



Newsletter

April 2023

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1 President's Message



Due to a herculean effort on the part of director Val Albertson and a team of volunteers, we were able to reach quorum and hold our Annual General Meeting this year, which featured an election for all nine AOA Board of Directors seats.

For me, this was an educational experience, as it was my first AGM as a sitting Board member. The Waikiki Banyan is a democratic organization and the owners are entitled to be heard. The best way to be heard in a democracy is through voting and participation. The fact that we struggle to reach a 50% quorum means nearly half of our owners aren't participating. Of course, not participating is a choice, too, but if you stay out, your voice won't be heard.

Owners voiced a number of concerns at the meeting. While I can't address all of them here, I'll try to answer at least some.

Water shut-off fee: This topic will be revisited at the April board meeting. The original idea was to recover AOA costs in performing a shut-off and minimize shut-offs that go unutilized (yes, this happens) and cause unnecessary inconvenience.

New Parking Rules: This topic will also be revisited at the April board meeting. We need to balance increased revenue and decreased fraud against legitimate owner concerns.

Limits on monthly fee and special assessment increases: No one likes higher charges. I sure don't. But what choice do we have? Electricity is up over 30% year over year. We've had whopping insurance premium increases (over 25%). And we have capital improvement projects that we can't neglect, such as the Rec Deck and the elevators (our number one source of owner and visitor dissatisfaction, and rightly so). Then there's the need for more and better security (as also mentioned at the annual meeting). None of these things come for free.

Open committee meetings: This is a great idea and we're in the process of implementation. Give us a little time to get calendars published and so on. The only restrictions will be on

personnel discussions and proprietary contract bids.

"Live" Board meetings: This is unlikely to happen. Zoom is so convenient for both owners and Board members, and "hybrid" meetings are very difficult to run.

If I haven't answered your questions, please write info@waikikibanyan.org and we'll do our best to respond appropriately.

---Bob Newell, President

2 Treasurer's Report



Treasurer's (Snapshot) Report - Feb. 2023 & 2023 YTD Snapshot of Financials:

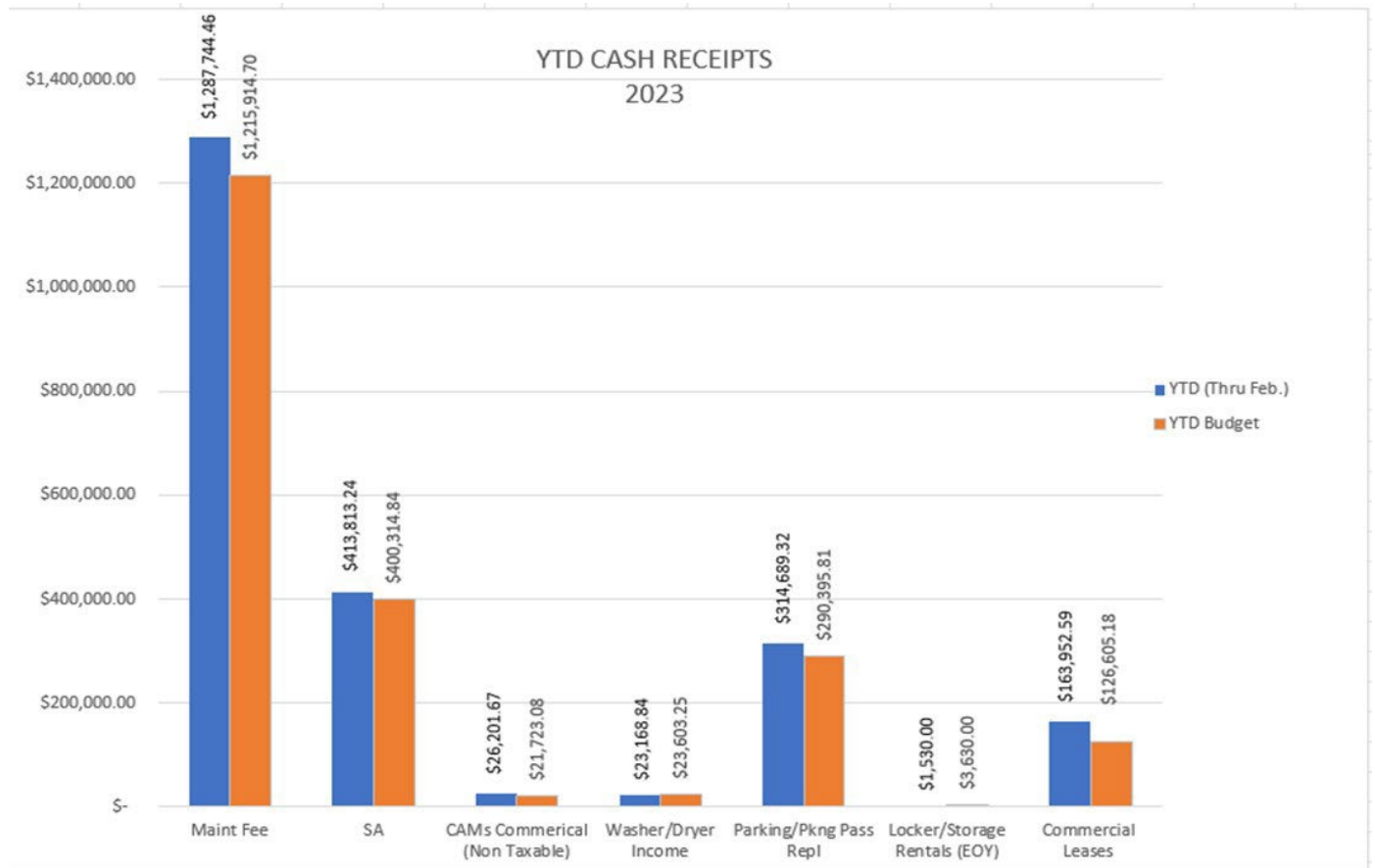
Cash Receipts:

