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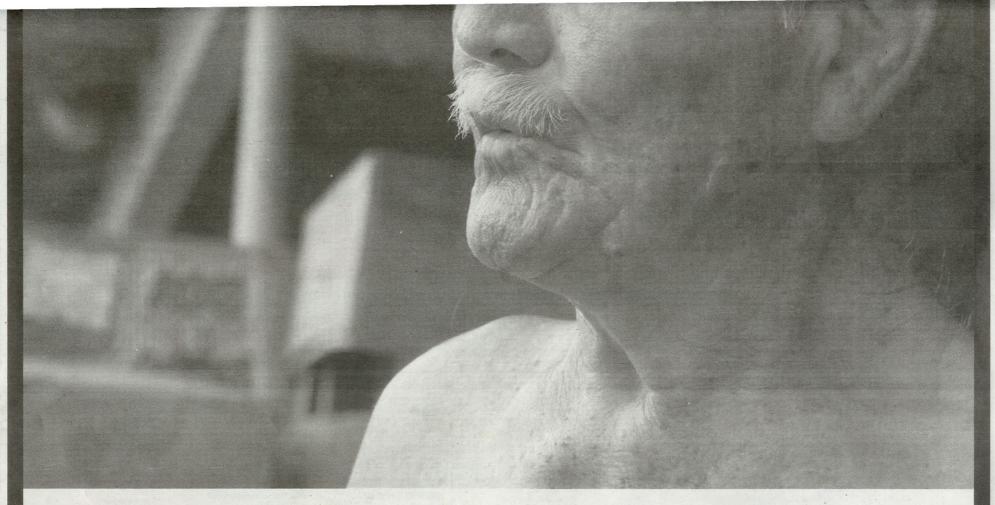
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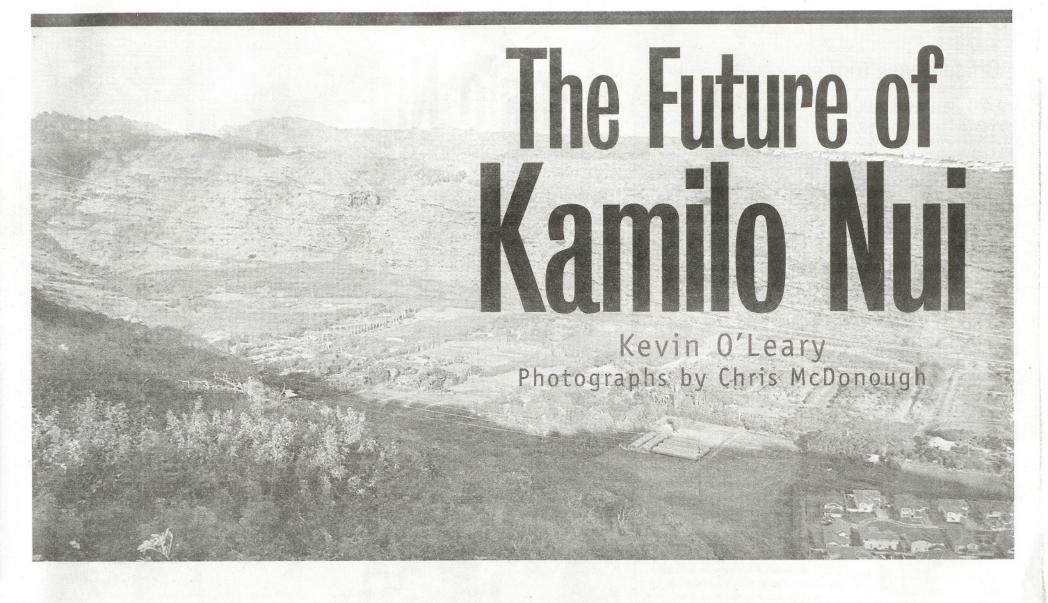






Will Hawai'i Kai's rural Kamilo Nui district be the next Kalama Valley?

by Kevin O'Leary



The farmers of Kamilo Nui, the last sizeable piece of undeveloped land

amilo Nui is not easy to find. Even if you have located it on a map, you'll wind your way through the suburban maze of Hawai'i Kai on

through the suburban m streets not designed to get anyone anywhere but to the next tract house, the next cul-desac. Finally, on a street that appears to dead end at a chainlink fence, a narrow asphalt road leaves the

subdivision behind, curves around a

wild," Nii explains. "And so does he." Nii points out toward the road, where a black feral pig, his snout close to the ground, saunters past. "He let me scratch him once. As long as they

don't bother the plants, we don't bother them."

