

JAN 18 2013

S.B. NO. 894

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 Act 140, Session
2 Laws of Hawaii 2008, authorized the governor to negotiate on
3 behalf of the State with private interested parties to purchase
4 the resort property located in Kahuku, Oahu, owned by Oaktree
5 Capital Management, LLC, through its subsidiary Kuilima Resort
6 Company and their successor in interest. The subject property
7 under negotiation includes the lands known as the Turtle Bay
8 Hotel and Resort ("Property"). However, despite two separate
9 attempts to acquire the land, nothing has been successfully
10 completed and the purchase is still pending.

11 The legislature further finds it is in the public's best
12 interest to protect and preserve Hawaii's historic and cultural
13 heritage. The proposed expansion of the Property located in the
14 ahupuaa of Hana Kae in Kahuku on the island of Oahu is contrary
15 to this public interest. Therefore, the legislature believes
16 that it is in the public's best interest to continue efforts to
17 acquire the Property for preservation by purchasing those lands,
18 exercising the State's power of eminent domain to acquire the



1 Property, or participating in a cooperative agreement to acquire
2 the Property.

3 The purpose of this Act is to appropriate funds and to
4 authorize the governor, or the governor's designee, to continue
5 efforts to acquire the maximum undeveloped areas surrounding the
6 existing hotel and condominium in and adjacent to the Property
7 by purchasing them outright, by exercising the State's power of
8 eminent domain, or by entering into a cooperative agreement to
9 acquire the Property.

10 SECTION 2. The governor or the governor's designee shall
11 immediately continue to initiate negotiations with Kuilima
12 Resort Company, Oaktree Capital Management, LLC, any other
13 entity or person that holds an interest in the Property, and
14 their successors in interest, to acquire properties held by
15 Kuilima Resort Company, a Hawaii general partnership; Oaktree
16 Capital Management, LLC; and their successors in interest,
17 inclusive of those parcels mauka of Kamehameha highway. The
18 financing of the acquisition may be by one or more of the
19 following means:

20 (1) Appropriations made by the legislature from the
21 general fund or any special funds;



- 1 (2) General obligation bonds authorized by the
- 2 legislature;
- 3 (3) Exchange of public lands or transfer of development
- 4 rights, to the extent authorized by law;
- 5 (4) Federal or county funds;
- 6 (5) Private funds, financing, or donations; or
- 7 (6) Any other means of financing the governor or the
- 8 governor's designee may negotiate.

9 The lands to be acquired shall include the unimproved lands
10 that are not used for the existing occupied hotel and
11 condominiums or any appurtenant uses thereto, including the
12 unoccupied areas that could be relocated, such as the golf
13 courses, stables, parking areas, and nurseries. Specifically,
14 the lands to be acquired shall generally include that unimproved
15 land:

- 16 (1) Located between the western edge of the improved
- 17 portion of the Turtle Bay property toward Kawela Bay
- 18 to the western boundary between the Turtle Bay
- 19 property and the private property at Kawela Bay;
- 20 (2) Located between the eastern edge of the improved
- 21 portion of the Turtle Bay property towards Kahuku



- 1 point to the eastern boundary of the property,
2 including Kahuku point;
- 3 (3) Located mauka of Kamehameha highway; and
4 (4) Adjacent to the resort that have significant
5 conservation or historic value if the acquisition
6 would better protect coastal and natural resources
7 from Malaekahana state recreation area to Kawela.

8 SECTION 3. If the governor, or the governor's designee
9 finds that it is not feasible for the State to acquire sole
10 interest of the Property identified in section 2 of this Act,
11 the governor, or the governor's designee, shall seek out and, if
12 possible, enter into a cooperative agreement or agreements with
13 private or other public entities interested in preserving those
14 unimproved portions of the identified property in their
15 unimproved state for the purpose of cooperatively acquiring the
16 Property.

17 SECTION 4. The governor, or the governor's designee, shall
18 submit a report to the legislature no later than twenty days
19 prior to the convening of the regular session of 2014 regarding
20 its efforts to acquire the aforementioned lands and its
21 recommendations for financing the purchase of the Property.



1 SECTION 5. If an agreement to acquire the Property is not
2 reached within a reasonable time, as determined by the governor,
3 or the governor's designee, the governor, or the governor's
4 designee, shall exercise the power of eminent domain to acquire
5 the unimproved lands. For purposes of this Act, condemnation of
6 those lands shall not be subject to legislative disapproval.

7 SECTION 6. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$50,000,000 or so
9 much thereof as may be necessary for fiscal year 2013-2014 and
10 the same sum or so much thereof as may be necessary for fiscal
11 year 2014-2015 for the purchase of the property commonly known
12 as the Turtle Bay Hotel and Resort and the surrounding
13 unimproved property, as identified in this Act, or to commence
14 the condemnation process of those lands.

15 The sums appropriated shall be expended by the department
16 of land and natural resources for the purposes of this Act.

17 SECTION 7. The appropriations made for the land
18 acquisition authorized by this Act shall not lapse at the end of
19 the fiscal biennium for which the appropriations are made;
20 provided that all moneys from the appropriation unencumbered as
21 of June 30, 2018, shall lapse as of that date.



1 SECTION 8. This Act shall take effect upon its approval;
2 provided that section 6 shall take effect on July 1, 2013.

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INTRODUCED BY: Chris He



Report Title:

Land Acquisition; Turtle Bay; Appropriation

Description:

Directs the governor, or the governor's designee, to continue 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.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