Feb. Cash Receipts:

Actual = \$ 1,066,347.95 Budgeted = \$ 1,072,350.29 (99.4 % to Budget)

YTD Total Cash Receipts:

Actual = \$ 2,333,036.16 Budgeted = \$ 2,144,700.58 (108.8 % to Budget)



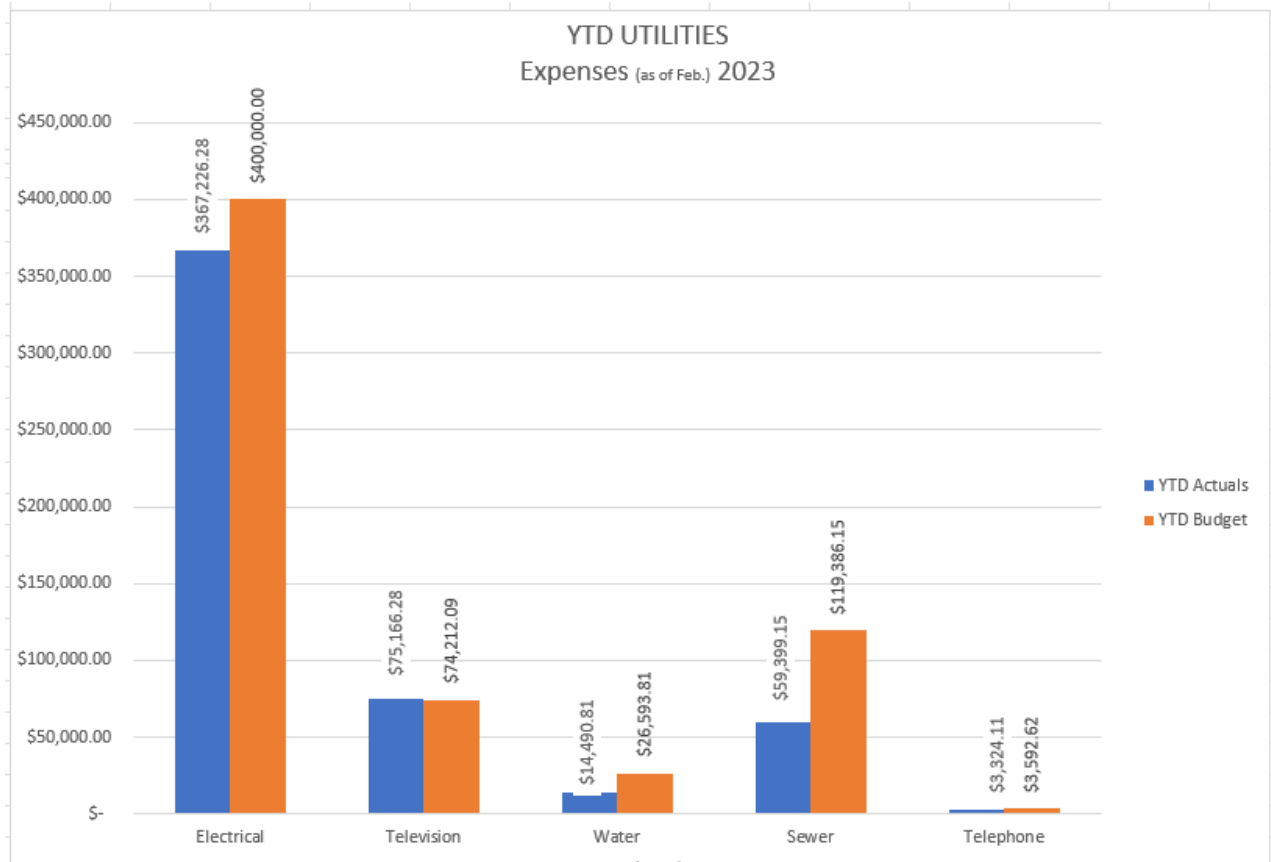
Cash Disbursements (Expenses):

Feb. Cash Expenses:

Actual = \$ 938,325.91 Budgeted = \$ 731,085.77 (128.3% to Budget) (28.3% over) **Note.** Water & Sewer bills still playing catch up since Jan 2023.

YTD Total Cash Expenses:

Actual = \$ 1,311,231.73 Budgeted = \$ 1,653,784.33 (79.3 % to Budget) (20.7% under) **Note:** Feb's Water & Sewer shows a typical month's worth of bills for each, still catching up from Jan's, see above note.



Operating Surplus/Deficit: (Cash Receipts – Cash Disbursements)

YTD Total Operating \$'s:

Actual = \$ 1,021,804.43 Budgeted = \$ 490,916.25 (208.1 % to Budget)

Note: These figures are still a bit skewed this month, since we are missing 2 major expense bills since Jan. 2023 (water & sewer), playing catch-up.

Total AOA (WB) Cash + Reserves:

YTD Totals:

Actual = \$ 11,551,817.94



TREASURER'S REPORT
WAIKIKI BANYAN

CURRENT MONTH SUMMARY
FEBRUARY 2023

INCOME	Actual	Budget	Variance
Non-Taxable Receipts for the month:	\$846,317	\$834,975 ✓	\$11,343
Taxable Receipts for the month:	\$220,031	\$237,376 ✗	-\$17,345
TOTAL RECEIPTS for the month:	\$1,066,348	\$1,072,350 ✗	-\$6,002
EXPENSES			
TOTAL OPERATING EXPENSES for the month:	\$938,326	\$731,086 ✗	\$207,240
There is a net operating SURPLUS of: ✓ \$128,022			
Utilities:	\$481,309	\$309,702 ✗	\$171,607
Contracts:	\$250,294	\$247,673 ✗	\$2,621
Building Maintenance:	\$88,097	\$24,305 ✗	\$63,792
Administration:	\$900	\$4,098 ✓	-\$3,197
Professional Services:	\$27,811	\$22,087 ✗	\$5,724
Payroll and Benefits:	\$70,854	\$78,435 ✓	-\$7,581
Other Expenses:	\$19,061	\$44,940 ✓	-\$25,879

