

STAND. COM. REP. NO.

3623

Honolulu, Hawaii

APR 21 2008

RE: S.R. No. 95
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.R. No. 95 entitled:

"SENATE RESOLUTION REQUESTING THE AQUATIC RESOURCES DIVISION OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO BEGIN A RULEMAKING PROCESS, PURSUANT TO SECTION 187A-5, HAWAII REVISED STATUTES, TO AMEND THE ADMINISTRATIVE RULES, AS NECESSARY, TO RESOLVE THE USER CONFLICTS BETWEEN COMMERCIAL AKULE FISHERMEN AND RECREATIONAL POLE FISHING IN VARIOUS HARBORS ON KAUAI, "

begs leave to report as follows:

The purpose of this measure is to request the Aquatic Resources Division of the Department of Land and Natural Resources to begin a rulemaking process, pursuant to section 187A-5, Hawaii Revised Statutes, to amend the administrative rules, as necessary, to resolve the user conflicts between commercial akule fishermen and recreational pole fishing in various harbors on Kauai.

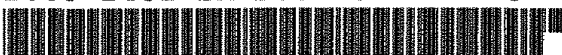
Prior to conducting a hearing on this matter, a proposed Senate Draft of this measure was distributed which replaced its title and substance with a new title and substance, the purposes of which are to urge the Administration to complete the purchase of Turtle Bay Resort and the surrounding undeveloped lands and to urge the commitment of the Legislature to assist with the purchase.



Testimony in support of the proposed amended version of this measure was submitted by the Senior Policy Advisor to the Governor, Keep the North Shore Country, and four individuals.

Your Committee finds that the Ko'olauloa-North Shore region known as Turtle Bay, located in the ahupua'a of Hana Kae in Kahuku on the island of Oahu, represents one of the last remaining partially developed shoreline areas on the most populated island within our State. The Turtle Bay area encompasses a total of 1,429 acres on the makai and mauka sides of Kamehameha Highway in Kahuku that includes unique and irreplaceable natural and cultural features, including Punahoolapa Marsh, Kawela Bay, and alluvial sand dunes. Your Committee further finds that since 1969, the majority of the property has been classified for urban land use and the Council of the City and County of Honolulu approved the Kuilima Expansion Project by issuing a special management area use permit to Kuilima Development Company in 1986. These actions may potentially allow for the construction of up to three thousand hotel rooms plus development of residential units and commercial structures on the Turtle Bay property. Your Committee recognizes that there have been significant changes in the surrounding communities along the North Shore, as well as the rest of Oahu over the past twenty years, such as increased traffic congestion and additional demands on remaining beaches, recreational areas, and undeveloped land, making it no longer practical or of community benefit to consider the type of development previously approved by the City and County of Honolulu.

Your Committee further finds that Oaktree Capital Management, LLC, the current owner of the Turtle Bay Hotel and Resort, has failed to make payment and, as a result, has been subject to a foreclosure action by the creditors for an estimated eight hundred eighty acres of the property on the makai side of Kamehameha Highway and Oaktree Capital Management, LLC has actively solicited bids for the sale of this property for resort development. Your Committee believes the makai and mauka portions of the Oaktree Capital Management, LLC holdings are interrelated and should be purchased as a unit to protect the long-term viability of the area, including the existing hotel and residential units. However, your Committee recognizes that the State does not intend to own and operate the Turtle Bay Resort. Your Committee further understands that it is important to the economic well-being of the community to ensure that the existing hotel and resort remain viable, that the jobs of the employees of this facility are protected, and that the proceeds from the sale of the developed



parcels, to the extent possible, cover the State's costs to acquire and preserve a majority of the undeveloped area of the Turtle Bay property. Your Committee believes that the State currently has a unique and distinct opportunity to enter into the negotiations for the purchase of the Turtle Bay property with the intended result of having a net zero outlay of state monies.

Your Committee has amended this measure by replacing the title and substance of this measure in their entirety, with language that:

- (1) Reflects that the purpose of this measure is to urge the Administration to complete the purchase of Turtle Bay Resort and the surrounding undeveloped lands and to urge the commitment of the Legislature to assist with the purchase;
- (2) Provides a historical background and present status of the circumstances regarding the Turtle Bay property which have lead to the present situation of the State being interested in acquiring the Turtle Bay Resort and surrounding undeveloped land;
- (3) ~~Urges the Administration to complete negotiations for the purchase of the Turtle Bay Resort and surrounding undeveloped lands; and~~
- (4) Expresses the Legislatures commitment to do a good faith review of the terms of the acquisition upon completion of negotiations by the Administration.

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 concurs with the intent and purpose of S.R. No. 95, as amended herein, and recommends its adoption in the form attached hereto as S.R. No. 95, S.D. 1.

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.:* SR 95	Committee Referral: WTL	Date: 4/18/08
---	-----------------------------------	-------------------------

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			2

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


Distribution: Original Yellow Pink Goldenrod
 File with Committee Report Clerk's Office Drafting Agency Committee File Copy

*Only one measure per Record of Votes