



Ke'ena Kuleana Ho'okipa O Hawai'i  
Hawaii Convention Center  
1801 Kalākaua Avenue, Honolulu, Hawaii 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web hawaii tourism authority.org

**Josh Green, M.D.**  
Governor

**John De Fries**  
President and Chief Executive Officer

**HĀLĀWAI KŪMAU O KE KŌMIKE MO'OHELU KĀLĀ, 'OIHANA KĀLĀ, A ME KE KIKOWAENA  
HĀLĀWAI O HAWAI'I  
KE'ENA KULEANA HO'OKIPA O HAWAI'I**

**BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE MEETING  
HAWAI'I TOURISM AUTHORITY**

**PO'ALUA, 28 MALAKI 2023, MA KA 9:30 KAK  
TUESDAY, March 28, 2023 AT 9:30 AM**

**HĀLĀWAI KELEKA'A'IKE  
VIRTUAL MEETING**

*Hiki i ka lehulehu ke hālāwai pū ma o ka ZOOM.*

**Webinar will be live streaming via ZOOM.**

<https://us06web.zoom.us/j/84683363138>

*E noi 'ia 'oe e kainoa me kou inoa. Na ka papa alaka'i e noi olu'olu, e ho'okomo i kou inoa piha akā hiki nō iā 'oe ke ho'ohana i ka inoa kapakapa e like me kou makemake. E noi 'ia 'oe e hā'awi mai i kāu helu leka uila. Hiki nō ke ho'opihapiha penei, \*\*\*\*\*@\*\*\*\*\*mail.com*

You may be asked to enter your name. The Board requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous. You may also be asked for an email address. You may fill in this field with any entry in an email format, e.g., [\\*\\*\\*\\*\\*@\\*\\*\\*mail.com](mailto:*****@***mail.com).

*Hiki i ka lehulehu e komo ana ma ka hālāwai ma o ka Zoom ke hō'ike mai i nā 'ōlelo hō'ike ma o ka māhele nīnau a pane o ka Zoom.*

Members of the public attending via Zoom may provide testimony through the question and answer feature of the Zoom platform.

*Papa Kumumana'o*  
**AGENDA**

1. *Ho'omaka A Pule*  
Call to Order and Opening Protocol
2. *E Mālama 'Ia Ana Ke Kikolā I Hiki Ke Ho'olauna 'Ia Nā Lālā Papa Luna Ho'okele A Me Nā Kānaka 'Ē A'e E Komo Pū Ana Ma Ka Hālāwai*  
Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic



3. *‘Āpono i ka Mo’olelo o ka Hālāwai Kōmike o ka 21 Pepeluuli 2023*  
Approval of the Minutes of the February 21, 2023, Committee Meeting
4. *Hō’ike’ike, Kūkākūkā A Ki’ina Hana No Ko Ke Kikowaena Hālāwai O Hawai’i Palapala Hō’ike Kālā No Pepeluuli 2023 A Me Ka ‘ikepili Hou Ma Ko Ke Kikowaena Hālāwai O Hawai’i Papa Hana CIP 6 Makahiki*  
Presentation, Discussion, and Action on the Hawai’i Convention Center’s February 2023 Report and Update on the Hawai’i Convention Center’s 6-Year CIP Plan
5. *Hō’ike’ike, Kūkā, a Ki’ina Hana no ko ke Ke’ena Kuleana Ho’okipa o Hawai’i Mo’olelo Kālā Pepeluuli*  
Presentation, Discussion, and Action on the HTA’s February 2023 Financial Report
6. *Hō’ike’ike, Kūkā, a Ki’ina Hana no ka ‘Āpono i ka Mo’ohelu Kālā no Kina\*\*\**  
Presentation, Discussion, and/or Action to Approve Funding for China \*\*\*
7. *Hō’ike’ike, Kūkā, a Ki’ina Hana no ka Noi e Ho’oka’awale Hou I Ke Kālā Mai Ka Makahiki ‘Auhau 2022 no \$50,000 mai Hawaiian Culture Initiative i Marketing Opportunity Fund*  
Presentation, Discussion, and Action on Proposal to Reallocate FY22 Funds from Hawaiian Culture Initiative to Marketing Opportunity Fund in the Amount of \$50,000
8. *Ho’oku’u*  
Adjournment

\*\*\* *‘Aha Ho’okō: Ua hiki i ka Papa Alaka’i ke mālama i kekahi hālāwai kūhelu i kū i ka Hawai’i Revised Statutes (HRS) § 92-4. E mālama ‘ia kēia hālāwai kūhelu nei ma lalo o ka § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) no ka pono o ko ka Papa Alaka’i kūkā a ho’oholo ‘ana i nā nīnūnē a nīnau i pili i ko ka Papa Alaka’i kuleana me ko ka Papa Alaka’i Ioio. He hālāwai kūhelu kēia i ‘ole paulele ‘ia ka ‘ikepili a i mea ho’i e mālama kūpono ai i ko Hawai’i ‘ano, he wahi i kipa mau ‘ia e nā malihini.*

\*\*\* **Executive Session:** The Board may conduct an executive session closed to the public pursuant to Hawai’i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to HRS § 92-5 (a) (2), § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) for the purpose of consulting with the board’s attorney on questions and issues pertaining to the board’s powers, duties, privileges, immunities, and liabilities; to consider hiring and evaluation of officers or employees, where consideration of matters affecting privacy will be involved; and to discuss information that must be kept confidential to protect Hawai’i’s competitive advantage as a visitor destination.

*Kono ‘ia ka lehulehu e nānā mai i ka hālāwai a ho’ouna mai i ka ‘ōlelo hō’ike kākau ‘ia no kēlā me kēia kumuhana i helu ‘ia ma ka papa kumumano. Hiki ke ho’ouna mai i nā ‘ōlelo hō’ike kākau ‘ia ma mua o ka hālāwai iā [carole@gohta.net](mailto:carole@gohta.net) a i ‘ole ho’ouna i ka leka i Ke’ena Kuleana Ho’okipa O Hawai’i, 1801 Kalakaua Avenue, Honolulu, HI 96815 - Attn: Carole Hagihara-Loo. Inā he lawelawe a mea like paha e pono ai ke kīnānā, e ho’oka’ā’ike aku me Carole Hagihara-Loo ma (808)-973-2289 a ma ka leka uila: [carole@gohta.net](mailto:carole@gohta.net) e like me ka wikiwiki i hiki, ‘a’ole ho’i a ma ‘ō aku o ka ‘ekolu lā ma mua o ka hālāwai.*



Ke'ena Kuleana Ho'okipa O Hawai'i  
Hawaii Convention Center  
1801 Kalākaua Avenue, Honolulu, Hawaii 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web [hawaii-tourism-authority.org](http://hawaii-tourism-authority.org)

**Josh Green, M.D.**  
Governor

**John De Fries**  
President and Chief Executive Officer

*Inā 'ike 'ia he noi i ka lā ma mua o ka hālāwai, e ho'ā'o mākou e 'imi i ka lawelawe a mea like paha, 'a'ole na'e ho'i e hiki ke ho'ohiki 'ia ke kō o ua noi lā.*

*Ua noa pū kēia ho'olaha ma nā kino 'oko'a e la'a ke kope pa'i nui, Braille, a kope uila pū ma ke noi.*

Members of the public are invited to view the public meeting and provide written testimony on any agenda item. Written testimony may be submitted prior to the meeting to the HTA by email to [carole@gohta.net](mailto:carole@gohta.net) or by postal mail to the Hawaii Tourism Authority, 1801 Kalākaua Avenue, Honolulu, HI 96815 - Attn: Carole Hagihara-Loo. If you need an auxiliary aid/service or other accommodation due to a disability, contact Carole Hagihara-Loo at (808)973-2289 or by email: [carole@gohta.net](mailto:carole@gohta.net) as soon as possible, preferably no later than 3 days prior to the meeting. If a response is received the day before the meeting, we will try to obtain the auxiliary aid/service or accommodation, but we cannot guarantee that the request will be fulfilled.

Upon request, this notice is available in alternative formats such as large print, Braille, or electronic copy.

*E like nō me ka 'ōlelo a ke Kānāwai 220, e mālama ana ke Ke'ena Kuleana Ho'okipa o Hawai'i i kekahi wahi e hiki ai ka po'e o ka lehulehu ke noho a komo pū ma nā hālāwai ma o ka ho'ohana 'ana i ka 'enehana pāpaho (ICT). Aia ana kēia 'enehana pāpaho ma ka papahelu mua o ka lumi ho'okipa i mua o ke Ke'ena Kuleana Ho'okipa o Hawai'i ma ka Hale 'Aha. 'O 1801 Kalakaua Avenue, Honolulu, Hawaii, 96815 ka helu wahi.*

In accordance with Act 220, the Hawaii Tourism Authority will establish a remote viewing area for members of the public and board members to view and participate in meetings held using interactive conference technology (ICT). The ICT audiovisual connection will be located on the 1st Floor in the Lobby area fronting the Hawaii Tourism Authority at the Hawaii Convention Center at 1801 Kalakaua Avenue, Honolulu, Hawaii, 96815.

# **3**

Approval of the Minutes of the  
February 21, 2023 Committee Meeting



Ke'ena Kuleana Ho'opipa O Hawai'i  
Hawai'i Convention Center  
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
**kahua pa'a** web [hawaii tourism authority.org](http://hawaii tourism authority.org)

**Josh Green, M.D.**  
*Governor*

**John De Fries**  
*President and Chief Executive Officer*

**BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE MEETING  
HAWAII TOURISM AUTHORITY  
Wednesday, February 21, 2023, at 9:30 a.m.  
Virtual Meeting**

**MINUTES OF THE BUDGET, FINANCE & CONVENTION CENTER STANDING COMMITTEE MEETING**

**MEMBERS PRESENT:** Ben Rafter (Chair), Mike White (Vice-Chair), George Kam, Dylan Ching, James McCully, David Arakawa, Mahina Paishon-Duarte

**MEMBER NOT PRESENT:**

**HTA STAFF PRESENT:** John De Fries, Marc Togashi, Kalani Ka'anā'anā, Ilihia Gionson, Maka Casson-Fisher, Caroline Anderson, Daniel Nāho'opi'i

**GUESTS:** Anthony Davis, Brian Harris, Tom Hazinski, Teri Orton, Mari Tait

**LEGAL COUNSEL:** John Cole

**1. Call to Order and Opening Protocol**

Chair Rafter called the meeting to order at 9:34 a.m. Mr. Casson-Fisher did the opening protocol.

**2. Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic**

Mr. Gionson did the roll call. All confirmed in attendance and that they were alone.

**3. Approval of the Minutes of the January 25, 2023, Committee Meeting**

Chair Rafter asked for a motion to approve the January 25, 2023 minutes. Mr. White made a motion, and Mr. Kam seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

#### **4. Presentation, Discussion, and Action on the HTA's January 2023 Financial Report**

Chair Rafter gave the floor to Mr. Togashi. Mr. Togashi said the meeting packet had all the details of the HTA's financial position and related transactions covered across multiple documents, including balance sheets, statements of revenue and expenditures, budget statement summary, budget detail, budget reallocations, and the executive summary capturing all the information as of January 2023.

He started on page 21 of the PDF. He spoke about the HTA's financial position for all the major funds supported by the various balance sheets included in the meeting packets. He said they have six main funds. As of January 31, the HTA has access to \$24.7 million in the FY2022 TFF (Tourism Federal Fund), a \$4.3 million decrease from December, primarily due to program and operating expenditures disbursements. Of the \$24.7 million, \$15.8 million is encumbered, and \$8.9 million is unencumbered.

The FY2023 ARPA funds were approved in November 2022. \$8.7 million is encumbered in FY2023 ARPA funds. In previous months he had briefed them on a multi-step process for releasing ARPA funds. It included governor approval and paperwork to BNF detailing the planned expenditures and procurement using ARPA funds. They submitted their paperwork for the release of the \$35 million in FY23 funds. However, BNF significantly streamlined the process and eliminated the need for a lot of paperwork. They expect to record the release of the \$35 million in FY2023 funds in the February financials. The HTA TSF (Tourism Special Fund) has \$25.2 million in cash, consistent with December. It includes the \$5 million in emergency funds the HTA maintains by statute, which is invested primarily in U.S. treasury notes, that are laddered in three-month intervals. \$14.9 million is encumbered to contracts, \$5 million represents emergency funds, and \$5.4 million is unencumbered. They anticipate the \$5.4 of unencumbered could increase as savings from certain encumbered contracts are realized. The \$5.4 million represents the funds available to return to the state's general fund with the TSF sunset. For the 2022 CCFF (Convention Center Federal Fund) \$10.2 million is available, most of which has been encumbered.

Mr. Togashi pointed out that they do not have any expenditures to report out of the fund as they go through a process prior to making payment to ASM. There is a process to review receipts for the cost reimbursement contract which includes working with ASM staff to select and review samples of those receipts for reimbursement. He recently asked ASM for access to

the financial systems to see the receipts. In the coming months there will be more activity to report from the fund. The CCESF has approximately \$34.9 million in cash, consistent with December. Of that \$34.9 million cash amount, \$5.9 million is encumbered towards contracts. The remaining \$29 million of unencumbered funds will be stored as a Repair and Maintenance (R&M) reserve for future deployment to support the six-year R&M plan when the appropriation expenditure ceiling is restored through the 2023 legislative process. Within the \$5.9 million of encumbered funds there are some funds they should be able to release for R&M purposes that he previously earmarked as a reserve for facility operations while they get the appropriation expenditure ceiling restored with the legislature. They encumbered funds for the coming years and operational reserves should they need to tap into those funds. Once they can access the reserve funds, they can take funds from the EEG contract and redeploy them for other purposes.

Mr. White asked what expenditure ceiling was in place. Mr. Togashi said there is no expenditure ceiling for the CCESF. They have \$29 million that is frozen. Until they get the funds unlocked through the legislature, they cannot use it. Mr. Kam asked if Mr. Togashi was still requesting \$28.5 million as the ceiling cap, and Mr. Togashi confirmed that as correct.

Mr. Kam asked about the \$5.4 million returned to general funds. He asked what other options the HTA could explore. Mr. Togashi said that the funds have not yet been returned to the general fund, but the funds remain available for return upon calling by the legislature. He said the HTA has an opportunity as they work with the respective tourism committee chairs for them to legislate that.

Mr. Rafter asked if they could not use those funds until they were transferred elsewhere. Mr. Togashi said the funds are similar to the CCESF. Both funds require an appropriation from the legislation to use the funds, so they cannot currently access those funds. Mr. White asked about the \$15 million set aside for the HCC repairs and where those funds are. Mr. Togashi said the funds are the CIP funds for the temporary fix of the HCC's rooftop terrace deck. He said they do not have those funds yet, and it is not in a particular fund. They have submitted paperwork, which is currently with the Department of Budget and Finance for review. The funds do not reside with the HTA.

Mr. Togashi spoke about the budget section. On pages 51 and 53, there is a budget statement for FY2023 funds and a second one for FY2022 funds. For FY2023 funds and all related programs, their budget statement shows the HTAs budget of \$35 million and encumbrances, and approximately \$8.7 million cumulatively for the year. He said that \$8.73 million was recorded in January for Canada, Japan, and China MMAs and the island chapters contract. For FY2022 funds, the budget statement shows the HTAs budget for the full \$60 million and the

cumulative amount of \$42.2 million encumbered against that amount. He mentioned the \$14.9 million they encumbered in FY2023. There were no reallocations to report in February. He said the committee must note that in January, they requested and received extensions from BNF to allow the HTA to use FY2022 and FY2023 ARPA funds through December 2023, which was previously extended only through the period of June 2023.

There was a question from an online attendee. Peter Young asked if the \$60 million requested for the HCC repairs is partially inclusive. Mr. Togashi said he might be referring to the \$64 million request for the rooftop repairs the HTA made in the 2022 legislative session. He said they do not have a formal request in the current year for the HCC rooftop, but they are working with the \$15 million temporary rooftop repair funds that were appropriated. They are in discussions with legislators about the rooftop terrace repair.

Chair Rafter asked if the temporary rooftop repairs do nothing to advance the broader rooftop repairs, and Mr. Togashi confirmed this. Chair Rafter asked for clarification that the repairs they are currently doing include the \$64 million, such as the stairwells, planters, etc. Mr. Togashi confirmed that as correct and said there were other enhancements, including the trellis, etc. Mr. Togashi said the \$64 million is in addition to operational funding the HTA seeks as part of its 2023 legislative ask. Chair Rafter asked about the temporary repair contributing to the permanent fix. Mr. De Fries said the \$15 million is a three-to-five-year band-aid to prevent water from entering the structure. It does not deal with water that is already inside the structure.

Peter Young asked a follow-up question about the tour the legislators had a few weeks ago and asked what the purpose of it was. Mr. De Fries said it was a senate request from the EET committee. Ms. Orton had conducted a site tour and a visual representation of the damage they were dealing with. The Senate committee left with a sense that the larger repair was urgent, and they have a request with the house tourism committee to pay a visit to see if they can come up with larger funding to deal with a permanent fix. The House committee tour has not been scheduled yet. It will be scheduled after Thursday's recess.

Ms. Orton came online. Ms. Orton reiterated that the temporary repair only applies to savings and demolition. The demolition of the rooftop will take place with the temporary repair, so there will be some savings. Mr. Kam asked about the \$15 million CIP and if it could be combined for the permanent repair. Ms. Orton said in the RFP that they would add a portion of additional funding, possibly moving it from temporary repair to permanent repair, with a timeline added. She said that would be in the planning stages, so they can map it out for the construction portion, as it is a big difference between the temporary and permanent repair construction. There were no further questions.



Chair Rafter asked for a motion to approve the agenda item. Mr. Kam made a motion, and Mr. White seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

### **5. Presentation, Discussion, and/or Action for Funding of United States Major Market Area Brand Marketing and Destination Stewardship Requests for Proposals\*\*\***

Mr. Ka'anā'anā said ultimately there were no changes required or requested, based on what the Board approved at the December meeting, so all the funding amounts they previously approved remained the same. There were no budget allocations required or requested. For added detail, all of that was funded out of BLI321.

