

DAVID Y. IGE  
GOVERNOR OF HAWAII



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

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**Testimony of  
SUZANNE D. CASE  
Chairperson**

**Before the Senate Committees on  
TECHNOLOGY  
and  
WATER AND LAND**

**Tuesday, February 12, 2019  
2:45 PM  
State Capitol, Conference Room 414**

**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.<sup>1</sup> 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

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<sup>1</sup> 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

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.