BOARD OF REGENTS COMMITTEE ON PLANNING AND FACILITIES MEETING
NOVEMBER 3, 2022

I. CALL TO ORDER

Chair Nahale-a called the meeting to order at 11:19 a.m. on Thursday, November 3, 2022, at the University of Hawai‘i at Mānoa, Information Technology Building, 1st Floor Conference Room 105A/B, 2520 Correa Road, Honolulu, Hawai‘i 96822, with regents participating from various locations.

Committee members in attendance: Chair Alapaki Nahale-a; Vice-Chair Robert Westerman; Regent Wayne Higaki; Regent Gabriel Lee; and Regent Diane Paloma.

Others in attendance: Board Chair Randy Moore; Regent Eugene Bal; Regent William Haning; Regent Laurie Tochiki; and 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; VP for Advancement/UH Foundation (UHF) Chief Executive Officer Tim Dolan; 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 OF THE AUGUST 18, 2022, AND SEPTEMBER 1, 2022, MEETINGS

Chair Nahale-a inquired if there were any corrections to the minutes of the August 18, 2022, and September 1, 2022, committee meetings which had been distributed. Hearing none, the minutes for both meetings were approved.

III. PUBLIC COMMENT PERIOD

Board Secretary Oishi announced that the Board Office received written comments from the U.S. Geological Survey (USGS) and several individuals in support of a long-term use and occupancy agreement between the University of Hawai‘i and the U.S. Department of the Interior, USGS for a Hawaiian Volcano Observatory and Pacific Island Ecosystem Research Center facility in Hilo, and that no individuals signed up to provide oral testimony.

Written testimony may be viewed at the of the Board of Regents website:
IV. AGENDA ITEMS

A. Recommend Board Approval:

1. Fiscal Year (FY) 2024-2029 6-Year Capital Improvement Project (CIP) Plan

2. Fiscal Biennium (FB) 2023-2025 CIP Budget Request for Submittal to the Governor and Legislature

VP Gouveia provided historical information about the evolution of the 6-year CIP plan stating that the first of these plans was created in 2016 as part of an effort to establish a better organized, coordinated, strategic, and comprehensive CIP program at the university. She summarized the strategy and vision of the original 6-year plan, highlighting the creation of the Renew, Improve, Modernize (RIM) Program, and presented a breakdown of general obligation bond appropriations provided for CIP projects over the past six fiscal years. A short video about the university’s CIP accomplishments was shown.

A synopsis of the FY 2024 – 2029 6-year CIP plan, which includes a total of $1.85 billion in CIP funding, was provided. VP Gouveia stated that, while the new plan builds upon the concepts contained within the original 6-year plan, greater emphasis is being placed on improving and modernizing existing facilities through data-driven decisions that will allow the university to maximize the use of its institutional space. She spoke about the new plan’s strategy to address the university’s deferred maintenance (DM) backlog, which currently stands at $863 million systemwide and continues to be of concern; reviewed some of the challenges and factors that affect the university’s ability to tackle this issue; and discussed the impacts that adequate, consistent, and reliable funding would have on reducing this backlog, presenting three ten-year CIP funding scenarios along with their anticipated outcomes.

VP Gouveia also went over the FB 2023 – 2025 CIP budget request which would be submitted to the Governor and Legislature for consideration upon approval by the board, stating that the budget request was being presented within the context of the university’s new 6-year CIP plan. She noted that a total of $509.5 million in CIP funding was being requested for the FB and included $352.5 million in RIM project funding; reviewed the FY 2024 and FY 2025 appropriation requests for the University of Hawai‘i at Mānoa (UHM), UHH, UHWO, and the community colleges, as well as projected budget requests for future fiscal years; and discussed some of the major campus projects for each of the units including an assessment and feasibility study of Hamilton Library at UHM, projects related to photovoltaic and energy efficiency initiatives, facilities projects including heating, ventilation, and air conditioning system upgrades or replacement, and various athletics-related projects.

Referencing the database used by the administration to track facility improvements, Regent Wilson inquired about the costs versus benefits of utilizing this new system. VP Gouveia replied that information on all of the university’s physical plant inventory, which
includes over 300 buildings at UHM, is maintained in a database called AiM. She explained that the use of AiM, in conjunction with information from a third-party database of facilities-related metrics known as Sightlines, allows the university to do predictive modeling with respect to capital renewal projects which increases efficiency and leads to improved capital project strategic planning. In terms of cost-savings, she estimated that this saves the university millions of dollars annually.

