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ECONOMIC DEVELOPMENT & TOURISM**  
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Statement of  
**James Kunane Tokioka**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON CULTURE, ARTS & INTERNATIONAL AFFAIRS**

Friday, April 12, 2024  
TIME: 9:00AM  
State Capitol, Conference Room 309

In consideration of  
**SCR146 SDI**  
**ENCOURAGING THE STATE TO CONSIDER THE INITIATION OF A SISTER-STATE  
RELATIONSHIP BETWEEN HAWAII AND THE SPANISH PROVINCE OF THE BALEARIC  
ISLANDS.**

Chair Tam, Vice Chair Martinez and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) offers comments on **SCR146 SDI** which urges the Hawaii Sister-State committee to recommend the initiation of a sister-state relationship between Hawaii and the Spanish province of the Balearic Islands.

In 2006, the Legislature established the Hawaii Sister-State Committee. Its responsibility includes providing recommendations to the Legislature and the Governor on proposed sister-state relationships. Accordingly, the Hawaii Sister-State Committee has developed an application and process for entities seeking to establish a sister-state relationship with the State of Hawaii. After submitting a comprehensive application for this new sister-state relationship, the Sister-State Committee can review and make a recommendation to the Legislature and the Governor.

Thank you for the opportunity to testify.

Testimony of **Anthony Aalto** before  
**The House Committee On Culture, Arts and International Affairs**

Friday April 12th 9:00AM Room 309

**Urging the Hawaii Sister-State Committee to recommend the initiation of a sister-state relationship between Hawaii and the Spanish province of the Balearic Islands.**

Adrian Tam, Chair  
Rose Martinez, Vice Chair Vice-Chair

**SCR 146**

Aloha Chair Tam, Vice Chair Martinez and members of the committee.

Mahalo for this opportunity to testify.

In 1966 my mother married my step-father, a Mallorcan attorney, and together with my two sisters, I moved from London to the Spanish island I call the O'ahu of the Mediterranean. Though Hawai'i has been my home for nearly 20 years, I have visited Mallorca, the principal island in the Balears, nearly every year for more than half a century. I know both places very well.

So I can attest that, no matter what their formal relationship, the state of Hawaii and the province of Balears are already twins. The number of similarities between them is extraordinary -both the good and the bad- and I believe there is much they can learn from each other.

The Balearic Islands are an archipelago off the south coast of Spain. In official terms they are an "autonomous community" which gives them a constitutional status roughly equivalent to that of a state in the US system, with roughly the same competencies.

There are four inhabited islands, with a combined total population of 1.2 million, governed by four island councils and a unicameral provincial legislature in the capital Palma. The principal island, Mallorca, has a population of about 950,000.

Like O'ahu and Hawai'i, Mallorca and the Balears have a reputation as one of the most beautiful island destinations in the world. They have come to occupy in the European imagination much the same place as Hawaii does for Americans - a dream vacation.

Their modern tourism industry started the same year as Hawaii's with the inauguration of a new international airport in 1960. Tourism became their principal industry and after that year a construction boom created tens of thousands of hotel rooms, bringing in thousands of new workers and residents from the mainland and overseas, which in turn created a residential development boom that has transformed what was once known as The Island of Calm.

Total annual visitor spending in the Balears, at roughly \$18 billion, is almost identical to that in Hawaii. There are other curious similarities. For example the most beautiful part of Mallorca is known as "La Costa Nord" or the North Shore. Like Hawaii, the Balears were once an independent and self-governing kingdom. For decades their local language was repressed -you could be beaten in school for speaking Mallorquin, a dialect of Catalan.

The most significant difference in terms of the impact of the visitor industry to both has been the growth in visitor numbers. Because the Balearic islands are much closer to the European continent than Hawaii is to the US mainland they are accessible to millions more people: the most distant capital in Europe, Oslo, is just 3 ½ hours away and a long weekend vacation in Mallorca is feasible to most Europeans. As a result, their annual visitor count -which in 1960 was similar to Hawaii's at around 300,000- today exceeds 16 million.

