

EDB Committee

From: ALICE AHERN <tealice@verizon.net>
Sent: Monday, April 22, 2019 2:12 PM
To: EDB Committee
Subject: Property Tax Increase

We oppose increase in property taxes on rentals as jobs are provided for management personnel, and maintenance and cleaning personnel as well.
Wailea Ekahi 21D

Sent from my iPhone

EDB Committee

From: ALICE AHERN <tealice@verizon.net>
Sent: Monday, April 22, 2019 2:06 PM
To: EDB Committee
Subject: Property Tax Increase

We oppose increase in property taxes on rentals as jobs are provided for management personnel, and maintenance and cleaning personnel as well.

Wailea Ekahi 21D

Sent from my iPhone

EDB Committee

From: Aloha Living Spaces <alohalivingspaces@gmail.com>
Sent: Monday, April 22, 2019 3:17 PM
To: EDB Committee
Cc: Riki Hokama; Tasha A. Kama; Kelly King; Keani N. Rawlins; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: County of Maui - Proposed 60% Increase in Property Tax

Dear City Councillors,

I strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false!

Short Term rental properties create work and jobs for many "local" residents in the following areas.

- *Reservations staff*
- *Housekeepers and Housemen*
- *Property managers*
- *Concierge and Activity Salespersons*
- *Accountants*
- *Online Marketers*
- *Offline Marketers*
- *Plumbers*
- *Carpet Cleaning Workers*
- *Flood Control Workers*
- *Glass Repair and Installation Companies Professionals*
- *Blind Repair and Installation Companies*
- *Data and Technology Workers*
- *Painters*
- *Home Entertainment Professionals*
- *Dry Cleaning and Professional Washing Workers*
- *General Handymen*
- *General Contractors*
- *Tile Installers*
- *Woodworkers*
- *Security Professional Workers*
- *Landscapers*
- *Pool Care Workers*
- *Electricians*
- *Remediation Pros*

A property tax increase of approximately 60% would have a significant impact to an owner. As an owner of the Short Term Rental I would have pass along that significant increase to my guests which in turn will have a negative impact on the many visitors that would otherwise stay in short term rentals. If short term rental rates increase, visitors that choose to stay in short term rentals will be priced out of the market. They will choose to stay on other islands and or visit other places then Maui.

Therefore having a significantly negative impact to the visitor revenue that contributes to the "thriving" Maui economy.

Please abandon this proposal that will ultimately have a very negative affect not only on the local employment but on everyone that enjoys Maui.

*Mahalo,
Alison L Yim
Aloha Living Spaces LLC
808-721-8832
Ekahi Village Building 22*

--

E Pili mau na pomaika'ia 'oe
"May blessings ever be with you"

EDB Committee

From: Allan Raikes <allan@crhmaui.com>
Sent: Monday, April 22, 2019 3:33 PM
To: EDB Committee
Subject: Property tax increase

Importance: High

Dear Councilmembers.

It is with great concern that I have read about the proposed increase in property taxes by over 60% for both hotels and short term rental properties.

Our company has been providing vacation rental condominiums as short term rentals since 1982. We employ a staff of 40 people as well as work with over 50 independent contract cleaners.

If this proposal should go through, I believe it will have devastating impact on our business and will likely result in our having to cut several positions from our payroll. This huge increase will have the owners of the condos we manage looking for ways to offset this increase with a reduction in their costs. The first place they will be looking to is our company and companies like ours.

In recent years, many have already decided to do their own rentals and use housekeepers to handle the day to day management. Those that who up until now see the value of our service may decide that in order cut their losses they will take on the rental responsibility themselves.

This issue could result in more owners going underground and not reporting all of their income as it will no longer be coming through a licensed professional management company who makes sure all revenue is reported for tax collection purposes.

I understand that there are issues with short term rentals, but taxing an entire industry that creates many local jobs, out of business is not the way to go.

Please know that on behalf of our 40 employees and 385 condo owners we are **STRONGLY OPPOSED** to this proposal.

Mahalo

R. Allan Raikes | President

Condominium Rentals Hawaii | 362 Huku Li'i Place, #204, Kihei, Maui, Hawaii 96753
Tel 808-879-2778 ext. 236 or 800-367-5242 ext. 236 | Fax 808-879-7825 | Email Allan@crhmaui.com

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EDB Committee

From: Bill Manry <wfmanry@gmail.com>
Sent: Monday, April 22, 2019 3:05 PM
To: EDB Committee
Cc: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; Linda Manry
Subject: Proposed property tax rate increase

Dear County Council,

I own two condominium apartments in Wailea Ekahi Village. They are operated as short term rentals roughly 9 months of each year (with the rest being my personal use).

If the tax rate for these properties is increased as proposed, I probably will have to take them out of rental completely. That will change my classification to "Apartment" which has a lower tax rate than I currently pay. The jobs these units currently generate for my property manager, including cleaning staff, concierge, marketing, accounting, reservations, and others will go away, as will two apartments' worth of Maui visitor accommodations.

I do not think this outcome will be beneficial to Maui County. Please abandon this proposal.

Sincerely,

/b

William F. Manry

Linda Manry

3300 Wailea Alanui #29B,A

Wailea, HI 96753

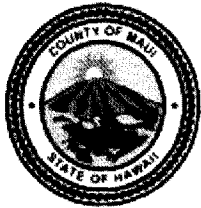
This email has been checked for viruses by Avast antivirus software.

<https://www.avast.com/antivirus>

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 2:14 PM
To: EDB Committee
Subject: Fw: recycle funding

With Aloha,



Office of Council Chair Kelly T. King

South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
maucounty.us

From: Buff Weaver- Buff Weaver Hospitality <bufaloha@aol.com>
Sent: Monday, April 22, 2019 2:08 PM
To: mayor.office@co.maui.hi.us; Tamara A. Paltin
Cc: Kelly King; rikihokama@maucounty.us; Alice L. Lee
Subject: recycle funding

Aloha, I am writing to you in regards to the possible trimming of funds for the 3rd Saturday recycle event. The Westside needs to have access to ways to dispose of large items legally.
Please look at any vacant land that has auto access while driving to the other side and you will notice washing machines, beds, cars, and just about any items the public does not want.
We must take control of illegal dumping and offer another option.
Please keep funding the 3rd Saturday event.
thank you

Buff Weaver

Buff Weaver Hospitality Advisors
808-281-1339- C
bufweaver.com
bufaloha@aol.com

EDB Committee

From: Carol Winnert <winnertcarol@gmail.com>
Sent: Monday, April 22, 2019 5:04 PM
To: EDB Committee
Subject: Tax

I have just been informed that there will be a new tax rate for Ekahi. I am a resident of Ekahi 5C , with no rentals. I don't understand why I should pay more than hotels.

EDB Committee

From: Carole Fineberg <simi4relo@gmail.com>
Sent: Monday, April 22, 2019 6:39 PM
To: EDB Committee
Subject: Proposed Property Tax Increase in Maui
Attachments: Ltr_MauiTaxIncrease_042219.docx

Carole Fineberg
9325 Copper Mountain Circle
Reno, NV 89523

April 22, 2019

Council Member Keani Rawlins-Fernandez
Chairman, Budget & Finance Committee
Maui County Council
200 South High Street, 8th Floor
Wailuku, HI 96763

Dear Chairman Rawlins-Fernandez and Members of the Committee

My husband and I have owned a condominium in Kihei for 16 years. It is on a rental program and I have watched taxes go up and up and I have accepted it as a necessary evil of property ownership. But when I learned of your proposed plan to increase my taxes for short-term rental rates from \$9.28 per \$1000 to \$15.41 per \$1000, I just have to raise my stringent opposition. That is a 66% increase, after a steady incline in taxes for the last 16 years!

I lost my husband in 2016 and it has been a difficult choice to keep the Kihei condo. Kihei is not a high rent district and my condo doesn't rent for the highest in even that modest area. I can make ends meet if I can rent it about 13 days a month. There were several months this last year that it did not rent for 13 days and I was out of pocket. Still and all, I enjoy owning in Hawaii and helping to employ cleaners, landscapers, maintenance workers, and property managers.

At this rate of tax, I - and I am sure many others - will be forced to raise rental rates, potentially eliminating some couples and families from being able to stay in Maui at all.

At this rate of tax, I'll likely not even be able to sell it because any potential new owner will calculate that rate of tax into his monthly principal, interest, taxes and insurance and determine either another island or not buy in Hawaii at all.

In a nutshell, what you are doing is deleterious to home owners, to renters, to potential new buyers, and to an entire real estate industry.

What you are doing is also deleterious to an entire industry that depends on tourism for its livelihood (airlines, car rentals, property managers, maintenance personnel, landscapers and gardeners, cleaning crews, restaurants, shops, and of course vacationers). Do you see the ripple effect of such an action?

We have had small increases over the years, but a 66% increase is downright usurious.

Please reconsider this drastic action and I urge you to go back to the drawing board and re-think your position, look elsewhere for revenue or maybe even consider cutting other spending.

Most sincerely,

Carole Fineberg
Owner, Hale Kamaole #225, Kihei

Carole Fineberg
9325 Copper Mountain Circle
Reno, NV 89523

April 22, 2019

Council Member Keani Rawlins-Fernandez
Chairman, Budget & Finance Committee
Maui County Council
200 South High Street, 8th Floor
Wailuku, HI 96763

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In a nutshell, what you are doing is deleterious to home owners, to renters, to potential new buyers, and to an entire real estate industry.

What you are also doing is deleterious to an entire industry that depends on tourism for its livelihood (airlines, car rentals, property managers, maintenance personnel,

landscapers and gardeners, cleaning crews, restaurants, shops, and of course vacationers). Do you see the ripple effect of such an action?

We have had small increases over the years, but a 66% increase is downright usurious.

Please reconsider this drastic action and I urge you to go back to the drawing board and re-think your position, look elsewhere for revenue or maybe even consider cutting other spending.

Most sincerely,

Carole Fineberg

EDB Committee

From: Chris Brosius <brosius@westmauiwatershed.org>
Sent: Monday, April 22, 2019 6:09 PM
To: EDB Committee
Subject: RE EDB-1, Testimony for West Maui Watershed Protection Funding under DWS
Attachments: FY20 EDB Testimony_ Mauna Kahalawai Watershed.pdf

Aloha EBD Committee,

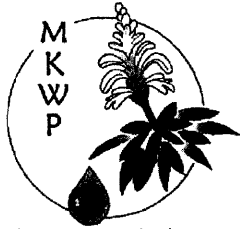
Please find our testimony attached in support of West Maui Watershed Funding.

Mahalo for all of your support for our programs,

Chris

--

Chris Brosius
Program Manager
Mauna Kahālāwai Watershed Partnership
PO Box 13240
Lahaina HI. 96761
Office Hrs: Mon.-Thurs.: 7am - 5:30pm
Phone: 808-661-6600
Fax: 808-661-6604
brosius@westmauiwatershed.org
www.westmauiwatershed.org



Mauna Kahālāwai
Watershed Partnership

P.O. Box 13240

Lahaina, Hawai'i 96761

Phone (808) 661-6600

Fax: (808) 661-6604

Westmauiwatershed.org

Watershed Partners

County of Maui

Hanaula Ranch, LLC

Ka'anapali Land
Company, LLC

Kahoma Land, LLC

Kahoma Land
Holdings, LLC

Kamehameha Schools

Makila Land Co., LLC

Maui County
Department of Water
Supply

Maui Land & Pineapple
Company Inc.

State of Hawaii
Dept. of Land & Natural
Resources

The Nature
Conservancy

Tri-Isle RC&D

U.S. Fish & Wildlife
Service

Waituku Water Co. LLC

Mauna Kahālāwai Watershed Partnership

April 17th, 2019

RE: Testimony in Support of West Maui Watershed Protection under DWS

Aloha Chair Rawlins-Fernandez and Honorable Council Members,

The Mauna Kahālāwai Watershed Partnership, formerly known as the West Maui Mountains Watershed Partnership, would like to express its great appreciation for the Dept. of Water Supply's \$480,000 FY20 budget request toward West Maui Watershed Protection.

This support empowers us to protect the native Hawaiian forests that function to provide Maui's life giving water. Nearly 76% of DWS customers receive their freshwater from Mauna Kahālāwai. Without healthy forests the sustainability of our community's water source is in question. With a staff of 13 highly specialized natural resource technicians our work focuses on the control of threats to native forest ecosystems. Together we prioritize our work to fight invasive ungulates and weeds, mitigate human impacts, guard against disease, and conduct public outreach and education programs.

Today, after twenty years of effort, we have over 24 miles of fence built that protect 66% of our watershed, more than 31,000 acres. Our vigilant zero-tolerance policy for feral ungulates such as pigs, goats, deer, and cattle has maintained near zero animals behind our fences. Maintenance and expansion of our fencing network continues to be extremely important due to the growing levels of pressure from the outside. Our invasive weed program focuses on protecting the core of our watershed and strives to work outward against an onslaught of over 21 ever shifting water thirsty species. Our overall efforts and mission are shared widely to the public via social media, education programs, volunteer stewardship opportunities, and outreach events. In every program we are significantly expanding our coverage while maintaining our past successes.

We are humbly asking for your continued support as we strive to maximize every dollar and leverage those dollars toward, private, state and federal programs. With the county providing this backbone of support we are able to sustain core programs and attract outside contributions from the state, federal and private sources that help to expand our reach and progress.

Mahalo nui loa to you all. I look forward to working with all of you and serving as a resource for you. Should you have any further questions, please do not hesitate to contact me at (808) 661-6600 or brosius@westmauiwatershed.org.

Sincerely,

A handwritten signature in black ink, appearing to be 'CB' with a large flourish.

Chris Brosius
Program Manager
Mauna Kahālāwai Watershed Partnership

EDB Committee

From: Christine Eagleton <christine.eagleton@shaw.ca>
Sent: Monday, April 22, 2019 2:07 PM
To: EDB Committee; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee
Subject: Proposed tax increase for short term rentals

RE: Maui County Budget Hearings - I support fair tax rates

Dear Committee Chair Keani N.W. Rawlins-Fernandez and Economic Development and Budget Committee Committee Members,

I am writing in favor of fair and reasonable tax rates for the vacation rental industry.

Short Term Rentals are currently taxed at \$9.28/\$1000, the third highest only exceeded by Hotel and Resort and Time Share rates. Increasing the Short term rental rate too extreme puts an unfair burden on the individual owners of these properties, and the guests to these properties, and can only move to harm the small businesses that depend on the vacation rental industry.

This is our second home, and we visit here many times a year. We are not a hotel or time-share

We have a blossoming vacation rental industry on Maui, subject to appropriate restrictions and standards, and a fair existing permitting and taxing process. Short term rentals already comprise 25% of the \$319,516,547 of real property tax revenue compared to 11% for time share, and 7% for hotel and resort. The purpose of the industry is to allow for varied accommodations and experiences for visitors, and to allow small businesses to benefit from tourism.

We create jobs for locals that do our cleaning, repairs, maintenance, renovations and more.

I am supportive of the Economic Development and Budget Committee Committees efforts to find a fair and equitable solution for taxing the vacation rental industry that limits any negative implications for the community. Right now short term rentals brings in \$79,500,00 in direct taxable revenue, and has created thousands of jobs for our island as well.

Thank you for considering my testimony and I hope you will think about it as you continue to craft this bill.

Christine and Alan Eagleton

EDB Committee

From: Claudia & Kevin Ledesma <ledesma@hawaiiintel.net>
Sent: Monday, April 22, 2019 2:13 PM
To: EDB Committee
Subject: Testimony for public hearing on 4/24 from a B&B permit holder

April 22, 2019

Aloha chair and members of the council

Just a few of you certainly will remember us, since we have testified in front of planning commission and in council chambers and have met with a couple of you several years ago during the process of drafting the B&B ordinance. At least 5 council members came out to Haiku at the time and visited our property and homes. For the members who we have not had the pleasure to meet, we are Claudia and Kevin Ledesma, have obtained the very first issued permit BBPH 2009/0001, SUP2007/0001 and have been declared by the planning commission and front page of the Maui News as the poster child of our industry and the example to follow.

At the time, we were not allowed to continue to operate while applying for the permit. We shut our business down for 2 years and were just barely lucky enough to hold on to our home and property, unlike others. It took another couple of years to get the ball rolling again and rebuild a very happy, respectful and low profile clientele. Many repeat guests, who will not stay in a hotel or condo, but like to be part of the north shore community and support all of its small businesses, some of them participating in community supporting events.

In addition to the wonderful spending of our guests supporting local businesses, we are again hiring many people to keep our operation and 4,3 acre property at the "poster child" level and in a year with good occupancy, we pay over \$20,000 in combined G.E. and T.A. Taxes.

Even though we are not STRH, but B&B permit holders and possibly not directly affected by the proposed changes right now, the way things have been developing in the past, we are once again faced with the fear that with possible changes to come in the future, we will get taxed out of our home, should some of the proposed changes get your support.

We feel like that some of the newer council members may have the same image of us as the members had over 10 years ago, before they came out and visited with us.

The fact that we have lost our homeowner exemption doesn't make any sense to me to this day... we live and work on our property and farm our land! And not just with a few fruit trees, but with a full blown nursery operation, servicing our own landscape design and installation business, as well as other nurseries, landscapers and architects. More than 50% of our land is used to grow, then there is some open space to keep an open view to the unbelievable beauty of Haleakala and Pacific Ocean and only minimal decorative landscaping around the homes is installed.

To come back to the homeowner exemption: Other home businesses are allowed to operate without loss of of the exemption nor raise in taxes...

In summary, we run a commercial nursery on property, again generating thousands of dollars in G.E. tax revenue. We also have organic orchards and a vegetable garden, which these days produce so much food, that next to feeding our family, guests, neighborhood and paddling Ohana, I have had overflow to sell to Mana Foods and Down to Earth these past couple of winters. We are on AGRICULTURAL land and do properly farm.

In my logic, we should get our homeowner exemption back, we live on our property after all AND use the land in its designation, so why be punished?

We pay for our permit, pay to have special insurance and pay to have the county as a named insured, pay at a commercialized residential rate...

Please don't punish us again!

We would like to invite you to come out to Haiku, so we could give you a tour of our property, homes and extensive ag activity in order for you to see why we really feel cheated with the ever returning different tax threats every year. This is our home, we diligently work our land, participate in non profit cultural activities through canoe clubs, raise our daughter here and work on Haiku remaining the place we know and love.

Just on a side note, all the previous sugar cane and pineapple land surrounding us in ALL directions has been sold, subdivided and is getting developed. There has been very loud heavy machinery noise all around us for a couple of years, at times to the level of having to nearly yell at each other when outside, depending on where the noise comes from. All without ever having received a notice about upcoming activity and noise!!

We have had the incredible luxury of living with just the noise of the wind rustling in the trees, singing of the birds and the occasional donkey scream and not so occasional (anymore) rooster noise for 20 years. Those times are gone, not due to the business we have been conducting very respectfully for many years, but due to development all around us.

I kindly ask of you to study and consider the differences of operations and situations and to take us up on our offer to get a live tour.

Sincerely

Claudia Ledesma

--

Claudia & Kevin Ledesma
279 Pauwela Rd.

Haiku HI 96708

808 575-9610 phone

808 575-9611 fax

808 264-4205 cell Claudia

808 283-7480 cell Kevin

<http://www.halemaukamakai.com>

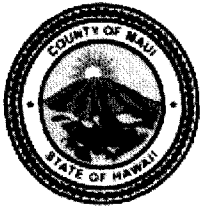
<https://vimeo.com/247928087>

<https://youtu.be/MYCVwyle-P4>

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 2:12 PM
To: EDB Committee
Subject: Fw: Maui County Budget Hearings - I support fair tax rates

With Aloha,



Office of Council Chair Kelly T. King

South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Colleen Callahan <ccallahan@callahaninsurance.com>
Sent: Monday, April 22, 2019 1:38 PM
To: Kelly King
Subject: RE: Maui County Budget Hearings - I support fair tax rates

RE: Maui County Budget Hearings - I support fair tax rates

Dear Committee Chair Keani N.W. Rawlins-Fernandez and Economic Development and Budget Committee Committee Members,

I am writing in favor of fair and reasonable tax rates for the vacation rental industry.

Short Term Rentals are currently taxed at \$9.28/\$1000, the third highest only exceeded by Hotel and Resort and Time Share rates. Increasing the Short term rental rate too extreme puts an unfair burden on the individual owners of these properties, and the guests to these properties, and can only move to harm the small businesses that depend on the vacation rental industry.

We have a blossoming vacation rental industry on Maui, subject to appropriate restrictions and standards, and a fair existing permitting and taxing process. Short term rentals already comprise 25% of the \$319,516,547 of real property tax revenue compared to 11% for time share, and 7% for hotel and resort. The purpose of the industry is to allow for varied accommodations and experiences for visitors, and to allow small businesses to benefit from tourism.

I am supportive of the Economic Development and Budget Committee Committees efforts to find a fair and equitable

solution for taxing the vacation rental industry that limits any negative implications for the community. Right now short term rentals brings in \$79,500,00 in direct taxable revenue, and has created thousands of jobs for our island as well.

Our second home has been used for seven family honeymoons and many memorable family vacations. We would like to be able to continue creating wonderful family memories.

Thank you for considering my testimony and I hope you will think about it as you continue to craft this bill.

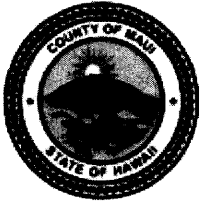
Mahalo,
Colleen
Maui Eldorado

Colleen Callahan, CLU,CASL, LUTCF
CA License Number 0771524
ccallahan@callahaninsurance.com
925.363.5433

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 3:57 PM
To: EDB Committee
Subject: Fw: Proposed Property Tax Increase

With Aloha,



Office of Council Chair Kelly T. King

South Maui Residency

Office: 808.270.7108

200 South High Street, 7th Fl

Wailuku HI 96793

maucounty.us

From: Dave Simpson <odg@comcast.net>
Sent: Monday, April 22, 2019 3:27 PM
To: Kelly King
Subject: Proposed Property Tax Increase

Dear City Councilor,

We strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false.

Short Term rental properties create work and jobs for many local residents in the following areas.

- Reservations staff
- Housekeepers and Housemen
- Property managers
- Concierge and Activity Salespersons
- Accountants
- Online Marketers
- Offline Marketers
- Plumbers
- Carpet Cleaning Workers
- Flood Control Workers
- Glass Repair and Installation Companies Professionals
- Blind Repair and Installation Companies
- Data and Technology Workers
- Painters
- Home Entertainment Professionals
- Dry Cleaning and Professional Washing Workers
- General Handymen
- General Contractors
- Tile Installers
- Woodworkers
- Security Professional Workers
- Landscapers
- Pool Care Workers
- Electricians
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A property tax increase of approximately 60% would have a significant impact to an owner. As an owner of a condo on Maui I would have pass along that significant increase to my guests which in turn will have a negative impact on the many visitors that would otherwise stay in short term rentals. If short term rental rates increase visitors that choice to stay in short term rentals will be priced out of the market. They will choose to stay on other islands and or visit other places then Maui. Therefore having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui.

Sincerely,

Dave and Mary Simpson

Concerned Owner

EDB Committee

From: Marty McConnell <martmcconnell@gmail.com>
Sent: Monday, April 22, 2019 7:54 PM
To: EDB Committee
Subject: Objection to proposed Maui County property tax increase for short term condo vacation rentals

Dear Council / Committee Members:

My wife and I have been owners of a vacation condo home in South Maui since 1976.

We have been renting it as a short term vacation rental to a very loyal guest list for the past 40 years.

We could not afford to keep the unit without regular vacation rentals because of the high operating costs for a condo property on Maui.

We are opposed to the proposed above-mentioned increase for our type of rental condo to match the rate prescribed for time share units (\$15.21 per thousand assessed vs current \$9.28 per thousand), for the following reasons:

- In the last three calendar years, our property tax expense has been between 10.7% and 15.9% of our gross billings before sales taxes, for an average of 13.0%;
- Our net operating income before interest on our rentals have averaged 25% in the past 3 years which does not reflect the additional capital costs for major repairs given a 43 year old building. This is not a big profit for a mature, well maintained oceanfront property with an excellent reputation!
- If the County moves forward to increase short term vacation rental condos by 66%, this will leave owners with no choice but to hike rental rates by at least \$50 per night before sales taxes to merely maintain their modest net operating income, effectively eliminating a very valuable group of renters;
- However, the overall economic environment on the Mainland and in Canada (the major market for Maui condo guests) is so tenuous that an immediate rent increase of this magnitude will most certainly cause a significant slowdown / contraction in vacation rentals which will have a wide ranging downward impact on Maui's overall economy, at a time when it cannot afford more downward pressure;
- Overall tourism visits for Maui County, according to the HawaiiTourismAuthority.org, have increased annually as follows:
 - 2018 / 2017 +6.2%
 - 2017 / 2016 +4.1%
 - 2016 / 2015 +3.9%
- Overall tourist visitor spending on Maui County for the same periods has increased annually as follows:
 - 2018 / 2017 +8.3%
 - 2017 / 2016 +5.2%
 - 2016 / 2015 +8.4%
- If the backbone of Maui tourism visitors' accommodation were to increase rates by an average of say \$50 or 15% just to compensate for this proposed property tax increase, this recent trend of tourism spending growth will be significantly impacted, by much more than the increased property tax revenue the County is anticipating from this rate hike.
- It will also very likely have a negative impact on real estate values in a condo market that has seen very little new development in years and no significant new properties to justify higher vacation rental prices in the overall Maui condo market.

We appreciate the time you have afforded us today to read our thoughts and we sincerely trust you will take our position into consideration.

Respectfully submitted;

Donna & Martin McConnell
owners #201 Kihei Surfside
2936 S Kihei Rd,
Kihei HI 96753

Residents of Richmond British Columbia Canada

EDB Committee

From: Edward Dimmer <dimmered@comcast.net>
Sent: Monday, April 22, 2019 1:27 PM
To: EDB Committee
Subject: real property tax

Dear Council member Keani Rawlins-Fernandez,

I know you have received numerous e-mails about the proposed real property tax hike and supporting arguments. I agree with these arguments on the economic impact. The anticipated gains in tax will likely be offset by declines in property occupancy leading to a reduction of collected GET and TAT. It may also have a negative impact on property values as these rental properties have diminished returns. The tourists themselves may tighten their belts once they land in Maui to offset the increased cost of lodging. On a personal note my wife and I will be residents in less than two years and have purchased two condominium units (one to help support our retirement). The proposed tax increase might make it necessary for us to sell one unit as soon as possible (perhaps many more investors would come to the same conclusion) and invest elsewhere. The result would be declining property values and thus diminishing real property tax revenues over time.

Perhaps a more "take it easy approach" would yield better tax results over the long haul. Over the twenty years we have visited Hawaii we have come to love Maui and feel strongly about the well being of Maui and it's people. In Arvada CO we share many of the same pressing monetary issues but have taken approaches that encompass the input of everyone including businesses and investors. I am sure the committee will be able to "sharpen the pencils" and work through all the issues to come up with an acceptable plan of action.

With the spirit of Aloha,

Edward & Maro Dimmer

Soon to be residents at:

2481 Kaanapali Parkway unit 1110

EDB Committee

From: elise strong <elisestrong@gmail.com>
Sent: Monday, April 22, 2019 5:01 PM
To: EDB Committee
Subject: short term rental tax

Dear Committee Chair and Committee members,

Thank you for your service to our community and our special island. I have recently become aware of a budget proposal which would increase the short term rental tax to 66% of its current rate. Clearly, this would be incredibly unfair and cause a HUGE and untenable hardship to owners such as myself. I moved to Maui in 1989, I was educated at Maui Community College and the UH outreach program at MCC. Though I moved away to get a job in my profession, my family continues to live in Kihei. After years of dreaming and saving, my husband & I were finally able to buy a condo in Puamana. It is our plan to retire here and have this become our full time home. In the interim, we are able to afford this ONLY because we can rent it short term and cover the majority of the costs. A tax rate increase like this would make the whole thing untenable for us. I can only imagine what devastation it would cause in the real estate market- very few would be able to afford to buy a short term rental if the tax was increased by 66%! Please find a reasonable and fair budget proposal that is not so punitive to short term renters and owners like me.

Thank you for your consideration,
Elise Strong
35-4 Pualoke Place
Lahaina Hi 96761
808-344-0407

EDB Committee

From: M GELLERT <mgellert001@shaw.ca>
Sent: Monday, April 22, 2019 1:56 PM
To: EDB Committee
Subject: PROPERTY TAX INCREASE

I am a condo owner, and this proposed tax increase is insane. If this tax is implemented we would have no choice but to increase our rental rates. Over half our visitors are Canadian. As the value of their dollar is so much lower than the US dollar, they are going to want to vacation where they get a better value for their money (eg. MEXICO).

EUGENE & MARILYN GELLERT
155 WAILEA IKE PLACE

UNIT 77 AND 79 GRAND CHAMPION

EDB Committee

From: Fariborz Nikbakhsh-tali <n7029@aol.com>
Sent: Monday, April 22, 2019 3:13 PM
To: EDB Committee; Keani N. Rawlins
Cc: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Maui County Budget Hearings - I support fair tax rates

Dear Committee Chair Keani N.W. Rawlins-Fernandez and Economic Development and Budget Committee Members,

I am writing in favor of fair and reasonable tax rates for the vacation rental industry.

Short Term Rentals are currently taxed at \$9.28/\$1000, the third highest only exceeded by Hotel and Resort and Time Share rates. Increasing the Short-term rental rate too extreme puts an unfair burden on the individual owners of these properties, and the guests to these properties, and can only move to harm the small businesses that depend on the vacation rental industry.

We have a blossoming vacation rental industry on Maui, subject to appropriate restrictions and standards, and a fair existing permitting and taxing process. Short term rentals already comprise 25% of the \$319,516,547 of real property tax revenue compared to 11% for time share, and 7% for hotel and resort. The purpose of the industry is to allow for varied accommodations and experiences for visitors, and to allow small businesses to benefit from tourism.

I am supportive of the Economic Development and Budget Committee Committees efforts to find a fair and equitable solution for taxing the vacation rental industry that limits any negative implications for the community. Right now short term rentals brings in \$79,500,00 in direct taxable revenue, and has created thousands of jobs for our island as well.

My wife and I (retired) spend half of our time in our home in Napili (Maui). We sold our properties in California and have purchased legal vacation rentals in a resort in Maui. We count on the income from our investments to pay our expenses. Raising the property tax rate will have a very negative affect on our income. As it is, we pay almost 5 times more in property taxes than the owner occupant homeowners.

If you increase the rate, we would either have to sell and move out investments back to the mainland as many other property owners will have to be forced to do or increase out rates and that would hurt the travel industry. With the increase in TAT last year and the increase in car rental taxes, this increase will make it difficult for travelers to choose Hawaii (Maui).

Thank you for considering my testimony and I hope you will think about it as you continue to craft this bill.

Sincerely,
Fariborz and Vivien Nikbakhsh-Tali
30 Kili Nahe
Lahaina

EDB Committee

From: George Hydock <mauigeorge64@icloud.com>
Sent: Monday, April 22, 2019 4:59 PM
To: EDB Committee
Subject: Testimony
Attachments: Testimony PDF.pdf

FOR HOTELS/BUSINESS THAT WORK DIRECTLY WITH HOTELS

April 24, 2019

Council Member Keani Rawlins-Fernandez
Chairman, Budget & Finance Committee
Maui County Council
200 South High Street, 8th Floor
Wailuku, Hawaii 96793

Dear Chair Rawlins-Fernandez and Members of the Committee:

My name is George Hydock, owner of D112 at Maui Kamaole

We oppose the proposal to raise, by **64.5%**, the current hotel and resort real property tax rate from the current \$9.37 per \$1,000 of assessed value to \$15.41 per \$1,000. Additionally, we oppose the drastic short-term rental rate increase from the current \$9.28 per \$1,000 of assessed value to \$15.41 per \$1,000. The hotel/resort, short-term rental and timeshare classifications are the highest tax rates for Maui County. We respectfully request that we look at creating a more equitable share in tax rates.

The reasons for our opposition are as follows:

High Property Values: Maui County's economy is powered in large part by a strong visitor industry, and year after year we see double digit increases to our industry's real property values, resulting in more tax revenues being collected. Based on the increase in property assessed values alone an additional \$14 million will be generated at the current RPT rates for Hotel/Resort, Short Term rentals and Timeshare. The additional tax revenue already produced by higher property values should be enough.

For 2018, my property taxes were in excess of \$4500.00 and my guests paid out nearly \$7500.00 in GET and TAT taxes

Economic Slowdown: Many signs have pointed to an economic slowdown over the past year as concerns have been shared by state economists, government leaders, and visitor industry experts. This point was amplified by a recent report by the Hawai'i Tourism Authority that reflected our industry having the worst February performance over the last decade. (See attached report) This is of concern as the month of February is typically the strongest for hotels and sets a benchmark for the remainder of the year.

Industry Competitiveness: The hospitality industry, which competes nationally and internationally against lower-priced destinations, cannot continue to pass on tax increases to our visitors while concurrently dealing with the state's high cost of living. While national

comparisons on taxes are numerous, there is no denying that Hawai'i consistently ranks among the jurisdictions with the highest tax rates for lodging accommodations. We are keenly aware of our position in the visitor market and the cost of a Hawai'i vacation. Any forces that adversely affect our ability to compete, such as having to pass along higher taxes, also impact our appeal as a visitor destination, the availability of money to invest in new hotel properties or renovate existing ones, and employment within the hospitality industry and related travel businesses, all of which has a ripple effect across our entire economy. Small retail and restaurants attached to a hotel or resort will also be negatively impacted by this additional tax increase.

Impact on Hawai'i's Workforce: The cost of doing business in Hawai'i is already at a point where companies are having a difficult time turning equitable profits. The addition of increased taxes would produce an extra burden on our hotels and resorts forcing them to possibly look at cutting operational costs and ultimately workforce. We are aware that the hospitality industry is the number one private sector employer in Maui County as well as one of the highest taxed economic sectors, further levies could result in less jobs, employment cut backs, and curtailment of incentives.

Really tailor this to your business – highlight ALL you do for the community!!

Industry Support for the Community: There is the misconception that the visitor industry exists to benefit offshore investment companies. However, not only is the industry the number one private sector employer in Maui County but it is a generous supporter of local community charities. Individual businesses donate money, goods, and services to worthy causes. The Maui Hotel & Lodging Association's Charity Walk, raised over \$1.4 million last year exclusively for 100 Maui County non-profit organizations, granted over \$35,000 last year in scholarships to public school seniors and scholarships to UH Maui college students, and has worked tirelessly to secure matching funds from the State to support organizations that assist our homeless population. We believe in investing in our employees and our community.

In 2018 I performed numerous upgrades to the unit which employed several people, including plumbers, A/C repairmen, furniture/home improvement salespeople, etc. For 2019, I was considering a \$32,000 renovation which would have provided additional employment for several individuals, but with this tax increase, I will no doubt pull the plug on that notion. This is not something I want to do but I will not contribute to any business if the state/local governments of Hawaii are going to punish me with unjustified tax hikes for having a legitimate business in a development which was designed for vacation rentals from the beginning.