Stating that there were no additional funds requested for the Hamilton Library project beyond the $6.5 million request for an assessment, Regent Moore questioned whether additional monies for this project would be sought in future years. VP Gouveia stated that the administration will have a better idea of the true costs of this project upon completion of the assessment. Once this information is obtained, an analysis can be conducted to determine the source of funding for this project which may involve the restructuring of funding for other CIP projects at UHM.

Noting that funds were being requested for three new buildings at UHWO in future years, Regent Moore asked if the construction of these facilities was contingent upon enrollment at the campus. VP Gouveia replied in the affirmative.

Regent Moore left at 12:06 p.m.

Regent Lee asked if student housing was included in the 6-year CIP plan and questioned whether their facilities were included in the AiM and Sightline databases. VP Gouveia replied in the affirmative but noted that CIP funding requests for student housing facilities are not included in the CIP budget request because they are intended to be fiscally self-sustaining. As such, student housing will develop a separate strategic plan for facilities under its jurisdiction although these projects are reflected in the DM data. She also noted that the administration is working with student housing operations to develop short- and long-term plans for its facilities.

Noting VP Gouveia’s response to Regent Lee’s question, Regent Haning asked if faculty housing faced a similar situation. VP Gouveia replied that, similar to student housing facilities, faculty housing facilities are intended to be self-sustaining. While it was her belief that faculty housing projects were not included in the DM data, she stated that she would confirm if her understanding was correct.

Regents commended the efforts of VP Gouveia and her team in developing the 6-year CIP plan particularly with respect to its focus on recapitalization efforts.

Chair Nahale-a emphasized that approval of the 6-year CIP plan and FB 2023-2025 CIP budget request does not indicate board approval of any of the projects contained therein. He stated that the major projects would need to be brought before the board for approval prior to their commencement.

Regent Westerman moved to recommend board approval of the FY 2024-2029 6-Year CIP Plan and the FB 2023-2025 CIP Budget Request, seconded by Regent Higaki, and the motion carried, with all members present voting in the affirmative.

B. FY 2022-2023 First Quarter CIP Status Report as of September 30, 2022
VP Gouveia reported on the status of CIPs through the first quarter of FY 2022-2023 stating that ongoing projects are moving forward as anticipated with no major changes or issues to report. She noted that the Saunders Hall and Mānoa Master Plan projects have been completed and will be closed out. She also drew attention to a $14.6 million project involving the expansion of seating and other improvements at the Clarence T.C. Ching Complex, which is scheduled to be substantially completed in July 2023, as well as a project involving the relocation of the track and installation of a soccer pitch on the practice field, the contract for which is slated to be awarded in January 2023. It was mentioned that the start date for construction to relocate the track may be delayed until the completion of the Ching Complex project to allow for the use of at least one practice field during this time. Additionally, the university has received approval from the National Institutes of Health to proceed with a scaled-down version of the Ho’ola Early Phase Clinical Research Center with construction expected to be completed in May 2024.

C. **Recommend Board Approval of a Sublease between the University of Hawai‘i and UHF related to the Atherton Student Housing and Innovation Center**

VP Young provided background information on the Atherton Student Housing and Innovation Center (Atherton Project) which focuses on the development of innovation space and student housing units and is being undertaken through a public-private partnership between UHF and the Hunt Development Group. He also reviewed a 40-year sublease agreement which the university entered into with the project owner, UHF RISE Student Housing LLC (UHF RISE), which included plans for UHM’s Pacific Asian Center for Entrepreneurship (PACE) to utilize a portion of the leased space for an innovation center while allowing the remainder of the space to be sublet to other entities in order to generate rental revenue to offset the university’s facility rent and utility costs. As plans for the Atherton Project have progressed, UHF has proposed relocating their administrative offices to the space contained within the agreement entered into between the university and UHF RISE and is seeking to sublease the entire space from the university for the terms contained within the original sublease agreement.

VP Dolan stated that UHF’s move to the Atherton Project is completely consistent with its desire to be closer to the UHM campus and thematically aligns with its support of PACE.

Regent Wilson asked if this action completely removes the university from its involvement in the Atherton Project. VP Young stated that the sublease between the university and UHF RISE remains in existence and that this action is akin to inserting another party into the agreement via a sub sublease arrangement. Jesse Souki, Associate General Counsel (AGC), concurred with VP Young but noted that all of the university’s responsibilities associated with the original sublease agreement are being passed on to UHF through this action. President Lassner added that an important aspect of this sub-sublease is the formalization of PACE’s existence in the facility without cost to the university.