Mr. Togashi asked Mr. Gionson to pull up a slide showing what they previously shared regarding the U.S. MMA RFP with the Board. Mr. Ka'anā'anā showed the slide on the base funding and elaborated on the figures.

Chair Rafter asked about the second RFP. Mr. Togashi added an important aspect of the U.S. RFP. At HTA's option, there will be up to \$12.9 million in incremental funding, that is, \$1.25 million for the July to December 2023 period, \$5.65 million for the calendar year 2024 period, and \$6 million for the calendar year 2025 period. It will be funded by the respective fiscal years. It is subject to the availability of funds. Mr. Kam asked what the total would be if they got the incremental funding. Mr. Ka'anā'anā said it is \$51,250,000 in total, so a base of \$38,350,000, and \$12.9 to make up the total.

Mr. Kam asked about January 25, when the amount would increase to \$24 million. Mr. Ka'anā'anā said that when the base is added, the back half of January could go as high as nine and a quarter. The calendar year 2024 goes to \$20 million as the maximum, and the calendar year 2025 goes to \$22 million maximum if they do receive the funds and if they choose to exercise the option to their fullest extent. There were no further questions.

Ms. Anderson spoke about the RFP for support services for destination stewardship. The RFP they are going after is broken up into two contract periods. Period one is being funded by FY2022, 2023 and 2024 budgets for \$17.465 million. The contract period one is for activity from May 2023 through December 2024. The second contract period is for activity from January 2025 through December 2025, coming from FY2025 funding, and is \$10.6 million. The total base contract is \$28.065 million. Should the HTA get additional funding, they are looking at getting \$2 million from FY2024 and in FY2025, an additional \$4 million. It will go into contract periods one and two, respectively, with a total of \$6 million. The Board approved it at the last Board meeting.

Chair Rafter asked Mr. De Fries if they needed to go into executive session as he wanted updates on the selection committee and the timing of the committee engagement. He said he believes that is confidential, and Mr. Cole confirmed that. Mr. Togashi added that the staff identified the budget lines from which they intend to fund the RFP. They could also discuss that in the executive session.

Chair Rafter asked for a motion to go into the executive session to identify the budget line items identified to fund the RFP and discuss the selection committee's progress. Mr. Togashi clarified that the purpose of the executive session discussion on the budget line items is to inform the Board of the budget lines they intend to fund the RFP. They do not want that in public discussion as they would not want it to be perceived as the HTA stating how they want the proposals to come in. Mr. Cole mentioned the statutes they need to cite, Chapter 92, sections 5A, 4, and 8, and HTA statute 201B, 4A2. Mr. Kam motioned to go into executive session, and Mr. White seconded. The motion passed unanimously.

Chair Rafter asked if there was action needed on agenda item number 5. Mr. Togashi said they need to take action to approve the funding and the breakdowns in the respective budget lines as presented. Mr. White made a motion, and Mr. Kam seconded. Mr. Arakawa repeated his request for a breakdown of the annual cost between the first, second, third, and fourth RFP, which involved branding, marketing, destination stewardship, and destination management. He said he had an explanation from the staff but would like to see it in writing, so he abstained from voting. Chair Rafter asked Mr. Togashi if it could be produced in writing. Mr. Togashi said they would have to work through their deputy AG on identifying what they can disclose publicly versus in an executive session. Chair Rafter asked Mr. Togashi to follow up with that and let them know. Mr. Gionson did the roll call. Only Mr. Arakawa abstained, but the motion carried.

## **6. Presentation, Discussion, and/or Action to Approve Funding for International Markets**

Chair Rafter asked to defer this agenda item to the Board meeting, and all were approved.

## **7. Presentation, Discussion, and Action on the Hawai'i Convention Center**

### **a. Presentation, Discussion, and Action on the Hawai'i Convention Center January 2023 Financial Reports**

Chair Rafter gave the floor to Ms. Orton. During January 2023, the HCC budgeted for 13 events, including the two city-wide offshore events. They lost the two city-wide events associated with \$1.2 million in revenue earlier in the fiscal year. Despite that loss, the financial results for January were better than planned, with a net loss of \$252,000. This was \$57,000 better than expected in their budget. The reason for this was due to great pick-up business, including the

Sony Open gala dinner that took place in January. Thanks to Mr. Reyes and the team, they also picked up a new volleyball championship, Hawai'i Pop Con, and 12 other events. In addition, the January financial status was also increased to a better position. There was a change in their company policy with accrued vacation, so they posted a credit of \$130,000 for exempt employees, which brought the fiscal year-end date net loss to \$2.1 million.

Ms. Orton noted that for the full fiscal year, the re-forecast reflects \$12.7 million in facility gross revenues, and facility net loss of \$5.3 million, just under budget by \$40,000. She reported that where they once chased in facility gross income, at a loss of \$1.2 million due to the two city-wide cancellations, they have picked up one city-wide in sports and a few local events. They are only chasing \$326,700 in facility revenue to get them back in line with their original budget. It has been a big pick-up for them in the last six months. She said they are pushing the local sales team to make up that revenue loss. They are considering making expense adjustments to get as close to the budget as possible before June 30. For the facility operating subsidy for the total year, they forecast a positive \$39,000 to what was budgeted in prior years. The total ROI for the HCC is about \$4.75 for every dollar the HCC returns. Pre-COVID, the ROI was between \$23 to \$25 annually, but because there are not as many city-wides on the books. They have two city-wide events remaining on the books to service. They fall into April and May. She noted that the tax generation and return to the state is \$77.5 million, and the TAT generation is \$9 million annually.

Ms. Orton highlighted recent events at the HCC, namely the Pacific Water Conference, a huge conference. It took place in February. She spoke about upcoming and local city-wide events, such as Honolulu Festival in March and Kawaii Kon. She updated on the trees planted to date for the carbon offset program.

Chair Rafter asked if she had seen any increase in filling the gap present in future years with non-local meetings. Ms. Orton said Mr. Reyes and his team have been making wins. She said they have picked up a few groups currently in license status. Short-term sales are still a concern, but Mr. Reyes is working on that.

Mr. Arakawa asked if Mr. Reyes would be giving a pace report. Ms. Orton said that would be for the Branding Standing meeting, but he will also provide an update at the Board meeting. Mr. Arakawa said it is important to fill the short-term sales position. Ms. Orton said that Mr. Reyes has a good team. Ms. Orton mentioned that they had three rooms taken out of order on the third floor due to the rains. The center concourse area above the even overhand of the fourth floor has also had some drywall falling. They have groups needing the floors in March, so they will use band-aid repairs to prepare the rooms for event status for the upcoming groups. She

said they are also doing moisture remediation before putting in drywall replacement and ceiling tiles.

#### **b. Update and Discussion on the Hawai'i Convention Center's 6-Year CIP Plan**

She gave the floor to Ms. Tait. Mr. Arakawa said previously in the Board meeting there was a contract that was supposed to be signed by a project manager for the \$50 million roof repair budget from the previous year. He asked if the contract was signed and if they had started on the repairs. Ms. Tait said the HTA approved it, but said all the signatures are not on the contract yet, but the legal team has started to look at it before the award. It should be finalized in the next week or two.

Ms. Tait spoke about the 6-year plan for priority projects. She said they made progress, including getting the PMC for the rooftop approved. They also awarded the contract for replacing the four chillers and the jockey chiller, which completes the major upgrade with HVAC equipment, with a decent line of savings for utilities. They are moving forward with the kitchen repairs for the kitchen hood, replacing the control panel, and upgrading the fire suppression system. This puts them ahead of the proposed changes. They are moving forward with the upgrade of the exterior cameras, which were damaged by vandalism. The installation will start in March 2023. The lobby glass panel is being realigned. The lobby sail repairs have also been completed. The loading dock gate replacement damaged by a client is being installed in the current week. The escalator handrail will also be changed. They are close to closing the RPF for four projects replacing the ADA lift in the theatre, parallel repairs, ballroom wallpaper replacement, and slate tile repair. They are issuing RFPs this week to procure additional forklifts, cleaning equipment, and water remediation in a different part of the building because of leaking. They are also working with the project manager Cumming Group, and on HCC-managed seven projects in the planning stage, so they can go out with the RFP in the next couple of months.

Ms. Tait spoke about the projects that have been assigned to project management companies. Rider Levett Bucknall is the most recent one. They will be helping with the temporary repair of the rooftop terrace deck. They upgraded the ADA ramps for event stages, and that was completed in February 2023. There were no questions.

#### **c. Presentation, Discussion, and/or Action on the Hawai'i Convention Center Futures Study**

Mr. Hazinski said there were three members from HVS present in the meeting. In the original Futures Study, he said they recommended a hotel adjacent to the HCC on a site that was then available. In a later study in 2019, they looked at the potential for developing a hotel on the HCC. They asked a few engineering firms if this was feasible. They came back saying that it

could be accomplished, but would be expensive. Most recently, Mr. Togashi asked them to update the Futures Study. The updated study looks at more current data on the performance at the HCC, the performance of the hotel market, and other developments that may or may not have happened adjacent to it. The scope of all the studies was to look at what opportunities the HCC could have and whether adding a hotel adjacent to it or on it made sense. They also looked at the district around it and what would benefit the HCC in improving the HCC. They went through understanding how the HCC has been operating, understanding the respective markets, and making recommendations.

Mr. Hazinski gave a summary of the conclusions. Mr. Davis was also on the call and would speak about the HCC demand and financials. Mr. Harris, the HVS senior consultant and expert on hotel marketing was also on the call. Mr. Harris was involved in all stages of the study.

Mr. Hazinski gave some highlights. He said the HCC is a building in crisis because of the roof issues. It is beginning to affect the marketability of the HCC, and is a barrier to adding a hotel. The general conclusion of the study is that the HCC serves an important goal of attracting group events. The HCC could also continue to serve the local community as a venue for consumer and entertainment events, as well as a disaster relief center. They are recommending the development of a hotel on the site and based on engineering studies, the construction of a hotel on the HCC is physically feasible, albeit expensive. The site provides a unique opportunity for hotel development in Honolulu, which has limited.

Adding a hotel with approximately 600 rooms would have the following impacts: Increase the level of group demand and utilization of HCC function space, provide an income-producing asset on site that maximizes the value of the land, and help solve the roof repair issue. The financing of the hotel would not be feasible without significant public support. A public-private partnership or public financing are two possible approaches. Development within the district should be master planned to create a more walkable and inviting destination.

Mr. Harris spoke about the finances and demand projections. COVID undercut the industry nationwide for 2020 and 2021. He showed an estimated schedule of construction where the hotel would open in 2027 when they will see the impact and an increase in events. It would take three to four years for demand to stabilize. Planners are generally a little weary of entering a new hotel or building before committing to their events. They projected demand to increase from 225 to over 300 events and the level of attendance to increase from 350,000 to 500,000 across all event types, including conventions, conferences, smaller meetings, and banquets. He showed the financial parameters with estimates of how much the facility would get per event, etc. When he applied the revenue parameters, he saw a net income loss of \$4.4 million. Going to 2029, assuming the hotel was online, that loss would drop to \$160,000, in inflated dollars,

and the revenue would increase by \$12 million while operating expenses would increase by about \$7 million. The building would go from generating a significant operating loss to breaking even, a considerable market improvement. He anticipates that the HCC is very capable of breaking even.

Mr. Harris showed a graphic representation of the 10-year pro-forma. From 2023 to 2026, the financials would stay even, with a loss, and hotel demand would increase as the facility opened. The total revenue would increase to outpace the total operating expense. He gave the floor to Mr. Harris to talk about the hotel market.

Mr. Harris showed a basic layout of the proposed hotel, with 600 rooms, including a restaurant, lounge, and coffee shop. A total of 30,000 square feet of meeting space, of which 24,000 square feet comes from existing facilities within the HCC. There will be amenities and infrastructure. They must have a shared parking agreement with the HCC for a minimum of 200 spaces. The hotel would likely develop a public-private partnership size to meet the needs of the HCC and increase its competitiveness and utilization. They would need permanent roof repair, and a pedestal would need to be developed on the fourth floor to support the proposed hotel. The hotel would need long-term leases for the land, meeting spaces, and parking for financing purposes. He showed a list of competitive hotels in the market near the ocean, except for Hilton Hawaiian Village, as it provides rooms to the HCC and is near the HCC.

Mr. Harris spoke about the long-term view of the market from 2009 through 2021, and year-to-date through October. In 2020 the market was significantly impacted by COVID, recovered in 2021, and continued recovering strongly in 2022, hitting all-time highs for ADR. He spoke about hotels that are being developed, e.g. Mandarin Oriental Hotel etc. He said about the proposed hotel during the market opening in 2027. A ramp-up to 85% occupancy will be split between group meetings and transient. A room block agreement would be needed between the HCC and the proposed hotel to ensure the HCC has room nights allocated as needed. He spoke about projected ADR and occupancy. Because the hotel would be new and room sizes would be larger than many in the market, he anticipates they will have a strong ADR. He spoke about proposed hotel stabilization supported by revenues, food and beverages, and resort fees. Labor costs are high, impacting the overall profitability, especially on food and beverage, as well as high import food costs. An alternate development option would be for a brand-managed property. That would make the investor in the property passive as they could not actively control the property but could potentially reduce the franchise management cost and improve the bottom line.

Mr. Hazinski touched on the HCC district analysis. He compared the proximity of amenities around the HCC. He showed maps of other cities with successful convention centers and the intensity of hotel supply around the convention centers. Leisure demand led the recovery and is

taking a larger share of hotel rooms and commercial and group demand, so there is a lot of competition. He showed the slide comparing amenities, arts and entertainment, and retail. Honolulu has good walkable amenities, but not as many as other cities. In terms of planning and working with the state, there could be a lot of initiatives that would improve the neighborhood as a convention destination. They did case studies of other cities, and having a linear park would make a difference. He said they must go back to the crisis they are currently facing. He reiterated that the water issue must be solved, and it must be a priority before anything else is done.

Chair Rafter asked if the HCCs problem is about hotel rooms, in that it is relatively small and that the HCC is six to eight hours away for most potential clients. Mr. Hazinski said the original conception of the HCC was based on a continental model. The mix of space may not be optimal as it is apparent that not all businesses will come to the HCC. It has to focus more on associations that are willing to travel, pacific rim associations. The events want quality hotel rooms. San Francisco, San Diego, and Nashville are different markets, but it is a matter of expanding the HCC with the right facilities to reach the different markets.

Chair Rafter asked about the public subsidy needed. He asked about the scope thereof. Mr. Hazinski said there are two parts to that question. One is getting a fix on the cost, so the only estimated cost they could come up with, is a comparable hotel development and adjustment to that, but it would not be very accurate as they are building on an existing site. To answer the cost side of the question would require some additional exploration. The other part of the question is about the market conditions and how they would approach the financing of it, whether public-private partnership or public. They would have to work with an architect to work on the cost and then work on different scenarios. They would need a more significant portion of equity as well. It would take a lot of work to answer Chair Rafter's question well. He said they looked at other centers and hotels and the public share investment in them, and there was quite a wide range. The average was 30% to 40% that was publicly financed.

Mr. Harris said there might be a private partner more interested than expected because there is an existing site and the ability to enter into an agreement with a cost-effective site, meeting space, and parking. It is a tough market for someone to enter, but it might be an opportunity for someone who needs a presence there. Mr. Hazinski said in some of the stakeholder interviews that the public partnership has a bad name, so it would take a lot of planning to ensure all went well. One alternative would be to take control, publicly finance it, and hire a fee developer to complete the project. That would provide the lowest cost in debt but maybe more risk. Mr. Harris said the significant savings would be that they could issue tax on the debt instead of taxing the debt required for a private partner. The other issue may be able to present

finance at a greater percentage of the project reducing the need for high-cost equity. It would also have to include some pledge in addition to the property that would make investors more comfortable that they would get their money paid back.

Mr. Arakawa asked about Hawaii's differences and the predicted events. He asked if the events were city-wide events or local events. Mr. Davis said it included local events as well. Mr. Arakawa asked if he could see the city-wide events increasing had they fixed the roof. Mr. Hazinski speculated and said that the best-case scenario would be that they return to pre-pandemic levels possibly. He said the industry would come back. The constraint is more about supply and surrounding amenities. Mr. Arakawa asked how many city-wide events they could predict if they fixed the roof and built the hotel. Mr. Hazinski said that in the report, they broke it down per event type. Mr. Harris said they have the conventions increasing from nine to twelve, then fourteen conferences increasing to forty. The main difference between the two is that conventions have that exhibit piece. Out of the 52 predicted numbers for events, they estimated that 30 could potentially be city-wide events and that market share will grow with the hotel.

Mr. Arakawa asked if the area increases meeting space. Mr. Hazinski said they envisioned taking 24,000 square feet of the meeting breakout space, and giving that to the hotel; then they would build 6,000 square feet of new function space to give to the 30,000 total. Mr. Arakawa suggested putting the sweet spot into the report for lowering the square footage of the exhibition meeting space versus being able to compete with the larger conferences or conferences that would want to come to Hawai'i. Mr. Hazinski was not too concerned about the loss of space as a constraint, as they analyzed the percentage of occupancy they would have, and it was low in pre-pandemic times. He said they felt they would not compromise the ability to market to those conventions and conferences by reducing the space. He said the expansion would not achieve new demand. Mr. Arakawa asked about public financing and how many major top 15 convention centers were publicly financed. Chair Rafter noted that they are the 56th largest MSA, so they should probably refer to the top 70 MSAs. Mr. Hazinski said he did not know that answer. He said when a hotel is publicly financed and uses tax-exempt debt, it requires public ownership, and 100% of the hotel is publicly financed. When they mentioned the 40% figure, it applied to public-private partnerships with a mix of private debt, equity, and public incentive. Incentives come in many ways, e.g., land, tax abatements, debt issuance, etc. He mentioned a few that are publicly financed: Columbus, Baltimore, Chicago, etc. He said there are about 30 hotels publicly financed.

