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# A BILL FOR AN ACT

RELATING TO LAND ACQUISITION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that it is in the public  
2 interest to protect and preserve Hawaii's historic and cultural  
3 heritage. The proposed expansion of the Turtle Bay Hotel and  
4 Resort located in the ahupua'a of Hana Kaeo, in Kahuku on the  
5 island of Oahu is contrary to the public interest.

6           The legislature therefore declares that it is in the public  
7 interest to acquire private lands currently owned by Kuilima  
8 Resort Company, Oaktree Capital Management, LLC, and their  
9 successors in interest, for preservation, by purchasing those  
10 lands, exercising the State's power of eminent domain to acquire  
11 those lands, or participating in a cooperative agreement to  
12 acquire those lands.

13           The purpose of this Act is to appropriate funds and to  
14 authorize the governor, or the governor's designee, to acquire  
15 the area commonly known as the Turtle Bay Hotel and Resort and  
16 the accompanying undeveloped property by purchasing them  
17 outright, by exercising the State's power of eminent domain, or



1 by entering into a cooperative agreement to acquire the  
2 property.

3 SECTION 2. The governor or the governor's designee shall  
4 immediately initiate negotiations with Kuilima Resort Company,  
5 Oaktree Capital Management, LLC, any other entity or person that  
6 holds an interest in the property, and their successors in  
7 interest, to acquire properties held by Kuilima Resort Company,  
8 a Hawaii general partnership; Oaktree Capital Management, LLC;  
9 and their successors in interest, inclusive of those parcels  
10 mauka of Kamehameha highway. The financing of the acquisition  
11 may be by one or more of the following means:

- 12 (1) Appropriations made by the legislature from the  
13 general fund or any special funds;
- 14 (2) General obligation bonds authorized by the  
15 legislature;
- 16 (3) Exchange of public lands, to the extent authorized by  
17 law;
- 18 (4) Federal funds;
- 19 (5) Private funds, financing, or donations; or
- 20 (6) Any other means of financing the governor or the  
21 governor's designee may negotiate.



1           The land to be acquired shall include the unimproved lands  
2 that are not used for the hotel and resort proper or any  
3 appurtenant uses thereto, including but not limited to golf  
4 courses, stables, condominiums, parking areas, nurseries, and  
5 physical plant. Specifically, the land to be acquired shall  
6 include that unimproved land:

- 7           (1) Located between the western edge of the improved  
8           portion of the Turtle bay property towards Kawela bay  
9           to the western boundary between the Turtle bay  
10          property and the private property at Kawela bay;
- 11          (2) Located between the eastern edge of the improved  
12          portion of the Turtle bay property towards Kahuku  
13          point to the eastern boundary of the property,  
14          including Kahuku point; and
- 15          (3) Located mauka of Kamehameha highway;

16 provided that the land acquired may include the improved  
17 property that is used for the Turtle Bay Hotel and Resort and  
18 any appurtenant uses thereto.

19           SECTION 3. If the governor, or the governor's designee  
20 finds that it is not feasible for the State to acquire sole  
21 interest of the property identified in section 2 of this Act,  
22 the governor, or the governor's designee, shall seek out and, if



1 possible, enter into a cooperative agreement or agreements with  
2 private or other public entities interested in preserving those  
3 unimproved portions of the identified property in their  
4 unimproved state for the purpose of cooperatively acquiring the  
5 property.

6 SECTION 4. The governor, or the governor's designee, shall  
7 submit a report to the legislature no later than twenty days  
8 prior to the convening of the regular session of 2009 regarding  
9 its efforts to acquire the aforementioned lands and its  
10 recommendations for financing the purchase of the property.

11 SECTION 5. If an agreement to acquire the property is not  
12 reached within a reasonable time, as determined by the governor,  
13 or the governor's designee, the governor, or the governor's  
14 designee, shall exercise the power of eminent domain to acquire  
15 the unimproved property. For purposes of this Act, condemnation  
16 of the property shall not be subject to legislative disapproval.

17 SECTION 6. There is appropriated out of the general  
18 revenues of the State of Hawaii the sum of \$                    or so  
19 much thereof as may be necessary for fiscal year 2008-2009 for  
20 the purpose of negotiating with Kuilima Resort Company, Oaktree  
21 Capital Management, LLC, any person holding an interest in the  
22 property, or their successors in interest, for the purchase of



1 the property identified in this Act that specifically includes  
2 but is not limited to those unimproved lands surrounding the  
3 Turtle Bay Hotel and Resort or to commence the condemnation  
4 process of those lands.

5 The sum appropriated shall be expended by the department of  
6 land and natural resources for the purposes of this Act.

7 SECTION 7. There is appropriated out of the special  
8 fund the sum of \$ or so much thereof as may be necessary  
9 for fiscal year 2008-2009 for the purchase of the property  
10 commonly known as the Turtle Bay Hotel and Resort and the  
11 surrounding unimproved property, as identified in this Act or to  
12 commence the condemnation process of those lands.

13 The sum appropriated shall be expended by the department of  
14 land and natural resources for the purposes of this Act.

15 SECTION 8. The director of finance is authorized to issue  
16 general obligation bonds in the sum of \$ or so much  
17 thereof as may be necessary and the same sum or so much thereof  
18 as may be necessary is appropriated for fiscal year 2008-2009  
19 for the purchase of the property commonly known as the Turtle  
20 Bay Hotel and Resort and the surrounding unimproved property, as  
21 identified in this Act.



1           SECTION 9. The appropriation made for the land acquisition  
2 authorized by this Act shall not lapse at the end of the fiscal  
3 biennium for which the appropriation is made; provided that all  
4 moneys from the appropriation unencumbered as of June 30, 2010,  
5 shall lapse as of that date.

6           The sum appropriated shall be expended by the department of  
7 land and natural resources for the purposes of this Act.

8           SECTION 10. This Act shall take effect on July 1, 2050.



**Report Title:**

Turtle Bay Acquisition

**Description:**

Directs the governor, or the governor's designee, to acquire lands owned by Kuilima Resort Company, Oaktree Capital, LLC, and their successors in interest, commonly known as Turtle Bay Hotel and Resort located in Kahuku, Oahu. (SB2423 HD1)