Niiand his cousin Richard just up the road work a total of 6.2 acres of land that their families first occupied in 1970, when their original nurseries were relocated from land makai of Kamilo Nui (often called

sizeable piece of undeveloped land in Hawai'i Kai, are being asked to sell their leases to a development firm that wants to build more housing. Will they sell or will they fight?

sac. Finally, on a street that appears to dead end at a chainlink fence, a narrow asphalt road leaves the subdivision behind, curves around a couple of bends, and leads to a green oasis of small farms and plant nurseries against a backdrop of a shallow valley sloping up to the last wall of the Koʻolau.

On a recent Sunday afternoon nurservman Glenn Nii, whose father started the family's nursery business in the '50s, takes a break from hauling compost beneath the shade of decades-old banyan trees. "Hibiscus is our specialty-what we're known for. We create our own hybrids." He proudly points to the display of flowers at the front of his "office," a wooden shed open on three sides, housing a desk and a credit card machine. The flowers are fantastic: unique shades of yellow, red, pink and one particularly bizarre combination of mauve and deep purple. Chickens scratch in the dirt nearby. "They run



land that their families first occupied in 1970, when their original nurseries were relocated from land makai Kamilo Nui (often called Kamilonui Valley) to make room for Henry J. Kaiser's dream of Hawai'i Kai. At the time, 23 parcels (leased to 16 individuals) were carved out of the rocky, narrow strip of land at the back of the valley to already established farmers and nursery growers-predominantly Japanese-who had lived and worked in the area for a generation or more. (Some of the old timers have moved their businesses three times, as development has pushed them further toward the mountain.) Now they're looking to move again.

Like most small business people who cultivate food, flowers and plants for O'ahu consumers, these farmers do not own the land on which they toil. This fact has come full circle for the farmers of Kamilo Nui, as their parcels, leased from

Kamehameha Schools Bishop Estate (KSBE) 35 years ago, come under the gun as the last sizeable piece of undeveloped land in the bedroom community of Hawai'i Kai. A local developer, Stanford Carr, has reached an agreement with KSBE to buy the 87 acres for an undisclosed amount of money.

But if ever a land deal came with conditions it is this one. In order for Carr to buy the property he must first convince all of the leaseholders to sell him their lease interest (the leases run until 2025-although the lease rents are due to be renegotiated in 2007). According to Kekoa Paulsen, spokesperson for KSBE, "After the leases would be transferred to Mr. Carr...we [the Estate] would essentially sell him the lease to fee. The leases would then be terminated and he would become the fee simple owner of the property." But wait, there's more. Kamilo Nui is currently zoned for agriculture. (Along with a small parcel of land behind Kaiser High School, it is the last remaining parcel of ag-zoned land in east O'ahu.) And Stanford Carr—whose gated Peninsula at Hawai'i Kai project featured "executive residences" for \$1.85 million and blocks of condos ranging in price from \$400,000 to \$600,000—is probably not looking to change Kamilo Nui into one big taro patch.

