

# SB2952

**SB2952**



Submit Testimony

Measure Title: RELATING TO TIME SHARES.  
Report Title: Time Shares; Special Management Areas  
Description: Prohibits development of time shares in special management areas.  
Companion:  
Package: None  
Current Referral: WTL, CPN  
Introducer(s): SOLOMON, BAKER, DELA CRUZ, KIDANI, NISHIHARA

<b><u>Sort by Date</u></b>		<b>Status Text</b>
1/23/2014	S	Introduced.
1/23/2014	S	Passed First Reading.
1/23/2014	S	Referred to WTL, CPN.
2/5/2014	S	The committee(s) on WTL has scheduled a public hearing on 02-10-14 3:00PM in conference room 225.

# UNITE HERE!

## LOCAL 5 HAWAII

*Eric Gill, Financial Secretary-Treasurer*

*Hernando Ramos Tan, President*

*Godfrey Maeshiro, Senior Vice-President*

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Friday, February 7, 2014

The Honorable Malama Solomon - Chair and Committee Members  
Hawaii State Legislature  
Senate Committee on Water & Land  
State Capitol  
415 S. Beretania Street

*RE: SB 2952, relating to time shares.*

Chair Solomon, Vice-Chair Galuteria, and members of the Senate Committee on Water & Land:

UNITE HERE Local 5, a local labor organization representing 10,000 hotel, health care and food service workers employed throughout our State, would like to offer comments in support of Senate Bill 2952.

SB 2952 would prohibit the development of time shares in special management areas. We thank you for introducing this measure and for shedding light on the importance of this subject as it relates to the future of Hawai'i's tourism industry. We would ask for one amendment, and that would be to include in our discussion here and in SB 2952 a provision that would also prohibit the construction of condominium hotels and the conversion of existing hotels and hotel units in Special Management Areas to condominium hotel and residential condominium units.

We are here today because we want to help be part of the solution and help Hawai'i live-up to its true potential in being a top visitor destination and the best place to continue to raise our families. But if there's not enough workers, then there can be no aloha. And that is why we are so concerned about the future of Hawai'i's tourism industry and the growing trend of condos and timeshares that produce less for our State. Less TAT, less GET, and less jobs that make it harder for us to save, to own a home and to spend at local businesses. In fact, more than 3,200 jobs in the accommodations sector were lost between 2006 & 2012, and for every hotel job lost more than one other is lost as well. Just based on this statistic, at least \$34 million each year in tax revenue is gone. At the Ilikai Hotel in Waikiki, barely 63 good hotel jobs remain. There once was over 500.

Our tax base is eroding and we wonder why the State's coffers are strained; taxpayers grumble about higher tax rates and the deterioration of our public facilities and services and yet we incentivize the construction of more and more condos and timeshares in our visitor plant without ensuring we get something in return for giving up our beach front.

Our island's working families have and continue to pay our fair share. Our members continue to work hard; even with less and less staff in our hotels we continue to do our part in providing a quality visitor experience you can only get when visiting Hawai'i.

But, our people are being pushed off our islands while so many of us can't afford homes, and more and more of our local jobs go to mainland companies while locals struggle to earn a living wage.

It's our belief that Hawai'i can be a place where good jobs are readily available and that is also why we helped launch a new movement called AiKea. AiKea is a movement that seeks to restore the confidence of Hawai'i's working people to reclaim Hawai'i for our future.

We thank you for introducing SB 2952 and would urge the Committee to pass the measure to include condominium hotels and condominiums.



9002 San Marco Court  
Orlando, Florida 32819  
(407) 418-7271

February 10, 2014

To: Honorable Malama Solomon, Chair  
Honorable Brickwood Galuteria, Vice Chair  
Senate Committee on Water and Land

RE: **SB 2952 – Relating to Time Shares – In Opposition**  
Conference Room 225, 3:00 p.m.

Chair Solomon, Vice Chair Galuteria and members of the committee:

Starwood Vacation Ownership (“Starwood”) is in opposition to SB 2952, which prohibits development of time shares in special management areas.

We oppose any restrictions on the development of timeshare resorts. The future development of new and upgraded hotels may require a timeshare component to be economically feasible. On average, Hawaii’s visitor facilities are more than 40 years old and in need of renovation and rejuvenating. Hawaii must continue to compete aggressively for the tourist dollar against other destination markets. Attempts to discourage the development of timeshares are likely to also discourage the development of future mixed-use hotel developments.

