

JAN 28 2009

S.B. NO. 1201

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 notes that on April 5, 2008,
2 Molokai Properties Limited, a wholly-owned subsidiary of
3 Singapore-based GuocoLeisure Limited, terminated all normal
4 operations of its various holdings and businesses on the island
5 of Molokai, including the Molokai Lodge, Kaupoa Beach Village,
6 Kaluakoi Golf Course, Maunaloa Town Cinemas, Maunaloa gas
7 station, and its cattle operations, resulting in the loss of one
8 hundred twenty jobs on the island that already has the highest
9 unemployment rate in the State. Further, Molokai Ranch
10 indicated that it was also denying access to most of its
11 landholdings, that comprise approximately one-third of the
12 entire island of Molokai, to the public who used those lands for
13 purposes of gathering, hunting, and fishing, thereby supporting
14 the type of subsistence lifestyle that many residents of Molokai
15 have, by necessity, come to rely on to survive.

16 The legislature further notes that the Molokai Properties
17 Limited landholding contain numerous wahi pana, places of
18 historical and cultural value, including heiau and ceremonial



1 sites, ancient taro loi, and loko ia, ancient Hawaiian
2 fishponds.

3 In the recent past, there have been a number of private
4 entities that have expressed an interest in acquiring all or
5 parts of Molokai Properties Limited landholdings, estimated to
6 be worth \$200,000,000. Alternate energy producer, UPC Wind
7 Company, has pledged \$50,000,000 to purchase land and rights to
8 establish a wind farm capable of generating electrical energy
9 from the winds at the west end of the island.

10 The legislature therefore declares that it is in the public
11 interest to meet the needs of the entire Molokai community and
12 to protect and preserve Hawaii's historic and cultural heritage,
13 to acquire private lands currently owned by Molokai Properties
14 Limited and GuocoLeisure Ltd., and their successors in interest,
15 for preservation, by purchasing those lands, exercising the
16 State's power of eminent domain to acquire those lands or, by
17 negotiations, participating in a cooperative agreement with
18 other interested parties to acquire those lands.

19 The purpose of this Act is to appropriate funds and to
20 authorize the governor to acquire all of the landholdings of
21 Molokai Properties Limited and GuocoLeisure Ltd. on the island
22 of Molokai by exercising the State's power of eminent domain or,



1 by negotiations, entering into a cooperative agreement with
2 other interested parties to acquire the property.

3 SECTION 2. The governor shall immediately initiate
4 negotiations with Molokai Properties Limited and GuocoLeisure
5 Ltd., and their successors in interest, to acquire all
6 properties held by Molokai Properties Limited and GuocoLeisure
7 Ltd. on the island of Molokai. The financing of the acquisition
8 may be by one or more of the following means:

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

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



1 agreements with private or other public entities interested in
2 preserving the identified property for the purpose of
3 cooperatively acquiring the property.

4 SECTION 4. The governor shall submit a report to the
5 legislature no later than twenty days prior to the convening of
6 the regular session of 2010 regarding the governor's efforts to
7 acquire the aforementioned lands and the governor's
8 recommendations for financing the purchase of the property.

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

15 SECTION 6. There is appropriated out of the special land
16 and development fund the sum of \$ or so much thereof as
17 may be necessary for fiscal year 2009-2010 for the purchase of
18 all the landholdings of Molokai Properties Limited and
19 GuocoLeisure Ltd. on the island of Molokai, as identified in
20 this Act or to commence the condemnation process of those lands.

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



1 SECTION 7. The director of finance is authorized to issue
 2 general obligation bonds in the sum of \$ or so much
 3 thereof as may be necessary and the same sum or so much thereof
 4 as may be necessary is appropriated for fiscal year 2009-2010
 5 for the purchase of all the property owned by Molokai Properties
 6 Limited and GuocoLeisure Ltd. on the island of Molokai, as
 7 identified in this Act.

8 SECTION 8. The appropriation made for the land acquisition
 9 authorized by this Act shall not lapse at the end of the fiscal
 10 biennium for which the appropriation is made; provided that all
 11 moneys from the appropriation unencumbered as of June 30, 2010,
 12 shall lapse as of that date.

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

15 SECTION 9. This Act shall take effect on July 1, 2009.

16

INTRODUCED BY:

J. Kiani Eguchi
S.S.T.
Michelle Goffard
Amiel Ylger
Jim



Report Title:

Eminent Domain; Molokai Ranch

Description:

Directs governor to acquire Molokai Ranch from GuocoLeisure Ltd.

