

Exploration of Market-based Conservation Opportunities for Cape Eleuthera.



Beachfront at The Island School.

Presented by the Kinship Conservation Fellows
Watershed & Coastal Resiliency Affinity Group.

Kinship 
CONSERVATION FELLOWS



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Executive Summary



Powell Point

In April 2013, a team of conservation professionals organized by the Kinship Conservation Fellows Watershed and Coastal Resiliency Affinity Group convened on the island of Eleuthera, Bahamas to evaluate the 4,500 acre Cape Eleuthera site (also referred to as Powell Point) to consider alternative and specific market-based conservation strategies for sustainable development and ecological preservation. The Cape Eleuthera site has been extensively altered by decades-old development that includes shoreline dredging, a now defunct golf course, a still-operational marina, and is where the Island School is located. It is bordered by the deep Atlantic Ocean on one side and the shallow and flat-bottomed Caribbean Sea on the other. The site is five miles from the nearest settlement, Deep Creek.

We found that conventional real-estate development proposals at the Cape and elsewhere on Eleuthera have not been, nor are likely to be, economically viable for several reasons: Existing competition from established mega-resorts and second home developments in Florida, Nassau and Grand Bahama Island, a lack of supportive infrastructure and compelling land-sea interface at the Cape, a lack of demonstrated demand for higher-end home developments, and competition with even more proposed speculative development models currently being touted on South Eleuthera.

We found the site's strengths to include the Island School and Cape Eleuthera Institute campus, which has a significant and unique vitality and community presence; the confluence of the Caribbean Sea and the Atlantic Ocean which leads to marine habitats that are diverse, intact and provide a market for eco-tourists and fishermen; the existing deep water marina at Powell Point is modern and capable of supporting the largest of privately owned pleasure boats, current infrastructure at Powell Point is relatively modern and in good repair, and open space is abundant and has some aesthetic value.

We offer various pathways to find viable uses of the Cape:

- 1) Augment previous energy directed towards development of marine protected areas, and repurpose land for agriculture & wind energy production,
- 2) Repurpose existing development for institutional conservation educational/research facilities, for expanded educational and educational-tourism services, and
- 3) Create separate eco-tourism development model harnessing the assets of both The Island School and existing marina resort.

A week of immersion, even preceded by months of preparation and peopled with residents as well as experts, cannot claim to identify solutions for which a long-term and systematic process is required. We do, however, identify strategies for moving forward for a viable future for Cape Eleuthera.

Introduction



Team meeting at The Island School.

was financially sponsored by Kinship Conservation Fellows and ProPesca and hosted by The Island School. The expedition was organized by the Kinship Conservation Fellows Watershed and Coastal Resiliency Affinity Group and Fellows Dan Tonnes, Christian Henry, and Scott Gillilan, with three additional Kinship Fellows Csaba Vlasko, Tanya Bryan, and Fernando Bretos; a professional group facilitator (Paul Hoobyar); a conservation photographer (Neil Ever Osborne); a hotel and leisure consultant (Patty Lee); and land planner/architect (Clark Stevens) (see appendices). Together the team has deep experience in business and community planning, tourism, marine biology and ecology, energy, and land restoration. Many of the team members have worked and traveled extensively in the Caribbean over the past two decades. The expedition was organized as an “immersion” conducted by a hand-picked group of diverse conservation specialists that could, with extensive pre-project collaboration and research, assemble on-site, assess relevant physical, socio-economic, and market conditions in the project areas and generate realistic and actionable conservation project ideas.

The organization of the immersion started in spring 2012. For six months, we shaped the overall intent of the immersion and recruited team members that could bring various expertise and diverse experience. As the team was configured we conducted extensive research on current and historic economic drivers of Eleuthera and The Bahamas. The team read the “Shared Vision” report by the One Eleuthera Foundation, which outlines new and innovative concepts for Eleutherans to work together to increase local capacity for sustainable development, cultural renewal, and diversification of the local economy.

We stayed at The Island School campus in order to assess organizational capacity, strengths, and future opportunities and toured the Cape Property and assessed some failed development sites on Eleuthera, including Club Med/French Leave, Cotton Bay, and Potlach. The team also viewed currently operating and successful resorts including Pineapple Fields, located near Governors Harbour. Prior to our arrival on Eleuthera various members on the team had discussions with Bahamian experts in the fields of tourism, finance and development, and natural resource management. These discussions continued after our arrival in the Bahamas. On April 18th, we attended the Symposium on Coastal Development and Tourism hosted by The Island School. Near the end of the immersion, we conducted a project-level charrette to capture our initial principles and ideas for a future for the Cape Eleuthera/Powell Point and Turtle Lake area.

During April 11-20, 2013, a team of nine conservationists from four countries convened on the island of Eleuthera, Bahamas to evaluate the Cape Eleuthera/Powell Point property at the request of The Island School and Cape Eleuthera Institute. The team was recruited by The Island School to assist in the consideration of alternative and specific market-based conservation strategies for the 4,500 acre site. The expedition

The team was charged with providing The Island School with potential mechanisms to assess the Cape property and explore alternatives that are grounded in sustainable and conservation development models.

Exploration of these mechanisms included:

Identification of Island School’s existing accomplishments, organizational goals and capacity with respect to research, conservation, education and community goodwill and future growth models and how these can translate to future development and conservation of the cape.