Conclusion: The hospitality industry has enjoyed 7 consecutive years of record increases. We must be mindful, however, that the hotel sector has not benefitted entirely from this growth as more and more travelers are opting to stay at alternative accommodations. With what we have experienced last year in manmade and natural disasters, a hotel strike, and the government shutdown we must be cognizant of the fact that nothing can be taken for granted. In this regard, remaining cost-competitive and not viewing the visitor industry as a source of endless wealth for government must be foremost if we are to maintain our status as a prime destination for many years to come. Furthermore, there are thousands of individuals from every County District who

are your constituents, who are employed by lodging and hospitality businesses that are very dependent on their living from the visitor industry to support their families. We ask that you oppose measures that could threaten their livelihoods and place the number one provider of jobs in the state in jeopardy.

Thank you for the opportunity to testify.

Sincerely,

George Hydock, owner, Maui Kamaole, unit D112.

FOR EMPLOYEES

- Introduce yourself and what property you work for, and how long you have been in the industry
- Express your opposition to drastic increases in real property taxes and how it could affect your property
- Share the charitable opportunities you are involved with your property and the community

EDB Committee

From: george pohoski <gpohoski1@verizon.net>
Sent: Monday, April 22, 2019 5:06 PM
To: EDB Committee
Subject: Maui County Budget Hearings - I support fair and reasonable tax rates

Dear Committee Chair Keani N.W. Rawlins-Fernandez and Economic Development and Budget Committee
Committee Members,

I am writing in favor of fair and reasonable tax rates for the vacation rental industry.

Short Term Rentals are currently taxed at \$9.28/\$1000, the third highest only exceeded by Hotel and Resort and Time Share rates. Increasing the Short term rental rate too extreme puts an unfair burden on the individual owners of these properties, and the guests to these properties, and can only move to harm the small businesses that depend on the vacation rental industry.

We have a blossoming vacation rental industry on Maui, subject to appropriate restrictions and standards, and a fair existing permitting and taxing process. Short term rentals already comprise 25% of the \$319,516,547 of real property tax revenue compared to 11% for time share, and 7% for hotel and resort. The purpose of the industry is to allow for varied accommodations and experiences for visitors, and to allow small businesses to benefit from tourism.

I am supportive of the Economic Development and Budget Committee Committees efforts to find a fair and equitable solution for taxing the vacation rental industry that limits any negative implications for the community. Right now short term rentals brings in \$79,500,00 in direct taxable revenue, and has created thousands of jobs for our island as well.

Thank you for considering my testimony and I hope you will think about it as you continue to craft this bill.

I and my family consider my unit at the Valley Isle resort our second home. We come here several times a year and yes, we will let family and friends stay in our unit for several weeks out of the year. I and our guests contribute to the economy and survival of Maui which benefits all the residents of Maui. We already feel the financial impact of the disappearing beaches at our complex. Raising the tax rates on our units will only compound the problems for all the owners. The impact of such an increase could force us terminate any rental of our unit to friends and family, and thus impact the benefits visitors bring to our beautiful Maui.

Thank you for considering my testimony and I hope you will think about it as you continue to craft this bill.

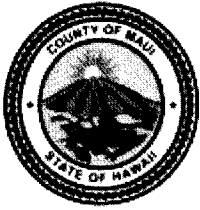
George Pohoski
5718 Mulberry Ridge Dr.
Camarillo, CA. 93012
805-482-4233

(owner of Valley Isle Resort unit #309)

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 2:12 PM
To: EDB Committee
Subject: Fw: Proposed Real Property Tax Rate

With Aloha,



Office of Council Chair Kelly T. King

South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
maucounty.us

From: Gina Jarin <gina@ibpis.com>
Sent: Monday, April 22, 2019 1:25 PM
To: Kelly King
Subject: Proposed Real Property Tax Rate

Dear Council Member King:

I am writing to urge you to object to the proposed property tax rate increase on transient vacation rentals.

Properties falling under the Short Term Rental Property tax classification (at the current tax rate) collectively pay \$80 million in property tax per annum. This is more than all the residents of Maui collectively, and more than all commercial properties and hotels combined.

This dramatic tax increase will not only discourage future investment in legal vacation properties (which has proven to be profitable for the County), it could negate any of the forward momentum the county has had in cracking down on illegal vacation rental properties. The move could:

- Drive some legal owners to reclassify and rent *off the books*.
- Deter illegal rental owners from moving toward legalization.
- Lead to an overall nightly rate increase on transient rentals, leaving fewer tourist dollars to be spent elsewhere, and therefore harming local businesses.
- Cause some owners to sell their transient rental property, which may end up in the hands of those maintaining the property as a second home under the residential designation.

- Put some marginal homeowners into a position of default, thereby leading to additional policing for the recovery of non-payment of taxes.

I understand that there are sound justifications for small and incremental increases to various tax rates - the 1% increase to the Transient Accommodations Tax being the most recent example - but to implement a nearly **70% increase seems punitive, disproportionate, and unfair.**

The Maui County Comprehensive Annual Financial Report (2018 FY CAFR) stated the following:

- Visitor arrivals are increasing (up 4.1% since 2016)
- Visitor dollars spent per day have risen (up 3.4%, to \$212 per visitor per day in 2017)
- Hotel occupancy and room rates increased and remained the highest in the state (\$353/night and 77.1%, respectively)
- Commercial building authorizations are up \$92.8 million or 24.1 percent

For 2018, 4,272 additional new construction units are planned for all categories (778 Timeshare, 217 Condo, 150 Hotel/Condo, 626 Hotel, 125 Bed and Breakfast, 207 Short-term Rentals, 12 Transient Vacation Rentals, 699 Mixed Use, and 308 Mixed Use/Hotel).

The conclusion of the report addressed real property taxes, stating the following:

"The real property tax base for fiscal year 2019 of \$48.8 billion is an increase of \$2.9 billion or 6.3% from the fiscal year 2018. The

real property tax rates (per \$1,000 assessed valuation) for fiscal year 2019 slightly decreased for all classifications except for Hotel & Resort, and the addition of a Short-Term Rental classification. The following were the decreases in each category: Residential from \$5.54 to \$5.52, Apartment from \$6.32 to \$6.31, Commercial from \$7.28 to \$7.25, Industrial from \$7.49 to \$7.45, Agricultural from \$6.01 to \$6.00, Conservation from \$6.37 to \$6.35, Homeowner from \$2.86 to \$2.85, Time share from \$15.43 to \$15.41, Commercial Residential from \$4.56 to \$4.55, Hotel and Resort remain the same rate at \$9.37 and the addition of a Short-Term Rental set for \$9.28. The budgeted real property tax levy of \$321.5 million for fiscal year 2019 is an increase of \$18.3 million or 6.0% from fiscal year 2018, largely as a result of the higher tax rates."

In spite of decreases being provided to residential, apartment, commercial, industrial, agricultural, conservation, homeowner timeshare, commercial residential designations, Maui County still realizes a 6% / \$18.3M increase over FY 2018.

Once again it seems punitive and unfair to single out one of the highest taxed classifications and consider taxing it even more.

Once again, I urge you to object to the proposed property tax rate increase on transient vacation rentals.

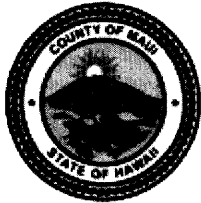
Sincerely,

Gina Jarin
Owner at Kamaole Sands, Kihei

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 2:49 PM
To: EDB Committee
Subject: Fw: Short Term Rental Tax Rates

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Greg Dyer <gregdyer1@comcast.net>
Sent: Monday, April 22, 2019 2:46 PM
To: Kelly King
Subject: Short Term Rental Tax Rates

Dear Ms. King,

I am opposed to the huge increase in the tax rate proposed for short term rental properties in hotel/resort areas.

Owners of condominiums in hotel/resort areas who rent their properties like we do are different from owners of Time Shares.

Many of us are retired part-time Maui residents who rent for part of the year to pay property taxes, maintenance fees, and insurance so we can afford to keep our properties.

We are not like Hotels and Time Share Management Companies who obtain much of their supplies, furniture and furnishings in bulk from the mainland.

We support local business such as furniture and home furnishing stores, independent plumbers and electricians, hardware stores, local crafts people, the MACC, the Hui No'eau Visual Arts Center, and local casual and family restaurants.

Our property taxes are already very high compared to other property owners. Increasing our taxes by more than 50% will have the perverse effect of forcing some of us to move away and cause others with more resources to withdraw their properties from the market. Those who move away will be replaced by absentee

owners who are in it purely as a business and properties withdrawn from the market will no longer generate Transient Accommodation and General Excise Taxes.

Short term rentals in Hotel/Resort areas do not impact single family neighborhoods and do take away residential properties that would otherwise be occupied full-time residents.

Part time owners are lower impact than almost any other category of owners, residents or visitors. We don't have kids in school. We don't drive very much. We don't do a lot of "tourist" activities. We tend to keep a pretty low profile. Most of us are over 50, but don't use County services because our support system is on the mainland.

Short term rental properties will decline in value because more supply will come on the market, there will be fewer potential buyers and those many of those buyers will be evaluating it as a business with a couple of weeks vacation mixed in, which will pencil out at lower offering prices. Those lower sale prices will reduce assessed property valuations which will lower the County's tax receipts.

We should be taxed at lower rates than both Time Shares and Hotels.

Mahalo for considering our point of view.

Aloha,

Greg and Karyne Dyer

EDB Committee

From: Harry Raikes <raikesohana@yahoo.com>
Sent: Monday, April 22, 2019 5:24 PM
To: EDB Committee; raikesohana@yahoo.com
Subject: Vacation rental tax rate proposal

Dear Committee members

As a resident of Maui for over 32 years and property owner of both residential and rental properties, I must voice my concern of the proposed 62% rate increase on vacation rental properties.

I feel this rate increase is excessive. As a rate of return I earn on my rental is about 2%. The proposed tax increase would bring the rate of return to zero. This would have dire consequences on the vacation rental market, tourism and real estate market.

I would like the committee act more like families on Maui. That being if you need to adjust your budget try the expense side first and seek savings through efficiency.

Raising the tax rate 62% is a horrible proposal.

Thank you for your consideration of my letter.

Harry Raikes
raikesohana@yahoo.com

EDB Committee

From: HUGH FEHRENBACH <hughfehrenbach@comcast.net>
Sent: Monday, April 22, 2019 3:19 PM
To: EDB Committee
Subject: Third Saturday Recycling Funding

Members of the Maui County Council Economic Development and Budget Committee,

We urge you to maintain funding for the monthly Lahaina "Third Saturday Recycling" program which is of great benefit to our local residents, helps to make Maui "Green" and keeps various types of waste and junk from being added to our limited land fill and/or being discarded in open areas or roadside. This program has collected over 500 tons of recyclable materials since organized in 2015 and much of the cost to operate this program comes from independent sponsors and volunteers who donate labor, marketing, transportation and facilities.

Thank you for your consideration,

Hugh and Anna Fehrenbach

215 Wahioli Way

Lahaina, Hi,96761

EDB Committee

From: James Schwanke <jesvest1@yahoo.com>
Sent: Monday, April 22, 2019 3:33 PM
To: EDB Committee
Subject: Proposed increased tax on short term condo rentals

To Whom It may concern,

My condo association Ekahi Village AOA has alerted me that a 60% increase in property tax has been proposed on properties like mine.

Apparently the rationalization for such a high tax is that rentals like mine undermine employment as offered by hotels.

That idea is ridiculous, my association provides steady employment with benefits to more than 20 full time employees.

In addition I employ a resident on island property manager, several cleaning and repair services; not to mention workers involved in repair and upgrades to my unit.

My association is in the midst of a \$2 million pavillion upgrade using local contractors.

Without options such as short term condo rentals some vacationers would simply go elsewhere.

Not all tourists want a hotel experience.

Drastically increasing the property tax on rental condos will have an overall negative effect on tourism.

Is this proposal serious?

Thanks, James Schwanke owner since 2008 of Ekahi Village unit 25A

Please respond to this email,

EDB Committee

From: Janice Clarke <janicejclarke@shaw.ca>
Sent: Monday, April 22, 2019 3:41 PM
To: EDB Committee
Subject: Tax rate

Dear City Councillors,

I strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false.

I believe Short Term rental properties create work and jobs for many local residents in all of the same areas as hotels do.

A property tax increase of approximately 60% would have a significant impact. I would have to pass along that increase to my guests which in turn will have a negative impact on visitors to the island. They will choose to stay on other islands and or visit other places then Maui. Therefore having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui.

Sincerely,

Janice Clarke

Sent from my iPhone

EDB Committee

From: Jennifer Freedman <freedman.jennifer@gmail.com>
Sent: Monday, April 22, 2019 1:30 PM
To: EDB Committee
Subject: View Against Proposed Increase to Property Taxes

Dear City Councillors,

I strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false.

Short Term rental properties create work and jobs for many local residents in the following areas.

- Housekeepers and Housemen
- Property managers
- Accountants
- Plumbers
- Carpet Cleaning Workers
- Flood Control Workers
- Glass Repair and Installation Companies Professionals
- Blind Repair and Installation Companies
- Data and Technology Workers
- Painters
- Home Entertainment Professionals
- Dry Cleaning and Professional Washing Workers
- General Handymen
- General Contractors
- Tile Installers
- Woodworkers
- Security Professional Workers
- Landscapers
- Pool Care Workers
- Electricians
- Remediation Pros

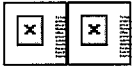
A property tax increase of approximately 60% would have a significant impact to an owner. As an owner of the Short Term Rental I would have pass along that significant increase to my guests which in turn will have a negative impact on the many visitors that would otherwise stay in short term rentals. If short term rental rates increase visitors that choice to stay in short term rentals will be priced out of the market. They will choose to stay on other islands and or visit other places then Maui. Therefore having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui. Including my family who has been enjoying Maui since 1975.

Mahalo,

Jennifer Freedman
Concerned Short Term Rental Owner

Jennifer Freedman
503-502-3244
freedman.jennifer@gmail.com



"Be the change you wish to see in the world" - Mahatma Gandhi

EDB Committee

From: jennifer presutti <jenniferpresutti@gmail.com>
Sent: Monday, April 22, 2019 3:35 PM
To: EDB Committee
Subject: Support for ESG Investment - A solution for Affordable Housing

Please support the Maui ESG Investment Project, which is listed as the Maui ESG Initiative Conference in the Mayor's Economic Development Program.

This program represents a genuine opportunity to partner with industry, community and policymakers in innovative ways to find the resources for essential and increasingly urgent community needs, such as affordable housing and smart growth/planning.

As someone gainfully and gratefully employed in the construction industry, I realize the need to find pathways for sustainable economic development/job creation, coupled with sustainable community standards which support economic diversity and care for those who have a connection and history with Maui, as their home and the home of both past and future generations.

Wise governance and policy is ever more crucial during this period of transition and near-saturated growth.

We are already aware that developers are not pursuing affordable housing solutions because it is not currently possible to realize reasonable economic viability.

Though it is an extremely challenging issue, it can be solved.

Careful, prudent analysis and attention to ways investors can realize an attractive rate of return must be applied in order to create the necessary incentive and motivation.

A vital element of Maui's appeal is the beauty and tranquility of the island. Smart investors understand they will benefit from supporting socially responsible initiatives which preserve the environment and maintain the inspiring cultural integrity that draws people here.

They also know that sustainable infrastructure/population volume is critical. And, that they need to ensure their industries can be supported by labor who can live affordably relative to wages.

However, unless savvy financial and cost strategies are in place, affordable housing growth will remain stagnant. The ESG/Social Impact Investing Project is the focused, "deep dive" Maui needs to drive this forward and develop the necessary funding streams we currently struggle to resolve.

Here is an example of how these social impact funds are blending tax credits, investment strategies and making construction loans viable – particularly in the area of commercial real estate (where Maui has is experiencing excess vacancy) as an opportunity to develop mixed-use/affordable housing integrated with walking distance or public transit options accessible.

<https://www.reinvestment.com/success-story/blanche-center/>

"Reinvestment Fund is financing the redevelopment of the vacant, historic Blanche Hotel in Lake City, FL. The project will create commercial space for office and retail use, an event space as well as 24 market-affordable apartments."

Thank you,
Jennifer Presutti
808.446.6934

EDB Committee

From: johnni8510@aol.com
Sent: Monday, April 22, 2019 7:55 PM
To: EDB Committee; Keani N. Rawlins; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Proposed Property Tax Increase

Honorable Members of the Maui County Council Economic Development and Budget Committee:

My name is John Gouveia and my wife and I own property at 36 S. Kihei Rd. in Kihei. The unit is classified as a vacation rental and it is my understanding that the Council is considering a substantial increase to the property tax rate for vacation rentals. I respectfully request that you carefully consider the ramifications of such a dramatic increase to vacation rental owners such as myself. We consider ourselves responsible owners who provide regular maintenance and improvements to our unit. We provide jobs to the property management company, housekeeping staff, maintenance staff and the resident staff in our building. We purchase locally and contribute to the economic impact to the island we love. We help bring tourists who spend their money in Maui shops and restaurants and rent cars. Tourism is Maui's lifeblood. We are not a timeshare. We do not sell future promises that may or may not be kept. We do not count on revenue from unused points to be in our bottom line. If our unit is vacant, we receive no financial benefit. A potential 60% increase in taxes will no doubt cause some owners to have a knee-jerk reaction and raise rates to account for the increase. This will only serve to decrease the number of bookings and rental revenue, for which we pay the GET and TAT. It will also make vacation rental ownership less desirable, and ultimately lead to lower property values, partially defeating the very purpose of increasing tax rates.

Having worked in local government for 40 years I know the difficulty of maintaining balanced budgets. There never seems to be enough money. But when you make a drastic change like the one being considered, there are ALWAYS unintended consequences.

While I am all for paying our fair share, I think you are making a big mistake by placing the bulk of the burden on the backs of one group and hope you will do the responsible thing and formulate a plan that is fair and equitable to all.

Mahalo for taking the time to hear me out.

Sincerely,

John Gouveia

EDB Committee

From: Kathi Wahed <kwahedis@gmail.com>
Sent: Monday, April 22, 2019 9:06 PM
To: EDB Committee; Keani N. Rawlins; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: 60% incense in property taxes for vacation rental properties in Maui

Dear Maui City Council Members,

I strongly urge you to OPPOSE the proposal to increase property taxes on Maui property owners who rent out their homes as vacation rentals.

I have owned my condo for 20 years and rented it out when I wasn't using it to help pay for the mortgage, HOA fees and local property taxes. My condo allowed many middle class families the opportunity to visit Maui and pay a reasonable price for a vacation. They spent a lot of money on island and everyone on Maui benefited. The GET and TAT taxes they paid brought extra revenue to Hawaii — revenue that might not have come if a vacation rental hadn't been available to them.

To claim that vacation rentals should be taxed at a higher rate because they don't provide jobs is just not accurate. I hire housekeepers, maintenance personnel, carpet cleaners, window washers, dry cleaners, landscape workers, pool staff, construction repair workers, insurance providers, utility services, phone and cable services, window covering providers, I buy my condo appliances and all my linens, decor and furniture for my condo in Maui, from Maui businesses. My spending creates and supports many, many jobs.

To penalize property owners who bring extra business to Maui doesn't make any sense. It will force us to raise prices which will discourage business and reduce revenue to the county. Please reconsider this punitive action and defeat this proposal.

Support those who bring extra revenue to Maui — don't punish them.

Thank you for your consideration.

Aloha,

Kathi Twomey Wahed
3300 Wailea Alanui #20B
Kihei, Maui, HI

EDB Committee

From: Keith DeVey <keith@crhmaui.com>
Sent: Monday, April 22, 2019 2:56 PM
To: EDB Committee
Subject: Tax hike proposal

Aloha,

My name is Keith DeVey.

I recently heard about the county's idea to raise hotel and vacation rental taxes to 15.41% from the 9.28%. I strongly disagree with this proposal. As someone that has worked in the hospitality industry here on Maui for nearly a decade, I understand fully the negative consequences this can have on our local company that employs close to 50 local residents that live here on Maui and work in hospitality.

I think we all agree that Maui is No Ka Oi. That is why I live here and why thousands of tourists visit our island daily. I believe visiting Maui however is getting more and more expensive for visitors. While more airlines are flying here and driving flight prices down, other areas of the guest expenses are going up quickly. Hawaii already has one of the highest (if not the highest) average hotel nightly rate in the United States. And of all the islands, Maui has the highest. Rental car taxes and rates seem to go up dramatically each year. I have seen a week's car rental come close to \$800. We all know that groceries and gas prices are some of the highest in the United States. We are starting to hear from guests time and time again, that they love Hawaii but just can't afford to vacation here when you add up all the costs of a hotel room, car rental, flight, and taxes/resort fees. Adding this drastic hotel tax will only persuade more potential visitors to choose a different destination than Hawaii. About a third of our business comes from Canadian repeat guests that look to come to Hawaii year after year to escape cold winters. We have seen a drastic decrease in Canadian visitors this most recent winter, and our Canadian partners agree that Hawaii is just pricing themselves out of the equation. Meetings with Expedia this year have also highlighted to huge drop in demand for Hawaii on their site from Canada.

I hope you take note of my concerns.

Mahalo,

Keith DeVey
Director of Marketing Innovation

Condominium Rentals Hawaii | 362 Huku Li'i Place, #204, Kihei, Maui, Hawaii 96753
Tel 808-879-2778 ext. 227 or 800-367-5242 ext. 227 | Fax 808-879-7825 | Email Keith@crhmaui.com

[Website](#) | [Company Video](#) | [Facebook](#) | [Owners](#)

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EDB Committee

From: Ken Benson <kenbradio@aol.com>
Sent: Monday, April 22, 2019 5:10 PM
To: EDB Committee
Subject: Short-term Rental Property Taxes

Dear City Councilors,

We strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false.

Short Term rental properties create work and jobs for many local residents in the following areas.

- *Reservations staff*
- *Housekeepers and Housemen*
- *Property managers*
- *Concierge and Activity Salespersons*
- *Accountants*
- *Online Marketers*
- *Offline Marketers*
- *Plumbers*
- *Carpet Cleaning Workers*
- *Flood Control Workers*
- *Glass Repair and Installation Companies Professionals*
- *Blind Repair and Installation Companies*
- *Data and Technology Workers*
- *Painters*
- *Home Entertainment Professionals*
- *Dry Cleaning and Professional Washing Workers*
- *General Handymen*
- *General Contractors*
- *Tile Installers*
- *Woodworkers*
- *Security Professional Workers*
- *Landscapers*
- *Pool Care Workers*
- *Electricians*
- *Remediation Pros*

A property tax increase of approximately 60% would have a significant impact to an owner. As an owner of the Short Term Rental I would have pass along that significant increase to my guests which in turn will have a negative impact on the many visitors that would otherwise stay in short term rentals. If short term rental rates increase visitors that choice to stay in short term rentals will be priced out of the market. They will choose to stay on other islands and or visit other places then Maui. Therefore having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui.

Sincerely,

Concerned Short Term Rental Owner

Kenneth & Lori Benson

Owners - Wailea Ekahi

EDB Committee

From: Kendra Tanacea <mauipearl24d@gmail.com>
Sent: Monday, April 22, 2019 2:05 PM
To: EDB Committee
Subject: Short term rental tax increase

Dear City Councillors,

We strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false.

Short Term rental properties create work and jobs for many local residents in the following areas.

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- *Remediation Pros*

A property tax increase of approximately 60% would have a significant impact to an owner. As owners of the Short Term Rental we would have pass along that significant increase to our guests which in turn will have a negative impact on the many visitors that would otherwise stay in short term rentals. If short term rental rates increase visitors that choice to stay in short term rentals will be priced out of the market. They will choose to stay on other islands and or visit other places then Maui. Therefore having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui.

Sincerely,

Concerned Short Term Rental Owners

Kendra L. Tanacea (415) 608-0005

Tony Lawson (510) 418-2656

EDB Committee

From: Maui Sugar Mamas <mauisugarmamas@gmail.com>
Sent: Monday, April 22, 2019 9:35 PM
To: EDB Committee
Subject: EDB-1 SUPPORT FOR MAUI ECONOMIC DEVELOPMENT BOARD
Attachments: MEDBSUPPORT.pdf

Aloha Honorable Mayor Victorino and County Council Members,

We are Leanne Ohta and Ana Magarin and we are the Maui Sugar Mamas. On behalf of the Maui Economic Development Board (MEDB) we want to share with you how Gerry Smith and MEDB helped us with our growing business. We have used MEDB's services and want to support the continued funding for MEDB so they are able to help businesses like us continue to move forward and thrive here on Maui and beyond.

Our company was established in August of 2016 in hopes to provide Maui with a new cookie option for snacks, gifts and omiyage. We are moms, who are Dental Professionals and business women who have a passion for baking. We knew that not only having a good product was going to help our company grow but to also have a better understanding of our business. Gerry Smith helped us realize that having a good financial foundation was key to success.

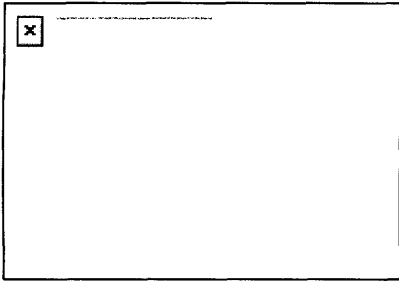
We were introduced to MEDB and Gerry Smith when we took the Maui Innovation Exclerator Program at UHMC. Gerry was there to give us information on how to look at our bottom line, breakeven points, pricing, and profit margins. We were able to meet up with Gerry and he was more than willing to really look at our numbers so we could really know our costs and how this affects our business. Although we had some idea of the our costs, we never really knew what we needed to produce to make this a full time operation, Knowing our numbers empowers us to make better business decisions which allow us to grow, sustain and succeed in our business for years to come. Leanne and I also have become better business partners because we are both on the same page when it comes to the finances, mindful of our spending and make financial decisions as a team.

Gerry and MEDB also supported us our company in the Focus Maui Nui article last October. The article helped with our sales, that increased especially during the Made in Maui event. MEDB also have promoted our products by using our cookies as "makana" for events and meetings. Gerry has also informed us of other resources we can can utilize or benefit from for example grants for creating a website and professional photos to assists us with marketing and purchasing equipment to increase production. He also notifies us of workshops that can help us with our business taxes, refreshers on looking at cost (variable and fixed), wholesale vs. retail, budgeting and so much more.

Gerry has been outstanding and always been available to help us with any questions we may have and have met up numerous times to see our progress. MEDB is such a valuable resource not only to us but to other business who want to start and need help with their financial foundation to succeed in our local market. We are very fortunate to have MEDB here on Maui so please continue support and fund MEDB so they may continue to provide this amazing service, support and to empower our Entrepreneurs here on Maui! We are so grateful and blessed! We thank Gerry and MEDB for going above and beyond and MEDB for allowing us to see the bigger picture, be more business mined and to see that our dream can become a reality!

Mahalo for allowing us to share.
Ana and Leanne

--



ALL COOKIES ARE HAND SCOOPED AND BAKED FRESH!!!

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REQUEST SPECIAL ORDERS AT maiusugarmamas@gmail.com

Have A Chocoholic Kind of Day,

Leanne and Ana

Founders and Owners

Maui Sugar Mamas

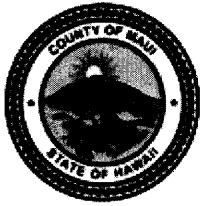
Maui's Sweet Tooth Fix Since 2016...."Sharing the CRAVE One Sweet Tooth at a Time!"

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 2:48 PM
To: EDB Committee
Subject: Fw: PLEASE STOP THE PROPOSED 60% Increase in CONDO PROPERTY TAXES

Importance: High

With Aloha,



Office of Council Chair Kelly T. King

South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: LISA NOBLE <noblemarketing@comcast.net>
Sent: Monday, April 22, 2019 2:17 PM
To: Kelly King
Subject: PLEASE STOP THE PROPOSED 60% Increase in CONDO PROPERTY TAXES

Dear Councillor King,

My husband and I strongly oppose the proposal to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false.

Short Term rental properties create work and jobs for many local residents in the following areas.

- *Condo owners like myself and my husband who are elderly, retired and who manage our own rental property for a modest retirement income*
- *We pay taxes on our earnings to the State of Hawaii and Taxes to the County as well*
- *Our Housekeeper relies on the income she earns cleaning and maintaining our condo to support her family*
- *We also regularly provide employment for local workers who assist us in maintaining our condo and are:*
 - *Plumbers*

- *Electricians*
- *Air Conditioning repairmen*
- *Ceiling Fan installers and repairmen*
- *Carpet Cleaning workers*
- *Glass Repair and shower door cleaning/polishing workers*
- *Window covering suppliers*
- *Painters*
- *Appliance repairmen*
- *Handymen*
- *Tile installers*
- *General Contractors*
- *Realtors*
- *A property tax increase of approximately 60% would have very, very a significant impact to me as an owner. I would have pass along that significant increase to my guests, which in turn will have a negative impact on the many visitors that would otherwise stay in our condo. It would make our prices much higher, and chase away the price conscious families and visitors who are attracted to staying in moderately priced, family operated condos.*

Please abandon this proposal, which will also LOWER CONDO REAL ESTATE VALUES, and have a very NEGATIVE EFFECT ON TOURISM.

Sincerely,

Lisa Noble and Jeff Arnold

Lisa Noble

Noblemarketing@comcast.net

EDB Committee

From: Dave and Margie Foreman <dm4manmaui@gmail.com>
Sent: Monday, April 22, 2019 3:52 PM
To: EDB Committee

Dear City Councillors,

We/I strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false.

Short Term rental properties create work and jobs for many local residents in the following areas.

- *Reservations staff*
- *Housekeepers and Housemen*
- *Property managers*
- *Concierge and Activity Salespersons*
- *Accountants*
- *Online Marketers*
- *Offline Marketers*
- *Plumbers*
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- *Flood Control Workers*
- *Glass Repair and Installation Companies Professionals*
- *Blind Repair and Installation Companies*
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- *Painters*
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- *General Contractors*
- *Tile Installers*
- *Woodworkers*
- *Security Professional Workers*
- *Landscapers*
- *Pool Care Workers*
- *Electricians*
- *Remediation Pros*

A property tax increase of approximately 60% would have a significant impact to an owner. As an owner of the Short Term Rental I would have pass along that significant increase to my guests which in turn will have a negative impact on the many visitors that would otherwise stay in short term rentals. If short term rental rates increase visitors that choice to stay in short term rentals will be priced out of the market. They will choose to stay on other islands and or visit other places then Maui. Therefore having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui.

Sincerely,

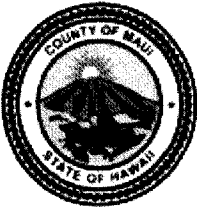
Concerned Short Term Rental Owner

Margie Foreman

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 2:14 PM
To: EDB Committee
Subject: Fw: Proposed Property Tax Rates - Short Term Rentals

With Aloha,



Office of Council Chair Kelly T. King

South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Mark Joseph <markjoseph31@yahoo.com>
Sent: Monday, April 22, 2019 2:12 PM
To: Kelly King
Subject: Proposed Property Tax Rates - Short Term Rentals

Dear Vice-Chair King,

I was recently made aware of the various proposals under consideration to raise property tax rates for short-term rentals in the coming year.

I watched the video from the April 3rd committee meeting to better understand the thought process behind these proposals.

I have two comments I would like to share with you for your consideration.

First, I want to make sure you understand that short term rentals absolutely create employment dollars to local residents of the community. For instance, we pay between \$300 and \$500 per turnover for cleaning services of our unit, which we believe is a premium rate compared to that paid to hotel housekeeping employees. We also routinely require handyman services, HVAC services, maintenance on household equipment, and other maintenance services. The rates we pay for these services are generally premium rates relative to hotels because we don't enjoy the buying power that Hotels can demand.

Second, I am in support of Councilwomen Tasha Kama's point of view about considering gradual increases. For one owner's perspective, I'd like to share what I face in the next fiscal year. The assessment of my property is increasing by 16% over the prior assessment year. Additionally, an increase in the short-term rate from \$9.28 to \$15.41 would be a rate increase of 66%.

When these two factors are combined, I would face a 93% increase in my property tax bill (YOY). This rate increase on my second largest expense (after my mortgage) would be devastating to my investment.

I urge you to consider a moderated increase in rates and fees.
Thank you for your consideration.

Mark Joseph
925-899-9679

EDB Committee

From: Mark Joseph <markjoseph31@yahoo.com>
Sent: Monday, April 22, 2019 2:07 PM
To: EDB Committee
Subject: Proposed Property Tax Rates - Short Term Rentals

Dear Council Members,

I was recently made aware of the various proposals under consideration to raise property tax rates for short-term rentals in the coming year.

I watched the video from the April 3rd committee meeting to better understand the thought process behind these proposals.

I have two comments I would like to share with you for your consideration.

First, I want to make sure you understand that short term rentals absolutely create employment dollars to local residents of the community. For instance, we pay between \$300 and \$500 per turnover for cleaning services of our unit, which we believe is a premium rate compared to that paid to hotel housekeeping employees. We also routinely require handyman services, HVAC services, maintenance on household equipment, and other maintenance services. The rates we pay for these services are generally premium rates relative to hotels because we don't enjoy the buying power that Hotels can demand.

Second, I am in support of Councilwomen Tasha Kama's point of view about considering gradual increases. For one owner's perspective, I'd like to share what I face in the next fiscal year. The assessment of my property is increasing by 16% over the prior assessment year. Additionally, an increase in the short-term rate from \$9.28 to \$15.41 would be a rate increase of 66%.

When these two factors are combined, I would face a 93% increase in my property tax bill (YOY). This rate increase on my second largest expense (after my mortgage) would be devastating to my investment.

I urge you to consider a moderated increase in rates and fees.

Thank you for your consideration.

Mark Joseph

925-899-9679

EDB Committee

From: Mark Maher <mahermen@icloud.com>
Sent: Monday, April 22, 2019 9:05 PM
To: EDB Committee
Subject: Maui

Sent from my iPhoneDear City Councillors,

We/I strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false.

Short Term rental properties create work and jobs for many local residents in the following areas.

- *Reservations staff*
- *Housekeepers and Housemen*
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- *Accountants*
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- *Remediation Pros*

A property tax increase of approximately 60% would have a significant impact to an owner. As an owner of the Short Term Rental I would have pass along that significant increase to my guests which in turn will have a negative impact on the many visitors that would otherwise stay in short term rentals. If short term rental rates increase visitors that choice to stay in short term rentals will be priced out of the market. They will choose to stay on other islands and or visit other places then Maui. Therefore having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui.

Sincerely,

Concerned Short Term Rental Owner

EDB Committee

From: Mark & Linda <m_lwharton@yahoo.ca>
Sent: Monday, April 22, 2019 2:18 PM
To: EDB Committee
Subject: Increased Tax Rate Proposal

Dear Councillors,

We do not agree with the proposal to increase the tax rate for Short Term Rental properties to more than Hotels. We employ or work with many local people.

This includes housekeepers, property managers, tax/accountants, contractors (plumbing/carpentry/electrical). All of these workers live on Maui.

Over the past three years we have been doing renovations and have hired many local people.

The tax increases and condo fee increases over the past four years have caused us to increase our rental rates to rates higher than we would have ever thought we would have to charge.

We have found the number of people willing to pay the higher rates has decreased and will only continue to be a challenge if we have to again increase our rates.

Mark WHARTON / Linda MCCONNELL

EDB Committee

From: Maro <dimmermaro@comcast.net>
Sent: Monday, April 22, 2019 2:51 PM
To: EDB Committee
Subject: Real Property Tax Hike comment

Esteemed Council,

Aloha! My name is Maro Dimmer, resident of Colorado, but owner of two units in the Whaler resort on Kaanapali. My husband and I have been coming to Maui for over 20 years and 2.5 years ago we decided this would be our retirement home. We invested our life's savings in these two properties. We are middle class people working hard to live in our dream place.

