

Interview with Barry Hon 9/10/04



Could you tell us a little bit about yourself ?

My name is Barry Hon. I own 425 acres of land in Palos Verdes area and this is the land that is being purchased to create the nature preserve. We bought this land in 1986. We started doing soils tests on the land right away because it was moving. We have now spent a little over \$2 million on soils tests and we have figured out exactly where the landslide is, what causes it, and how to fix it. We have a plan now if this purchase does not go through to repair the landslide and build an 18 hole championship golf course on the property.

At one point there was a proposal for homes in the landslide. What are your geologists telling you about whether its safe to build a golf course or homes in that area the area at the top of the property?

Our geologists are sure that that area on top is safe for building houses or a golf course. If for some reason we didn't build the golf course, we would build 30 or more houses, because the factor of safety in that area is 1.5 or better, which is what is required for residential housing. Some of the areas are over a 2 safety factor.

How much have you invested in this property ? What's a fair return to you as a property owner?

We bought the land in 1986 as one purchase, so I can't say we paid a specific amount for these acres. In addition to the geology studies I mentioned above, we have invested more than a million dollars in environmental impact reports and environmental studies. So we've been paying on taxes on land that so far the City's not allowed us do anything with, which we think is quite unfair.

The current appraised value is \$37,000 per acre. How does that compare to what you've invested in the property ?

The appraiser appraised the property at \$37,000 per acre without taking into account the land up at the top that's stable. We disagree with that approach. Single family home prices have risen so much in the past few years that the land at the top is probably worth well in excess of \$1 million per acre because it's stable and could be built on. We think the actual average value per acre is much higher, but we are willing to accept that value as long as we can sell all 425 acres at that price.

If this preservation deal falls apart, how quickly would you plan to move forward with one of these proposals ?

If the plan to purchase the land falls apart, we are ready to apply for either the golf course or the homes. We have been working on the plans for years. We could apply in 30 or 60 days to the City.

You are willing to move forward with this transaction ?

We agreed to this transaction for the open space about three years ago when we thought it was going to happen within the year. It's got to happen soon or we are going to withdraw our agreement and develop the property. I'm 66 years old. And I want this done before I die.