Conceptualize and outline the nature of specific development models separate from those already underway/ planned at Powell Point or are complimentary to the objectives of both parties. This could include: tourism/ hospitality/community land development, new programs, policy maker education, development of new external relationships, and regional conservation opportunities.

Provide recommendations to The Island School on ways to enhance the capacity of the organization to pursue identified opportunities and the scale of these efforts.

Regional Background



Mapping out Eleuthera.

The island of Eleuthera lies 58 miles east of Nassau, Bahamas and 250 miles southeast of the southern tip of Florida, USA. With a population of about 11,000, at 110 miles long and averaging less than 1.5 miles wide, Eleuthera is bounded to the west by the Great Bahama Bank and by the Atlantic Ocean to the east. Dating back to the emergence of global jet services in the late 1950's, Eleuthera's economy and fortunes have risen and fallen with tourism related outside investment, support services and tourism related construction and the collapse of these specific projects. Our team undertook a day-long field trip touring failed resorts from Governor's Harbor south to Cape Eleuthera, including the defunct Club Med development east of Governor's Harbour, where ruins

now frame a world-class pink sand beach. The introduction and later failure of Club Med here (1999), in addition to other resorts including Cotton Bay (1995) and Cape Eleuthera Resort (1981/2011), appear to us as part of a chronic speculation cycle with no real underpinnings with respect to economic viability.

Key Findings

The project team found the Cape Eleuthera/Powell Point setting challenging with respect to identifying realistic and readily actionable project ideas for several reasons:

- 1) the land base under discussion is not owned or managed by the report client (The Island School);
- 2) we do not have an in-depth understanding of the Cape landowner's long range vision for their property, or how open the owners may be to inserting some conservation strategies and;
- 3) the overall land base, with the exception of some coast line and near-offshore zones, is in a fairly significantly altered condition which affects the range of conservation opportunities and goals.

Nonetheless, we did generate a number of ideas and potential visions for the project area that can be a useful platform for lines of inquiry and dialogue among stakeholders, elaborated below:

The Proposed Powell Point Resort Development Model Is Not Likely Viable

There is an extensive proposed development of much of 4,500 acres of the Cape, consisting of a traditional dense development footprint commonly seen built in Florida, Nassau and elsewhere (depicted in the figure below). The history of large master planned second home/resort developments on Eleuthera is one of rather stunning and endemic failure. Based on current economic drivers affecting speculative resort investment and development on Eleuthera, we see no compelling evidence or indications that the Powell Point project will be economically viable as currently planned. The reason for this assessment includes the following:

- Existing competition from established mega-resorts and second home developments in Florida, Nassau, and Grand Bahama Island will likely persist and even intensify as the investors in these operations compete for market share in a still soft market, (prices in the Bahamas are down 30-40% from 2007), in an attempt to off-set their already placed and large capital investments. Many if not most of these offerings can be considered to be in superior settings with greater attraction to either high net-worth customer/investors with disposable income or second-level economic tier customers, (upper middle class US retirees, for example). Existing developments already carry elite brands, are far easier to reach, and are in proximity to similar developments, and have critical complimentary amenities (access to energy, water, health care, shopping, recreation, lodging, restaurants, grocery stores, night life) that cannot be created on the Cape without significant additional investment.

- The Powell Point model is a traditional speculative real estate development with profit projections pegged to selling either spec condos or raw land in a planned community atmosphere. There always has been, even during the world and US economic boom pre-2008, an excess of inventory in this market with US buyers accounting for 80% of second home purchases in the Bahamas. While the US is currently experiencing a tenuous housing recovery there are no reliable economic forecasts suggesting any sudden increase in demand for higher-end luxury second/third or principle home developments. If the Powell Point model were to be successful, it would have shown demand for the offered product when the US economy was peaking.
- Based on our tour of the present facilities and the development plan maps, we do not see or find anything at Powell Point that is remarkably compelling for today's investors in second homes, new principal homes or investment rentals. The setting is somewhat unremarkable for the Bahamas or Eleuthera, (which is blessed with endless coastlines and open views) and, short of The Island School campus, significantly lacks any sense of community. In support of the dense master plan concept, the existing build-outs are closely spaced within an expansive context, and currently lack seclusion and privacy, while also lacking a sense of containment or enclosure. The proposed development has a rather generic architecture in a location that actually would be more appealing for those seeking seclusion, elbow room and creative expression. Much of the Cape is ringed with "Florida style" dredged-cuts into the limestone shore for an envisioned community of boaters with personal docks. The absence of a world class beach, on an island with numerous ones, is notable.
- Despite Eleuthera's consistently poor track record for new resort or real-estate sales developments, Powell Point may soon be in competition with yet even more proposed speculative development models currently being touted on South Eleuthera (Figure 1). Despite what we believe to be an extremely limited market for new large real estate developments on the island, there are currently numerous proposals that will require extraordinary and risky investment and if manifested, would over-saturate an already limited market. If even one of these projects was brought to fruition, inclusive of delivering the new golf courses, clubhouses, restaurants and marinas, it could quickly dwarf even residual interest in the Powell Point project. Eleuthera does not have the necessary frequency of flights, water resources, physical and social infrastructure to support these large developments singularly, let alone all of them. Even if Eleuthera did have these resources, such dense development would dramatically change the local culture and family island offerings of uncrowded beaches, quietly paced life and relative solitude. There appears to be growing concern among Eleutherans for proposed-dense developments that are not meaningfully integrated into the local social or environmental attributes of the island. For example, the proposed Light House Point development has generated an on-line petition in opposition.
- The existing Cape Eleuthera/Powell Point development appears to be, despite a recent re-investment and re-branding campaign, struggling to maintain existing infrastructure and services. The Project currently lacks the critical mass of facilities such as food and beverage outlets, recreational centers and guest support amenities to effectively operate as a resort destination. The result is the feeling of a development that "never quite took off" and is slowly deteriorating.
- This current lack of "destination vitality" and interest from today's discriminating customers/investors does not bode well for future sales and investment. This appears to be occurring consequent with the owner's (perhaps understandable) reluctance to invest more resources in their current project and leads us to conclude that "as-is" the planned future build-out of the development will not occur short of re-selling the property to an entity with significant capital and appetite for highly speculative and risky development returns.

