

# Kaua`i Tourism Strategic Plan Update Advisory Group

## MEETING #3

Friday, January 9, 2015; 2:00-4:00 PM

Lihu`e Public Library, 4344 Hardy Street, Lihu`e

## MEETING NOTES

### **Participants:**

Kanoe Ahuna	Na Hoku Welo, LLC
Sue Kanoho	Kaua`i Visitors Bureau
Nalani Brun	County of Kaua`i, Office of Economic Development
George K. Costa	County of Kaua`i, Office of Economic Development
Randy Francisco	Kaua`i Chamber of Commerce
Lea Kaiaokamalie	County of Kaua`i, Planning Dept.
Lucy Kawaihalau	Vacation Rental Managers of Kaua`i
Jody Kono Kjeldsen	Poipu Beach Resort Association
Ce Lucente	Outfitters Kaua`i
Peter Sit	Pono Kai Resort
Candace Tabuchi	Kaua`i Community College, Hospitality & Tourism Program
Denise Wardlow	Hawai`i Lodging & Tourism Assn/Westin Princeville Ocean Resort Villas
Marie Williams	County of Kaua`i, Planning Dept.

### **Absent:**

Ray Blouin	Aston Aloha Beach Hotel/Royal Coconut Coast Assn.
Katy Britzmann	Grand Hyatt Kaua`i Resort & Spa
Robert Crowell	Hawai`i Dept. of Transportation Harbors Division
Dennis L. Neves	Hawai`i State Dept. of Transportation, Airport Division, Kaua`i Office
Thomas Nizo	West Kaua`i Business & Professional Assn.
Laura Richards	Hanalei Colony Resort Associates
Neill Sams	Kapa`a Business Association

### **Consultants:**

Rayne Regush	Kaua`i Planning & Action Alliance
Diane Zachary	Kaua`i Planning & Action Alliance

### **1. Welcome, Introductions and Review of Agenda.**

Diane Zachary welcomed participants and introductions were made. She reviewed the agenda and no changes were made.



KAUAI PLANNING & ACTION ALLIANCE

BRINGING PEOPLE TOGETHER TO CREATE A BETTER FUTURE FOR KAUAI

2959 Umi Street, Suite 201, Lihu'e, HI 96766 Phone 808.632.2005 Fax 808.632.2018  
Email [kpaai@kauainetwork.org](mailto:kpaai@kauainetwork.org) [www.kauainetwork.org](http://www.kauainetwork.org)

## **2. Review November 7, 2014 Meeting Notes.**

No changes were made to the meeting notes. (Note: It was later discovered that Dirk Soma's name was omitted from list of Nov. 7 absent members.)

## **3. Quick Review of Last Meeting.**

To set the stage for the day's discussion, Diane reviewed the results of the survey and discussion from the past meeting, including the ranking of visitor industry objectives and the emerging trends suggested in the survey.

## **4. Framework for Planning to 2018 (Part 2).**

*Visitor Industry Information and Projections from Other Reports.* Visitor-related data were reviewed.

### ***CY 2013 Annual Visitor Research Report – Kaua'i***

- Visitor expenditures on Kaua'i totaled \$1.4 billion, up 7.8 percent.
- Arrivals to Kaua'i grew 2.7 percent to 1,114,354 visitors.
- Combined with a longer average length of stay (7.64 days, from 7.53 days in 2012), visitor days rose 4.3 percent to 8,516,938. In 2013, 13.9 percent of air visitors went to Kaua'i, similar to 2012.

### ***Page 82-83 / Kaua'i Supplement of the Annual Visitor Research Report***

- Arrivals by air to Kaua'i rose 2.7 percent to 1,114,354 visitors in 2013 (Table 59).
- Kaua'i visitor days increased 4.3 percent.
- Over half (53.6%) of these visitors stayed exclusively on Kaua'i.
- The average daily census increased 4.6 percent from 2012 to 23,334 visitors present.
- Figure 17. Kaua'i Visitor Arrivals by Selected MMA: 2001 – 2013: The largest share of Kaua'i's visitors continued to be from U.S. West (51.1%), followed by U.S. East (30.6%), Canada (6.2%), Oceania (2.9%), Europe (2.8%), Japan (2.6%) and Other Asia (1%)
- Table 65. Significantly more visitors from emerging markets including Australia (+33%), New Zealand (+107.3%) and Korea (+102.1%) went to Kaua'i than in 2012. Arrivals to Kaua'i from U.S. West (+2.8%), Japan (+5.5%) and Canada (+4.9%) also increased.
- There were more visitors to Kaua'i from Los Angeles (+6.2%), New York (+6.2%) and Seattle (+3.4%) but fewer visitors from San Jose (-11.4%), San Francisco (-5%) and Chicago (-4.7%) compared to 2012 (Table 49 and Table 50).
- Repeat visitors accounted for 70.3 percent while 29.7 percent were first-timers in 2013.
- Three out of four (75.8%) Kaua'i visitors were independent travelers, similar to 2012.
- Half (50.8%) of those who visited Kaua'i stayed in hotels while in the state. Some stayed in condominium properties (23.1%), timeshare properties (19.6%), and rental homes (11.3%).
- Usage of rental homes (+9%), condominium properties (+6.9%) and hotels (+2.1%) by Kaua'i visitors were higher compared to 2012.