Mr. Arakawa asked about the ROI. Mr. Hazinski said the ROI involves a calculation of not just the internal and external benefits, so it is a different metric. Mr. Arakawa asked for clarification



on the cost of the study. Was it the \$30,000 or \$500,000? Mr. Hazinski said it is the \$30,000 study. Mr. Togashi clarified that it is \$50,000. He said the \$500,000 study was funded by funds appropriated to DBEDT. DBEDT is welcome to look at the study and leverage it in ways they can, but that is outside this scope. Mr. Arakawa asked who would be in charge. The hotel or the HCC? Mr. Hazinski said it would be a partnership between the HCC and the hotel. Peter Young asked if the overall daily cost of staying in Hawai'i, O'ahu, including transportation, hotel room rates, food, and support personnel, will ever be a significant inhibitor to the HCC. Mr. Davis said the impact is that certain types of conferences do not go to Hawai'i, as those are more budget sensitive. Government-oriented companies' places that do not like expensive trips are more hesitant to go to Hawai'i, but the technology, medical, and pharmaceutical companies have no issue. They would much rather pay the extra money to be in a location such as Hawai'i, than go to Denver, etc. Mr. Hazinski said they recently analyzed the top 20 markets, and Honolulu was in there, but historically New York had the highest city room rate. Post-COVID, Phoenix took over. Mr. Harris said Orlando, Florida, was the most expensive destination in the world because of the cost of Disney World, etc.

Chair Rafter requested a motion to approve agenda items 7a and 7b. Mr. Kam made a motion, and Mr. David seconded. Mr. Gionson did the roll call, and the motion passed unanimously. Mr. Arakawa asked what the status is of the ask for the HCC repairs. Mr. De Fries said they had the visit by the senate, and they extended the invitation to the house tourism committee, and the chair said it has to wait until after the five-day recess, which begins on Thursday, so there is no specific date. Mr. Arakawa suggested checking with Mr. Cole on the procedures for requesting the \$65 million for roof repairs, as it was not in the governor's original request.

## **8. Adjournment**

Chair Rafter adjourned the meeting at 12:47 p.m.

Respectfully submitted,



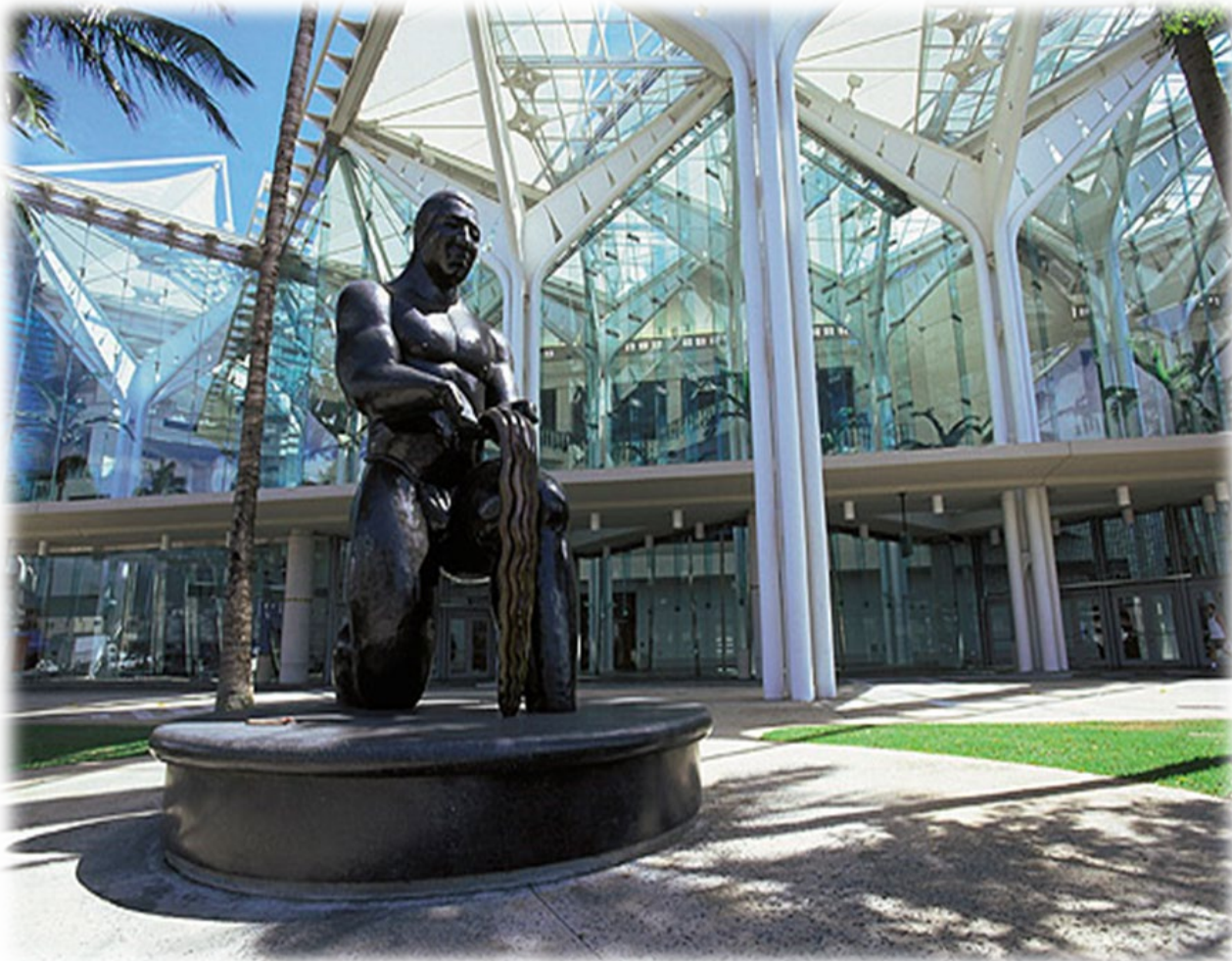
---

Sheillane Reyes  
Recorder

## **4**

Presentation, Discussion, and Action on the  
Hawai'i Convention Center's February 2023  
Report and Update on the Hawai'i Convention  
Center's 6-Year CIP Plan

# *Hawai'i Convention Center*



*Update for*  
***February 2023***  
*For*  
*(March 2023 meeting)*

# Financial Update

	Feb-23 FYTD Actual	FY 2023 Reforecast	FY 2023 Budget	Variance	FY 2022 Actual	CY 2019 Actual
Facility Occupancy	24%	29%	30%	-1%	29%	32%
Facility Number of Events	160	259	200	59	213	238
Facility Gross Revenue	\$8,614,200	\$13,065,500	\$13,041,400	\$24,100	\$7,256,700	\$16,866,900
Facility Gross Expenses	-\$11,241,600	-\$18,258,700	-\$18,448,300	\$189,600	-\$11,842,500	-\$17,649,200
Facility Operating Subsidy	-\$2,627,400	-\$5,193,200	-\$5,406,900	\$213,700	-\$4,585,800	-\$782,300
Local S&M Gross Expenses	-\$537,100	-\$968,300	-\$968,300	\$0	-\$522,600	-\$5,315,000
HCC Operating Subsidy	-\$3,164,500	-\$6,161,500	-\$6,375,200	\$213,700	-\$5,108,400	-\$6,097,300

# ROI February 2023 FYTD

HCC Revenue + State Revenue + Tax Revenue  
= \$65.1M

HCC Expense + HVCB MCI Expense = \$15.3M

***ROI = For every dollar spent,  
\$4.24 returned to the State***

# Recent/Upcoming Events @ Hawai'i Convention Center

- Honolulu Festival 2023, March 10-12, 10,000 attendees
- HIM 2023 (Hawaiian Island Ministries), March 16-18, 4,500 attendees
- Hawai'i Hotel and Restaurant Show, March 22-23, 3,500 attendees



# Upcoming Local/Citywide Events

- Kawaii Kon 2023, March 31-April 2, 18,000 attendees
- Chopsticks and Wine, April 13, 1,000 attendees
- 2023 ARRS Annual Meeting, April 14 – 20, 2,500 attendees (CW)



# HCC Unveils New Cultural Exhibits



The Hawai'i Convention Center unveiled two new Hawaiian cultural exhibits this month— an extensive Hawaiian featherwork installation available to the public for two years, and a new permanent display exploring The Healer Stones of Kapaemahu.



# HCC News Coverage

**KITV 4** ISLAND TELEVISION

NEWS WATCH VIDEO WEATHER SPORTS KĀKOU ISLAND LIFE KIKU CONTACT

## New Hawaiian cultural exhibits go up at Hawaii Convention Center

Feb 16, 2023 Updated 10 hrs ago

f t e i



**NEW HAWAII CULTURAL EXHIBITS**  
HAWAII CONVENTION CENTER, OAHU

### WATCH ISLAND NEWS



1 Weather Alert See All >

Currently in Honolulu

69°F Light Rain  
69°F / 68°F

9 AM	10 AM	11 AM	12 PM	1 PM
70°F	71°F	72°F	74°F	74°F

Radar



**Star Advertiser**  
Friday, February 17, 2023 | Today's Paper 72°

Advertisement

Ad covered content

Not interested in this ad

Seen this ad multiple times

Ad was inappropriate

### HAWAII NEWS

## Convention center unveils Hawaiian cultural exhibits

By [Linsey Dower](#) - Today - Updated 12:30 a.m.



# HCC Presents: Na Leo Pilimehana Mother's Day Concert

**HAWAII**  
CONVENTION CENTER  
Where Business and Aloha Meet

## *Na Leo Pilimehana* *Mother's Day Brunch & Concert*



**Sunday, May 14, 2023**  
**4th Floor Ballroom**  
**Hawai'i Convention Center**



**Special Guest: Josh Tatofi**

**Tickets: [HawaiiConvention.com](https://www.hawaii-convention.com)**

# Carbon Offset Program



<b>Total Contributions</b>	<b>Partner Trees Planted</b>
<b>\$4,998.41</b>	<b>5,975</b>
<b><u>HCC Carbon Offset Trees Planted</u></b>	
<b>59.50</b>	

Notable February 2023 events include:

- HPD Promotional Exams: **5 trees**
- Hawaii State Judiciary Bar Exams : **2 trees**

**6,034**

Total Legacy Trees Planted



**15.09**

Total Acres of Habitat Restored

As of February 2023  
(total carbon offset costs)



# Repair and Maintenance Projects Update

# Repair & Maintenance Projects

## 6-Year Plan (page 1)

Project Number	Project Title	Estimated Project Cost	Prior Expenses to Jan 23	FY23	FY24	FY25	FY26	FY27	FY28	Total
001	Rooftop Terrace Deck Temporary Repair	\$ 15,000,000	\$ -		\$ 15,000,000					\$ 15,000,000
	Rooftop Terrace Deck Temporary Repair - PM/CM Services	\$ 522,619	\$ -	\$ 200,000	\$ 322,619					\$ 522,619
	Rooftop Terrace Deck Temporary Repair (Previous planning)		\$ 626,152							\$ 626,152
003	Building Envelope Repairs (Kalākaua Kitchen, 3rd fl planters, planters, exterior paint)	\$ 18,632,703	\$ 282,071	\$ -	\$ 4,000,000	\$ 14,350,633				\$ 18,632,704
007	Kitchen Hood Control Panel Replacement	\$ 155,272	\$ 36,453	\$ 118,819						\$ 155,272
008	F&B Refrigerator, 3rd floor (#348) Replacement	\$ 319,004	\$ 14,047	\$ 20,000	\$ 284,957					\$ 319,004
009	Slate Tile Repair	\$ 2,142,108	\$ 26,008	\$ 2,116,099						\$ 2,142,107
010	Chiller Replacement	\$ 6,884,147	\$ 123,441	\$ 3,442,073	\$ 3,318,633					\$ 6,884,147
011	Ballroom Gutter, Foyer Transom Glass Repair and Soffit Repair	\$ 10,837,536	\$ 25,873	\$ 1,000,000	\$ 9,811,663					\$ 10,837,536
012	Parapet Roof Repairs	\$ 3,066,470	\$ 10,404	\$ -	\$ 1,035,000	\$ 2,021,066				\$ 3,066,470
013	Ballroom Roof Repairs	\$ 2,271,093	\$ 6,712	\$ -	\$ 2,264,381					\$ 2,271,093
014	Lobby Water Feature	\$ 1,086,810	\$ 1,985	\$ -	\$ -	\$ 1,084,825				\$ 1,086,810
015	House Sound Audio System Upgrade	\$ 1,414,975	\$ 9,183	\$ 35,000	\$ 1,370,792					\$ 1,414,975
022	Chill Water Pipe Reinsulation	\$ 250,000	\$ -	\$ 250,000						\$ 250,000
023	Air Wall Repairs	\$ 400,000	\$ -	\$ 400,000						\$ 400,000
024	Roll-up Door Replacement	\$ 225,000	\$ 23,656		\$ 201,344					\$ 225,000
025	Ballroom and Meeting Room Wallpaper Replacement	\$ 180,000	\$ -	\$ 180,000						\$ 180,000
026	IT Network Upgrades	\$ 125,000	\$ -	\$ -	\$ -	\$ 55,000	\$ 70,000			\$ 125,000
027	Ice Machines Replacement	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000				\$ 500,000
028	Theatre 310 and 320 Furnishings Upgrade	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 375,000	\$ 375,000		\$ 750,000
029	Theatre 310 and 320 Seating Upgrade	\$ 500,000	\$ 155	\$ -	\$ -	\$ -	\$ 249,845	\$ 250,000		\$ 500,000
030	FB China and Equipment Upgrade	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000			\$ 3,500,000
031	Ala Wai Waterfall Repair	\$ 1,071,501	\$ 1,985	\$ -	\$ -	\$ 1,069,516				\$ 1,071,501
036	Water Intrusion Remediation	\$ 400,000	\$ -	\$ 400,000						\$ 400,000

Current Project
Project on hold
Cumming Managed Projects
RLB Managed Project
HCC Managed Project

# Repair & Maintenance Projects

## 6-Year Plan (page 2)

Project Number	Project Title	Estimated Project Cost	Prior Expenses to Jan 23	FY23	FY24	FY25	FY26	FY27	FY28	Total
037	Exterior Security Camera Upgrade	\$ 231,348	\$ 155,504	\$ 75,844						\$ 231,348
040	Exterior Planter Repair	\$ 2,406,540	\$ -	\$ -	\$ 2,406,540					\$ 2,406,540
041	Children's Courtyard Repair	\$ 329,162	\$ -	\$ -	\$ 329,162					\$ 329,162
042	Kahakai/Atkinson Drywell Rehabilitation	\$ 351,113	\$ -	\$ -			\$ 351,113			\$ 351,113
043	Air Handler Unit 9 and 10 Replacement	\$ 401,382	\$ -	\$ -		\$ 401,382				\$ 401,382
044	Fire Sprinkler Line Refurbishment	\$ 343,394	\$ -	\$ -			\$ 100,000	\$ 125,000	\$ 118,394	\$ 343,394
045	Escalator and Elevator Refurbishment	\$ 1,112,869	\$ -	\$ -			\$ 200,000	\$ 200,000	\$ 200,000	\$ 600,000
046	LED Light Upgrade	\$ 1,786,398	\$ -	\$ 500,000	\$ 1,286,398					\$ 1,786,398
047	Lighting Control System Replacement	\$ 200,000	\$ -	\$ -	\$ 200,000					\$ 200,000
048	Electrical Harmonics Testing	\$ 100,000	\$ -	\$ -				\$ 100,000		\$ 100,000
049	Main Kitchen Dishwasher Replacement	\$ 495,969	\$ -	\$ 495,969						\$ 495,969
050	Main Kitchen Flooring Replacement	\$ 2,046,380	\$ -	\$ -				\$ 2,046,380		\$ 2,046,380
051	PBX System Replacement	\$ 200,000	\$ -	\$ 200,000						\$ 200,000
052	Ride-on Sweeper Replacement	\$ 55,000	\$ -	\$ 55,000						\$ 55,000
053	Forklift	\$ 85,000	\$ -	\$ 85,000						\$ 85,000
054	Boardroom Upgrade	\$ 1,099,549	\$ -	\$ -			\$ 1,099,549			\$ 1,099,549
055	Elevator #2 Upgrade	\$ 250,000	\$ -	\$ -		\$ 250,000				\$ 250,000
056	Lobby Glass Panels Repair	\$ 170,000	\$ -	\$ 170,000						\$ 170,000
057	ADA Ramp for Stages	\$ 41,439	\$ -	\$ 41,439						\$ 41,439
058	Kitchen Hood Fire Suppression System Replacement	\$ 310,879	\$ 18,770	\$ 292,108						\$ 310,878
060	Lobby Sail Repair and Maintenance	\$ 179,000	\$ 41,196	\$ -	\$ 65,000	\$ 72,804				\$ 179,000
061	ADA Lift (#320) Replacement	\$ 160,000	\$ -	\$ 160,000						\$ 160,000
062	Kalākaua Loading Dock Gate Replacement	\$ 49,000	\$ 24,370	\$ 24,630						\$ 49,000
063	Escalator 1 Handrail Replacement	\$ 65,000	\$ -	\$ 65,000						\$ 65,000
064	F&B Equipment	\$ 300,000	\$ -	\$ -	\$ 150,000	\$ 150,000				\$ 300,000
	GRAND TOTAL	\$ 83,003,660	\$ 1,427,965	\$ 10,326,981	\$ 42,046,489	\$ 19,955,226	\$ 5,945,507	\$ 3,096,380	\$ 318,394	\$ 83,116,942

Current Project
Project on hold
Cumming Managed Projects
RLB Managed Project
HCC Managed Project



# Repair & Maintenance Projects

## Construction and Project Management Services

### *Cumming Group*

- *For management of priority projects:*
  - *Kitchen Hood Control Panel and Fire Suppression Upgrade*
  - *Slate Tile Repair*
  - *Chiller Replacement*
  - *Main Kitchen Dishwasher Replacement*
  - *Ballroom Roof Repair*
  - *House Sound Audio Upgrade*
  - *Ballroom Gutter, Foyer transom glass and soffit repair*
  - *Exterior Planter Repair*
  - *LED Lighting Upgrade*
  - *Walk-in Refrigerator Replacement*

### *Rider Levett Bucknall*

- *For management of Rooftop Terrace Deck Temporary Repair*

# Repair & Maintenance Projects Completed (since 2020)

- *Gutter Trough, Roof Membrane and Other Roof Repairs; \$8.3M, completed 2020*
- *Boiler Replacement; \$585k, completed 2020*
- *Ala Wai Waterfall Repairs; \$185k, completed 2020*
- *Chiller 4 Repairs; \$55k, completed 2020*
- *#320 Roof Repairs; \$1.4M, completed 2020*
- *Banquet Chairs and Facility Equipment Upgrade; \$2.25M, completed 2020*
- *Cooling Tower Replacement; \$3.2M, completed 2021*
- *Theatre LED Lighting Upgrade; \$77k, completed 2021*
- *Roof Overflow Drain Repairs; \$16k, completed 2021*
- *Jockey Chiller Repairs; \$28k, completed 2021*
- *ADA Lift Replacement, \$71.5k, completed 2021*
- *Emergency Generator Repairs, \$32k, completed 2021*
- *Window Repairs – Vandalism, \$177k, completed 2021*
- *Leak Repairs – December 2021 / January 2022, \$396k, completed 2022*
- *Chiller Repairs – \$69.3k, completed 2022*
- *Trellis Renovation - \$4.7M, completed 2022*
- *Lobby Glass Replacement - \$25k, completed 2022*
- *Security Camera, NVR, Access Control System - \$1.56M, completed 2022*
- *Kitchen AC Compressor Replacement - \$16.5k, completed 2022*
- *Event Stage ADA Ramp - \$41k, completed 2023*



# Mahalo Nui Loa

A close-up photograph of a sailboat's rigging. The image shows a wooden boom with a pulley, ropes, and orange floats. The text "Mahalo Nui Loa" is overlaid in the center. The background is slightly blurred, showing other boats and greenery.