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Powell Point - Cape Eleuthera Development



Cotton Bay Estates



Cotton Bay - Davis Harbour Marina Project



Cotton Bay Estates - Jack's Bay



ON MARKET - Sea to Sea Development Property (717 acres)



PROPOSED DEVELOPMENT - Lighthouse Point

Principles for pursuing a viable path forward at the Cape

The team was in consensus that the most compelling opportunities for new economic vitality and development on the Cape will be linked formally or cooperatively to The Island School sense of place, story, and branding. This would include an approach to development that emphasizes uniqueness of place, sustainability, conservation, appropriate scale and the creation of a like-minded community setting, and includes the following ideas:

- Establishment of a unique community setting with equally unique offerings and opportunities is likely key for future viability and growth of any new for-profit real estate centered development. The most intriguing of these ideas, (and discussed in further depth in this report), involve harnessing the in-place assets of both the marina development and The Island School campus.
- Significant conservation outcomes could be realized through promotion and execution of a marine preserve, and re-visioning existing development schemes to fit modern conservation development ideals and creation of a “conservation culture” on the Cape.
- The Island School could, with some expansion of current programmatic thinking and further research and development, undertake limited conservation development that has the capacity to serve both educational missions while simultaneously creating new revenue centers.

Discussion of On-Site Resources/Conservation Opportunities

Owner holdings in the project area cover 4,500 acres of mostly upland scrub and significant coastline. The existing development footprint is a fraction of this area. The key natural and built amenities we observed include the following:



Footbridge at The Island School.

- The Island School campus has a significant and unique vitality and community presence and already serves as a destination for students, parents of students, researchers, board members, “friends of the campus” as well as a source of local jobs. As such it appears to already be the most utilized and visited destination in south Eleuthera, and a local economic engine.
- The area is defined by its proximity to diverse marine environments. The confluence of the Caribbean Sea and the Atlantic Ocean, in combination with the relative remoteness of the site, leads to marine habitats that are diverse, intact and provide a market for eco-tourists such as scuba divers, and deep sea and flats fishermen.

- The existing deep water marina at Powell Point is modern and capable of supporting the largest of privately owned pleasure boats (200-400 feet) with some unknown capacity for larger ships. Off-shore recreational fishing is considered to be of quality though access to the most productive deep water requires a significant investment in fuel. There are multiple recreational dive sites in reasonable proximity for day trips.
- Current infrastructure at Powell Point is relatively modern and good repair and includes several vacant condominiums, a small store and restaurant (currently closed).
- Open space is abundant and has some aesthetic value. While we did not conduct an extensive reconnaissance of the shoreline there appears to be some attractive pocket-sized beaches along the 18 miles of shoreline.

Discussion of On-Site Liabilities



Club Med ruins.

- The ruins of the past resort development, including foundations, collapsed structures, abandoned golf course and general debris are unnatural attributes that invoke a sense of desolation and a certain eeriness. The continued presence of these ruins will always be a reminder of “what doesn’t work” and provide newcomers with an unpleasant sense of a failed development history.
- While the marina is currently in good repair, the prevailing climate and conditions will require significant investment in the upkeep of the existing structures and facilities. If not scrupulously maintained the infrastructure poses a future liability (decay, entropy) with attendant negative perceptions.

- Relative to most successful large development models in the Caribbean, the Cape is considered to be very remote. The closest airport is at Rock Sound which receives daily flights from Nassau and Fort Lauderdale, (frequently with stop overs at airports further north on the island), requiring a US traveler to the area a minimum of two flights and frequently three or more. The Rock Sound airport has experienced a dramatic reduction in flights in recent years. Ground transportation is mostly limited to local taxi service with no frontline corporate rental car facilities. Travel south to the Cape is over 20 miles from the Rock Sound Airport on the Queens Highway.
- A lack of supporting community infrastructure is also a liability for the Cape with respect to attracting visitors and new investors to the Cape. Rock Sound is the closest town for provisioning. While the town experienced somewhat of a heyday in the 1970's due to Juan Trippe's original development on the Cape, it is, like most settlements on Eleuthera, a working class community with little in the way of tourism draws (dining, shopping, lodging, etc). The Cape is considered by most professional hospitality professionals to be "too far away from anything" to support a large development and the attendant needs of such a community.