I want to emphasize to you that this unprecedented hike in property taxes is only going to hurt Maui in so many deep ways. Maui is already an expensive place to vacation and these hikes to hotel and short term rental properties will for sure be passed on to the tourists visiting this beautiful island. The escalating rents would be making Maui super exclusive! This means less tourists to support your small businesses and restaurants. Please consider the impact of this on sales tax income!

As a small business owner and as holder of a seat on the board of the Arvada Economic Development Association I deeply understand the need of cities and counties to have more income brought in. I also know that a thriving economy is a partnership between the governmental entities, the business community, the investors and the people. One member in this partnership cannot singlehandedly hurt the other without serious impacts. Please study the long term strategic impact of this on both Maui's economy as well as our families.

Also consider the effect on individuals. Sure timeshares have a 15.41% property taxes, but the impact of this is diluted over thousands of owners for one property. Plus the real owner of timeshares are multinational organizations like the Marriott. If you institute this against single owners of condominiums the impact to individuals is tremendous. In our case this means a tax hike from 22,000 to 35,000. Owners like us spend a tremendous amount of money when on Maui. We might not spend so much in the future.

We will be moving to Maui as residents in two years. We want to be on a Maui with a thriving economy. We implore you not to rash to ruin it, but to adopt a more conservative measured and incremental approach.

Maro Dimmer
2481 Kaanapali Pkwy
Unit 1110 and 459
Whaler

EDB Committee

From: Michael Dorn <mdornari@gmail.com>
Sent: Monday, April 22, 2019 6:44 PM
To: EDB Committee
Subject: Don't make a big mistake!

Dear committee,

I am guessing you are overwhelmed with responses from fellow short-term rental owners; and you are overwhelmed with pressure from the hotel people.

Given all that please be aware that we DO

- pay taxes on EVERY rental
- hire local people for cleaning, managing, repairing, and on and on

If you pass this bill, you will not benefit the citizens of Maui. It's a new age and the hotels don't aid the community the way they used to. This bill will simply force people like us to not rent and only use it for ourselves and family. Many others will be driven underground - they will still rent but Maui will get \$0. It is a sad calculation if you think you can enforce a law with so many violators. You are mistaken. You might end up in court with some, while most of the \$ are lost to Maui.

Please, please understand this - 99% of the people who rent from us do it because they do NOT want to stay in a hotel for many different reasons. They just won't. They will go to Europe. They will go to the Caribbean. What they WON'T do is come to Maui. When that happens, everyone suffers.

Plus, if Maui loses money based on your decision, you won't be around for the next election. Do what is best for Maui; not for some conglomeration that is made up of people who don't have a personal interest in the island or the state.

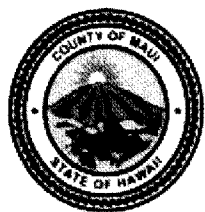
Respectfully,

Michael Dorn
Wailea Ekahi, Maui

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 2:13 PM
To: EDB Committee
Subject: Fw: Objection - Proposed Property Tax Increase

With Aloha,



Office of Council Chair Kelly T. King

South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Mike Imler <michael_imler@yahoo.com>
Sent: Monday, April 22, 2019 1:44 PM
To: Kelly King
Subject: Objection - Proposed Property Tax Increase

Dear City Councillors,

I strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false.

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- Plumbers
- Carpet Cleaning Workers
- Flood Control Workers
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- Woodworkers
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- Landscapers
- Pool Care Workers
- Electricians
- Remediation Pros

A property tax increase of approximately 60% would have a significant impact to an owner. As an owner of the Short Term Rental I would have pass along that significant increase to my guests which in turn will have a negative impact on the many visitors that would otherwise stay in short term rentals. If short term rental rates increase visitors that choice to stay in short term rentals will be priced out of the market. They will choose to stay on other islands and or visit other places then Maui. Therefore having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui.

*Sincerely,
Mike Imler*

Concerned Short Term Rental Owner

Sent from Yahoo Mail for iPad

EDB Committee

From: Mike Imler <michael_imler@yahoo.com>
Sent: Monday, April 22, 2019 1:44 PM
To: EDB Committee
Subject: Objection - Proposed Property Tax Increase

Dear City Councillors,

I strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false.

Short Term rental properties create work and jobs for many local residents in the following areas.

- *Reservations staff*
- *Housekeepers and Housemen*
- *Property managers*
- *Concierge and Activity Salespersons*
- *Accountants*
- *Online Marketers*
- *Offline Marketers*
- *Plumbers*
- *Carpet Cleaning Workers*
- *Flood Control Workers*
- *Glass Repair and Installation Companies Professionals*
- *Blind Repair and Installation Companies*
- *Data and Technology Workers*
- *Painters*
- *Home Entertainment Professionals*
- *Dry Cleaning and Professional Washing Workers*
- *General Handymen*
- *General Contractors*
- *Tile Installers*
- *Woodworkers*
- *Security Professional Workers*
- *Landscapers*
- *Pool Care Workers*
- *Electricians*
- *Remediation Pros*

A property tax increase of approximately 60% would have a significant impact to an owner. As an owner of the Short Term Rental I would have pass along that significant increase to my guests which in turn will have a negative impact on the many visitors that would otherwise stay in short term rentals. If short term rental rates increase visitors that choice to stay in short term rentals will be priced out of the market. They will choose to stay on other islands and or visit other places then Maui. Therefore having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui.

Sincerely,

Mike Imler

Concerned Short Term Rental Owner

Sent from Yahoo Mail for iPad

EDB Committee

From: Nicole Geyer <nmgeyer@gmail.com>
Sent: Monday, April 22, 2019 2:32 PM
To: EDB Committee; Keani N. Rawlins; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; Mike J. Molina
Subject: Proposed RPT Increase in Short Term Rental Classification - County of Maui

To Members of the Economic Development & Budget Committee, County of Maui

I strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false.

Short Term rental properties create work and jobs for many local residents in the following areas.

- Reservations staff
- Housekeepers and Housemen
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- Landscapers
- Pool Care Workers
- Electricians
- Remediation Pros

A property tax increase of approximately 60% would have a significant impact as an owner. As an owner of the Short Term Rental I would have to pass along that significant increase to my guests which in turn will have a negative impact on the many visitors that would otherwise stay in short term rental properties. If short term rental rates increase visitors that choose to stay in short term rentals will be priced out of the market. They will choose to stay on other islands and or visit other places than Maui. Therefore having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui.

Sincerely,

Nicole Geyer
Wailea Ekahi Owner

EDB Committee

From: R A Gusella <ragusella@shaw.ca>
Sent: Monday, April 22, 2019 2:05 PM
To: EDB Committee
Subject: Proposed Tax Increase

We are opposed to the proposed increase in property tax for short-term rental properties like Wailea Ekahi. A recent letter from Ali'i Resort has our support in this regard.

Gusella Family Trust
R A Gusella - Trustee
M I Gusella - Trustee

Sent from my iPhone

EDB Committee

From: R A Gusella <ragusella@shaw.ca>
Sent: Monday, April 22, 2019 2:09 PM
To: EDB Committee
Subject: Re: Proposed Tax Increase

FYI we are owners of two condos in Wailea Ekahi.
RAGUSELLA

Sent from my iPhone

> On Apr 22, 2019, at 6:05 PM, R A Gusella <ragusella@shaw.ca> wrote:

>

> We are opposed to the proposed increase in property tax for short-term rental properties like Wailea Ekahi. A recent letter from Ali'i Resort has our support in this regard.

>

> Gusella Family Trust

> R A Gusella - Trustee

> M I Gusella - Trustee

>

> Sent from my iPhone

EDB Committee

From: Ralph Flum <rflum42@aol.com>
Sent: Monday, April 22, 2019 1:37 PM
Cc: EDB Committee; Alice L. Lee
Subject: County of Maui - Proposed 60% Increase in Property Tax

County of Maui - Proposed 60% Increase in Property Tax

Dear City Councillors,

We strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false.

Short Term rental properties create work and jobs for many local residents in the following areas.

- *Reservations staff*
- *Housekeepers and Housemen*
- *Property managers*
- *Concierge and Activity Salespersons*
- *Accountants*
- *Online Marketers*
- *Offline Marketers*
- *Plumbers*
- *Carpet Cleaning Workers*
- *Flood Control Workers*
- *Glass Repair and Installation Companies Professionals*
- *Blind Repair and Installation Companies*
- *Data and Technology Workers*
- *Painters*
- *Home Entertainment Professionals*
- *Dry Cleaning and Professional Washing Workers*
- *General Handymen*
- *General Contractors*
- *Tile Installers*
- *Woodworkers*
- *Security Professional Workers*
- *Landscapers*
- *Pool Care Workers*
- *Electricians*

- *Remediation Pros*

A property tax increase of approximately 60% would have a significant impact to an owner. As an owner of the Short Term Rental we would have pass along that significant increase to my guests which in turn will have a negative impact on the many visitors that would otherwise stay in short term rentals. If short term rental rates increase visitors that choice to stay in short term rentals will be priced out of the market. They will choose to stay on other islands and or visit other places then Maui. Therefore having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui.

Sincerely,

Ralph and Sheryl Flum

Concerned Short Term Rental Owner

EDB Committee

From: Randall Urban <maalaea49@gmail.com>
Sent: Monday, April 22, 2019 4:02 PM
To: EDB Committee
Subject: Written testimony for council

April 22, 2019

Council Member Keani Rawlins-Fernandez
Chairman, Budget & Finance Committee
Maui County Council
200 South High St, 8th floor
Wailuku HI 96793

Dear Chair Rawlins-Fernandez and Members of the Committee:

My name is Randall Urban, owner of a condo in the Island Sands building in Maalaea. I have owned it for well over 20 years. I live in my condo 6 months out of the year, but because I am living on Social Security, I need to rent out my unit on a short-term basis for the rest of the year to make ends meet. Because of that, you assign my unit to the Short-term Rental classification, and even worse, sometimes in the Resort classification. The net result is, even though I occupy my unit as much or more than most of the other owners at Islands Sands, my real property tax is always significantly higher than those that leave their units empty when they are not on the island.

In addition to the real property tax I already pay, I also have to pay TA and GE taxes on each rental. In addition to those taxes paid, I provide a housing alternative, in a legal short-term rental, to those who might not otherwise be able to afford their dream trip to Maui. I feel I am doing my part to help Maui's visitor industry thrive. For that reason, I am strongly against the proposal to raise my real property tax by 66% from \$9.28 per \$1,000 of assessed value to \$15.41 per \$1,000. It makes my inequitable situation in the tax rates even more inequitable.

When I voted for the current Board majority, I felt you would be looking out for the well-being of everyone. This proposal is not an indication that is the case. Please don't make my life more difficult than it already is. Please do not pass these excessive tax increases.

Thank you for your consideration.

Randall Urban
Island Sands 102
150 Hauoli St, Apt 102
Wailuku HI 96793

EDB Committee

From: Ron Becht <ron.becht@gmail.com>
Sent: Monday, April 22, 2019 1:20 PM
To: EDB Committee
Subject: Short-term rental Proposed Property Tax Increase

April 22, 2019

Council Member Keani Rawlins-Fernandez
Chairman, Budget & Finance Committee
Maui County Council
200 South High Street, 8th Floor
Wailuku, Hawaii 96793

Dear Chair Rawlins-Fernandez and Members of the Committee:

My name is Ron Becht. My wife (Marsha Becht) and I have owned a condominium at Maui Kamaole in Kihei, Maui since 2000.

Over the past 19 years, we have paid our property taxes, TOT taxes and GET taxes on time. In 2018 we paid \$4964 in property taxes for a 1 bedroom 2 bathroom 949 square foot condominium. We also paid over \$10,000 in Hawaii (GET, TAT) taxes on our bookings.

Over the years, we have had to raise our daily rates to cover the tax increases imposed by the county of Maui which slows down our volume of bookings. If Maui county continues to increase our tax rate for short term rentals we will see dramatic decreases in our rental volume. We will consider removing our property from short term rental market to reduce our tax burden which will in turn reduce the state of Hawaii and Maui County's income from our property.

We oppose the proposal to raise, by **64.5%**, the current hotel and resort real property tax rate from the current \$9.37 per \$1,000 of assessed value to \$15.41 per \$1,000. Additionally, we oppose the drastic short-term rental rate increase from the current \$9.28 per \$1,000 of assessed value to \$15.41 per \$1,000. The hotel/resort, short-term rental and timeshare classifications are the highest tax rates for Maui County. We respectfully request that we look at creating a more equitable share in tax rates.

The reasons for our opposition are as follows:

High Property Values: Maui County's economy is powered in large part by a strong visitor industry, and year after year we see double digit increases to our industry's real property values, resulting in more tax revenues being collected. Based on the increase in property assessed values alone an additional \$14million will be generated at the current RPT rates for Hotel/Resort, Short Term rentals and Timeshare. The additional tax revenue already produced by higher property values should be enough.

Economic Slowdown: Many signs have pointed to an economic slowdown over the past year as concerns have been shared by state economists, government leaders, and visitor industry experts. This point was amplified by a recent report by the Hawai'i Tourism Authority that reflected our industry having the worst February performance over the last decade. This is of concern as the month of February is typically the strongest for hotels and sets a benchmark for the remainder of the year.

Industry Competitiveness: The hospitality industry, which competes nationally and internationally against lower-priced destinations, cannot continue to pass on tax increases to our visitors while concurrently dealing with the state's high cost of living. While national comparisons on taxes are numerous, there is no denying that Hawai'i consistently ranks among the jurisdictions with the highest tax rates for lodging accommodations. We are keenly aware of our position in the visitor market and the cost of a Hawai'i vacation. Any forces that adversely affect our ability to compete, such as having to pass along higher taxes, also impact our appeal as a visitor destination, the availability of money to invest in new hotel properties or renovate existing ones, and employment within the hospitality industry and related travel businesses, all of which has a ripple effect across our entire economy. Small retail and restaurants attached to a hotel or resort will also be negatively impacted by this additional tax increase.

Impact on Hawai'i's Workforce: The cost of doing business in Hawai'i is already at a point where companies are having a difficult time turning equitable profits. The addition of increased taxes would produce an extra burden on our hotels and resorts forcing them to possibly look at cutting operational costs and ultimately workforce. We are aware that the hospitality industry is the number one private sector employer in Maui County as well as one of the highest taxed economic sectors, further levies could result in less jobs, employment cut backs, and curtailment of incentives.

Conclusion: The hospitality industry has enjoyed 7 consecutive years of record increases. We must be mindful, however, that the hotel sector has not benefitted entirely from this growth as more and more travelers are opting to stay at alternative accommodations. With what we have experienced last year in manmade and natural disasters, a hotel strike, and the government shutdown we must be cognizant of the fact that nothing can be taken for granted. In this regard, remaining cost-competitive and not viewing the visitor industry as a source of endless wealth for government must be foremost if we are to maintain our status as a prime destination for many years to come. Furthermore, there are thousands of individuals from every County District who are your constituents, who are employed by lodging and hospitality businesses that are very dependent on their living from the visitor industry to support their families. We ask that you oppose measures that could threaten their livelihoods and place the number one provider of jobs in the state in jeopardy.

Thank you for the opportunity to testify.

Sincerely,
Ron and Marsha Becht
Owners of Unit J117
Maui Kamaole
Kihei, HI

EDB Committee

From: Ron Ho <rontho@comcast.net>
Sent: Monday, April 22, 2019 1:24 PM
To: EDB Committee; Keani N. Rawlins; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Cc: rontho@comcast.net
Subject: Very concerned about proposal to increase short term property tax rate!

Importance: High

Dear City Councilors,

I recently learned of the proposal to increase the tax rate for short term rentals with the rationale being that short term rentals do not create jobs. I disagree vehemently with this proposal. Short term rentals do indeed provide many local jobs such as:

- Reservations staff
- Housekeepers and Housemen
- Property managers
- Concierge and Activity Salespersons
- Accountants
- Online Marketers
- Offline Marketers
- HVAC Repair Workers
- Plumbers
- Carpet Cleaning Workers
- Flood Control Workers
- Glass Repair and Installation Companies Professionals
- Blind Repair and Installation Companies
- Data and Technology Workers
- Painters
- Home Entertainment Professionals
- Dry Cleaning and Professional Washing Workers
- General Handymen
- General Contractors
- Tile Installers
- Woodworkers
- Security Professional Workers
- Landscapers
- Pool Care Workers
- Electricians
- Remediation Pros

As an owner of the Short Term Rental I would have pass along an approximately 60% increase in property tax to guests which in turn will have a negative impact on the many visitors that would otherwise stay in short term rentals. If short term rental rates increase visitors that choice to stay in short term rentals will be priced out of the market. They will choose to stay on other islands and or visit other places then Maui. Therefore having a significantly negative impact to the visitor revenue that contributes to the thriving Maui economy.

Please abandon this proposal that will ultimately have a very negative affect on everyone that enjoys Maui.

Sincerely,

Ron Ho and Mary Kern

Concerned Short Term Rental Owner at Ekahi

EDB Committee

From: purdyco <purdyco@aol.com>
Sent: Monday, April 22, 2019 7:25 PM
To: EDB Committee
Subject: Fwd: Short Term Rental Properties Rate Increase

Sent from my Verizon, Samsung Galaxy smartphone

----- Original message -----

From: purdyco <purdyco@aol.com>
Date: 4/22/19 6:51 PM (GMT-10:00)
To: Kelly.King@mauicounty.us
Subject: Short Term Rental Properties Rate Increase

This is in response to the above proposed increase on short term rentals.

Our unit in Elua pays over \$30,000 in combined sales,transient taxes and property taxes and I have never made a dollar profit from my unit as well as employing daily maids,plumbers and electricians. Our homeowner association employs over 30 full time employees. Condo guests choose condos in order not to pay the high prices of resort dining as well as other benefits and would not come to Maui if they had to stay in a hotel.

Thus, Maui will lose those futures guests that bring car rentals,restaurant dining and entertainment.

In addition ,many owners will close the units and use them exclusively as part time residences.

Please call me at 879-6041 and inform me on the date of your hearing on the above subject.

Ron Purdy

Sent from my Verizon, Samsung Galaxy smartphone

EDB Committee

From: Steve Easley <steve@steveeasley.com>
Sent: Monday, April 22, 2019 1:50 PM
To: EDB Committee; Keani N. Rawlins; Kelly King; Tasha A. Kama; Riki Hokama; Mike J. Molina; Alice L. Lee; Shane M. Sinenci; Yukilei Sugimura
Cc: Susan M. Raterman, CIH
Subject: pTax increase

Members of the Economic Development & Budget Committee, County of Maui

I have just learned that at your April 3, 2019 meeting, the Chair presented a proposal for setting the various RPT rates for fiscal 2020 that differs significantly from the Mayor's proposal. The newly proposed rate for the Short Term Rental category is 60%+ higher than both the existing rate and the Mayor's 2020 rate. **As a condo property owner, I strenuously object to the Chair's proposed rate and the timing thereof. I request that the EDB Committee endorse the Mayor's proposed rates for 2020. This is very unfair and burdensome .**

Maui has a graduated RPT rate scale that recognizes the needs of the resident population – I endorse the current graduated rate scale. The existing Short Term Rental category rate of \$9.28 is 325% higher than the Homeowner rate of \$2.55. This is a significant benefit to the resident population and in my view reasonable in the circumstances. **The Chair's proposed rates of \$15.41 and \$2.66 respectively raise this ratio to 579% which is NOT REASONABLE.** The ratio for the Mayor's proposed rates is 337% and is a reasonable expansion from the existing ratio.

Tourism is Maui's biggest industry and by far the largest employer of the residents. Earlier this year, there was a Maui News article reporting on the 2018 visitor arrivals of a record 2.9 million. It is logical to assume that the vast majority of these arrivals stay for relatively short durations and depend almost entirely on the hotels and short-term rental properties for accommodations. **The owners of these short term rental properties contribute very significantly to Maui's economy and employ a myriad of Maui**

residents from landscapersto housekeepers to accountants to plumbers to painters to carpet cleaners to property managers to electricians to activity sales persons to security personnel amongst just a few of the many residents deriving their incomes from the spin off effects of providing short term rental accommodation to tourists. **Short Term Rental properties are vital to the ongoing success of Maui's tourism industry.**

The introduction of the Chair's proposal at this time of year virtually ensures that this vital owner category is **UNREPRESENTED** in participating in the public debate about RPT rates. This is not democracy in action – a 60%+ increase in the RPT rate for Short Term Rental property owners deserves more scrutiny and detailed economic analysis from the entire community. The current time line is woefully inadequate for such a major policy change.

I urge the EDB Committee to reject the Chair's proposed RPT rates and adopt the Mayor's proposed rates for fiscal 2020.

Best Regards,

Steve & Susan Easley
Ekahi property owners
925-698-4726
www.steveeasley.com

EDB Committee

From: Steven Dupuis <Steven_Dupuis@msn.com>
Sent: Monday, April 22, 2019 2:52 PM
To: Kelly King; Keani N. Rawlins; EDB Committee
Subject: Proposed Property Tax Increase

April 22, 2019

Dear City Councillors,

I strongly reject the proposal of the City Council Chair to increase the tax rate for Short Term Rental properties to more than Hotels. To rationalize the increase by stating that Short Term Rentals don't create jobs is completely false.

Short Term rental properties create work and jobs for many local residents in the following areas.

- *Reservations staff*
- *Housekeepers and Housemen*
- *Property managers*
- *Concierge and Activity Salespersons*
- *Accountants*
- *Online Marketers*
- *Offline Marketers*
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- *Carpet Cleaning Workers*
- *Flood Control Workers*
- *Glass Repair and Installation Companies Professionals*
- *Blind Repair and Installation Companies*
- *Painters*
- *Home Entertainment Professionals*
- *Dry Cleaning and Professional Washing Workers*
- *General Handymen*
- *General Contractors*
- *Tile Installers*
- *Woodworkers*
- *Security Professional Workers*
- *Landscapers*
- *Pool Care Workers*
- *Electricians*

A property tax increase of approximately 60% would have a significant impact to an owner. Many HOA's for older condominium units such as Wailea are raising dues significantly to pay for maintenance and upgrades to deteriorating structures. Raising property taxes by 60% would likely cause many owners to consider liquidation of their units which in turn is likely to lower property values. Due to already significant costs many units are selling for lower than asking price, but more importantly lower than tax appraisals. The council is shooting themselves in the foot by raising property tax rates on condominium owners and will ultimately cause a significant collapse in the real estate market on Maui. Please abandon this proposal that will ultimately have a very negative effect on everyone that enjoys Maui.

Sincerely,

Steve Dupuis, Ekahi Owner.

EDB Committee

From: Tessa Lepper <tessawc@comcast.net>
Sent: Monday, April 22, 2019 9:03 PM
To: EDB Committee
Subject: Proposed tax on rentals

Rentals provide jobs as well! And renters boost the general economy by buying groceries, fuel and using vendors not just hotel services.

Sent from my iPhone

EDB Committee

From: THOMAS MARTINEZ <maui4mee@aol.com>
Sent: Monday, April 22, 2019 2:22 PM
Subject: Proposed Tax Increase

Dear Committee Chair Keani N.W. Rawlins-Fernandez and Economic Development and Budget Committee Committee Members,

My wife and I own a unit here in Maui and personally use this unit for 6 months as our second home. While we rent the unit for the time we are away, we find it extremely difficult to make ends meet currently but will find it impossible to continue to conduct business with such an extreme tax increase. We are not a time share or hotel which can absorb such increases. We are simply a semi-retired couple who wish to maintain a home here in Maui.

We are certainly in favor of fair and reasonable tax rates for the vacation rental industry.

Short Term Rentals are currently taxed at \$9.28/\$1000, the third highest only exceeded by Hotel and Resort and Time Share rates. Increasing the Short term rental rate too extreme puts an unfair burden on the individual owners of these properties, and the guests to these properties, and can only move to harm the small businesses that depend on the vacation rental industry.

We have a good vacation rental industry on Maui, subject to appropriate restrictions and standards, and a fair existing permitting and taxing process. Short term rentals already comprise 25% of the \$319,516,547 of real property tax revenue compared to 11% for time share, and 7% for hotel and resort. The purpose of the industry is to allow for varied accommodations and experiences for visitors, and to allow small businesses to benefit from tourism.

I am supportive of the Economic Development and Budget Committee Committees efforts to find a fair and equitable solution for taxing the vacation rental industry that limits any negative implications for the community. Right now short term rentals brings in \$79,500,00 in direct taxable revenue, and has created thousands of jobs for our island as well.

Thank you for considering my testimony and I hope you will think about it as you continue to craft this bill.

Sincerely

Thomas & Ligia Martinez

EDB Committee

From: Toni Marie Davis <toni@a3h.org>
Sent: Monday, April 22, 2019 4:48 PM
To: EDB Committee
Subject: Follow up on Questions Today
Attachments: A decade of data and decisions_ Visitor spending as a marketing.pdf;
SnorkelSafetyBrochure-Print_Final_DOH007.pdf

Aloha Madam Chair Rawlins-Fernandez, Vice Chair King and members of the EDB Committee,

Thank you for listening to my testimony & for serving our community. My testimony was in support of MVB's level funding and also spoke against increased hotel taxes.

There was a question regarding the existence of data on travel types (high spending vs. low spending) and the impact. I looked online and found the attached study from 2015, with over ten years of data regarding the specific idea of targeting the "ideal visitor." Here is an excerpt: **Lundie et al. (2007, p. 503) writes that "different types of tourists generate different economic, social and environmental impacts on destinations."** **Moeller et al. (2011) found there were two segments representing 40 percent of the total market showing higher tourism expenditures along with lower environmental footprints.** *The example of the \$1000 a day jerk on the beach smoking a cigarette, is an example that jerks come in all shapes and sizes.*

So much is being done to address accidental deaths while vacationing in this beautiful place, a new item is the attached DOH brochure I mentioned. Progressing toward perfection, but it will never be perfect, accidents happen, we can do more to ensure safety through education.

Working together – speaking impeccably, humbly and with Aloha, we will find solutions. Please know that I am here to be of service however possible. Thank you again for your service to our community.

Sincerest Aloha & Mahalo,
Toni

Toni Marie Davis/Executive Director
Activities & Attractions Association of Hawaii, Inc.
Office : 808-871-7947 **Mobile:** 808-264-0000 **Fax:** 808-877-3104
Want to schedule a meeting?: [Click Here to Open my Scheduling Calendar](#)



A decade of data and decisions: Visitor spending as a marketing strategy

Norma P. Nickerson
University of Montana - Missoula

Kara L. Grau
University of Montana - Missoula

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Nickerson, Norma P. and Grau, Kara L., "A decade of data and decisions: Visitor spending as a marketing strategy" (2015). *Travel and Tourism Research Association: Advancing Tourism Research Globally*. 4.
https://scholarworks.umass.edu/ttra/ttra2015/Academic_Papers_Visual/4

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A decade of data and decisions: Visitor spending as a marketing strategy

Destinations worldwide, big and small have one thing in common – using tourism as an economic engine within a community, a region, or an entire country. While the consumer is traveling to learn, relax, explore, or check off a box on their 'bucket list,' the destination's goal is to make money by providing for the traveler. The purpose of this paper is to explore how a destination has used visitor spending data as their tool in tourism segmentation and marketing. In other words, this paper shows how a destination takes theory and data and turns it into marketing practices.

Segmenting visitors for marketing purposes is a necessary tool for destinations to both differentiate themselves from competitors and to market to the type of visitor they desire in their destination (Beken & Simmons, 2008; Lundie et al., 2007). Identifying and finding the "ideal visitor types" based on unique attributes of the traveler can enhance the economic, environmental and social viability of tourism in a destination (Northcote & Macbeth, 2006). Lundie et al. (2007, p. 503) write that "different types of tourists generate different economic, social and environmental impacts on destinations." Moeller et al. (2011) found there were two segments representing 40 percent of the total market showing higher tourism expenditures along with lower environmental footprints. These segments varied in tourists' expenditures, activities chosen within the destination, demographics, and their environmental and social impacts within the destination. In another study, Dixon et Al. (2012) segmented sport tourists attending a Professional Golf Association tournament by total per day expenditures and found that a significant difference existed between low, medium, and high expenditure-based segments of sport tourists in terms of spending patterns, trip characteristics, and trip preferences.

While many researchers have been segmenting travelers by spending for decades (Aguiló & Juaneda, 2000; Chhabra et al., 2002; Frechtling, 2006 pg. 26; Kalber, 1980; Lima et Al., 2012; McGehee, 2007; Mok & Iverson, 2000; Way & Robertson, 2013; Wilton & Nickerson, 2006), the question remains: How are marketers using this spending segmentation in their destination, and how successful is it?

Methods

This paper is a compilation of numerous visitor spending studies conducted in one western US state over the past 10 years. The methods in each individual project differed depending on the question(s) being asked, however, the common theme was always to understand expenditures by travelers in the destination.

Travelers in all but one study assessed/compiled for this paper were intercepted on site. Five of the intercept studies (quarterly spending, spending based on purpose of trip, spending by country of residence, spending by attractive attributes to the state, and spending by geotourists) asked about spending within the previous 24 hours with additional data obtained to allow for an estimate of spending to the entire visitor population. Three of the intercept studies provided the visitor with a mail-back questionnaire to complete after the trip (spending by visitors who took guided trips, spending by visitors on a national scenic byway, and resident travel spending). One intercept study looked at spending by alpine skiers and asked the skier to complete the questionnaire on site. Finally, the bicycle tourism study used an online format with email addresses obtained from a national bicycle organization of individuals who had cycled in the state over the past 3 years.

Findings and their application

Findings from ten different visitor spending segmentations are presented, followed by marketing strategy(s) used and their implications toward success.

Quarterly spending. Tourism, by its nature, is a seasonal activity (Baum & Lundtorp, 2001), and these findings corroborate that issue. This seasonality, due to weather and school system calendars, is also one of the most difficult issues to address when trying to increase tourism. Comparing today's

quarterly spending to that of 10 years ago within the state showed the following: Q1 spending was 13 percent of total in 2005 and 11 percent in 2014; Q2 spending was 25 percent in 2005 and 23 percent in 2014; Q3 spending was 48 percent in 2005 and 49 percent in 2014; Q4 spending was 14 percent in 2005 and 17 percent in 2014. For the past five years, the state has organized a winter marketing campaign geared at attracting more nonresident skiers and snowmobilers. This should have increased spending in quarter one but does not appear to have done so. In fact, one could say, the opposite has been observed. However, spending in quarter four did increase by three percent of total over the past ten years. Marketing campaigns initiated by convention and visitor bureaus, resorts and hotels to holiday shoppers in populations north of the state does appear to have produced a slight spending increase in quarter four.

Purpose of trip. Spending by purpose of trip showed that shoppers contribute the highest daily expenditures (\$292.74) to the state, followed by vacationers, business travelers, those visiting friends and relatives, and finally those simply passing through the state. Increasing the shopper spending (as discussed above) has worked in some areas of the state. However, shoppers spend the shortest amount of time in the state and only represent two percent of all visitors, thereby questioning the strategy of marketing to shoppers. Vacationers, on the other hand, represent 33 percent of all visitors and spend twice as many nights in the state compared to shoppers. Marketing to vacationers continues to be the main strategy of the office of tourism, the travel regions, and CVB's. Their marketing strategy, while related to spending, also includes those segments who spend more based on type of vacationers as well as an activity segment. These are discussed later.

Domestic vs international. The findings on spending separated by domestic travelers, Canadian travelers, and overseas travelers show that, by far, domestic travelers are the market to pursue. Domestic visitors contribute 88 percent of all nonresident spending but only represent 83 percent of all visitors. The Canadian market, however, represents 15 percent of all visitors and only eight percent of all spending. The overseas market is only two percent of spending and is such an expensive market to pursue, that the office of tourism has only minimally budgeted for international markets. Our data show that not overly pursuing the overseas market is a wise strategy, along with not marketing to the Canadian traveler at the statewide level. It would be wise for the communities and regions of the state to assess the contribution of Canadian spending in their area before investing more marketing dollars in that market.

Attractions to the state. In the nonresident travel survey, visitors were asked to identify what attracted them to the state and what was the primary attraction. Through a cluster analysis, six main attraction groups were identified and compared by trip spending. The activity cluster (hiking, biking, camping, fishing, hunting, etc.) spent the most amount of time in the state and represented the highest spending (36% of total). That activity cluster was followed by visiting family/friends (17%), landscape (17%), national park visitors (14%), special events (10%), and history (6%). The marketing campaigns of the state have primarily been to lure travelers to the national parks as these icons seem to be why people visit. However, the data would indicate that activity marketing may be a better choice as these active travelers spend more than the other market clusters. This is one area in which the office of tourism may need to readjust their strategy since attracting the high value visitor is important to the state. On the other hand, promoting activities within the parks may be their best option.

Geotravelers. Pursuing the geotraveler market segment has been a strategic plan for the state since 2008 based on the idea that bringing in sustainable travelers who have values similar to residents of the state should help the state maintain its character, increase its tax base by virtue of spending, and help preserve the places important to both visitors and residents. Various studies identifying geotravelers in the state have shown that there are geotourism hotspots around the national parks, but that geotravelers do spend time throughout the state as well. Visitors were segmented into minimal, moderate, and strong geotravelers based on their geotraveler tendencies. Data showed that strong geotravelers spent about 24 percent more per day than the minimal geotraveler, indicating a good market to pursue for the state. The problem with marketing to this segment is being able to identify how to reach them. The main advertising technique has been to promote environmental preservation,

cultural understanding, and local people and products. It is unclear if the technique has been working, but it is clearly evident that 'inviting' visitors with the same value system as residents will generate positive feelings between host and guests.

Outfitting and guiding. Another niche market studied in the state was that of guided trips and spending by the clients of these trips. Guided trips are generally conducted by local entrepreneurs with a passion for their activity such as fishing, rafting or hunting. It provides outside money directly into the pocketbook of local residents with very little leakage of money outside the state. The data showed that hunting and fishing trips produced the largest economic impact (76% of all guided trip revenues), which is problematic for marketing since wildlife and fish are finite resources. Therefore the office of tourism has chosen to only list guided trips on their web page and not specifically market guided trips through advertising campaigns. This has caused some contention in the tourism industry.

Resident travel. A resident travel study was conducted to understand the impacts generated regionally by in-state travel and found that \$833 million was distributed around the state by residents creating nearly 12,000 jobs. Because of these findings and because of the recent recession with high fuel prices, the state decided to conduct an in-state campaign in 2010. The success of the first years of that in-state campaign has encouraged the state to continue with marketing inward, creating something not expected...more pride and ownership in the state by residents. This, in turn, has generated campaigns to educate locals about 'off the beaten path' areas to visit. Additionally, the state department responsible for economic development has been able to use the campaigns to lure new business to the state.

National Scenic Byways. In the United States, highways nationally designated for their scenic appeal, and, in some instances, their cultural and recreational appeal (All-American Byways) have been promoted as a way to generate income in rural areas. A study was conducted to assess the economic impact of an All-American Road in the state and to determine if national designation was important to that economic impact. Results of the study showed that \$53 million was distributed to three small gateway communities of the roadway and, more importantly, that 69 percent of all visitors traveled the highway because of its designation as a scenic byway, rather than using the byway as a means to go somewhere else. The information provided marketers with the confidence of promoting the scenic byway, itself, as a destination rather than a travel route. The findings allowed communities to put pressure on the highway department to plow the road as early as possible in the spring to create more opportunities for income generation in the gateway communities.

