components, and reroofing. A structure adjacent to Building B will be constructed for the Nuclear Magnetic Resonance machines. This project will also include the relocation of equipment from the Waiakea Research Station to the project site.  
3/31/20 – $7.0 million contract awarded April 2020 to Isemoto Contracting Co., Ltd.  
6/30/20 – estimated completion Nov 2021. Project scope is being reviewed to add in alternate bid items.  
9/30/20 – onsite work began on Sept 8, 2020. 3% complete.  
12/31/20 – 11% complete.  
3/31/21 – 39% complete.

West O‘ahu  
No projects.

Honolulu Community College  
No projects.

Kapi‘olani Community College  
CULINARY INSTITUTE OF THE PACIFIC, PHASE 2*  
Scope: Design-Build contract for a new 8,000 sq.ft. restaurant, 3,000 sq.ft. innovation center, 3,500 sq.ft. auditorium, site work, utilities, and parking.  
Design  
6/30/19 – planning phase in progress, $2.0 million budget for design, $30 million estimated construction cost.  
9/30/19 – no change, awaiting release of funds.  
Construction  
9/30/20 – NTP issued 7/6/20; construction scheduled to start in Nov 2020. External CM contract procurement underway. Estimated completion is Dec 2022. 6% complete.
12/31/20 – construction started 11/2/2020, External CM contract awarded to HDR Inc. 60% design submittal reviewed. 10% complete.
3/31/21 – design at 95% review stage. Permit set at DPP for comments. Construction 15% complete. Overall contract 20% complete.

**Leeward Community College**

PRODUCT DEVELOPMENT CENTER RENOVATION
Scope: repurpose a metal warehouse on California Avenue in Wahiawā into a facility that will be jointly managed by the UH community colleges and the Agribusiness Development Corporation. The facility will include commercial-grade kitchen space, classroom space, processing and manufacturing rooms, testing labs, cold storage and a public meeting space.

3/31/19 – fee negotiation in progress, estimated construction $5 to $10 million.
6/30/19 – planning phase in progress.
9/30/19 – no change.
12/31/19 – final design phase in progress, estimated construction cost increased to $16.5 million.
3/31/20 – IFB issued 2/27/20 and all bids have been received; planning to award by June 2020.
9/30/20 – construction on hold until July 2021 due to lease agreement between current property owner and tenant; transfer of facility lease to UH Community Colleges in progress. Estimated completion is May 2022.
12/31/20 – no change.
3/31/21 – no change.

**Windward Community College**

No projects.

**Maui College**

RENOVATE KITCHEN & ACCESSORY SPACES IN PILINA BUILDING
Scope: renovate existing commercial kitchen space on second floor and loading dock on first floor for Food Manufacturing Facility.

3/31/17 – in design phase, estimated construction cost $5 to $10 million.
6/30/17 – no change.
9/30/17 – no change.
12/31/17 – no change.
3/31/18 – in bidding phase.
6/30/18 – $7.2 million construction contract awarded to Hawaiian Dredging Construction Co., Inc. on 6/15/18, completion June 2019.
Hawai‘i Community College

HALE ALOHA RENOVATION
6/30/19 – $7.9 million project has been in litigation since completion in 2016. Mediation scheduled for Sept 26-27, 2019.


12/31/19 – no change.

3/31/20 – no change.

6/30/20 – no change.

9/30/20 – no change.

12/31/20 – no change.

3/31/21 – no change.

Kauaʻi Community College

No projects.
Cancer Center at Kakaʻako

HOʻOLA EARLY PHASE CLINICAL RESEARCH CENTER
Scope: Design-Bid-Build project to construct a new WELL/LEED-certified Early Phase Clinical Research Center (EPCRC) totaling 16,500 sf in the shell space of the annex of the existing UH Cancer Center Building in Kakaʻako. Ground floor work includes site/entry modifications, a new covered entrance and interior improvements to include phlebotomy, exam rooms, clinical laboratory, CT scan and control room areas. The second floor includes Clinical Trial Infusion suites, nursing stations, and a research pharmacy. The third floor includes the Organoid Generation Facility that consists of dry and wet lab spaces and will house two dedicated biological safety cabinets. There will also be a fifth floor mechanical penthouse.

