

COUNCIL OF THE COUNTY OF MAUI

ENERGY AND ECONOMIC DEVELOPMENT COMMITTEE

August 24, 2004

Committee
Report No.

04-129

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Energy and Economic Development Committee, having met on August 2, 2004, makes reference to County Communication No. 03-53, from Councilmember Charmaine Tavares, relating to the matter of a long-range plan for the tourism industry.

By correspondence dated October 28, 2003, Councilmember Jo Anne Johnson transmitted an article dated September 20, 2003, from *Saturday Briefing*, published by Outrigger Hotels, entitled "Sports Tourism is Everybody's Business".

At its meeting, your Committee met with the Acting Director of Finance and the Economic Development Coordinator, Office of the Mayor.

Terryl Vencl, Executive Director of the Maui Visitors Bureau (MVB), exhibited an 18-minute marketing video. She also provided a computer-generated slideshow regarding the latest tourism statistics and MVB's current initiatives. According to her presentation, Maui County's visitor industry continues to thrive, despite some challenges. She noted that the statistics indicate that year-to-date visitor arrivals have been slightly lower for Maui County overall (down 0.8 percent), but strongly higher on the islands of Maui (up 4.1 percent) and Molokai (up 7 percent). Maui County's overall figures have been negatively affected by anomalously lower visitor arrivals to the island of Lanai (down 5.4 percent). She added that Maui County visitors are continuing to stay for an average of nine days and are spending more money per day (up to about \$178). Hotel occupancy has been steady (between 80 and 90 percent), with an average room rate of about \$226.

Ms. Vencl said that visitor statistics indicate that MVB's marketing efforts have been successful, and that the County's investment in MVB and the visitor industry continues to provide strong economic returns for residents.

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She noted that improvements are needed to air, land, and ground transportation to and within Maui County. A key challenge is to provide better airlift options, particularly for Lanai and Molokai.

Two members of the public testified about concerns regarding the effectiveness and appropriateness of the County's funding of MVB.

Your Committee expressed concerns about costs and the inconvenience associated with interisland air travel, particularly to and from Lanai and Molokai. Ms. Vencl advised that the MVB shares these concerns, and is working with the airlines regarding service improvements.

Your Committee inquired about Maui County's competition in the world tourism market. Ms. Vencl advised that other tropical islands, including those in the Caribbean Sea and Pacific Ocean, are major competitors. The MVB is working to inform the travel industry and the public throughout the world about the features that distinguish Maui County from its rivals.

Your Committee voted to recommend filing of the communication.

Your Energy and Economic Development Committee **RECOMMENDS** that County Communication No. 03-53 be FILED.

Adoption of this report is respectfully requested.

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