- Most of the visitors were in the state for vacation (85.1%); 6.3 percent visited friends or relatives; 6.2 percent honeymooned; and 4 percent came for meetings, conventions, and incentives.

Sue Kanoho provided additional comments: Currently, Kaua'i visitors are down 1%; the length of stay has increased to 7 days; December spikes were very high and strategies to shift business to the shoulder season are needed; repeat visitors are high with primary interests in action/adventure and rejuvenation. She expects the CY2014 status to be almost the same as 2013.

The issue of capacity is critical and has resulted in negative experiences for visitors (i.e. rude treatment; traffic congestion). Oftentimes visitors will write complaint letters to the editor. Sue believes that Kaua'i's visitor capacity is 1.1 million annually and with three new resorts approved by the County along the Kapa'a-Wailua corridor, the impacts may be negative and place Kaua'i in a precarious situation.

There was discussion about what proactive steps can be taken to position tourism as a community benefit and not a hardship. Media messaging is excellent now, but what we say, versus what we have, is starting to mismatch. Sue will provide a copy of the branding materials to Diane.

International visitors comprise less than 5% of the total. HTA is mandating for increased visitors from everywhere. Kauai does not have the types of services and hours of business that will appeal to travelers from everywhere. China is not a good match at this time nor are visitors from Australia. It was noted that whichever countries are targeted by Waikiki marketing will ultimately impact neighbor islands.

Dirk Soma would like to see 5-year trend data; Diane will provide for the next meeting.

Visitor Plant Inventory Statistical Charts were discussed (see Jan. 9, 2015 Powerpoint slides for data tables and figures).

- Figure 9. Inventory by Unit Type (from HTA 2013 Visitor Plant Inventory)
  - From 2009 to 2013 shows a decrease in condo hotels and increase in IVU (TVRs)
  - SMS Research President James Dannemiller says data is incorrect, nor was it tracked by the County
  - There are IVUs in Condo Hotels, so is that number being counted twice?
  - Timeshare stats seem to be the most accurate
  - Why did IVUs drop significantly after 2011?
- Inventory by Property Type
- Inventory by Price Class
- Total Number Individually Advertised Units 2014 by Island (from HTA *Individually Advertised Units in Hawai'i* Dec. 2014)
  - SMS tried to identify all

- How many units are permitted versus not?
- County calculates there are 300+ nonconforming TVRs
- Density, Ratio of Individually Advertised Units to Housing Stock in Hawai'i, 2014
  - Kaua'i is the second highest (12.6%), just after Maui (13.6%)
- Kaua'i Individually Advertised Units by Zip Code
  - Although TVRs are permitted within the VDA, the county needs to be concerned about the total number of units in the VDA and look at the capacity for high use. As an example, it is expected there will be exponential impacts from the three new hotels coming online in Kapa'a.
  - Kapa'a is the "gateway" to the North Shore.

## 5. Review and Grouping of Priority Issues for Next Three Years

**Current and Emerging Trends.** The survey ranked the previous identified top 5 priority issues and the TSPUAG agreed with the ranking:

- #1. **Advocate for significant progress and/or completion of essential infrastructure improvements**, including permanent relief route in Kapa'a; traffic circulation improvements for Po'ipu; cruise ship harbor improvements; Ha'ena State Park Master Plan; Princeville/Ha'ena Park & Ride; Koke'e Master Plan, retaining wild land characteristics and minimizing commercial activities.
- #2. **Support the development and promotion of community driven programs that reinforce the unique sense of place** of communities, such as those with historical and/or cultural significance.
- #3. Educate visitors prior to or upon arrival on basic information that will enhance their safety, enjoyment, and appreciation of Hawaiian culture and understanding of local practices and understanding about the island's natural resources.
- #4. Support programs to attract employees to the visitor industry and increase the available workforce.
- #5. Encourage two-way communications between residents and the visitor industry.

At the same time, there are issues that have emerged since 2006 that should be considered in developing the final priorities for the plan. The advisory group developed a list of those issues and assessed whether the visitor industry should be involved, and in what ways, in addressing the issue. The issues were not prioritized at this time; this and specific actions to be taken will be on the agenda for the next meeting. The following chart summarizes the discussion and will be used as a starting point at the next meeting.

