

Officials must focus on making economy resilient

THE CHAMBER VIEW

by Pamela Tumpap



When things are great, it is hard to hear the warning bells and remember that

the economy goes up and down. The past couple of years, in spite of a booming economy, the Maui Chamber of Commerce shared with legislators how a number of actions would increase the cost of doing business and hurt the economy, but these messages sometimes fell on ears muted by the times. However, with more layoffs and continued slowing of the economy, the warning sirens are being heard loud and clear. It is time to focus on the economy, protect jobs and put elected officials in office who "get it."

We have seen a number of elected officials support legislation that caused significant concerns, saying the legislation always can be fixed down the road. Unfortunately, quick patches can come at a high price because the economy does not rebound immediately while we fix our mistakes. It takes time, often years, to reverse the negative impacts, and the process of correcting legislation is time-consuming and wasteful.

Even when economic slowing was a reality this past legislative session, laws were passed that heaped even more regulation and costs on businesses. This situation — combined with already rising fuel, supply, labor, insurance and other costs — created a snowball effect. We now are experiencing the negative, unintended consequences: increasing layoffs and business closings.

Thankfully, at the county level, our visitor-industry investment wasn't reduced. However, more support is needed. Nearly all Mauians are touched by this industry in one way or another; when tourism is hurting, we all are hurting.

With mounting challenges, and with visitor counts and spending down, we are losing highly leveraged visitor dollars that help us cover costs and sustain our economy. We will have to make up the revenue shortfall.

Activity, retail, restaurant and other visitor-related businesses are reporting losses, reductions in employee hours and layoffs. Many are disappointed that the county hasn't reversed its stance and allowed transient-vacation rentals to operate and help the economy.

The construction industry, which will get some reprieve from major airport and harbor improvements, is taking a hit and experiencing layoffs as well. Yet, we have an ongoing need for affordable housing and rentals. County funds for this purpose are building, and the great strides that were expected to be made after the urgent public cry in the last election still have not materialized. In the meantime, the mortgage crisis came to a head, and the economy worsened. Now affordable homeownership is even more problematic.

We are also in the process of reviewing the draft Maui Island Plan, which will influence greatly our future direction and opportunities. Thus far, the draft plan is based on one viewpoint and does not provide options so that trade-offs can be discussed and we can determine our desired future. A planning tool of this magnitude requires broad thinking, community acceptance and built-in elasticity. Flexibility is needed to best prepare for and adapt to changing conditions. If the Maui Island Plan is left as is, we will run up against limitations of the past. It is time to include best practices and choices.

Strong leadership is needed now to improve the economy, and much can be done, including:

- Preventing legislation that increases the cost of doing business, unless there is buy-in from the business sector and/or appropriate incentives or offsets.

- Developing significant affordable housing and rental units.

- Expanding our infrastructure and creating new sources of water.

- Improving our educational system.

- Diversifying our economy.

- Increasing support for the visitor industry to maintain and expand our market share.

- Providing incentives toward alternative energy, and reducing our fuel costs and dependency.

- Providing new transportation systems.

- Allowing transient vacation rentals and alternative accommodations to bring in additional visitors.

- Streamlining the building-permitting process to reduce development costs.

- Helping businesses identify and take advantage of new and global markets.

- Increasing support for our agriculture industry and the production of locally grown produce.

- Creating forward-thinking and flexible plans to maintain options for our future.

In this difficult economic climate, it is tough just to survive. However, demanding times present us with an opportunity to re-evaluate our businesses, understand what works and what does not, and initiate positive change. As we evaluate our own operations, it is also a good time — especially with the coming election — to evaluate the work done by our elected officials.

We need people in office who understand economic principles, will help insulate our community from economic downturns, and steer a course to stability now.

As we retool our businesses and plan forward, let us choose leaders who will place emphasis on the economy. With vision, balance and skill, we can ride this wave, not be crushed by it, to a brighter tomorrow.

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