

Budget, Finance, and Economic Development Committee on 2021-07-21 1:30 PM

Meeting Time: 07-21-21 13:30

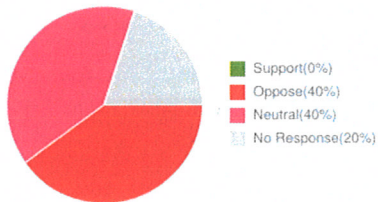
eComments Report

Meetings	Meeting Time	Agenda Items	Comments	Support	Oppose	Neutral
Budget, Finance, and Economic Development Committee on 2021-07-21 1:30 PM	07-21-21 13:30	4	5	0	2	2

Sentiments for All Meetings

The following graphs display sentiments for comments that have location data. Only locations of users who have commented will be shown.

Overall Sentiment



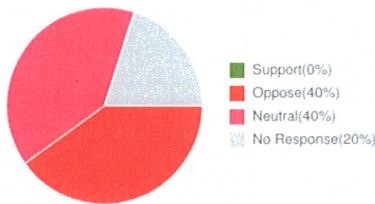
Budget, Finance, and Economic Development Committee on 2021-07-21 1:30 PM
07-21-21 13:30

Agenda Name	Comments	Support	Oppose	Neutral
BFED-78 CC 21-29 COUNTY PROPERTY TAX REFORM (BFED-78)	2	0	2	0
BFED-45 CC 21-282 ECONOMIC DEVELOPMENT AND TOURISM MANAGEMENT (BFED-45)	3	0	0	2

Sentiments for All Agenda Items

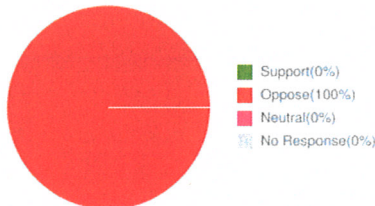
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Overall Sentiment



Agenda Item: eComments for BFED-78 CC 21-29 COUNTY PROPERTY TAX REFORM (BFED-78)

Overall Sentiment



Rod Antone

Location:

Submitted At: 12:28pm 07-21-21

MAUI COUNTY COUNCIL BUDGET, FINANCE AND ECONOMIC DEVELOPMENT COMMITTEE

Wednesday, July 21, 2021, 1:30 p.m.

Dear Chair Rawlins-Fernandez and Members of the Committee,

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry. Our membership includes 171 property and allied business members in Maui County – all of whom have an interest in the visitor industry. Collectively, MHLA's membership employs more than 25,000 residents and represents more than 19,000 rooms. The visitor industry is the economic driver for Maui County and its largest employer for local

residents.

MHLA opposes amending Section 3.48.561 of the Maui County Code, Subsection B relating to tiered tax rates, to include "hotel and resort."

Maui County already assesses the value of hotels and resorts differently depending on the size and value of its property. To create a tiered system for hotels and resorts is unnecessary, especially so soon after the pandemic shut down tourism for the state just a year ago.

This, coupled with the recent decision by the state legislature to take the \$200 million that Maui's TAT generates, thereby forcing the county to charge its own TAT – up to 3 percent – is too much too soon.

Eventually international travel will open up again and tourists will have the option of flying elsewhere. If you go to doubt that just take a look at the 777 and 797 Dreamliners that are landing at Kahului Airport. These are higher capacity planes that can carry up to 314 and 290 passengers respectively.

These planes are usually used for travel to Asia and Europe. Once those destinations open up again to travelers our visitor numbers will decrease.

I ask that before making any amendments to this section that council members wait until the international travel market opens up again to see what the effects will be to Maui's visitor industry.

Mahalo for your time.

Rod Antone
Maui Hotel & Lodging Association

✓ **Hawaii Lodging and Tourism Association HLTA**

Location:
Submitted At: 12:18pm 07-21-21

Testimony of
Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association

Maui County Council
Budget, Finance, & Economic Development Committee
July 21, 2021

**BFED-78: TRANSMITTAL OF LEGISLATIVE PROPOSAL RELATING TO THE
REAL PROPERTY TAX HOTEL AND RESORT CLASSIFICATION**

Chair Rawlins-Fernandez and members of the Committee, mahalo for the opportunity to submit testimony on behalf of the Hawai'i Lodging & Tourism Association, the state's largest private sector visitor industry organization.

The Hawai'i Lodging & Tourism Association—nearly 700 members strong, representing more than 50,000 hotel rooms and nearly 40,000 lodging workers—advocates on behalf of an industry that is still fighting to recover from the effects of a worldwide pandemic. Our people and our businesses are just beginning to recoup the losses incurred over the past year and a half, and we should be making this easier for businesses rather than more difficult. In concept, this measure could unfairly and unevenly affect the traditional, brick and mortar lodging industry that is already paying the second highest real property tax rate in the county, further slowing its overall recovery.

