



CONTINENTAL PACIFIC, LLC

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April 9, 2013

Letter to Hawaii State Legislature-

To the honorable members of the Hawaii State Senate and House of Representatives, I humbly submit this letter as testimony in opposition of the resolution SR 119 before you today.

I felt the need to write this letter to defend our company, Continental Pacific LLC, ("CP"), against the false and misleading statements you are going to hear from some angry Kahuku Village 5 residents, who (not surprisingly) would prefer to enjoy below market rents forever, and their attorney. As I am sure you will do with my statements in this letter, I urge you to check on the truth (or lack thereof) of the things they tell you.

CP has have acted in accordance with all State and Local laws throughout this entire process. We have incurred great expense and undergone many State and City reviews over many years to get the approvals for this project in place. I urge the State's legislative branch not to attempt to interfere with this process, without full knowledge of all the work that has gone into this project.

For years now, we have told all of the residents that we would be moving forward with a Condominium Property Regime (CPR) and would offer them preferential pricing before offering to the public. The first phase of the project was approved in November of 2012. As promised, we offered all of the residents their approximately 6,000-16,000 square foot CPR unit for the below market price of \$150,000. I am sure you have sufficient familiarity with Hawaii's real estate market to know that this price is well below the current real estate market value which averages approximately double the offering price to the residents.

Some of the residents accepted our offer and are in the process of closing their purchase at below market prices.

Other residents, on the advice of their attorney (who will no doubt testify at the hearing on this resolution) elected not to accept our offer. That offer has now lapsed and will not be renewed. Those units are now listed on the real estate market at prices in excess of \$300,000.



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It is our belief that this resolution will give false hope to the month-to-month tenants of Kahuku Village 5, who (on the advice of their counsel) elected not to purchase, that they will have the ability to stay long term for free or at below market rents. Their efforts continue to increase our company's costs, while achieving minimal delay of our project.

The proponents of this resolution and their attorney have succeeded in causing us some small delays, but the project continues to move forward. Ultimately, the result will be the same. The CPR units have already been created and will be sold at market prices.

Affordable (well below market) housing is a reality for the residents who elected to purchase when they were offered the price of \$150,000. Those residents are not likely to appear or testify regarding this resolution. Our company is proud to have been able to offer this solution to the residents with the wisdom to accept it.

We would also like to openly offer the State the right to purchase all of our lands at fair market prices. Since the resolution expresses such an interest in preserving the status quo for the residents, a public purchase or condemnation action would be welcomed by our company.

We feel the record is clear that our company has been mistreated and discriminated-against because we are a Mainland firm. If our company continues to incur this type of mistreatment, we will be forced to consider all legal remedies.

Thank you,



Reynolds Henderson

hee2 - Kathleen

From: mailinglist@capitol.hawaii.gov
Sent: Friday, April 05, 2013 4:38 PM
To: JDLEstimony
Cc: bdshafer@gmail.com
Subject: *Submitted testimony for SR119 on Apr 10, 2013 10:00AM*

SR119

Submitted on: 4/5/2013

Testimony for JDL on Apr 10, 2013 10:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Ben Shafer	Individual	Support	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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