Alpine skiers. Data collected on spending by alpine skiers was differentiated between nonresident and resident spending. On average, nonresidents spent over \$1,200 per trip on skiing while residents spent \$140. Spending also fluctuated as much as \$1,200 based on the resort nonresidents visited. This huge gap in spending differences encouraged the state office of tourism to work with the ski resorts on a winter campaign to out-of-state skiers resulting in steady growth of skier numbers. This, however, has not necessarily improved the overall contribution of nonresident spending in quarter one as discussed earlier. A re-visit of the winter campaign is needed.

Bicycle tourism. This market niche had never even been considered a segment to pursue by the tourism industry in the state until data showed that cycling tourists spent more money per day and more days in the state than the average vacationer. Since the study results were revealed, the office of tourism and a bike/walk association have been meeting regularly with the state department of transportation to assess and fix the paths and highway shoulders for cyclists. This niche may be small in numbers currently, but the potential for a travel segment which has little impact on the environment but a significant positive impact to the state, economically, is a promising direction for the state.

Conclusions

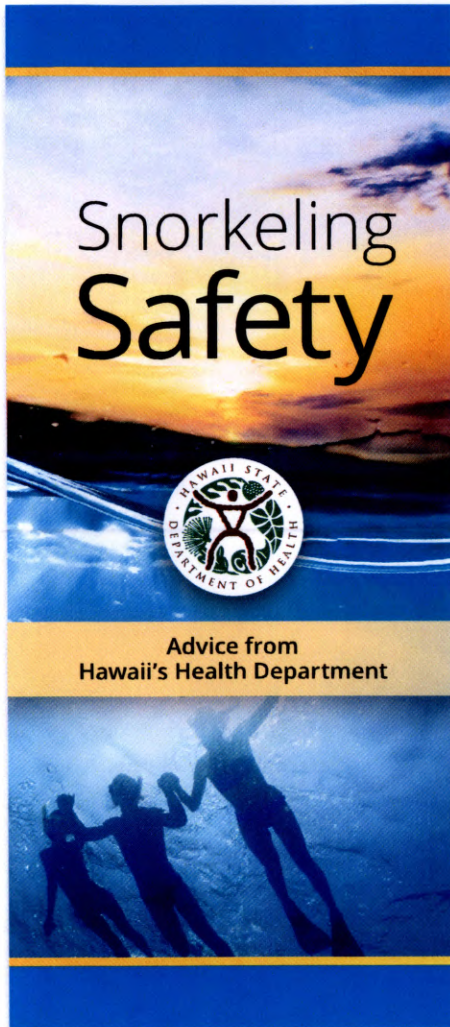
Identifying market segments by spending contribution can allow for better targeting by the tourism promotional organizations, direct advertising to new markets, assist in policy decisions, and encourage the review of marketing strategies. Spending patterns and the resultant economic impact are strong and defensible indicators of a viable tourism industry.

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DOH Snorkeling Safety Brochure

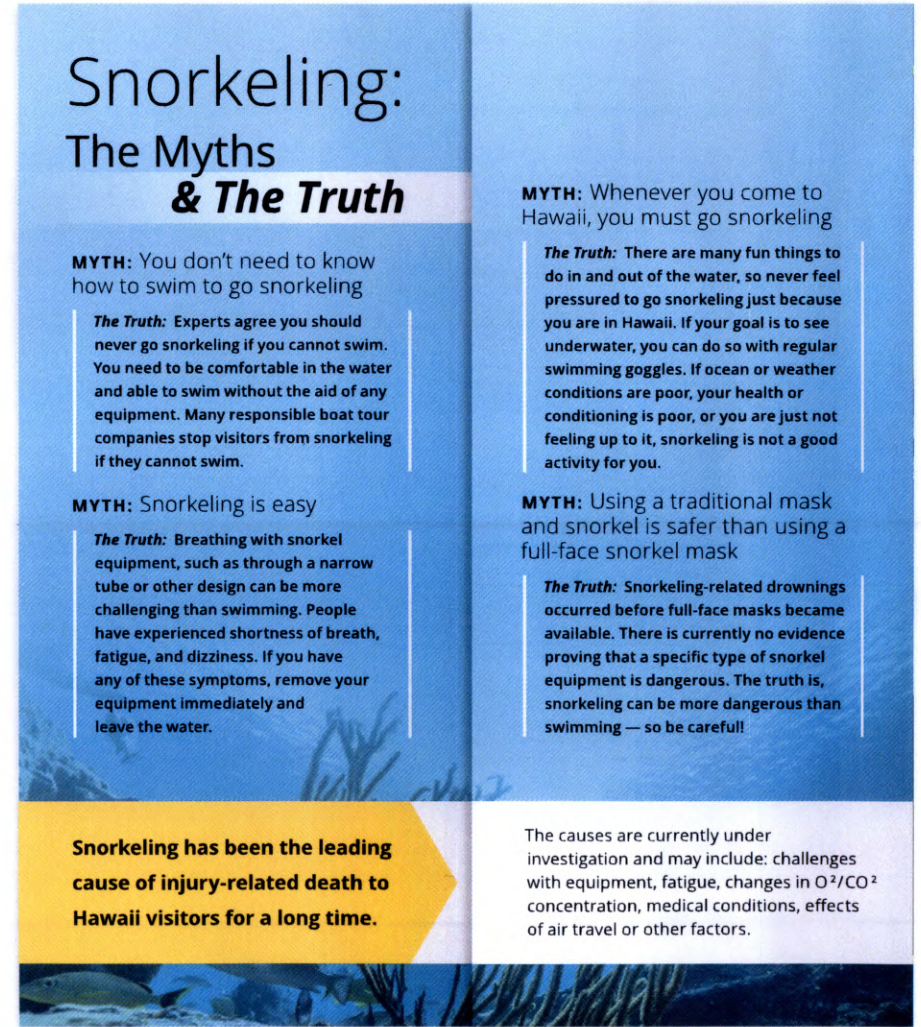
VERSION 7: Snorkelers reduced in size to show more fin and snorkel, reference link changed to blue
04.04.2019



Front Cover



Back Cover



First Inside Spread



Snorkeling: The Myths & The Truth

MYTH: You don't need to know how to swim to go snorkeling

The Truth: Experts agree you should never go snorkeling if you cannot swim. You need to be comfortable in the water and able to swim without the aid of any equipment. Many responsible boat tour companies stop visitors from snorkeling if they cannot swim.

MYTH: Snorkeling is easy

The Truth: Breathing with snorkel equipment, such as through a narrow tube or other design can be more challenging than swimming. People have experienced shortness of breath, fatigue, and dizziness. If you have any of these symptoms, remove your equipment immediately and leave the water.

Snorkeling has been the leading cause of injury-related death to Hawaii visitors for a long time.

183 drownings from 2008–2017 occurred during snorkeling



93%

were non-Hawaii residents

An average of 18 snorkelers fatally drown each year in Hawaii

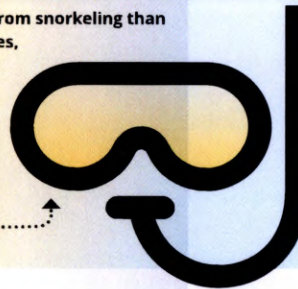


17 of these snorkelers are visitors to Hawaii

More Hawaii visitors die from snorkeling than from motor vehicle crashes, aircraft crashes, falls or homicides combined



VS.



So let's do all we can to
Stay Snorkel Safe!

health.hawaii.gov/injuryprevention/home/drowning-prevention/information/

- Snorkel at lifeguarded beaches.
- Stay out of the water if you cannot swim — this includes no snorkeling, even with floatation devices.
- Stay within arm's length of a buddy and check on one another frequently.
- Obey safety signs and warning flags.
- Use equipment that is comfortable to breathe through, does not leak, and is easy to remove.
- Before getting into the water, practice breathing with your equipment on and being able to quickly remove it.
- Once in the water, breathe slowly and move calmly.

EDB Committee

From: Wendy Mooney <wendy.mooney@gmail.com>
Sent: Monday, April 22, 2019 2:43 PM
To: EDB Committee
Subject: Property Tax Increase

Dear Chair Rawlins-Fernandez and Members of the Committee:

My name is Wendy Mooney and I work for a short-term vacation rental company, Condominium Rentals Hawaii. This increase in property taxes for short-term rentals will negatively affect the condo owners in our program, therefore affecting my job and family. I believe it will only increase nightly room rates and detour visitors to other locations with these rising costs. Our community cannot afford to lose when it comes to our tourism and our local families cannot afford to lose revenue and jobs.

Mahalo for your time and consideration.

Sincerely,

Wendy Mooney

EDB Committee

From: Becky Lennon <blennon@hawaii.rr.com>
Sent: Monday, April 22, 2019 4:06 AM
To: EDB Committee
Subject: Proposed Real Property Tax Increase for Hotels - Letter of Testimony
Attachments: Letter to Maui County Council20190422_09035118_0040.pdf

Please respectfully accept my letter of testimony on the above matter.

Thank you.

*Becky Lennon
Treasurer and Controller
Front Street Properties d/b/a
Pioneer Inn
658 Wharf Street
Lahaina, HI 96761
(808)264-2597 m
(808) 270-4813 w
blennon@hawaii.rr.com*



Front Street Properties Associates
Rebecca K Lennon

April 22, 2019

Council Member Keani Rawlins-Fernandez
Chairman, Budget & Finance Committee
Maui County Council
200 South High Street, 8th Floor
Wailuku, Hawaii 96793

Dear Chair Rawlins-Fernandez and Members of the Committee:

My name is Rebecca Lennon, and I am the Treasurer and Controller of Front Street Properties that does business as the Pioneer Inn in Lahaina. Our property, the Pioneer Inn has existed as a hotel in Lahaina since 1901 and is listed on the National Register of Historic Places. Please don't let 2020 become the cause of its demise.

We oppose the proposal to raise, by 64.5%, the current hotel and resort real property tax rate from the current \$9.37 per \$1,000 of assessed value to \$15.41 per \$1,000. We remember when the time share rate was initially set much higher than the hotel real property tax rate in an effort to curtail the number of time shares on our island. We fear that this drastic increase in real property tax will have the very same effect and force small businesses such as ours to close. We implore you to reduce the percentage of the tax increase into something that we can absorb over time.

Already we have seen our assessed value increase by ten percent over last year. This valuation increase coupled with the intended raise in tax rates will result in an additional \$ 33,000 in taxes for our property in 2019-2020. This coupled with the 2018 increase in transient accommodation taxes places a heavy burden on our small business. This might not seem like a large number when viewed in the overall Maui County budget, but its impact to us will be serious. We will be forced to cut costs somewhere else and I fear that will include reducing the number of staff that we employ. In addition, we have twelve small retail businesses attached to our hotel that will be negatively impacted by this additional tax increase.

We are aware that the perception is that the hospitality industry is owned by large off-island corporations with deep pockets, but that is not the case for a number of small businesses such as ours. We are vested in the community; donate to its various charitable organizations with both

our money and our time. I have served as a board member of the Lahaina Town Action Committee and the Maui Memorial Hospital Foundation. Our hotel hosts the Lahaina Sunrise Rotary Club of which my husband was a founding member. We are not alone in this, volunteerism is integral for those in our industry.

The Maui hospitality industry has to compete both with the mainland and internationally with destinations that have a much lower cost of living than Hawaii. If the state and county continue to raise tax rates we will in effect kill the goose that laid the golden egg. Although we have seen hotel revenues rise steadily over the last six years, this year February and March were not as strong as 2018 which could point to a slowdown in growth. Decreasing revenues coupled with increased taxes could create the perfect storm that would devastate the Maui business community.

In conclusion: we are aware that the hospitality industry is the number one private sector employer in Maui County as well as one of the highest taxed economic sectors. Please consider this rate increase thoughtfully before taking action and consider the number of small businesses that will be impacted and the individuals that they employ.

Thank you for the opportunity to testify.

Sincerely,

Rebecca K. Lerner
CONTRALER

original



Activities & Attractions Association of Hawaii, Inc.

April 22, 2019

Aloha Chair Rawlins-Fernandez, Vice Chair King & Committee Members;

Thank you for the opportunity to testify. My name is Toni Marie Davis. It's been my honor to collectively market & lobby on behalf of the state's Activities & Attractions & consumers for the past 22 years. 98% of A3H member-owners are Hawaii resident; all profits stay within the state & county which they reside.

Personally, I live in Makawao, homeowner & member of Maui's endangered middle-class & my message today is pono with all that I am. Thank you for continuing low property taxes.

Please do not increase the hotel tax. Hawaii has the highest lodging tax in the US, (Washington DC is 14.95%). Our closest mainland competitors, California, Florida & Nevada, have no tax levied on accommodations at all. (source: <http://www.ncsl.org/research/fiscal-policy/state-lodging-taxes.aspx>). I don't think this is very smart considering the community contributions and importance of the visitor industry. This industry is 80% of Maui's economy without considering multipliers.

Tourism executed responsibly & respectfully is sustainable and extremely lucrative. If done correctly it is a gift to any community. Simply put visitors inject money, made elsewhere, into our economy. Tourism is non-consumptive, look but don't take, providing funds to preserve, protect & maintain our natural resources. These visits also provide an invaluable opportunity to plant seeds of Aloha & our host cultural, making a difference in the world. **The key to success and sustainability is management.** Attached to my testimony is the new HTA vision (February 2019).

2

RECEIVED AT EDB MEETING ON APR 22 2019



Activities & Attractions Association of Hawaii, Inc.

I urge you to support budget items related to this industry, in particular, our marketing machine, the Maui Visitor's Bureau.

MVB strategizes to target quality, not quantity visitors. "Quality visitors" translate to higher spending longer staying guest, higher ROI with less impact. These are the ideal travelers who do more. They are A3H customers. Every destination is after this traveler.

Competitive growth worldwide & expanding tourist markets increases the complexity of creating demand. Cities like Las Vegas or Macau, have larger marketing budgets than the whole state of Hawaii. Our most direct competitor Mexico has an estimated tourism budget between ~ \$200- \$250 million a year. Florida's which is split amongst many agencies is estimated at more than \$150 million. Maui has always been akamai when it comes to this process; it was the first county to add to the HTA-HVCB marketing dollars. The other counties have followed.

Add in challenges of new technologies with social media & travel conglomerates which focus on only the bottom line it's not easy. With new entrants of airlines and fare wars on the horizon, it is likely to attract flop and drop, repeat, budget visitors. These are not Maui's target market.

I am pleased to see Mayor Victorino has proposed MVB funding at \$4 million. Please support this. With our current economic climate, its' money well spent and low in comparison to the worldwide market.

One last thing, please as council people look for what brings you together instead of causes division. It's exciting to see so many new faces. Looking forward to a unified council and administration – together you'll make great progress.

Mahalo again for this opportunity to testify,

Toni Marie Davis/Executive Director

Toni@A3H.org

808-264-0000



HAWAII TOURISM

AUTHORITY

Hawai'i Convention Center
1801 Kalakaua Avenue, Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepona fax 808 973 2253
kahua pa'e web hawaii tourism authority org

David Y. Ige
Governor

Chris Tatum
President and Chief Executive Officer

A New Vision for the Hawai'i Tourism Authority

Our Kuleana

- As a state-funded entity, our kuleana is to manage tourism for the State of Hawai'i in a way that helps improve the quality of life for residents, families and communities on all islands.
- The welfare of the Hawaiian Islands, both for today -- and especially for the future -- is what matters most in how we fulfill HTA's mission. Our overriding objective is for HTA to make a positive, lasting impact for Hawai'i through the tourism industry.
- We are responsible, first and foremost, for protecting the iconic brand of the Hawaiian Islands. This includes perpetuating Hawaiian culture, preserving Hawai'i's natural environment, and strengthening communities by supporting programs kama'āina treasure and visitors enjoy.
- We are also responsible for guiding the direction of Hawai'i tourism to support the economic vitality of the state, and each individual island. Tourism's revenue provides jobs, supports businesses and creates opportunities for kama'āina of all generations to grow and prosper.

Fulfilling Our Mandate

- Hawai'i's tourism industry generates the funding for HTA, which is allocated by the state legislature. HTA works closely with our partners in the legislature, as well as the tourism industry, to ensure our mission is being fulfilled with the state's best interests in mind.
- Enhancing resident sentiment is dependent on kama'āina appreciating the connection between tourism and how we live in Hawai'i. Ensuring that the community understands how tourism is funded and ultimately supports programs and services that affect their quality of life is critical to our mission.
- Kama'āina are vital to the quality of the visitor experience.
- We are implementing new communication strategies to bring greater awareness to the projects, individuals and organizations supported in communities statewide through our Kūkulu Ola, Aloha 'Āina and Community Enrichment programs.
- We are completely transparent with how our budget is being utilized and will provide clear information to lawmakers, industry partners, media and the general public as to our funding allocation. Allocations are made only after a rigorous vetting process of each line item.
- Our marketing efforts are focused on working with contractors in key markets worldwide who share our commitment to attract high-value visitors while staying true to Hawai'i's brand. All contractors are retained after going through a detailed RFP process to ensure the marketing

of Hawai'i's brand is being handled by effective, experienced experts whose strategies, tactics and mindset are aligned with HTA's kuleana.

- We are assessing the review process, accountability and value of our sports sponsorships, as well as our support of major festivals and signature events to ensure they are producing results benefiting our communities while also supporting tourism.
- We are examining the sales process to market the Hawai'i Convention Center with the goal of hosting more city-wide conventions, which will strengthen tourism's base of business on a broad scale. Our new sales and marketing process will be a centralized and collaborative effort with the industry and hotel partners.
- We are placing added emphasis on key initiatives where support is needed most. For example:
 - Helping the island of Hawai'i to recover from the ongoing downturn in visitors and travel demand due to the Kilauea volcano eruption last summer
 - Reinvigorating the travel market from Japan and other high value markets.
 - Stepping forward to help keep the Pearl Harbor Historic Sites open during the five-week partial government shutdown by encouraging industry partners to fund daily operations of these sites.

Our Importance to Hawai'i

- Hawai'i represents many qualities to many people – both kama'āina and visitors. Within the global travel community, Hawai'i's brand is strong, appealing and widely recognized, and is the biggest reason why the Hawaiian Islands are in such great demand by travelers worldwide.
- The strength of Hawai'i's brand is weighed differently by different audiences, often depending on a personal experience with the destination or particular point of interest, such as culture, the environment, diversity or social relationships.
- To kama'āina, the significance of Hawai'i's brand is summed up in four words: "This is our home."
- That's why HTA's effort to holistically manage tourism (our kuleana) is so important to Hawai'i's future.

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:45 AM
To: EDB Committee
Subject: Fw: Proposed Significant Tax Increase for Short Term Rentals

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Adrian Walling <adrianwalling@att.net>
Sent: Sunday, April 21, 2019 11:32 AM
To: Kelly King
Subject: Proposed Significant Tax Increase for Short Term Rentals

Aloha,

We are writing in favor of fair and reasonable tax rates for the vacation rental industry.

After many years of visiting Maui every year we purchased a second home in 2012 thinking that when we retired we would spend the winter months on Maui. We decided to put our home in the rental pool and have been very successful in renting it, providing significant sums of TAT and GET each year. We have never missed a TAT or GET payment. We are now retired and live on Maui for about 4 months in the year. We enjoy running the rental aspect as a very small business. It is the perfect activity to keep someone who is retired engaged and active.

Our small operation provides work for agents, cleaners and maintenance people. Despite the considerable costs associated with renting, every year we put any profit into maintaining and improving the unit. We are just a Mom and Pop operation and the huge tax increase being proposed for this category will be a tipping point. Renting our unit allows us to maintain high standards and to provide others with an opportunity to enjoy the wonderful location. We have many regular guests who take good care of the property and love the island.

Last year we paid \$8,307.78 TAT and \$3,574.42 GET for total taxes of \$11,882.20. Total TA and GE taxes paid since 2012 amount to \$62,784.05. In the proposed tax increase scenario, our property tax

would increase by about \$4,600 One option is to take the property out of the rental program effective next year.

I would just like to point out that in the proposed scenario, Maui County would gain \$4,600 for maybe a year but lose \$11,882.20 for a net loss off -\$7,282.20 if we took it out of the rental program. There would also be less work for the cleaners and maintenance people who work for the property manager service that we use. The largest loss of all would result from the loss of spending by visitors to our popular unit. Everyone would lose in that scenario.

Short Term Rentals are currently taxed at \$9.28/\$1000, only exceeded by Hotel and Resort and Time Share rates. Increasing the Short term rental rate to an extreme level puts an unfair burden on us individual owners of these properties, and our guests. In turn, an increase will further harm the many small businesses that depend on the vacation rental industry.

We are supportive of the Economic Development and Budget Committee Committees efforts to find a fair and equitable solution for taxing the vacation rental industry that limits any negative implications for the community. We are not a hotel and not a time share, we have a second home that we rent out when not using it ourselves.

Thank you for considering our testimony, we hope it will be useful as you work on this bill.

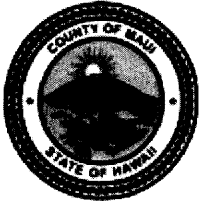
Adrian and Anne Walling,

Wichita KS and c/o 110 Kaanapali Shores Place, Lahaina.

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:45 AM
To: EDB Committee
Subject: Fw: Proposed tax increase condos

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Al <driscollaj@aol.com>
Sent: Sunday, April 21, 2019 12:14 PM
To: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; amara.Paltin@mauicounty.us;
Shane M. Sinenci; Yukilei Sugimura
Subject: Proposed tax increase condos

Aloha, this is Al Driscoll and Jeni Driscoll owner of two condominiums in Maui, Hawaii. The proposed increase is amazing how anyone could rationally think this is good for Maui and the economy. Yes it will hurt me as a retired homeowner who rents the condos out for retirement income when I cannot be there on island. I will not afford to do any updates and it will not make sense for me to own anymore on Maui despite my desire to spend time on the island. My renters will choose other tropical and beach locations as the additional costs will not make Maui a viable option for families. If you are trying to make it for the rich then I don't agree but understand the business decision. I do not believe this is the intent as not only will tourism drop off all restaurants, service industry, hospitality, retail will all suffer greatly. This would be a huge mistake that the island would never recover from. The rates should actually be lower to encourage ownership and increase tourist volume for the good of Maui. I love the island, please, please do not destroy mine and other peoples dreams as well as severely disadvantage the people and economy of Maui.

With aloha, Al Driscoll
Sent from my iPad

EDB Committee

From: bcpov@telus.net
Sent: Monday, April 22, 2019 7:41 AM
To: EDB Committee
Subject: Property taxes

To whom it may concern,

My wife and I have a condo in Maui that we have rented out for many years and have given consideration to no longer renting the unit. What implications does this have for our early municipal taxes?

Any feedback you can share is appreciated.

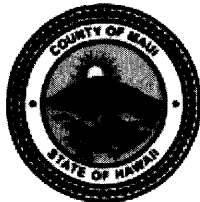
Maalo,

Bob and Cath Povaschuk

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:47 AM
To: EDB Committee
Subject: Fw: Proposed tax increase for short term properties.

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

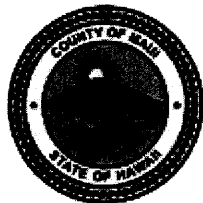
From: Bruno Tonin <hk605maui@gmail.com>
Sent: Saturday, April 20, 2019 3:11 PM
To: Kelly King
Subject: Proposed tax increase for short term properties.

"I'm Bruno Tonin and I own a condominium at the Honua Kai Resort in Lahaina. I am calling to express my strong objection to the proposed 60% increase in the property tax rate for Short Term properties since this will greatly harm tourism and real estate in Maui. I urge you to support the Mayor's proposal to keep property tax rate increases reasonable. - Mahalo"

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:49 AM
To: EDB Committee
Subject: Fw: Proposed Increase in Property Taxes for Vacation Rental Property

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Camille Collier <camillecolliermail@gmail.com>
Sent: Saturday, April 20, 2019 9:54 AM
To: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Proposed Increase in Property Taxes for Vacation Rental Property

Dear Council Members:

I am very disturbed to learn that you are considering a huge and possibly life-changing increase in my property tax bill. I live in Kihei, Maui, and purchased a condominium at a north Kaanapali resort in 2010. This is my only source of income, and I already pay more than \$7000 per year in property taxes. And with recently increased Transient Accommodations Tax and General Excise Tax, I am left with very little to live on.

I understand that my property tax rate is many times higher than that of full-time condo residents. I have no idea why you would choose to penalize investors who employ Maui residents and pay more in property taxes than any of my guests' activities consume. This strategy, if implemented, would certainly reduce property values. Although it is only fair that those who consume the services should pay proportionately, that has already been distorted, and this proposed increase would only make matters worse. Tourism, the number one industry in the state and county, would certainly be affected negatively.

I urge you to look for sources of revenue other than already overburdened vacation rental owner/operators.

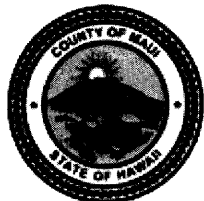
Sincerely,

Camille Collier

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:50 AM
To: EDB Committee
Subject: Fw: Opposition to 60% increase in Short Term property tax in Maui County

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Carl Hu <carltchu@gmail.com>
Sent: Saturday, April 20, 2019 8:17 AM
To: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; amara.Paltin@mauicounty.us; Shane M. Sinenci; Yukilei Sugimura
Cc: Mayors.Office@co.maui.hi.us
Subject: Opposition to 60% increase in Short Term property tax in Maui County



Dear Members of the Maui County Council:

Aloha - my name is Carl Hu and I am a condominium owners at Honua Kai Resort located in North Kaanapali Beach and a member of the Honua Kai Condominium Association ("HKCA") Board of Directors. If you not aware, HKCA is the largest wholly owned AOA on Maui

whose over 600 owner members contribute an estimated \$100 Million in property taxes to Maui County annually in addition to \$10 Million in GET and TAT tax revenues. Since nearly all of our condominium units are classified as Short Term, our current tax assessment rate of \$9.28 is over 3 times higher than the Homeowner rate (\$2.83) each of you pay for your homes. While most owners I know feel this rate is much too high, I do acknowledge the additional strain that transient visitors place on county services and the current rate represents a reasonable compromise.

However, I and my fellow owners at Honua Kai were stunned to recently learn that the Maui County Council is considering raising the Short Term and Hotel/Resort property tax rates by 60% to \$15.41 which will result in roughly a \$10,000 a year tax increase for the average owner here. This will require owners to increase their rates by \$30-\$60 a day or \$200-\$400 for a week. This will lead to an unprecedented increase in accommodation rates of over 10% across the board for all hotels and transient rentals on Maui, Lanai, and Molokai. This action will undoubtedly have severe consequences as many families and budget conscience visitors will have second thoughts about coming here for their vacation and choose other destinations. Given that Maui is already the most expensive of the islands, that extra \$400 a week could easily lead a family of 4 to choose to go to Oahu, Big Island, or Kauai instead or not even come to Hawaii. I think you can see how this will have a devastating impact on the entire economy of Maui County which relies almost exclusively on tourism.

While it may seem like "passing the buck" onto those wealthy out of state owners is the easiest solution to the county's budget needs, it is short sighted since you are "biting the hand that feeds you" - something that is never a good thing. As you are all aware, Maui County relies heavily on transient vacation rental and outside real estate investment so when you increase property taxes by a whopping 60%, this will have an immediate and severe chilling effect on all aspects of this. There will be fewer visitors, property buyer demand will decrease due to reduced cash flow, and thousands of owners will either be forced or elect to sell their Maui properties flooding the market leading to a steep price decline. Like a hurricane, this will have a disastrous domino effect that the County may not be able to recover from for quite some time.

However, unlike a hurricane, this potential economic disaster is entirely avoidable if each of you does what is right and fair by keeping in place a tax structure which has been proven to work for the mutual benefit of all residents, visitors, investors, and the government for the past several decades. Although the current proposal is highly favorable to residential homeowners who already enjoy some of the lowest property tax rates in all of the US, it will open a Pandora's box of unintended consequences which will gravely harm the county's two largest economic engines: tourism and real estate. No one wants a slightly lower property tax bill if it means losing their job because fewer visitors come to Maui. However, that is a very real possibility should the council approve the current proposal.

I therefore respectfully request that the Maui County Council adopt the Mayor's proposal for the 2020 budget which keeps the status quo in place by limiting the Short Term property tax rate increase to \$9.55. This is the only sensible proposal which does not seriously threaten the economic livelihood of Maui County and its people. Although it is true that out of state property owners do not have the privilege of living in Maui year around as you do, please remember we are still part of the same Ohana and there is a very delicate balance here that is clearly in everyone's best interest to maintain. I thank you for your consideration in this very important matter.

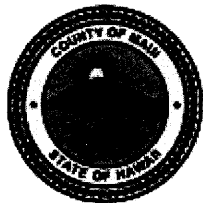
Mahalo,

Carl Hu
Director, Honua Kai Condominium Association
130 Kai Malina Pkwy
Lahaina, HI 96727

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:45 AM
To: EDB Committee
Subject: Fw: Proposed Real Property Tax Rate

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Corrine Fabie <corrinefabie@yahoo.com>
Sent: Sunday, April 21, 2019 12:10 PM
To: Kelly King
Subject: Proposed Real Property Tax Rate

Dear Council Member King:

I am writing to urge you to object to the proposed property tax rate increase on transient vacation rentals. Properties falling under the Short Term Rental Property tax classification (at the current tax rate) collectively pay \$80 million in property tax per annum. This is more than all the residents of Maui collectively, and more than all commercial properties and hotels combined.

This dramatic tax increase will not only discourage future investment in legal vacation properties (which has proven to be profitable for the County), it could negate any of the forward momentum the county has had in cracking down on illegal vacation rental properties. The move could:

- Drive some legal owners to reclassify and rent *off the books*.
- Deter illegal rental owners from moving toward legalization.
- Lead to an overall nightly rate increase on transient rentals, leaving fewer tourist dollars to be spent elsewhere, and therefore harming local businesses.
- Cause some owners to sell their transient rental property, which may end up in the hands of those maintaining the property as a second home under the residential designation.
- Put some marginal homeowners into a position of default, thereby leading to additional policing for the recovery of non-payment of taxes.

I understand that there are sound justifications for small and incremental increases to various tax rates - the 1% increase to the Transient Accommodations Tax being the most recent example - but to implement a nearly **70% increase seems punitive, disproportionate, and unfair.**

The Maui County Comprehensive Annual Financial Report (2018 FY CAFR) stated the following:

- Visitor arrivals are increasing (up 4.1% since 2016)
- Visitor dollars spent per day have risen (up 3.4%, to \$212 per visitor per day in 2017)
- Hotel occupancy and room rates increased and remained the highest in the state (\$353/night and 77.1%, respectively)
- Commercial building authorizations are up \$92.8 million or 24.1 percent

For 2018, 4,272 additional new construction units are planned for all categories (778 Timeshare, 217 Condo, 150 Hotel/Condo, 626 Hotel, 125 Bed and Breakfast, 207 Short-term Rentals, 12 Transient Vacation Rentals, 699 Mixed Use, and 308 Mixed Use/Hotel).

The conclusion of the report addressed real property taxes, stating the following:

"The real property tax base for fiscal year 2019 of \$48.8 billion is an increase of \$2.9 billion or 6.3% from the fiscal year 2018. The

real property tax rates (per \$1,000 assessed valuation) for fiscal year 2019 slightly decreased for all classifications except for Hotel & Resort, and the addition of a Short-Term Rental classification. The following were the decreases in each category: Residential from \$5.54 to \$5.52, Apartment from \$6.32 to \$6.31, Commercial from \$7.28 to \$7.25, Industrial from \$7.49 to \$7.45, Agricultural from \$6.01 to \$6.00, Conservation from \$6.37 to \$6.35, Homeowner from \$2.86 to \$2.85, Time share from \$15.43 to \$15.41, Commercial Residential from \$4.56 to \$4.55, Hotel and Resort remain the same rate at \$9.37 and the addition of a Short-Term Rental set for \$9.28. The budgeted real property tax levy of \$321.5 million for fiscal year 2019 is an increase of \$18.3 million or 6.0% from fiscal year 2018, largely as a result of the higher tax rates."

In spite of decreases being provided to residential, apartment, commercial, industrial, agricultural, conservation, homeowner timeshare, commercial residential designations, Maui County still realizes a 6% / \$18.3M increase over FY 2018.

Once again it seems punitive and unfair to single out one of the highest taxed classifications and consider taxing it even more.

Once again, I urge you to object to the proposed property tax rate increase on transient vacation rentals.

Sincerely,

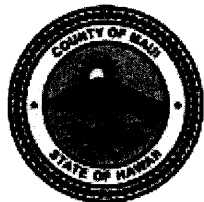
Corrine Fabie

Owner at Kamaole Sands, Kihei

EDB Committee

From: ✓ Kelly King
Sent: Monday, April 22, 2019 9:45 AM
To: EDB Committee
Subject: Fw: Proposed Tax Increase - Short Term Rentals

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Debbie Berto <berto@kpunet.net>
Sent: Sunday, April 21, 2019 11:30 AM
To: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Cc: berto@kpunet.net
Subject: Proposed Tax Increase - Short Term Rentals

Dear Chairperson Rawlins-Fernandez

We have been traveling to Maui with our family for 36 years. We purchased our home at Puamana two years ago as a second home. The proposal to increase the property tax by 66% on short term rentals is very unfair.

Our family spends an average of 14 weeks a year at our condo. We contribute greatly to the economy of Maui. We have spent thousands of dollars in Maui to improve and outfit the condo. We have:

* Hired contractors for a remodel

- * Purchased new furniture and window coverings
- * Hired drafters and architects
- * Employed a private gardener
- * Employed housekeepers
- * Payed fees to our Property Management Company
- * Purchased a new 7 passenger van and pay fees to have it maintained and stored
- * Shopped at local hardware stores for property maintenance
- * We shop at and frequent grocery stores, retail stores, restaurants, hair salons, gyms, Medical facilities, dry cleaners, golf courses, tour companies, gas stations, auto repair stores and movie theaters.
- * We belong to the MACC
- * We pay sales tax, property tax and bring in GET and TA taxes through our guest rentals

Our condo is only rented on a part time basis, however, when in Maui, our guests spend thousands of dollars at grocery stores, car rental companies, restaurants, gas stations, and tour companies.

We feel that singling out short term rentals is discriminatory. Taxes must be on a fair basis and not pointed at one entity.

We love Maui and plan to spend many more years as home owners. Please consider our points while making your budget decisions.

Thank you for your consideration and reconsidering this unfair proposal.

