JUNE 5, 2024

Queen Ka'ahumanu Center Future

Housing and Land Use Committee HLU-28

- Community Plan Amendment
- Change in Zoning





PACIFIC RETAIL

OBJECTIVE

Queen Ka'ahumanu Center would like to **revitalize its 50-year-old property** that will allow for economic growth and diversification, efficient land utilization, enhanced community connectivity, affordable housing solutions, and a **rejuvenation** of the area that is consistent with the community's vision for a vibrant Central Maui.



Queen Ka'ahumanu Center's current M-2 Heavy Industrial zoning is inconsistent with Maui's community-driven planning efforts, is an impediment to the Center's timely revitalization, and is a barrier to the development of much needed housing, including affordable and workforce housing.



PACIFIC

WHAT WE CONTINUE TO PROVIDE ECONOMY & SMALL BUSINESS

- A local gathering place for over 50 years
- Maui's largest shopping and entertainment destination
- Over 570,000 square feet of leasable area
- Home to many locally owned businesses
- Island's only Macy's, Victoria's Secret, and Bath & Body Works
- Over \$100 million in annual sales
- Generates half a million dollars annually in tax revenue to Maui County
- Welcomes 2.6 million visitors annually



WHAT WE CONTINUE TO PROVIDE EVENTS & CULTURE

QUEEN KA'AHUMANU CENTER HOSTS OVER 50 COMMUNITY EVENTS ANNUALLY and are the venue sponsor for signature Maui events such as Maui Matsuri, Prince Kūhiō Maui Hoʻolauleʻa, Maui Steele Guitar Festival, Abilities Awareness Fair, Festivals of Aloha, and more





QUEEN KA'AHUMANU CENTER

- Less than half of Queen Kaʿahumanu Center is occupied
 - **Only 41%** of the center is occupied with long term leases
 - **Over half** of the space is **vacant or at risk**: **59%**
 - Sears closed. Building has major, detrimental infrastructure problems
 - Movie theatre is closed
 - National retailers abandoned mall despite free rent offered
- General Excise Tax (GET) revenue decreased 27% since 2014 (\$210,466)
- Capital repairs essential
 - Parking garage needs major repairs, maintenance required across entire mall
- 700 large shopping malls closed in the U.S. in 2022
- Mall valuations now at least 50% less than valuations in 2016









COMMUNITY OUTREACH



PRE-DEVELOPMENT OUTREACH

Group Outreach

- Hawaiian Homelands
- Meetings:
 - o Sierra Club
 - Maui Tomorrow
 - Stand Up Maui
 - Maui Canoe Club
 - Rotary Club of Maui
- Online Survey (survey launched in June 2023)
- Assistance and guidance provided by Councilmember Tasha Kama





COMMUNITY OUTREACH



COMMUNITY OUTREACH

Survey results reflect the opinions and desires of residents



of survey respondents are residents of Maui

97%

Of residents believe that there should be potential housing solutions that can fit within a multi-generational or diverse community framework at Queen Ka'ahumanu. 77%

of people believe that Queen Kaʿahumanu Center should prioritize mixed-use developments that incorporate housing, retail, and commercial spaces in order to create a more vibrant and economically sustainable future.



PACIFIC RFTAIL

COMMUNITY OUTREACH

93% of respondents believe in the importance of neighbors and nearby amenities (such as shared outdoor spaces and recreational areas) close by.



94% believe in the importance that we help address the affordable housing crisis in our community.







WE HEARD YOU

Community Desires:

- ✓ Green and Communal Space
- Diverse Housing Options Targeted to Maui Residents
- ✓ Restaurants, Services, Arts
- ✓ Maintain as Gathering Place
- Design In-keeping with sense-ofplace (scale/mass)
- ✓ Links to Neighboring Land Uses
- Preservation of Queen
 Ka'ahumanu Statue
- ✓ Native Landscape Preservation
- ✓ Preservation of Trees
- Support Mom and Pop Stores







SUMMARY



STATE OF THE MALL

Adapt to be relevant

Shopping malls must adapt their strategies to maintain relevance

Transform to mixed-use

Shopping malls need to transform themselves into vibrant social hubs, offering mixed-use experiences beyond shopping

Optionality

Emphasizing recreational spaces, entertainment, dining, residential, medical, interactive attractions, community events

Evolve Space

Evolve into gathering spaces where people come to socialize, relax, live, and engage with one another



PACIFIC

RETAIL

PLACES THAT FOSTER COMMUNITY ENGAGEMENT

Great public spaces are those places where celebrations are held, social and economic exchanges occur, friends run into each other, and cultures mix. They are the "front porches" of our public institutions – libraries, field houses, schools – where we interact with each other and the government. When these spaces work well, they serve as the stage for our public lives.



