

MINUTES

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE

December 15, 2021

A meeting of the Finance & Economic Development Committee of the Council of the County of Kaua'i, State of Hawai'i, was called to order by Luke A. Evslin, Chair, at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Wednesday, December 15, 2021, at 10:59 a.m., after which the following Members answered the call of the roll:

Honorable Mason K. Chock
Honorable Felicia Cowden
Honorable Bill DeCosta
Honorable KipuKai Kualii
Honorable Luke A. Evslin
Honorable Bernard P. Carvalho, Jr., Ex-Officio Member
Honorable Arryl Kaneshiro, Ex-Officio Member

Pursuant to Governor David Y. Ige's COVID-19 Emergency Proclamation dated November 29, 2021, public testimony was taken at the beginning of the day and as follows:

TIFFANY YAJIMA (*via remote technology*): Good morning, Chair, Vice Chair, and Members of the Committee, and the Council. I am Tiffany Yajima testifying on behalf of Enterprise Holdings. Enterprise Rent-A-Car continues to strongly oppose this measure based on Federal and State constitutional concerns, County concerns, as discussed in our written testimony. The rental car industry is continuing to work with the Administration, Councilmembers, and additional stakeholders to find solutions that we can be a part of. We ask that this measure be deferred and continue to allow that dialogue to occur. Thank you. I am happy to answer any questions that you have.

Council Chair Kaneshiro: Thank you, Tiffany. Are there any clarifying questions from the Members? Councilmember DeCosta.

Councilmember DeCosta: Hi, how are you?

Ms. Yajima: Hi, good morning.

Councilmember DeCosta: We have been talking about this Bill at the last two (2) meetings. You folks continue to tell us that you are trying to find solutions and working with different entities. Can you tell us a solution that you folks found to address this traffic congestion problem that we have?

Ms. Yajima: Yes. I appreciate that. This Bill came up several times over the past few months. Over tourism, traffic congestion, and all of the

problems we identified in the Bill are pretty complex, do not involve only one (1) entity, but require conversations around and between many stakeholders. We have been discussing alternative modes of transportation, educational campaigns, and opportunities to work with the County and Administration. If the Administration is available, I would defer to them to discuss some of the options. Those are the types of solutions that we are working towards.

Councilmember DeCosta: Thank you.

Council Chair Kaneshiro: Are there any further clarifying questions from the Members? If not, thank you for your testimony, Tiffany.

Ms. Yajima: Thank you very much.

There being no further public testimony, the meeting proceeded as follows:

Minutes of the December 1, 2021 Finance & Economic Development Committee Meeting.

Upon motion duly made by Councilmember Kualii, seconded by Councilmember Cowden, and unanimously carried, the Minutes of the December 1, 2021 Finance & Economic Development Committee Meeting was approved.

Committee Chair Evslin: We received no written testimony and have no registered speakers on this item. Is there any final discussion on this item? The motion is carried. Clerk, can you please read the next item on the agenda.

Bill No. 2828 **A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUA'I COUNTY CODE 1987, AS AMENDED, ESTABLISHING A COMMERCIAL VEHICULAR RENTAL REAL PROPERTY TAX CLASS (This item was Deferred to the 2nd Committee Meeting in February of 2022.)**

Councilmember Chock moved to approve Bill No. 2828, seconded by Councilmember Kualii.

Committee Chair Evslin: We received written testimony on this item, and we had one (1) registered speaker that provided testimony this morning. This is the rental car operations Real Property Tax Class Bill that we deferred at the last meeting to provide time for the Administration to look into concerns that were raised in submitted testimony, to meet with the rental car companies, and to allow us to post an Executive Session regarding legal matters. Administration asked for a two-month deferral. We have an Executive Session later, but that should not impact today's deferral, and we can hopefully move on the deferral. Are there any questions? Is there any discussion?

Councilmember Chock: Stop me if this is Executive Session material. I am curious and I think Councilmember DeCosta brought it up in response to the testimony regarding the progress that we are making, to come up with solutions that are beneficial to all parties. If there is anything on the floor that should be or can be said, I would appreciate it. If not and we need to hold it until Executive Session, I understand.

Councilmember Evslin: We can suspend the rules. Mike Dahilig, do you want to take that question?

There being no objections, the rules were suspended.

MICHAEL A. DAHILIG, Managing Director (*via remote technology*): Yes, sure Committee Chair. Mike Dahilig, Managing Director, for the record. I know there was a previous question from Councilmember DeCosta and Councilmember Chock concerning the progress of where things are going. As Ms. Yajima mentioned in her testimony this morning on the Bill, there has been a multilateral set of people that have been discussing final points of what the issues are and trying to find solutions or create solutions to be able to move forward with litigation and the intent behind this Bill was partly premised upon. What we have been engaging on over the last few months have been discussions about looking at State authority and looking at ways we can use current tools within State and County authority to be able to both raise revenue for tourism management, as well as provide opportunities for visitors to the island to be responsible. Some of them involve looking at measures that are currently in line within the current legislature. As you know, we only got through one (1) session. The second session still has bills that are relevant to the discussion. We are currently asking questions of the Attorney General relating to liability on behalf of the rental car companies to be able to charge or ask for certain fees. There has been a lot of technical things that have been going back and forth with folks in the rental car industry. We are asking for leave of time to let some of those questions to be answered by people that are outside of the discussion. Getting the legislature or Attorney General involved. That is where are at this point.

Councilmember Chock: Thank you.

Councilmember Evslin: Members, are there any further questions?

There being no objection, the meeting was called back to order, and proceeded as followed:

Councilmember Evslin: I will call this meeting back to order. Before we take the motion to defer, is there any final discussion? Can someone move to defer this meeting to the second meeting in February?

(Written testimony was received and one (1) registered speaker testified regarding this agenda item.)

Councilmember Cowden moved to defer Bill No. 2828 to the 2nd Committee Meeting in February of 2022, seconded by Councilmember DeCosta, and carried by the following vote:

FOR DEFERRAL:	Chock, Cowden, DeCosta, Kuali'i, Evslin	TOTAL - 5,
AGAINST DEFERRAL:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

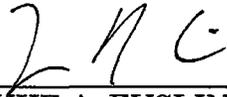
There being no further business, the meeting was adjourned at 11:04 a.m.

Respectfully submitted,



KarLyn Sukehira
Council Services Assistant I

APPROVED at the Committee Meeting held on January 20, 2022:



LUKE A. EVSLIN
Chair, FED Committee