Sincerely,
Debra and Robert Berto

EDB Committee

From: Melanie Padgett <mauiecrc@gmail.com>
Sent: Monday, April 22, 2019 9:56 AM
To: EDB Committee
Subject: Fwd: Testimonial letter
Attachments: testimonial letter.docx

Forwarding testimony in support of Early Childhood Programs Maui County Child Care Subsidy

Melanie Padgett
Project Specialist
Maui County Early Childhood Resource Center 251 Napua St. Wailuku, HI 96793
Phone: 242-1608
FAX: 270-5556
Mailing Address: MCECRC/MFSS 1844 Wili Pa Loop Wailuku HI 96793

----- Forwarded message -----

From: **desiree barut** <desibarut@hotmail.com>
Date: Wed, Apr 10, 2019 at 10:12 PM
Subject: Testimonial letter
To: alice.lee@mauicounty.us <alice.lee@mauicounty.us>
Cc: Melanie Padgett <mauiecrc@gmail.com>

Sent from Mail for Windows 10

10 April, 2019

Aloha,

I am so grateful for the Early Childhood Program-Maui County Child Care Subsidy. The program is currently helping me to pay for part of my daughter's preschool tuition. The program has helped me in the past with my first child and I am so thankful that the program is still currently operating and helping families like mine. My daughter was born after the cut off for the next school year and will be attending another year of preschool and I hope that the Early Childhood Program-Maui County Child Care Subsidy will still be available next year for me to utilize again. Without this program I would not be able to go to work as it will be more affordable for me to stay at home with my child.

Thank you so much for the support you have given these programs and allowing them to continue to help families in need.

EDB Committee

From: Melanie Padgett <mauiecrc@gmail.com>
Sent: Monday, April 22, 2019 9:49 AM
To: EDB Committee
Subject: Fwd: Childcare Subsidy
Attachments: DOC_20190403205747_000.pdf

Forwarding Testimony in support of Early Childhood Programs Line Item

Melanie Padgett
Project Specialist
Maui County Early Childhood Resource Center 251 Napua St. Wailuku, HI 96793
Phone: 242-1608
FAX: 270-5556
Mailing Address: MCECRC/MFSS 1844 Wili Pa Loop Wailuku HI 96793

----- Forwarded message -----

From: Ioriann First Name Pimentel <edwardcovic@yahoo.com>
Date: Wed, Apr 3, 2019 at 9:17 PM
Subject: Childcare Subsidy
To: yukilei.sugimura@mauicounty.us <yukilei.sugimura@mauicounty.us>
Cc: Melanie Padgett <mauiecrc@gmail.com>

Dear County Council Member Yuki Lei Sugimura,

I would like to thank you and the other County Council Members for supporting the Maui County Child Care Subsidy Program and I hope that this support can continue into the next Fiscal Year.

I am a young single mother of 2 Pre-School ages 2 and 3 who benefit from this program. They currently attend the Maui Evangelical Kaamaina Kids Program. Childcare cost are extremely costly and without this subsidy that this program offers I definitely would not be able to work. I am extremely grateful for the extra support that this program offers. My children love going to MEC where they are learning new activities, playing with other children, and get to eat healthy meals that they offer. Thank you so much for this program.

Diamond Kovacic

A handwritten signature in black ink that reads "Diamond Kovacic". The signature is written in a cursive style with a large, prominent 'D' at the beginning.

EDB Committee

From: Garry Barsalou <garry.barsalou@shaw.ca>
Sent: Monday, April 22, 2019 7:29 AM
To: EDB Committee; Keani N. Rawlins
Cc: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Proposed Property Tax Rate Increase Short Term Rental Classification - County of Maui

To Whom It May Concern,

We are mainland owners of a waterfront condo in Maui that we choose to operate as a short term rental. Over the years we have had high occupancy rates, as an example 2018 at 73% occupancy using a professional Maui rental agency.

At the end of the year we file State & Federal Income Tax returns that are a summary of our income & expenses for the year. In 2018 we had a loss of \$1900 before depreciation or payment of mortgage. Our property tax expense of \$5000 which is 15% of the total expenses is proposed to increase by 60% or \$3000. This would increase our loss in 2018 to \$4,900 if the rate is applied to the 2018 income & expenses.

Our consideration if this punitive tax rate increase of 60% is enacted is to remove the property from Class 11 Short Term Rental to Class 2 Apartment thereby reducing our property taxes and using our condo for family and friends.

The **net loss** to the County of Maui would be all associated jobs and services in the hospitality industry used by our renters, lower property tax revenue as Class 2, licensing & business fees, State & Federal Income Tax, and services that we currently use operating the condo as a Short Term Rental which are numerous as follows;

- Reservations staff
- Housekeeping
- Property managers
- Concierge
- Online marketers
- Offline marketers
- Plumbers
- Maintenance
- Carpet cleaning
- Flood Control Workers
- Glass repair and Installation
- Blind repair and Installation
- Pest control companies
- Painting companies
- Home Entertainment Professionals
- Dry Cleaning
- Tile installers
- Woodworkers
- Landscapers
- Electrician
- Accounting

Please make the appropriate decision and do not increase the short term rental tax rate by 60%, only adjust the tax rate equally for all land classifications as needed for annual increase in the operating budgets of the County of Maui.

Garry Barsalou
garry.barsalou@shaw.ca
250-686-7970

EDB Committee

From: Herb Hoeptner <work@garlic.com>
Sent: Monday, April 22, 2019 7:58 AM
To: EDB Committee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: No Tax increase on short term rentals

Dear Council members

I am strongly against this large tax increase on short term rentals

1. Determining a tax increase based upon what you want to fund, as was suggested by some council members, is like asking weight watchers how many cookies they want before you cook them! It's not a recipe to lose weight or control spending. There is no limit to what you might want to fund which means there is no limit to what you can tax. It makes no sense.

2. Pining the blame on the tourist industry for infrastructure degradation and costs is very one sided and does not take into consideration the amount of money spent by tourists in your local businesses and economy to support your infrastructure. What is the data for how much each tourist typically spends per day?

3. One council member stated that her research indicated that the additional costs for each tourist would be about \$0.62 per day. Again sounds good but not realistic. My tax increase will go from \$6,000 per year to \$10,000 per year. A \$4,000 /year increase means my tenant will need to pay an additional \$10 per day due to this increase.

4. Lastly, I recently purchased my rental for \$630,000. That same week another unit sold for the exact same amount, \$630,000, however the tax formula determined my property value as \$650,000. Why????????? Obviously your formula is wrong. Value is what the property is worth NOT what you would like to collect or fund.

The condos support many people full time in Maui. Everything from gardeners, house keeping, staff, painters, contractors, cable TV, relaters, furniture stores, hardware, etc. Please do not increase our taxes again.

Best regards,

Herb Hoeptner
P408-847-7615
f 408-847-0675

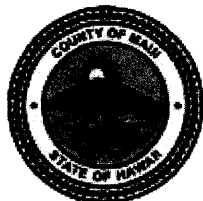


Virus-free. www.avast.com

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:44 AM
To: EDB Committee
Subject: Fw: Tax Hike

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Howard Gogel <howard.gogel@gmail.com>
Sent: Sunday, April 21, 2019 3:08 PM
To: Kelly King
Subject: Tax Hike

I own a condominium at the Honua Kai Resort in Lahaina. I am writing to express my strong objection to the proposed 60% increase in the property tax rate for Short Term properties since this will greatly harm tourism and real estate in Maui. I urge you to support the Mayor's proposal to keep property tax rate increases reasonable. - Mahalo

Howard Gogel
973-887-1122
www.gogelauto.com

Gogel Auto - East Hanover NJ - 800-624-6112

www.gogelauto.com

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www.mylimo.com

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The law of Diminishing Astonishment : What initially amazes people quickly becomes the new expectation.

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:58 AM
To: EDB Committee
Subject: Fw: Short Term Rental Property Tax Increase Proposal

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Ilse-Mari Lee <ilsemarilee@gmail.com>
Sent: Saturday, April 20, 2019 8:02 AM
To: Kelly King
Subject: Re: Short Term Rental Property Tax Increase Proposal

I just wanted to add that we are owners of Kihei Surfside 511.
Mahalo,
Ilse-Mari Le

On Sat, Apr 20, 2019 at 11:54 AM Ilse-Mari Lee <ilsemarilee@gmail.com> wrote:

The Honorable Kelli T. King:

We respectfully stand in opposition to the above proposal, specifically to align Short Term Rental properties with Time Share units.

To us, there is a major difference between short term rental properties and time share units. Our condo, is our *home*.

We bought our condo three years ago, and have been able to pay the mortgage on our condo because it is a short term rental property.

We have visited Maui every year for the past 17 years, until we could finally realize our dream to slowly purchase our one bedroom condo, where we want to retire, in the very near future.

Our condo building, the manager, repairman and fellow owners, are our Ohana. We gather for Christmas, New Year's and Valentine's Day, as well as our annual meeting in June. We also support our church, Keawali'i Congregational church, and when on the island, actively participate in the work of our church Ohana.

Time share owners, are transient. They have no connection to the island-- but we do.

For all the remodeling projects we have done, we have contracted local craftsmen, and have provided work for all those involved with our management agency. They are also, our Ohana.

We understand, that funds need to be raised for infrastructure. We are in support of a modest increase, but feel it unfair to be grouped with time share rentals, at a rate higher than hotels.

Mahalo nui loa,
Ilse-Mari, Denny and Elizabeth Lee

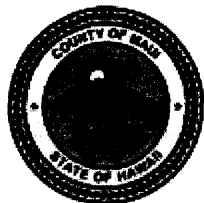
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"Music is a moral law. It gives soul to the universe, wings to the mind, flight to the imagination, and charm and gaiety to life and to everything." Plato

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:50 AM
To: EDB Committee
Subject: Fw: Proposed Real Estate Tax increase
Attachments: Letter addressing real estate tax increases.docx

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: JAMES E <sealifebyjames@msn.com>
Sent: Saturday, April 20, 2019 8:27 AM
To: Keani N. Rawlins
Cc: Kelly King; Riki.Holama@mauicounty.us; Tasha A. Kama; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura; Alice L. Lee; Mike J. Molina
Subject: Proposed Real Estate Tax increase

Dear Chairman and Committee members of the Economic Department and Budget Committee - Please see my attached letter on the above subject regarding the proposed RE tax increase. Thank you in advance for your consideration. Sincerely, James Keehner - Co-owner Kahana Reef # 216

Dear Economic Dept. and Budget Committee members;

4/20/2019

I am writing in favor of fair and reasonable tax rates for the vacation rental industry. I could address the effects if the current rate of \$9.28/\$1000 is increased placing an unfair burden on the individual owner of these properties. However, I would like to tell you about our family situations and how increases will negatively effect us.

For many years in the 1970/1980's, my parents visited Maui and fell in love with it and the people. In 1987, when their parents passed on, they took their inheritance and bought our condo at Kahana Reef. They felt Kahana Reef was a way to honor their parents and also would be a way our family from that point on could enjoy the beautiful Island. So, from 1987 to 2013, my parents, my wife and I, and our children have spent approximately 40-50% of the year there and the condo was rented at other times. When my Dad passed in 2013, the condo was passed to my brother, sister and I. Our children and grandchildren have used the condo for Honeymoon's and for vacation get-aways.

Our condo continues to be used by family members approximately 50% each year. So, the condo has been blessed now with four generations of use because of the gift long ago by our parents. We have made special friends that sell their produce at the farmers market, friends at stores, churches and craft fairs. Our children and grandchildren have enjoyed the fun of trying to catch a fish. Many years ago, the Hawaiian man who was the gardener at the condo became a special friend. He taught me how to fish "the Hawaiian Way" and when I caught my first Ulua, he even came to our condo and showed me the best way to cut and prepare it. So, through the years we have come to know and love our Hawaiian friends. Maui truly is our second home and we want it to continue to be for the generations of our family to come. We are now in our late 70's and are on a fixed income and with that, the expenses to date have been a struggle. However, we have been able to manage the expenses so far. But the proposed extreme real estate tax increase, would create an added burden that may make it impossible for us and others in similar situations to be able to hold on to our beloved second homes. We hope you will seriously reconsider the proposal and realize the impact this would have on so many like us.

Sincerely,

James Keehner and family

Kahana Reef # 216

575 Valleywood Dr SE, Salem, OR, 97306

(503) 581-5894 (H)

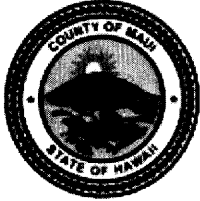
(503) 559-5122 (Cell)

sealifebyjames@msn.com

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 8:26 AM
To: EDB Committee
Subject: Fw: Maui Property Tax - Short Term Rentals

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Jill Sullivan <jill.honuakai@gmail.com>
Sent: Monday, April 22, 2019 8:06 AM
To: Kelly King
Subject: Maui Property Tax - Short Term Rentals

Good Morning -

We are owners at Honua Kai and just purchased last year. At current prices, it is difficult to manage property in HI and make a decent return on investment. We now understand a large hike in property tax is being considered which would target short term rental units and thus dampen the demand for short term rental real estate.

We strongly oppose this approach as it targets a group of owners who try to make a living out of promoting all the wonderful things that are Maui and to assure our guests choose to return to Maui in the future. Everyone should carry the property tax burden equally. I am also very concerned about whether investors will come to Maui and the negative impact on real estate that may well arise if this change is instituted.

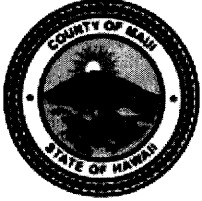
It may seem a simple fix, but the demand for Maui and the market for rentals could severely suffer.

Thank you for your consideration. Jill, Gareth and Liam Sullivan

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:42 AM
To: EDB Committee
Subject: Fw: Opposition to 60% increase in short term property tax in Maui County

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Jon J Levin <jon@jonjlevin.com>
Sent: Sunday, April 21, 2019 12:58 PM
To: Keani N. Rawlins; Kelly King; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Cc: mayors.office@co.maui.hi.us; jon@jonjlevin.com
Subject: Opposition to 60% increase in short term property tax in Maui County

Dear Members of the Maui County Council:

Aloha - my name is Jon Levin and I am a condominium owners at Honua Kai Resort located in North Kaanapali Beach and a member of the Honua Kai Condominium Association ("HKCA") Board of Directors. If you not aware, HKCA is the largest wholly owned AOAO on Maui whose over 600 owner members contribute an estimated \$100 Million in property taxes to Maui County annually in addition to \$10 Million in GET and TAT tax revenues. Since nearly all of our condominium units are classified as Short Term, our current tax

assessment rate of \$9.28 is over 3 times higher than the Homeowner rate (\$2.83) each of you pay for your homes. While most owners I know feel this rate is much too high, I do acknowledge the additional strain that transient visitors place on county services and the current rate represents a reasonable compromise.

However, I and my fellow owners at Honua Kai were stunned to recently learn that the Maui County Council is considering raising the Short Term and Hotel/Resort property tax rates by 60% to \$15.41 which will result in roughly a \$10,000 a year tax increase for the average owner here. This will require owners to increase their rates by \$30-\$60 a day or \$200-\$400 for a week. This will lead to an unprecedented increase in accommodation rates of over 10% across the board for all hotels and transient rentals on Maui, Lanai, and Molokai. This action will undoubtedly have severe consequences as many families and budget conscience visitors will have second thoughts about coming here for their vacation and choose other destinations. Given that Maui is already the most expensive of the islands, that extra \$400 a week could easily lead a family of 4 to choose to go to Oahu, Big Island, or Kauai instead or not even come to Hawaii. I think you can see how this will have a devastating impact on the entire economy of Maui County which relies almost exclusively on tourism.

While it may seem like "passing the buck" onto those wealthy out of state owners is the easiest solution to the county's budget needs, it is short sighted since you are "biting the hand that feeds you" - something that is never a good thing. As you are all aware, Maui County relies heavily on transient vacation rental and outside real estate investment so when you increase property taxes by a whopping 60%, this will have an immediate and severe chilling effect on all aspects of this. There will be fewer visitors, property buyer demand will decrease due to reduced cash flow, and thousands of owners will either be forced or elect to sell their Maui properties flooding the market leading to a steep price decline. Like a hurricane, this will have a disastrous domino effect that the County may not be able to recover from for quite some time.

However, unlike a hurricane, this potential economic disaster is entirely avoidable if each of you does what is right and fair by keeping in place a tax structure which has been proven to work for the mutual benefit of all residents, visitors, investors, and the government for the past several decades. Although the current proposal is highly favorable to residential homeowners who already enjoy some of the lowest property tax rates in all of the US, it will open a Pandora's box of unintended consequences which will

gravely harm the county's two largest economic engines: tourism and real estate. No one wants a slightly lower property tax bill if it means losing their job because fewer visitors come to Maui. However, that is a very real possibility should the council approve the current proposal.

I therefore respectfully request that the Maui County Council adopt the Mayor's proposal for the 2020 budget which keeps the status quo in place by limiting the Short Term property tax rate increase to \$9.55. This is the only sensible proposal which does not seriously threaten the economic livelihood of Maui County and its people. **Although it is true that out of state property owners do not have the privilege of living in Maui year around as you do, please remember we are still part of the same Ohana and there is a very delicate balance here that is clearly in everyone's best interest to maintain.** I thank you for your consideration in this very important matter.

Kind Regards,

Jon Levin - 130 Kai Malina #425 Lahaina Hi 96761

EDB Committee

From: Kathy Arntzen <k.arntzen@hotmail.com>
Sent: Monday, April 22, 2019 8:57 AM
To: EDB Committee
Subject: Condo tax increase

To whom it may concern, Please do not raise our taxes any more. We are not a big corporation, just a family struggling to keep their vacation condo. The GE tax keeps going up, the TA tax, Hawaii income tax, Fed income tax, we are already taxed to death, and we do not have a big hotel corporation cover or subsidies increases. Condo owners have real estate taxes, mortgage payments, electric bills, tv and internet, cleaning, maintenance, painters, landscapers, appliance repair men, Home Depot and lowes bills, assessments, mortgages, management fees, advertising fees, we employ and support many many local businesses in Kahului - we barely break even during winter months, loose money during the summer. If you continue to raise our taxes, we will loose our condo and you will loose more in GE and TA taxes. We are the little guys without a voice. Thank you for listening. Most Sincerely, Kathy Arntzen. Owner at Sugar Beach.
Sent from my iPad

EDB Committee

From: County Clerk
Sent: Monday, April 22, 2019 8:52 AM
To: EDB Committee
Subject: FW: Testimony for Wailuku First Friday Event

From: Lesley Cummings <lesleycummings@gmail.com>
Sent: Monday, April 22, 2019 8:39 AM
To: County Clerk <County.Clerk@mauicounty.us>
Subject: Testimony for Wailuku First Friday Event

Aloha Maui County Council,

My name is Lesley Cummings and I am one of the event coordinators for Wailuku First Friday (Maui Town Parties). I am beyond grateful and honored to be part of this amazing community event. I have watched Wailuku First Friday's journey from the beginning and I am humbled and excited to be in an organizational role for the event's future.

Wailuku First Friday brings together community. It brings our local and visitor community together to experience what makes Maui/Wailuku unique and special. It allows small businesses to showcase their arts/crafts, food vendors to share their ono food, entertainers to share their musical passion, local merchants to have exposure on their businesses and so much more. Most of these street vendors have the entire family working the booth. From grandparents to grandchildren, these families work hard together and these town parties allow them to continue thriving.

We understand the importance this event has on many individuals. When you have a vendor thank you because one night just allowed them to "pay their rent," it puts a tremendous amount of pressure and drive to continue making the event better. I cannot express how important and grateful we are to Maui County (OED) for financially supporting Wailuku First Friday through its grants. It takes many logistics and costs to run Wailuku First Friday.

- Security
- Refuse
- Marketing
- Performers
- Sound
- Rentals
- Supplies
- Coordination

With each of these components comes a cost and a value to each business/person that offers this service. Majority of all these individuals have been part of the event since the beginning. Our partnership with fiscal sponsor Lokahi Pacific has been an amazing thing for Wailuku First Friday. Our working relationship has been an integral part in managing and maintaining a budget for the event.

We would also like to mahalo the Maui Visitor's Bureau for its Hawaiian Culture grant we received this year as well. This funding has allowed the event to showcase Hawaiian musicians, lei makers, Polynesian navigators and more. This not only allows Maui individuals to create income, but it allows locals and visitors a chance to experience and participate in perpetuating culture. You cannot perpetuate culture if you don't get a chance to experience it.

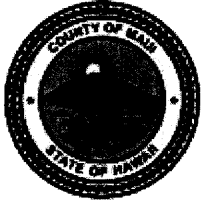
Mahalo for taking the time to read this. Mahalo for supporting Wailuku First Friday.

Lesley Cummings

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:47 AM
To: EDB Committee
Subject: Fw: Increase In Maui Property Taxes

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Lois Cox - BHHS Drysdale Properties <bestcrs@aol.com>
Sent: Saturday, April 20, 2019 6:26 PM
To: Kelly King
Subject: Increase In Maui Property Taxes

"I'm Lois Cox and I own a condominium at the Honua Kai Resort in Lahaina. I am calling to express my strong objection to the proposed 60% increase in the property tax rate for Short Term properties since this will greatly harm tourism and real estate in Maui. I urge you to support the Mayor's proposal to keep property tax rate increases reasonable. - Mahalo"

Lois Cox

[Click here to find out your home value](#)

Lois Cox, Certified Residential Specialist
4725 First Street #150
Pleasanton, CA 94566
www.loiscox.com



Lois Cox, CRS
REALTOR®
925-400-7301
CALL OR VISIT AOL.COM
WWW.YOURREALTORS.COM



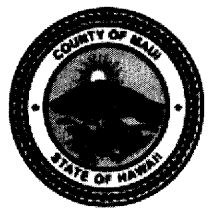
BERKSHIRE
HATHAWAY
DIVERSIFIED
CORPORATION
DIVERSITY
INVESTMENT
CORPORATION
A Sign of Confidence

Sent from AOL Desktop

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:46 AM
To: EDB Committee
Subject: Fw: Vote "NO" to Vacation Rental Tax Increase!!!

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Louis Trinh <pahiatrinh@gmail.com>
Sent: Sunday, April 21, 2019 10:34 AM
To: Kelly King
Subject: Vote "NO" to Vacation Rental Tax Increase!!!

Dear Council Chair Kelly King and Members of The Maui County Council,

My wife, Kristine Trinh, and I own two studio condos at The Mahana since 2014. We were lucky to invest because the economic downturn gave us the opportunity to buy, otherwise we would never been able to afford to invest on Maui. We want to ultimately retire on Maui and stabilized the island's economy at the time, with the hopes that property values will soon recover. We were lucky to save up after 24 years of working and put our hard earned life savings as down payments into units 1013 and 802. After five years, we are lucky to break even every month after paying our mortgages, management fees, property taxes, AOAO fees, and utilities.

We STRONGLY OPPOSE the proposed raise in short term and vacation rental rates that will double our Property Taxes! At \$9.37 of every \$1,000 assessed value, we already pay double the amount of

property taxes that a residential condo pays (\$5.52 per \$1,000) and understand that you are looking to increase our rates to \$15.41 per \$1,000 of assessed value. To double our property taxes (and quadruple of what other residential condos pay) is insane and will have catastrophic effects to Maui's economy! Personally, this would cost us more than \$12,000 in increased property taxes per year or \$1,000 a month to an investment that is barely breaking even!

Please think about how this would affect your personal household, for example. Can you possibly afford another \$1,000 a month in bills, knowing that nothing else in your life has changed? I know we cannot, and so will other investors like us who are barely scraping by. We would have to sell both condos, and you will see others doing the same. You will see how damaging this will affect other parts of Maui's economy:

1. Tourism will be adversely affected because we cannot continually pass these increased taxes onto visitors. Maui already has the highest hotel taxes (at 14.416%) in the country and passing more taxes will only drive visitors to less expensive destinations. The Hawaii Tourism Authority has already announced that February has the largest decline of visitors in over a decade, since the recession in 2009! There has been talks about the economy slowing down in 2018 and will persist into 2019. You must realize how expensive a Hawaii vacation must be for the average family, and passing more taxes onto them will make them look elsewhere.
2. Realtors and property managers will see their livelihoods take drastic hits, as property values will plummet and so will the amount tourists spend on Maui. It will be like 2009 again, where property values and rental rates were at their lowest. Once owners sell in mass, property values will drop! Investors crunch numbers and no one will buy a property that won't pay for itself. The numbers won't work! With today's high property values and taxes, our family cannot afford these monthly costs and would definitely not have bought our studios if we knew this proposed tax increase were a possibility.
3. All retail, restaurants, and travel-related industries (like tour operators, concierge) will be negatively affected. The economy is already slowing down and putting more burden on owners and visitors will have a ripple effect on the rest of Maui's economy.
4. A negative impact on Maui's workforce. Maui already has the highest rates for contractors, cleaning personnel and anything related to home improvement. With higher property taxes, owners just cannot afford to make any renovations or buy new furniture.

As you can see, the trickle down affect is real and **RAISING PROPERTY TAXES WILL HURT EVERYONE!** We are just recovering from 2009 and punishing investors like us is like **KILLING THE GOLDEN GOOSE!**

We pay our GET and TAT taxes as dictated by law, whereas time shares do not since the guests staying at timeshares are owners, so not subjected to accommodations taxes. Based on this logic, timeshares deserve to have a higher rate of property taxes. Hotels and short term vacation rentals **DO NOT!**

A better solution would be to let increased property values and higher visitor numbers bring in more revenue for Maui County! Doesn't it make more sense?

Please take a moment to see the bigger picture and VOTE "NO" TO INCREASING SHORT TERM AND HOTEL TAX RATES!

Mahalo,

Louis and Kristine Trinh

Atlanta, Georgia

Owners, Mahana 1013 and 802

770-714-5258 cell

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:42 AM
To: EDB Committee
Subject: Fw: Proposed Property Tax Increase

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: lynnletter@aol.com <lynnletter@aol.com>
Sent: Monday, April 22, 2019 6:32 AM
To: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Proposed Property Tax Increase

Dear Maui County Council Members,

We write to you today to voice our **strong** opposition to the proposed raise in property taxes for condo-hotels from \$9.38 per \$1,000 to \$15.41 per \$1,000, a 64% increase.

Tourism is a major industry in Hawaii and, in particular, in Maui. Almost doubling property taxes will depress property values, discourage property purchases, potentially send the Maui real estate market into recession and ultimately hurt tourism.

With GET and TAT taxes continually increasing, a huge increase in property taxes could devastate tourism. Condo owners, in many cases, depend on rental income to be able to afford the high real estate prices.

We have been fortunate to own a condo on Maui for the last 17 years and have spent significant funds on the island keeping our condo in prime rental condition, and our guests

spend money in restaurants, retail outlets, and on activities while visiting the island. I understand that the Council's thinking is that jacking up the property tax rates on short-term rental spaces will promote long-term rentals. That is not the case. We have a second home on Maui so that we can enjoy when we are able and then allow others to enjoy it as well while they boost the Maui economy through tourism dollars. I will have to raise the amount I charge to offset the property tax increase which will negatively impact the ability of visitors to spend their dollars on other tourist purchases.

We ask that you reconsider this enormous tax increase keeping in mind how this will hurt tourism and ultimately property values.

Sincerely,

Lynn and Doug Todd

EDB Committee

From: Paul Johansen <psjohansen@aol.com>
Sent: Monday, April 22, 2019 7:56 AM
To: EDB Committee
Subject: Proposed Property Tax Change

Maui County Economic Development and Budget Committee

To All,

I own a condo at Makena Surf in South Maui. I reside there for 3 months per year and our unit is in a rental pool the other 9 months with Ali'i Resorts.

Our property tax assessed valuations are so high, I couldn't realize the assessed value after realtor fees and taxes. I have twice filed for reductions, and have received no consideration. The board was laid back, and just going thru the motions. It's obvious there is a big difference if you are local and vote on Maui instead of having a residence stateside.

Now, this proposal to raise the tax rate to time share, based on our already inflated assessed value. If this is passed, it will likely be the final straw and I will stop renting and file for the cheaper tax rate. If others do the same, instead of a huge increase, Maui County will see a huge reduction in tax revenue. Further, all of the support staff that are employed for rentals will be hurt. Rental cars, grocery stores, restaurants, housekeepers, and on and on.

I urge you to look past the quick way to feed the budget, and see what the fair and balanced way would be, along with the potential downside.

Paul Johansen

EDB Committee

From: Raj Persaud <rguyman@yahoo.com>
Sent: Monday, April 22, 2019 7:51 AM
To: EDB Committee
Cc: Keani N. Rawlins; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: On proposal for hefty tax increases on "Short Term Rentals" for 2019-20

Dear Maui County Council Members

I would like to register my opposition to the proposed hefty increase in the property taxes of the "Short Term Rentals". I sincerely hope that per below, the committee will reconsider and drop this proposal.

We recently bought a condo in Wailea, employed a general contractor, local workers and purchased material from local companies to renovate the condo. After years of 24 x 7 work we had saved enough to be able to do this on beautiful Maui a place we targeted for retirement. We lived in the condo for seven months after which we needed to return to the mainland for family reasons. Today, we spend a few months a year in the condo and hope to be able to move back to it in the future. Our story may not be dissimilar to other condo owners.

During the renovation and while in the condo, we directly and indirectly employed lots of local people and support local businesses.

At this time due to family issues, we cannot be on the island full time. Instead, we have employed a local company to manage the property for us while we are not on island. The property when not owner occupied, can be used as a vacation rental to help offset the costs associated with maintaining the home and condo complex. In so doing, we directly or indirectly employ cleaners, handy men, electricians, painters, landscapers, management companies, reservations staff, advertising , photographers, pool care workers, tile installers among others. We also attract tourists to the island who are vital to support local businesses and as tax sources for the county. These are all ongoing activities, they do not stop and offer good revenue streams for the local community and county.

For many retirees who rely on the small revenue from the part time rentals to offset the tremendous ownership expenses , and provide a small revenue stream, the proposed huge tax increase will significantly increase the financial burden. This was unplanned for in our financial considerations. In speaking for many, Condo owners are not all real wealthy people, but are already providing to the economy and infrastructure in many ways. They love Maui and want to continue to nurture and support it for many years to come. The huge tax increases proposed is burdensome and distressing to many condo owners.

Please reconsider and drop this proposal

Sincerely

Dr R. Persaud
Wailea Ekahi condo owner.

EDB Committee

From: ✓ Kelly King
Sent: Monday, April 22, 2019 9:50 AM
To: EDB Committee
Subject: Fw: Proposed property tax increases

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: bcpov@telus.net <bcpov@telus.net>
Sent: Saturday, April 20, 2019 8:32 AM
To: Keani N. Rawlins; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci
Cc: katherine steinberg
Subject: Proposed property tax increases

County council members,

We received an email from a Maui property owner announcing a county council proposed property tax increase of 60% for owners of short term condominium units. The message states:

"I wanted to be sure that everyone is aware of the current property tax proposal before the County council. It's budget time, and new property tax rates for the year 2019 - 2020 will be set for each category. The vacation rental condos and homes are combined in the "Short Term Rental" property tax category. During the April 3rd budget meeting, the budget committee chair proposed setting a rate that would be 60% higher than the current rate. "

My wife and I have owned a property at Kihei Surfside for over forty years and always enjoy our yearly visits to the island as do our tenants. Guests mainly come from Canada, Washington, Oregon, and California and choose Maui as their ideal vacation spot. If such tax proposals were to proceed, costs would have to be passed on to such guests. Such increases would adversely impact on Maui tourism. Travellers have choices and will select other destinations. Presently, many Canadians are choosing other vacation destinations because of the current Canada/US currency exchange rate. This proposed rate increase would severely reduce tourism to Maui! As we all know, the Maui economy is heavily dependent

on tourism, especially with the more recent closure of sugar cane and other farming operations.

I ask that you reconsider the above proposed property tax increases. Your response would be appreciated.

Sincerely,
Robert Povaschuk, M.Ed.

EDB Committee

From: Ruth Lynn Craig <rlcraig1@mac.com>
Sent: Monday, April 22, 2019 7:42 AM
To: EDB Committee
Subject: Property tax increase

Hello, my husband and I have owned a fee simple condo at Makena Surf since 1986. At this moment, our property taxes run higher than our mortgage payments. If the county raises the tax rate by 60%, we will have to sell, and sales will be much more difficult.

The county can't just raise rates to cover all expenses. There has to be some common sense applied, and I see no common sense here. I can't vote in the county, but I know plenty of people who do.

Please pause for a minute and THINK ABOUT WHAT YOU ARE DOING! Do you really want to affect the real estate market this way? Do you really want everyone to sell out at whatever price, and have local people buy the properties and not have to pay these taxes or at least vote it down when next it comes up?

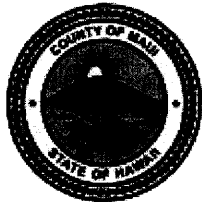
Ruth Lynn Craig
Owner, Makena Surf B305

Sent from my iPad

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:46 AM
To: EDB Committee
Subject: Fw: April 3, 2019 Proposed Property Tax Increase

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: stephengeary2 <stephengeary2@cox.net>
Sent: Sunday, April 21, 2019 7:52 AM
To: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: April 3, 2019 Proposed Property Tax Increase

I write you in opposition to the 60% property tax increase for condo rental properties proposed during the council meeting of April 3, 2019.

My family has owned a condo in Maui and rented it out to travelers for 20 years. As a small business, some years we have broken even; most years we have earned a small profit, but every year we have paid out more than half of our gross rental income in property and other taxes, association fees, rental management fees, maintenance expense and improvements. Two years ago we reinvested \$275,000, paid to local businesses, to remodel our condo.

During the council meeting, one councilman spoke of a balanced, three-prong approach that included reasonable development of the economic engine on Maui as one of the prongs. Please consider our small rental business a "micro" economic engine. We try to manage it well, treat our renters kindly and fairly and be good citizens. My brother, Bill, earned his PhD in Education from the University of Hawaii, taught grade school in Lahaina for years and has retired in Paia. Bill has also participated in a number of environmental causes on island over the years.

We have paid off our mortgage. If the council were to adopt the proposed 60% property tax increase, we can absorb the additional expense. We know that you have very difficult jobs to do. Our concern is the possible impact this proposed tax increase will have on the health of condo rental businesses that have ongoing substantial mortgage expense and

marginal profitability, and the possible negative impact it may have on the health of Maui's economy in general.

If the reason for this proposed 60% property tax increase for condo rental properties is to subsidize a 5% reduction in homeowner's property tax on island, we hope the council may arrive at a more balanced, nuanced solution, particularly with the heightened possibility of economic recession in the next year or two.

Thank you for your consideration,

Stephen M. Geary

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:41 AM
To: EDB Committee
Subject: Fw: Strong Opposition to 60% increase in Short Term property tax in Maui County

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Drew, Steve <sdrew@ameresco.com>
Sent: Monday, April 22, 2019 6:36 AM
To: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Cc: Mayors.Office@co.maui.hi.us
Subject: Strong Opposition to 60% increase in Short Term property tax in Maui County

Dear Members of the Maui County Council:

Aloha - my name is Steve Drew and I am a condominium owners at Honua Kai Resort located in North Kaanapali Beach.

I and my fellow owners at Honua Kai were shocked to recently learn that the Maui County Council is considering raising the Short Term and Hotel/Resort property tax rates by 60% to \$15.41 which will result in roughly a \$10,000 a year tax increase for the average owner here. This will require owners to increase their rates by at least \$50/day, which we feel will result in being unaffordable for many travelers and end up reducing income to the county in the end.

Currently, we barely make any profit renting our condo and any further increase to taxes will be disastrous.

The rates we are paying are already over 3 times as much as you pay for your homes and any further change to that ratio is totally unreasonable and will have dire consequences to the affordability of vacationing in Maui.

Thanks for listening.

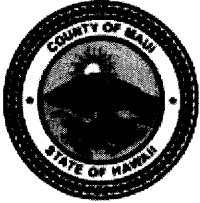
Mahalo,
Steve Drew.
Owner at Honua Kai.

