
SENATE RESOLUTION

URGING THE ADMINISTRATION TO COMPLETE THE PURCHASE OF TURTLE BAY RESORT AND THE SURROUNDING UNDEVELOPED LANDS AND URGING THE COMMITMENT OF THE SENATE TO ASSIST WITH THE PURCHASE.

1 WHEREAS, the Ko'olauloa-North Shore region known as Turtle
2 Bay, located in the ahupua'a of Hana Kae in Kahuku on the island
3 of Oahu, represents one of the last remaining partially
4 developed shoreline areas on the most populated island within
5 our State; and
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7 WHEREAS, the Turtle Bay area encompasses a total of 1,429
8 acres on the makai and mauka sides of Kamehameha Highway in
9 Kahuku that includes unique and irreplaceable natural and
10 cultural features, including Punahoolapa Marsh, Kawela Bay, and
11 alluvial sand dunes; and
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13 WHEREAS, since 1969, the majority of the property has been
14 classified for urban land use and the Council of the City and
15 County of Honolulu approved the Kuilima Expansion Project by
16 issuing a special management area use permit to Kuilima
17 Development Company in 1986; and
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19 WHEREAS, these actions might be considered as allowing the
20 construction of up to three thousand hotel rooms plus
21 development of residential units and commercial structures on
22 this property; and
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24 WHEREAS, there have been significant changes in the
25 surrounding communities along the North Shore, as well as the
26 rest of Oahu over the past twenty years, such as increased
27 traffic congestion and additional demands on remaining beaches,
28 recreational areas, and undeveloped land, no longer making it
29 practical or of community benefit to consider the type of
30 development previously approved; and
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32 WHEREAS, Oaktree Capital Management, LLC, the current owner
33 of the Turtle Bay Hotel and Resort, has failed to make payment
34 and, as a result, has been subject to a foreclosure action by
35 the creditors for an estimated eight hundred eighty acres of the



1 property on the makai side of Kamehameha Highway and Oaktree
2 Capital Management, LLC has actively solicited bids for the sale
3 of this property for resort development; and
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5 WHEREAS, Oaktree Capital Management, LLC has actively
6 attempted to sell the makai property for resort and residential
7 development; and
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9 WHEREAS, the Senate believes the makai and mauka portions
10 of the Oaktree Capital Management, LLC holdings are interrelated
11 and should be purchased as a unit to protect the long-term
12 viability of the area, including the existing hotel and
13 residential units; and
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15 WHEREAS, the Senate recognizes that the State does not
16 intend to own and operate the Turtle Bay Resort; and
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18 WHEREAS, the Senate recognizes that it is important to the
19 economic benefit of the community to ensure that the existing
20 hotel and resort remain viable, that the jobs of the employees
21 of this facility are protected, and that the proceeds from the
22 sale of the developed parcels, to the extent possible, cover the
23 State's costs to acquire and preserve a majority of the
24 undeveloped area; and
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26 WHEREAS, the current global economic situation and the
27 conditions faced by national financial markets are such that the
28 State now has a unique and distinct opportunity to enter into
29 the negotiations for the purchase of the Turtle Bay property;
30 and
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32 WHEREAS, the intent through these negotiations is to result
33 with a net zero outlay in State moneys; now, therefore,
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35 BE IT RESOLVED by the Senate of the Twenty-fourth
36 Legislature of the State of Hawaii, Regular Session of 2008,
37 that the Administration is urged to complete the negotiations
38 for the purchase of Turtle Bay Resort and the surrounding
39 undeveloped lands; and
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41 BE IT FURTHER RESOLVED that upon the completion of
42 successful negotiations between the State and the owners or
43 successors in interest, the Senate is committed to a good faith
44 review of the terms of the acquisition of the Turtle Bay Resort



1 and surrounding undeveloped lands within the bounds of existing
2 law; and

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4 BE IT FURTHER RESOLVED that certified copies of this
5 Resolution be transmitted to the Governor; Oaktree Capital
6 Management, LLC; the members of the Turtle Bay Advisory Working
7 Group; the members of the Kuilima East and Kuilima West
8 condominium associations; the leadership of the ILWU Local 142;
9 Hotel Employees and Restaurant Employees Union (HERE) Local 5;
10 and the Ko'olauloa-North Shore Alliance.