"What would be needed for any kind of development to go forward," says Bob Stanfield, Chief of Development and Lone Change with the city's Department of Planning and Permitting,





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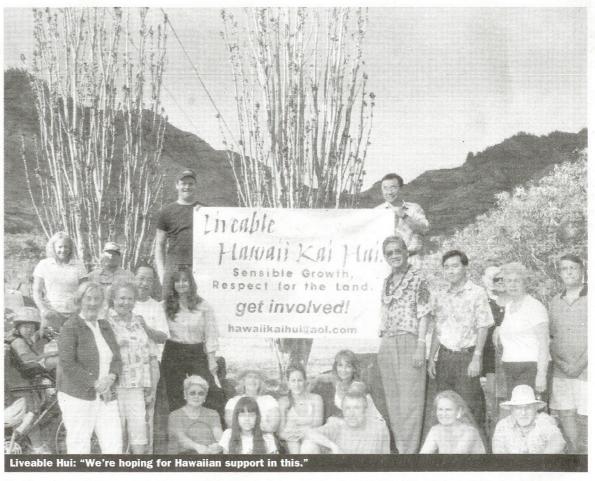
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Kamilo Nui



"is first, an amendment to the East O'ahu Sustainable Communities Plan in order to move the ag/urban boundary, and second, you would still need a zone change, because the area is currently zoned for agriculture." That process could take upwards of two years according to Stanfield.

Complicating the matter is the fact that no one can immediately force the farmers to do anything they don't want to do—they each hold a land lease until 2025.

What's more the idea of the sale of the land apparently.

an insult to the people of Hawai'i Kai, who have seen their community built out—as the plan indicated it would be. This is Kalama Valley all over again."

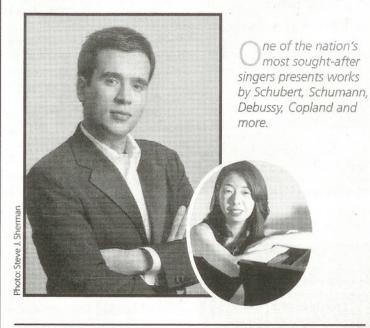
Kalama Valley, minutes away from Kamilo Nui to the east, became a political battleground in 1970 when KSBE began evicting long-time leaseholding farmers to make room for a subdivision. Pig farmer George Santos held out against the bulldozers for months, supported by a coalition of environmental groups and a nascent Native Hawaiian rights movement. Today the valley is full

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process could take upwards of two years according to Stanfield.

Complicating the matter is the fact that no one can immediately force the farmers to do anything they don't want to do—they each hold a land lease until 2025. What's more, the idea of the sale of the land apparently did not originate with the developer Carr or KSBE. "The farmers approached us," says Neil Hannahs, director of the land assets division of KSBE. "The co-op brought Mr. Carr in with his offer."

Lillie Wong, who has been president of the Kamilo Nui farmers co-op since its founding in 1967, confirms the claim, but has an explanation. "I negotiated the initial lease deal between Henry Kaiser, Bishop Estate and the farmers. I tried to get the longest lease possible—55 years is very long for an agricultural lease. And I'm proud of that. The developers have been approaching us for years to sell—but the farmers always said no. When they were younger. Now, they're old. Why should they wait until what they have [the lease interest] is worth nothing? If they sell now at least they get something for all their years of hard work."

Wong, who by all accounts fought the last development incursion in the area—when Schuler Homes was able to get acreage rezoned, and its Leolani subdivision of townhouses pushed right up against the current Kamilo Nui boundary—seems an unlikely person to be pushing for a sale of a place she loves. "I am doing it for the farmers. The majority have no one in their families who want to carry on. Their children are lawyers and doctors now—professionals. It's not about whether the land will be developed, but how. It should be done in a way that will enhance the neighborhood, with as few houses on as large a lot possible."

Kalama Valley all over again?

Just exactly what developer Carr has in mind for the property, however, is not clear. He has mentioned erecting 200 homes on the site, although developed parcels nearby allow for several times that density. Whatever his plans, the group Livable Hawai'i Kai Hui, recently formed around the issue of over-development in the neighborhood, says enough is enough. They submitted a petition signed by 3,500 Hawai'i Kai residents to the city council, demanding that the urban/ag boundary remain right where it is. Hui president Elizabeth Reilly does not come off like a tree hugger. "I'm not anti-development. I am for sensible development, as laid out in the city's East O'ahu Sustainable Communities Plan. The plan is very clear. It says that Kamilo Nui must remain in agriculture until 2020. Changing that would be

the east, became a political battleground in 1970 when KSBE began evicting long-time leaseholding farmers to make room for a subdivision. Pig farmer George Santos held out against the bulldozers for months, supported by a coalition of environmental groups and a nascent Native Hawaiian rights movement. Today the valley is full of tract homes.

"The beginning of the sovereignty movement is generally taken to be the struggle against Kamehameha Schools at Kalama Valley, when the people were evicted so that the estate could build those fancy houses," says Professor Haunani-Kay Trask of the UH Center for Hawaiian Studies. Trask, who says she was unaware of the Kamilo Nui controversy, nevertheless finds KSBE's position "no surprise." "They [KSBE] are nothing more than a development corporation, and we who are the grads (Trask graduated from Kamehameha in 1967) and the Hawaiians and the heirs of Bernice Pauahi have been fighting that approach since the post-statehood era of development began."

The fact that no Hawaiian group has thus far raised a public protest concerning KSBE's proposed sale of Kamilo Nui puzzles some in the mostly non-Hawaiian Livable Hawai'i Kai Hui. "We would like Hawaiian support in this," says the Hui's Riley, "but we don't know who to talk to."

The Estate

KSBE's Paulsen says they have had private discussions with "stakeholders" concerning the proposed sale. "Many in the community prefer that we not sell our land. And we have strong feelings about keeping land in the trust. We've explained to them that we intend to maintain a perpetual presence in Hawai'i-to keep the footprint of our land holdings essentially the same. We may sell a piece here—but buy somewhere else."

As Paulsen puts it: "Our main consideration continues to be to generate income that will allow us to not only sustain the [educational] programs we have, but expand them to reach more kids."

But the "it's all for the keiki" argument leaves many people in Kamilo Nui and Hawai'i Kai wondering just how far KSBE will go to maximize the value of its real estate. Hannahs points out the new reality: "We don't do residential leasehold anymore. We need to be prepared to part with our fee simple interest in order to see residential land we hold developed to its highest and best use." The estate has listed five factors it considers before selling any parcel: "cultural, economic, environmental, and educational or community capacity for Hawaiians." Kamilo Nui leaseholder Tom Yamabe asks, "What

about the wants of the rest of the community?" Reilly sees another factor missing from the list. "They [KSBE] show very little respect for what the city has planned. Kamilo Nui is not zoned for development. Doesn't that count for something?"

As for the signers of the Livable Hawai'i Kai Hui petition against developing Kamilo Nui, Paulsen points out, "I'm sure that there are others in that community who we do not hear from, and that it doesn't bother them to see more development out there." The estate is looking to developer Stanford Carr, "...who wants to bring the change out there, to work that through the community. If community opposition is such that... permits are not granted [for boundary and zoning changes] that's part of the process too. That's where community input is really gathered, and that's where it has its impact."

Which would seem to put the ball in the City Council's court. In July 2004 council member Charles Djou, who represents Hawai'i Kai, introduced a resolution to maintain Kamilo Nui's agricultural designation until at least 2020—the lifespan of the city's Sustainable Communities Plan. The resolution—with no force of law—passed unanimously. "Nothing at all is happening with regard to the city and Kamilo Nui at present," Djou says, "no inquiry from the developer concerning an application for a boundary change, zoning change, nothing. As far as the city is concerned, Kamilo Nui is ag and it will remain ag."

Since KSBE has stated that the deal with Stanford Carr is contingent on the developer first "...obtaining the necessary entitlements, that is, the boundary and zoning changes that would take Kamilo Nui out of ag," it seems odd that Carr would not be applying for those changes now, since, as Djou points out, the process of zone change could take up to two years, provided the Council went along. Odd unless you read the lease the farmers have with KSBE, Djou says. "The lease specifies that the lots must remain in agriculture for the length of the lease [until 2025]," he explains. "The only ex-

sued in court by Carr and Kamehameha Schools to force them to go along. If they succeeded, at that point there would be unanimity, and Carr could proceed [with the purchase]. But I would think you would have to have at least two-thirds, or three-quarters of the leaseholders going along. That would show a judge that the hold-outs are not being reasonable, not abiding by their fellow-signees' wishes."

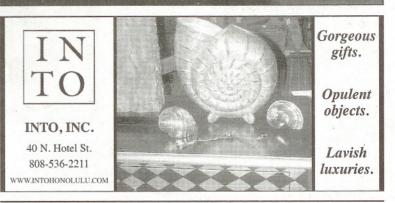
Carr has recently sent out cash offers (in one case approximately \$450,000) "for the value of the lease" to each of the Kamilo Nui leaseholders. As one of the farmers (who requested anonymity) puts it, "What are we supposed to do with this? There is no compensation for our businesses, for over 30 years of improvements we've made. Initially we heard talk of compensation, of relocation money. Now it's 'here's the money,' but even that's only if he [Carr] can get the zone change first."

Under the terms of the 1970 agreement all of the owners of Kamilo Nui's 16 leases are automatically members of the co-op. In its dealings with the co-op thus far, KSBE has proceeded on the assumption that Wong speaks for most or all of its members, and based on that assumption has granted to Carr "... the exclusive right to work [on behalf of the leaseholders] to apply for entitlements [zone changes] and to negotiate the fee simple purchase for the lots from Kamehameha Schools." KSBE insists, however, that they are not trying to force the leaseholders out, and that, as spokesperson Paulsen has repeatedly stated, "...we would support the farmers in their effort to continue farming." Just how far that support would extend, however, is a matter of concern to at least three Kamilo Nui nursery owners.

The holdouts

Dean Takebayashi runs Chrysanthemums of Hawai'i on three acres of Kamilo Nui land. The nursery is a maze of greenhouses and wooden benches filled with every imaginable type of chrysanthemum, among other species of plants. Takebayashi recently purchased the lease, and has no intention of picking up and leaving. "It

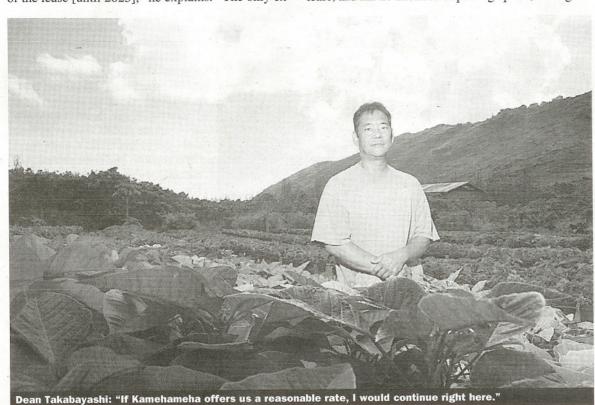








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ception would be if all the farmers unanimously agree to change the covenant. If that happened, a new lease could be created. That would seem to be why Carr has gone no further with the process. He needs everyone on board first."

Or does he? Carr (who did not return phone calls for this article) has stated that he only needs a "majority" of the farmers to agree to sell. Co-op president Wong approached KSBE with Carr, even though at least three of her co-op members had expressed reservations about the sale. When pressed for clarification, KSBE's Hannahs states, "If one or two guys hold out [refuse to sell], we will have to see what we have at the end of the day." Say what?

Djou, an attorney, throws light on the apparent contradiction. "If enough of the signatories to a lease covenant like this want out of the covenant, then they can sue the hold-out," he explains. "In this case if there were hold-outs in Kamilo Nui they would have to be

would be really hard to relocate. A lot of equipment, like my irrigation system, can't be reused. I would just have to leave it behind." As far as the controversy over the sale of Kamilo Nui goes, Takebayashi is concentrating instead on the renegotiation of the lease rents in 2007. "If Kamehameha [KSBE] offers us a reasonable rate, then I would continue right here. And, with almost 20 years remaining [on the lease], I would also have a saleable item-I could sell the business to another farmer who is interested. That's how I got the place."

Just up the road from his cousin Glenn, Richard Nii runs the largest nursery in Kamilo Nui, an operation begun by his father Shigeki. "Obviously, I have a lot invested here, and if I have a choice I will stay. Personally, I think that if Bishop Estate makes the lease for the next 20 years so that the farmers can afford to stay in business, then I think half would stay. Lillie Wong is really talking about the older generation—a lot of them are retiring and their kids are not taking over. They want

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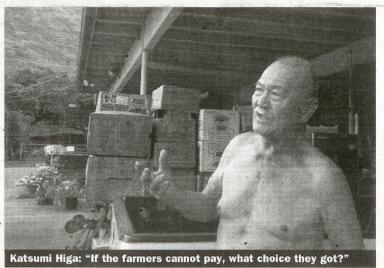
Kamilo Nui

to get something out of it instead of getting zero."

Which is just her point, says Wong. "You're talking to the few people who are still working the land alright, but they are not the actual leaseholders, which are the parents. And, with possibly one or two exceptions, they want to sell."

Not so, says Glenn Nii. His father Charles is the original leaseholder on their parcel, but currently, he explains, "...there are four names on the lease," spanning two generations of family members. And next to him, he points out, is the

Enomoto family, who have grown corn, lettuce and daikon for decades. "They sell their vegetables in the



open markets all over the island. They would rather stay—because it's the kids in the family doing most of the work now. They don't hire any outside workers to help." Nii worries how KSBE will regard Kamilo Nui when they renegotiate the lease rents. "Will they treat us

like gentlemen farmers and charge accordingly?" he asks.

Even farmers who have previous-

ly stated that they want to sell are in . a wait-and- see mode when it comes to the details. Katsumi "Kats" Higa, one of the original leaseholders, who farms a portion of his 6.9 acre parcel in green onions, beets and mizuna across the road from the Niis, doesn't think much of Carr's offer. "We've put in a lot of improvements over the years and Carr's offer doesn't compensate us for that. Plus, he never said how long we gotta wait for the money. He needs to go through the zoning change, public hearings first-that's gonna take years. I'm not waiting that long. If nobody buys me out, and with the lease renegotiation coming up, I'll leave before that time [2007]. The new lease rent is the big thing. They [KSBE] had said it would be three, maybe four times as much."

KSBE has stated that they will continue to base the rents on the agricultural zoning of the land, but, says Hannahs "the value of ag land everywhere has skyrocketed." Hannahs' talks about Kamilo Nui only serves to highlight Glenn Nii's concerns. "It's not good ag land," Hannahs explains. "The soil is rocky, the farmers use potable water, it's prone to flooding, and they are very distant from established ag land on O'ahu. People say they like the open space, but for those in the nearby suburbs there are tractors firing up early in the morning, farm smells, the use of pesticides and chronic ingress and egress problems through

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suburbs there are tractors firing up early in the morning, farm smells, the use of pesticides and chronic ingress and egress problems through an established subdivision. They [the leaseholders] have felt the pressures of encroaching development around them, and it just isn't supportive of agricultural activity."

Riley believes these arguments are a smoke screen, hiding the Estate's desire to unload Kamilo Nui. "We consider the valley to be the natural watershed for Hawai'i Kai—it is the first line of defense in a system of flood control, of which the marina is a part." Council member Djou agrees. "If you put homes there," he said in a recent Honolulu Advertiser article, "where will the water go?" Longtime residents of Hawai'i Kai remember the New Years' Eve flood of 1987, when floodwater in Haha'ione valley (just to the west side of Mariner's Ridge from Kamilo Nui) went wherever it pleased, turning Kahena Street, in a newly completed subdivision, into a ravine 10 to 20 feet deep, and 30 feet wide in places.

In his fifty years as a farmer Higa, has seen floods and droughts come and go. He's a practical man, who knows a change is inevitable when his lease rent comes up for renegotiation two years from now. "Before Henry Kaiser put one house out here, we were all farming on Lunalilo Home Road. The hog people, the poultry people, the carnation and flower growers and regular vegetable guys like me. We all were thrown out when Kaiser came in. Bishop [Estate] may say they want to help the farmer—but I know how they operate. They feel they gotta get their money back, their return. So if the farmers cannot pay, what choice they got?"