

STAND. COM. REP. NO.

2430

Honolulu, Hawaii

FEB 15 2008

RE: S.B. No. 2423
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2008
State of Hawaii

Madam:

Your Committee on Water and Land, to which was referred S.B. No. 2423 entitled:

"A BILL FOR AN ACT RELATING TO LAND ACQUISITION,"

begs leave to report as follows:

The original purpose of this measure was to direct the Department of Land and Natural Resources to acquire lands situated in Central Oahu owned by the Galbraith Estate.

Prior to the public hearing on this measure and in compliance with Senate Rules, your Committee distributed a proposed draft of the measure, the purpose of which is to direct the Department of Land and Natural Resources to acquire the unimproved lands at Kawela Bay on the west side and Kahuku Point on the east side of the Turtle Bay Hotel/Kuilima Resort in Kahuku, Oahu owned by Oaktree Capital, LLC by purchase or exercise of the State's power of eminent domain.

Testimony in support of this proposed draft was submitted by the Office of the Governor, which included proposed amendments; the Trust for Public Land; Sierra Club Hawai'i Chapter; the Surfrider Foundation Oahu Chapter; the Waiahole-Waikane Community Association; the Windward Ahupua'a Alliance; and forty-one individuals. Testimony in opposition to the proposed draft was submitted by Kuilima Resort Company.

Your Committee finds that it is in the public interest to protect and preserve Hawaii's historic and cultural heritage.

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Your Committee further finds that it is in the public interest to acquire private lands currently owned by Kuilima Resort Company, Oaktree Capital Management, LLC, and their successors in interest for preservation by purchasing those lands, exercising the State's power of eminent domain to acquire those lands, or by participating in a cooperative agreement to acquire those lands.

Your Committee notes that at the public hearing of the proposed draft, the Governor's Senior Policy Advisor requested that further amendments be made to broaden the description of the property that may be acquired to include the developed portions of the property, removing any reference to a "flipping" transaction, removing time constraints for the completion of the transaction, and by removing reference to any specific dollar amount in the appropriation provisions of the proposed measure.

In an effort to afford the Governor latitude and flexibility to acquire the property, your Committee has amended the proposed draft by removing any restriction against the acquisition of the improved portion of the property to be acquired. However, your Committee expresses strong concern over the State's ability to own and operate a hotel and resort. Your Committee further reemphasizes that the intended purpose of this measure, as amended, is the State's acquisition of the unimproved portions of the property for the purpose of ensuring that the lands remain in their unimproved state for public enjoyment.

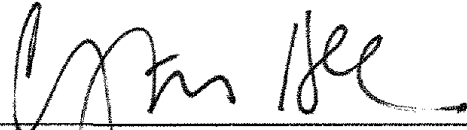
Upon review, your Committee did not find any specific reference to a "flipping" transaction in the proposed draft as was referenced by the Governor's Senior Policy Advisor in her testimony.

Your Committee notes that the State's acquisition of the unimproved portions of the property is a time sensitive matter; therefore, if the Governor has not been able to negotiate the purchase of the property in a timely manner, it is the recommendation of your Committee that the State maintain and exercise its power of eminent domain to acquire the unimproved portions of the property makai of Kamehameha Highway. To ensure the availability of this option, your Committee believes it is prudent to keep intact the appropriation provisions in the proposed amendment to this measure.



As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2423, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2423, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Water and Land,



CLAYTON HEE, Chair



The Senate
 Twenty-Fourth Legislature
 State of Hawaii

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:* SB 2423	Committee Referral: WTL, WAM	Date: 2/12/08
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The committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	/			
KOKUBUN, Russell S. (VC)		/		
FUKUNAGA, Carol				/
TOKUDA, Jill N.	/			
WHALEN, Paul	/			
TOTAL	3	1		1

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:
Russell S. Kokubun

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*Only one measure per Record of Votes