Unknown Site Attributes

- The original Cape development included accessing a local fresh water aquifer that is reportedly still producing water in enough quantity to have previously provided the development's fresh water and golf course irrigation needs. A small desalinization plant is part of the current development. The capacity of both of these resources is unknown with respect to future fresh water needs.
- Similar to the freshwater situation, the condition and capacity of wastewater treatment is unknown though it is assumed that the current residential waste system is a "leach away" drain field which typically has negative marine impacts due to the limestone parent soils inability to properly absorb and process effluent and nutrients before contacting open water.
- While the exact history of the Cape is unknown to us at this time, it is likely that parts of South Eleuthera and the Cape property have at times been partially put to agricultural uses. In general, large scale agriculture has not been sustainable on Eleuthera. Further investigation would be necessary to ascertain the ability of some land on the Cape to be successfully cultivated for smaller scale agricultural operations (see discussion on re-purposing of golf course for agriculture later in this report).



Mangroves at The Island School.

Recommendations



Cape Marina.

A viable future development at the Cape must be scaled to realities of the site which include its remoteness on a relatively remote island and lack of infrastructure to support grand tourism developments without an infusion of massive capital. We understand that further infusion of capital is not likely to occur. Even with such investment, the history of development on Eleuthera suggests that the “traditional” development model of a large-scale integrated residential

resort community is unlikely to be viable or profit-returning. In this era of global recessions and a shaky recovering US economy such offerings will find increasingly few backers or customers. That said, the area is surrounded by particularly unique marine environments, has a large deep-water marina and related facilities, and features the very vital and energetic Island School and Cape Eleuthera Institute research facilities which serve as a viable seed for a new and expanded community on the Cape. Actions that feature and utilize the amenities of the site would provide the greatest probability to attract viable investments.

The following discussion of potential paths forward emerged from our team’s onsite investigations, charrette and subsequent research. They all hold in common the creation of an environment that is unique to anything else offered on Eleuthera or The Bahamas in general. The following recommendations and ideas are also couched with the reality that we have had only limited contact with representatives of the landowner. From what we understand, their current business strategy on the Cape is to sell existing unoccupied condos and generate higher utilization of the marina facilities. If this is successful, they may consider further speculative build-outs near the marina. The larger real estate development plans including re-vitalizing the golf course, road and other infrastructure for lot sales appear to be on indefinite hold.

Creation of a Marine Protected Area and Conservation Vision on the Cape

Cape Eleuthera is located at the union of the deep water Exuma Sound and the shallow and flat-bottomed Rock Sound. This interface of vastly different water bodies provides for diverse and productive marine habitats that have already been identified as candidate marine protected area sites. The establishment of reserves of some of these waters, only as a result of an inclusive and comprehensive decision-making process with local stakeholders, would provide important areas for research and may attract business, such as scuba-dive resorts, that would see formal marine protections as an amenity to attracting clientele. A marine protected area is one way to accentuate a primary strength of the Cape site while providing tangible protections to the local biota and environments. The establishment of such a preserve, if done correctly, would take several years. Just as vital as selecting a site to maximize local environmental benefits is the process in which it is done. Local support for such a preserve is critical in order to avoid large-scale displacement of local fisheries compliance and disenfranchisement of locals.

A viable future development at the Cape must be scaled to realities of the site which include its remoteness on a relatively remote island and lack of infrastructure to support grand tourism developments without an infusion of massive capital.

Cape Eleuthera Resort and Yacht Club Full or Partial Re-purposing

We believe the most prudent approach for salvaging the investments already made in the marina and related build-outs is to re-purpose as many elements as possible in combination with a new and better-scaled development plan. Ideally, the re-purposing would result in sustaining income while also enhancing the desirability and attractiveness of a re-designed real estate development plan. To begin moving towards re-purposing strategies the owners would have to:

- Independently conclude that their current vision of a heavily used marina with existing and future condo sales is not likely to generate an acceptable return on investment in the near future due to past and current economic trends in speculative investments on Eleuthera;
- Embrace an alternate vision for the Cape's future which includes becoming legacy founders and leaders of a new and progressive vision for south Eleuthera that embodies equal measures of philanthropic investment, traditional investment for profitable return, sustainable tourism and conservation vision combined with community development.

Repurposing Townhomes for Resort Operations

Increasing the utilization of existing facilities and improving operations will build confidence in Cape Eleuthera on the part of the owners and potential stakeholders. Successfully turning around what is currently a money-losing operation may generate further interest and investment for development of the remaining property.

Our suggestions for increasing demand are linked to The Island School, which is the main attraction for South Eleuthera and an established destination that attracts numerous visitors from around the world, including high net worth clients. From our understanding, Island School visitors are already the primary demand generators for the townhouses.

Creating synergies with the School will create a unique positioning for the Resort. The Cape Eleuthera Resort and Yacht Club is vulnerable to competition from other destination resorts in the region that offer similar, if not better, facilities in more accessible locations. Establishing a strong concept and positioning, and providing a high level of service, will be critical factors in differentiating the product and building real barriers to competition.

Options for synergy include:

- Skill enhancement holidays, whereby guests are invited to help build, design or improve some physical structure on the site or at the school campus. This could include assisting in research programs where possible and engaging in tasks such as cleaning of the aquaculture cage, which CEI already allows visitors to take part in.
- Seminar vacations, whereby programs are developed for guests to learn about conservation, ecology, renewable energy, etc. These programs can be run by Island School staff or specialists who are visiting and/or working with the Cape Eleuthera Institute.
- Sports training seminars, whereby guests join in a variety of physical training classes. Fitness resorts are becoming more popular, and the Cape is an ideal location for training. The School's strong focus on physical education could tap into this demand; for example, it could open the monster run/swim to non-Island School related guests.

