

BF Committee

From: Patricia Cadiz <pbcs5@mac.com>
Sent: Wednesday, March 29, 2017 10:40 AM
To: BF Committee
Subject: Fwd: BF-129 Support Food Trucks & Reject Concessions for Ocean Activities
Attachments: PastedGraphic-5.pdf; PastedGraphic-4.pdf

Aloha Mr. Hokama and members of the Budget and Finance Committee,

My name is Patricia Cadiz and I am here to ask that you amend BF-129 to exclude CORA services from the concessions model.

Please accept the following 4 corrections to testimony provided at the March 7, Budget and Finance Committee meeting on BF-129.

#1. CORA is already "on par" with the State fee structure.

You were told, CORA pays \$250,000 to the state and only generates \$87,000 to the County. The state grants a permit for "all state waters" so each business needs just one state permit. There are 35 CORA businesses. 35 x \$200 x 12months is only \$84,000 - not \$250,000. To be ON PAR, County would also only charge for one permit per business too.

#2. The comparison of Waikiki to Kanaha is a fallacy and nothing to which we should aspire.

Let's evaluate the comparison of Waikiki and Kanaha...

Accommodation Units:

Waikiki has 30,000 rooms available for rent; Kanaha Beach Park has zero units.

Venue Comparison:

Waikiki: Famous for sunbathing and swimming and gentle surf - windsurfing and kitesurfing are not possible there.

Kanaha Beach Park: Famous for extreme conditions and the wind-sports of Windsurfing and Kitesurfing.

Commercial zone vs. family park:

Waikiki has its own Zip Code and Post Office and has been named the #1 Beach in the world (2014). Waikiki is home to many high-end hotels and luxury designer brand stores including Apple Store, Chanel, Louis Vuitton, Prada, Burberry, Dior, Tiffany & Co., Fendi, Cartier, Gucci & Coach. (<https://en.wikipedia.org/wiki/Waikiki>)

Kanaha has NO commercial activity - not even CORA. All CORA transactions are required to be done off-site at our business location. (MCC §10-102-16) (My office is inside Hi-Tech Surf Sports where I pay rent, utilities, etc.) Kanaha is the primary family beach park for central valley and north shore residents. As stated in your own CORA report, CORA comprises only a very small percentage of all the activity at Kanaha. (CORA Study, p 485)

Corporations, prostitution and high prices OR “Maui No Ka Oi”?:

One of the two main thoroughfares at Waikiki, Kahio Avenue, is "better known for its ... clubs, nightlife and prostitution."(Wikipedia) The concession management system at Waikiki is rife with corruption, scandal and lawsuits.(Pacific Business News Aug, 11,2002) The concessions at Waikiki sell/rent: Umbrellas (up to \$60/day), beach chairs, paddle boats, surf boards, canoe rides, burial services (yes they charge \$ for that), sun screen, SUP boards. They do not sell windsurfing or kitesurfing lessons.

CORA at Kanaha are small businesses offering personalized lessons. No money is collected in the park. Kanaha CORA are severely limited by wind and surf conditions as well as regulations, on average offering lessons only about 65% of the days of the year. The park is mostly vacant on non-windy days.

#3. The CORA system is the most finely-tuned activity management system in the state. You were told that the current CORA system “is flawed”and we should look to Oahu’s RFP system. Kailua Beach Park on Oahu is most similar to Kanaha but it has *no fee-paying operators*. Kailua’s citizens rejected the RFP proposal. Oahu has nearly killed the wind-sport industry providing no legal venue suitable for beginner wind-sport lessons. It's just a convoluted scheme of “non-profits” and renegades.

"allintext" Google search results	Maui	Oahu
Windsufing	243,000 hits	1,260 hits
Kitesurfing	72,300 hits	1,740 hits
TOTAL	315,300 hits	3,000 hits

#4. The Parks Department is not maximizing the revenue it should be generating from the existing CORA permit system.

You were told that CORA operators should be able to support more costs at Kanaha, and that CORA is monopolizing and sitting on unused permits.

This is not true either. CORA is doing their part, but Parks is not.

Parks Department could be generating income thru the existing permit system by...

- Re-issuing all of the 24 forfeited permits. $24 * 1000 = \$24,000$
- Reopen the 13 Parks that formerly had and could now have multiple CORA permits.
(see page 7 and Table I-3, page 11 of CORA Study)
 $80 \text{ permits} * \$1000 = \$80,000$.
- There are at least as many unpermitted operators as permitted operators. Issue fines and bring some into compliance. $35 * \$1000 = \$35,000$

- Fostering and supporting CORA could reverse the trend of permit forfeitures potentially quadrupling revenues. (see Number of Permits chart)
- Activity Concessions with beach rentals would disrupt the six retail & rental shops in Kahului, disrupting the local economy having a negative affect on the county budget.
- Windsurfing and Kitesurfing are “Destination Sports”, meaning people travel to find ideal conditions like Maui offers. CORA small businesses offer personal service and cultivate relationships that foster lifetime return trips to Maui. We could do more with just a little support from our County Parks Department. If we were not so busy defending ourselves against these attacks on our small businesses, maybe we could actually afford to pay more in permit fees.
- According to HVB expenditure data, for every \$1 spent on guided activities another \$32 is spent on other expenses. The economic benefit of a destination sport casts a wide, prolonged and everlasting net. This has never been appreciated or cultivated by the Parks Department.