## **4**

### **Presentation, Discussion and Action on the HTA's February 2023 Financial Report**

## **5.1**

### Financial Statements – Executive Summary as of February 28, 2023



AUTHORITY

Financial Statements – Executive Summary  
As of February 28, 2023

**Foreword:**

- Fund Accounts. HTA’s major funds are the following:
  - Tourism Federal Fund FY2023 (ARPA TFF) – Official Name: HTA CSFRF Subaward
  - Tourism Federal Fund FY2022 (ARPA TFF) – Official Name: HTA CSFRF Subaward
  - Tourism Special Fund (TSF)
  - Convention Center Federal Fund (ARPA CCFF) – Official Name: Convention Center CSFRF Subaward
  - Convention Center Enterprise Special Fund (CCESF)
  - Economic Development Administration (EDA) Grant – Official Name: ARPA-EDA Tourism Grant (Non-Competitive ARPA State Tourism Grant for State of Hawaii)
- Remaining FY 2022 Budget. HTA currently can continue encumbering its FY 2022 ARPA funds until December 2023.
- Tracking of Cross-Year Encumbrances. The formatting of the financial statements has changed from prior years because we are now working with Federal funds that can be encumbered in more than one fiscal year. The change in format reflects the need to track such cross-year transactions.
- FY23 Funding. HTA’s Board of Directors approved a \$60M FY 2023 budget. Then-Governor Ige vetoed HB1147, 2022 Legislature, on concerns of the legality of the mechanism for appropriating those funds. If not vetoed, HB 1147 would have appropriated the \$60M in General funds to HTA for FY 2023. In November 2022, the HTA’s FY 2023 funding issue was resolved and HTA was granted a \$35M ARPA subaward. At its November 2022 meeting, the HTA Board approved a revised \$35M FY 2023 budget. In February 2023 B&F has approved HTA’s \$35M ARPA subaward. Since then, HTA has begun encumbering contracts.

## Summary of Financial Position – All Funds

		(In Millions)					
		2022 TFF (ARPA)	2023 ARPA	TSF (incl Emergency)	2022 CCFF (ARPA)	CCESF	EDA
Cash at February 28, 2023		31.9	35.0	24.1	10.2	34.9	-
Increase (Decrease) due to							
Revenue		7.3	35.0	-	-	-	-
Program/Op Expenses		0.2	-	1.2	-	-	-
Encumbered Funds		16.0	8.7	13.6	10.0	5.9	-
Unencumbered Funds		15.9	26.3	10.5	0.2	29.0	-

### Tourism Federal Fund FY 2022 (ARPA TFF):

1. \$31.9M in cash. Cash increased by \$7.0M from January 31, 2023 due to \$7.3M allotment of funds to HTA relating to program, admin, and governance expenses, which was offset by \$212K disbursements related to program expenditures.
2. The release of TFF funds for HTA use is accomplished through an approval process that includes approval by the Governor (CSFRF approval), the State's Department of Budget & Finance's (B&F) and the HTA Board of Directors. Below is a summary of the status of those approvals:

	Gov Approved (CSFRF)	B&F Funds Release		Board Approved	Encumbered
		Requested	Approved *	Amount	
Hawaiian Culture	-	1,565,500	1,565,500	4,544,845	1,234,292
Natural Resources	-	665,000	665,000	1,915,000	100,000
Community	27,289,500	735,500	735,500	3,685,500	120,000
Branding	28,500,000	33,563,000	33,563,000	31,673,655	29,795,199
Sports	-	4,344,889	4,344,889	6,311,889	3,011,889
Safety & Security	-	900,000	900,000	700,000	152,150
Research	-	60,000	60,000	60,000	-
Planning	-	2,005,200	2,005,200	2,005,200	813,396
Admin	648,700	1,199,111	1,199,111	1,189,111	472,045
Governance and Org-Wide	351,800	529,001	529,001	582,001	390,845
Payroll	3,210,000	7,132,799	7,132,799	7,332,799	6,505,669
	60,000,000	52,700,000	52,700,000	60,000,000	42,595,485

In January 2023 B&F has approved HTA's extension request to allow the encumbering and expenditure of the \$60M ARPA funds through December 31, 2023.

3. Over several meetings, the HTA Board approved the FY 2022 budget of \$60M, further detailed below.

	<b>Incremental Approved at Meeting</b>	<b>Cumulative Budget Approved</b>	<b>Description</b>
June 11, 2021 Meeting	1,000,000	1,000,000	Payroll
July 2021 Meeting	32,200,500	33,200,500	Branding, Payroll, Admin and Governance
September 2021 Meeting	1,787,889	34,988,389	Cruise and Sports
November 2021 Meeting	8,086,611	43,075,000	Most other programs
December 2021 Meeting	5,300,000	48,375,000	Programs previously identified as needing further clarification to Board's questions.
January 2022 Meeting	475,000	48,850,000	NAHHA FY23
June 2022 Meeting	4,300,000	53,150,000	Release of funds for FY23 payroll, admin and governance costs, bringing to current.
July 2022 Meeting	6,400,000	59,550,000	Release of funds for KO, AA, and CEP programs
<b>September 2022 Meeting</b>	<b>450,000</b>	<b>60,000,000</b>	<b>Release of remaining funds as part of staff's budget reallocation request.</b>

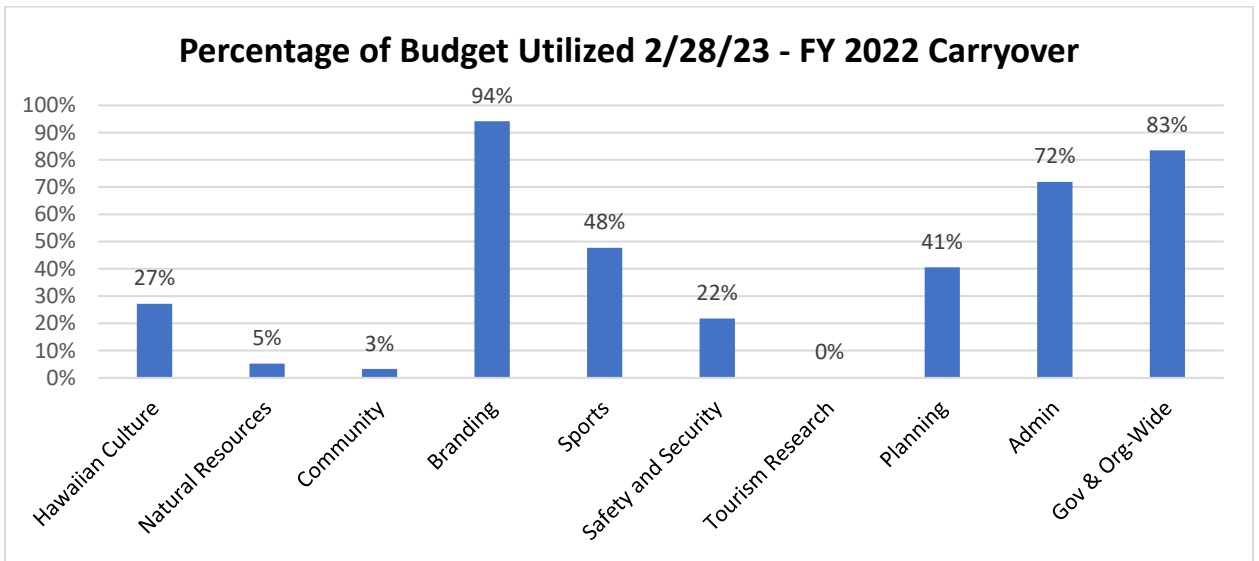
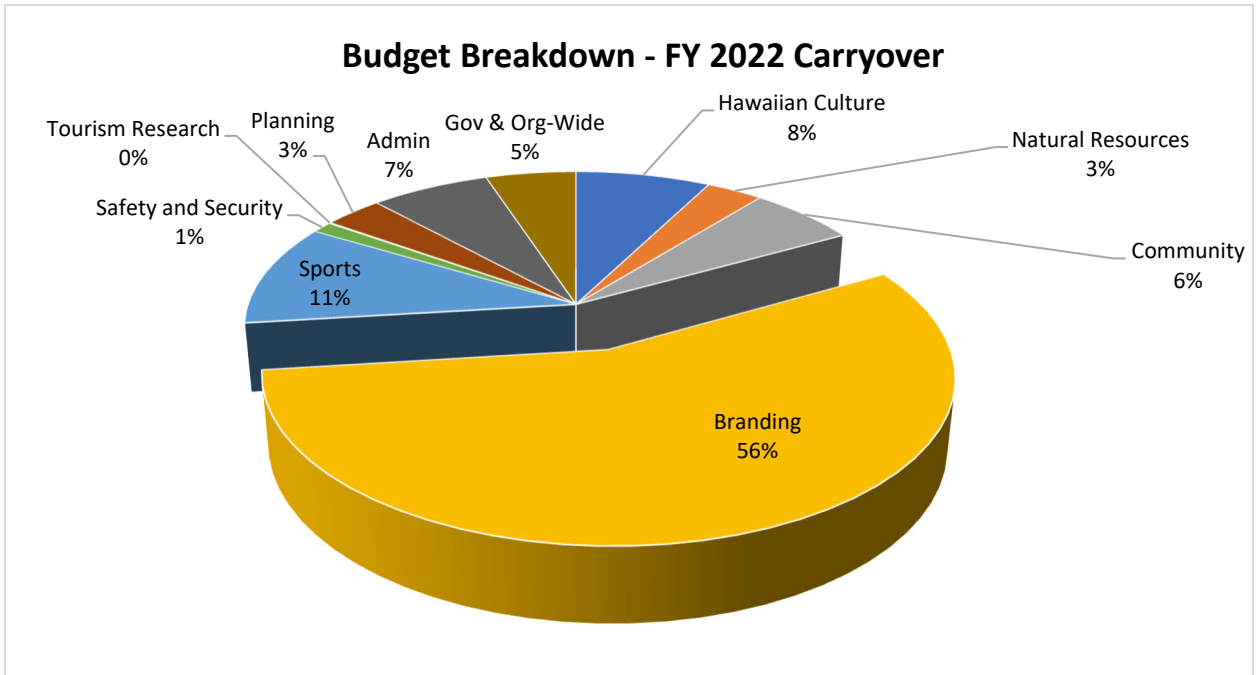
As of February 28, 2023, \$42.2M of the \$60.0M FY2022 budget was utilized/encumbered, or 71%.

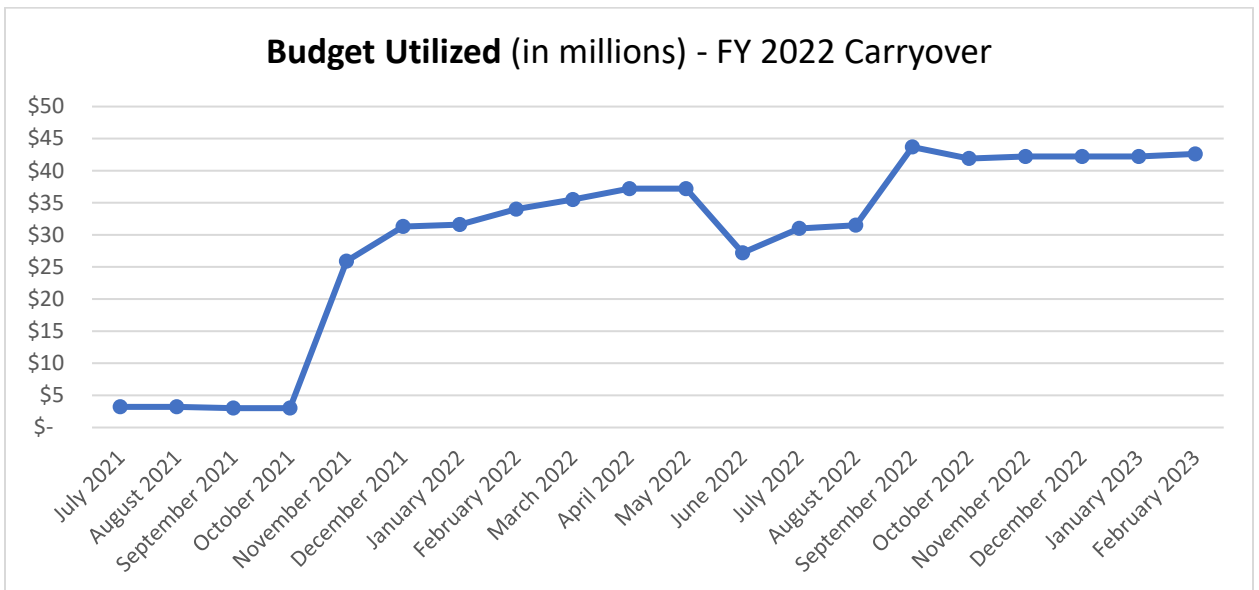
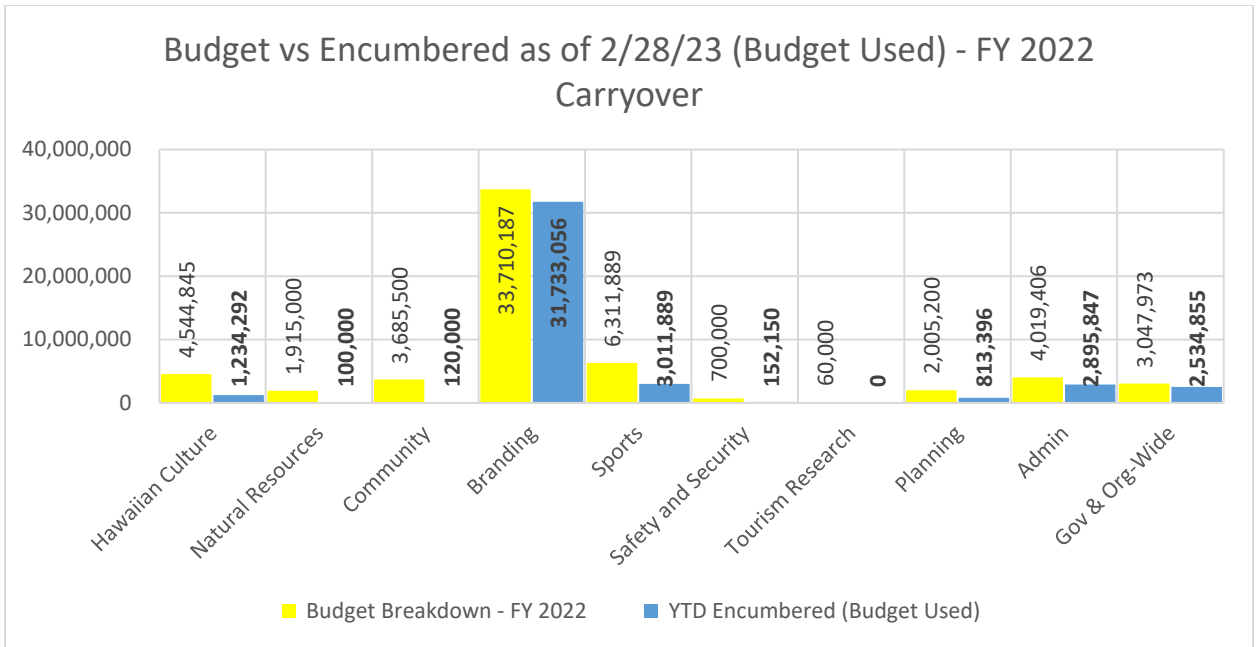
Below is a summary of the FY 2022 budget based upon Federal reporting categories (titles were paraphrased). In April 2022, B&F approved HTA's request to reclassify Federal eligibility categories from "Negative Economic Impacts" to "Revenue Loss (Revenue Replacement)."

	<b>Budget</b>	<b>Encumbered</b>	<b>Remaining</b>
Revenue Replacement	52,667,201.00	36,089,816	16,577,385
Continuation of Government Services			
Payroll	7,332,799.00	6,505,669	827,130
	<b>60,000,000</b>	<b>42,595,485</b>	<b>17,404,515</b>

The following are various charts to depict our FY 2022 budget, budget utilization and trends. Additionally, these charts reflect the funding of FY 2023 community-type programs that were originally planned to be funded by the FY 2023 budget. Such programs were instead funded by FY 2022's budget to fulfill HTA's commitment toward community, in consideration of cash flow needs of those programs while HTA's FY 2023 funding is being resolved. Further, the majority of Major Market Area contracts within the

Branding budget are to be used toward Branding Education programs to promote responsible and regenerative tourism.





