
HOUSE CONCURRENT RESOLUTION

URGING THE ADMINISTRATION TO COMPLETE THE PURCHASE OF TURTLE BAY
RESORT AND THE SURROUNDING UNDEVELOPED LANDS AND URGING THE
COMMITMENT OF THE LEGISLATURE TO ASSIST WITH THE PURCHASE.

1 WHEREAS, the Ko'olauloa-North Shore region known as Turtle
2 Bay, located in the ahupua'a of Hana Kae in Kahuku on the island
3 of Oahu, represents one of the last remaining partially
4 developed shoreline areas on the most populated island within
5 our State; and
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7 WHEREAS, the Turtle Bay area encompasses a total of 1,429
8 acres on the makai and mauka sides of Kamehameha Highway in
9 Kahuku that includes unique and irreplaceable natural and
10 cultural features, including Punahoolapa Marsh, Kawela Bay, and
11 alluvial sand dunes; and
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13 WHEREAS, since 1969, the majority of the property has been
14 classified for urban land use and the Council of the City and
15 County of Honolulu approved the Kuilima Expansion Project by
16 issuing a special management area use permit to Kuilima
17 Development Company in 1986; and
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19 WHEREAS, these actions might be considered as allowing the
20 construction of up to three thousand hotel rooms plus
21 development of residential units and commercial structures on
22 this property; and
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24 WHEREAS, there have been significant changes in the
25 surrounding communities along the North Shore, as well as the
26 rest of Oahu over the past twenty years, such as increased
27 traffic congestion and additional demands on remaining beaches,
28 recreational areas, and undeveloped land, no longer making it
29 practical or of community benefit to consider the type of
30 development previously approved; and
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1 WHEREAS, Oaktree Capital Management, LLC, the current owner
2 of the Turtle Bay Hotel and Resort, has failed to make payment
3 and, as a result, has been subject to a foreclosure action by
4 the creditors for an estimated eight hundred eighty acres of the
5 property on the makai side of Kamehameha Highway and Oaktree
6 Capital Management, LLC has actively solicited bids for the sale
7 of this property for resort development; and
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9 WHEREAS, Oaktree Capital Management, LLC has actively
10 attempted to sell the makai property for resort and residential
11 development; and
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13 WHEREAS, the Legislature believes the makai and mauka
14 portions of the Oaktree Capital Management, LLC holdings are
15 interrelated and should be purchased as a unit to protect the
16 long-term viability of the area, including the existing hotel
17 and residential units; and
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19 WHEREAS, the Legislature recognizes that the State does not
20 intend to own and operate the Turtle Bay Resort; and
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22 WHEREAS, the Legislature recognizes that it is important to
23 the economic benefit of the community to ensure that the
24 existing hotel and resort remain viable, that the jobs of the
25 employees of this facility are protected, and that the proceeds
26 from the sale of the developed parcels, to the extent possible,
27 cover the State's costs to acquire and preserve a majority of
28 the undeveloped area; and
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30 WHEREAS, the current global economic situation and the
31 conditions faced by national financial markets are such that the
32 State now has a unique and distinct opportunity to enter into
33 the negotiations for the purchase of the Turtle Bay property;
34 and
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36 WHEREAS, the intent through these negotiations is to result
37 with a net zero outlay in State moneys; now, therefore,
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39 BE IT RESOLVED by the House of Representatives of the
40 Twenty-fourth Legislature of the State of Hawaii, Regular
41 Session of 2008, the Senate concurring, that the Administration
42 is urged to complete the negotiations for the purchase of Turtle
43 Bay Resort and the surrounding undeveloped lands; and
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1 BE IT FURTHER RESOLVED that upon the completion of
2 successful negotiations between the State and the owners or
3 successors in interest, the Legislature is committed to a good
4 faith review of the terms of the acquisition of the Turtle Bay
5 Resort and surrounding undeveloped lands within the bounds of
6 existing law; and
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8 BE IT FURTHER RESOLVED that certified copies of this
9 Concurrent Resolution be transmitted to the Governor; Oaktree
10 Capital Management, LLC; the members of the Turtle Bay Advisory
11 Working Group; the members of the Kuilima East and Kuilima West
12 condominium associations; the leadership of the ILWU Local 142;
13 Hotel Employees and Restaurant Employees Union (HERE) Local 5;
14 and the Ko'olauloa-North Shore Alliance.