*significant variances are listed on the attached report

BANK BALANCES

Operations Accounts balance is:	\$241,794
Reserve Accounts balance is:	\$11,310,023
Restricted Cash balance is:	-\$150,297
TOTAL Cash and Reserves balance is:	\$11,401,520

YEAR-TO-DATE SUMMARY
FEBRUARY 2023

INCOME	Actual	Budget	Variance
Non-Taxable Receipts for the year	\$1,810,251	\$1,669,950 ✓	\$140,302
Taxable Receipts for the year	\$522,785	\$474,751 ✓	\$48,034
TOTAL RECEIPTS YTD:	\$2,333,036	\$2,144,701 ✓	\$188,336
EXPENSES			
TOTAL OPERATING EXPENSES YTD:	\$1,311,232	\$1,653,784 ✓	-\$342,553
YTD, we are ✓ \$1,021,804 under budget on regularly budgeted items.			
Utilities:	\$519,607	\$619,404 ✓	-\$99,797
Contracts:	\$398,699	\$501,628 ✓	-\$102,929
Building Maintenance:	\$124,803	\$48,610 ✗	\$76,193
Administration:	\$1,979	\$20,195 ✓	-\$18,216
Professional Services:	\$51,395	\$44,175 ✗	\$7,220
Payroll and Benefits:	\$176,206	\$156,715 ✗	\$19,491
Other Expenses:	\$38,544	\$263,057 ✓	-\$224,513
Capital Expenditures YTD:	\$460,575	\$7,726,298 ✓	-\$7,265,723

--Mo Schreiber, Treasurer

3 Teams/Committees/Task Forces



The Board of Directors has organized a set of teams to deal with the many issues currently facing the Waikiki Banyan. Listed below are team names, members, and a brief description of the role of each team. Teams will generally provide reports for both the monthly newsletter and at the monthly Board meeting.

Team	Bob	Val	Mo	Cathy	Christian	Kenji	Angie	Brett	Linda
Rec deck		x	x					x	L
Legsl. Watch	x			L					
Parking Ramp			L		x	x		x	
Security	x						x	L	x
Agent Rel.	L	x			x	x			x
Budget	x		L						
Personnel	x			L					
Votes/proxies		L					x		
Newsletter	x						L		
Energy Cons.			x			x		L	
Elevator Proj.	L		x					x	
Rules Rewrite	x			L					x

L = Lead X = Member

GM/AOAO staff participate as required

Team Nomenclature

Task forces have a specific assignment which may however be large in nature, and a duration only for the length of the assignment, even though that may be long.

Committees are more or less permanent in nature and have an ongoing assignment that is not expected to come to an end.

Team Description: Recreation deck

Type: Task Force

Purpose: Oversee renovation of Rec Deck

- Est. Duration: 2-3 years
- Reporting: At board and in newsletter
- Confidential: No except for bids
- Status: Established
- The Rec Deck team oversees all aspects of the Rec Deck renovation project in conjunction with professional consultants and AOA staff, from planning to design to implementation. Construction management is done by AOA staff.

Team Description: Legislative Watch

Type: Committee

Purpose: Watch for legislation affecting the Banyan

- Est. Duration: Ongoing
- Reporting: At board and in newsletter
- Confidential: No except perhaps for lobbyists
- Status: Established
- The City & County, as well as the State of Hawai`i, are constantly introducing bills which impact the Waikiki Banyan, and seldom in a favorable manner. This team keeps an eye on legislation and its progress through the legislative process, reporting and making recommendations to the Board for possible action.

Team Description: Parking Ramp

Type: Task Force

Purpose: Evaluate parking rules, fees, and potential automation

- Est. Duration: 2 years
- Reporting: At board and in newsletter
- Confidential: No except for bids
- Status: Startup
- This team evaluates and recommends on all aspects of parking at the Waikiki Banyan. This includes parking rates, parking rules, identification and resolution of issues, and the evaluation of potential automation solutions. Professional consultants are engaged as necessary.

Team Description: Security

Type: Task Force

Purpose: Develop comprehensive Waikiki Banyan security program

- Est. Duration: 2 years
- Reporting: At board and in newsletter
- Confidential: No except for bids
- Status: Startup
- This team looks into all aspects of building and property security, including access control, security staffing, surveillance, etc., in conjunction with professional consultants as required. The team evaluates and recommends solutions and processes.

Team Description: Agent Relations

Type: Task Force

Purpose: Establish optimal relations with rental agents

- Est. Duration: 1 year
- Reporting: At board and in newsletter
- Confidential: No
- Status: Startup
- Agents are very important to the Waikiki Banyan. Most agents are excellent but a small few are not. This team looks into relationships between the AOA and the Banyan's active rental agents with a view to optimizing our working relationship and ensuring that the best interests of our owners are served by all.

Team Description: Budget

Type: Committee

Purpose: Prepare budgets each year

- Est. Duration: Ongoing
- Reporting: At board and in newsletter
- Confidential: Semi
- Status: Established
- The budget team takes on the task of preparing the annual operating and capital budgets for the Waikiki Banyan, a process that occupies about nine months of every year.

Team Description: Personnel

Type: Committee

Purpose: Manage executive personnel matters

- Est. Duration: Ongoing
- Reporting: At board (only)
- Confidential: Yes
- Status: Established
- This team deal with personnel matters within the AOA, at the executive level, and also manages relationships with the Managing Agent.