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EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:48 AM
To: EDB Committee
Subject: Fw: Opposition to 60% increase in Short Term property tax in Maui County

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Sue Austin <sue.austin@gmail.com>
Sent: Saturday, April 20, 2019 11:03 AM
To: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; amara.Paltin@mauicounty.us; Shane M. Sinenci; Yukilei Sugimura
Subject: Opposition to 60% increase in Short Term property tax in Maui County

Dear Maui Council Members:

My name is Sue Austin and a condo owner at Honua Kai since 2013. Doing business in Maui has over time become more expensive as I've seen increases in my utilities, HOA fees, property taxes, maintenance fees, advertising costs, etc. We can only pass on so much to our transient guests without it negatively effecting our occupancy rates. Your proposed property tax increase is quite dramatic and may force us out of Maui to invest elsewhere. Please consider all people involved and effected by increasing the property tax. Thank you for your consideration.

Mahalo,
Sue Austin
130 Kai Malina Parkway
Lahaina, HI 95070

EDB Committee

From: Thomas P English <tom@iprf.com>
Sent: Monday, April 22, 2019 5:30 AM
To: EDB Committee
Subject: Proposed tax rates
Attachments: Proposed Tax rate increase.pdf

April 22, 2019

Council Member Keani Rawlins-Fernandez
Chairman, Budget & Finance Committee
Maui County Council
200 South High Street, 8th Floor
Wailuku, Hawaii 96793

Dear Chair Rawlins-Fernandez and Members of the Committee:

My name is Tom English. I own 5 rental condos at Honua Kai, 130 Kai Malina Parkway, Lahaina and have influenced family and friends to purchase 4 additional units in Honua Kai, I also recently purchased a home in Launiupoko subdivision in Lahaina. I have been coming to Maui for 15 years and not only invested here but plan to retire in Maui.

I oppose the short-term rental rate increase from the current \$9.28 per \$1,000 of assessed value to \$15.41 per \$1,000. My guests already pay a high Guest Excise Tax & Transient Accommodations Tax, (almost \$50,000.00)

In addition to my current property taxes of almost \$55,000. An increase to me would be an additional \$35,000 for a total tax of \$85,000.

My 5 condos would be taxed \$140,000 or almost \$30,000 each. Sooner or later people will not pay these taxes to come to Hawaii and we will all lose!!

In addition:

- My property values have gone up almost every year benefitting us both
- My guest purchases benefit sales tax, & local business who pay taxes also
- My guests rent autos which pay high taxes

New York is experiencing large tax increases and not only seeing visitors leave, but residents too. I'm from Illinois and the reason I'm leaving Illinois is extremely high taxes. I'm willing to pay my fair share but these large increases are making me think twice about where I want to retire

Thank you for the opportunity to testify.

Sincerely,

Thomas P English

Short term rental property Owner at:
130 Kai Malina Parkway
Units HK716, HK748, HK442, HK526 & HH745
Lahaina

Residential property Owner at
526 Kai Hele Ku Street

Lahaina

Thomas P English,
Phone: (708) 609-4155

April 22, 2019

Council Member Keani Rawlins-Fernandez
Chairman, Budget & Finance Committee
Maui County Council
200 South High Street, 8th Floor
Wailuku, Hawaii 96793

Dear Chair Rawlins-Fernandez and Members of the Committee:

My name is Tom English. I own 5 rental condos at Honua Kai, have influenced family and friends to purchase 4 additional units in Honua Kai, and recently purchased a home in Launiupoko. I have been coming to Maui for 15 years and not only invested here but plan to retire in Maui.

I oppose the short-term rental rate increase from the current \$9.28 per \$1,000 of assessed value to \$15.41 per \$1,000. My guests already pay a high Guest Excise Tax & Transient Accommodations Tax, Almost \$50,000.

In addition to my current property taxes of almost \$55,000. An increase to me would be an additional \$35,000 for a total tax of \$85,000.

My 5 condos would be taxed \$140,000 or almost \$30,000 each. Sooner or later people will not pay these taxes to come to Hawaii and we will all lose!!

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Thank you for the opportunity to testify.

Sincerely,

Thomas P English

Thomas P English

Short term rental property Owner at:
130 Kai Malina Parkway
Units HK716, HK748, HK442, HK526 & HH745
Lahaina

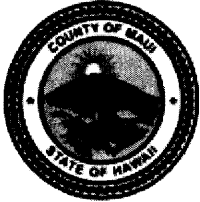
Residential property Owner at
526 Kai Hele Ku Street

Lahaina

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:45 AM
To: EDB Committee
Subject: Fw: OPPOSE 60 % Increase in Short Term Property Tax Maui County

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: William Finnerty <wjfinn123@aol.com>
Sent: Sunday, April 21, 2019 1:58 PM
To: Kelly King; Keani N. Rawlins; tasha.kama@mauicounyu.us; Riki Hokama; Alice L. Lee; Mike J. Molina; amara.paltin@mauicounty.us; Shane M. Sinenci; Yukilei Sugimura
Cc: mayors.office@co.maui.hi.us
Subject: OPPOSE 60 % Increase in Short Term Property Tax Maui County

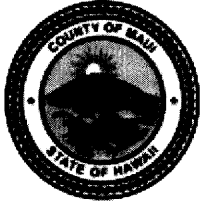
My name is William Finnerty and I'm a resident of Maui. I also own two condominiums at the Honua Kai Resort in Lahaina. I am calling to express my strong objection to the proposed 60% increase in the property tax rate for Short Term properties since this will greatly harm tourism and real estate in Maui. Year after year, politicians want to gouge the tourism industry to compensate for their poor budgeting and mismanagement of programs such as the rail project in Honolulu. I urge you to support the Mayor's proposal to keep property tax rate increases reasonable. - Mahalo

Sent from my iPad

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 10:47 AM
To: EDB Committee
Subject: Fw: Proposed tax increase

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Maui <maui@jwresearch.com>
Sent: Monday, April 22, 2019 10:46 AM
To: Kelly King
Subject: Proposed tax increase

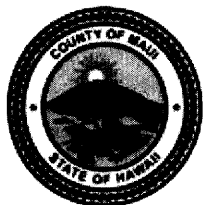
I own a condominium at the Honua Kai Resort in Lahaina. I am calling to express my strong objection to the proposed 60% increase in the property tax rate for Short Term properties, since this will greatly negatively impact tourism and real estate in Maui. I urge you to support the Mayor's proposal to keep property tax rate increases reasonable.

Mahalo Alan Wilson

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 10:38 AM
To: EDB Committee
Subject: Fw: Proposed tax increase for short term rental

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Algerd Monstavicius <amonstavicius@yahoo.com>
Sent: Friday, April 19, 2019 10:42 AM
To: Kelly King
Subject: Proposed tax increase for short term rental

Dear Sir,

We are presently renting out our unit at Wailea Elau and there is very little profit after we pay the property taxes, HOA dues and fees. In addition occupancy has been on a decline. So we are in trouble and a 60% increase would likely force us to sell and exchange out of this property. It is a serious problem for many of the owners etc. I hope you reconsider. Thank you,

Algerd Monstavicius Wailea Elua unit 702

EDB Committee

From: Melanie Padgett <mauiecrc@gmail.com>
Sent: Monday, April 22, 2019 10:02 AM
To: EDB Committee
Subject: Fwd: maui county child subsidy letter of support.doc
Attachments: maui county child subsidy letter of support.doc

Forwarding Testimony for Early Childhood Programs Maui County Child Care Subsidy

Melanie Padgett
Project Specialist
Maui County Early Childhood Resource Center 251 Napua St. Wailuku, HI 96793
Phone: 242-1608
FAX: 270-5556
Mailing Address: MCECRC/MFSS 1844 Wili Pa Loop Wailuku HI 96793

----- Forwarded message -----

From: yoshimoto allison <masakoal@yahoo.com>
Date: Tue, Apr 2, 2019 at 9:23 PM
Subject: maui county child subsidy letter of support.doc
To: <mauiecrc@gmail.c

Sent from my iPhone

Philip Campos and Allison Yoshimoto
122 Anamuli Street
Kahului, HI 96732

April 2, 2019

Tasha Kama
200 S. High Street
Wailuku, HI 96793
tasha.kama@mauicounty.us

Dear Tasha Kama,

My son, Eliot "Jay" Campos, is a recipient of the Maui County Child Care Subsidy program. On behalf of our family, we would like to thank you for supporting the continuation of this program. Jay was able to attend the preschool program at Haleakala Waldorf School for the 2018-2019 school year with the help of the Maui County Child Care Subsidy program. We have seen him grow and flourish under the guidance of his wonderful preschool teacher. He has also made special bonds with the peers in his class in which he can say he has "best friends." This program allowed us to continue working knowing our child is receiving the best quality of child care that resonates with our family's beliefs and values. We are most grateful for this program and we hope it can continue for our future keiki.

Sincerely,
Philip Campos & Allison Yoshimoto

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 12:34 PM
To: EDB Committee
Subject: Fw: property taxes

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Betty Kay Anderson <bettykaya@gmail.com>
Sent: Monday, April 22, 2019 12:16 PM
To: Kelly King
Subject: property taxes

Aloha Council Member for South Maui,

I am very concerned about the proposal to change the property tax rate for short term rental condo owners to the same percentage rate as time shares instead of like hotel (which is the current status).

Somehow, some Council Members are being told that we short-termers don't provide jobs for the local economy like the hotels do. I can tell you personally that I provide DAILY housekeeping for my guests. My rental agent also provides complete concierge services and books activities on a daily basis for guests. My rental agent employs around a hundred people in their operation, including but not limited to between 10 and 20 reservationists, any number of activity sales people, outside contactors for repairs, carpet cleaning, and things like painting. In addition the AOA (we have 105 units) has in its employ local employees for landscaping, security, maintenance and office work.

I am completely OPPOSED to changing these tax rates. Unfortunately, I had to fly to the Mainland for cancer surgery and am unable to testify before you.

I also believe that this proposed change in the tax rates may have a significant negative impact on property values, which would then defeat the entire purported purpose of the tax rate change. That, you do not need!

I am providing my phone number in case you are interested in talking about this.

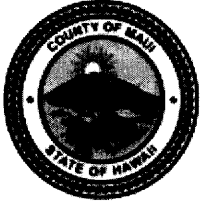
Sincerely,

Betty Kay Anderson
360-790-6514

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 10:42 AM
To: EDB Committee
Subject: Fw: Property tax increase

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: drborys@shaw.ca <drborys@shaw.ca>
Sent: Monday, April 22, 2019 2:55 AM
To: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Cc: Mayors.Office@co.maui.hi.us
Subject: Property tax increase

I'm Dr. Borys Hoshowsky and I own a condominium at the Honua Kai Resort in Lahaina. I am calling to express my strong objection to the proposed 60% increase in the property tax rate for Short Term properties since this will greatly harm tourism and real estate in Maui. I urge you to support the Mayor's proposal to keep property tax rate increases reasonable. - Mahalo

Borys Hoshowsky, MD, FRCSC

EDB Committee

From: Melanie Padgett <mauiecrc@gmail.com>
Sent: Monday, April 22, 2019 10:16 AM
To: EDB Committee
Subject: Fwd: Please continue Maui County Childcare Subsidy

Forwarding Testimony in support of Early Childhood Programs Maui County Child Care Subsidy

Melanie Padgett
Project Specialist
Maui County Early Childhood Resource Center 251 Napua St. Wailuku, HI 96793
Phone: 242-1608
FAX: 270-5556
Mailing Address: MCECRC/MFSS 1844 Wili Pa Loop Wailuku HI 96793

----- Forwarded message -----

From: Brooke <bvarenhout@hotmail.com>
Date: Tue, Apr 2, 2019 at 12:49 PM
Subject: Please continue Maui County Childcare Subsidy
To: tamara.paltin@mauicounty.us <tamara.paltin@mauicounty.us>
Cc: Melanie Padgett <mauiecrc@gmail.com>

Aloha Ms Paltin,

Firstly I would like to thank you and your fellow council members from the bottom of our heart for providing us a generous subsidy in the last school year so that my son can attend preschool.

Without this subsidy, I simply could not imagine how our family would make enough money to support our family and allow us to live in this stunning place. I would not have been able to afford to send him to childcare without this assistance which would also mean I would not be able to work myself. This would have been so difficult for our family financially.

In addition and equally as important, my son has blossomed so much both socially and academically and we have made strong connections and friendships with the Maui community because of his attendance. I have nothing but utter respect for the teachers at Preschool at Kapalua - they are nothing short of amazing.

Both my son and myself urge you to continue the subsidy for the upcoming year so that the keiki of Maui can be blessed with similar educational opportunities such as this and so that some financial strain can be lifted from families simply trying to make a living here.

Mahalo for your assistance,

Brooke Varenhout and Shawn Greet

EDB Committee

From: Budd Shenkin <buddshenkin@gmail.com>
Sent: Monday, April 22, 2019 11:05 AM
To: EDB Committee; Keani N. Rawlins
Subject: Proposed taxes on short term rentals

To the Maui County Council:

My name is Budd Shenkin. I am a retired pediatrician. I have been coming to Maui for decades, and in 2003 was able to purchase a condo in Makena. Since that time I have been a part-time resident. My wife and I rent out our condo at Makena Surf to visitors who come to Maui and, as visitors do, they then spend money to contribute to the local economy. They eat at restaurants, they buy food, they go on whale watching tours, they spend the tourist money that Maui depends on. They pay us rent, of course, and we ourselves spend some of our rent money on Maui. That's the way an economy works; money gets circulated, and we do our share.

How depressing it was to see that the County Council is contemplating raising our taxes by 60%. 60%! For taxes that are already high, very high. This is simply not fair.

It's true that as part-time residents we have to make a decision where we will vote, and like many other condo owners, we vote in another state. This might make us look like "outsiders," but are we really? We spend 3-4 months a year on Maui, we pay taxes, we spend money, and sometimes we even contribute to local campaigns. I do not feel like an outsider, I feel like a part-time resident, and I feel that I contribute to the well-being of Maui. Given our tax bills, I feel that we contribute a lot already.

I hope that you are able to take into consideration our situation and the concept of fairness. Please do not raise our taxes to the confiscatory level contemplated. Please do not raise them at all from their already high rates. It's just not fair.

Budd N. Shenkin, MD

--

Budd N. Shenkin, MD, MAPA
BuddShenkin.blogspot.com

"It is better to be roughly right than precisely wrong."
— John Maynard Keynes

EDB Committee

From: Melanie Padgett <mauiecrc@gmail.com>
Sent: Monday, April 22, 2019 10:11 AM
To: EDB Committee
Subject: Fwd: Maui County Child Care Subsidy

Forwarding Testimony in support of Early Childhood Programs Maui County Child Care Subsidy

Melanie Padgett
Project Specialist
Maui County Early Childhood Resource Center 251 Napua St. Wailuku, HI 96793
Phone: 242-1608
FAX: 270-5556
Mailing Address: MCECRC/MFSS 1844 Wili Pa Loop Wailuku HI 96793

----- Forwarded message -----

From: Cassiopeia Nieves <cassnieves@gmail.com>
Date: Thu, Mar 28, 2019 at 1:44 PM
Subject: Maui County Child Care Subsidy
To: <keani.rawlins@mauicounty.us>
Cc: Melanie Padgett <mauiecrc@gmail.com>

To Mrs. Rawlins,

I'm writing to thank you for the financial aid I am receiving through the Maui County Child Care Subsidy Program.

I first moved here back in June 2018 to take the position of Preschool teacher at Kilohana Elementary. It took me months to find an appropriate program for my own toddler who just turned 3. As you know, there is a very significant gap in educational facilities for 2 to 3 year olds. But, I did find a daycare that worked with my hours. Unfortunately, the price was going to be very difficult for me to afford. The financial aid I received may not seem much to some, but it helped; every bit helps when you are a single parent. Because of the aid received, my finances aren't stretched as thin and my son truly loves where he is enrolled.

I sincerely hope that you and the other Council Members continue to work together and keep the Child Care Subsidy Program afloat. I know other parents would be grateful and the children are the ones who benefit the most from attending a scholastic environment from as early an age as possible.

Mahalo for all your hard work.

~Cassiopeia Nieves

EDB Committee

From: Melanie Padgett <mauiecrc@gmail.com>
Sent: Monday, April 22, 2019 10:14 AM
To: EDB Committee
Subject: Fwd: Maui County Child Care Subsidy

Forwarding Letter of Support for Early Childhood Programs Maui County Child Care Subsidy Line Item

Melanie Padgett
Project Specialist
Maui County Early Childhood Resource Center 251 Napua St. Wailuku, HI 96793
Phone: 242-1608
FAX: 270-5556
Mailing Address: MCECRC/MFSS 1844 Wili Pa Loop Wailuku HI 96793

----- Forwarded message -----

From: Courtney Walsh <courtneywalsh86@gmail.com>
Date: Tue, Apr 2, 2019 at 1:09 PM
Subject: Maui County Child Care Subsidy
To: <alice.lee@mauicounty.us>
Cc: Melanie Padgett <mauiecrc@gmail.com>

Dear Council Member Alice Yee,

I don't think words can accurately convey, how thankful our family is for the aid we've received from the Maui County Child Care Subsidy. I wish I could sit down and tell you in person what an incredible gift this program has been for our family, especially for our daughter Lucy. This subsidy has provided her the opportunity to attend preschool and to not only grow, but truly thrive. I do hope the program continues next year, so other families might get to experience this wonderful blessing.

This last year, we have seen Lucy evolve into a compassionate friend and enthusiastic learner. She has integrity and takes pride in having responsibilities. We have seen a radical transformation in her social skills and ability to adapt. She is growing beautifully, and this program has played a very large role in allowing her to do so. My husband works for Trilogy Excursions as the Captain for their Discover Lanai'i trips. This means he is on Lanai'i 5 days a week with VERY early check-in times. I currently work in the evenings at Leilani's on the Beach while caring full-time during the day for our second daughter Piper (1.5 years). Even with both of us working, there really was no way we could afford to provide Lucy with this opportunity. This aid has allowed us to not go into any further debt etc. and has helped greatly with carrying the financial burden of trying to make it, and still provide Lucy with opportunities to learn and grow. It has been the most incredible blessing for our family, and again I cannot thank you enough!

Warmest Aloha,
Courtney Walsh

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:58 AM
To: EDB Committee
Subject: Fw: Vacation Rentals Property Tax

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Dennis Garlock <dgarlock@mauibeachbums.com>
Sent: Saturday, April 20, 2019 6:59 AM
To: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Vacation Rentals Property Tax

Aloha

We are writing in opposition to the idea of drastically increasing the property tax on vacation rentals on Maui.
Not Hotels???? Why??? And, why so large an increase? The mayor's proposal of a 3 per cent increase seems reasonable. Can't argue that. However, individual owners of a vacation rental cannot afford to pay taxes like that proposed. Is the reason to drive vacationers to the hotels?

We are owners of two condos at the Valley Isle Resort in Kahana which we rent out as vacation rentals. We also spend 4 months a year occupying them, a couple of months in each. Our second homes. Many vacationers prefer individual condos to a resort hotel room. Maui is expensive as it is and not everyone can afford an expensive hotel room. And not everyone wants a hotel type situation.

Please think about what this would mean to individual owners, both local and off island owners like ourselves. We are not timeshares and we must pay for all of our expenses 365 days a year.

Mahalo for listening.
Dennis & Karen Garlock
dgarlock@mauibeachbums.com

EDB Committee

From: Melanie Padgett <mauiecrc@gmail.com>
Sent: Monday, April 22, 2019 10:05 AM
To: EDB Committee
Subject: Fwd: Maui County Child Care Subsidy

Forwarding testimony in support of Early Childhood Programs Maui County Child Care Subsidy

Melanie Padgett
Project Specialist
Maui County Early Childhood Resource Center 251 Napua St. Wailuku, HI 96793
Phone: 242-1608
FAX: 270-5556
Mailing Address: MCECRC/MFSS 1844 Wili Pa Loop Wailuku HI 96793

----- Forwarded message -----

From: Ellie <ellie.ellie1127@hotmail.com>
Date: Sun, Mar 31, 2019 at 1:03 AM
Subject: Maui County Child Care Subsidy
To: mike.molina@mauicounty.us <mike.molina@mauicounty.us>
Cc: mauiecrc@gmail.com <mauiecrc@gmail.com>

3/31/2019

Dear City Council Member Mike Molina,

I am a resident living in Makawao and I'm writing to thank you for supporting the Early Childhood Programs - Maui County Child Care Subsidy. My family is so grateful for the aid that we are receiving.

Last year around this time, we found out that my hānai mom couldn't watch our daughter any longer because grandma has gotten very ill with dementia. My husband and I work downtown and luckily we found Kansha Preschool that accepted toddlers even before they turn 3. Financially we were struggling at the time because both of us were starting new jobs so money was very tight. The tuition is \$750/month and we are receiving \$180/month from the program. It's still a lot of money that we have to pay but without the assistance I probably was better off staying home with our daughter instead of succeeding to achieve my dream career. I work long hours, after that is housework and late hour such as now is the only free time I get to have but having my family is everything that I need.

My 3year old talks about her teachers and wants to be just like them. Every weekends and breaks, she gets upset that school is closed. The joy, that we see at the end of the day during pick up time from all the children at school, is priceless.

We hope you will continue to support this Early Childhood Programs – Maui County Child Care Subsidy and we appreciate your help in protecting the 'aina, safety and future of the Maui county that we love.

I really hope the program can be continued forever so many families can be helped with this wonderful assistance.

Thank you for your time.

Sincerely,

Elizabeth Peralta

946 Makani Rd

Makawao, HI 96768

EDB Committee

From: Fereshteh Tali <fereshteh Tali@sbcbglobal.net>
Sent: Monday, April 22, 2019 11:04 AM
To: EDB Committee
Cc: Keani N. Rawlins; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: RE: Maui County Budget Hearings - I support fair tax rates

Dear Committee Chair Keani N.W. Rawlins-Fernandez and Economic Development and Budget Committee Committee Members,

My name is Fereshteh Nikbakhsh-Tali, I am a resident of West Maui. I am also a real estate broker, a condo owner at a resort that I use as a legal vacation rental and also a property manager for condo owners at the resorts.

I am writing to ask you to vote no on the property tax rate increase.

Such an increase would hurt

1) Real Estate Market- Many vacation rental owners will be forced to sell due to the high cost of owning the condo. With many people putting their properties on the market, the market will be flooded with listings and the values will drop. With the reduced values, the taxes collected by County of Maui will be reduced.

2) Tourism- The owners that decide not to sell, will have to increase their nightly rates in order to be able to keep their properties. That increase, along with the increase in car rental taxes and the 1% increase in TAT last year, will make traveling to Maui much more expensive and may deter travelers coming to Maui.

3) Local stores/restaurants- For the travelers that may still come to Maui, they will spend less on the merchandise, restaurants, activities etc which will hurt local businesses.

The vacation rental owners already pay 5 times more in property taxes than the owner occupied homeowner. They don't have the exemption and are paying 4 times more in the rate.

Thank you for considering my testimony.

Regards,
Fereshteh Nikbakhsh-Tali
110 Awaiku Street
Lahaina,

*Fereshteh Nikbakhsh-Tali , Broker
California BRE License #00819328
Hawaii Principal Broker License #RB-21182
Specializing in Real Estate Sales, Investments
and Vacation Rentals
Phone (408) 892-2675*

EDB Committee

From: Fariborz Nikbakhsh-tali <n7029@aol.com>
Sent: Monday, April 22, 2019 2:48 PM
To: EDB Committee; Keani N. Rawlins
Cc: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Maui County Budget Hearings - I support fair tax rates

Dear Committee Chair Keani N.W. Rawlins-Fernandez and Economic Development and Budget Committee Members,

I am writing in favor of fair and reasonable tax rates for the vacation rental industry.

Short Term Rentals are currently taxed at \$9.28/\$1000, the third highest only exceeded by Hotel and Resort and Time Share rates. Increasing the Short-term rental rate too extreme puts an unfair burden on the individual owners of these properties, and the guests to these properties, and can only move to harm the small businesses that depend on the vacation rental industry.

We have a blossoming vacation rental industry on Maui, subject to appropriate restrictions and standards, and a fair existing permitting and taxing process. Short term rentals already comprise 25% of the \$319,516,547 of real property tax revenue compared to 11% for time share, and 7% for hotel and resort. The purpose of the industry is to allow for varied accommodations and experiences for visitors, and to allow small businesses to benefit from tourism.

I am supportive of the Economic Development and Budget Committee Committees efforts to find a fair and equitable solution for taxing the vacation rental industry that limits any negative implications for the community. Right now short term rentals brings in \$79,500,00 in direct taxable revenue, and has created thousands of jobs for our island as well.

My wife and I (retired) spend half of our time in our home in Napili (Maui). We sold our properties in California and have purchased legal vacation rentals in a resort in Maui. We count on the income from our investments to pay our expenses. Raising the property tax rate will have a very negative affect on our income. As it is, we pay almost 5 times more in property taxes than the owner occupant homeowners.

If you increase the rate, we would either have to sell and move out investments back to the mainland as many other property owners will have to be forced to do or increase out rates and that would hurt the travel industry. With the increase in TAT last year and the increase in car rental taxes, this increase will make it difficult for travelers to choose Hawaii (Maui).

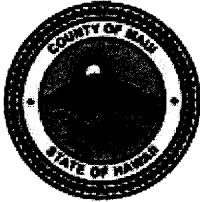
Thank you for considering my testimony and I hope you will think about it as you continue to craft this bill.

Sincerely,
Fariborz and Vivien Nikbakhsh-Tali
30 Kili Nahe
Lahaina

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 10:44 AM
To: EDB Committee
Subject: Fw: Proposed Property Tax Rate Increase Short Term Rental Classification - County of Maui

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Garry Barsalou <garry.barsalou@shaw.ca>
Sent: Monday, April 22, 2019 7:28 AM
To: EDB Committee; Keani N. Rawlins
Cc: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Proposed Property Tax Rate Increase Short Term Rental Classification - County of Maui

To Whom It May Concern,

We are mainland owners of a waterfront condo in Maui that we choose to operate as a short term rental. Over the years we have had high occupancy rates, as an example 2018 at 73% occupancy using a professional Maui rental agency.

At the end of the year we file State & Federal Income Tax returns that are a summary of our income & expenses for the year. In 2018 we had a loss of \$1900 before depreciation or payment of mortgage. Our property tax expense of \$5000 which is 15% of the total expenses is proposed to increase by 60% or \$3000. This would increase our loss in 2018 to \$4,900 if the rate is applied to the 2018 income & expenses.

Our consideration if this punitive tax rate increase of 60% is enacted is to remove the property from Class 11 Short Term Rental to Class 2 Apartment thereby reducing our property taxes and using our condo for family and friends.

The **net loss** to the County of Maui would be all associated jobs and services in the hospitality industry used by our renters, lower property tax revenue as Class 2, licensing & business fees, State & Federal Income Tax, and services that we currently use operating the condo as a Short Term Rental which are numerous as follows;

- Reservations staff
- Housekeeping
- Property managers
- Concierge
- Online marketers
- Offline marketers
- Plumbers
- Maintenance
- Carpet cleaning
- Flood Control Workers
- Glass repair and Installation
- Blind repair and Installation
- Pest control companies
- Painting companies
- Home Entertainment Professionals
- Dry Cleaning
- Tile installers
- Woodworkers
- Landscapers
- Electrician
- Accounting

Please make the appropriate decision and do not increase the short term rental tax rate by 60%, only adjust the tax rate equally for all land classifications as needed for annual increase in the operating budgets of the County of Maui.

Garry Barsalou
garry.barsalou@shaw.ca
250-686-7970

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 10:42 AM
To: EDB Committee
Subject: Fw: Proposed RPT Rate Increase
Attachments: Scan0009.pdf

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Jerry Woodahl <gbwoodahl@msn.com>
Sent: Monday, April 22, 2019 1:49 AM
To: Kelly King
Subject: Proposed RPT Rate Increase

Attached is my letter opposing the proposed rate increase.

Thank you for your consideration of my testimony

Mahalo

Gerald Woodahl

*Gerald Woodahl
744 Anglers Bend Way
Missoula, MT 59802
Cell 406-880-3170*

April 21, 2019

Council Member Keani Rawlings-Fernandez
Chairman, Budget & Finance Committee
200 South High Street, 8th Floor
Wailuku, Hawaii 96793

RE: Proposed RPT Rate Increase

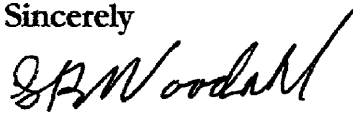
I am writing you to oppose the proposal to raise the current hotel /resort RPT rates from \$9.37 per \$1,000 of assessed value to \$15.41 per \$1,000, & condotel RPT rate from \$9.28 per \$1,000 to \$15.41 per \$1,000.

My wife & I are owners of a West Maui condo that we use personally throughout the year and a rental investment. We understand the need to have enough county revenues to support the county operations, to include maintaining the infrastructure and provide the funding for law enforcement. These services are used by both residents and tourists and need to be paid by both.

I am a firm believer that the funding must be broad based & paid for by the users of these services. There is a segment of the short-term rentals that do not pay real estate taxes at the same rate as we do, nor do they pay HI TAT or GET. Not only is Maui County and State of Hawaii losing tax revenue, but it puts us at a competitive disadvantage. Rather than further burdening the folks that are paying their fare share, I encourage the County to focus on collection of taxes from those presently avoiding them.

Thank you for your consideration of my testimony

Sincerely



Gerald B. Woodahl

EDB Committee

From: ida fallico <ida_fallico@yahoo.com>
Sent: Monday, April 22, 2019 1:07 PM
To: EDB Committee; Keani N. Rawlins; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Proposed property tax increase for condos

Dear Maui County Council Members,

I oppose the proposed 60% increase in property taxes on "Short Term Rentals" (condo).

My husband and I bought a condo in Wailea. During a much needed renovation, we employed a general contractor, used local workers and purchased local materials. We lived in the unit for several months before returning to the mainland.

During the renovation and while in the condo, we directly and indirectly employ a lot of local people and support local businesses.

At this time we cannot be on the island full time. Instead, we have employed a local company to manage the property for us while we are away. We intend to retire to Maui and our condo will be our primary residence.

In the meantime, it is used as a vacation rental to help offset the costs associated with maintaining the home and condo complex.

The proposed tax increase is HUGE and will significantly increase our financial burden. This was not planned for in our financial considerations. Like many other condo owners, we are not wealthy people.

We love Maui and want to continue to nurture and support it for many years to come. The huge tax increase proposed is burdensome and distressing to many condo owners.

I kindly request that you please reconsider. Thank you.

Sincerely,

Ida Fallico
Condo owner at Wailea Ekahi

EDB Committee

From: Aaron Kimura <Aaron.Kimura@robertshawaii.com>
Sent: Monday, April 22, 2019 10:05 AM
To: EDB Committee
Subject: Letter to EDB Committee for 4/22/19 Meeting from Roberts Hawaii.
Attachments: 190422_Roberts Hawaii to County of Maui - Economic Development and Budget Committee.pdf

Sent from [Mail](#) for Windows 10



April 22, 2019

phone 808 523 7750
fax 808 522 7866

Roberts Hawaii, Inc.
680 Iwilei Road
Suite 700
Honolulu, Hawaii 96817

County of Maui
Economic Development and Budget Committee
200 South High Street
Wailuku, HI 96793

TO THE HONORABLE KEANI N.W. RAWLINS-FERNANDEZ AND KELLY T. KING, CHAIRS, AND MEMBERS OF THE COMMITTEE:

robertshawaii.com

Roberts Tours and Transportation, Inc. (ROBERTS) serves as the current contractor for the County of Maui Department of Transportation (MDOT), operating MDOT's Maui Bus Fixed Route and Commuter transportation programs. ROBERTS has operated MDOT's Maui Bus program for over 13 years and has consistently adhered to the rules, regulations and compliance elements in accordance to all county, state and federal requirements (Federal Transit Administration (FTA), National Transit Database (NTD) and Americans with Disabilities Act (ADA)). We value our opportunity to provide the operational and related functions for the county's "Maui Bus" public transportation program and we certainly appreciate the positive working relationship established between both parties. It is through our established business partnership that I must address an important concern as we enter into each new year of our contract and face unforeseen cost impacts.

We are annually impacted by increases to employee health care costs (15%), employee benefits, administrative overhead and GET surcharges, however we have no control over cost impacts attributed from unforeseen events or through new changes imposed by county, state and federal government agencies. For example, FTA increase in the minimum random drug testing to 50 percent (from 25%) of all covered employees (Effective January 1, 2019); Unforeseen State of Hawaii wage increases beyond FY2020 affecting prevailing wage rates; Increase in security coverage at Queen Ka'ahumanu Center; Technological upgrades and maintenance in support of MDOT's Syncromatics system; and insurmountable annual costs in insurance, fuel and repair and maintenance due to the aging county-owned fleet.

As we've done for many years, we are committed to serve as an ambassador for the County of Maui by providing service excellence for the Maui Bus program as expected and deserved by its riders. Your consideration of annual budget increases to our contract will help us to meet the needs of your Maui Bus program, the community and Maui Bus riders and comply with all requirements imposed by government agencies that oversee public transportation systems.

Thank you for the opportunity to share my comments with you and your committee.

Sincerely Yours,

Jason Young
Vice President - Operations

EDB Committee

From: John Thomson <john@thomsonfamily.ca>
Sent: Monday, April 22, 2019 12:47 PM
To: EDB Committee; Keani N. Rawlins; Kelly King; Mike J. Molina; Riki Hokama; Shane M. Sinenci; Tamara A. Paltin; Tasha A. Kama; Yuki Sugimura; Alice L. Lee
Cc: Michael Victorino
Subject: Proposed RPT Increase in Short Term Rental Classification - County of Maui

Members of the Economic Development & Budget Committee, County of Maui

I have just learned that at your April 3, 2019 meeting, the Chair presented a proposal for setting the various RPT rates for fiscal 2020 that differs significantly from the Mayor's proposal. The newly proposed rate for the Short Term Rental category is 60%+ higher than both the existing rate and the Mayor's 2020 rate. **As a condo property owner, I strenuously object to the Chair's proposed rate and the timing thereof. I request that the EDB Committee endorse the Mayor's proposed rates for 2020.**

Maui has a graduated RPT rate scale that recognizes the needs of the resident population – I endorse the current graduated rate scale. The existing Short Term Rental category rate of \$9.28 is 325% higher than the Homeowner rate of \$2.55. This is a significant benefit to the resident population and in my view reasonable in the circumstances. **The Chair's proposed rates of \$15.41 and \$2.66 respectively raise this ratio to 579% which is NOT REASONABLE.** The ratio for the Mayor's proposed rates is 337% and is a reasonable expansion from the existing ratio.

Tourism is Maui's biggest industry and by far the largest employer of the residents. Earlier this year, there was a Maui News article reporting on the 2018 visitor arrivals of a record 2.9 million. It is logical to assume that the vast majority of these arrivals stay for relatively short durations and depend almost entirely on the hotels and short-term rental properties for accommodations. **The owners of these short term rental properties contribute very significantly to Maui's economy and employ a myriad of Maui residents from landscapers to housekeepers to accountants to plumbers to painters to carpet cleaners to property managers to electricians to activity sales persons to security personnel** amongst just a few of the many residents deriving their incomes from the spin off effects of providing short term rental accommodation to tourists. **Short Term Rental properties are vital to the ongoing success of Maui's tourism industry.**

The introduction of the Chair's proposal at this time of year virtually ensures that this vital owner category is **UNREPRESENTED** in participating in the public debate about RPT rates. This is not democracy in action – a 60%+ increase in the RPT rate for Short Term Rental property owners deserves more scrutiny and detailed economic analysis from the entire community. The current time line is woefully inadequate for such a major policy change.