9/30/19 – NIH Notice of Award issued for $6,874,224 grant. Estimated completion Summer 2024.
12/31/19 – no change.
3/31/20 – schematic design 35% complete.
6/30/20 – no change.
9/30/20 – design development 65% complete (submitted by grant deadline on July 23, 2020). Total project cost is $13.0 million. Board of Regents approved the service order of $6.5 million in GO Bond funds to RCUH on September 17, 2020.
12/31/20 – 100% Construction Documents (CD) complete and submitted to NIH for review on November 18, 2020. UH/RCUH MOU for Service Order of State GO Bond Funds ($6.5M) executed on December 8, 2020. PM/CM and CxA contract executed on December 29 and December 30, 2020, respectively.
3/31/21 – NIH final approval of 100% CD pending.
Current Aerial View of Clarence T.C. Ching Field and Complex

- ‘Ewa
- Makai
- Mauka
- Stan Sheriff Center
- PE/Athletic Complex
- Los Murakami Stadium
- Diamond Head
- Mauka Street
- UH Support Complex
Rendering of Improvements to Clarence T.C. Ching Field and Complex

- New permanent grandstands
- Temporary grandstands relocated from Makai side
- Hospitality suite with bridge to PE Complex
- New scoreboard
- 6 additional press boxes
West O'ahu – University District Lands

Scope: This project previously sought to partner with a Master Land Developer to master plan and develop approximately 180 acres of land on the perimeter of the University of Hawai‘i West O'ahu (UHWO) campus with commercial, residential, and mixed-use facilities that complement the UHWO campus. The primary vision was to create a university village-like district that could serve the broader community and take advantage of Transit-Oriented Development (TOD) opportunities in and around the two rail stations next to the campus. Monetization of this UH asset has been a primary focus. Project delivery is evolving as a Master Land Developer partner has been suspended. Execution of this project is migrating to smaller parcel approaches with UH pursuing development opportunities on its own for the time being.

Historical Background (Major Milestones):
- See previous reports for milestones prior to 2019.
- Exclusive Negotiating Agreement with potential private partners expired on August 15, 2019, with negotiations reaching an impasse over terms of a master development agreement.
- The Final UHWO LRDP that covers both the UHWO campus (~300 acres) and the University District lands (~180 acres) is pending.
- The University District project scope (to be) re-evaluated with a possible priority focus of TOD components on the University District lands in close proximity to the rail stations along the Kualakai Parkway (Diamond Head side).

Third Quarter (FY 2020-2021) Update:
- Discussions continuing with parties inquiring of interest to acquire a parcel for development of a (private) film studio.
- Procuring for market value appraisals on parcel area for possible film studio.
- State Department of Transportation – Farrington Highway Widening Improvements will require portions of UHWO campus land along Farrington Highway; design and details are pending. Coordinating access points, utilities, and drainage improvements.
- Evaluating solar photovoltaic opportunities through Hawaiian Electric Company’s Community-Based Renewable Energy (CBRE) and Green Tariff programs.
Atherton – Innovation Space/Student Housing

Scope: This project seeks to partner with Developers to construct or redevelop the site for University of Hawai‘i (UH) student housing, to incorporate an innovation center space, to develop office space, and to provide a (private) developer option for commercial/retail space. The property is approximately 0.99 acres and located at 1810 University Avenue, Honolulu, Hawai‘i 96822.

Historical Background (Major Milestones):
- See previous reports for milestones prior to 2019.
- Hunt Development Group (HDG) selected as developer in April 2019. Project estimated at $70 million.
- Established UHF/UH governance committee in April 2019; determining business structure and financial structure arrangements.
- UHF negotiated an exclusive negotiating agreement (ENA) in September 2019.
- Preliminary design being refined by value-engineering phase for construction and community outreach started in October 2019.
- UHF refinanced mortgage on property May 2020. Conversion to interest-only loan, extended loan maturity to October 2023.
- Plan Review Use (PRU) application for property and project submitted to C&C review, September 2020.

Third Quarter (FY 2020-2021) Update:
- Plan Review Use (PRU) Major Modification application returned from C&C in October. Requires resubmittal. HDG resubmitted PRU Major Modification application in January 2021 and is currently being reviewed. Awaiting to be scheduled on Council calendar in June 2021.
- Application for demolition permits submitted, October.
- Application with State Historic Preservation submitted, October.
- BOR authorized approval of Master Pre-Development Agreement with UHF, UH, and HDG in November.
Mānoa – Graduate Student Housing (NOAA)

Scope: UH has selected a “P3” Developer to design, build, finance, operate, and maintain (DBFOM) a family-oriented mixed-use rental housing at below-market rates for graduate students, junior faculty, and staff at University of Hawai‘i at Mānoa (UHM). The project could also be developed to serve other UH faculty, staff, and other UH-affiliated persons at other UH campuses. UH has a strong preference that the project also includes a child care facility (to be operated by UHM) to support the relocation of the UHM Children’s Center currently operating at 2320 Dole Street. The property is approximately 2.21 acres located at 2570 Dole Street, Honolulu, Hawai‘i 96822.