Team Description: Votes/proxies

Type: Committee

Purpose: Get out the vote for the AGM

- Est. Duration: Several months per year
- Reporting: At board and in newsletter (when active)
- Confidential: No
- Status: Established
- This team operates for several months each year in the runup to the Annual General Meeting, ensuring that enough proxies are returned so that a quorum may be achieved and the meeting may take place.

Team Description: Newsletter

Type: Committee

Purpose: Produce monthly newsletter

- Est. Duration: Permanent
- Reporting: Via newsletter
- Confidential: No
- Status: Established
- This committee is responsible for production of the monthly owners' newsletter.

Team Description: Energy and Water

Type: Task Force

Purpose: Energy conservation, energy and water usage reporting

- Est. Duration: 3 years
- Reporting: Board, newsletter
- Confidential: No, except for bids
- Status: Established
- This team deals with the annual energy and water usage reporting now required by the City & County of Honolulu. This responsibility transfers to the AOA Office after

initiation. This team deals in general with energy conservation and energy efficiency. This team is specifically assigned the solar generation project, which looks at the feasibility and economics of installing rooftop solar panels at the Waikiki Banyan.

Team Description: Insurance

- This Task Force's work is complete. Further insurance issues will be handled by the Budget Committee.

Team Description: Elevator Project

Type: Task Force

Purpose: Oversee elevator renovation

- Est. Duration: 3 years
- Reporting: At board, in newsletter
- Confidential: No except for bids
- Status: Startup
- This team, with the assistance of professional consultants, oversees the elevator renovation project, from design to bid to implementation. Actual construction management is done by AOA staff

Team Description: Rules Rewrite

Type: Task Force

Purpose: Rewrite house rules

- Est. Duration: 1 year
- Reporting: At completion
- Confidential: No
- Status: Startup
- This team is responsible for preparing a complete rewrite of the Waikiki Banyan House Rules, with a view to making them self-consistent, clear, and easy to follow.

4 Team/Task Force/Committee Reports

Security Committee Update:

The Security Committee held our “kick-off” meeting on Thursday, March 2, 2023. We discussed how to better secure the Waikiki Banyan by identifying and creating a list of issues, access points, authorized user groups, and scope of work. We shared this information with our consultant, Arne, who is in the process of scheduling a facility tour and meeting with an access control and security expert so they can present us with an estimate to evaluate, recommend, plan, and deploy comprehensive, integrated security and access control solutions to better monitor and secure the Waikiki Banyan in a safe and friendly manner for owners, AOA, tenants, and guests. The facility walkthrough and meeting will take place within the next couple weeks, updates will be provided, when available.

--Brett Hulme, Vice President & Security Committee Lead

Energy Conservation Committee Update:

The Energy Conservation Committee will hold our “kick-off” meeting on Wednesday March 29, 2023 to discuss and identify possible cost savings measures, relating to electrical and water usage, that the Waikiki Banyan can explore/implement to help reduce costs and a better environmental steward on behalf of owners and the AOA. The Energy Conservation Committee initiatives are “above and beyond” what is currently required in Bill 22, now ordinance 22-17, which establishes a better building benchmarking and reporting requirement for energy and water usage of covered properties within the City and County of Honolulu.

Hawaii Energy Systems conducted a free energy audit with Jack at the Waikiki Banyan On December 2022; they subsequently identified and provided us with a couple of energy saving suggestions/quotes that will be discussed in our kick-off meeting.

EPA Resources:

The first step to saving energy in any building is to start by looking. Walk around the facility and condo, both during the day and night, looking for quick ways to save energy. Quick fixes can add up to big savings as hundreds of organizations have reduced their facilities’ energy use by 15 percent or more.

Ways to Save

Start saving with no- and low-cost approaches, and then use savings to pay for more

extensive upgrades:

- [Upgrade your lighting](#). If your building or condo relies on inefficient lighting, such as incandescent, halogen, HID, or T12 fluorescent, you're missing out on significant savings. Updating your lighting can be a great first step when it comes to making your building and condo an efficient one.
- [Operations & maintenance best practices](#). Efficient building operation reduces operating costs, maintains comfort, and extends equipment lifetime, all without significant capital investment.
- [Checklists of energy-saving measures](#). These checklists include energy-saving measures that can be implemented at no or low cost, or with rapid payback.
- [Energy-efficient products](#). Purchasing efficient products reduces energy costs without compromising quality. Learn more about ENERGY STAR certified products, estimate potential savings, and specify them in your purchasing policies and contracts.
- [Building upgrades](#). Maximize your financial and energy savings by taking a staged approach to building upgrades that accounts for energy flows among systems.
- [Water, waste, and renewable energy](#). Check out EPA resources to expand your sustainability work to reduce water use, manage waste and materials, or purchase or install renewable energy.

--Brett Hulme, Vice President & Energy Conservation Committee Lead

Recreation Deck Committee Update:



The Rec Deck Committee met on March 20, 2023 to review and discuss grout finish selections for the swimming pool and hot tubs, as well as swimming pool coping edge styles and materials. ***The committee selections will be presented to the board for final approval.***

Our consultant, Arne, and CDS (Architect) continue to meet with the DPP and WSDD to review and discuss the architectural and FF&E elements as well as construction document

submittals. We are waiting to receive any updates, including comments from DPP and WSDD, to determine next action steps as the DPP and WSDD have very strict guidelines that must be met. ***On-going, no changes to date.***

Refinements will continue to be made for the FF&E (fixtures, furniture and equipment) as we narrow down options and finish selections that best meet durability, maintenance, wind, and budget requirements. ***No changes to date.***

As a reminder, the majority of this “repair and replace” Rec Deck project consists of critically important structural repairs and drainage improvements. The goal is to ensure structural soundness, meet current ADA and local codes, and bring the 6th floor recreation deck back to a better version of its original appeal with updated FF&E.