Embrace an alternate vision for the Cape's future which includes becoming legacy founders and leaders of a new and progressive vision for south Eleuthera that embodies equal measures of philanthropic investment, traditional investment for profitable return, sustainable tourism and conservation vision combined with community development.

The above suggestions are just a few examples of the types of programs that could be run in conjunction with The Island School. The benefits to The Island School include another source of revenue, as well as the opportunity to integrate Island School ideals with their neighbor's operations and further influence the development of the land surrounding the school.

It should be noted that the re-purposing of the townhomes does not necessarily eliminate the owner's ability to sell the townhouses as originally planned, but can instead enhance the attractiveness of the units through a lease-back agreement with future buyers. In fact, Pineapple Fields is the most recent and successful existing hospitality property in Eleuthera and is a hybrid condo-hotel, where ownership entails a requirement for a certain number of weeks in which the unit is made available for the resort hotel use. The strategy captures both the second home and tourism markets and is a model that might be considered for Powell Point. The Tourism sells the units, the Hotel nights subsidize lower unit purchase price, and the sales fees provide an earlier payback and a hedge against vacancy rates.

Re-purposing existing development for institutional conservation educational/research facilities



The marina facilities and buildings are under-utilized and not self-sustaining with their current business model. On the other hand, they are of a flexible building type that allows for multiple potential uses. Re-purposing (and for many potential uses simply re-branding) these facilities would enhance the already ongoing mission of The Island School. Such repurposing would support the creation of satellite research and education campuses, inclusive of donor, alumni and administrative retreats and functions from one or more higher education institutions based in North America or Europe focusing on ocean, reef and marine biota health, sustainable tourism, climate change, aquaculture, environmental management and inhabitation and flats ecology. Keys to the success of this model include:

- A commitment to the philanthropic and educational aspects of this future versus a narrower “maximum profit” approach to recovering current investments.
- Attraction of high visibility institutions and prominent researchers whose academic and personal appeal generates sustaining energy and mission.

Long-term and favorable lease options for all or part of the marina development could be developed for all parties, providing long-term and predictable income for the owners and effectively affordable “turn-key” marine, housing and learning facilities for educational institutions. In addition to the philanthropic aspects of garnering and supporting new university affiliations, travel to the Cape and exposure to the area could dramatically increase, creating a whole other level of exposure that traditional marketing cannot approach. Increasing the number of “visitor days” and numbers also can provide some key demand for related support services for food, beverage and hospitality. The marina could still retain a commercial element tied to existing income models of yacht provisioning and slippage fees. Diversification and complementary uses can fill income gaps and create marketing synergies. Specific agreements could be struck that include a condo-hotel operation for all or some of the existing vacant condominiums.

Once an established educational purpose is created for some or all of the existing development, other opportunities may arise which include utilizing the facilities for academic and other retreats and conferences and overflow lodging for Island School visitors. Depending on current lodging needs, Island School could also negotiate favorable condo leases or purchase.

An additional education-related re-purpose of existing buildings could include the development of a hospitality/tourism institute operated in conjunction with an affiliated university, The Island School or outside group, (or some combination of the above). This concept was forwarded to the team by David Baryln, owner and developer of Pineapple Fields in Governor's Harbor, who has identified a clear need for such an industry specific training program for the Caribbean.

His premise is that current and proposed developments in the region face a shortage of properly trained hospitality specialists and that a formal “on the job and in the classroom” approach is important for local economic development and viability.

Establishing more frequent use, visibility, and associations with this educational- and impact-tourism framework alongside more conventional income streams will open up other end-user options beyond traditional property sales. A proforma investigation might include wholesale purchase of the marina property on behalf of a research university, particularly if key researchers become affiliated with the place and develop long term regional studies to keep them there.

Repurposing altered land of the Cape site for local agricultural production.



Agriculture on Eleuthera was once a prominent activity though today a variety of challenges including unsuitable soil/crop combinations, pests, lack of fresh water, high cost of transportation to markets, absence of storage and processing facilities for perishable crops and climatic challenges inclusive of hurricanes have resulted in a largely moribund agricultural economy in the Bahamas. That said, there is constant interest from the Bahamian government, the One Eleuthera Foundation, and others to demonstrate and establish viable small and large-scale agricultural operations to offset the startlingly high dependence of the country on food imports.

While an agronomy specialists input would be required for further feasibility assessment, there does appear to be formerly farmed/cleared land on the Cape inclusive of the now abandoned golf course that could potentially support some level of agricultural production. Given the Island School focus on sustainable systems, an idea would be to investigate the larger scale cultivation of food for, at a minimum, the needs of the Island School campus and potentially that of the marina and surrounding communities. One working concept is “18-hole agriculture”, where the irrigation and golf course infrastructure was re-utilized for crop trials, demonstration projects and consumption. This concept can also be wedded to formal educational and training

opportunities for both locals and off-islanders, not to mention adding an additional marketing angle for the retained real estate ventures. For example, marketing of land ownership inclusive of shares in and/or availability of community grown produce and animal foods is a rapidly growing area of interest for US retiring baby boomers. This observation is combined with the current trend in the US where agricultural schools are trying to meet student demand for practical education in sustainable food systems.

