



[Back](#)

---

Posted on: Thursday, July 7, 2005

## Condo proposal gets green light

By [Andrew Gomes](#)  
Advertiser Staff Writer

Local developer A&B Properties yesterday received approval to move ahead with building a planned 42-story residential condominium on a 2.7-acre site in Kaka'ako between Emily and South streets.

The state Hawai'i Community Development Authority board approved terms for A&B to develop the 352-unit project, including the sale of several units at below-market prices and contributing \$1.3 million to help pay for public facilities.

A&B said it plans to begin sales through Coldwell Banker Pacific Properties later this month, and start construction early next year. The tower, named Keola La'i, is projected to be completed in early 2008.

If started as expected, Keola La'i will become the sixth residential high-rise under construction in Kaka'ako, the present hotbed of condo construction on O'ahu. At least two more towers are also planned in the area.

Stanley Kuriyama, A&B Properties chief executive officer, said the company is excited to participate in the development of "Honolulu's new urban village."

Keola La'i prices are expected to start at about \$340,000 for one-bedroom units, \$445,000 for two-bedroom units and \$695,000 for three-bedroom units — on up to the mid-\$800,000s for the most expensive three-bedroom unit.

The tower, to be clad in an exterior of bronze glass and metal panels, is designed atop a four-story podium with 687 parking spaces, recreational amenities and 10,000 square feet of retail and commercial street-front space.

Under rules of the state agency that governs redevelopment in Kaka'ako, A&B sought to build above the area's normal 45-foot height limit in return for providing below-market units or cash for the state to build more affordable housing in the area.

A&B also will pay about \$1.3 million to the agency to pay for public facilities such as parks and public parking in the area. That sum is derived from an agency formula based on the size of A&B's project.

The below-market housing rule requires A&B to provide 20 percent of units at below-market prices, or an

equivalent in cash.

A&B agreed to sell 49 two-bedroom units for an average of \$358,317 and 14 one-bedroom units for an average of \$290,643, representing a 19 percent discount from comparable units at market prices.

In lieu of providing another seven below-market units, A&B will pay \$1.2 million to the agency, which uses impact fee assessments to develop affordable housing projects.

The below-market condos will be available to qualified buyers who have not owned a home in the past three years and earn less than 140 percent of the Honolulu median annual income for a family of four, or \$94,850.

Qualified buyers also cannot sell the unit for two years, and must share proceeds from a sale anytime thereafter with the agency under another formula.

The below-market housing provision is part of the agency's stated aim to provide housing for a "gap" group of people who make too much to qualify for government assistance but not enough to qualify for a loan for an at-market home.

A&B initially proposed offering 70 mostly one-bedroom units at below-market prices, over which agency staff negotiated a settlement for more two-bedroom units and at lower prices.

Agency board member Stanley Shiraki, deputy director of the state Budget & Finance Department, withheld his approval of Keola La'i's development permit because he wanted more information on how below-market housing terms were negotiated.

There also was some concern raised by member Paul Kimura of City Fender and Body Service over loss of private parking spaces currently leased on the otherwise undeveloped lot, but agency staff said it is working to add public parking throughout Kaka'ako.

Kimura also withheld his support, and Keola La'i was approved by a 7-2 vote.

A&B Properties, a subsidiary of Alexander & Baldwin Inc., acquired the site bordered by South, Queen, Kawaiha'o and Emily streets last August for \$14 million from a subsidiary of Japan-based Motoi Kosan, according to property records.

A&B announced its general idea to build a condo on the site at the time, more than a decade after Motoi Kosan's plan to build a high-rise condo on the site fell through.

Motoi Kosan bought the block in 1989 near the height of the Japanese investment bubble, but during foundation construction in 1992, the speculative real estate bubble popped and the project was abandoned.

A&B said it will build its tower on 1,300 concrete piles already in the ground.

Keola La'i will be A&B's third condo tower in Honolulu in the past few years. The company has sold out its 100-unit Lanikea project under construction in Waikiki, and is also a partner in the Hokua luxury tower in Kaka'ako that is nearly sold out.