PLACES THAT FOSTER 24/7 COMMUNITY HUB

- Increases
 - Safety
 - Economic value
 - Tax Revenue
 - Community
 Engagement
 - Foot traffic



PLACES THAT FOSTER GREEN SPACES AND MIXED USES

- **Open spaces** play a vital role in connecting residents and fostering a sense of community within the area
- Housing such as affordable, multi-generational, and workforce will address housing needs and stimulate demand for nearby goods and services
- **Mixed-use** community hubs provide services to residents including restaurants, retail, entertainment, and more

Mixed uses also promote a symbiotic relationships between businesses, residents, and the surrounding community, leading to mutual benefits and growth

QUEEN KA'AHUMANU CENTER PROJECT AREA



QUEEN KA'AHUMANU CENTER PROJECT AREA

| Objective | Revitalize 50-year old property through adaptive reuse and transit-oriented development | |
|------------------|---|--|
| Land Owner | GSMS-2014-GC26 WEST KAAHUMANU AVENUE, LLC | |
| Property Manager | Pacific Retail Capital Partners | |
| Tax Map Keys | 2) 3-7-002:020, :021, :023, :025, and :027. | |
| Project Area | ≈33.8 acres | |
| Existing Uses | Shopping Center (Queen Ka'ahumanu Center, Foodland and other related accessory uses) 2,728 parking spaces | |













WHAT'S NEXT

THE FUTURE



GENERAL PLAN CONSISTENCY COUNTYWIDE POLICY PLAN

"<u>Encourage redevelopment and infill</u> in existing communities on lands intended for urban use to protect productive farmland and open-space resources."

"<u>Promote infill housing</u> in urban areas at scales that capitalize on existing infrastructure, lower development costs, and are consistent with existing or desired patterns of development."

"<u>Redevelop commercial areas</u> with a mixture of <u>affordable residential</u> and business uses, where appropriate."

County of Maui 2030 General Plan **Countywide Policy Plan**



'A `ohe hana nui ke alu `ia.

No task is too big when done together by all.



GENERAL PLAN CONSISTENCY MAUI ISLAND PLAN

A MAJOR CHALLENGE (Wailuku – Kahului Region)

Lack of Housing Choices:

"This marked disparity between single-family and multifamily residential units provides residents with limited housing options in the Central Maui region. More multifamily units for purchase and rental are needed in the region to provide for a mix of housing prices and types."

PLANNED GROWTH AREA Kahului Infill and Redevelopment

"Much of Kahului is significantly underutilized and redevelopment will strengthen the economy, provide diverse housing opportunities within close proximity to jobs and services, and protect agricultural lands and the character of Maui's rural communities"



Maui Island Plan General Plan 2030

`A `ohe hana nui ke alu `ia. No task is too big when done together by all.







GENERAL PLAN CONSISTENCY MAUI ISLAND PLAN

POLICIES

"Ensure higher-density compact urban communities, infill, and redevelopment of underutilized urban lots within Urban Growth Boundaries."

"The County will promote (through incentives, financial participation, expedited project review, infrastructure/public facilities support, etc.) appropriate urban infill, redevelopment and the efficient use of buildable land within UGBs to avoid the need to expand the UGBs."

Wailuku-Kahului Community Plan

"Building Form and Character: maintain compatible scale relationships between the existing low-scale character of the area, adjacent public uses, and higher buildings."

Example:

Infill development of an underutilized shopping center allows for creative and beneficial recycling of land.



QUEEN KA'AHUMANU CENTER PROPOSED ACTION

Council Resolution No. 23-221, FD1 was adopted by the Maui County Council on October 20, 2023. The Council initiated resolution consists of two proposed bills for an ordinance:

- 1. Change the Wailuku-Kahului Community Plan Land Use Designation from Heavy Industrial to Business/Commercial for approx. 6.83 acres; and amend the text of the Wailuku-Kahului Community Plan (2002).
- 2. Change zoning from M-2 Heavy Industrial to B-3 Central Business District for approx. 33.8 acres, with conditions.

No specific development plan is being proposed.





QUEEN KA'AHUMANU CENTER PROPOSED COMMUNITY PLAN "MAP" AMENDMENT

- Amend ~6.83 acres from Heavy Industrial to Business/Commercial
 Benefits Include:
 - ✓ Allows mixed-use development within the entire property
 - Provides the most appropriate designation for existing and future uses
 - Establishes the foundation for more holisitic and effective planning of the project area

QUEEN KA'AHUMANU CENTER PROPOSED COMMUNITY PLAN "TEXT" AMENDMENT

The first bill also amends the text of the Wailuku-Kahului Community Plan to provide a framework for the Center's revitalization and to address the following community input:

- <u>Mixed uses</u>. A mix of appropriate, vibrant, and economically sustainable uses.
- <u>Multifamily Housing</u>. A variety including affordable, workforce, and special needs housing.
- <u>Public-partnership agreement</u>. Maximize the delivery of workforce and affordable housing.
- <u>Place-based Urban Design</u> to foster environmental sustainability, respect for Maui's unique culture, and to pay homage to the legacy of Queen Ka'ahumanu.
- <u>Compatible scale relationships</u> between the existing low-scale character of the area and higher buildings.
- <u>Use of native trees, greenery, and color landscaping</u>.
- <u>Safer connections</u> and access to the future Kahului Civic Center, transit hub, and harbor.