In Conclusion:

These four major corrections should highlight that there is more discovery to be done on the issue of concessions for ocean activities.

Maui’s #1 Island status is attributable to the availability and diversity of activities. *“With an abundance of activities offered, from whale-watching to nature hikes to watersports, you will never have a dull moment.”*(Conde Nast Traveler) CORA is your frontline of aloha in the beach parks. Would an RFP model achieve the same result?

The Parks Mission Statement includes providing “*cost-effective* recreational access”. A pricey concession would drive up prices, in conflict with the Mission Statement and the very values that make us #1. HVB’s first recommendation in their 2016 Report to the Legislature is to “Improve the Integrity of the Destination”. I submit that RFP for wind-sports would do the opposite.

Do not sell out the soul of Maui. Protect our Parks. Protect our Integrity.

I support food truck concessions in certain parks. I urge you to exclude CORA services from the definition of “concessions” in BF-129.

Want more revenue for parks?

- Work with DLNR for County control of unencumbered lands access areas to bring all operators under County jurisdiction (and revenues).
- Continue efforts for fair share of TAT.

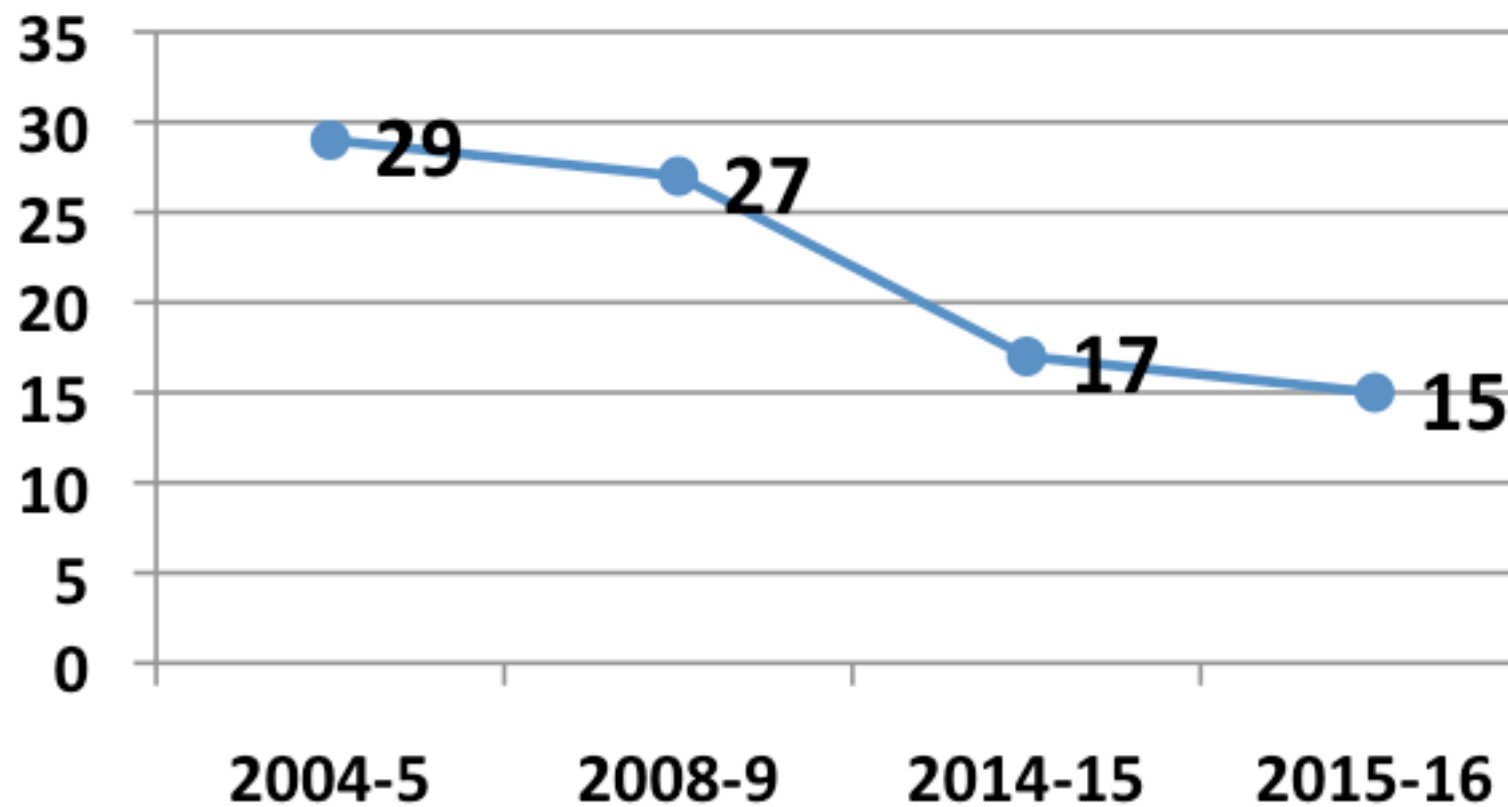
- Support SB 703 and propose a similar measure for MVB funds for County Parks.
(<http://www.civilbeat.org/2017/03/denby-fawcett-how-many-tourists-can-hawaii-handle/>)
- Consider a 0.5% GET assessment for Maui County because it's not just Parks that need funding.

Respectfully submitted,

Patricia Cadiz, HST Windsurfing and Kitesurfing

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Number of Parks with CORA Services



NUMBER OF CORA PERMITS