I urge the EDB Committee to reject the Chair's proposed RPT rates and adopt the Mayor's proposed rates for fiscal 2020.

Mahalo
John Thomson

EDB Committee

From: Kathy Arntzen <k.arntzen@hotmail.com>
Sent: Monday, April 22, 2019 10:37 AM
To: EDB Committee
Subject: Do not raise taxes 60 % on the little condo owners

We are totally against raising taxes on condo owners. We are the little guys. We pay a heck of a lot of taxes, we rarely make any money, we employ many many workers, professionals, and local businesses etc. It only makes it more expensive for tourism which will backfire on you. Raising taxes may be an easy fix to balance your budget but in fact it will make tourism on Maui worse. You will hurt a valuable industry, cut government waste. Ron Arntzen, condo owner and Maui tax payer since 1975.

Sent from my iPad

EDB Committee

From: Lisa Williams <lisa-williams-bb@sbcglobal.net>
Sent: Monday, April 22, 2019 11:28 AM
To: EDB Committee
Subject: Tax increase for real property tax rates for two categories: Hotel/Resort and Short-term rental

Dear Chair Rawlins-Fernandez and Members of the Committee:

My name is Lisa Williams, and I am the owner of apartment C606, Kihei Akahi, Kihei

I oppose the proposal to raise, by **64.5%**, the current hotel and resort real property tax rate from the current \$9.37 per \$1,000 of assessed value to \$15.41 per \$1,000. Additionally, I oppose the drastic short-term rental rate increase from the current \$9.28 per \$1,000 of assessed value to \$15.41 per \$1,000. The hotel/resort, short-term rental and timeshare classifications are the highest tax rates for Maui County. I respectfully request that we look at creating a more equitable share in tax rates.

The reasons for my opposition are as follows:

High Property Values: Maui County's economy is powered in large part by a strong visitor industry, and year after year I see double digit increases to our industry's real property values, resulting in more tax revenues being collected. Based on the increase in property assessed values alone an additional \$14 million will be generated at the current RPT rates for Hotel/Resort, Short Term Rentals, and Timeshare. The additional tax revenue already produced by higher property values should be enough.

Economic Slowdown: Many signs have pointed to an economic slowdown over the past year as concerns have been shared by state economists, government leaders, and visitor industry experts. This point was amplified by a recent report by the Hawai'i Tourism Authority that reflected our industry having the worst February performance over the last decade. (See attached report) This is of concern as the month of February is typically the strongest for hotels and sets a benchmark for the remainder of the year.

Industry Competitiveness: The hospitality industry, which competes nationally and internationally against lower-priced destinations, cannot continue to pass on tax increases to our visitors while concurrently dealing with the state's high cost of living. While national comparisons on taxes are numerous, there is no denying that Hawai'i consistently ranks among the jurisdictions with the highest tax rates for lodging accommodations. I am keenly aware

of our position in the visitor market and the cost of a Hawai'i vacation. Any forces that adversely affect our ability to compete, such as having to pass along higher taxes, also impact our appeal as a visitor destination, the availability of money to invest in new hotel properties or renovate existing ones, and employment within the hospitality industry and related travel businesses, all of which has a ripple effect across our entire economy. Small retail and restaurants attached to a hotel or resort will also be negatively impacted by this additional tax increase.

Impact on Hawai'i's Workforce: The cost of doing business in Hawai'i is already at a point where companies are having a difficult time turning equitable profits. The addition of increased taxes would produce an extra burden on our hotels and resorts forcing them to possibly look at cutting operational costs and ultimately workforce. I am aware that the hospitality industry is the number one private sector employer in Maui County as well as one of the highest taxed economic sectors, further levies could result in fewer jobs, employment cut backs, and curtailment of incentives.

Industry Support for the Community: There is the misconception that the visitor industry exists to benefit offshore investment companies. However, not only is the industry the number one private sector employer in Maui County but it is a generous supporter of local community charities. Individual businesses donate money, goods, and services to worthy causes. The Maui Hotel & Lodging Association's Charity Walk, raised over \$1.4 million last year exclusively for 100 Maui County non-profit organizations, granted over \$35,000 last year in scholarships to public school seniors and scholarships to UH Maui college students, and has worked tirelessly to secure matching funds from the State to support organizations that assist our homeless population. I believe in investing in our employees and our community.

Conclusion: The hospitality industry has enjoyed 7 consecutive years of record increases. I must be mindful, however, that the hotel sector has not benefitted entirely from this growth as more and more travelers are opting to stay at alternative accommodations. With what I have experienced last year in manmade and natural disasters, a hotel strike, and the government shutdown I must be cognizant of the fact that nothing can be taken for granted. In this regard, remaining cost-competitive and not viewing the visitor industry as a source of endless wealth for government must be foremost if we are to maintain our status as a prime destination for many years to come. Furthermore, there are thousands of individuals from every County District who are your constituents, who are employed by lodging and hospitality businesses that are very dependent on their living from the visitor industry to support their families. I ask that you oppose measures that could threaten their livelihoods and place the number one provider of jobs in the state in jeopardy.

Thank you for the opportunity to testify.

Sincerely,

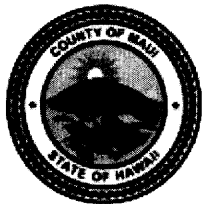
Lisa Williams,

Owner, C606, Kihei Akahi, Kihei

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 10:44 AM
To: EDB Committee
Subject: Fw: KOR/N -- Environmental Stewardship Efforts
Attachments: Westin-Kaanapali_2013.pdf; Updates Since 2013 Env Recog.pdf

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Mary Fechtig <maryfechtig@gmail.com>
Sent: Monday, April 22, 2019 8:24 AM
To: Kelly King; Keani N. Rawlins
Cc: Shan Tsutsui; Beth Brill
Subject: KOR/N -- Environmental Stewardship Efforts

Aloha, Kelly and Keani.

This is further to my note last week regarding the RPT millage rates that are under consideration by the Council.

We understand that among your concerns are making sure that resorts, like KOR/N, play their part in making sure Maui's resources are preserved. To that end, Beth and I thought we would provide you with some information demonstrating KOR/N's commitment to be good stewards of Maui, including of its natural resources. For years, KOR/N has been investing significant dollars in environmentally conscious actions at the resort simply because we believe it is the right thing to do. Attached please find the following documents that summarize our investments: 1) a 2013 informational sheet reflecting the efforts at that point that led to us being recognized by the Hawaii Green Business program and 2) a list of updated environment-based projects since 2013. Our Trust and Foundation also made a sizable donation in 2018 to the Pu'u Kukui Watershed Preserve and were invited to visit the Preserve and gain a further understanding of its vital importance to the Island.

We hope this demonstrates KOR/N's long-standing commitment to honor and preserve Maui's precious resources -- not just for its current residents (and visitors), but for future generations to come.

Mahalo, Mary

On Fri, Apr 19, 2019 at 7:47 PM Mary Fechtig <maryfechtig@gmail.com> wrote:
Aloha, Kelly and Keani.

I hope you both are surviving the busyness of the budget season. Although Beth and I were in Maui this past week, we won't be able to attend next week's hearing on the FY20 RPT millage rates. So, we wanted to take the opportunity to submit for your consideration our thoughts on the Council's proposed FY20 RPT millage rates as they relate to the three "tourism" groups – Timeshare, Hotel/Resort, and Short-Term Rental.

We have reviewed your proposed rates and have some understanding of the change of policy that it represents. We do have a few comments from our perspective (on behalf of KOR/N). First, we believe that equalizing the "tourism" groups in millage rate is the right course; treating timeshare and hotels the same for purposes of RPT has been something we have consistently supported for a long time. However, we are concerned that the proposed millage rate structure places too much of a burden on the tourism group, especially in light of the additional revenue being sought. However, without understanding the Council's need for this revenue, it's difficult to comment further. Finally, we were hoping for some tax relief for timeshares from previous years' levels (ranging from \$14.00 (FY06) - \$15.41 (FY19)) in light of what we have felt was a significant imbalance between the timeshare and hotel millage rates during that period.

Based on the above, we are proposing a FY20 millage rate for the "tourism" groups of \$11.92. Our proposed rate is based on the midpoint of two calculations: 1) taking the FY19 hotel millage rate and averaging it with the hotel millage rate for Oahu, Kauai, and Hawaii; and 2) taking the Council's proposed FY20 hotel millage rate and averaging it with the hotel millage rate for Oahu, Kauai, and Hawaii. (See, attached spreadsheet). The rationale for this method is that it balances the need of additional revenue from the "tourism" group with the potential negative economic and market effects if operating expenses for these entities are materially higher in Maui than elsewhere in the State. Importantly, the proposed millage rate would still generate an additional \$17 million from these property classifications, assuming no changes in the Council proposed rates for other classifications. If additional revenue was needed, we would suggest pro rating that figure against the entire classification structure. In other words, having each classification share in that additional burden.

We know you both are juggling a lot of interests and needs with the FY20 budget. Beth and I continue to appreciate your time and consideration of KOR/N in this process.

With much gratitude,

Mary



DBEDT
THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM
STATE OF HAWAII



H
*The Chamber of
Commerce of Hawaii*

THE WESTIN
KA'ANAPALI
OCEAN RESORT VILLAS



The Westin Ka'anapali Ocean Resort Villas is an inspiringly-designed resort nestled within the natural beauty of West Maui's beaches and mountains. Set on a pristine expanse of North Ka'anapali Beach with breathtaking views of the Pacific Ocean, the resort's unique residences embrace the luxuries of a Westin resort with all the conveniences of home. It is the largest resort in Maui with a total of 1,021 villas occupying 26-acres of beachfront paradise.

The first Starwood Vacation Ownership Resort launched in Hawaii in September 2003, the purpose-built four diamond resort continues to be actively involved in reducing the environmental impact of business activities, improving and innovating practices aimed at:

- Conserving natural resources
- Minimizing waste and pollution
- Enhancing indoor environmental quality
- Establishing and reporting on key environmental performance indicators
- Raising environmental awareness amongst associates, guests, business, community partners

In accordance with Starwood's Worldwide Conservation goal, the resort is focusing on reducing energy consumption by 30% and water consumption by 20% by the year 2020 in comparison to its 2008 baseline study.

The resort has made remarkable achievements between 2008 and 2012 in these areas:

ENERGY:	Reduced consumption by 15% (or 19,893,266 kBtu in 2012)
WATER:	Reduced consumption by 15% (or 14,343,917 gallons in 2012)
WASTE:	20% diversion rate (or 1,131 tons total from 2008 to 2012)
CARBON FOOTPRINT:	22% reduction in CO2 emissions (or 3,534 tons in 2012)

Between 2009 and 2011, the resort's Energy & Water Reduction Initiatives included:

- Chill water system upgrade
- Domestic hot water system alterations & controls upgrade
- Variable Frequency Drives (VFDs) for pool & water feature pumps
- Variable Frequency Drives (VFDs) – chiller & condensed water
- Sub-Metering
- Building Automation System (BAS)
- Guest corridor CFL retrofits
- Guest corridor TSTAT
- Guest villa CFL conversions of corded fixtures
- Guest villa CFL conversions of dining & kitchen lights
- Guest villa bathroom vanity CFL conversions
- Dual showerhead to single showerhead
- Preventative maintenance
- Villa maintenance

In 2012 alone, the following Energy & Water Reduction Initiatives were undertaken:

- CO2 Garage Sensors
- Guest Villa LED Retrofits
- Common Area & Heart of House Auto Sensors
- Pool LED Retrofits
- Tennis Court Light Timer Install
- Guest Villa Faucet Aerator Conversions
- Landscape Drip Irrigation Conversions
- Maxicomm Weather Station Installation

Other major resort initiatives included:

- Sustainable Landscaping
- Sustainable Dune Program & Restoration
- E-folio (issued 85,844 E-folios in 2012)
- Make a Green Choice (9,884 participating room nights in 2012)
- Reusable Grocery Totes for Guests
- Associate E-Handbook
- Sustainable Housekeeping Practices
- Guest Robes upon Request Only
- End-of Life Linen Program

The culinary and food & beverage departments also played an instrumental sustainable role:

- Edible On-site Garden
- Food Waste for Pigs
- Water Filtration System
- Fuel From the Fire
- Support Local Agriculture
- Sustainable Food Menu
- Eco-packaging
- Elimination of threatened seafood
- Bulk food presentation vs. individual packaging

The resort's Sustainable Council enhanced Guest Experiences and provided timely Education through:

- Earth Hour annual celebration
- Earth Day Activities
- Ka'anapali Makai Watch
- Ocean Awareness

Additionally, the Sustainable Council encouraged and participated in Community Involvement through:

- Clean the World
- International Coastal Cleanup
- Blue 'Aina Reef Cleanup
- HI5 Community Project
- University of Hawaii Maui College
- Relay for Life (American Cancer Society)
- Charity Walk
- Maui Youth Fair
- Maui Food Bank
- Malama Honokowai (valley restoration)
- Malama Kaheawa (wind farm)
- Highway Cleanup
- Opportunity Rocks (student program)
- Ka Hale a Ke Ola Homeless Resource Center

Cultural Awareness for Guests and Associates (employees) included:

- Appointment of resort Cultural Specialist
- E Ala E Leadership - Kick Off
- Kukui Hele Po – All Associates Meeting
- Cultural Training
- Customer Service Week
- Special Arrivals
- Celebration of the Arts
- Kamehameha Day Parade
- 9/11 Commemoration
- Mapping of Hawaii
- Navigation & Polynesian Wayfinding
- Makahiki – Season of Peace

Commitment by Resort Sustainability Council

We, at The Westin Ka'anapali Ocean Resort Villas, believe that the well-being of our society and culture is inextricably tied to the health of our environment. Accordingly, we embrace our Kuleana, responsibility, for environmental stewardship and are committed to embodying the concept of Ahupua'a, which is to take care of all living things from the mountains to the sea, by integrating leading environmental practices and sustainability principles into our core business strategy.

UPDATES SINCE 2013 ENVIRONMENTAL RECOGNITION

FROM OUR GENERAL MANAGER, RYAN NOBRIGA:

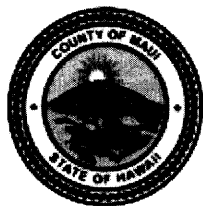
- 1) **The attachment** included with this document outlines several initiatives that we did in the past that allowed our resort to be recognized by the Hawaii Green Business program in 2013. Most of the items noted in the attachment are still in place today.
- 2) **Food & Beverage Outlets:**
 - Straws are only by request only
 - When straws are requested, we offer paper/biodegradable straws
 - Compostable plastic cups are used for beverages
 - To go boxes are green friendly, we no longer use plastic containers nor plastic bags
- 3) **Property-Based:**
 - Rain Bird Smart irrigation system: system will improve efficiency and will proactively send alerts when leaks occur
 - Rain bird system also monitors weather conditions and will automatically shut off outdoor sprinklers when grass is saturated.
 - We have two Micro Turbines (one on north & one on south complex): generating approximated 90% of the resort power to save energy and decrease resort use of power needed by residents and other business:
 - Waste heat generated from the turbines is used to run absorption chillers, heat domestic hot water and heat swimming pools
 - Utilizing the waste heat to heat domestic water at the resort will save thousands of kilowatt energy over time
 - At the same time the heat from that is used by our absorption chillers to produce chilled water that then air conditions room space
 - Air Conditioner in villas ONLY work when the balcony door is fully secured
 - Pacific Bio Diesel picks up grease from the kitchens and recycles it
 - The resort has (3) aquaponic stations that grow green veggies
 - Resort garden available to owners and guests that grows spices and plants that can be cooked
 - 100% of all 1021 villas have low flow aerators installed in
 - Recycle program with Maui Disposal
 - Recycling stations in all seven buildings
 - The resort recycles glass, cardboards, and green waste
 - HI 5 recycle program seeks to divert HI 5 recyclable items from the landfills
 - LED light bulb conversion project (6,000+ bulbs):
 - 90% of all 1021 villas are now utilizing energy efficient LED lighting
 - Villas: Projected 171,6000 annual kWh saved
 - Venues (Spa Helani, Restaurants, Markets and Sales Gallery): Projected 689,840 kWh saved
 - Common Area & Heart of House Auto Sensors
 - 125 sensors installed

- Projected 98,112 kWh annual savings
- Pool LED Retrofits
 - 33 lamps replaced
 - Projected 23,630 kWh annual savings
- Tennis Courting Lighting Timer
 - Projected 14,600 kWh annual savings
- Guest Villa Faucet
 - Aerator Retrofits
 - 2,355 aerators replaced from 2.2 GPM to 1.0GPM (Projected 1,253,260 annual gallons saved)
- CO2 Garage Sensors
 - 99% operating reduction time
 - Projected 418,987 kWh savings annually
- Carboard Baler Investment – Recycling Program
- “Make a Green Choice: Program – since 2009, encouraging owners/guests to “be green” during their stay with in-room signage and at registration

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 10:40 AM
To: EDB Committee
Subject: Fw: KOR/N -- Comments on Council Proposed RPT Millage Rates
Attachments: Proposed FY20 RPT Millage Rates_04.18.19_v1.xlsx

With Aloha,



Office of Council Chair Kelly T. King

South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Mary Fechtig <maryfechtig@gmail.com>
Sent: Friday, April 19, 2019 1:47 PM
To: Kelly King; Keani N. Rawlins
Cc: Shan Tsutsui; Beth Brill
Subject: KOR/N -- Comments on Council Proposed RPT Millage Rates

Aloha, Kelly and Keani.

I hope you both are surviving the busyness of the budget season. Although Beth and I were in Maui this past week, we won't be able to attend next week's hearing on the FY20 RPT millage rates. So, we wanted to take the opportunity to submit for your consideration our thoughts on the Council's proposed FY20 RPT millage rates as they relate to the three "tourism" groups – Timeshare, Hotel/Resort, and Short-Term Rental.

We have reviewed your proposed rates and have some understanding of the change of policy that it represents. We do have a few comments from our perspective (on behalf of KOR/N). First, we believe that equalizing the "tourism" groups in millage rate is the right course; treating timeshare and hotels the same for purposes of RPT has been something we have consistently supported for a long time. However, we are concerned that the proposed millage rate structure places too much of a burden on the tourism group, especially in light of the additional revenue being sought. However, without understanding the Council's need for this revenue, it's difficult to comment further. Finally, we were hoping for some tax relief for timeshares from previous years' levels (ranging from \$14.00

(FY06) - \$15.41 (FY19)) in light of what we have felt was a significant imbalance between the timeshare and hotel millage rates during that period.

Based on the above, we are proposing a FY20 millage rate for the "tourism" groups of \$11.92. Our proposed rate is based on the midpoint of two calculations: 1) taking the FY19 hotel millage rate and averaging it with the hotel millage rate for Oahu, Kauai, and Hawaii; and 2) taking the Council's proposed FY20 hotel millage rate and averaging it with the hotel millage rate for Oahu, Kauai, and Hawaii. (See, attached spreadsheet). The rationale for this method is that it balances the need of additional revenue from the "tourism" group with the potential negative economic and market effects if operating expenses for these entities are materially higher in Maui than elsewhere in the State. Importantly, the proposed millage rate would still generate an additional \$17 million from these property classifications, assuming no changes in the Council proposed rates for other classifications. If additional revenue was needed, we would suggest pro rating that figure against the entire classification structure. In other words, having each classification share in that additional burden.

We know you both are juggling a lot of interests and needs with the FY20 budget. Beth and I continue to appreciate your time and consideration of KOR/N in this process.

With much gratitude,

Mary

PROPERTY TAX - MILLAGE RATES

CATEGORY	DEFINITIONS	MAUI 2019	MAUI FY20 Mayor	MAUI FY20 Council	MAUI FY20 Proposed	OAHU	KAUAI	HAWAII
Timeshare		\$15.41	\$13.93	\$15.41	\$11.92	na	na	na
Hotel/Resort		\$9.37	\$9.60	\$15.41	\$11.92	\$12.90	\$10.85	\$11.55
Short-Term Rental		\$9.28	\$9.55	\$15.41	\$11.92	na	na	na
Vacation Rental		na	na	na		na	\$9.85	na
Apartment		\$6.31	\$6.31	\$5.31		na	na	\$11.70
Commercial Residential		\$4.55	\$4.55	\$4.55		na	na	na
Residential Investor		na	na	na		na	\$8.05	na
Residential		\$5.52	\$5.52	\$5.24		\$3.50	\$6.05	\$11.10
Residential - A	Up to \$1M	na	na	na		\$4.50	na	na
Residential - B	Over \$1M	na	na	na		\$9.00	na	na
Homeowner		\$2.85	\$2.85	\$2.66		na	na	\$6.15
Homestead		na	na	na		na	\$3.05	na
Affordable Housing		na	na	na		na	na	\$6.15
Commercialized Home Use								
Commercialized Home Use		na	na	na		na	\$5.05	na
Commercial		\$7.25	\$7.39	\$7.39		\$12.40	\$8.10	\$10.70
Industrial		\$7.45	\$7.48	\$7.48		\$12.40	\$8.10	\$10.70
Agriculture		\$6.00	\$6.00	\$5.94		\$5.70	\$6.75	\$9.35
Vacant Agriculture/Land		na	na	na		\$8.50	na	
Conervation		\$6.35	\$6.35	\$6.35		na	\$6.75	\$11.55
Preservation		na	na	na		na	na	na
Public Service		na	na	na		\$0.00	na	na

"OTHER ISLAND"-BASED RATE SETTING METHODS:

\$11.17 Method A (Average of FY19 Maui Hotel and Other Islands Hotel Millage Rates)

\$12.68 Method B (Average of FY20 Proposed Tourist Group and Other Islands Hotel Millage Rates)

\$11.92 MIDPOINT of METHOD A & B = PROPOSED MILLAGE RATE

Timeshare Change	-23%
Hotel/Resort Change	27%
Short Term Rental Change	28%

Tourist Groups	Assessed Value	Millage Rate/000	FY20 Revenue
Timeshare	\$2,429,761,400	\$11.92	\$28,962,756
Hotel/Resort	\$2,640,307,800	\$11.92	\$31,472,469
S-T Rental	\$9,435,268,800	\$11.92	\$112,468,404
	\$14,505,338,000		\$172,903,629
Council FY20 Budget Plan			\$223,527,258
Variance from Council FY20 Budget			-\$50,623,629

EDB Committee

From: mdjdhome@aol.com
Sent: Monday, April 22, 2019 11:27 AM
To: EDB Committee; Keani N. Rawlins
Cc: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Maui County Budget Hearings - I support fair tax rates

Dear Committee Chair Keani N.W. Rawlins-Fernandez and Economic Development and Budget Committee Members,

I am writing in favor of fair and reasonable tax rates for the vacation rental industry. And, I respectfully request you **reconsider** the proposal of the Budget Committee to increase tax rates on **Short Term Rental classifications** to the same rate as Time Share, which I believe would represent a 66% increase! My husband and I own one property in Maui and it is our 2nd home. A tax increase of this size would be a significant financial burden to our family.

If I may give some history...I began visiting Maui in the mid 80's (while in my 20's) and fell in love with the island, as so many do, and it became my dream to live in Maui one day. In the 90's, I brought my fiancé and he fell in love with Maui as well. In 1997 we were married on the grounds of the Papakea Resort, in Honokawai, and so it became a very special place to us. In 2002, we came upon a unit at Papakea that was for sale and actually had a view of the spot where we were married 5 years before. At that time the market was strong and we were fortunate enough to purchase that unit as our 2nd home. It was a huge decision, but it just seemed right to invest our hard-earned savings in something that was not only long lasting and valuable, but that we could personally use and share with others.

We enjoy extended stays at our 2nd home a couple of times of year and very much look forward to the near future when we can retire and spend even more time in Maui. We also love to share our place with our large families and long-time friends. This is NOT a hotel or "time-share" to us and we do not treat it as one. Although we do offer short-term rentals to help with the cost of maintaining our investment, we are selective about our guests and ask them to treat it as their home as well. We also make sacrifices in our family budget to be able to afford our visits to Maui, so again, a 66% tax increase would be a major blow!

When we are on island, we love to be a part of the community and attend local events such as the swap meet and farmer's markets. We support local small businesses that do maintenance and repairs to keep our home in tip-top condition. We also spend quite a bit on appliances (Hamai Appliance), furnishings (Minds Eye Interiors), carpeting (Lahaina Carpets), repair supplies (Ace Hardware, Lowes, & Home Depot) and kitchen supplies (Target, Longs, etc.). We visit the local grocery store (Times Market, ABC & Safeway), regularly as we like to "live" like we're at home when we're on the island. And, of course, we love to support our favorite restaurants in the area (too many to name).

Although we don't live there permanently (yet), I'd like to believe we help to support the Maui economy. We understand the challenges the island faces as it grows and the hard choices of occasionally increasing taxes. However, we respectfully ask the committee to consider keeping the tax rate on the Short-Term Rental category where it currently is. If our tax rate were to increase by 66%, I'm afraid we would have no choice but to spend less at all the places mentioned above.

Thank you for listening.

Maureen (and Jim) Donohue,
Owners at Papakea Resort since 2002

EDB Committee

From: Melanie Padgett <mauiecrc@gmail.com>
Sent: ✓ Monday, April 22, 2019 10:08 AM
To: EDB Committee
Subject: Fwd: Maui County Child Care Subsidy Request for Support Letters and other Information
Attachments: mk.pdf

Forwarding testimony in support of Early Childhood Programs Maui County Child Care Subsidy

Melanie Padgett
Project Specialist
Maui County Early Childhood Resource Center 251 Napua St. Wailuku, HI 96793
Phone: 242-1608
FAX: 270-5556
Mailing Address: MCECRC/MFSS 1844 Wili Pa Loop Wailuku HI 96793

----- Forwarded message -----

From: **kendl&megan kamai** <kmkamai2615@gmail.com>
Date: Thu, Mar 28, 2019 at 5:02 PM
Subject: Re: Maui County Child Care Subsidy Request for Support Letters and other Information
To: Melanie Padgett <mauiecrc@gmail.com>

Sent from my iPhone

On Mar 28, 2019, at 2:16 PM, Melanie Padgett <mauiecrc@gmail.com> wrote:



MEGAN KAMAI

117 kaulana na pua circle Wailuku Hi, 96793

| (808)740-5120| kmkamai2615@gmail.com

Date: March/28/2019

Council Member
Maui County Early Childhood
251 Napua Street
Wailuku, HI 96793

Dear :

First and foremost I Megan Kamai whom is currently Receiving child care subsidies through Maui County, and I would like to take this time to genuinely thank you from the bottom of my heart in helping individuals like me in paying Partial of our Keiki's school/child care providers.

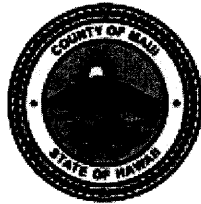
You folks have been such a blessing to those in need and more. Your help has/is helping my family succeed in keeping my child in school not only to learn but to help me (a single mother of three) to get to work and be able to provide for my children. Being the only parent working is quite hard to manage when you have no support from family members that is why I'm writing this letter to show how much you are loved. You along with Maui County Early Childhood has my full appreciation and I can't thank you enough.
MAHALO

Sincerely,

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 10:43 AM
To: EDB Committee
Subject: Fw: Property Tax

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Michael Learned <michaelcleared@gmail.com>
Sent: Monday, April 22, 2019 7:17 AM
To: Keani N. Rawlins; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina;
Tamara.Paltin@mauicounty.us; Shane M. Sinenci; Yukilei Sugimura
Subject: Property Tax

To: Maui County Economic Department and Budget Committee

This e-mail is in strong opposition to the proposed increase in property tax rates on short term rentals, while maintaining lower rates for time shares and hotels. Short term rentals are renting a second home to create revenue to pay for maintenance, taxes, HOA fees and other expenses of ownership.

It is unfair to punish those folks who live in Maui part time and contribute to the economy. We have owned one of our units since 1986 and the property taxes have gone from about \$700 to about \$8,000. Our second unit, which we purchased in 2014 has gone from about \$6,400 to \$9,900. This is about \$9.28/\$1,000 of assessed value. Your proposal (\$15.41/\$1,000) would increase our property taxes by about \$6,100 for each building, which is almost a 60% increase in one year! We believe this kind of increase is unwarranted.

Short term rentals pay about 25% of the \$319,516,547 of real property tax revenue compared to 11% for time share and 7% for hotels.

Please reconsider this inordinate tax, or at least use the same rates for all residential property tax payers.

Michael and Karen Learned
57-2 Pulaoke Place, Lahaina, HI 96761

48-4 Puailima Place, Lahaina, HI 96761

EDB Committee

From: waterfall@ak.net
Sent: Friday, April 19, 2019 3:41 PM
To: Keani N. Rawlins; EDB Committee
Cc: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Yukilei Sugimura
Subject: Short Term Rental property tax Classifications
Attachments: Short term rental Taxation.pdf

Ladies & Gentlemen,

Please allow me to submit the attached testimony regarding your committees discussion to increase property tax rates on Short-Term Rentals from 9.28 to 15.4 Mills. I would like to have my testimony become part of the public record. If there is a protocol that I need to follow please reply to this email and I will be happy to comply. Thank you for allowing me to submit a public testimony.

Happy Easter

Thx
me

Mike Elerding

907-617-5412 Cell

mike@coastalak.com



Michael J. Elerding

Danger Island
Box 5811, Ketchikan, AK 99901
907-617-5412 Cell
Mike@coastalak.com

Keani N.W. Rawlins-Fernandez, Chair
Economic Development & Budget Committee
Keani.Rawlins@mauicounty.us
Maui, HI 96753

19 April 2019

RE: Change in Property Tax Rate for Short Term Rental Classification

Dear Chairperson Rawlins-Fernandez

My wife and I live on a small island in SE Alaska, located on Revilla Gigedo Island which is geographically about the same size as Maui. In 2014 we purchased a Maui condo as a second home. Each year we commute with the "Alaskan" Hump Back Whales who traverse to Maui for the winter season.

Our local Alaskan economy is highly dependent upon summer tourism. As island dwellers, we have firsthand appreciation of the economic impact and demand that millions of visitors place on local infrastructure and services. Clearly there is an economic benefit that visitors provide to local businesses. This benefit flows through to local governments through varying forms of taxation. We have empathy and understand the cost/benefit ratio of tourism and how it impacts the local economy and the infrastructure/services provided by the local government.

In order to subsidize costs of maintaining our second home in Maui we have elected to rent our unit out in the short-term rental vacation market. As a consequence, of our rental decision our tax classification puts us in the 9.28 mill rate for property tax as compared to a 5.52 mill rate for local property owners. It is my understanding that the mayors budget proposal included a modest increase for the Short-Term Rental classification, but that committee discussions proposed increasing the Short-Term Rental rates to the same as Time Share rates of 15.41 mills an increase of 66%.

Please consider what a tax increase of 66% would do to our ability to maintain our Maui condo. Passing along property tax increases to our short-term rental guests would put rental rates too high, the same logic that was used to exclude property tax rate increases to the Hotel-Resort classification. Owners of Condo's employ a host of goods and services from local vendors including property management firms who act as our advocates.

Finally, it feels patently unfair that a 66% property tax **increase** would be passed on to a segment of the population that has no elected representation. We are willing to pay our pro rata share of additional costs and burdens to the infrastructure and services provided by local government. However, I challenge you to demonstrate that there is any equitable correlation between the proposed tax increase for the Short-Term Rental classification and a corresponding increase in services consumed by this sector.

Please reconsider the decision to tax Short-Term Rentals at the 15.41 millage rate. Thank you for your consideration.

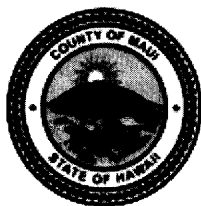
Sincerely yours,

Michael J. Elerding

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 12:34 PM
To: EDB Committee
Subject: Fw: Message in Support of Taxing Short Term Vacation Rental Condos and Homes like Timeshares

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Michael Strembitsky <strembitsky@yahoo.com>
Sent: Monday, April 22, 2019 12:20 PM
To: Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Message in Support of Taxing Short Term Vacation Rental Condos and Homes like Timeshares

I live full time in Kihei Surfside. It's a building of 82 condos, most of which are owned by individuals that make a business of renting their units for short term stays. To the best of my knowledge, six or eight of the 82 units are timeshares. Two units are owned and occupied by full time Maui residents (including mine). Two or three other units are "never rented" 2nd homes for people that primarily reside on the US or Canada mainland. That leaves about 70 short term vacation rentals owned primarily by non Maui residents.

According to the recommendations of the World Tourist Organization, the optimum number of staff per 10 rooms in three star hotel – 8 person, in four star hotel – 12 person, in 5 star hotel – **20** person. If Kihei Surfside were just a three star hotel, the optimum number of staff would be about 80 rooms / 10 x 8 staff / room = 64. We have 4 full time staff. **FOUR.**

As most of the units are independently owned, the owners contract for housekeeping, window washing and maintenance services. I estimate the number of those people to be less than ten "full time equivalents". Most of those are contract type jobs (paying a set amount per unit cleaned) so not really employees and no benefits.

That means there are about 50 jobs (64 - 10 full time equivalents - 4 staff) that should be available to Maui residents that are simply not here or 80 missing jobs if Kihei Surfside were a four star resort.

I get messages from my homeowners association (copy attached) advising that I should be alarmed by the tax proposal under consideration and that short term condo and home rentals provide plenty of jobs. I'd like to refute some of those assertions:

- Reservations Staff - usually VRBO or Air BNB or some other off island entity collecting 20%. That's more off island jobs and dollars not spent or even seen here in Maui.
- Housekeepers - clean every two or three weeks; not every day and those contract jobs don't normally pay benefits.
- Restaurants - the condos and homes all have kitchens. The guests eat two or three meals a day at the vacation rental and only support restaurants a few times a week.

Please don't believe that short term vacation rental homes or condos create more jobs than timeshares. They simply don't, and for that reason they should be taxed accordingly.

Michael Strembitsky

----- Forwarded Message -----

From: Katherine Steinberg <kiheisurfsidegm@gmail.com>
To: "Kiheisurfside@gmail.com" <Kiheisurfside@gmail.com>
Sent: Saturday, April 20, 2019, 7:24:28 AM HST
Subject: Tax increase information 2019

FYI – This was forwarded from one of our owners – Ilse-Marie Lee (511) – Thanks you! Kate

Begin forwarded message:

From: <info@aliiresorts.com>

Subject: Proposed 60% Increase in Property Tax - ACT NOW

Date: April 19, 2019 at 2:14:11 PM MDT

To: <fdlee314@gmail.com>

Reply-To: <info@aliiresorts.com>

Aloha Maui Home Owners,

The following is a message we received from fellow professional property manager. The matter is urgent and the clock is ticking. Please continue to read.

"I wanted to be sure that everyone is aware of the current property tax proposal before the County council. It's budget time, and new property tax rates for the year 2019 - 2020 will be set for each category. The vacation rental condos and homes are combined in the "Short Term Rental" property tax category. During the April 3rd budget meeting, the budget committee chair proposed setting a rate that would be **60% higher than the current rate**. This would align these units with Time Share units, with a property tax rate that is substantially higher than the hotels.

