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Land-use changes proposed for Kakaako tract

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Landowners and developers in Kakaako yesterday gave a thumbs up to proposed changes in land-use rules that would ease building height limits and other development restrictions in the area.

Changes before the Hawaii Community Development Authority are designed to give owners of small parcels in the area — bounded by Ala Moana and Punchbowl, King and Piikoi streets — more freedom in developing their land.

The changes are also aimed at making the area more inviting to pedestrians.

Among key proposals are easing restrictions on building heights, as

well as reducing affordable housing, open space and park requirements on smaller lots.

A proposal also would establish three "precincts" exempt from Kakaako community development district rules.

The original rules require major developers to put aside part of their projects for industrial use.

In lieu of industrial use, however, developers are allowed to give that space to commercial entities being displaced from the Kakaako area.

The development authority staff is recommending that the commercial provision be disallowed after 1996.

Several area store owners objected, worried about the future of their businesses.

But Eric Matsutomi, authority plan-

ning director, said they misconstrued the proposed changes. He said no part of the Kakaako plan discouraged commercial business.

Changes are designed to give owners of small parcels in the area more freedom in developing their land.

Among those testifying in favor of the proposals at the public hearing were Victoria Ward Ltd., the area's largest landowner, and the Myers Corp., which has been involved in area developments.

Meanwhile, the authority said it wants more time to look at a plan to sublease the Army & Air Force Ex-

change Service Building at 919 Ala Moana and buy back the service's lease on the property for \$17.5 million.

The land is owned by the state Department of Land and Natural Resources.

A master lease was given to the exchange in 1967 for 65 years at \$1 a year.

But in 1992, when the exchange vacated the building, the development authority obtained control of the property.

It then sublet the building to the state Department of Accounting and General Services.

Authority staff said yesterday it wants control of the lease to eventually include the property as part of its redevelopment plan.