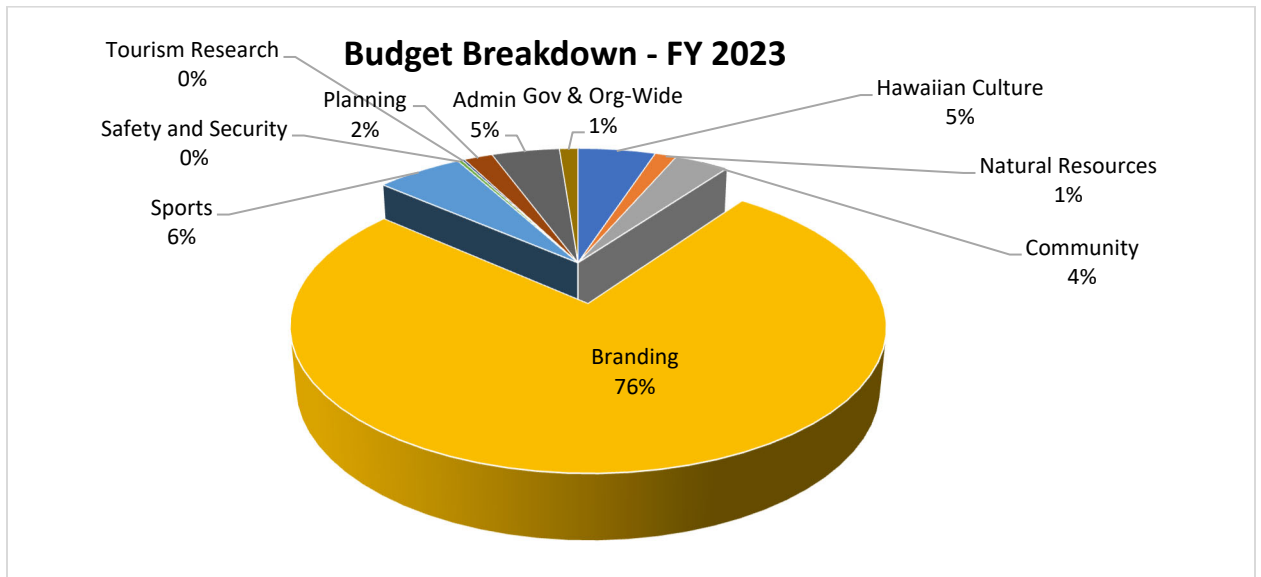
4. No significant budget reallocations were made during the month. A detail of the budget reallocations made for the reporting period and cumulatively for the fiscal year is provided on the accompanying Budget Reallocation Summary.
  
5. \$15.9M in encumbrances outstanding.



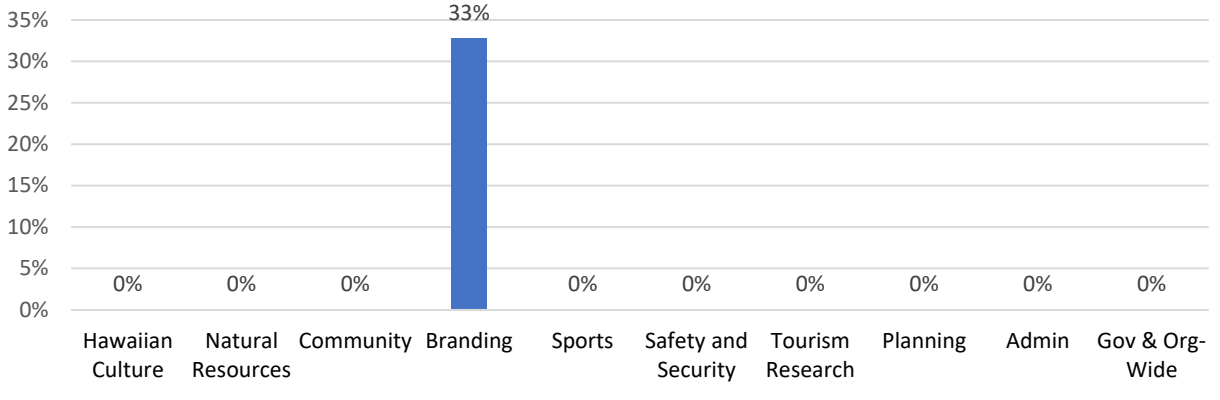
6. Operating Income (Loss):
  - a. Cumulatively from the beginning of FY 2022 (prior year), \$60M has been allotted to HTA through February 28, 2023, which represents ARPA funds HTA is using for staff's payroll (FY 2022 and FY 2023), program, admin and governance costs.
  - b. Cumulatively, \$28.1M has been expended through February 2023 from the beginning of FY 2022 (prior year).
  - c. Since HTA can continue to encumber off the FY 2022 budget in FY 2023, a single Statement of Revenues and Expenditures is presented, which displays both current year and cumulative activity. Typically, separate statements would be presented for current year and prior year funds.

**Tourism Federal Fund FY 2023 (ARPA TFF):**

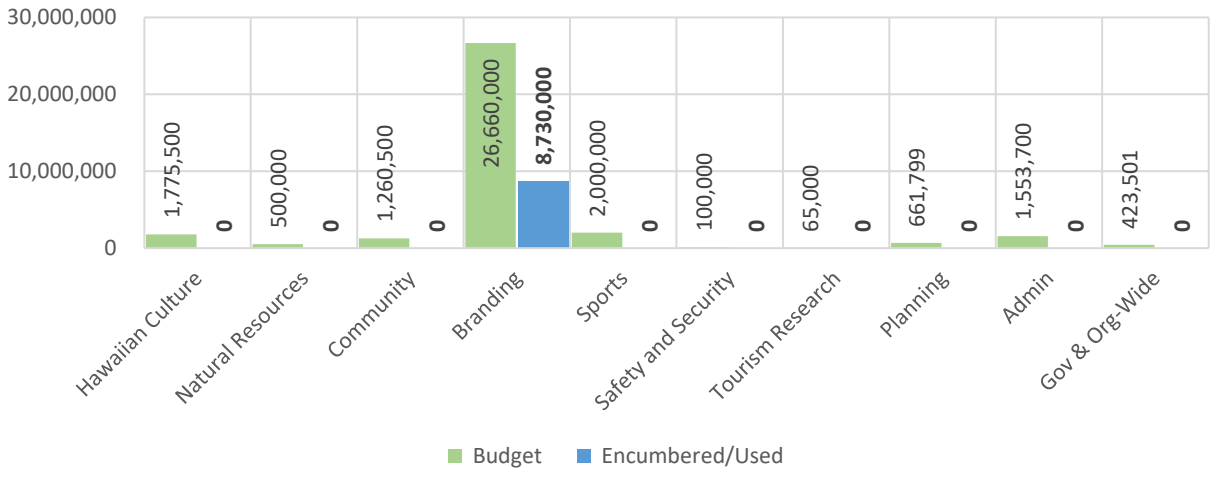
7. Cash increased to \$35.0M in February 2023 as a result of B&F releasing the full allotment of funds to HTA relating to program, admin, and governance expenses. Since then HTA has begun encumbering contracts.
8. At its November 2022 meeting, the HTA Board approved a \$35M FY 2023 ARPA funds budget upon the subaward by now former Governor Ige.
9. The following are various charts to depict our FY 2023 budget, budget utilization and trends.



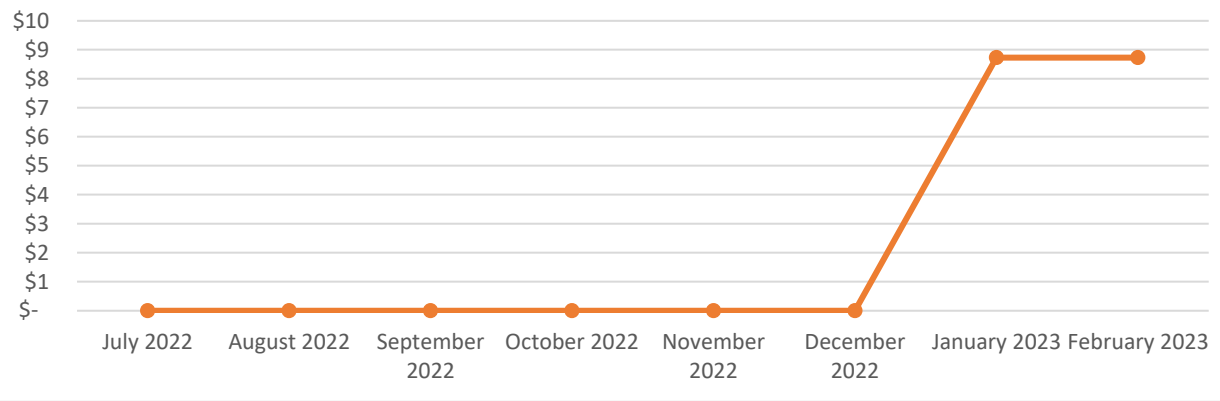
### Percentage of Budget Utilized 2/28/23 - FY 2023



### Budget vs Encumbered as of 2/28/23 (Budget Used) - FY 2023

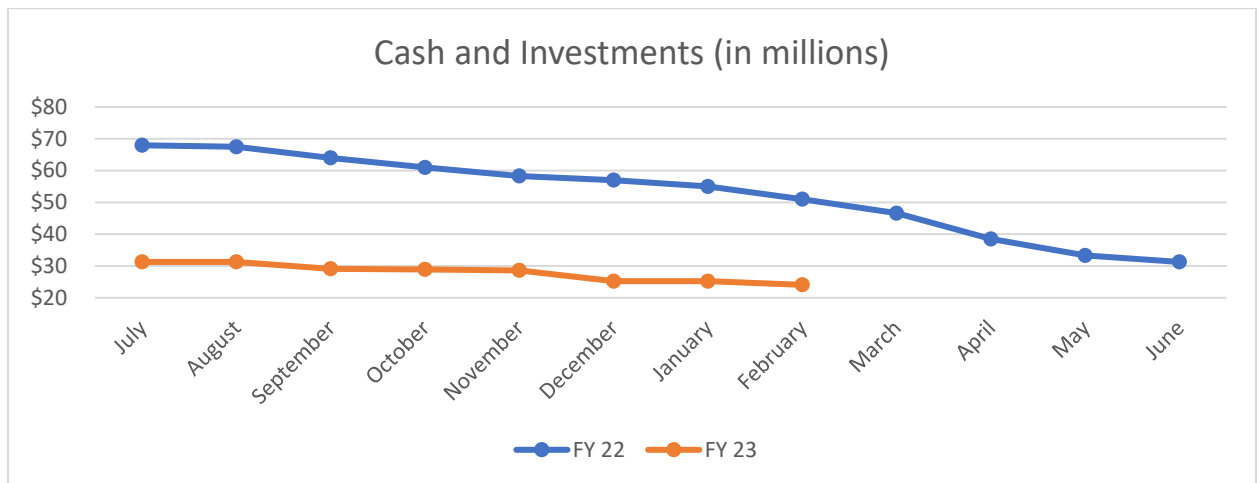


### Budget Utilized (in millions) - FY 2023



**Tourism Special Fund - (TSF; incl Emergency):**

10. The Tourism Special Fund sunset on January 1, 2022, pursuant to Act 001, 2021 Legislative Special Session, leaving all unencumbered funds available for remitting to the State's General Fund. The \$5M Emergency Fund remains with HTA.
  
11. \$24.1M in cash and investments. The cash balance is earmarked primarily for contract encumbrances made from the FY 2021 budget. The FY 2021 budget was funded by HTA's reserves that were bolstered by cancelled and reduced contracts due to the pausing of TAT distributions to HTA at the onset of the pandemic and a one-time TAT cash distribution in June 2021. In FY 2023, we continue to spend down previously encumbered funds within the TSF.

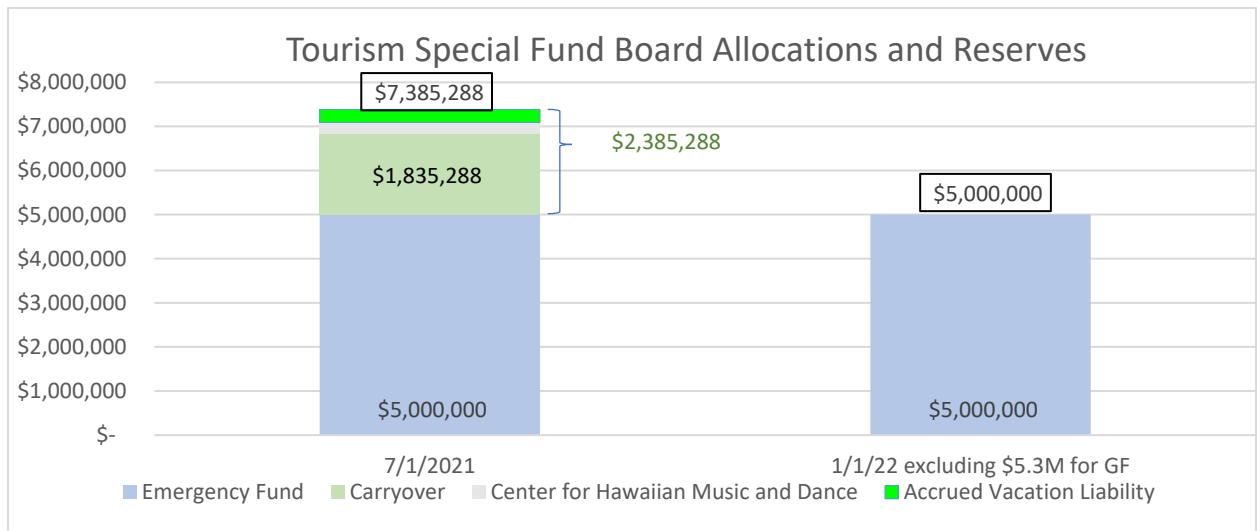


- a. Includes \$5.1M in Emergency Fund held as investments.
    - i. Approximately \$1.0M held in money market funds and \$4.1M held in US Treasury notes laddered in approximately 3-month intervals.
    - ii. Further detail provided in the financial statements
  - b. Cash decreased by approximately \$1.1M from January 31, 2023 due to disbursements related to program expenditures.
  - c. We anticipate the cash balance to decrease to \$0 over time once all encumbered funds are expended, except for the \$5.1M Emergency Fund.
- 
12. HTA's outstanding encumbrances are summarized as follows:

\$13.6M	Prior year encumbrances currently being spent down
\$0.00	Current year encumbrances remaining
\$13.6M	Total encumbrances outstanding as of February 28, 2023

Staff routinely makes a concerted effort to liquidate older encumbrances that should no longer be encumbered and that is reflected here.

13. In addition to HTA's \$5M Emergency Fund, approximately \$5.4M in unencumbered funds is available to return to the State's General Fund as a result of the sunset of the Tourism Special Fund, Pursuant to Act 001, Special Session 2021 (HB 862). This balance has grown from the \$2.3M on July 1, 2021 (start of FY22) to the current amount due to efficiencies realized from unspent contracts that were previously encumbered.



14. With its sunset, there is no budget for the Tourism Special Fund in FY 2023.
15. Operating Income (Loss):
- Pursuant to Act 001, Legislative Special Session 2021, HTA is no longer included in the TAT allocation.
  - \$50.2K of investment income earned year-to-date.
  - \$7.3M in expenditures year-to-date primarily relating to program costs.

**Convention Center Federal Fund (ARPA CCFF):**

16. \$10.2M in cash (remaining from amount that has been allotted to HTA). Cash remained consistent from January 31, 2023.

17. Over several meetings, the HTA Board approved the \$11M budget for FY 2022's Convention Center ARPA funds, further detailed below.

	<b>Incremental Approved at Meeting</b>	<b>Cumulative Budget Approved</b>	
June 2021 Meeting	162,000	162,000	Interim Payroll funding
July 2021 Meeting	328,000	490,000	Payroll for remainder of year
February 2022 Meeting	10,510,000	11,000,000	Remainder of budget, primarily for R&M
June 2022 Meeting	0	<b>11,000,000</b>	Reallocated to fund FY23 operations due to HB1147 (2022) veto, bringing to current

In January 2023, B&F approved HTA's request to extend the period of performance from June 2023 to December 2023.

18. No budget reallocations were made in February 2023.

19. Operating Income:

- a. Cumulatively from the beginning of FY 2022 (prior year), \$11M of ARPA funds has been allotted, which represents ARPA funds HTA used in FY 2022 for staff's payroll and, provided the earlier-noted budget reallocation, that will fund FY 2023 expenditures of the Convention Center.
- b. Cumulatively, \$751K has been expended from the beginning of FY 2022 (prior year).
- c. Since HTA can continue to encumber off the FY 2022 budget in FY 2023, a single Statement of Revenues and Expenditures is presented, which displays both current year and cumulative activity. Typically, separate statements would be presented for current year and prior year funds.

***Convention Center Enterprise Special Fund (CCESF):***

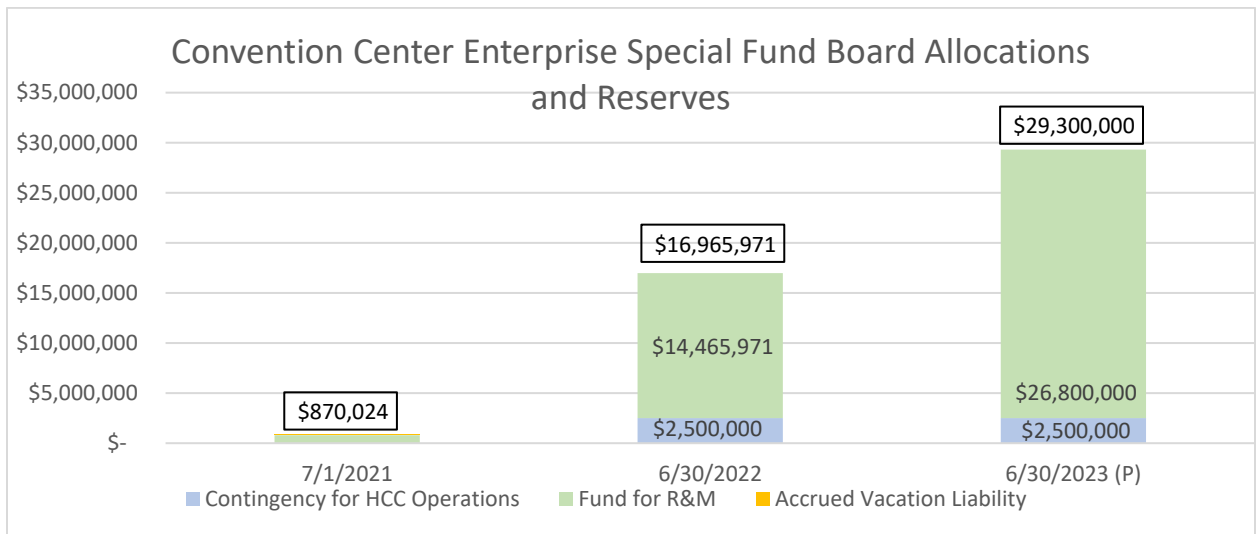
20. \$34.9M in cash. Cash remained consistent from January 31, 2023.