Most new timeshare resorts offer a variety of services comparable to hotels and more extensive than residential rental condominiums or other vacation rentals. The Westin Ka’anapali Ocean Resort Villas North on Maui, for example, offers a full service spa, several restaurants and a large offering of cultural activities. In addition to providing traditional resort operations jobs similar to hotel projects (at more stable levels), timeshare resorts offer high skilled and high compensated sales, finance, accounting and marketing jobs.

Timeshare owners and guests, on average, spend more than hotel guests on vacation. Also, consumer trends show that visitors are increasingly traveling with multiple family members and prefer larger units to accommodate this experience. Timeshare resorts represent a valuable and diverse component of Hawaii’s important tourism market and should be encouraged.

For these reasons, we respectfully request that you defer this measure.

Robin Suarez  
Vice President/Associate General Counsel  
Starwood Vacation Ownership

**Testimony of  
Gary M. Slovin / Mihoko E. Ito  
on behalf of  
Wyndham Vacation Ownership**

DATE: February 9, 2014

TO: Senator Malama Solomon  
Chair, Committee on Water and Land  
*Submitted Via [WTLtestimony@capitol.hawaii.gov](mailto:WTLtestimony@capitol.hawaii.gov)*

RE: **S.B. 2952 – Relating to Time Shares**  
**Hearing Date: Monday, February 10, 2014 at 3:00 p.m.**  
**Conference Room: 225**

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Dear Chair Solomon and Members of the Committee on Water and Land,

We submit this testimony on behalf of Wyndham Vacation Ownership. Wyndham offers individual consumers and business-to-business customers a broad suite of hospitality products and services through its portfolio of world-renowned brands. Wyndham Vacation Ownership has a substantial presence in Hawaii through its Wyndham Vacation Resorts and WorldMark by Wyndham brands.

Wyndham **opposes S.B. 2952**, which prohibits the development of time share plans in any county within a special management area.

Prohibiting new time shares in county special management areas would be detrimental to an industry proven to be a strong and consistent source of economic growth for the State. The time share industry significantly contributes to Hawaii's economy not only by creating and sustaining jobs, but also provides important infrastructure and construction upgrades particularly with respect to aging properties.

Time share properties also bring stability to the visitor industry by providing reliable and consistent occupancy. Time share owners, which often include kama'aina, are loyal and repeat visitors who have made long-term commitments to the islands. In economic

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Gary M. Slovin  
Mihoko E. Ito  
Tiffany N. Yajima  
Jennifer C. Taylor

1099 Alakea Street, Suite 1400  
Honolulu, HI 96813  
(808) 539-0840

downturns, time shares stabilize the economy and mitigate potential adverse effects on the community.

Finally, there is no indication that time share plans have so negatively impacted county special management areas that a sweeping prohibition of time shares is warranted in these communities. Counties may be better suited to determine how special management areas are developed, and can better evaluate the environmental impact of any new project.

Wyndham recognizes the importance of working with the local community to develop and operate in a manner that is supportive of that community's values and the needs, and looks forward to working with the various stake holders in these areas.

For these reasons, we respectfully ask that this measure be deferred.

Thank you for the opportunity to submit testimony on this measure.



**HAWAI'I LODGING & TOURISM**  
**A S S O C I A T I O N**

Testimony of George Szigeti  
President & CEO  
HAWAI'I LODGING & TOURISM ASSOCIATION  
Committee on Water and Land  
Hearing on February 10, 2014, 3:00 p.m.  
Senate Bill 2952 Relating to Time Shares

Dear Chair Solomon, Vice Chair Galuteria and Members of the Committee,

My name is George Szigeti and I am the President and CEO of the Hawai'i Lodging & Tourism Association (HLTA). HLTA is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms that benefit from and strengthen Hawai'i's visitor industry. Our membership includes over 150 lodging properties, representing over 48,000 rooms, and approximately 470 other Allied members. The lodging industry alone employs over 38,000 workers across the state of Hawai'i and generated over \$5.7 billion in annual sales in 2012. As part of the broader visitor industry – which employees 1/6 of all workers and 1/5 of those in the private sector, and generated \$14.4 billion in visitor spending in 2012 – we represent one of Hawai'i's largest industries and a critical sector of the economy.

On behalf of HLTA, permit me to offer this testimony regarding Senate Bill 2952, which would prohibit the development of time share properties in Special Management Areas (SMAs).