HLTA's position is that now is not the time to levy additional tax burdens on an industry that supports thousands of jobs and generates billions in tax revenues for the State of Hawai'i as well as Maui County. As it stands, property

valuations continue to climb as will the total amount of funds raised through taxation. There will be a domino effect from enacting a tiered tax rate of this nature that will not only affect tourism, but also tourism-adjacent industries. For example, a tiered tax rate that applies higher rates to larger or more valuable properties will disincentivize hotels from seeing through necessary and planned renovations. This would result in further aged infrastructure as well as a net loss of jobs for the trade industry.

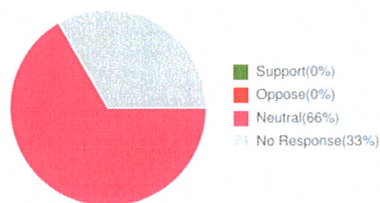
Moreover, a tiered tax rate would unfairly harm larger and more valuable properties. These properties, by their very nature, support more jobs for Maui residents and already generate more tax monies for the State and Maui County. It would be imprudent to levy a great tax burden on these properties, especially as we are just beginning to turn the corner on the pandemic.

For these reasons, HLTA opposes this proposed measure.

Thank you for the opportunity to offer this testimony.

Agenda Item: eComments for BFED-45 CC 21-282 ECONOMIC DEVELOPMENT AND TOURISM MANAGEMENT (BFED-45)

Overall Sentiment



Pamela Tumpap

Location:

Submitted At: 1:55pm 07-21-21

Aloha Chair Rawlins-Fernandez, Vice-Chair Paltin and Members of the Budget, Finance, and Economic Development Committee,
Please see attached testimony.

Mahalo,

Pamela Tumpap, President

Maui Chamber of Commerce

Rod Antone

Location:

Submitted At: 1:03pm 07-21-21

Dear Chair Rawlins-Fernandez and Members of the Committee,

The Maui Hotel & Lodging Association (MHLA) is the legislative arm of the visitor industry. Our membership includes 171 property and allied business members in Maui County – all of whom have an interest in the visitor industry. Collectively, MHLA's membership employs more than 25,000 residents and represents more than 19,000 rooms. The visitor industry is the economic driver for Maui County and its largest employer for local residents.

Regarding the proposal for a Temporary Investigative Group of the Budget, Finance and Economic Development Committee.

The MHLA presents the following comments for the TIG:

1. We already have those numbers referred to in section 1a. According to the 2020 Census Maui County's population is 152,062, and one third of that number is 50,687. The daily average visitor's count as of May 2021 is 58,412 visitors per day on Maui. Therefore, the reduction that will get the ratio down to levels set by the Maui Island Plan is 7725 less visitors a day.

2. The MHLA officially requests to be one of the groups that TIG members consult with as noted in 2c.

3. The TIG should take into account that currently not all international destinations are available for travel, and that a portion of this summer's influx of travelers to Maui are here because of that. It would be advisable for this TIG to hold off on any conclusions regarding visitor impacts until international travel can resume and we can take another look at our tourism numbers then, when they are less artificially inflated.

Mahalo for your time,

Rod Antone
Maui Hotel & Lodging Association

Thomas Croly

Location:

Submitted At: 12:17pm 07-21-21

My testimony for BFED-45 is attached



HAWAI'I LODGING & TOURISM
ASSOCIATION

Testimony of
Mufi Hannemann
President & CEO
Hawai'i Lodging & Tourism Association

Maui County Council
Budget, Finance, & Economic Development Committee
July 21, 2021

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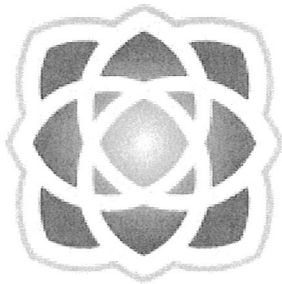
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HLTA's position is that now is not the time to levy additional tax burdens on an industry that supports thousands of jobs and generates billions in tax revenues for the State of Hawai'i as well as Maui County. As it stands, property valuations continue to climb as will the total amount of funds raised through taxation. There will be a domino effect from enacting a tiered tax rate of this nature that will not only affect tourism, but also tourism-adjacent industries. For example, a tiered tax rate that applies higher rates to larger or more valuable properties will disincentivize hotels from seeing through necessary and planned renovations. This would result in further aged infrastructure as well as a net loss of jobs for the trade industry.

Moreover, a tiered tax rate would unfairly harm larger and more valuable properties. These properties, by their very nature, support more jobs for Maui residents and already generate more tax monies for the State and Maui County. It would be imprudent to levy a great tax burden on these properties, especially as we are just beginning to turn the corner on the pandemic.

For these reasons, HLTA opposes this proposed measure.

Thank you for the opportunity to offer this testimony.



MAUI

CHAMBER OF COMMERCE
VOICE OF BUSINESS

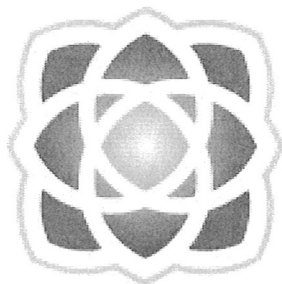
BFED-45

**Economic Development and Tourism Management TIG
Wednesday, July 21, 2021**

Dear Committee Chair Rawlins-Fernandez, Vice-Chair Paltin and
Members of the Budget, Finance, and Economic Development Committee,

As we shared in prior testimony on the moratorium, we support the creation of a TIG on tourism management, but would have preferred this be done independently of and prior to a moratorium. We appreciate that the creation of the TIG is being expedited before the moratorium passes, and would like to share the following comments on the proposed TIG formation and scope.