Timing and project schedule is primarily dependent on permit review and approval by the DPP, given DPP’s backlog, it is difficult to determine and advise of the timeframe. ***Continuing to wait on DDP review & approval.***

Once DPP and WSDD signs off, the project will go out to bid and final pricing will be submitted for committee and board review and approval. At that point, an updated project schedule will be created and shared with owners and tenants. ***Continuing to wait on DDP review & approval.***

--Linda Sahara, Director; Mo Schreiber, Treasurer

Editor’s Note: Not all team reports were available by press time.

5 GM's Report:



PROJECT SUPPORT - Completed and in Progress

Completed:

Lanai spalling completed for the below units:

- Units: 1-608
- Units: 2-3707, 2-3703, 2-3701, 2-3609
- Units: 2-3512, 2-3509, 2-3413, 2-3411, 2-3401
- Units: 2-3310, 2-3306, 2-3305, 2-3212, 2-3113, 2-3110

Porte Cochere Column Repair

Elevator 7 door motor rebuild

2-3703 Patch Wall for Penetration

In Progress:

Lanai Spalling in progress for the below units:

- Units: 2-3108, 2-3014, 2-3102, 2-3011, 2-3001
- Units: 2-2911, 2-2909, 2-2907, 2-2905

Trash Compactor Replacement -Tower 1: Trash compactor received and scheduling install.

Commercial Space Electrical Meter Upgrades: Project has commenced Infrastructure installation complete. One of the meters failed, and now waiting on replacement meter, estimated delivery date 01 January 2023

Projects under review with DPP with no changes/Projects with no changes:

Recreation Deck: (rec deck structural study, surface review, design/drawing, documentation, permitting and SOW). Restrooms project and Deck/Garage project have been submitted to DPP. Project team is working on Project Manual and specifications as we wait for comments from DPP.

Recreation Deck Pool Design Build: The preliminary pool design drawings have been received.

Recreation Deck Replacement of Tennis Court Fence: - This is still pending permitting process and quotes have been submitted to obtain permits for this “barricade” fencing to meeting DPP emergency repair permit requirements. Replacement of Tennis Court Fence will be included in the rec-deck renovation.

NOTE: With NO fencing on the Rec Dec – we are unable to allow any type of playing that includes a ball (Soccer/Tossing, kicking, playing with balls or any flying object in this area for Safety reasons). Thank you in advance for complying with security when stopped for these types of activities.

Recreation Deck Playground Equipment: Vendor selected for the design and construction of the new play equipment, Contract has been signed and executed. Rec-Deck Committee has selected color and model.

Storm Drain Replacement / Perma-line repair: Board of Directors approved the proposal to proceed to design and permitting. The design phase is complete.

Fire Pump Replacement: Vendor has been selected for the design and permitting, once design and permitting is complete the project will go out for BID.

Elevator Modernization: The elevator modernization scope of work is in progress; Pre-BID walk Completed 11 January 2023. BIDS return date has been delayed due to some additional electrical code requirements. Once I have more firm dates I will update accordingly.

Ongoing Projects:

Elevator Modernization: The elevator modernization scope of work has been completed. (Pre-bid walk through is scheduled for 11 January 2023 at 1000 am.) BIDS are due back to the Elevator consultant 22 February 2023. Once BID Proposals are reviewed for accuracy and completeness they will be forwarded to the Board of Directors for consideration.

Trash Compactor Replacement -Tower 1: 12-to-16-week lead time for materials / Estimated Delivery March 10.

Lanai Spalling Inspections – 351 lanais have been inspected / 39% complete / 110 with spall 241 without spalling issues / 44% of units have spall issues / First 2 floors (2-38 and 2-37) are scheduled for 06 Feb inspection. *The AOA only Got into 5 units of the 18 that were scheduled, even after confirmation from managing agents.*

Ongoing Maintenance Projects:

Bike Rack storage areas - Notice of Violation: The last item left to correct for the Notice of Violation is to move the surfboard racks from A-1 parking area to the new bike storage area and we are waiting for permits to process.

Parking Garage: Notice of Violation: – As of July 2022, according to the DPP website, the plans are still in review.

Applied for Yearly Elevator Inspections: Inspection request accepted, waiting on being assigned an inspector / Emailed about this inquiry on 13 December 2022, again on 24 January 2023 and on 21 March 2023.

Painting Perimeter Chain and Posts: In progress and 30% completed.

Painting and Cleaning Perimeter of Building: In progress and ongoing.

Painting and Cleaning the Parking Garage: Cleaned and painted the yellow traffic lines in the garage. In progress.

Rooftop Heat Pump, Spare Heat Exchanger: Lead time of 6 months, ETA 08 May 2023.

5th Floor Tower 2 Fire Box – ETA 4 weeks at the earliest. We are in week 15, the order is delayed due to a company changeover.

Rooftop Bracket Support Replacement – Material arrived 02 Mar 23 and scheduling installation.