If you want to understand the thought process of the current council members, I'd suggest watching the April 3rd meeting. There is a presentation at the beginning but the portion you'll be interested in is within the last half. Check for the April 3rd meeting at this link and click the video link to the far right: <https://mauicounty.legistar.com/Calendar.aspx>

Unless there is a flood of testimony, this substantial increase will pass on through, as many of these owners are off-island and don't vote in Maui County.

What needs to be done?

1) All managers, their employees and owners should submit written testimony. Send testimony via email to edb.committee@mauicounty.us. You may also send testimony to Committee Chair Keani N.W. Rawlins-Fernandez at Keani.Rawlins@mauicounty.us.

The other Economic Development and Budget Committee members and their emails are as follows:

Kelly T. King, Vice-Chair, Kelly.King@mauicounty.us

Riki Hokama, Riki.Hokama@mauicounty.us

Tasha Kama, Tasha.Kama@mauicounty.us

Alice L. Lee, Alice.Lee@mauicounty.us

Michael J. Molina, Mike.Molina@mauicounty.us

Tamara Paltin, Tamara.Paltin@mauicounty.us

Shane M. Sinenci, Shane.Sinenci@mauicounty.us

2) as many local people as possible should show up to testify in person at the meeting shown below. Testimony is taken at the beginning of each meeting, so they'll need to arrive promptly. All meetings are held in Council chambers.

April 24, 6:00pm

Other meetings will be posted and can be viewed here: MauiCounty.us/agendas

3) Ask the AOA of the properties you work with to notify all owners.

4) Call each council member and try to arrange a personal meeting or phone discussion with them. **They all seem to believe that hotels provide jobs, but condos and short term rental homes do not.**

Quick Tips for effective testimony

☞• Be courteous

- State your position.
- Councilmembers want to know: Is the testifier in support or opposition, requesting an amendment or just providing information? Clearly stating your opposition to such a huge tax increase at both the beginning and ending of your testimony.
- Be concise and brief, if testifying in person you will only have 3 minutes.
- Councilmembers receive a significant amount of verbal and written testimony. They consider each piece of testimony, but concise arguments help them to focus and remember key points.
- Include supporting material or detailed descriptions as attachments.
- Beyond the body of your testimony, you may have additional supporting facts to provide to Councilmembers. Consider appending them to your testimony, whether in email or printed form.
- Prepare a written summary of your oral testimony.
- If you plan on providing oral testimony, consider preparing a written summary of your comments as well. This allows Councilmembers to reference your comments later in the meeting and allows them to concentrate on listening to your testimony instead of trying to take notes.
- Although everyone may not agree on everything, every viewpoint is valued and respected. As a community that embodies the word "Aloha," we should be able to disagree while still respecting and listening to the opinions of others.
- Offer solutions.

The challenge to addressing a problem is finding the solution. Often the best solutions come from those in the community with the best knowledge of a situation. Sharing solutions in your testimony helps the Councilmembers to solve problems.

A 60% property tax increase is very substantial. Together, perhaps we can change their minds!!!"

The current real property tax rates are here:

<https://www.mauicounty.gov/DocumentCenter/View/112816/2018-Tax-Rate>

THE COUNCIL CHAIR HAS PROPOSED TO INCREASE THE SHORT TERM RENTAL RATE FROM THE CURRENT PRICE TO THAT OF TIMESHARES.

We ask you to make your voice heard today. Please note: the government offices are closed today due to Good Friday. Mahalo for your time and attention to this impactful matter for you as an owner and the Vacation Rental Industry in Maui County.

Ali'i Resorts, LLC
www.AliiResorts.com
808-879-6284

For your reference, here's a short list of the business and individuals that are supported by the Vacation Rental Industry. I'm sure you can think of more to add to the list.

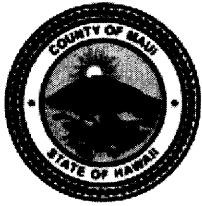
- ℞• Reservations staff
- ℞• Housekeepers and Housemen
- ℞• Property managers
- ℞• Concierge and Activity Salespersons
- ℞• Accountants
- ℞• Online Marketers
- ℞• Offline Marketers
- ℞• Plumbers
- ℞• Carpet Cleaning Workers
- ℞• Flood Control Workers
- ℞• Glass Repair and Installation Companies Professionals
- ℞• Blind Repair and Installation Companies
- ℞• Data and Technology Workers
- ℞• Painters
- ℞• Home Entertainment Professionals
- ℞• Dry Cleaning and Professional Washing Workers
- ℞• General Handymen
- ℞• General Contractors
- ℞• Tile Installers
- ℞• Woodworkers
- ℞• Security Professional Workers
- ℞• Landscapers
- ℞• Pool Care Workers
- ℞• Electricians
- ℞• Remediation Pros

Kate Steinberg
General Manager
Kihei Surfside Resort
2936 S Kihei Road
Kihei, Maui, HI 96753
808/870-1050 C

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 10:43 AM
To: EDB Committee
Subject: Fw:
Attachments: Property Tax Increase Opposition Testimony.pdf

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Michael Wilde <mikebwilde@gmail.com>
Sent: Monday, April 22, 2019 7:27 AM
To: Keani N. Rawlins
Cc: Kelly King; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject:

Aloha,

This email is being sent in opposition to the proposed massive increase in Property Tax for Short Term rental properties. Please see the attached document for my testimony.

Mahalo,

Michael Wilde

April 22, 2019

Council Member Keani Rawlins-Fernandez
Chairman, Budget & Finance Committee
Maui County Council
200 South High Street, 8th Floor
Wailuku, Hawaii 96793

Dear Chair Rawlins-Fernandez and Members of the Committee:

My name is Michael Wilde and I own a condominium at Honua Kai Resort & Spa.

I strongly oppose the proposal to raise, by **64.5%**, the current hotel and resort real property tax rate from the current \$9.37 per \$1,000 of assessed value to \$15.41 per \$1,000. Additionally, I oppose the drastic short-term rental rate increase from the current \$9.28 per \$1,000 of assessed value to \$15.41 per \$1,000.

The reasons for our opposition are as follows:

I have responsibly collected and paid all taxes required by the State of Hawaii since the date of purchase in 2009. Since then, TAT has increased from \$6.25 per \$1,000 valuation to the current amount of \$9.28 per \$1,000 valuation. Last year, my rental guests paid about \$32,000 in TAT and GET taxes. My property tax assessment is currently \$20,000 per year. Increasing the property tax will likely make ownership unsustainable forcing me to sell my unit and leave Hawaii all together. I'm sure many, many other owners are in a similar situation. Also...

- Raising hotel and transient property taxes by 60% will lead to at least a 10% increase in accommodation rates across the board. That extra \$400 for a family of 4 on a week vacation is significant enough to pick a destination other than Maui. It will also directly reduce property values and cause thousands to sell their condos flooding the market.
- Given that Maui is already the most expensive of the islands, that extra \$400 a week could easily lead a family of 4 to choose to go to Oahu, Big Island, or Kauai instead or not even come to Hawaii. I think you can see how this will have a devastating impact on the entire economy of Maui County which relies almost exclusively on tourism.
- This tax increase will ultimately trickle down to every part of Maui's economy, not just storefronts, restaurants, tour operators, but also contractors. There are a lot of older condos on Maui and no one would be able to afford to renovate them if they pay another \$10K a year in property taxes.
- The cost of doing business in Hawai'i is already at a point where companies are having a difficult time turning equitable profits. The addition of increased taxes would produce an extra burden on our hotels and resorts forcing them to possibly look at cutting operational costs and ultimately workforce.

- The hospitality industry is the number one private sector employer in Maui County as well as one of the highest taxed economic sectors, further levies could result in less jobs, employment cut backs, and curtailment of incentives.
- As occurred in NYC years ago, local and state taxes grew to be so large that tourists simply stopped visiting. Should this happen in Hawaii due to such huge tax increases, it will take a long time for Hawaii to recover economically. The tourist well is not bottomless!

Conclusion:

I respectfully request that the Maui County Council adopt the Mayor's proposal for the 2020 budget which keeps the status quo in place by limiting the Short Term property tax rate increase to \$9.55. This is the only sensible proposal which does not seriously threaten the economic livelihood of Maui County and its people.

Although it is true that out of state property owners do not have the privilege of living in Maui year around as you do, please remember we are still part of the same Ohana and there is a very delicate balance here that is clearly in everyone's best interest to maintain. I thank you for your consideration in this very important matter.

Thank you for the opportunity to testify.

Sincerely,

Michael Wilde
Maui Rental Property Owner & Tax Payer

EDB Committee

From: Nancy.MoorsSD@Gmail.com
Sent: Monday, April 22, 2019 11:09 AM
To: EDB Committee
Subject: Proposed tax increase on vacation rentals

Dear Elected Officials,

I am an owner of two vacation rental properties on Maui.

I'm writing today to ask that you do not move forward on plans to increase the property tax on vacation rentals. The implementation of this plan will slow tourism on Maui and is not in the best interest of the county or the property owner.

Please do not pass the discussed plan for an increase in property tax to vacation rental properties.

Thank you,
Nancy Moors
2075 South Kihei Rd #108
2777 South Kihei Road L-104

EDB Committee

From: Neil Lieb <neil.lieb@gmail.com>
Sent: Monday, April 22, 2019 11:44 AM
To: EDB Committee
Subject: Please Reject Proposed Short Term / Hotel Tax Increases

Council Member Keani Rawlins-Fernandez
Chairman, Budget & Finance Committee
Maui County Council
200 South High Street, 8th Floor
Wailuku, Hawaii 96793

Dear Chair Rawlins-Fernandez and Members of the Committee:

My name is Neil Lieb and I have owned a 2 bedroom condominium at the Maui Banyan in South Kihei for the last 2 years.

I oppose the proposal to raise, by **64.5%**, the current hotel and resort real property tax rate from the current \$9.37 per \$1,000 of assessed value to \$15.41 per \$1,000. Additionally, I oppose the **DRASTIC** short-term rental rate increase from the current \$9.28 per \$1,000 of assessed value to \$15.41 per \$1,000. The hotel/resort, short-term rental and timeshare classifications are the highest tax rates for Maui County. I would like to respectfully request that we look at creating a more equitable share in tax rates.

I can understand that there are always more needs in a community than there are tax dollars coming in to support those communities. However, as tourism is the number one industry in Hawaii I think it would be very **SHORT-SIGHTED** to increase the property tax so severely on those properties that directly support the tourism industry. Anyone with a basic understanding of economics knows that any tax increase on the property owners of Maui will just be passed on down the chain to the ultimate consumer - that is, the tourist traveling to Maui. As rental rates increase to cover the proposed tax rate increase, many mainlanders and foreign tourists will quickly be priced out of traveling to Maui and will look for accommodations elsewhere, resulting in an **OVERALL DECREASE** in TAX REVENUE for Maui County.

The rental income from my property not only supports my own family, but the livelihood of many local service providers on the island, including handymen, painters, cleaners, food providers, plumbers, and property managers to name a few. Please consider the overall impact that **ANY** property tax increase will have on those who most depend on the tourism income that is generated by rental condos on Maui.

I therefore ask that you please refrain from any more property tax increases on the short term and hotel property categories and look to other sources of tax income for Maui.

Thank you for your time and consideration.

Sincerely,

Neil Lieb

EDB Committee

From: Maui Chamber Legislation <legislation@mauichamber.com>
Sent: Monday, April 22, 2019 10:31 AM
To: EDB Committee
Subject: Testimony on FY20 Budget- MVB Funding
Attachments: Testimony on FY20 MVB Budget 042219.pdf

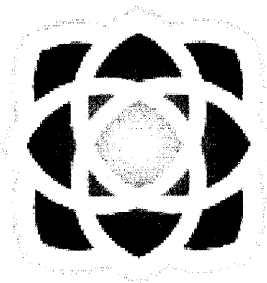
Importance: High

Aloha,

Please see attached testimony from Maui Chamber of Commerce President, Pamela Tumpap, on the FY20 budget regarding MVB funding.

Mahalo,

Maui Chamber of Commerce
95 Mahalani St. #22A
Wailuku, HI 96793
(808) 244-0081



MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

Testimony on the Proposed FY20 Budget
Monday, April 22, 2019

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

Thank you for the opportunity to share our thoughts on the proposed FY20 budget, regarding the Maui Visitors Bureau.

We support the \$4M as level funding for the Maui Visitors Bureau, with provisos only considered if the impacts generated are greater than other spending programs. We must continue to sustain this important industry which supports our community. Approximately 75% of our population is employed directly or indirectly by the visitor industry and the average hourly wage is \$23.83 per hour, which far exceeds the minimum wage. We all support a living wage and a living wage is really important when we are trying to get people into affordable housing. It is imperative to recognize that the visitor industry has long been considered an industry to sustain workers in Maui County and provide a variety of job choices.

Our visitor industry success is outpacing the state due to our continued investment. Maui must be kept top of mind for visitors to continue to vacation here as we are up against world class competition. If MVB funding is cut, how long before the steady flow of visitors turns into a light trickle and what will the impacts be on jobs? As we have seen in the past, when visitor counts go down, we also see corresponding job losses and/or hourly reductions and impacts to businesses Countywide, which hurts the entire community.

The Maui Visitors Bureau has recently made a big shift and are working on ways to better manage tourism while reducing community impacts and protecting the environment. They have introduced new videos to educate visitors on culture, the environment and ways to be respectful to the land, ocean and community when visiting. They are also working with the community to address concerns.

Further, it is important to look at the big picture. Currently, the State Legislature is considering raising the minimum wage and extending family leave. While the average wage rate for visitor industry workers is higher than the minimum wage, increasing the minimum wage would result in a wage compression for all businesses. In addition, the Council is looking at increasing the Real Property Tax Rate for Hotel/Resort. Therefore, potential increased labor costs, property tax rates and cuts to marketing (from MVB budget cuts), creates a trifecta that can be damaging to the industry overall, hitting them on three critical fronts.

We appreciate the opportunity to provide testimony and ask that you please provide level funding of \$4M to the Maui Visitors Bureau, with any provisos carefully considered with detailed rationale.

Sincerely,

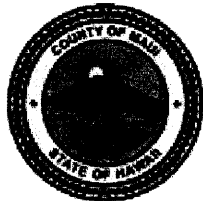
Pamela Tumpap
President

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.

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 12:34 PM
To: EDB Committee
Subject: Fw: Opposition to Major Property Tax Increase for Short Term Rentals on Maui

With Aloha,



Office of Council Chair Kelly T. King

South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Patty Cassidy <mail4pjc@yahoo.com>
Sent: Monday, April 22, 2019 12:28 PM
To: Kelly King
Subject: Opposition to Major Property Tax Increase for Short Term Rentals on Maui

Aloha - my name is Patty Cassidy and I am a condominium owner at Honua Kai Resort located in North Kaanapali Beach. If you not aware, HKCA is the largest wholly owned AOA on Maui whose over 600 owner members contribute an estimated \$100 Million in property taxes to Maui County annually in addition to \$10 Million in GET and TAT tax revenues. Since nearly all of our condominium units are classified as Short Term, our current tax assessment rate of \$9.28 is over 3 times higher than the Homeowner rate (\$2.83) each of you pay for your homes. While most owners I know feel this rate is much too high, I do acknowledge the additional strain that transient visitors place on county services and the current rate represents a reasonable compromise.

However, I and my fellow owners at Honua Kai were stunned to recently learn that the Maui County Council is considering raising the Short Term and Hotel/Resort property tax rates by 60% to \$15.41 which will result in roughly a \$10,000 a year tax increase for the average owner here. This will require owners to increase their rates by \$30-\$60 a day or \$200-\$400 for a week. This will lead to an unprecedented increase in accommodation rates of over 10% across the board for all hotels and transient rentals on Maui, Lanai, and Molokai. This action will undoubtedly have severe consequences as many families and budget conscience visitors will have second thoughts about coming here for their vacation and choose other destinations. Given that Maui is already the most expensive of the islands, that extra \$400 a week could easily lead a family of 4 to choose to go to

Oahu, Big Island, or Kauai instead or not even come to Hawaii. I think you can see how this will have a devastating impact on the entire economy of Maui County which relies almost exclusively on tourism.

While it may seem like "passing the buck" onto those wealthy out of state owners is the easiest solution to the county's budget needs, it is short sighted since you are "biting the hand that feeds you" - something that is never a good thing. As you are all aware, Maui County relies heavily on transient vacation rental and outside real estate investment so when you increase property taxes by a whopping 60%, this will have an immediate and severe chilling effect on all aspects of this. There will be fewer visitors, property buyer demand will decrease due to reduced cash flow, and thousands of owners will either be forced or elect to sell their Maui properties flooding the market leading to a steep price decline. Like a hurricane, this will have a disastrous domino effect that the County may not be able to recover from for quite some time.

However, unlike a hurricane, this potential economic disaster is entirely avoidable if each of you does what is right and fair by keeping in place a tax structure which has been proven to work for the mutual benefit of all residents, visitors, investors, and the government for the past several decades. Although the current proposal is highly favorable to residential homeowners who already enjoy some of the lowest property tax rates in all of the US, it will open a Pandora's box of unintended consequences which will gravely harm the county's two largest economic engines: tourism and real estate. No one wants a slightly lower property tax bill if it means losing their job because fewer visitors come to Maui. However, that is a very real possibility should the council approve the current proposal.

I therefore respectfully request that the Maui County Council adopt the Mayor's proposal for the 2020 budget which keeps the status quo in place by limiting the Short Term property tax rate increase to \$9.55. This is the only sensible proposal which does not seriously threaten the economic livelihood of Maui County and its people. Although it is true that out of state property owners do not have the privilege of living in Maui year around as you do, please remember we are still part of the same Ohana and there is a very delicate balance here that is clearly in everyone's best interest to maintain. I thank you for your consideration in this very important matter.

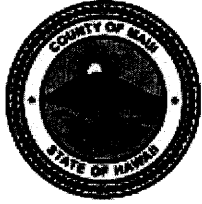
Mahalo,

Patty and Rick Cassidy

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 11:45 AM
To: EDB Committee
Subject: Fw: Maui County Budget Hearings - I support fair tax rates

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Ralph and Charlotte White <northernwhites@shaw.ca>
Sent: Monday, April 22, 2019 11:43 AM
To: Keani N. Rawlins; Kelly King; Riki Hokama; Tasha A. Kama; Alice L. Lee; Mike J. Molina; Tamara A. Paltin; Shane M. Sinenci; Yukilei Sugimura
Subject: Maui County Budget Hearings - I support fair tax rates

Dear Committee Chair Keani N.W. Rawlins-Fernandez and Economic Development and Budget Committee Members,

We are writing in favor of fair and reasonable tax rates for the vacation rental industry.

After many years vacationing in Maui, we were fortunate enough to purchase our Hololani condominium in 2008. Not only has this allowed us to make Maui a second home, but it also has allowed many of our family members to enjoy this beautiful island when they could not otherwise afford the trip. We have made many friends on the island and truly consider it our second home. As non-residents, we have endured a significantly higher tax rate but have thus far been able to justify it. To make keeping our second home viable, we have rented it for short terms.

The recent proposal to include Short Term Rentals (currently taxed at \$9.28/\$1000) under Time Share (a current rate of \$15.41/\$1000) for taxation purposes is extremely unfair as it constitutes an increase of 66%. Our condominium is neither a Hotel-Resort nor is it a Time Share so we feel that to include it under

those categories, and incur the subsequent onerous increase in taxes proposed last week, is extremely unfair and punitive.

Not only do we find such an increase patently unfair but it may also significantly damage Maui's growing vacation rental industry. Many families look to accommodation such as ours to provide a family setting at an affordable price.

Our wish is to see the continued growth of Maui's economy and we believe that unfair taxation on Short Term Rentals would be counter-productive to this. We urge the Economic Development and Budget Committee to find a fair and equitable solution for taxing the vacation industry.

Thank you for considering our testimony. We hope you'll consider it as you continue to evaluate tax rates.

Mahalo,
Ralph and Charlotte White
Owners of Hololani A202
4401 Lower Honoapiilani Road
Lahaina, HI

EDB Committee

From: Ralph and Charlotte White <northernwhites@shaw.ca>
Sent: Monday, April 22, 2019 11:29 AM
To: EDB Committee
Subject: Maui County Budget Hearings - I support fair tax rates

Dear Committee Chair Keani N.W. Rawlins-Fernandez and Economic Development and Budget Committee Members,

We are writing in favor of fair and reasonable tax rates for the vacation rental industry.

After many years vacationing in Maui, we were fortunate enough to purchase our Hololani condominium in 2008. Not only has this allowed us to make Maui a second home, but it also has allowed many of our family members to enjoy this beautiful island when they could not otherwise afford the trip. We have made many friends on the island and truly consider it our second home. As non-residents, we have endured a significantly higher tax rate but have thus far been able to justify it. To make keeping our second home viable, we have rented it for short terms.

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Thank you for considering our testimony. We hope you'll consider it as you continue to evaluate tax rates.

Mahalo,
Ralph and Charlotte White
Owners of Hololani A202
4401 Lower Honoapiilani Road
Lahaina, HI

EDB Committee

From: Joan Miller <jomill36@gmail.com>
Sent: Monday, April 22, 2019 11:51 AM
To: EDB Committee
Subject: Tax rate increase

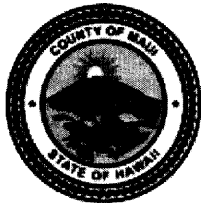
No way. We own two units at Sugar Beach Resort and just returned to the mainland after a three month stay. We already heard people complaining about the costs that have been guests for years. What we do not need is any increases.
Richard and Joan Miller

Sent from my iPad

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:46 AM
To: EDB Committee
Subject: Fw: Opposition to 60% increase in Short Term property tax in Maui County

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Sophia Zaretsky <sophiazar@gmail.com>
Sent: Sunday, April 21, 2019 8:55 AM
To: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina; amara.Paltin@mauicounty.us; Shane M. Sinenci; Yukilei Sugimura
Cc: Mayors.Office@co.maui.hi.us
Subject: Opposition to 60% increase in Short Term property tax in Maui County

Dear Members of the Maui County Council:

Aloha - my name is Roman Zaretsky and I am a condominium owners at Honua Kai Resort located in Lahaina. Honua Kai is the largest wholly owned AOAO on Maui whose over 600 owner members contribute an estimated \$100 Million in property taxes to Maui County annually in addition to \$10 Million in GET and TAT tax revenues. Our current tax assessment rate of \$9.28 is over 3 times higher than the Homeowner rate (\$2.83) each of you pay for your homes.

I and my fellow owners at Honua Kai were stunned to recently learn that the Maui County Council is considering raising the Short Term and Hotel/Resort property tax rates by 60%

to \$15.41 which will result in roughly a \$10,000 a year tax increase for the average owner here. This will require owners to increase their rates by \$30-\$60 a day or \$200-\$500 for a week. This will lead to an unprecedented increase in accommodation rates of over 10% across the board for all hotels and transient rentals on Maui, Lanai, and Molokai. This action will undoubtedly have severe consequences as many families and budget conscience visitors will have second thoughts about coming here for their vacation and choose other destinations. Given that Maui is already the most expensive of the islands, that extra \$400-\$500 a week could easily lead a family of 4 to choose to go to Oahu, Big Island, or Kauai instead or not even come to Hawaii. I think you can see how this will have a devastating impact on the entire economy of Maui County which relies almost exclusively on tourism.

While it may seem like "passing the buck" onto those wealthy out of state owners is the easiest solution to the county's budget needs, it is short sighted since you are "biting the hand that feeds you" - something that is never a good thing. As you are all aware, Maui County relies heavily on transient vacation rental and outside real estate investment so when you increase property taxes by a whopping 60%, this will have an immediate and severe chilling effect on all aspects of this. There will be fewer visitors, property buyer demand will decrease due to reduced cash flow, and thousands of owners will either be forced or elect to sell their Maui properties flooding the market leading to a steep price decline. Like a hurricane, this will have a disastrous domino effect that the County may not be able to recover from for quite some time.

However, unlike a hurricane, this potential economic disaster is entirely avoidable if each of you does what is right and fair by keeping in place a tax structure which has been proven to work for the mutual benefit of all residents, visitors, investors, and the government for the past several decades. Although the current proposal is highly favorable to residential homeowners who already enjoy some of the lowest property tax rates in all of the US, it will open a Pandora's box of unintended consequences which will gravely harm the county's two largest economic engines: tourism and real estate. No one wants a slightly lower property tax bill if it means losing their job because fewer visitors come to Maui. However, that is a very real possibility should the council approve the current proposal.

You don't need to look too far for examples. Just take a look at California and NY. Two states with the highest taxes. The NY state revenue failed \$1.3 billions in 2018 due to the tax increases. The California situation is very much the same. Do you really like to

expose Maui economy and Maui residents to a similar situation?

I therefore respectfully request that the Maui County Council adopt the Mayor's proposal for the 2020 budget which keeps the status quo in place by limiting the Short Term property tax rate increase to \$9.55. This is the only sensible proposal which does not seriously threaten the economic livelihood of Maui County and its people. Although it is true that out of state property owners do not have the privilege of living in Maui year around as you do, please remember we are still part of the same Ohana and there is a very delicate balance here that is clearly in everyone's best interest to maintain. I thank you for your consideration in this very important matter.

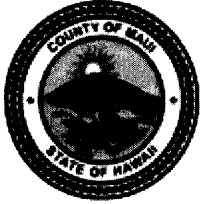
Mahalo,

Roman Zaretsky
830 Hillside Drive
Long Beach, CA 90815

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 10:42 AM
To: EDB Committee
Subject: Fw: Proposed Property Tax Increase

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Steve Cerveris <seezinside@gmail.com>
Sent: Monday, April 22, 2019 5:12 AM
To: Kelly King
Subject: Proposed Property Tax Increase

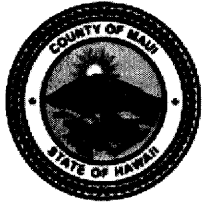
My name is Steve Cerveris and I own Konea Condominium Unit 437 at the Honua Kai Resort in Lahaina. I am writing to express my strong objection to the proposed 60% increase in the property tax rate for Short Term properties since this will greatly harm tourism and real estate values in Maui. I urge you to support the Mayor's proposal to keep property tax rate increases reasonable.

Mahalo,
Steve Cerveris

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 12:41 PM
To: EDB Committee
Subject: Fw: Surfrider Testimony in Support of Reso. No.19-178, Maui County Hearing on 4/23/19
Attachments: SF-Maui-Inject.Wells.Reso-4-22-19.doc

With Aloha,



Office of Council Chair Kelly T. King

South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
maucounty.us

From: Stuart Coleman <scoleman@surfrider.org>
Sent: Monday, April 22, 2019 12:33 PM
To: county.clerk@maucountv.us
Cc: Kelly King; Keani N. Rawlins; Tasha A. Kama; Riki Hokama; Alice L. Lee; Mike J. Molina
Subject: Surfrider Testimony in Support of Reso. No.19-178, Maui County Hearing on 4/23/19

April 22, 2019, Earth Day

In Support of Resolution No.19-178 "Requiring Settlement Offers in
Hawaii Wildlife Fund, Et Al. V. County of Maui"
April 23, 2019, 9:00am, Council Chamber

Aloha, Chair King, Vice Chair Rawlins-Fernandez & Members of the Maui County Council:

As the Hawaii Regional Manager of the Surfrider Foundation, I am writing in strong support of Resolution No. 19-178, which would require that "settlement offers in the case of Hawaii Wildlife Fund, Et Al. V. County of Maui, relating to the Clean Water Act, be transmitted to the Council for Approval or Disapproval." As a supporting party in this case, Surfrider is committed to clean water, and we have worked with Earth Justice and our partners for years to improve the quality of Maui's coastal waters by asking the Lahaina Wastewater Plant to stop injecting partially treated wastewater into its injection wells.

The motto of our coalition is “Don’t Inject, Redirect.” Scientists have shown that the injected wastewater has negative effects on the coral reef ecology at Kahekili Beach, and we believe the Wastewater Plant can redirect that water into other productive uses. We should be redirecting our reclaimed water into beneficial uses to meet arid West Maui’s demand for fresh water for irrigation, not injecting it into wells that go straight out to the reef. This could be a valuable resource that would provide much needed water for golf courses, commercial landscaping, and agriculture. Thankfully, Maui County has an ordinance in place that says that if the county brings the water to a commercial customer, they have to use it.

Instead of working with our coalition to find solutions, the former Mayor chose to litigate, not mitigate. Maui County has already spent millions of dollars on mainland law firms to fight this case, and each appeal has cost the taxpayers more and more money. This case is hurting the local economy and damaging Maui County’s image and reputation. Rather than promoting our county as a responsible steward of stunning natural treasures, we’re being portrayed in national media as a polluter who doesn’t care about our beautiful local reefs. This is embarrassing and could be avoided by redirecting the wastewater.

Now that this lawsuit is scheduled to go before the U. S. Supreme Court, Maui County’s current stance is being supported by a rogue’s gallery of corporate polluters like the American Petroleum Institute and the National Mining Association. They want to use this case to sabotage the Clean Water Act and justify environmental disasters like cyanide drainage from mines and leaking oil pipelines. We don’t want to people to associate Maui County with these polluters; nor do we want to help their efforts to undermine the Clean Water Act on a national level.

For over a decade, the County’s has fought to allow the Lahaina facility to keep polluting the Kahekili reef, and our coalition tried to work with the former Mayor to find practical alternatives. But now we have a new mayor and a new county council who can turn this around. Our county leadership can put an end this fight and start to build a solution instead. Mayor Victorino and the County Council have the opportunity to do the responsible thing for Maui County and protect our reputation and our reefs at the same time. We should use our time, energy and taxpayer dollars to fix the problem, not fight the solution.

The Surfrider Foundation’s Maui Chapter and four other chapters across the Islands support this Resolution because it empowers the Maui County Council to help find practical applications for the reclaimed water. This will not only save the County money, but it will also help restore Maui’s reputation as a popular destination where people treasure our coastal waters and pristine environment.

If we start planning now, Maui County can build out a long-term solution for our water system that will give us something to be proud of, instead of embarrassing stories in the news around the country. But if the County continues to push this case all the way to the Supreme Court in Washington, D.C., we will damage our reputation as a place where people work together in the spirit of aloha to find practical, mutually beneficial solutions. This bill will get us moving in the right direction, and we appreciate the leadership of the Maui County Council in working to resolve this issue together.

Aloha,

Stuart Coleman

Stuart H. Coleman, Hawaii Manager

--

Stuart H. Coleman | Hawaiian Islands Manager | [Surfrider Foundation](#)
808-381-6220 | scoleman@surfrider.org



April 22, 2019, Earth Day

In Support of Resolution No.19-178 "Requiring Settlement Offers in
Hawaii Wildlife Fund, Et Al. V. County of Maui"
April 23, 2019, 9:00am, Council Chamber

Aloha, Chair King, Vice Chair Rawlins-Fernandez & Members of the Maui County Council:

As the Hawaii Regional Manager of the Surfrider Foundation, I am writing in strong support of Resolution No. 19-178, which would require that "settlement offers in the case of Hawaii Wildlife Fund, Et Al. V. County of Maui, relating to the Clean Water Act, be transmitted to the Council for Approval or Disapproval." As a supporting party in this case, Surfrider is committed to clean water, and we have worked with Earth Justice and our partners for years to improve the quality of Maui's coastal waters by asking the Lahaina Wastewater Plant to stop injecting partially treated wastewater into its injection wells.

The motto of our coalition is "Don't Inject, Redirect." Scientists have shown that the injected wastewater has negative effects on the coral reef ecology at Kahekili Beach, and we believe the Wastewater Plant can redirect that water into other productive uses. We should be redirecting our reclaimed water into beneficial uses to meet arid West Maui's demand for fresh water for irrigation, not injecting it into wells that go straight out to the reef. This could be a valuable resource that would provide much needed water for golf courses, commercial landscaping, and agriculture. Thankfully, Maui County has an ordinance in place that says that if the county brings the water to a commercial customer, they have to use it.

Instead of working with our coalition to find solutions, the former Mayor chose to litigate, not mitigate. Maui County has already spent millions of dollars on mainland law firms to fight this case, and each appeal has cost the taxpayers more and more money. This case is hurting the local economy and damaging Maui County's image and reputation. Rather than promoting our county as a responsible steward of stunning natural treasures, we're being portrayed in national media as a polluter who doesn't care about our beautiful local reefs. This is embarrassing and could be avoided by redirecting the wastewater.

Now that this lawsuit is scheduled to go before the U. S. Supreme Court, Maui County's current stance is being supported by a rogue's gallery of corporate polluters like the American Petroleum Institute and the National Mining Association. They want to use this case to sabotage the Clean Water Act and justify environmental disasters like cyanide drainage from mines and leaking oil pipelines. We don't want to people to associate Maui County with these polluters; nor do we want to help their efforts to undermine the Clean Water Act on a national level.

For over a decade, the County's has fought to allow the Lahaina facility to keep polluting the Kahekili reef, and our coalition tried to work with the former Mayor to find practical alternatives. But now we have a new mayor and a new county council who can turn this around. Our county leadership can put an end this fight and start to build a solution instead. Mayor Victorino and the County Council have the opportunity to



do the responsible thing for Maui County and protect our reputation and our reefs at the same time. We should use our time, energy and taxpayer dollars to fix the problem, not fight the solution.

The Surfrider Foundation's Maui Chapter and four other chapters across the Islands support this Resolution because it empowers the Maui County Council to help find practical applications for the reclaimed water. This will not only save the County money, but it will also help restore Maui's reputation as a popular destination where people treasure our coastal waters and pristine environment.

If we start planning now, Maui County can build out a long-term solution for our water system that will give us something to be proud of, instead of embarrassing stories in the news around the country. But if the County continues to push this case all the way to the Supreme Court in Washington, D.C., we will damage our reputation as a place where people work together in the spirit of aloha to find practical, mutually beneficial solutions. This bill will get us moving in the right direction, and we appreciate the leadership of the Maui County Council in working to resolve this issue together.

Aloha,

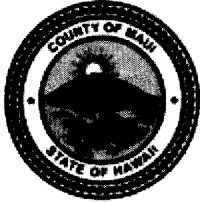
Stuart Coleman

Stuart H. Coleman, Hawaii Manager

EDB Committee

From: Kelly King
Sent: Monday, April 22, 2019 9:59 AM
To: EDB Committee
Subject: Fw: Testimony against proposal to raise the property tax

With Aloha,



Office of Council Chair Kelly T. King
South Maui Residency
Office: 808.270.7108
200 South High Street, 7th Fl
Wailuku HI 96793
mauicounty.us

From: Tony Wong <tonymay28@yahoo.com>
Sent: Saturday, April 20, 2019 4:02 AM
To: Kelly King
Subject: Testimony against proposal to raise the property tax

Dear Kelly:

My name is Tony Wong, an owner of a condo at Kihei. I have been the proud owner for 20 years. I oppose the proposal to raise the current property tax to \$15.41 per \$1000. I rent out my condo to people coming to Maui for vacation. However, I have been losing money every single year for the pass 20 years. The reason is that the over head for short term accommodation is very high, namely cleaning, electric bill, association fee, and property tax. Increasing the property tax will make our situation even worse and drive people out of the short-term rental business. The property tax has been increasing a lot in the recent years due to the increased property value. The county government has been receiving more revenue from the property tax collection. We are already paying higher property tax rate compared with long term rental, so I do not think it is fair to single out short-term rental for property tax increase.

Thank you for your attention.

Sincerely,

Tony Wong