21. \$37.1M in cash with contractor or with DAGS, for R&M projects (as of January 2023).

- a. Includes \$2M in Emergency R&M funds

- b. These funds are encumbered or budgeted toward specific projects such as kitchen wall rehabilitation and exterior planter repairs, exterior building painting, house audio upgrades, ballroom gutter and transom glass repair, chiller replacement, and various equipment purchases and upgrades. Of the \$37.1M, approximately \$3.9M has been contracted (as of January 2023).
- c. The amount of cash remaining with the contractor already accounts for \$1.5M expended on current and future projects (in-progress costs or preliminary work).

22. \$29M reserved as Board allocations as of February 28, 2023, of which \$2.5M is earmarked as a facility operations contingency reserve and \$26.5M is earmarked for the Convention Center’s major R&M program as supported by specific projects under its 6-Year Plan. This \$29M compares to a reserve balance of \$16.9M as of June 30, 2022. The increase is due to the approximate \$1.1M in revenue recorded in July 2022 and \$11M in TAT revenue that was deposited into the CCESF in August 2022, pursuant to HRS 237D, as amended by Act 1 of the 2021 Legislative Special Session, which allowed for the continued deposit of TAT into the CCESF. Without the ability to spend these funds due to the CCESF not having an appropriation ceiling in FY 2023, we forecast the amount reserved as Board allocations to remain around \$29M through June 2023. No significant Convention Center revenues will be collected due to a change in the management contract with AEG/ASM that will require the contractor’s use of revenues to pay for costs (netting cash flow). This contract change is particularly necessary with no CCESF expenditure ceiling for the second consecutive year. HTA’s 2023 legislative initiatives include seeking the restoration of the CCESF expenditure ceiling.



23. \$5.9M of prior year outstanding encumbrances currently being spent down.
24. Budget:
  - a. No budget has been established for the CCESF in FY 2023, as no expenditure ceiling was appropriated, as discussed earlier.
25. Operating Income:
  - a. HTA collected \$11M in TAT funds cumulatively for FY 2023.
  - b. Current Year Convention Center Operations
    - i. Note: HTA's FY 2023 operating subsidy to the Convention Center cumulatively through February 2023 was \$2.6M per HCC financial statements. We budgeted for a \$5.4M operating subsidy for FY 2023. Funded by FY22's encumbrance as discussed above.
  - d. \$10.1M in year-to-date expenditures paid from the CCESF, primarily from prior year encumbrances to fund the Convention Center's six-year major repair and maintenance plan.

***EDA Grant:***

26. The Board's \$14M budget was approved in June 2022. Since then, one of the project's was deemed "construction" and HTA/DLNR has been submitting reports and providing further information on the project since August. In February, it was decided to pull this project and substitute it by expanding proposed projects. The Grant Administration Plan was approved in March 2023. HTA is now ready to execute the contract with DLNR and will begin preparing RFP's for HTA's contracts.

**Hawaii Tourism Authority**  
 Balance Sheet  
 Tourism Federal (ARPA) FY 2023 Fund  
 As of 2/28/23

	Current Year
Assets	
Current Assets	
Checking	35,000,000.00
Total Current Assets	35,000,000.00
Total Assets	35,000,000.00
Fund Balance	
Encumbered Funds	
FY 2023 Funds	8,730,000.00
Total Encumbered Funds	8,730,000.00
Unencumbered Funds	
Total Unencumbered Funds	26,270,000.00
Total Fund Balance	35,000,000.00



**Hawaii Tourism Authority**  
**Balance Sheet**  
**Tourism Federal (ARPA) FY 2022 Fund**  
**As of 2/28/23**

	Current Year
<b>Assets</b>	
Current Assets	
Checking	31,858,922.63
Total Current Assets	31,858,922.63
Total Assets	31,858,922.63
<b>Fund Balance</b>	
Current year payables	
Accounts Payable	601.45
Total Current year payables	601.45
Encumbered Funds	
FY 2022 Funds	15,953,596.43
Total Encumbered Funds	15,953,596.43
Unencumbered Funds	
Total Unencumbered Funds	15,904,724.75
Total Fund Balance	31,858,922.63

**Hawaii Tourism Authority**

Balance Sheet

Tourism Special Fund

As of 2/28/23

	<u>Current Year</u>
Assets	
Current Assets	
Checking	19,019,485.82
Total Current Assets	<u>19,019,485.82</u>
Total Assets	<u><u>19,019,485.82</u></u>
Fund Balance	
Encumbered Funds	
FY 2015 Funds	6,830.35
FY 2016 Funds	6,047.12
FY 2017 Funds	15,706.80
FY 2018 Funds	4,137.03
FY 2019 Funds	18,274.11
FY 2020 Funds	607,759.62
FY 2021 Funds	12,936,399.77
Total Encumbered Funds	<u>13,595,154.80</u>
Unencumbered Funds	
Total Unencumbered Funds	5,424,331.02
Total Fund Balance	<u><u>19,019,485.82</u></u>

**Hawaii Tourism Authority**  
Balance Sheet  
Convention Center Federal (ARPA) Fund  
As of 2/28/23

	<u>Current Year</u>
Assets	
Current Assets	
Checking	<u>10,248,890.96</u>
Total Current Assets	10,248,890.96
Total Assets	<u><u>10,248,890.96</u></u>
Fund Balance	
Encumbered Funds	
FY 2022 Funds	<u>10,070,285.27</u>
Total Encumbered Funds	10,070,285.27
Unencumbered Funds	
Total Unencumbered Funds	178,605.69
Total Fund Balance	<u><u>10,248,890.96</u></u>

**Hawaii Tourism Authority**  
**Balance Sheet**  
**Convention Center Enterprise Special Fund**  
**As of 2/28/23**

	Current Year
<b>Assets</b>	
Current Assets	
Checking	34,921,672.05
Total Current Assets	34,921,672.05
Total Assets	34,921,672.05
<b>Fund Balance</b>	
Encumbered Funds	
FY 2019 Funds	110,894.39
FY 2021 Funds	5,771,724.93
Total Encumbered Funds	5,882,619.32
Unencumbered Funds	
Total Unencumbered Funds	29,039,052.73
Total Fund Balance	34,921,672.05

**Hawaii Tourism Authority**

Balance Sheet

Emergency Trust Fund

As of 2/28/23

	<u>Current Year</u>
Assets	
Current Assets	
Investments	5,101,212.39
Total Current Assets	<u>5,101,212.39</u>
Total Assets	<u><u>5,101,212.39</u></u>
Fund Balance	
Current year net assets	
	87,187.67
Total Current year net assets	<u>87,187.67</u>
Prior years	
Total Prior years	5,014,024.72
Total Fund Balance	<u><u>5,101,212.39</u></u>

HTA Allocations  
FY 2022 and FY 2023

**HTA Allocations:**

**Annual Budgets:**

**-\$60M FY 2023 HTA ARPA Funds** (subject to release by Governor)

**-No FY23 budget for Convention Center** (\$11M TAT, however no expenditure ceiling appropriation)

**\$5M Emergency Funds**

**\$5M Emergency Fund Reserve** (Established by Statute as a separate fund, to be used upon declaration of a tourism emergency by the Governor)

**\$0M Mandated by Board** (designated for use in the event of a significant economic downturn upon Board approval; used to fund FY 21 budget)

**Convention Center Enterprise Special Fund:**

	7/1/2021	6/30/2022	Projected 6/30/2023
Carryover for HCC Operations	-	2,500,000	2,500,000
Reserve for Funding Year 21 Transactions	-	-	-
Funds for 6-Year R&M Plan	790,024	14,465,972	26,800,000
Accrued Vacation Liability	80,000	-	-
	<u>870,024</u>	<u>16,965,972</u>	<u>29,300,000</u> *

\*With no expenditure ceiling appropriated in FYs 2022 and 2023, HTA is currently unable to spend these funds.

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
Fiscal Year 2023 Funds - Tourism Federal Fund  
From 2/1/2023 Through 2/28/2023

	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Alloted Federal Funds	35,000,000.00	35,000,000.00	0.00	35,000,000.00
Total Revenue	<u>35,000,000.00</u>	<u>35,000,000.00</u>	<u>0.00</u>	<u>35,000,000.00</u>
Expense				
Perpetuating Hawaiian Culture	1,775,500.00	0.00	1,775,500.00	0.00
Natural Resources	500,000.00	0.00	500,000.00	0.00
Community	1,260,500.00	0.00	1,260,500.00	0.00
Branding	26,660,000.00	0.00	26,660,000.00	0.00
Sports	2,000,000.00	0.00	2,000,000.00	0.00
Safety and Security	100,000.00	0.00	100,000.00	0.00
Tourism Research	65,000.00	0.00	65,000.00	0.00
Planning	661,799.00	0.00	661,799.00	0.00
Administrative	1,553,700.00	0.00	1,553,700.00	0.00
Governance and Org-Wide	423,501.00	0.00	423,501.00	0.00
Total Expense	<u>35,000,000.00</u>	<u>0.00</u>	<u>35,000,000.00</u>	<u>0.00</u>
Net Income	<u>0.00</u>	<u>35,000,000.00</u>	<u>35,000,000.00</u>	<u>35,000,000.00</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
Fiscal Year 2022 Funds - Tourism Federal Fund  
From 7/1/2021 Through 2/28/2023

	<u>Budget</u>	<u>Cumulative Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>	<u>FY 2023 Actual</u>
Revenue					
Alloted Federal Funds	60,000,000.00	60,000,000.00	0.00	7,300,000.00	11,660,000.00
Total Revenue	<u>60,000,000.00</u>	<u>60,000,000.00</u>	<u>0.00</u>	<u>7,300,000.00</u>	<u>11,660,000.00</u>
Expense					
Perpetuating Hawaiian Culture	4,544,845.00	8,214.75	4,536,630.25	0.00	8,214.75
Natural Resources	1,915,000.00	40,000.00	1,875,000.00	0.00	40,000.00
Community	3,685,500.00	100,000.00	3,585,500.00	0.00	0.00
Branding	33,710,187.00	22,861,129.85	10,849,057.15	113,220.48	11,865,812.06
Sports	6,311,889.00	2,669,889.00	3,642,000.00	0.00	325,000.00
Safety and Security	700,000.00	136,944.92	563,055.08	0.00	90,000.00
Tourism Research	60,000.00	0.00	60,000.00	0.00	0.00
Planning	2,005,200.00	177,974.05	1,827,225.95	60,000.00	142,940.82
Administrative	4,019,406.00	1,164,830.95	2,854,575.05	31,474.40	199,228.31
Governance and Org-Wide	<u>3,047,973.00</u>	<u>982,695.30</u>	<u>2,065,277.70</u>	<u>7,224.94</u>	<u>78,031.00</u>
Total Expense	<u>60,000,000.00</u>	<u>28,141,678.82</u>	<u>31,858,321.18</u>	<u>211,919.82</u>	<u>12,749,226.94</u>
Net Income	<u>0.00</u>	<u>31,858,321.18</u>	<u>31,858,321.18</u>	<u>7,088,080.18</u>	<u>(1,089,226.94)</u>



**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
Prior Year Funds - Tourism Special Fund  
From 2/1/2023 Through 2/28/2023

	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Interest and Dividends	0.00	50,207.67	50,207.67	0.00
Total Revenue	<u>0.00</u>	<u>50,207.67</u>	<u>50,207.67</u>	<u>0.00</u>
Expense				
Perpetuating Hawaiian Culture	6,809,550.50	200,000.00	6,609,550.50	0.00
Natural Resources	1,781,000.00	0.00	1,781,000.00	0.00
Community	1,192,966.00	735,274.89	457,691.11	36,000.00
Branding	10,397,551.18	6,244,033.65	4,153,517.53	1,083,479.00
Sports	18,000.00	0.00	18,000.00	0.00
Safety and Security	92,094.23	0.00	92,094.23	0.00
Tourism Research	455,211.72	110,440.65	344,771.07	68,620.00
Administrative	253,219.23	51,672.75	201,546.48	0.00
Total Expense	<u>20,999,592.86</u>	<u>7,341,421.94</u>	<u>13,658,170.92</u>	<u>1,188,099.00</u>
Net Income	<u>(20,999,592.86)</u>	<u>(7,291,214.27)</u>	<u>13,708,378.59</u>	<u>(1,188,099.00)</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
Fiscal Year 2022 Funds - Convention Center Federal Fund  
From 7/1/2021 Through 2/28/2023

	<u>Budget</u>	<u>Cumulative Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>	<u>FY 2023 Actual</u>
Revenue					
Alloted Federal Funds	11,000,000.00	11,000,000.00	0.00	0.00	0.00
Total Revenue	<u>11,000,000.00</u>	<u>11,000,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Expense					
Branding	72,458.00	6,079.86	66,378.14	0.00	0.00
Administrative	247,042.00	207,964.14	39,077.86	0.00	0.00
Governance and Org-Wide	1,334,845.00	537,065.04	797,779.96	0.00	0.00
HCC Operating Expense	5,406,900.00	0.00	5,406,900.00	0.00	0.00
HCC Repair and Maintenance	2,970,455.00	0.00	2,970,455.00	0.00	0.00
HCC Sales and Marketing / MFF	968,300.00	0.00	968,300.00	0.00	0.00
Total Expense	<u>11,000,000.00</u>	<u>751,109.04</u>	<u>10,248,890.96</u>	<u>0.00</u>	<u>0.00</u>
Net Income	<u>0.00</u>	<u>10,248,890.96</u>	<u>10,248,890.96</u>	<u>0.00</u>	<u>0.00</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
Fiscal Year 2023 Funds - Convention Center Enterprise Special Fund  
From 2/1/2023 Through 2/28/2023

	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Transient Accomodations Tax	11,000,000.00	11,000,000.00	0.00	0.00
Total Revenue	<u>11,000,000.00</u>	<u>11,000,000.00</u>	<u>0.00</u>	<u>0.00</u>
Net Income	<u>11,000,000.00</u>	<u>11,000,000.00</u>	<u>0.00</u>	<u>0.00</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
Prior Year Funds - Convention Center Enterprise Special Fund  
From 2/1/2023 Through 2/28/2023

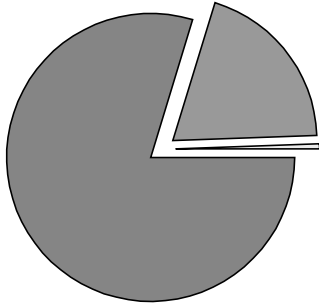
	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Interest and Dividends	0.00	32,377.55	32,377.55	0.00
HCC Revenue	0.00	1,040,703.47	1,040,703.47	0.00
Total Revenue	<u>0.00</u>	<u>1,073,081.02</u>	<u>1,073,081.02</u>	<u>0.00</u>
Expense				
Governance and Org-Wide	296.52	0.00	296.52	0.00
HCC Operating Expense	5,512,649.87	0.00	5,512,649.87	0.00
HCC Repair and Maintenance	10,129,600.00	10,129,600.00	0.00	0.00
HCC Sales and Marketing / MFF	<u>369,672.93</u>	<u>0.00</u>	<u>369,672.93</u>	<u>0.00</u>
Total Expense	<u>16,012,219.32</u>	<u>10,129,600.00</u>	<u>5,882,619.32</u>	<u>0.00</u>
Net Income	<u>(16,012,219.32)</u>	<u>(9,056,518.98)</u>	<u>6,955,700.34</u>	<u>0.00</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
Fiscal Year 2022 Funds - EDA Tourism Grant Fund  
From 2/1/2023 Through 2/28/2023

	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Alloted Federal Funds	14,024,372.00	0.00	(14,024,372.00)	0.00
Total Revenue	<u>14,024,372.00</u>	<u>0.00</u>	<u>(14,024,372.00)</u>	<u>0.00</u>
Expense				
Natural Resources	7,950,000.00	0.00	7,950,000.00	0.00
Community	20,000.00	0.00	20,000.00	0.00
Branding	4,540,000.00	0.00	4,540,000.00	0.00
Planning	770,000.00	0.00	770,000.00	0.00
Administrative	331,907.00	0.00	331,907.00	0.00
Governance and Org-Wide	412,465.00	0.00	412,465.00	0.00
Total Expense	<u>14,024,372.00</u>	<u>0.00</u>	<u>14,024,372.00</u>	<u>0.00</u>
Net Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

## Summary Of Investments

### Investment Allocation



0.5%	CASH	24,395.21
19.8%	CASH EQUIVALENTS	998,583.53
79.7%	FIXED INCOME	4,026,210.00
100.0%	<b>TOTAL</b>	<b>5,049,188.74</b>

### Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	24,395.21	0.48	0	0.00
CASH EQUIVALENTS	998,583.53	19.78	44,237	4.43
FIXED INCOME	4,026,210.00	79.74	103,375	2.57
<b>Total Fund</b>	<b>5,049,188.74</b>	<b>100.00</b>	<b>147,612</b>	<b>2.92</b>

### Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	3,533.33	3,533.33	14.48
	ACCRUED INCOME	20,861.88	20,861.88	85.52
	TOTAL CASH	24,395.21*	24,395.21*	100.00*
	<b>CASH EQUIVALENTS</b>			
	<b>CASH MANAGEMENT</b>			
998,583.53	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	998,583.53	998,583.53	100.00
	<b>FIXED INCOME</b>			
	<b>U S TREASURY OBLIGATIONS</b>			
500,000	US TREASURY NOTES 2.75% 04/30/2023	499,732.12	498,290.00	12.38