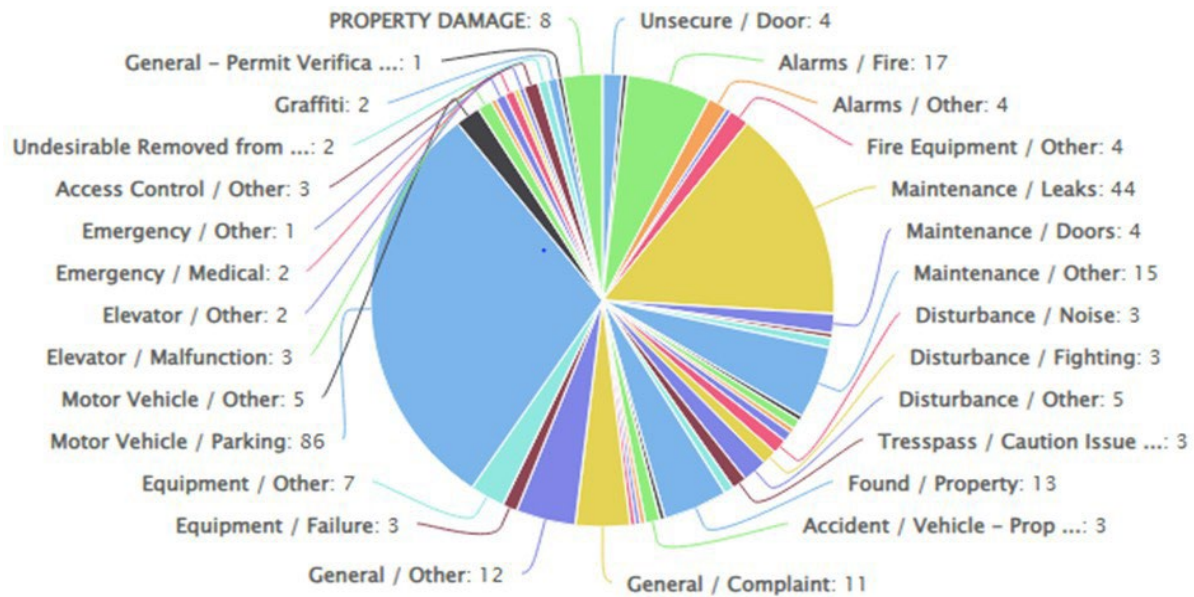
Laundry Room Tile replacement: Board approved / 4 to 6 weeks lead time for material. Estimated delivery date 30 Jun 23.

Parking Garage Mirrors: Installing mirrors for the parking garage to help mitigate traffic incidents.

Replacing Chicago Cartridges for Quarterly Maintenance – 22 replaced and continuing installation.

Elevator 6 Sheave Repair – Elevator 6 motor and sheave have been reassembled. On 24 March 23 they will be remounting the hoist cables which is estimated to take a large amount of time. They are expecting a release of 27 March 23 pending any further issues.

Incident Category



Security Incidents

ADMINISTRATION/FINANCE/PERSONNEL

LANAI INSPECTIONS: There are still have many units to inspect. If you have not had your lanai inspected, please contact info@waikikibanyan.org to schedule. We are only just over halfway through.

YEARLY POOL maintenance dates have been set for May 2023: The May 2023 Pool & Spa maintenance schedule is below, if it is completed early, we will send a notice to all agents and owners.

Pool maintenance will commence May 7th, 2023.

- The pool will be closed from May 8th to May 18th, 2023.
- *POOL OPENS THURSDAY May 18th at 8am*
- The Spas will be closed Monday May 8th to Thursday May 24th, 2023.
- *SPAS OPEN SATURDAY May 24th at 8am*

During this period, the yearly pool/spa maintenance will be performed. The decking around the Spa area will be fixed as needed. All tiles throughout the pools will be checked for loose/cracked and sharp edges

General Manager's Corner

Garage Mirror Installation – To make our garage safer we have added mirrors to improve turning visibility.



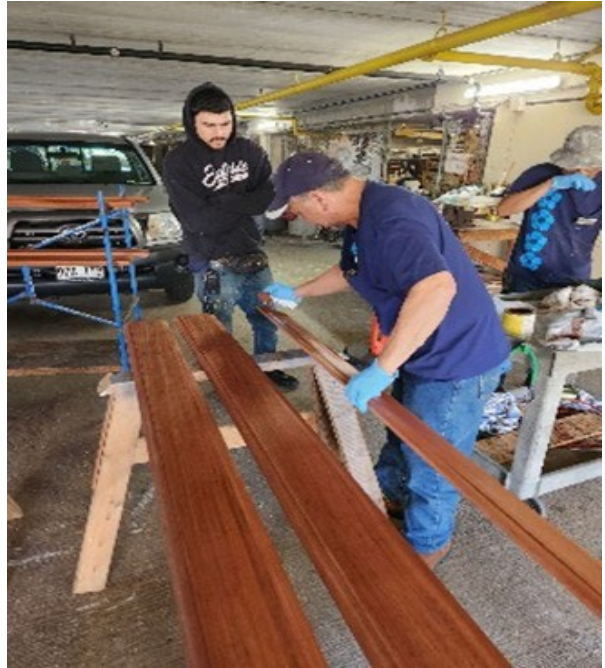
Koi Pond Daily Attention – In order to keep the Koi healthy, the pond needs daily maintenance and scheduled feedings for the fish. PLEASE HELP by not feeding human food or disturbing the fish. They are very sensitive to outside exposures.



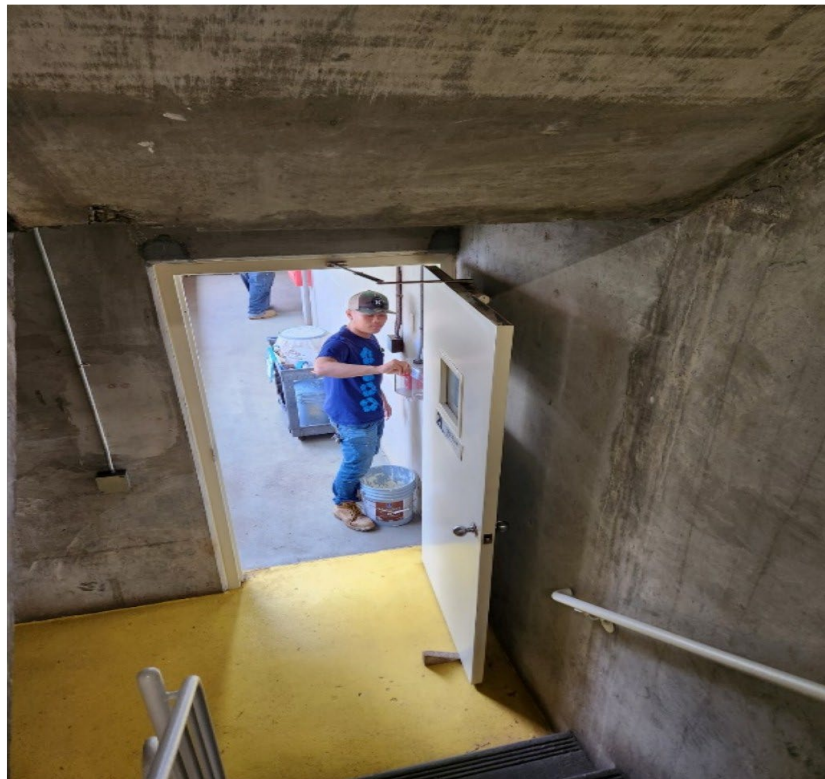
Lobby Pillar Replacement –You may have noticed over the last few months that the Makai side pillar by the koi pond was removed due to termite damage. We are happy to report the pillar panels have been rebuilt and installed. The AOA maintenance team refinished, stained, varnished, and assembled the panels back together. The pillars were also pre-