QUEEN KA'AHUMANU CENTER PROPOSED CHANGE IN ZONING

- Change ≈33.8 acres from M-2 Heavy Industrial to B-3 Central Business District with conditions
 - Benefits include:
 - Makes the zoning consistent with the Community Plan
 - Permits multi-family residential uses. M-2 DOES NOT
 - Allows for mixed-use residential development
 - B-3 uses are consistent with existing uses at the Center
 - Prevents hazardous and offensive uses

QUEEN KA'AHUMANU CENTER PROPOSED CONDITIONS OF ZONING

| Zoning Condition (summarized) | Rationale | |
|---|--|--|
| 1. Maximum 90 feet height limit | Manage density and mitigate visual and scenic impacts by maintaining height limit | |
| 2. Minimum of 1 off-street parking space per multi- family unit with less than 1,500 square feet | Reduce housing costs Foster more efficient use of the project site Justified because: Multi-family units are smaller Shared parking between uses is available Pedestrian access to jobs, services, retail, restaurants, and parks Near transit, including the future transit hub | |

QUEEN KA'AHUMANU CENTER PROPOSED CONDITIONS OF ZONING

| Zoning Condition (summarized) | Rationale |
|---|---|
| 3. Encourages the execution of a public-private partnership agreement between the County and Developer to provide additional deed-restricted housing in exchange for County incentives, subsidies, or both. | Maximize the production of affordable and workforce housing units through a public-partnership agreement with incentivizes |
| 4. Prior to obtaining a Special Management Area <u>Major</u> permit for a <u>multi-family residential redevelopment within the project area</u>, the Developer must: a. Prepare a visual-simulation study to assess the impacts on viewsheds and view corridors b. Host community meetings and design workshops c. Provide comments to the Planning Director from the County's UDRB prior to SMA permit. | Protect central Kahului's culture and sense of place |

QUEEN KA'AHUMANU CENTER PROPOSED AMENDMENT OF CONDITION NO. 3

3. [If the Developer seeks to build housing units, the Developer must obtain a Memorandum of Agreement with the County stating that the property owner must provide deed-restricted housing units, in addition to units required to satisfy] For any development that includes residential uses, the Developer must comply with the provisions of Chapter 2.96, Maui County Code, or any other law[, in exchange for] in effect at the time of application. If the County requests residential workforce housing units beyond the number required by law or restrictions on residential workforce housing units beyond the restrictions required by the Maui County Code, the Developer must negotiate in good faith with the County on a Memorandum of Agreement that would provide the needed support to make the requests financially viable. This support may include County incentives, subsidies, [or both.] financial grants, expedited project review, infrastructure, flexible parking standards, and other means of support. Through the Memorandum of Agreement, the County may permit building forms in excess of six stories so long as the building heights do not exceed 90 feet. The Developer must provide a report to the Planning Director and the Council documenting the number of meetings, participants, the outcome of meetings, and any final agreements reached to achieve [additional deed-restricted workforce housing units in excess of the units required by law] the County's requests and other [communication] communications held between the Developer and the County.

QUEEN KA'AHUMANU CENTER PROPOSED AMENDMENT OF CONDITION NO. 4

- 4. Prior to obtaining a Special Management Area <u>Major permit for a multi-family residential</u> redevelopment within the project area, the Developer must:
 - a. Prepare a visual-simulation study to assess the impacts of alternative building form, massing, and design options on viewsheds and view corridors to the 'lao Valley, the West Maui Mountains, and the Pacific Ocean.
 - b. Host community meetings and design workshops to inform the public in preparation for any housing project's master plan including proposed urban design and building form.
 - c. Provide comments to the Planning Director obtained from the County's Urban Design Review Board on any future housing project's master plan, preliminary site plan, and building elevations prior to the Maui Planning Commission's action on the Special Management Area permit.

QUEEN KA'AHUMANU CENTER NEXT STEPS

Prior to any future mixed-use development:

- Host community meetings and design workshops (Proposed Zoning Condition)
- Conduct a Visual Impact Simulation Study (Proposed Zoning Condition)

Obtain a Major SMA Permit (Planning Commission Approval Required)

- Development impact assessment, requiring detailed technical studies
- Consistency with state and county land use and environmental policies
- Consistency with SMA objectives, policies, and guidelines
- Review and comments by the Urban Design Review Board
- Notification of property owners within 500-feet, and publication in the Maui News
- Public hearing before the Maui Planning Commission

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