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Attorneys for Petitioners

BEFORE THE LAND USE COMMISSION
OF THE STATE OF HAWAI'I

In the Matter of the Petition) DOCKET NO. A15-798
of:)
) DIRECT TESTIMONY OF ALBERT G.
WAIKAPU PROPERTIES, LLC; MTP) BOYCE V
LAND PARTNERS, LLC; WILLIAM S.)
FILIOS, Trustee of the William)
S. Filios Separate Property)
Trust dated APRIL 3, 2000; and)
WAIALE 905 PARTNERS, LLC,)
)
To Amend the Agricultural Land)
Use District Boundaries into)
the Rural Land Use District for)
certain lands situate at)
Waikapu, District of Wailuku,)
Island and County of Maui,)
State of Hawaii, consisting of)
92.394 acres and 57.454 acres,)
bearing Tax Map Key No. (2) 3-)
6-004:003 (por) and to Amend)
the Agricultural Land Use)
District Boundaries into the)
Urban Land Use District for)
certain lands situate at)
Waikapu, District of Wailuku,)
Island and County of Maui,)
State of Hawaii, consisting of)
236.326 acres, 53.775 acres,)
and 45.054 acres, bearing Tax)
Map Key No. (2) 3-6-002:003)
(por), (2) 3-6-004:006 and (2))
3-6-005:007 (por).)

DIRECT TESTIMONY OF ALBERT G. BOYCE V

1 My name is Albert G. Boyce V and my business address is P.
2 O. Box 1870, Manteca, California 95336.

3 I am a manager of Waikapu Properties, LLC, MTP Land
4 Partners, LLC and Waiale 905 Partners, LLC, which collectively are
5 the Owners.

6 I obtained a Bachelor of Arts degree in Economics and
7 Spanish from Stanford University in 1986.

8 After my graduation from college, I worked for several
9 companies in California and South America in operations and
10 implementing and executing of joint venture contracts concerning
11 export crops. From 1990 to 1996, I primarily was involved in
12 the operation of a natural resource company that produced
13 domestic crude oil and continuing through this date, and also
14 engaged in agriculture and real estate development. From 1996
15 to the present, I have been involved full-time with the
16 entitlement, development and construction of residential and
17 commercial real estate.

18 I have been a member of the Owners since the purchase
19 of the lands that make up the Project we call Waikapu Country
20 Town in 2005. Since the purchase, I have been involved on a
21 day-to-day basis to manage the properties, including the
22 commercial operation known as the Maui Tropical Plantation and
23 the Mill House restaurant on the Maui Tropical Plantation

1 grounds.

2 I am here to speak to the economic ability of the
3 Owners to carry out the development of the Project. In my
4 capacity as a member of the Owners, I obtained financial
5 statements from each of the Owners as well as a financial
6 statement from William Filios which are found in Exhibit "24".
7 The financial statements were prepared by accounting firms.

8 Recently, I requested for review updated financial
9 statements from each of the Owners and from Mr. Filios. I
10 compared the updated financial information with the information
11 contained in the financial statements that is found in Exhibit
12 "24". There has been no significant change to the financial
13 condition of the Owners and of Mr. Filios from the financial
14 condition shown on Exhibit "24". The lands which are owned by
15 the Owners and Mr. Filios remain debt free and the Owners and
16 Mr. Filios liabilities remain small.

17 In my development of commercial and residential
18 projects over the past 12 years, which included over 1,500
19 single-family units and over 450 multi-family units, I became
20 familiar with the requirements that financial institutions and
21 private lenders imposed to provide financing for acquisition,
22 development construction and housing construction. These

1 projects involved obtaining financing during the economic
2 downturn from 2008 to 2010 and financing of projects after 2008
3 when lending requirements became more restrictive. Over the
4 past 9 years, the lenders' requirements have become much more
5 stringent requiring developers to provide greater amounts of
6 collateral and stronger financial positions.

7 I also have had initial discussions with lenders
8 concerning the Project to gauge both a willingness to finance
9 the Project as well as the expected lending requirements for the
10 Project.

11 Based upon my experience and upon my initial
12 discussions with lenders, the Owners have the economic ability
13 to carry out the development. The following factors support
14 that statement.

15 Lenders view the debt load on the property to be
16 developed as critical to lending decisions. The property on
17 which the Project will be built has no debt. The Owners and Mr.
18 Filios have been able to pursue the entitlements necessary to
19 allow the Project to be built without placing debt against the
20 land. The Owners and Mr. Filios also do not expect that
21 borrowing against the property will be required to complete the
22 entitlement process. Once the property is fully entitled, the

1 value of the property will be sufficient to enable the Owners
2 and Mr. Filios to borrow the funds necessary to complete the
3 development of the infrastructure.

4 Another important factor in obtaining financing for
5 the development of property is the ability of the owners of the
6 developer entities to commit personal resources to the project.
7 I am a member of the Owners and am familiar with the other
8 persons who are members of the Owners. The cumulative resources
9 of the members of the Owners is sufficient to meet any
10 commercially reasonable conditions that a lender might place on
11 the Owners to obtain financing for the development of the
12 property under lending practices of 2017.

13 The Owners recognize that the cost of development of
14 water sources and the wastewater treatment facility are
15 significant. Nevertheless, the Owners are prepared to complete
16 the Project using their own resources or funds that can be
17 borrowed from those resources. In the past, the Owners explored
18 a joint venture or joint development of water sources and/or a
19 wastewater treatment facility with the County of Maui and/or
20 developers of lands adjoining the Project to facilitate the
21 development, construction and implementation of those sources
22 and facilities. The Owners will continue to explore such a

1 venture or joint development in the future in order to complete
2 the construction of the Project following receiving all
3 entitlements needed for the Project.

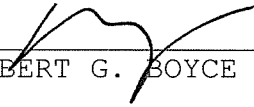
4 Thank you for the opportunity to speak to you.

5 DATED: Manteca, California, October
6 31, 2017.

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ALBERT G. BOYCE V