In addition to growing food locally for the benefit of Cape residents, the very establishment of a working farm operation is an important ingredient in the establishment of community and honors the historical self-reliance of native Bahamians, not to mention additional sources of income through the required jobs. A sustainable land farming program and educational program could also be combined with ongoing Island School investigations of mariculture opportunities.

Sustainable energy development



Solar energy at The Island School. Eleuthera could be a pilot in this transition, as proof of a functional integration of technologies and solutions.

Diesel generators ensure electricity generation in Eleuthera, despite their high generation costs. Some of renewable energy generating technologies, notably wind and solar, have seen recent dramatic price decreases. At current prices for diesel fuel, they may actually be less expensive in island settings.

The high cost of electricity is hindering the expansion of the industrial sector and the attraction of potential investors to The Bahamas. The Bahamas-based businesses and households are paying four times more in energy costs than their Florida-based counterparts. As such the Bahamas Electricity Corporation, the operator and distributor of the power system in Eleuthera, says that the proper legislation and a National Energy Policy should be

Using electricity storage in combination with renewable energy, especially wind, could be a straightforward application that not only offers an attractive financial upside but also entails carbon emission reduction. Even when the cost of an emergency back-up diesel generator system is included, a positive return on overall investment (renewable energy generation plus storage plus backup diesel) can be realized, since storage involves negligible variable costs. The electricity system size of Eleuthera is 30 mega-watts, thus there are more island energy-mix systems examples from Bonaire, Fiji, and Samsø to draw on, which have been completely transitioned or are transitioning soon. Combining diesel generators, firstly with wind, secondly with solar, and adding storage could be the lowest cost option, based on levelised cost. It is suggested to add new renewables one at a time, rather than all at once. The most important difficulty of wind project development in the Bahamas are the site access and land acquisition. From this point of view, the Cape, with its sizeable area, seems to be an ideal solution for a medium scale (1-5 mega-watts) capacity wind farm. As The Island School has been already running a small capacity wind turbine, it could be a very informative source on wind details (wind speed, windy hours).

It would be also very informative to follow an island based renewable energy experiment in Tarpum Bay, where the consortium of Eleuthera Wind Power is planning to install a wind turbine, having recognized that removing salt from seawater in the Bahamas would be 30 percent cheaper if the country used wind energy to power that process instead of petroleum-based fuel. The agreement signed for the Tarpum Bay plant would see power provided for a fixed 20-year period, the wind farm would supply electricity at a fixed price of \$0.20 per kilowatt hour, a cost almost 50 per cent below the Bahamas Electricity Corporation's. All produced electricity will be acquired by the Tarpum Bay reverse osmosis plant, which is being operated by GE subsidiary Aqua Design. All the produced water will be acquired by the Water & Sewerage Corporation, and used to supply its Eleuthera customers.

Island School and Cape Eleuthera Institute could support these efforts with proactive stakeholder engagement, local potential analyses (available bioenergy sources, wind and solar measurements) as well as with assessments on the local energy demand pattern (consumption time peaks, volumes of households, hotels, accommodations). The HOMER modeling system (www.homerenergy.com), international standard software for communities for modeling of smaller and distributed renewable electricity systems, could be used to choose an optimal mix of generation resources from a user-defined set of choices and could provide as outputs capital and operating expenses.

The Island School could also be the driver for the island to join international partnerships and initiatives that supports islands to deploy renewable energy technologies.

Creation of a separate eco-tourism development/model harnessing the assets of both the Island School and existing resort.

We believe there is an opportunity to create a niche resort destination that is a model of responsible tourism for the region. The concept would be an integrated development that incorporates The Island School's ideals of education, conservation and collaboration. This would differentiate the Resort from other beachfront destinations in the region and enable it to target the fastest growing sector of the tourism industry – eco-tourism and participatory research expeditions.

The entire project, from conception to build-out and operations could be incorporated into Island School research, study and demonstration of sustainable tourism in the Bahamas. This would include involvement in market development/feasibility studies, green building, business planning, tourism development, entrepreneurial training, project development, and management and hospitality training. The development should be anchored by a boutique hotel operation that has built-in cross-use and marketing opportunities with existing operations at the Cape and Island School. A boutique resort product can produce reasonably high revenue streams that will support development costs, while minimizing the impact on the surrounding environment.

The collaboration between The Island School and industry professionals would be a case study for destination development. The physical product should be a showcase of cutting-edge sustainable design, while the operations would support the local community through job creation and training. Synergies with Island School could enhance the product offering, as discussed in the section "Re-purposing Townhomes for Resort Operations". Target demand markets for the Resort could include visitors to Island School and educational groups, as well as travelers seeking an alternative holiday experience. Such a resort would create greater international visibility for Cape Eleuthera and would, in turn, open up further opportunities to leverage the site. It would act as a catalyst to create the critical mass of tourism facilities needed to attract a higher volume of visitors to the area and establish the Cape as a destination. This,

in turn, would generate investment interest in future related developments such as:

- Additional lodging facilities; a wider selection of accommodation will enable the destination to attract new demand segments;
- Second home/time-share opportunities for retained development parcels, a key piece in developing a “community” on the cape; and
- Support businesses such as food and beverage outlets, recreational activities, guided tour services and hospitality services.