Historical Background (Major Milestones):

- See previous reports for milestones prior to 2019.
- Project kick-off on August 22, 2019; project estimated at $117 million.
- Exclusive Negotiation Agreement (ENA) signed with Greystar Real Estate Development Services on November 1, 2019.
- First phase PCA limit authorized up to $1,500,000, through November 2020.
- PCA-First Amendment signed by UH and Greystar, November. Provides for additional $1,000,000 to PCA ($2,500,000 in total); to continue entitlement, design, and costs analysis through August 2021.
- Draft Environmental Assessment (DEA) submitted to OEQC on August 28, 2020; published in September 8, 2020 OEQC bulletin.

Third Quarter (FY 2020-2021) Update:

- PCA-Second Amendment requesting an additional $1,000,000 release to PCA ($3,500,000 in total) to continue entitlements and design development efforts through April 2022.
- Project design analysis, site evaluation, environmental site assessment, project cost analysis, and overall financial analysis ongoing. Value Engineering (VE) review completed.
- (VE) cost reduction considerations of approximately $13 million identified. Cost reductions items necessary for improving financial viability; subject to on-going review and adjustments.
- Childcare facility to be included in the Project.
- Pending submittal of the PRU Minor Modification application.
Kaimukī Parcels (Leahi)

Scope: This project seeks to evaluate options for disposition of three parcels of land totaling approximately 6.56 acres adjacent to Leahi Hospital. Parcels are currently either vacant or have aged wooden structures, and are unencumbered by any long-term use agreements. Disposition options may include fee-simple sale, property development - either by way of long-term ground lease to developer or with UH as a developer, - or other options.

Historical Background (Major Milestones)
- The subject parcels were acquired by UH in 1977 as part of a land assemblage for the establishment of a School of Medicine, which was eventually located in Kakaʻako.
- Market value appraisals completed April 2020 (CBRE, Inc.). Approximate value for three specific parcels, $15.3 million. Individual parcel values estimated between $4.5 million to $5.5 million.

Third Quarter (FY 2020-2021) Update:
- Services for environmental site assessments in progress.
- Administration continues to consider potential options for disposition of the parcels.

UH Press Parcels

Scope: This project seeks to explore development opportunities for a property parcel located on Woodlawn Drive in Mānoa – the site of UH Press, which will potentially be relocating to UH Mānoa campus proper. The parcel is approximately 1.6 acres. Disposition options may include leasing or lease-for-development for faculty housing.

Historical Background (Major Milestones)
- The subject parcel was acquired by UH in 1968 as part of a land assemblage for the expansion of the UH Mānoa campus.

Third Quarter (FY2020-2021) Update:
- Project is designated as land-related strategic initiative.
- Procuring for market value appraisals on parcel and adjoining Institute for Astronomy site.
- Administration continues to consider potential options for disposition of the parcels.
Honolulu Rapid Transit Project (HART) Related Projects

Scope: Coordinate and partner for rail development utilizing UH campuses or property for stations, transit-related facilities, or potential transit-oriented development. This project is to formulate UH interest and involvement while ensuring protection of UH interests, especially as related to the HART’s potential impact to UHWO, Leeward Community College (LCC), Honolulu Community College (HCC), and College of Tropical Agriculture and Human Resources’ Pearl City Urban Garden lands.

Historical Background (Major Milestones)
- HART station development at UHWO, LCC, and HCC planned.
- Transit-related facilities being constructed on numerous UH sites, each have varying authorization agreements, i.e., rights of entry, construction rights of entry, grants of easements, etc.
- The Board of Regents (BOR) authorized UH/HART/C&C Master Use and Occupancy Agreement (MUOA) for rail stations on UHWO campus (in addition to other campus sites) in November 2019.

Third Quarter (FY2020-2021) Update:
- Finalizing mutual MUOA expected to continue into Q4. Credit Office of General Counsel and impacted campus-facilities leadership for continuing to work out details.
- HART has requested an alternative UHWO site for a 900-stall interim park and ride site. Request is being evaluated.
- HCC proposed rail improvements are being refined before a Construction Right of Entry (CROE) can be issued.