- We understand the TIG will be made up of 4 Councilmembers. We feel that any Councilmember who wants to participate should be allowed and that the TIG should be made up of equal representation of members from both sides of the moratorium votes.
- Relating to section 1a, the bottom line is we are already over this ratio and we would like to better understand how you propose to get this data. There have been discussions about reducing airline seats and limitations on hotel room use, but we don't have the authority to do that as it is covered under Federal law. Other than reducing the number of short-term rental permits (which is already being done), how can this realistically be achieved? The TIG should focus on what can be done within the County's purview. Currently plans include targeting visitors who tend to spend more, have a love for Hawaii and are interested in and respectful of this place and our culture.
- We support section 1b on proposing mitigation measures for specific areas and encourage broad community outreach on this. When exploring those areas, we would also like the TIG to look at infrastructure and critical infrastructure needs to help address or alleviate concerns.
- For section 1c, the way it is written assumes the County has the ability to limit rental cars. We are not sure that is the case and wonder where that assumption comes from. If that is true, we think it is an area to explore. We think 1c should be better defined to look at alternative modes of transportation, continuing the discussion of shuttles to/from resort areas and visitor attractions, expanded bus services and ride sharing solutions.
- We support section 1d on beach parking and feel the TIG should also explore visitor parking and/or access fees at County parks. We recently read in a news article that Diamond Head state park increased their visitor fees and were able to recoup significant funding and visitors did not mind the increase. We also see the state enacting fees at Maui state parks like Iao Valley and Wainapanapa State Park. We encourage the TIG to explore this further and see how they can work with the State to see if they can have consistent policies for all state parks in Maui County and consider this or a similar model for the County.



MAUI

CHAMBER OF COMMERCE
VOICE OF BUSINESS

BFED-45
Wednesday, July 21, 2021
Page 2.

Additionally, we encourage the TIG and Councilmembers to review the Maui Nui Destination Management Action Plan that was recently released and deals with visitor management in Maui County as well as work with the Mayor's existing task forces, members of the business community and the industry itself. By working together, we strongly believe we can come up with creative solutions to address community concerns.

Mahalo for the opportunity to provide testimony.

Sincerely,

Pamela Tumpap
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

**Testimony for Temporary Investigative Group on Tourism Management
BFED-45**

From Thomas Croly

I have reviewed the correspondence from Budget Chair Rawlins-Fernandez regarding the scope of investigation for the Temporary Investigative Group (TIG) on tourism management. I would like to suggest some additional items for the TIG to investigate that I feel would be valuable in gaining a better understanding of Maui's visitor industry and accommodations.

First, would be producing a complete census of Maui's visitor accommodations.

Some the questions that investigation should seek to answer include:

How many hotels and hotel rooms are there in Maui County?

How many time-share units are there in Maui County?

How many Condominium units in both apartment and hotel districts are making legal short-term rental uses and how many are used as part time residences of their owners?

How many Condominium units in apartment districts, not allowed to make short-term rental uses, are being used exclusively as second homes?

How many single-family homes exist in Maui County?

How many of these single-family homes are used as the full time homes of their owners? Real property tax records indicate this number to be 27,833 (including apartment style condos), of which 153 are Owner occupied Bed and Breakfast homes.

How many of these single-family homes are used exclusively as second homes?

How many of these single-family homes are used as long-term rentals?

How many of these single family homes are permitted as short term rental homes?

The planning department indicates this number is currently 207

How many unpermitted short-term rentals have been identified as operating in each community plan district?

Until a complete visitor accommodation census is known, it is impossible to effectively regulate visitor accommodations.

Some resources that the TIG could consult to accurately answer these questions include:

Maui County Real Property tax department

Hawaii Tourism authority

Maui Data book

Maui Planning Department ZAED division

Second, the TIG should contact DBEDT to find out the methodology they use for calculating visitor counts. I am aware that this is not a straight count, but rather a calculated number based on some set of criteria and assumptions. And I am also aware that this count include all of Maui's part-time residents that may represent a census of as many as 20,000 a day. Hopefully DBEDT can provide more accurate breakdowns of who Maui's visitors are and where they stay while they are here.

I would encourage the TIG to identify specific tourism impacts and seek pragmatic solutions to address them, rather than simply seeking to limit legal visitor accommodations, as seems to already be a conclusion of the proposed scope of this TIG

One such pragmatic solution to road overuse might be for the County to consider expanding public transportation options that would be useful to visitors, to allow visitors to see the islands of Maui and get to beaches and tourist sites without needing a rental car.

I am very supportive of using apps and technology available thru portable electronic devices to track and manage visitor travels throughout the islands.

The TIG should refrain from jumping from investigative work directly to legislative proposals until the results of the investigations have been presented to the public and the conclusions of the TIG are vetted.

I wish success to this effort and offer my services to assist the TIG in their work.