

BF Committee

From: Retreat <retreatonmaui@aol.com>
Sent: Wednesday, October 25, 2017 2:57 PM
To: BF Committee
Cc: Mike White; Robert Carroll; Stacy S. Crivello; Alika A. Atay; Elle Cochran; Donald S. Guzman; Kelly King; Riki Hokama; Yukilei Sugimura
Subject: Testimony Regarding BF-79 and BF-42

Aloha, My name is Eve Hogan.....

I am sorry for the delay on this but the Internet was down all day yesterday and due to the e

I want to paint a different picture for you of what pops in your head when you hear STRH. The typical image is that of a wealthy off island owner, taking advantage of the system. This is not the reality for all of us.

I'm a member of the Ag working group, and my husband and I are owners of The Sacred Garden in Makawao where we live. After previous owners got caught smuggling heroin in in the bottom of the orchids, we transformed the run down greenhouse into one of Maui's prize destinations as a beautiful nursery and serenity garden open free of charge to the public 7 days a week.

We bought the adjacent property after several years of sharing a driveway with a drug dealer haven, with run down, rat infested, unkempt accommodations, constant police visits for drug issues, domestic violence and even attempted murder. We removed dozens of truck loads of junk and debris, restored and expanded the agriculture, turned the property into a beautiful farm, and spent two years getting it permitted as a vacation rental.

The owners prior to us— who were costing the county money and running down and endangering the neighborhood—were only paying \$150 for an entire year in property tax in 2011. After spending thousands of dollars beautifying and cleaning up the neighborhood, employing numerous people, and providing a service to the community, our taxes have gone up to over \$5000 a year.

And now you want to tax us even higher.

The incentive Maui County offers people to do good work, or to do work legally, is sorely lacking.

Not all STRH owners are wealthy non-residents. Some of us are the extremely hard working people serving this community. My neighbor, Sydney Smith, president of the Maui Coffee Association and Ag Working Group member also runs a short term vacation rental on her adjacent property after much the same story of transformation and hard work.

Vacation Rentals attract a lot of \$ to Maui that would be spent elsewhere otherwise. Chairman Mike White told us once in his office that every plane that lands on Maui represents something like \$350,000 in revenue to the county. I guarantee that many of those people would not come here if the only places to stay were the resorts. While some vacation renters are the rich and famous seeking the privacy of a rental home, a huge number of the vacation rental visitors are young newlyweds on a honeymoon, people interested in farming and agritourism, adventurous hikers, bikers, surfers, kama'aina visiting from other islands....those who want to experience *the local* Maui and its residents and who spend their hard earned dollars here.

If an STRH is done well, it has an extremely high overhead providing jobs to local residents. STRH houses are kept with a much higher standard of cleaning and maintenance, higher standard of safety, higher standard of yard service, and higher standard of hospitality. We hire a lot of people to assist us in meeting these standards.

While the mission of the resorts is to keep the tourists on site to spend all their money in one place, Vacation Rentals provide customers for small, local businesses and activities, infiltrating the whole community including remote portions, with an increased economy.

Short-term rental operators should be celebrated and appreciated for the service we provide. In many, many other places around the world vacation rentals and Bed and Breakfasts are encouraged and supported as “agritourism” and seen as a viable income to the residents and the economy of the community. I just got back from traveling in England, Scotland and Ireland and Bed and Breakfasts and STRH were how everyone was surviving and thriving on their farms. The same was true in Italy. Maui could be supportive of this effort instead of oppositional making more money for the county, the state and the communities served by these visitors. Sydney Smith just showed me an article regarding the impact of the recent fires that said, ““The wildfires’ timing couldn’t be worse. Fall is prime time for visitors to Napa and Sonoma, where tourism is a \$3.2 billion-a-year industry – **or about three times the size of the annual wine grape crop.** As many as 10 percent of the visitors come from overseas.” Maui is equally fueled by tourism and it would be so refreshing to see the county support small businesses and residents in serving that industry without undue punishment.

And, if you *are* going to tax us like a hotel, resort or condo then allow us all the SAME RIGHTS of a hotel, or *any* other business for that matter: Allow us to sell, will or transfer our permits so that the businesses we work hard to build hold a value like that of any other business built from hard work. If you *are* going to tax us like a hotel, resort or condo, allow us to offer other services, and hold weddings like the hotels do.

INSTEAD....here are some potential solutions:

- 1) FIX the inconsistencies in the already existing tax assessments and you will dramatically increase your revenue AND FAIRNESS. Right now, when I compare the “apples to apples” assessments on the tax maps the inconsistencies are blatant. (like the \$150 the previous owners were paying.) Fix what is broken before breaking what is not. Instead of going after one industry like agriculture or STRH owners....get the ridiculously inaccurate assessments up to date.
- 2) Have a (lower) Resident STRH and another Non Resident STRH classification. Do not lump us together.
- 3) Have a different (LOWER) category for Ag STRH. We have to do Ag on our properties in addition to the STRH (and getting the permits are more strenuous) while faced with Rat Lungworm disease, Coqui frogs, Coffee Borer beetle, little red fire ants, droughts, floods, etc. We should not be assessed the same way a condo or hotel, or even a residential STRH is assessed. We are not the same thing,

Maui County’s Web site says, “The County of Maui recognizes that small business are the backbone of our community.”

I beg of you to put your actions where these words are rather than adding one more thing designed to break that all important “back.”

Thank you!

Eve Hogan

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