Statement Period  
Account Number

02/01/2023 through 02/28/2023  
BANK OF HAWAII  
AGENT U/A DATED 10/31/2018 FOR  
HAWAII TOURISM AUTHORITY -  
TOURISM EMERGENCY TRUST  
FUND

## Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
500,000	US TREASURY NOTES 2.75% 07/31/2023	499,434.65	495,330.00	12.30
500,000	US TREASURY NOTES 2.875% 10/31/2023	498,900.95	492,635.00	12.24
585,000	US TREASURY NOTES 2.5% 01/31/2024	580,119.36	571,311.00	14.19
500,000	US TREASURY NOTES 2.25% 04/30/2024	493,357.06	483,750.00	12.02
500,000	US TREASURY NOTES NOTE 2.125% 07/31/2024	494,457.09	479,905.00	11.92
500,000	US TREASURY NOTES 2.25% 10/31/2024	478,925.78	478,320.00	11.88
550,000	US TREASURY NOTES 2.5% 01/31/2025	533,306.64	526,669.00	13.08
	TOTAL U S TREASURY OBLIGATIONS	4,078,233.65*	4,026,210.00*	100.00*
	<b>Total Fund</b>	<b>5,101,212.39*</b>	<b>5,049,188.74*</b>	<b>100.00*</b>

**Hawaii Convention Center**  
Facility  
Income Statement  
From 2/01/2023 Through 02/28/2023  
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
<b>Direct Event Income</b>								
Rental Income (Net)	161,553	224,420	(62,868)	209,368	1,768,186	2,048,891	(280,705)	1,604,278
Service Revenue	23,101	31,220	(8,119)	86,074	829,125	495,872	333,253	921,723
<b>Total Direct Event Income</b>	<b>184,653</b>	<b>255,640</b>	<b>(70,987)</b>	<b>295,441</b>	<b>2,597,310</b>	<b>2,544,763</b>	<b>52,548</b>	<b>2,526,001</b>
<b>Direct Service Expenses</b>	<b>97,331</b>	<b>110,205</b>	<b>12,874</b>	<b>107,204</b>	<b>1,312,005</b>	<b>1,471,448</b>	<b>159,443</b>	<b>1,056,668</b>
<b>Net Direct Event Income</b>	<b>87,322</b>	<b>145,435</b>	<b>(58,113)</b>	<b>188,237</b>	<b>1,285,306</b>	<b>1,073,314</b>	<b>211,991</b>	<b>1,469,333</b>
<b>Ancillary Income</b>								
Food and Beverage (Net)	185,874	241,558	(55,684)	58,577	2,749,819	3,293,194	(543,375)	351,997
Event Parking (Net)	69,589	43,150	26,439	28,142	586,566	629,370	(42,804)	431,599
Electrical Services	3,584	4,800	(1,216)	0	36,780	49,560	(12,780)	23,013
Audio Visual	19,764	3,920	15,844	5,999	276,636	112,180	164,456	28,663
Internet Services	0	0	0	0	1,831	0	1,831	0
Rigging Services	14,785	0	14,785	32,917	66,952	66,240	712	116,920
First Aid Commissions	0	0	0	0	0	0	0	0
<b>Total Ancillary Income</b>	<b>293,596</b>	<b>293,428</b>	<b>168</b>	<b>125,635</b>	<b>3,718,583</b>	<b>4,150,544</b>	<b>(431,961)</b>	<b>952,192</b>
<b>Total Event Income</b>	<b>380,918</b>	<b>438,863</b>	<b>(57,945)</b>	<b>313,873</b>	<b>5,003,888</b>	<b>5,223,858</b>	<b>(219,970)</b>	<b>2,421,525</b>
<b>Other Operating Income</b>								
Non-Event Parking	15	583	(568)	1,728	3,573	4,664	(1,091)	5,808
Other Income	11,148	4,875	6,273	3,518	86,228	39,000	47,228	51,275
<b>Total Other Operating Income</b>	<b>11,163</b>	<b>5,458</b>	<b>5,705</b>	<b>5,246</b>	<b>89,801</b>	<b>43,664</b>	<b>46,137</b>	<b>57,083</b>
<b>Total Gross Income</b>	<b>392,081</b>	<b>444,321</b>	<b>(52,239)</b>	<b>319,119</b>	<b>5,093,690</b>	<b>5,267,522</b>	<b>(173,832)</b>	<b>2,478,608</b>
<b>Net Salaries &amp; Benefits</b>								
Salaries & Wages	356,608	442,032	85,424	298,860	2,778,716	3,556,919	778,203	2,516,427
Payroll Taxes & Benefits	116,239	139,866	23,627	94,707	853,988	1,118,928	264,940	726,768
Labor Allocations to Events	(16,213)	(39,053)	(22,840)	(21,406)	(382,379)	(496,826)	(114,447)	(565,811)
<b>Total Net Salaries &amp; Benefits</b>	<b>456,634</b>	<b>542,845</b>	<b>86,211</b>	<b>372,161</b>	<b>3,250,324</b>	<b>4,179,021</b>	<b>928,697</b>	<b>2,677,384</b>
<b>Other Indirect Expenses</b>								
Net Contracted Services	76,070	28,958	(47,112)	17,632	489,312	248,283	(241,029)	145,824
Operations	12,311	11,533	(778)	8,580	85,978	92,264	6,286	59,761
Repair & Maintenance	105,127	89,300	(15,827)	70,857	718,562	750,400	31,838	561,508
Operational Supplies	45,052	48,898	3,846	19,475	389,397	448,940	59,543	169,273
Insurance	18,060	17,388	(672)	10,970	160,568	157,709	(2,859)	97,532
Utilities	159,899	167,039	7,140	173,365	1,894,367	1,670,157	(224,210)	1,373,375
Meetings & Conventions	3,070	742	(2,328)	958	18,351	16,286	(2,065)	8,874
Promotions & Communications	4,087	4,550	463	1,253	24,253	36,400	12,147	1,155
General & Administrative	70,384	20,712	(49,673)	13,682	300,241	178,400	(121,841)	100,650
Management Fees	19,033	19,033	0	18,633	152,266	152,264	(2)	149,067
Other	501	10,983	10,482	11,453	84,032	87,864	3,832	27,765
<b>Total Other Indirect</b>	<b>513,595</b>	<b>419,135</b>	<b>(94,459)</b>	<b>346,858</b>	<b>4,317,327</b>	<b>3,838,967</b>	<b>(478,360)</b>	<b>2,694,783</b>
<b>Net Income (Loss) before CIP Funded Expenses</b>	<b>(578,147)</b>	<b>(517,660)</b>	<b>(60,487)</b>	<b>(399,900)</b>	<b>(2,473,962)</b>	<b>(2,750,466)</b>	<b>276,504</b>	<b>(2,893,559)</b>
<b>CIP Funded Expenses</b>	<b>301</b>	<b>0</b>	<b>301</b>	<b>7,991</b>	<b>685</b>	<b>0</b>	<b>685</b>	<b>7,991</b>
<b>Net Income (Loss) from Operations</b>	<b>(577,846)</b>	<b>(517,660)</b>	<b>(60,187)</b>	<b>(391,909)</b>	<b>(2,473,276)</b>	<b>(2,750,466)</b>	<b>277,189</b>	<b>(2,885,568)</b>
<b>Fixed Asset Purchases</b>	<b>39,153</b>	<b>25,000</b>	<b>(14,153)</b>	<b>(151,797)</b>	<b>154,177</b>	<b>200,000</b>	<b>45,823</b>	<b>230,673</b>
<b>Net Income (Loss) After Fixed Asset Purchases</b>	<b>(617,000)</b>	<b>(542,660)</b>	<b>(74,340)</b>	<b>(240,112)</b>	<b>(2,627,453)</b>	<b>(2,950,466)</b>	<b>323,012</b>	<b>(3,116,241)</b>



**Hawaii Convention Center**  
 Facility  
 Income Statement  
 From 02/01/2023 Through 02/28/2023  
 (In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
<b>Revenues</b>								
Food & Beverage	375,865	417,920	(42,055)	120,246	4,853,689	5,728,996	(875,307)	814,187
Facility	310,279	319,418	(9,139)	375,685	3,760,499	3,543,367	217,133	3,246,662
<b>Total Revenues</b>	<b>686,144</b>	<b>737,338</b>	<b>(51,194)</b>	<b>495,931</b>	<b>8,614,188</b>	<b>9,272,363</b>	<b>(658,174)</b>	<b>4,060,849</b>
<b>Expenses</b>								
Food & Beverage	361,607	306,808	(54,799)	162,344	3,259,178	3,571,068	311,889	1,143,470
Facility	902,684	948,189	45,506	733,487	7,828,971	8,451,760	622,789	5,810,938
<b>Total Expenses</b>	<b>1,264,291</b>	<b>1,254,998</b>	<b>(9,293)</b>	<b>895,830</b>	<b>11,088,150</b>	<b>12,022,828</b>	<b>934,678</b>	<b>6,954,408</b>
Net Income (Loss) before CIP Funded Expenses	(578,147)	(517,660)	(60,487)	(399,900)	(2,473,962)	(2,750,466)	276,504	(2,893,559)
CIP Funded Expenses	301	0	301	7,991	685	0	685	7,991
<b>Net Income (Loss) from Operations</b>	<b>(577,846)</b>	<b>(517,660)</b>	<b>(60,186)</b>	<b>(391,909)</b>	<b>(2,473,277)</b>	<b>(2,750,466)</b>	<b>277,189</b>	<b>(2,885,568)</b>
Fixed Asset Purchases	39,153	25,000	(14,153)	(151,797)	154,177	200,000	45,823	230,673
<b>Net Income (Loss) after Fixed Asset Purchases</b>	<b>(616,999)</b>	<b>(542,660)</b>	<b>(74,339)</b>	<b>(240,112)</b>	<b>(2,627,454)</b>	<b>(2,950,466)</b>	<b>323,012</b>	<b>(3,116,241)</b>

## **5.2**

Budget Statement Summary

FY 23

As of February 28, 2023

**Hawaii Tourism Authority  
Budget Statement - Summary  
FY 2023  
As of February 28, 2023**

Category	2022 Tourism Federal Fund - ARPA [TFF] Fiscal Year 2022 and FY 2023				2023 ARPA Funding Fiscal Year 2023				2022 EDA Grant Fiscal Year 2023			
	Budget	Cumulative Budget Used	Balance	Activity for February 2023	Budget	Cumulative Budget Used	Balance	Activity for February 2023	Budget	Cumulative Budget Used	Balance	Activity for February 2023
<b>Revenues</b>												
TAT Revenue Allocation			-	-			-	-			-	-
Federal Funds	60,000,000	60,000,000	-	-	35,000,000	35,000,000	-	-	14,024,372	-	14,024,372	-
Prior Year Carryover	-	-	-	-	-	-	-	-	-	-	-	-
Availability of \$5M Emergency Fund (Subject to Governor Approval)	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	210	(210)	-	-	-	-	-	-	-	-	-
<b>Total Revenues</b>	<b>60,000,000</b>	<b>60,000,210</b>	<b>(210)</b>	<b>-</b>	<b>35,000,000</b>	<b>35,000,000</b>	<b>-</b>	<b>-</b>	<b>14,024,372</b>	<b>-</b>	<b>14,024,372</b>	<b>-</b>
<b>Encumbrances</b>												
<b>Perpetuating Hawaiian Culture</b>												
Hawaiian Culture Programs	4,544,845	1,234,292	3,310,553	-	1,775,500	-	1,775,500	-	-	-	-	-
In-House Contracted Staff - Hawaiian Culture	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	4,544,845	1,234,292	3,310,553	-	1,775,500	-	1,775,500	-	-	-	-	-
<b>Natural Resources</b>												
Natural Resources Programs	1,915,000	100,000	1,815,000	-	500,000	-	500,000	-	7,200,000	-	7,200,000	-
In-House Contracted Staff - Natural Resources	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,915,000	100,000	1,815,000	-	500,000	-	500,000	-	7,200,000	-	7,200,000	-
<b>Community</b>												
Community Programs	3,685,500	120,000	3,565,500	-	1,260,500	-	1,260,500	-	1,520,000	-	1,520,000	-
In-House Contracted Staff - Community	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	3,685,500	120,000	3,565,500	-	1,260,500	-	1,260,500	-	1,520,000	-	1,520,000	-
<b>Branding</b>												
Branding Programs	31,673,655	29,795,199	1,878,456	2,360	25,360,000	8,730,000	16,630,000	-	4,000,000	-	4,000,000	-
In-House Contracted Staff - Branding	-	-	-	-	-	-	-	-	-	-	-	-
State Employee Salaries - Branding	2,036,532	1,937,857	98,675	-	1,300,000	-	1,300,000	-	540,000	-	540,000	-
Subtotal	33,710,187	31,733,056	1,977,131	2,360	26,660,000	8,730,000	17,930,000	-	4,540,000	-	4,540,000	-
<b>Sports</b>												
Sports Programs	6,311,889	3,011,889	3,300,000	167,000	2,000,000	-	2,000,000	-	-	-	-	-
Subtotal	6,311,889	3,011,889	3,300,000	167,000	2,000,000	-	2,000,000	-	-	-	-	-
<b>Safety and Security</b>												
Safety and Security Programs	700,000	152,150	547,850	106	100,000	-	100,000	-	-	-	-	-
Subtotal	700,000	152,150	547,850	106	100,000	-	100,000	-	-	-	-	-
<b>Tourism Research</b>												
Tourism Research Programs	60,000	-	60,000	-	65,000	-	65,000	-	-	-	-	-
In-House Contracted Staff - Tourism Research	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	60,000	-	60,000	-	65,000	-	65,000	-	-	-	-	-
<b>Planning</b>												
Planning Programs	2,005,200	813,397	1,191,803	33,067	661,799	-	661,799	-	20,000	-	20,000	-
In-House Contracted Staff - Planning	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	2,005,200	813,397	1,191,803	33,067	661,799	-	661,799	-	20,000	-	20,000	-
<b>Administrative</b>												
Operations	1,189,111	472,043	717,068	39,842	653,700	-	653,700	-	214,907	-	214,907	-
In-House Contracted Staff - Admin	-	-	-	-	-	-	-	-	-	-	-	-
State Employee Salaries - Admin	2,830,295	2,423,804	406,491	-	900,000	-	900,000	-	117,000	-	117,000	-
Subtotal	4,019,406	2,895,847	1,123,559	39,842	1,553,700	-	1,553,700	-	331,907	-	331,907	-
<b>Organizationwide Costs</b>												
State Employee Fringe	2,465,972	2,144,010	321,962	-	-	-	-	-	412,465	-	412,465	-
Organization-Wide	230,000	230,000	-	125,000	250,583	-	250,583	-	-	-	-	-
Governance - Board/Others	352,001	160,844	191,157	245	172,918	-	172,918	-	-	-	-	-
Subtotal	3,047,973	2,534,854	513,119	125,245	423,501	-	423,501	-	412,465	-	412,465	-
<b>Total Encumbrances</b>	<b>60,000,000</b>	<b>42,595,485</b>	<b>17,404,515</b>	<b>367,620</b>	<b>35,000,000</b>	<b>8,730,000</b>	<b>26,270,000</b>	<b>-</b>	<b>14,024,372</b>	<b>-</b>	<b>14,024,372</b>	<b>-</b>
<b>Revenues vs Encumbrances</b>	<b>-</b>	<b>17,404,725</b>			<b>-</b>	<b>26,270,000</b>			<b>-</b>	<b>-</b>		

