

A Bill for an Act Making an Appropriation for Payment of Settlement Between the State of Hawaii and Mark Construction, Inc.

*Be It Enacted by the Legislature of the State of Hawaii:*

**SECTION 1. Findings and purpose.** The purpose of this Act is to provide for the payment of a settlement agreement negotiated by the State of Hawaii and Mark Construction, Inc., involving three separate suits (Civil Nos. 38134, 44113, and 45060) filed by Mark Construction, Inc., against the State of Hawaii. These three suits were consolidated and seek damages of more than 12 million dollars. The claims are grounded on contracts awarded to Mark Construction, Inc., by the State Department of Transportation for three separate federal-aid highway construction projects on Oahu.

The Departments of the Attorney General and Transportation have evaluated the claims and consider the settlement to be in the best interest of the State. The evaluation included considerations of the projected cost of defining the claims and the potential exposure to liability.

The State will apply to the Federal Highway Administration for federal reimbursement on the amount paid in settlement.

**SECTION 2.** There is appropriated the sum of \$2,500,000 out of general obligation bond funds of the State of Hawaii, with debt service costs to be paid out of the State highway fund. This appropriation shall be used for settlement of the pending claims involving the following highway construction projects:

1. Waiawa Interchange, FAIP Nos. I-H1-1(14):8 and I-H-1(75):8
2. A portion of Interstate Route H-2 south of Waiahole Ditch to Waiawa Interchange, FAIP No. I-H2-1(5):0
3. Halawa Interchange, FAIP No. I-H1-1(88):13

**SECTION 3.** The director of finance is authorized to issue general obligation bonds of the State for the purposes of this Act; provided that the sum total of the bonds so issued shall not exceed \$2,500,000.

**SECTION 4.** The sum appropriated shall be expended by the department of transportation for the purposes of this Act.

**SECTION 5.** This Act shall take effect upon its approval.

(Approved June 6, 1980.)