Funding for the feasibility phase of the project could be a joint Island School/Cape landowner enterprise or packaged for outside investment. The capital commitments for build-out of the initial phase would be subject to the attractiveness of the development proforma.

Next Steps: Creation of a New Planned Community for the Cape

Stripped of its protective jargon, budgets, market studies, and comforting time-value-of-money calculations, “master



planning” reveals itself in the current era and context to be limited and outdated. As the executive summary of this report makes clear, a week of immersion, even preceded by months of prep and peopled with residents as well as experts, cannot claim to identify solutions for which a process is required. It can however identify strategies for process moving forward.

One of the concepts forwarded and discussed in the workshop on site is that development “master planning” in post-2008 (and perhaps post-1970s) Eleuthera should be recast as “scenario planning”. Scenario planning begins with what is, and postulates a decision tree format that begins with the known’s, and proceeds through a number of possible iterations, in which conditions of the market response to events both fortuitous and

calamitous, are identified, considered, and allowed to play out in the creation of strategic models. It is inherently nimble and inherently complex, requiring design and financing models that can work at a number of scales, and anticipate numerous revenue taking moments and changes in revenue streams. Borrowing the negative lingo and static modeling of master planning, these adaptive models anticipate a number of “exit strategies”. In scenario language, they anticipate and design to take advantage of all assets and opportunities in a fluid process, with multiple and creative revenue generating moments occurring within a values-based rather than rigidly linear, short-term plan.

Indeed, a key feature of sustainable development, conservation development, and the like is that the goal is not “exit”, but “integration” with a place, building upon a truly endemic inventory of its assets- physical, cultural and even ineffable. Sustainable development builds from love of place, despite its liabilities. The Cape landowner commitment to Eleuthera and the Cape is evident in its philanthropic approach to land-use which instructively has paid dividends in the creation of a sense of place and real location value upon which future plans can be made. The Island School model has consistently achieved growth and now passed a critical age in which its core brand has been established and can form the foundation of place-appropriate, revenue generating opportunities can be mapped.

A first principle of scenario planning is to use what is at hand at any given time in the development process. A second strategic principle is to invest in order to evolve wherever possible, rather than to replace. Adaptive reuse of existing developed resources, and organic growth approaches are not only important principles of sustainability, but also wise and responsible fiscal strategies. The Cape marina is clearly an underutilized asset, and the existing construction is adaptable to a number of scenarios as described above, including but not limited to condominium sales. Scenario planning at the Cape would begin with these physical assets, and evolve them to market opportunities. Markets are places of exchange, of flow, of interaction. The Island School is such a place, and so the exchange of experience, education, knowledge and the stories that breed loyalty should be better understood, and that understanding developed to better monetize the balance of the property now anchored by the primary amenities of the Island School and the marina.

It is our understanding from the interaction with Island School and owner representatives that the approach to real estate development at the Cape has been driven by external partners and products that had been shown to be successful in other places and other times. This is a “non-organic” model. The “organic-model” would inventory not only the place-based assets, but the owner-based assets as well. The landowner’s parent company in many ways pioneered the organic approach to business development, and has successfully evolved this approach worldwide, creating a team and brand loyalty that has been the subject of much analysis by others hoping to replicate the extraordinary success of this still family-owned entity. Moving forward, we propose that the owner look within its organization to build upon what it knows and what it can do better than anybody else. These skills may not initially seem to be within the conventions of the industry, but that may be precisely their strength.

The conventional approaches to single-phase master planned communities (tourism-based or otherwise) all suffer from an inherent inauthenticity, due to the substitution of organic growth of community and place with some imported “theme” which is often at odds with the true assets of the place. At its worst, this approach results in far flung areas of the globe being named for the once extraordinary natural or cultural assets that were destroyed and replaced with something that most often looks like Orange County, California, albeit with a Polynesian, European veneer.

The defense of the master-planned community approach is, and has long been, that people like Orange County and therefore will invest in it and purchase it. The same has been said of Big Macs, and the world has indeed purchased a whole bunch of Big Macs. The investment models for master-planned development are built around the assumed predictability that people will buy an Orange County/Big Mac-type product wherever it is built, anywhere around the globe. The recent global reset on real estate has reminded us, however that this predictability is a fiction.

We also came to understand that the landowner suffers from “consultant fatigue”. Given that, and the need for organic redefinition of the way the place and the landowner culture best operates, we propose a research-based exercise by upper level undergraduate and graduate students in Architecture and Land-Use Planning to begin to visualize scenarios for the Cape. The Kinship Fellows other study site on Eleuthera, Turtle Lake near Governor’s Harbor is already the subject of such a study, funded by Woodbury University and the Burrows Family, and led by the Kinship Team’s architect and land planner, Clark Stevens. The students have created unique research product on the asset potential of the island and its client family, established new cooperative relationships with adjacent landowners (Pineapple Fields owner David Barlyn chief among them) and developed their initial rapid assessment exercise into 19 unique conceptual family-based land-use strategies. This initial work will next be developed into Land-Use scenarios and sequences to be presented to the Burrows family investment group. We recommend that the Cape Eleuthera “family” - both landowner and Island School- participate in a similar study of the Cape, building upon the background work to be completed this semester for Turtle Lake. Michigan State University’s faculty in sustainability programs have indicated an interested in supporting that design effort with complementary study at the graduate level.

