

A Bill for an Act Relating to Land Acquisition.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The legislature finds that it is in the public interest to protect and preserve Hawaii's historic and cultural heritage. The proposed expansion of the Turtle Bay Hotel and Resort located in the ahupuaa of Hana Kaeo, in Kahuku on the island of Oahu is contrary to the public interest.

The legislature therefore declares 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 participating in a cooperative agreement to acquire those lands.

The purpose of this Act is to appropriate funds and to authorize the governor, or the governor's designee, to acquire the area commonly known as the Turtle Bay Hotel and Resort and the accompanying undeveloped property by purchasing them outright, by exercising the State's power of eminent domain, or by entering into a cooperative agreement to acquire the property.

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

- (1) Appropriations made by the legislature from the general fund or any special funds;
- (2) General obligation bonds authorized by the legislature;
- (3) Exchange of public lands, to the extent authorized by law;
- (4) Federal funds;
- (5) Private funds, financing, or donations; or
- (6) Any other means of financing the governor or the governor's designee may negotiate.

The land to be acquired shall include the unimproved lands that are not used for the hotel and resort proper or any appurtenant uses thereto, including but not limited to golf courses, stables, condominiums, parking areas, nurseries, and physical plant. Specifically, the land to be acquired shall include that unimproved land:

- (1) Located between the western edge of the improved portion of the Turtle bay property towards Kawela bay to the western boundary between the Turtle bay property and the private property at Kawela bay;
- (2) Located between the eastern edge of the improved portion of the Turtle bay property towards Kahuku point to the eastern boundary of the property, including Kahuku point; and
- (3) Located mauka of Kamehameha highway;

provided that the land acquired may include the improved property that is used for the Turtle Bay Hotel and Resort and any appurtenant uses thereto.

SECTION 3. If the governor, or the governor's designee finds that it is not feasible for the State to acquire sole interest of the property identified in section 2 of this Act, the governor, or the governor's designee, shall seek out and, if possible, enter into a cooperative agreement or agreements with private or other public entities

interested in preserving those unimproved portions of the identified property in their unimproved state for the purpose of cooperatively acquiring the property.

SECTION 4. The governor, or the governor's designee, shall submit a report to the legislature no later than twenty days prior to the convening of the regular session of 2009 regarding its efforts to acquire the aforementioned lands and its recommendations for financing the purchase of the property.

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

SECTION 6. There is appropriated out of the special land and development fund the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2008-2009 for the purchase of the property commonly known as the Turtle Bay Hotel and Resort and the surrounding unimproved property, as identified in this Act or to commence the condemnation process of those lands.

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

SECTION 7. The appropriation made for the land acquisition authorized by this Act shall not lapse at the end of the fiscal biennium for which the appropriation is made; provided that all moneys from the appropriation unencumbered as of June 30, 2010, shall lapse as of that date.

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

SECTION 8. This Act shall take effect upon approval; provided that section 6 shall take effect on July 1, 2008.

(Approved June 4, 2008.)