This has led to significant problems: a critical shortage of affordable workforce housing; dependence on imports for 85% of their food; water shortages requiring desalination plants; traffic jams on highways; environmental degradation and mounting resentment in the local community towards "over-tourism" that has culminated in large protests and anti-visitor graffiti.

At the same time, Balears is confronting the problems of climate change. Sea levels have started to rise at an accelerating rate, swallowing beaches and creating property conflicts because public access to all beaches is a legal right in Spain. Droughts are now a recurring phenomenon which means the threat of deadly wildfires is growing. Unprecedented heavy rainstorms have caused disastrous flooding. Deadly heat events are anticipated.

In response Balears has introduced an eco-tax; clamped down on short-term vacation rentals; banned construction of new hotels on greenfield sites; sought measures to boost workforce housing; committed to pursuing quality over quantity of visitors; and so forth.

It is because of these many similarities that I believe there could be a useful and practical exchange of experiences and lessons-learned between the two communities.

One specific example: in the year 2023 investors poured 752 million euros (more than \$800 million) into developing new hotels on the island of Mallorca. Nearly all of that investment went into developing properties that were not beachside (and thus vulnerable to sea level rise), but rather into boutique hotels in refurbished old buildings in the capital city or in the island's interior. And nearly all those new hotels are charging a room rate between \$1000 and \$2000 per night. This is exactly the visitor market that Hawaii is pursuing. How have they done it?

So this would be a sisterhood based not, as is typical, on a celebration of shared history, shared national communities, or shared culture, but on a hard-nosed approach where two non-competing visitor industry heavyweights from opposite sides of the world could get together to share policies and business ideas to cope with the increasingly complicated circumstances of their dominant industry.

I urge you to support this resolution.

Mahalo.

**House Committee On Culture, Arts & International Affairs**  
Testimony of Mike Hinchey on Resolution SCR 146 regarding  
Sister-state relations between Hawaii and the Balearic Islands  
Friday April 12th 9:00am Room 309

Aloha Chair Tam, Vice Chair Martinez and members of the committee.

In 2019 I visited Mallorca, the principal island in the Balearic Islands, to film scenes for a documentary series I was making about the impacts of climate change on Hawaii. The series, *A Climate For Change* -which was backed by a grant-in-aid from the legislature- went on to have a series of 23 broadcasts on KGMB, KHNL and KFVE. Hawaii News Now estimates the three films in the series were viewed cumulatively 1.1 million times in the state.

The reason we went to Mallorca was for a segment we planned on the impacts of climate change on Hawaii, and the impacts of tourism on climate change. We saw Mallorca as being a harbinger of the problems Hawaii is grappling with, especially in the area of over-tourism and environmental degradation.

But what we learned was that the problems the Balearic islands confront are almost identical to those in the Hawaiian islands in multiple and uncanny ways: from lack of affordable housing, to vulnerability to wildfire. They have had to move sooner than us to address many of these issues because, with 17 million tourists a year, they have felt the impacts sooner and harder.

The evidence of the problems is there in uncomfortably crowded visitor sites, congested freeways, over-development and public resentment.

The Balearic Islands have experimented with many of the strategies we are contemplating such as a visitor fee, stopping AirBnB, and above-all a major effort to move the tourism sector upscale where the footprint can be smaller and the returns bigger. They appear to be having success in that regard with multiple new boutique hotels charging more than \$1000 per night.

I believe Hawaii has lessons to share too. An exchange of ideas and strategies to cope with the problems both places confront could be extremely useful.

I urge approve this resolution.