Summary of Potential Roles for Island School in Steering Development on the Cape



Christian Henry meets with The Island School students.

A number of the recommendations above include combining the existing culture if not the educational and research missions of The Island School program and expanding upon these. While we are aware that increasing program scopes is a somewhat daunting undertaking, we also believe that it is vital if The Island School is going to having a meaningful impact on what future build-out scenarios look like on the Cape. Put another way, The Island School has to actively facilitate who becomes their neighbors by giving the Cape landowner the motivation to change the current development paradigm, a paradigm that is in many respects the antithesis to what Island School represents. If Island School can be the agent of change on the Cape, in their backyard, on a large landscape scale, one would have to consider that accomplishment as groundbreaking and potentially

trend setting in the Bahamas and Caribbean. However, if this is to occur it is likely that Island School will likely have to get some “skin in the game” and look past current comfort zones.

While an ideal outcome for Island School would be for the Cape landowner to buy-into a conservation vision through philanthropic means, we believe they are more likely to buy-in to a vision that retains a for-profit element. However, it also appears they are in a state of investment fatigue. If Island School can be the catalyst for bringing forward sources of new capital, joining the Cape landowner with “skin in the game” in newly crafted ventures and visions, a whole new level of dialogue may become possible with respect to protection and conservation of lands critical to the campus neighborhood.

Regarding capital, we believe one of The Island School’s core assets is its relationship to high net worth individuals and groups who are emotionally invested in both Eleuthera and the campus as demonstrated by their philanthropic giving. As ‘outsiders’ looking in, we think as an institution Island School is very well poised to approach these same individuals for interest in professionally vetted and conceived for-profit market conservation efforts on all or parts of the adjoining property. From the high net-worth investor perspective, emotional investment in a new business venture is frequently more important to the individual than the actual sum of money invested. Of course, to avoid jeopardizing the philanthropic and emotional commitment of these individuals, any such solicitation has to be professionally conceived and with a reasonable proforma.

All of the above can be summarized by suggesting that The Island School can develop new partnerships instrumental in meeting their overall visions if they can provide and facilitate, in addition to the vision and energy, investment capital. The nature and structure of these partnerships is effectively endless and can be tailored to the best-fit with both investor interests and the campus. For example, entities can be established that create a firewall between Island School current non-profit programs and any for-profit venture. Cross-use relationships can be pre-established between the non-profit and for-profit entities that both expand the schools physical campus resources while providing the for-profit entity tenants, new customers and clients. Additional ideas are numerous in this regard though realistically premature for further discussion here – those ideas offered are only for some foundations for further exploration. The principal concept is to engage all of the key players, and potentially other to-be players, in an allied business venture that is unified by a shared vision, risk and potential profit.



Rooftop team meeting at The Island School.

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Scott Gillilan, 2009 Kinship Conservation Fellow

Design/build land and aquatic resource restoration specialist; conservation land acquisition and management consultant at Gillilan Associates, Bozeman, Montana, USA.

Email: scott@gaireources.com, Phone: US 406-581-1597

Christian Henry: 2003 Kinship Conservation Fellow

Chief Business Officer at The Island School, Eleuthera, Bahamas.

Email: christianhenry@islandschool.org

Daniel Tonnes: 2009 Kinship Conservation Fellow

Marine Biologist and Boat Captain, National Oceanic and Atmospheric Administration, Seattle, WA, USA (Not representing NOAA for this project).

Email: tonnes@uw.edu , Phone: 206-300-8801

Fernando Bretos: 2011 Kinship Conservation Fellow

Curator of Ecology, Miami Science Museum. Director, Museum Volunteers for the Environment, a volunteer-based habitat restoration project in Miami, Florida and Director, Cuba Marine Research and Conservation Project, a project of The Ocean Foundation, Miami, Florida, USA.

Email: nandobretos@yahoo.com, Phone: 305-646-4275

Tanya Bryan: 2010 Kinship Conservation Fellow 2010

Blue Carbon and Marine Ecosystem Services Specialist with GRID-Arendal, Arendal, Norway.

Email: tbryan@email.com

Clark Stevens: Architect, university professor, conservation planner and executive officer of Resource Conservation District of the Santa Monica Mountains of western Los Angeles County.

Email: clark@newwestland.com, Phone: 310-614-6636

Paul Hoobyar: Owner of Watershed Initiatives, LLC, a consulting business that focuses on mediation and facilitation for groups, agencies and governments addressing natural resource management and public policy issues. Event planner for public forums and trainings. Writer and editor.

Email: phoobyar@watersheds.com, Phone: 541.345.4854

Patty Lee: Independent hotel & leisure industry consultant. Development planning and market, financial & investment due diligence for a wide variety of land uses including hotels, resorts, serviced apartments, golf courses, marinas, wellness centers and resort residential communities.

Email: patty.leal@gmail.com

Csaba Vaszko: 2009 Kinship Conservation Fellow

Geographer and Water Resource Manager; Climate Change and Energy Programme Leader of WWF in Hungary; developing regional climate change adaptation and renewable energy strategies in Central Eastern Europe. Email: csaba.vaszko@wwf.hu or vaszkocs@gmail.com