

MAUNALUA FARMERS SETTLE ON RENT RENEGOTIATIONS



Rent renegotiations for agricultural leases in Kamehameha Schools' Kamilonui Valley and Lunalilo agricultural subdivisions concluded this summer, with 24 of 25 lessees settling with Kamehameha Schools.

Under KS lease provisions, lessees are required to comply with agricultural use requirements which maintain that at least 50 percent of their acreage be in active agricultural production.

All of the lessees who are meeting the agricultural requirements have agreed to the new rents, and the one who has not is now in arbitration with KS, a process required by the lease terms which can take anywhere from 30 to 60 days or more.

KS began communicating with its East Honolulu agricultural tenants in early 2009, as many of their 55-year leases in the region approached the date of their first rent renegotiation in nearly 40 years. For those prior years, lessees had enjoyed fixed rents of approximately \$15 per acre per month with an average of 5.33 acres per lease.

Originally a carnation flower nursery established in 1954, Otsuji Farm was entrusted to the youngest child in the Otsuji 'ohana, Edwin. In 1969, Edwin obtained 4.5 acres behind Kaiser High School from Kamehameha Schools and began growing Otsuji Farm into what it is today.



Edwin and Jonas Otsuji of Otsuji Farms grow a wide selection of vegetables on their farm near Kaiser High School.

farmers' markets in Kailua, at Kapi'olani Community College and at Kaiser High School.

"The farm has been good to me and my family. Having been here for all these years, I recognize the specialness of this particular location," Otsuji said. "Weather-wise, this place is ideal and I want to expand my acreage to use this farm as a model for education and possibly research."

The future of the farm belongs to Otsuji's youngest

"As long as I can make a living, then I will do it," Jonas Otsuji said. "The wholesale market is not going to cut it, but with prepared foods, I think we have a chance."

To encourage and support farming in Kamilonui, Kamehameha Schools agreed upon two lease agreements. Lessees who verified they are bona fide farmers (generating income from farming) and had a minimum of 50 percent of the

specializes in the use of a variety of palms — especially his signature Sago palms — and landscaping natural rock formations and water features.

Contemporary or Asian themed, Yamaoka has landscaped The Willows, Hilton Hawaiian Village's Ali'i Tower, Paradise Cove and The Children's House in Pacific Palisades.

"When I first started out, I couldn't afford to buy land. Kamehameha Schools opened the door for me. When I got the lease I paid \$500 a year. Where else can I get three acres to live and make money? I got no beef with Kamehameha Schools, they have been very fair," Yamaoka said.

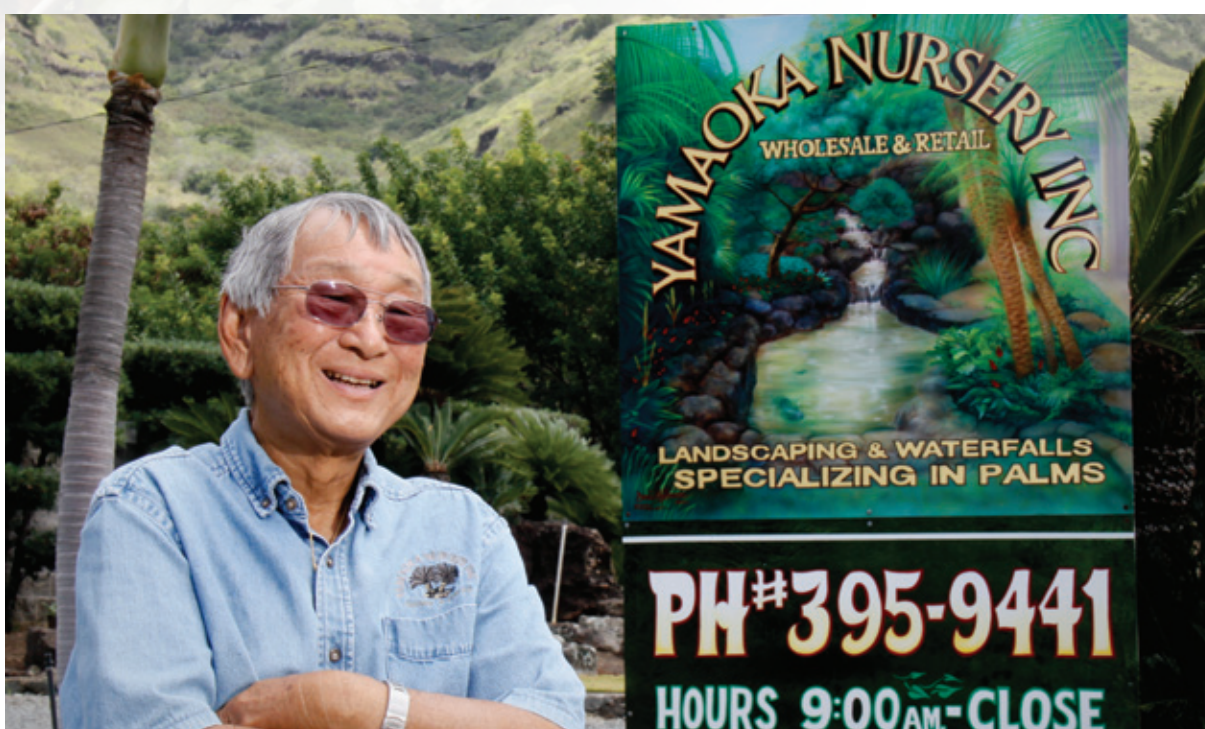
Kamehameha Schools owns approximately 80 acres of agriculturally zoned land in the Kamilonui Agricultural Subdivision of Kamilonui Valley and approximately 28 acres in the Lunalilo Agricultural Subdivision behind Kaiser High School.

In alignment with its 2009 Strategic Agricultural Plan, KS is dedicated to the long-term use of its agricultural lands across the state.

"Kamehameha Schools is committed to increasing the agricultural productivity of its lands and supporting local agriculture in Hawai'i," said KS land asset manager Kāwika Burgess.

"We appreciate and support our agricultural lessees such as Mr. Yamaoka and Mr. Otsuji who have been good stewards of the land and provide high quality locally grown plants and produce."

For more information on Kamehameha's Strategic Agricultural Plan, please visit www.ksbe.edu/land.



Francis Yamaoka of Yamaoka Nursery has leased land in Kamilonui Valley since 1973.

With six employees and the occasional help of his three sons, Otsuji sells a wide selection of vegetables to Safeway, Don Quixote and Whole Foods. Otsuji Farm products, including beets, kale, choi sum, radish, lettuce, squash, green onions and herbs, are also available at weekly

son, Jonas, who plans to take over when his father retires. Although He lives in Las Vegas and works as a chef, Jonas has been developing value-added products, such as his tempura kale and spicy tuna "sushi surfer slider" available at the KCC Farmers' Market.

land under cultivation, paid one amount, with other rents based on current appraised fair market values for agricultural lots within a dwelling.

Francis Yamaoka, owner of Yamaoka Nursery Inc., has leased three acres of land in Kamilonui Valley since 1973. Yamaoka