



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
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by

Howard Todo, Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i

HB 1855 HD1 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Luke, Vice Chairs Nishimoto and Johanson, and Members of the Committee:

Thank you for the opportunity to express concerns on this measure.

HB 1855 HD 1 proposes to prohibit the sale or gift of the University of Hawai'i at West O'ahu land acquired pursuant to Act 294, Session Laws of Hawai'i 1996 without prior consent of the Legislature.

The University does not have immediate plans to sell any of its lands at UH West O'ahu, as we are currently updating its long range development plan, including its critical business plan. The primary objective of this business plan is to identify financial options with the goal of providing additional revenues for UH West O'ahu and reducing the need to request additional general funds in the future.

The Board of Regents is currently updating its Board policy on land sales and its statements on their purposes, which include the promotion and support of the University's educational and research mission while advancing the principals of environmental stewardship and sustainability. This legislative measure may conflict with the University in meeting its mission.

The University's current focus for the land at UHWO is on ground leasing opportunities and there are no immediate plans to sell land, but the University needs the flexibility to sell land if a development opportunity which is compatible with the University campus should arise. For example, the current City's zoning calls for a significant portion of the lands surrounding the campus to be for residential development. In order for this to be practical, those lands would need to be sold in fee, since leasehold residential development is not feasible. These land sales proceeds would be applied against outstanding revenue bonds or loans, resulting in reducing its current debt service obligations within UH West Oahu's operating budget.

Should the University be required to get the Legislature's approval for land sales, the timely closing of any sale would be jeopardized if the Legislature is in recess.

Accordingly we request that his measure be held.

Thank you for the opportunity to testify on this measure.