Regent Bal left at 12:29 p.m.
Regent Haning questioned whether parking would be available for UHF employees at the Atherton facility. VP Dolan replied that there will be limited parking at the facility for UHF employees.

Regent Paloma asked whether the rental rate of $250,000 per year was locked in for the entire 40-year term of the sublease. VP Young replied that UHF will be granted the same terms that were given to the university in the original sublease agreement with UHF RISE, which included payment of $250,000 in rent per annum for a term of 40 years. AGC Souki added that an escalator clause tied to the consumer price index is included in the sublease agreement.

Regent Higaki moved to recommend board approval of a sublease between the University of Hawai‘i and UHF related to the Atherton Student Housing and Innovation Center, seconded by Regent Lee, and the motion carried, with all members present voting in the affirmative.

D. Recommend Board Approval of a Long-Term Use and Occupancy Agreement between the University of Hawai‘i and the U.S. Department of the Interior, U.S. Geological Survey (USGS) for a Hawaiian Volcano Observatory (HVO) and Pacific Island Ecosystem Research Center (PIERC) facility in Hilo

VP Young stated that the administration was seeking approval of a long-term use and occupancy agreement between the university and the USGS of the United States Department of the Interior for a 6.81-acre parcel of land at UHH upon which would be constructed HVO and PIERC facilities. He spoke about the major terms of the agreement and noted several benefits that will be realized by the university through this agreement including reductions in overall costs, as well as the strengthening of academic and research partnerships with UHH.

David Phillips, Deputy Scientist-in-Charge for the USGS HVO, and Bob Reid, Acting Director of PIERC, discussed the mission and work of their respective agencies noting the close working relationship each has with UHH. They also talked about the need for, and proposed uses of, this parcel, and reviewed some of the benefits that will be afforded to the university, HVO, and PIERC through this agreement.

Chancellor Irwin stated that the approval of the long-term use and occupancy agreement will serve to strengthen UHH’s relationships with HVO and PIERC and provided insights into the academic and scientific value of these partnerships for the university.

Regent Wilson asked about anticipated construction and occupancy dates. Mr. Phillips replied that, once the land is acquired, the goal will be for groundbreaking to occur in early 2023 with completion of construction as well as facility occupancy expected to occur in 2025.

Regent Higaki moved to recommend board approval of a long-term use and occupancy agreement between the university and the United States Department of the
Interior, USGS, for a HVO and PIERC facility in Hilo, seconded by Regent Lee, and the motion carried, with all members present voting in the affirmative.

Regent Paloma left at 12:51 p.m.

E. University Land-Related Strategic Initiatives and Partnerships Program FY 2022-2023 First Quarter Update

Michael Shibata, Director of the Office of Strategic Development and Partnership, provided an update on the status of several university land-related strategic initiatives through the first quarter of FY 2022-2023, highlighting the following:

• UHWO - University District Lands Project: Efforts to pursue development opportunities are ongoing. The university continues to coordinate with the State Department of Transportation on its Farrington Highway widening improvement project. Options are also being explored to make approximately three and a half acres of land available for mixed-use housing development. $250,000 was also awarded for a transit-oriented development feasibility study for these lands.

• Atherton Project: Project construction is ongoing with a target completion of Summer 2023.

• NOAA Graduate Student Housing Project: A third amendment to the pre-closing agreement with Greystar Development Services, LLC (Greystar) was executed in August. Greystar continues to work on finalizing the construction drawings and building permit applications for submittal to the City and County of Honolulu’s (City) Department of Planning and Permitting. Construction pricing is also being updated.

• Kaimuki/Leahi Hospital Parcels Project: An invitation to submit development proposals for the vacant Leahi parcels was issued. Proposals are due to be returned by December 7, 2022, with recommendations for final disposition of the parcels scheduled to be made in January 2023.

• University Press Parcel Project: No major updates.

• Honolulu Authority for Rapid Transportation (HART) Projects: HART representatives presented an update on the rail project to the board in October. The university continues to coordinate with HART on several aspects of the rail project that will impact university-owned lands. In anticipation of the first segment of the rail system being brought online, the university, HART, and the City’s Department of Transportation Services has formed a twelve-member rail management committee to further coordinate on the operational aspects of the project.

V. ADJOURNMENT

There being no further business, Chair Nahale-a adjourned the meeting at 12:55 p.m.

Respectfully Submitted,