

LATE TESTIMONY

May 16, 2024

Public Comments on Board of Regents Agenda Item VII. A. 2. Real Property at 550 Makapu'u Avenue

Aloha Kakahiaka Chair Lee and Members of the University of Hawai'i Board of Regents

My name is Jill Leilani Nunokawa (concerned public community member) and I am testifying against Agenda Item VII. A. 2.: pertaining to Board Approval of authorizing UH to enter into a development agreement and option to lease with MW Group for the Real Property at 550 Makapu'u Avenue.

As I testified at the May 2nd, 2024 Board of Regent's Committee on Institutional Success, this is NOT "Institutional Success", rather it is a private-friendship sweet deal 90-year ground lease for Steve Metter and his company to enjoy and pass generationally, profits in perpetuity, through the development and profit of a senior care facility (similar to his 6 Plaza developments) that will not accept state or federal subsidies, which translates to increased profits.

The May 2nd meeting was filled with accolades and character bolstering by certain regents who disclosed personal friendships and professional relationships but refused to reclude themselves from both the discussion of the ground lease and the final committee vote. I applaud Chair Lee for recusing himself, as it was disclosed he and his bank are the funders for other projects of Mr. Metter's company. The conflict of interest intensified when other regents admonished Chair Lee for his proper recusal by stating he should come back and speak about Mr. Metter's character. This is a classic example of a conflict of interests.

One regent stated UH was not like one of the Big Five companies in Hawai'i, meaning it wasn't in the business of development of land. We have many obvious contradictions to that statement including the JABSOM, Cancer Center and the Kaka'ako complex.

It is NOT in the best interest of our public university to enter into a 90-year ground lease agreement whereby our university is saddled with a ridiculously small rental fee for the first fixed 65- year term. The words repugnant, repulsive and unconscionable come to mind on this gentleman's handshake agreement. We have witnessed UH and its representatives enter into long leases that have similar negative budgetary, social, political and cultural impacts and effects. The IFA leases on Mauna Kea are an example of such improper and scandalous mismanagement of public assets. 550 Makapu'u Avenue is a public asset and UH is the steward to ensure that its future does not represent our pathetic past practices. Why is the Board agreeing to gift away perpetuity's profits? Simply because Mr. Metter is a good guy?

It is a new era of accountability and it starts with this ground lease agreement. This is the privatization of our public university and public assets in Hawai'i. There needs to be further

discussed in a honest, transparent and with authentic scrutiny whether entering into this ground lease agreement for 90-years and other potential terms to be determined along the way is in the best interest for UH and our State. In agreeing to this ground lease, it breaches the Board's fiduciary duties and is a breach of the public trust in the Board of Regents, not to mention an egregious violation of the State's Ethics laws.

It is with great urgency and greater consciousness that I request this board to either vote NO to this consent action item or at minimum defer this item for further public and board scrutiny.

May 2, 2024