The Hawai'i Lodging & Tourism Association **opposes** this measure because it singles out a segment of our industry. Time shares play a distinct yet compatible role with hotels, evidenced by the numerous new Hawai'i developments that have combined hotel and time shares side by side in the same property. Time shares are a growing segment of our industry, one which maintains high occupancy rates and brings return visitors who spend money on retail, food & beverage, and at other visitor-oriented businesses. By prohibiting the development of time share units in SMAs, which often extend further inland than just the beachfront properties, the state will lose out on these economic benefits.

HLTA and our members understand that development requires a comprehensive approach that takes into account the values of the counties, community, and various other stakeholders. We feel the current system to obtain SMA permits already meets this requirement through public hearings, environmental assessments, and county decision-making.

The lodging industry continues to be a vigorous economic engine for the state of Hawai'i. We have to ensure that it remains competitive. HLTA respectfully requests that you defer this bill.

Mahalo for the opportunity to testify.

February 7, 2014

Senator Malama Solomon, Chair  
Senator Brickwood Galuteria, Vice Chair  
Members of the Senate Committee on Water and Land  
Twenty-Seventh Legislature  
Regular Session of 2014

**RE: SB 2952 Relating to Time Shares**  
**Hearing: February 10, 2014 at 3:00 PM (Room 225)**

Aloha Chair, Vice-Chair and Members of the Committee,

My name is Michael Iosua and I represent Marriott Vacations Worldwide Corporation ("MVWC"). I am writing on behalf of MVWC in **OPPOSITION to SB 2952 Relating to Time Shares**.

MVWC is a global leader in the timeshare industry, with multiple resort properties in Hawaii. Timeshares not only attract owners to the islands but provide another option for accommodations to non-owners. Many Hawaii hotels now include timeshare components, which provide important benefits including a steady stream of visitors. Timeshare units have also become an important and stabilizing part of the tourism industry. MVWC opposes SB 2952 because it usurps the county authorities' ability to manage development in special management areas (SMAs) and will effectively prohibit development of further timeshare units on beachfront property in Hawaii.

Currently, county authorities manage development in SMAs with permits that assure that land uses, activities, or operations are implemented in compliance with the Coastal Zone Management objectives and SMA guidelines. SMA permits require a rigorous multi-level review process including environmental and community impact statements, public hearings and review by federal, state and local government agencies. There is ample opportunity for public comments and hearings at nearly every stage of this process. In fact, SMA permits are simply an added measure of protection because the permits regulate land that is already subject to zoning designations, county general plans, community development plans and other land use restrictions.

SB 2952 would frustrate the review process by denying county authorities the discretion to allow timeshare resorts, even when the resorts fit within the strict regulations of the SMA and other land use restrictions. Indeed, SB 2952 prevents county authorities from managing SMAs in the counties' best interests and forces counties to forego the important benefits and diversity to the



February 7, 2014

Page 2

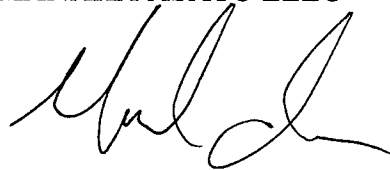
tourism industry that timeshare resorts provide. Can we really afford to forego these benefits should a downturn in the tourism industry occur?

***Simply put, development in the SMA is a county issue.*** County authorities are in the best position to manage development in the SMAs, including whether or not timeshare units should be developed in SMAs, and the law should be left the way it is.

Thank you for your consideration.

Sincerely,

IMANAKA ASATO LLLC

A handwritten signature in black ink, appearing to read "Michael Iosua", written in a cursive style.

Michael Iosua

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WTLTestimony](#)  
**Cc:** [joli.tokusato@hawaiiantel.net](mailto:joli.tokusato@hawaiiantel.net)  
**Subject:** Submitted testimony for SB2952 on Feb 10, 2014 15:00PM  
**Date:** Saturday, February 08, 2014 1:12:13 PM

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**SB2952**

Submitted on: 2/8/2014

Testimony for WTL on Feb 10, 2014 15:00PM in Conference Room 225

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Joli Tokusato	Individual	Comments Only	Yes

Comments: My name is Joli Tokusato and I am in generally in support of this bill but I am more concerned about condo conversion. Please include condo conversion of hotels in this bill. Protecting our beachfront properties for the visitor industry is very important for jobs and our community.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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February 7, 2014

TO: SENATE COMMITTEE ON WATER AND LAND  
Senator Malama Solomon, Chair  
Senator Brickwood Galuteria, Vice Chair

FROM: Henry Perez, Chair  
ARDA-Hawaii

RE: SB 2952, Relating to Time Shares  
Position: Oppose

Dear Chair Solomon , Vice Chair Galuteria and members of the Committee:

The American Resort Development Association (ARDA) Hawaii, the local chapter of the national timeshare trade association, opposes SB 2952, Relating to Time Shares. The bill would prohibit development of time shares in special management areas (SMAs).

Current law provides the counties with the authority to regulate land use within the SMAs to ensure development is compatible with the Coastal Zone Management policies. The counties work with the all developers proposing projects within the SMA to protect the environment, ensure access for recreation and cultural practices, and that there is an opportunity for public input into the approval process. This process preserves the rights of counties to exercise home rule and has worked well.

Many of our state's timeshare properties are within SMAs and we have worked with the counties to permit these developments. Timeshare provides a valuable element to our tourism-dependent economy as timeshare owners are reliable visitors who continue to come to Hawaii even during tough economic times. In addition to the occupancy of timeshare by owners, timeshare units can be rented out to other visitors providing greater options to potential visitors. In recognition of the benefit of providing options, several hotel properties include timeshare components.

We believe the counties are doing an adequate job of ensuring that our coastal resources are protected by requiring development occurs in a responsible manner. Given the protections in place, we do not believe timeshare should not be excluded from developing in these areas. Therefore, we oppose this bill.

I appreciate the opportunity to provide our position on this measure.

**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WTLTestimony](#)  
**Cc:** [miniemar3@gmail.com](mailto:miniemar3@gmail.com)  
**Subject:** Submitted testimony for SB2952 on Feb 10, 2014 15:00PM  
**Date:** Saturday, February 08, 2014 1:09:00 PM

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**SB2952**

Submitted on: 2/8/2014

Testimony for WTL on Feb 10, 2014 15:00PM in Conference Room 225

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Martes Uy	Individual	Comments Only	Yes

Comments: I support but I am so worried about timeshares or condos around the beach area. I'm a mother of 2 and I work T The Moana Surfrider A WEstin Resort And Spa.

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**From:** [mailinglist@capitol.hawaii.gov](mailto:mailinglist@capitol.hawaii.gov)  
**To:** [WTLTestimony](#)  
**Cc:** [meynard\\_duyao@yahoo.com](mailto:meynard_duyao@yahoo.com)  
**Subject:** Submitted testimony for SB2952 on Feb 10, 2014 15:00PM  
**Date:** Saturday, February 08, 2014 1:11:37 PM

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**SB2952**

Submitted on: 2/8/2014

Testimony for WTL on Feb 10, 2014 15:00PM in Conference Room 225

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
meynard	Individual	Comments Only	Yes

Comments: Hi I am Meynard Duyao working at Hilton Hawaiian Village. I am supporting the Bill and at the same time I am worried about Condominium rising in our State.

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Michael P. Victorino  
Mike White



Director of Council Services  
David M. Raatz, Jr., Esq.

**COUNTY COUNCIL**  
COUNTY OF MAUI  
200 S. HIGH STREET  
WAILUKU, MAUI, HAWAII 96793  
[www.mauicounty.gov/council](http://www.mauicounty.gov/council)

February 7, 2014

TO: Honorable Malama Solomon, Chair  
Senate Committee on Water and Land

FROM: Robert Carroll  
Council Vice Chair *Robert Carroll*

DATE: Monday, February 10, 2014

SUBJECT: **SUPPORT OF SB 2952, RELATING TO TIME SHARE**

Thank you for the opportunity to testify in support this important measure. The purpose of this measure is to prohibit the development of time shares in special management areas.

The Maui County Council has not had the opportunity to take a formal position on this measure. Therefore, I am providing this testimony in my capacity as an individual member of the Maui County Council.

I support this measure for the following reasons:

1. Pursuant to §46-4, Hawaii Revised Statutes (HRS), counties are granted zoning authority within the frame work of long range and comprehensive general plans to guide development within established districts. Furthermore, §514E-5 HRS restricts time share units with certain exceptions and requires that time share units be addressed consistent with hotel, resort or transient vacation rentals. I strongly believe that the demands and impacts of a hotel versus time share units are different on our land use, zoning and infrastructure. Therefore, time share units should not be permitted in special management areas.
2. Time share units are a very integral part of our economies and help to boost the visitor industry. We recognize that time share units provide jobs, bring in needed revenue, and provide a special niche for visitor accommodations. So it is necessary to realize this measure is an effort to protect our environments, communities and preserve the uniqueness of our neighborhoods. Therefore land use zoning policies have substantial impacts on local economic, social and environmental conditions, accordingly, local government should retain authority on decisions about time share zoning policies within special management areas.

For the foregoing reasons, I support this measure.