Mahalo

**House Committee On Arts, Culture & International Affairs**

Chair, Rep. Adrian Tam, Vice Chair, Rep. Rose Martinez

April 12th 9:00 AM Room 309

**Testimony by Jayne Tsuchiyama  
on SCR 146**

**To make Hawaii and the Balearic Islands sister states**

I have been visiting my in-laws in Majorca in the Balearic Islands for the last 30 years. I have always been struck by how similar the place is to Hawaii, so I applaud this initiative to make them sister states.

The first and most obvious similarity is how astonishingly beautiful both places are. Then, especially for the first time visitor, comes the realization of just how far both communities have gone in leveraging that beauty to build huge visitor industries. And from that realization comes an understanding not only of what has been gained in terms of jobs and development, but also of what has been sacrificed and of what are the challenges ahead.

I have walked around the beautiful streets of the old quarter in Palma and been confronted with graffiti that says "Kill Tourists." I have been woken at night by illegal short-term renters dragging their bags down cobbled residential streets. I have been struck by the presence of beggars -obviously from other parts of the world- where I never saw any beggars before. I have seen a once-quiet beach turned into a hell-hole destination with a half-mile line of people waiting to park in unregulated spots.

If we ever needed an example of a place that has realized the folly of making itself an affordable destination for all, the Balerics are it. But they are not walking away from their visitor industry, instead they are moving effectively to change their target market. They are moving up-market, with growing numbers of boutique hotels, often built in restored vintage structures, that can charge \$1000 to \$2000 per night. I have been lucky enough to tour several of them.

These high-end hotels develop loyal customers - which creates employment stability. They incentivize the local gastronomic and farming scene and provide well-heeled clients for cultural, nature-based, environmental and educational activities that spread visitor spending throughout the community. At the same they have moved to strictly limit AirBnB and other short-term vacation rentals and to upgrade areas where the impacts of tourism were being felt most severely.

The high-end visitors generate much better rates of return per capita while having a smaller environmental impact than guests at high rise hotels built after the 1960s.

So the idea of Hawaii and the Balearic Islands trying to learn from each other seems to me to be a no-brainer! I respectfully ask you to support this resolution.

**House Committee On Culture, Arts & International Affairs**  
Resolution SCR 146  
Sister-state relations between Hawaii and the Balearic Islands  
Testimony of Dr Elizabeth and Brett Kiefer

Aloha Chair Tam, Vice Chair Martinez and members of the committee.

Last year my husband and I visited Mallorca, the main island in the Balearic archipelago, together with our sons and some friends. We stayed on the so-called North Shore, which just like the North Shore of O'ahu is a stunningly beautiful place, now protected as a UNESCO World Heritage site. We were there just to vacation and have fun, but it was impossible not to come away thinking about the amazing number of ways that Hawaii and the Bealerics are similar. So we believe this resolution to make the two places sister states is a great idea.

What we saw in Mallorca was a stunning island facing huge challenges. It is clear that development to accommodate tourism has gone too far. The highways are jammed with cars, once quiet beaches are surrounded by high-rise hotels, favorite local spots to swim or watch the sunset have been overrun by tourists. It's clear why the provincial government is determined to re-direct the tourism industry towards higher-spending visitors - and it appears to be having considerable success.

We had no objection to paying the daily eco-tax (roughly \$4 per person over the age of 16) and we could see where the money was being spent to protect vulnerable parts of the coastline and to invest in upgrading public spaces. We saw how they are expanding their rail network and pedestrianizing neighborhoods to get cars off the roads. We heard how they are trying to focus new development in areas that have already been urbanized, in order to preserve as much of the unspoiled environment as possible.

All of this echoed the conversations happening in our islands and in our legislature. How to improve the lives of residents without killing the goose that lays the golden eggs? How to foster an industry that embraces visitors without sacrificing the beauty and atmosphere that attracts the visitors in the first place? Above all, how to protect our islands for our sons and for future generations as we face the growing depredations of the climate crisis?

We think that Hawaii and the Balearic Islands have much to learn from each other which is why we urge you to approve this resolution.