**Emerging Issues Impacting Tourism**

ISSUE (work to be done: clarify possible impacts; prioritize)	SHOULD THE VISITOR INDUSTRY BE INVOLVED IN TACKLING THIS ISSUE BY 2018?	WHAT SHOULD BE DONE? (work to be done: refine or create strategies for high priority issues)
<p><b>Technology has become more important - visitors use before and during visit (new mindset)</b></p> <ul style="list-style-type: none"> <li>- Positive and negative impacts of social media</li> <li>- Smart phones replacing tour guides and translators</li> </ul>	<p>Yes</p>	<ul style="list-style-type: none"> <li>- Acknowledge risk, inaccuracies</li> <li>- Need plan with multiple responses</li> <li>- Consider Instagram, HGTV, review apps; links to historical information</li> </ul>
<p><b>Securing additional TAT funds for Kaua'i</b></p>	<p>Yes</p>	
<p><b>Maintaining authentic culture and a sense of place</b></p>	<p>Yes</p>	<p>Focus on aloha, respect, Hawaiian culture, local, community responsibility, stewardship</p>
<p><b>Environment</b></p> <ul style="list-style-type: none"> <li>- GMOs</li> <li>- Increase resilience to climate change</li> <li>- Park and trails maintenance</li> <li>- Preserve rural character</li> <li>- Preserve view planes mauka and makai</li> <li>- Promote sustainability &amp; green initiatives</li> <li>- Land for food farms</li> </ul>	<p>Yes, indirectly</p> <p>Yes, educate visitor industry and visitors; Indirect support for beach nourishment/replenishment</p> <p>Yes; support expansion only if opportunities arise</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Not directly</p>	<p>be sufficiently informed to educate visitors about all sides of the issue</p>
<p>Illegal rentals and activities (i.e. Airbnb)</p>	<p>Yes: awareness, follow-up, work with County on enforcement</p>	<p>Advocate that fines collected support enforcement efforts</p>

Competition from other resort destinations	Indirectly	
<b>Transportation Infrastructure</b> - Feeder roads to mitigate traffic  - Bus and shuttle service to resort areas  - Pedestrian networks in resort areas  - Improve street design and town centers	Yes: Support county and state transportation improvement plans Yes  Yes, as part of beautification in resort areas  Yes	Moku Bus
<b>Educate and train workforce</b> - Higher pay and career path ways for visitor industry jobs  - Create career path ways for visitor industry jobs	Yes  Yes	
Crime	Yes	
Homelessness	Not directly	
Mom & Pop local businesses	Not directly: Support existing programs and services	

**Other Comments:**

- Visitors seem less respectful than in the past
- Technology has changed behavior – people are more impatient, have high expectations
- Question was asked about the website KauaiExplorer.com. It was mentioned that Winston Wellborn is helping Kapa`a high school H.S. students to create a visitor website about beach conditions. There was some concern about the long-term sustainability of that, if it relied on for beach information.
- County firewalls result in the need for outside consultants to research illegal Airbnb units.
- The County should be encouraged to take action on illegal TVRs; Northshore residents have complained for years. Who helps visitors who paid for accommodations on a fake website?
- County fines can be as high as \$10,000/day, but are civil suits being pursued by the county? Budget cuts may further limit enforcement efforts if fines go into the General Fund, rather than to support enforcement.
- County is initiating a bus study for the Northshore and the Southshore.
- Fred Atkins will be sworn in soon as Kaua`i's HTA representative.

## 6. Next Advisory Group Meeting

The next meeting was set for **Friday, March 13, 2015, 1-4 PM** (3 hours) at **Līhu`e Civic Center, Pi`ikoi Bldg, Room A/B**.

### *Interim Tasks for Consultant*

- Gather summary data currently available to support the issues, concerns and opportunities discussed
- Prepare a draft summary of the issues, concerns and opportunities

### *Friday, April 10 TSPUAG Meeting (3 hours) at Lihu`e Public Library Meeting Room.*

- Confirm vision for tourism
- Determine three-year goals
- Confirm achievable priorities for the next three years
- Begin drafting strategies

Visit Website for resource materials, meeting notes and agendas:

<http://www.kauainetwork.org/programs/tourism-strategic-plan-advisory-group/>

### **Quick Assessment of Meeting**

- + good facilitation, likes charts, structure, Powerpoint, ability to focus group, agenda, aloha/good will among group
- limited time; need trend information

### *Prepared by:*

Kaua`i Planning & Action Alliance

Contact Diane Zachary at 632-2005 or [dzachary@kauainetwork.org](mailto:dzachary@kauainetwork.org)