

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Wednesday, February 20, 2019
10:05 AM
State Capitol, Conference Room 211**

**In consideration of
SENATE BILL 966
RELATING TO MILILANI TECHNOLOGY PARK**

Senate Bill 966 proposes that the Director of Finance is authorized to issue general obligation bonds in the sum of \$14,500,000, or so much thereof as may be necessary, and appropriates it for fiscal 2019-2020, for the Department of Land and Natural Resources (Department) to enter into negotiations for the acquisition and redevelopment of a Mililani Technology Park property, identified as tax map key (1) 9-5-046:042, for community benefit purposes, with the purchase price not to exceed the appraised value of the property. The measure additionally appropriates out of general revenues an unspecified sum, or so much thereof as may be necessary for fiscal years 2019-2020, and the same amount for 2020-2021, for the Department to negotiate the purchase and conduct due diligence on the property. **The Department supports this measure and offers the following comments.**

The Department acknowledges the community redevelopment opportunities the bill presents.¹ While the measure notes the need to appraise the property to determine the purchase price, the measure should also include an appropriation of \$500,000 for due diligence costs, which include, but are not limited to, the expense of a Phase I environmental site assessment, and Phase II environmental site assessment, if needed, including any subsequent environmental site remediation, abatement and disposal, as may be warranted. Due diligence costs also include all other necessary transaction activities and fees, such as appraisal cost, title reports and title insurance, land surveys, maps and descriptions, any escrow fees, recordation fees, public notification fees, and including any and all other acquisition fees and costs. Thank you for the opportunity to comment on this measure.

¹ The Department understands the purpose of the bill is to acquire the land for a future use to benefit the community. The parcel is unimproved and likely lacks critical infrastructure like water, sewer, drainage, and electrical. Additional funds will need to be appropriated (over the \$14,500,000 provided in this measure) to complete the infrastructure improvements. The Department anticipates requesting the Board of Land and Natural Resources and the Governor to set the property aside to a managing agency once acquisition is completed.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

SB-966

Submitted on: 2/19/2019 9:39:54 AM

Testimony for WAM on 2/20/2019 10:05:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for O`ahu County Committee on Legislative Priorities of the Democratic Party of Hawai`i	Support	No

Comments: