

money

RESORT SETS SIGHTS ON AGRITOURISM

A farmers market and improved facilities are part of Turtle Bay's plan for its farmland >> **B5**



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Scott McCormack, left, vice president of real estate for Turtle Bay manager Replay Resorts Inc., talks with Trinidad Soberano, center, and Clarita Miranda as they work at the Kahuku Land Farms stand in Kahuku.

Resort cultivates farm growth

Turtle Bay's owner plans to transform 469 acres into a hub of agritourism

By Andrew Gomes
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Turtle Bay Resort re-branded itself in recent years to better connect with Oahu's North Shore surf scene. Now the vacation destination also wants to connect with farming.

The owner of the resort has embarked on a plan to upgrade and integrate 469 acres of farmland mauka of Turtle Bay's hotel and two golf courses, with a goal of turning what have been largely hidden immigrant farms into agritourism venues and putting farm-fresh produce on plates of visitors.

The plan envisions big changes that include expanding the diversity of crops, establishing a large farmers market, adding a safety-certified food processing facility, building

BOOSTING PRODUCTION

Turtle Bay Resort hopes to improve production on 469 acres of farmland mauka of the hotel.



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farmworker housing and branding the whole operation Kuilima Farms at Turtle Bay.

Such change is welcomed by some farmers on the land, though for others it is an unpleasant uprooting of

how they have been working and living for years. Scott McCormack, vice president of real estate for

Turtle Bay manager Replay Resorts Inc., said the resort is investing significantly to improve farm infrastructure and give farmers opportunities to boost income. Also being offered are long-term leases that allow tenants to obtain loans to improve their operations.

"We're trying to help them be more successful," he said. "Some of our farmers are barely getting by."

McCormack also acknowledged that some farmers — most of whom are from Laos, Vietnam, Cambodia and the Philippines — may not be willing or able to participate in the new venture.

To be part of Kuilima Farms, farmers on Turtle Bay land have been asked to develop written business plans and to comply with tax and other government regulations. They also have been told they may not live on the land, which was being done by some in unpermitted, illegal structures.

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FARMING: Turtle Bay tenants face higher lease standards

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Transitioning to the new requirements has been difficult for some, especially those who don't speak English. About five tenants have left.

Currently, 12 farmers work on the Turtle Bay land, including three relatively new ones, growing a variety of fruits and vegetables that include bananas, papayas, basil, tomatoes, eggplant and taro.

Bobby Sourivong, who farms five acres with his dad, said the change has generally been a good one because some tenants who were subleasing land and not farming much were rooted out, including one group Sourivong said lived in a van amid a banana patch with dogs that attacked his mother.

"They are trying to enforce laws that have been broken for years," he said of Turtle Bay officials. "They're not trying to chase us out. They don't want to give a long-term lease for someone who's not going to farm."

Sourivong said not living on the farm wasn't an issue for him, though the prohibition for some is a hardship because traditional housing is expensive and living off the farm reduces farm security.

Turtle Bay has tried to help farmers with some of the changes, including providing assistance with producing business plans and complying with government regulations. There is no rush, McCormack said, to complete business plans and make changes.

"We're trying to take the gentle, soft approach," he said. "We're also saying (to tenants), if there's land available down the road, you should probably go there because we are going to up our standards."

Diversified agriculture has existed mauka of Turtle Bay Resort for close to 45 years. Prior to that the land was planted in sugar cane as part of Kahuku Plantation Co., which shut down in 1971.

The resort was developed on former Kahuku Plantation land, while property mauka of the resort remained in agriculture under landowner Campbell Estate, which leased the area to independent farmers.

Farmers had long been on month-to-month leases with little oversight. Rent is \$400



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Twelve farmers currently work on Turtle Bay Resort land, growing a variety of fruits and vegetables. A worker harvests Thai basil on Turtle Bay farmland.

a year per acre.

In 2005 the then-owner of the resort, Oaktree Capital Management, bought the farmland from an affiliate of the estate now known as James Campbell Co. for \$13.5 million. A consortium of lenders that foreclosed on Oaktree assumed ownership of the farmland in 2010.

Oaktree acquired the farmland mainly to control drainage of mountain water flowing to the resort, though the company also wanted the land for possible development as an agricultural subdivision for residential use often criticized as "gentlemen's estates," according to Ralph Makaiau, a 43-year Turtle Bay employee and senior project manager for Replay.

Then in 2012 the idea sprouted to improve the farms and link the property with the resort, Makaiau said. Colorado-based farm consulting firm Agrinetx was retained to assess that potential.

Agrinetx produced the framework of a master plan that identifies areas for new crops including coffee that could be branded after the resort, flowers, orchards and a goat dairy.

A mountain bike trail that could be tied in with farm tours is also envisioned. Other changes include improvements to roads, irrigation and streams.

To help pay for the upgrades, the resort has been working on a deal to sell an easement that would ensure the land is restricted to agriculture in perpetuity. The resort has agreed to sell the easement for \$6 million.

Entities chipping in to protect the land are the Army with \$3 million, the city with \$1.5 million and the North Shore Community Land Trust and the Trust for Public Lands, which obtained \$1.5 million from the state.

McCormack said the easement deal, which is expected to close by March, is key to upgrading the farmland. "It allows us to do some things that economically would not be justified," he said.

An easement also would

prevent the land from becoming a subdivision of gentlemen's estates.

One investment already made under the plan was a \$400,000 upgrade to a well for irrigation water, McCormack said.

Sourivong said a safety-certified food processing facility would open up major new sales channels for crops, including retail stores and hotel restaurants.

Today, Turtle Bay farmers largely sell their produce at area farmers markets and in Chinatown.

There is also a produce stand dubbed Kahuku Land Farms which Oaktree put up not far from the resort's entrance about four years ago, though the size of the operation is limited to 500 square feet by law.

A bigger farmers market within the resort is part of Turtle Bay's expanded farm plan, and would give more farmers the opportunity to sell their crops.

Chue Outtaphone, a farmer from Laos who has farmed 10 acres above Turtle Bay for five years with her husband and sells crops at the stand, has embraced the resort as a partner.

"It's been great," she said. "We thank Turtle Bay for allowing us to make a living here."

As the master plan is implemented and long-term leases are established, the resort plans to seek a share of increased income that farmers are expected to earn.

The new farm plan envisions roughly 30 farmers on the 469 acres, as more of the land is put into production and some existing farms downsize. Leases up to 25 years would be available.

Makaiau said there is a waiting list of new farmers interested in leasing land.

To kick off some of the changes, Turtle Bay is looking for someone to establish a "model farm" between five to 25 acres fronting Kamehameha Highway to supply a majority of produce for the resort and serve as a hub for tours.

"We're open to business proposals for ideas," McCormack said.