treated to prevent termite damage. This was an extensive project and the finished product looks professionally done.





Painting Garage Doors – Here we have our newest Banyan maintenance member Jordan painting the garage doors.



Common Area Paint Touch ups – Maintenance touching up one of the elevators landings.



Roof Maintenance – Roof maintenance is very important to make sure standing water is removed. This keeps algae from growing, hardening, and then cracking the roof finish. It also allow us to check to be sure there are no sharp objects puncturing the roof membrane.



Pool Maintenance – Our pool maintenance starts daily at 5.30 am. The filters are cleaned and the pool is vacuumed to remove any sand or debris. The chemical levels are also tested and adjusted as need.



--Jack Johnson, General Manager

6 Legislative



A number of bills are on our radar at this time both at the State and County level.

City & County

Resolution 23-33 will be heard this week, which sets the rates for property taxes. While there is no change for us this year (next year most of us will be subject to the new TVU rates, see below) it is worth noting what the tax rates for the 2023-2024 year will be:

Residential: \$3.50 per \$1,000 of property value

Hotel and Resort: \$13.90 per \$1,000 of property value

Bill 4 (22) Real Property Taxation

This bill creates a separate tax classification for owners who use their properties as Short Term Rental Units (STRs) also called Transient Vacation Units (TVUs). According to Ordinance 22-07 (formerly known as Bill 41), TVUs are to be taxed at the Hotel and Resort Rate, which is over three times the residential rate. (see rates above) Bill 4 created a new TVU tax rate; more than Residential, but less than Hotel/Resort, and two tier levels based on property value. The majority of the discussion was around the property valuation for each tier level, under which an owner would qualify for the new TVU tax classification rather than be taxed at Hotel and Resort rates. The tier level was set at \$800,000, which is good news for us here at the Banyan. It means we will all qualify for this new TVU property tax rate at this time as our properties are currently assessed at less than \$800,000. Note that the Bill doesn't set the tax rate; it only creates a new category. The tax rate for the new category will be set separately at a later date.

The Bill passed unanimously at the March 15, 2023 City Council meeting and has been sent

to the Mayor for approval and signature by April 3, 2023 with an implementation date of July 1, 2024. During the testimony, the Director of Budget and Fiscal Services said that, at last check, there were just over 900 registered and approved TVUs. He expects that 75% will be under that \$800,000 threshold.

* As a reminder, while Ord. 22-07 granted owners at the Waikiki Banyan the right to rent their units as TVUs (less than 30 days), owners are still required to register their unit(s) as a Short Term Rental Unit with DPP and may not rent their units for periods of less than 30 days until they receive conditional approval and a STR Permit Number. DPP is actively sending out Notices of Violation to non-registered STR owners and we urge you to register your unit to be in compliance with the law

and our own Waikiki Banyan Bylaws, House Rules, and Declaration. We do not want to give DPP any reason to focus their attention on us here at the Banyan. We have provided much of the information you will need to register on our Waikiki Banyan website under the Short Term Rental tab for your convenience.

Bill 9(22)

Vacant Home tax, which would have established a super high tax rate for any property not occupied for at least half the year by a Hawaii resident, seems to have died for now. Let's hope it is not resurrected anytime soon. However, there is another Bill 9 this year, Bill 9(23).

Bill 9(23)

Introduced March 3, 2023 and just passed first reading March 15, 2023. The purpose is to address real property tax compromises made by the Director of Budget and Fiscal Services (BFS) that require City Council approval. Basically, it gives the Director of BFS a whole lot of power. Of particular concern is Section 2 (8), which gives the Director the power to inspect any property at any time for any reason, including for violations and the enforcement of penalties.

Bill 10(22)

Land Use Ordinance, relates to how land is used, including for TVUs. It is a huge, unwieldy bill and discussion has centered around splitting off certain uses, including TVUs, into separate bills. It has been postponed at this time.

Bills 61 and 62

Last year the City Council introduced Bill 4 (see above), a new tax classification for TVUs that would be lower than the hotel-resort classification. This was a way to level the playing field between TVUs and hotels and charge property tax commensurate with the actual usage of the property. However, Bill 41/Ordinance 22-7 created extra fees and regulations for TVUs that hotels don't have, such as registration fees etc. Then came Bills 61 and 62, Bills 61 and 62 are close to identical and we're not quite sure why there are two of them, but they do contain provisions that might affect the Waikiki Banyan. The upshot of the Bills is to have all property taxed at "highest and best", which for the Banyan is obviously the Hotel Resort rate.

Both Bill 61 and 62 fail to mention the new TVU classification and the tiering system from Bill 4.

There are a couple of exceptions; if you don't rent out your property and you are a resident, there is a process whereby you may petition for an exemption with a "dedication" to residential use but it is complex and the rules are contradictory.

The other possible exception is for timeshares that meet certain conditions, which is also complicated and confusing. We sent the text of the Bills to our legal firm to get their interpretation and they agree that the bills are confusing and unclear. Both bills passed first reading January 25 and there has been nothing new since then.

