



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Higher Education
March 27, 2018 at 1:20 p.m.

by
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SCR 85 / SR 53 – URGING THE UNIVERSITY OF HAWAII SYSTEM'S VICE PRESIDENT OF BUDGET AND FINANCE TO DEVELOP A PLAN TO REDEVELOP THE LOWER CAMPUS OF THE UNIVERSITY OF HAWAII AT MANOA THROUGH A PUBLIC PRIVATE PARTNERSHIP.

Chair Kahele, Vice Chair Kim, and members of the committee:

The University of the Hawaii'i supports the intent of SCR 85/SR 53. Given the right project, services objective, and business structure, the University believes that public-private partnerships (P3) represent another opportunity and means to develop university-related facilities. Especially, considering that the State, the Legislature, and the University have been challenged to provide adequate funding towards modernizing our University campuses, P3's could capitalize on the strengths and assets of both the public and private sectors to help deliver a project or service more efficiently and effectively that would benefit students, the general public, and University stakeholders.

The University System Chief Financial Officer has participated in projects that looked at conceptualizing redevelopment of the UH-Mānoa lower campus. Many of these projects involved ideas from students, staff, and business leaders on what uses could revitalize the lower campus and the surrounding neighborhood. Ideas such as renewed student housing, student activity centers, neighborhood retail opportunities, better redesign of the lower campus to integrate it with the general neighborhood, and incorporating the eventual arrival of rail to the lower gate were all compelling thoughts for revitalized development.

The UH Administration and Board of Regents have already been looking at P3's as a potential development means to fund lower campus development. However, like all other State agencies, P3's are still a very new concept in Hawaii'i State government and the University does not currently have the necessary resources or staff to execute a large scale P3 project of the size contemplated in this resolution. The University and its CFO are currently focused on identifying the organizational structure to implement such an office within the University System - including, whether the CFO is the right part of the organization to take on such responsibility. In that regards, HB 2172 HD2, Relating to University of Hawaii Public-Private Partnerships, recently passed the joint Senate

Committees on Higher Education and Economic Development, Tourism, and Technology. That bill could provide minimal funding and positions towards establishing this effort.

The UH-Mānoa lower campus does present a tremendous opportunity for redevelopment because the need to improve facilities and resources at UH-Mānoa is so very high. A P3 arrangement would probably be a likely consideration. However, please be advised that until the State of Hawai'i and the University of Hawai'i System can be more thoroughly proficient at executing these types of projects, my office will be focusing on smaller scale opportunities - many also around UH-Mānoa - that perhaps could also be served through a P3 approach. I share the resolution's authors' sentiment that the UH-Mānoa lower campus is attractive for revitalization.

Thank you for this opportunity to offer comments.

SCR-85

Submitted on: 3/25/2018 9:25:43 PM

Testimony for HRE on 3/27/2018 1:20:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
De MONT R. D. CONNER	Testifying for Ho'omanapono Political Action Committee (HPAC)	Comments	Yes

Comments:

We would support this resolution IF, language was added to ensure that: 1.) A Union Representative was present during all contract negotiations between the private/Public entities to ensure that the contracts are negotiated in good faith; 2.) Union jobs are NOT affected.