State/House:

Bill HB15

This Bill allows for non-judicial property foreclosure for unpaid fines relating to violations. This bill is general in nature but obviously applies to STRs. This effectively allows DPP, if they place a lien on your home, to skip the proper judicial foreclosure process and allows them to take your home through a rapid, non-judicial foreclosure. The bill passed third reading in the House and was transmitted to Senate on March 9 where it passed first reading and was referred to various committees for review, including the Senate Judiciary Committee (SJC).

HB498 and companion Bill SB875

Another bill related to non-judicial foreclosure and civil forfeiture that would allow counties to sell private property to pay unpaid civil fines related to that property. It has been deferred at this time.

Bill HB538

This Bill establishes enhanced penalties if an owner receives a notice of violation and fail to remedy the violation(s) in a "timeframe that is satisfactory to the department", which seems open to arbitrary interpretation as to what is "satisfactory". Note this bill is also general and doesn't just apply to STR violations. It passed third reading in the House and was transmitted to Senate on March 7 where it passed first reading and was referred to the Public Safety Committee (PSM) and SJC. PSM held a public hearing on March 17 during which the committee members conferred and felt that some of the provisions such as the timelines, penalties etc. were "a little bit drastic" and deferred action on the bill for now.

Bill HB84

This Bill would give the counties the right to "sunset"; or phase out, short-term rentals, even if they were legal and in permitted zones. The bill has been heard and passed by various committees and was referred to the House Committee on Judiciary and Hawaiian Affairs on Feb 17.

Bill HB820

This very controversial Bill would establish a 25% transient accommodation tax on short-term vacation rentals. The working assumption is that it would not apply to hotels but again, it is complicated and when asked outright during the discussion on Feb. 24 if hotels would be subject to this tax, the responses were vague, evasive and no straight answer was given. There was a lot of discussion around whether this new tax is unconstitutional, discriminatory and punitive. If it passes, and if hotels are indeed exempt, there will likely be constitutional challenges. As a result, the House Committee on Finance recommended that the measure be deferred for now.

Comment:

The war on short-term rentals continues and the focus has now turned to even legal transient vacation units. One of the Representatives in the State House has openly declared his intention to eliminate all short-term rentals on Oahu which he believes will make more housing available to residents. These bills are coming fast and furious and from all directions, to the point where it is getting hard to keep up with them all. Perhaps that is the point? In any case, this isn't over.

---Cathy Panizzi, Secretary

7 Did you know? Sunsets in Waikiki



Waikiki Beach is one of the best places to catch the sun setting on the horizon. If you happen to be out and about near any of the beaches along Waikiki and Ala Moana during sunset, stop and enjoy the serenity of watching the sun slowly drop below the horizon. If you are lucky enough, you'll be able to catch an interesting cloud formation, or a picture of your loved ones against this beautiful backdrop.

8 Interesting Places to Visit – International Market Place



A short stroll towards to 2330 Kalakaua Avenue heading along the beach away from the zoo will bring you to the International Market Place. There are currently over 90 stores and over 10 restaurants and dining options in this beautiful open-air setting in the middle of Waikiki.

This open-air market was first established as a commercial, retail and entertainment in 1956. Singer Don Ho had a regular gig at the International Market Place before he hit it big at other venues. At its height the International Market Place encompassed 50 shops, night clubs, and restaurants. They closed in 2013 for renovations and opened on August 25, 2016 doing away with its previously tiki themed stall vendors and many nightclubs. However, there are still many activities and events hosted at International Market Place, check out their website for further information: <https://shopinternationalmarketplace.com>.

Revenues from the International Market Place directly support The Queen's Medical Center.

9 Where are those Shopping Carts?



Did you know that there are 10 shopping carts available for the guests and residents of the Waikiki Banyan to use?

Below are the rules that apply to the use of the carts:

To use a cart, you would need to go to the security office located in Tower 2, lobby level. You will be provided a key to a lock associated with a cart after filling out a sign out/in sheet. (You will take this key to unlock the cart and retain the key/lock until you return cart to storage location).

- The shopping carts are located in the Lower Parking Garage area (as you go down the ramp on your right-hand side behind the compact parking area), behind parking stalls, A-123, A124 & A-125.

You are responsible for the shopping cart whilst using and the following rule/conditions stated below apply:

Waikiki Banyan: SHOPPING CART USE

Please read the following:

You are acknowledging upon signing up to use the shopping cart the following conditions that apply

- Sign out/return a key with security
- Time Limit for use is 2 hours
- Return cart & relock in the specified location

- **If the cart is not returned/lost etc. during your use period, you will be billed \$585 for replacement**
- **Should you lose the chain/key & pad lock, you will be billed \$75 for replacement**

10 Editor's Notes



I just realized how much I really love staying here at the Waikiki Banyan. Little did I know about 4 years ago when I retired, I would have the opportunity to live part time in my own “little paradise”.

With my first official AGM behind me, I was thinking how did I get into this? Several owners have asked me why did I want to run for the board? My first ready answer was because I wanted to know that my “home” is protected and continues to be a “little piece of paradise.” As a newbie condo owner, we were quickly introduced to all the nuances of living with community restrictions and rules. What, rules? Yikes! Special Assessments? It was fairly overwhelming. Then along came Bill 41 and with it myriad of changes. Oh my gosh!

Today, with the many changes that the Board has implemented such as a stronger AOA office team and a new working Board, I can now feel confident that the Board is transparent and working towards the Banyan’s best interests and will continue to do so.

So, what now? Now, it’s about community, staying the course and doing what I can to keep our place a premier place to live. I don’t want opulence, just a place that I can feel safe, and be proud of. I think that place is the Waikiki Banyan.

Yes, I live at the Waikiki Banyan, and I love it here.

--Angie Lum, Director, Coordinating Editor

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