## **5.3**

Budget Statement FY23 Federal ARPA Funds  
as of February 28, 2023

**Hawaii Tourism Authority  
Budget Statement - FY 23 Federal ARPA Funds  
As of February 28, 2023  
FY 2023**

Program Code	Program Title	Budget FY23	Encumbered - Budget Used (Cumulative)	Remaining Balance	February 2023 Activity
<i>Tourism Federal Fund - FY 23</i>					
<b>Perpetuating Hawaiian Culture</b>					
203	Ma'ema'e HTA	50,000.00	0.00	50,000.00	0.00
204	Market Support	75,000.00	0.00	75,000.00	0.00
216	Olelo Hawaii	700,000.00	0.00	700,000.00	0.00
219	Hookipa Malihini Initiative	450,000.00	0.00	450,000.00	0.00
297	Memberships and Dues - Hawaiian Cultur	500.00	0.00	500.00	0.00
374	Surfing	250,000.00	0.00	250,000.00	0.00
718	Resort Area Hawaiian Cultural Initiative	250,000.00	0.00	250,000.00	0.00
<b>Subtotal</b>	<b>Perpetuating Hawaiian Culture</b>	<b>1,775,500.00</b>	<b>0.00</b>	<b>1,775,500.00</b>	<b>0.00</b>
<b>Natural Resources</b>					
409	Tour Guide Certification Licensure Progra	500,000.00	0.00	500,000.00	0.00
<b>Subtotal</b>	<b>Natural Resources</b>	<b>500,000.00</b>	<b>0.00</b>	<b>500,000.00</b>	<b>0.00</b>
<b>Community</b>					
702	Community Product Capacity Building (for	300,000.00	0.00	300,000.00	0.00
731	Community-Based Tourism - Oahu	200,000.00	0.00	200,000.00	0.00
732	Community-Based Tourism - Maui County	200,000.00	0.00	200,000.00	0.00
733	Community-Based Tourism - Hawaii Islan	200,000.00	0.00	200,000.00	0.00
734	Community-Based Tourism - Kauai	200,000.00	0.00	200,000.00	0.00
797	Memberships and Dues - Community	500.00	0.00	500.00	0.00
798	Travel - Community	10,000.00	0.00	10,000.00	0.00
802	Current Workforce Development (Industr	150,000.00	0.00	150,000.00	0.00
<b>Subtotal</b>	<b>Community</b>	<b>1,260,500.00</b>	<b>0.00</b>	<b>1,260,500.00</b>	<b>0.00</b>
<b>Branding</b>					
14	Pono Travel Education Program	500,000.00	0.00	500,000.00	0.00
102	Hawai'i Tourism Summit	100,000.00	0.00	100,000.00	0.00
317	Convention Center Sales & Marketing - Ci	2,600,000.00	0.00	2,600,000.00	0.00
318	gohawaii.com (formerly Online Website C	500,000.00	0.00	500,000.00	0.00
319	MCI MFF	850,000.00	0.00	850,000.00	0.00
320	Island Chapters Staffing and Admin	1,200,000.00	1,200,000.00	0.00	0.00
321	US (formerly North America)	7,000,000.00	0.00	7,000,000.00	0.00
322	Canada	800,000.00	400,000.00	400,000.00	0.00
323	Japan	6,500,000.00	6,500,000.00	0.00	0.00
324	Korea	630,000.00	630,000.00	0.00	0.00
325	Oceania	950,000.00	0.00	950,000.00	0.00
329	China	120,000.00	0.00	120,000.00	0.00
331	Meetings, Convention & Incentives	1,900,000.00	0.00	1,900,000.00	0.00
350	Global Mkt Shared Resces (formerly Intell	1,500,000.00	0.00	1,500,000.00	0.00
397	Memberships and Dues - Branding	160,000.00	0.00	160,000.00	0.00
398	Travel - Branding	50,000.00	0.00	50,000.00	0.00
934	State Employee Salaries - Branding	1,300,000.00	0.00	1,300,000.00	0.00
<b>Subtotal</b>	<b>Branding</b>	<b>26,660,000.00</b>	<b>8,730,000.00</b>	<b>17,930,000.00</b>	<b>0.00</b>
<b>Sports</b>					
385	Sports RFP or Other Procurement	2,000,000.00	0.00	2,000,000.00	0.00
<b>Subtotal</b>	<b>Sports</b>	<b>2,000,000.00</b>	<b>0.00</b>	<b>2,000,000.00</b>	<b>0.00</b>
<b>Safety and Security</b>					
602	Crisis Management	100,000.00	0.00	100,000.00	0.00
<b>Subtotal</b>	<b>Safety and Security</b>	<b>100,000.00</b>	<b>0.00</b>	<b>100,000.00</b>	<b>0.00</b>
<b>Tourism Research</b>					
506	Infrastructure Research (Accommodations &	65,000.00	0.00	65,000.00	0.00
<b>Subtotal</b>	<b>Tourism Research</b>	<b>65,000.00</b>	<b>0.00</b>	<b>65,000.00</b>	<b>0.00</b>
<b>Planning</b>					
653	Hotspot Mitigation	200,000.00	0.00	200,000.00	0.00
657	Tourism Excellence Accreditation	450,000.00	0.00	450,000.00	0.00
698	Travel - Planning	11,799.00	0.00	11,799.00	0.00
<b>Subtotal</b>	<b>Planning</b>	<b>661,799.00</b>	<b>0.00</b>	<b>661,799.00</b>	<b>0.00</b>
<b>Administrative</b>					
101	Community-Industry Outreach & Public R	200,000.00	0.00	200,000.00	0.00
103	hawaii tourism authority.org (formerly HTA	50,000.00	0.00	50,000.00	0.00
901	General and Administrative	333,700.00	0.00	333,700.00	0.00
930	State Employee Salaries - Admin	900,000.00	0.00	900,000.00	0.00
998	Travel - Admin	70,000.00	0.00	70,000.00	0.00
<b>Subtotal</b>	<b>Administrative</b>	<b>1,553,700.00</b>	<b>0.00</b>	<b>1,553,700.00</b>	<b>0.00</b>
<b>Governance and Org-Wide</b>					
915	Organization-Wide	250,583.00	0.00	250,583.00	0.00
919	Governance - Gen Board/Others	172,918.00	0.00	172,918.00	0.00
<b>Subtotal</b>	<b>Governance and Org-Wide</b>	<b>423,501.00</b>	<b>0.00</b>	<b>423,501.00</b>	<b>0.00</b>
<b>Total</b>	<b>FY 2023 Funds</b>	<b>35,000,000.00</b>	<b>8,730,000.00</b>	<b>26,270,000.00</b>	<b>0.00</b>

## **5.4**

Budget Statement FY22 Federal ARPA Funds  
as of February 28, 2023

**Hawaii Tourism Authority**  
**Budget Statement - FY 22 Federal Funds**  
**As of February 28, 2023**  
**FY 2023**

Program Code	Program Title	Budget FY22	Encumbered - Budget Used (Cumulative)	Remaining Balance	February 2023 Activity	FY 2023 Activity
<i>Tourism Federal Fund - FY 22</i>						
<b>Perpetuating Hawaiian Culture</b>						
201	Kūkulu Ola: Living Hawaiian Cultural Prog	1,500,000.00	0.00	1,500,000.00	0.00	0.00
202	Hawaiian Culture Initiative	475,000.00	0.00	475,000.00	0.00	0.00
203	Ma'ema'e HTA	50,000.00	0.00	50,000.00	0.00	0.00
204	Market Support	50,000.00	7,000.00	43,000.00	0.00	7,000.00
207	Kahea Program - Airport Greetings	700,000.00	700,000.00	0.00	0.00	700,000.00
214	Legacy Award Program	75,000.00	25,000.00	50,000.00	0.00	25,000.00
216	Olelo Hawaii	500,000.00	500,000.00	0.00	0.00	0.00
217	FESTPAC	250,000.00	0.00	250,000.00	0.00	0.00
218	Hawaiian Culture Festivals and Events	780,000.00	0.00	780,000.00	0.00	0.00
297	Memberships and Dues - Hawaiian Cultur	500.00	300.00	200.00	0.00	300.00
298	Travel - Hawaiian Culture	14,345.00	1,991.84	12,353.16	0.00	1,991.84
718	Resort Area Hawaiian Cultural Initiative	150,000.00	0.00	150,000.00	0.00	0.00
<b>Subtotal</b>	<b>Perpetuating Hawaiian Culture</b>	<b>4,544,845.00</b>	<b>1,234,291.84</b>	<b>3,310,553.16</b>	<b>0.00</b>	<b>734,291.84</b>
<b>Natural Resources</b>						
402	Aloha Aina (formerly NR and Leg Prov NR	1,500,000.00	0.00	1,500,000.00	0.00	0.00
406	Visitor Impact Program	350,000.00	50,000.00	300,000.00	0.00	0.00
407	Hawaii Eco Tourism Association	50,000.00	50,000.00	0.00	0.00	0.00
498	Travel - Natural Resources	15,000.00	0.00	15,000.00	0.00	0.00
<b>Subtotal</b>	<b>Natural Resources</b>	<b>1,915,000.00</b>	<b>100,000.00</b>	<b>1,815,000.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Community</b>						
700	Community Opportunity	1,700,000.00	0.00	1,700,000.00	0.00	0.00
701	Community Enrichment Program	1,700,000.00	0.00	1,700,000.00	0.00	0.00
797	Memberships and Dues - Community	500.00	0.00	500.00	0.00	0.00
798	Travel - Community	15,000.00	0.00	15,000.00	0.00	0.00
803	Future Workforce Development (LEI)	270,000.00	120,000.00	150,000.00	0.00	0.00
<b>Subtotal</b>	<b>Community</b>	<b>3,685,500.00</b>	<b>120,000.00</b>	<b>3,565,500.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Branding</b>						
004	Cruise Infrastructure Improvements and /	200,000.00	194,223.19	5,776.81	0.00	94,223.19
010	HTUS/HTJ Campaign Effectiveness Study	260,000.00	260,000.00	0.00	0.00	0.00
014	Pono Travel Education Program	400,000.00	400,000.00	0.00	0.00	0.00
102	Hawai'i Tourism Summit	231,000.00	230,999.30	0.70	0.00	225,748.00
317	Convention Center Sales & Marketing - Ci	2,600,000.00	2,600,000.00	0.00	0.00	0.00
318	gohawaii.com (formerly Online Website C	774,500.00	387,500.00	387,000.00	0.00	155,000.00
319	MCI MFF	850,000.00	850,000.00	0.00	0.00	0.00
321	US (formerly North America)	22,500,000.00	21,250,000.00	1,250,000.00	0.00	8,500,000.00
331	Meetings, Convention & Incentives	1,900,000.00	1,900,000.00	0.00	0.00	0.00
339	Global Digital Marketing Strategy (former	713,000.00	500,000.00	213,000.00	0.00	200,000.00
350	Global Mkt Shared Resces (formerly Intell	987,500.00	987,500.00	0.00	0.00	395,000.00
380	Marketing Opportunity Fund	47,655.00	50,015.00	(2,360.00)	2,360.00	17,360.00
397	Memberships and Dues - Branding	160,000.00	137,265.00	22,735.00	0.00	0.00
398	Travel - Branding	50,000.00	47,696.29	2,303.71	0.00	31,713.25
934	State Employee Salaries - Branding	2,036,532.00	1,937,857.48	98,674.52	0.00	1,116,310.00
<b>Subtotal</b>	<b>Branding</b>	<b>33,710,187.00</b>	<b>31,733,056.26</b>	<b>1,977,130.74</b>	<b>2,360.00</b>	<b>10,735,354.44</b>
<b>Sports</b>						
312	PGA Tour Contracts	3,977,889.00	2,177,889.00	1,800,000.00	0.00	0.00
340	WTC - Ironman World Championships	250,000.00	250,000.00	0.00	0.00	250,000.00
343	LPGA	500,000.00	250,000.00	250,000.00	0.00	0.00
378	UH Athletics Branding Partnership	334,000.00	334,000.00	0.00	167,000.00	167,000.00
385	Sports RFP or Other Procurement	1,250,000.00	0.00	1,250,000.00	0.00	0.00
<b>Subtotal</b>	<b>Sports</b>	<b>6,311,889.00</b>	<b>3,011,889.00</b>	<b>3,300,000.00</b>	<b>167,000.00</b>	<b>417,000.00</b>
<b>Safety and Security</b>						
601	Visitor Assistance Programs	500,000.00	0.00	500,000.00	0.00	0.00
602	Crisis Management	100,000.00	52,149.73	47,850.27	105.85	5,204.81
604	Preventative Programs	100,000.00	100,000.00	0.00	0.00	0.00
<b>Subtotal</b>	<b>Safety and Security</b>	<b>700,000.00</b>	<b>152,149.73</b>	<b>547,850.27</b>	<b>105.85</b>	<b>5,204.81</b>
<b>Tourism Research</b>						
506	Infrastructure Research (Accomodations :)	60,000.00	0.00	60,000.00	0.00	0.00
<b>Subtotal</b>	<b>Tourism Research</b>	<b>60,000.00</b>	<b>0.00</b>	<b>60,000.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Planning</b>						
652	Planning Tools and Assessments	410,000.00	111,585.32	298,414.68	0.00	0.00
653	Hotspot Mitigation	500,000.00	200,000.00	300,000.00	0.00	200,000.00
654	Program Evaluation	500,000.00	377,584.69	122,415.31	0.00	0.00
655	Community Engagement	175,000.00	4,560.28	170,439.72	0.00	4,560.28
656	Community Tourism Collaborative	400,000.00	104,200.00	295,800.00	29,200.00	104,200.00
697	Memberships and Dues - Planning	3,200.00	350.00	2,850.00	0.00	350.00
698	Travel - Planning	17,000.00	15,116.14	1,883.86	3,866.68	12,755.92
<b>Subtotal</b>	<b>Planning</b>	<b>2,005,200.00</b>	<b>813,396.43</b>	<b>1,191,803.57</b>	<b>33,066.68</b>	<b>321,866.20</b>
<b>Administrative</b>						
101	Community-Industry Outreach & Public R	200,000.00	200,000.00	0.00	0.00	0.00
103	hawaiitourismauthority.org (formerly HTA	100,000.00	24,546.80	75,453.20	0.00	0.00
901	General and Administrative	838,700.00	226,772.67	611,927.33	39,842.18	69,252.62
930	State Employee Salaries - Admin	2,830,295.00	2,423,803.66	406,491.34	0.00	1,450,517.00
998	Travel - Admin	50,411.00	20,724.13	29,686.87	0.00	11,392.18
<b>Subtotal</b>	<b>Administrative</b>	<b>4,019,406.00</b>	<b>2,895,847.26</b>	<b>1,123,558.74</b>	<b>39,842.18</b>	<b>1,531,161.80</b>
<b>Governance and Org-Wide</b>						
915	Organization-Wide	230,000.00	230,000.00	0.00	125,000.00	125,000.00
919	Governance - Gen Board/Others	352,001.00	160,844.96	191,156.04	245.21	56,792.61
931	State Employees Fringe	2,465,972.00	2,144,009.77	321,962.23	0.00	1,355,972.00
<b>Subtotal</b>	<b>Governance and Org-Wide</b>	<b>3,047,973.00</b>	<b>2,534,854.73</b>	<b>513,118.27</b>	<b>125,245.21</b>	<b>1,537,764.61</b>
<b>Total</b>	<b>FY 2022 Funds</b>	<b>60,000,000.00</b>	<b>42,595,485.25</b>	<b>17,404,514.75</b>	<b>367,619.92</b>	<b>15,282,643.70</b>

**Hawaii Tourism Authority  
Budget Statement - FY 22 Federal Funds  
As of February 28, 2023  
FY 2023**

Program Code	Program Title	Budget FY22	Encumbered - Budget Used (Cumulative)	Remaining Balance	February 2023 Activity	FY 2023 Activity
<i>Convention Center Federal Fund</i>						
<b>Branding</b>						
934	State Employee Salaries - Branding	72,458.00	12,613.84	59,844.16	0.00	0.00
<b>Subtotal</b>	<b>Branding</b>	<b>72,458.00</b>	<b>12,613.84</b>	<b>59,844.16</b>	<b>0.00</b>	<b>0.00</b>
<b>Administrative</b>						
930	State Employee Salaries - Admin	247,042.00	226,060.43	20,981.57	0.00	0.00
<b>Subtotal</b>	<b>Administrative</b>	<b>247,042.00</b>	<b>226,060.43</b>	<b>20,981.57</b>	<b>0.00</b>	<b>0.00</b>
<b>Governance and Org-Wide</b>						
915	Organization-Wide	1,164,845.00	1,164,845.00	0.00	0.00	0.00
931	State Employees Fringe	170,000.00	72,220.04	97,779.96	0.00	0.00
<b>Subtotal</b>	<b>Governance and Org-Wide</b>	<b>1,334,845.00</b>	<b>1,237,065.04</b>	<b>97,779.96</b>	<b>0.00</b>	<b>0.00</b>
<b>HCC Operating Expense</b>						
850	HCC Operating Expense	5,406,900.00	5,406,900.00	0.00	0.00	0.00
<b>Subtotal</b>	<b>HCC Operating Expense</b>	<b>5,406,900.00</b>	<b>5,406,900.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>HCC Repair and Maintenance</b>						
860	HCC Repair and Maintenance	2,970,455.00	2,970,455.00	0.00	0.00	0.00
<b>Subtotal</b>	<b>HCC Repair and Maintenance</b>	<b>2,970,455.00</b>	<b>2,970,455.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>HCC Local Sales</b>						
871	HCC Local Sales	968,300.00	968,300.00	0.00	0.00	0.00
<b>Subtotal</b>	<b>HCC Local Sales</b>	<b>968,300.00</b>	<b>968,300.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>FY 2022 Funds</b>	<b>11,000,000.00</b>	<b>10,821,394.31</b>	<b>178,605.69</b>	<b>0.00</b>	<b>0.00</b>
<i>EDA Tourism Grant</i>						
<b>Natural Resources</b>						
408	Outdoor Recreation (DLNR)	7,200,000.00	0.00	7,200,000.00	0.00	0.00
<b>Subtotal</b>	<b>Natural Resources</b>	<b>7,200,000.00</b>	<b>0.00</b>	<b>7,200,000.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Community</b>						
656	Community Tourism Collaborative	750,000.00	0.00	750,000.00	0.00	0.00
736	Urban Trails	750,000.00	0.00	750,000.00	0.00	0.00
798	Travel - Community	20,000.00	0.00	20,000.00	0.00	0.00
<b>Subtotal</b>	<b>Community</b>	<b>1,520,000.00</b>	<b>0.00</b>	<b>1,520,000.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Branding</b>						
300	Branding - Unallocated	4,000,000.00	0.00	4,000,000.00	0.00	0.00
934	Salaries - Branding	540,000.00	0.00	540,000.00	0.00	0.00
<b>Subtotal</b>	<b>Branding</b>	<b>4,540,000.00</b>	<b>0.00</b>	<b>4,540,000.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Planning</b>						
698	Travel - Planning	20,000.00	0.00	20,000.00	0.00	0.00
<b>Subtotal</b>	<b>Planning</b>	<b>20,000.00</b>	<b>0.00</b>	<b>20,000.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Administrative</b>						
901	Administrative	214,907.00	0.00	214,907.00	0.00	0.00
930	Salaries - Admin	117,000.00	0.00	117,000.00	0.00	0.00
<b>Subtotal</b>	<b>Administrative</b>	<b>331,907.00</b>	<b>0.00</b>	<b>331,907.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Governance and Org-Wide</b>						
931	Fringe Benefits	412,465.00	0.00	412,465.00	0.00	0.00
<b>Subtotal</b>	<b>Governance and Org-Wide</b>	<b>412,465.00</b>	<b>0.00</b>	<b>412,465.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>FY 2022 Funds</b>	<b>14,024,372.00</b>	<b>0.00</b>	<b>14,024,372.00</b>	<b>0.00</b>	<b>0.00</b>



## **5.5**

Budget Reallocation Summary  
FY2022 ARPA Funds (TFF)  
Through February 28, 2023

Budget Reallocation Summary  
 FY 2022 ARPA Funds (TFF)  
 Through February 28, 2023

Budget Line Item	Program Code	Original Budget	Cumulative To-Date (Since Inception of Award)		February 2023 Activity
			Reallocation	Budget After Reallocations	
<b>Perpetuating Hawaiian Culture</b>					
<i>From:</i>					
Hawaiian Culture Opportunity Fund	215	200,000	(200,000)	-	
Travel - Hawaiian Culture	298	15,000	(655)	14,345	
Resort Area Hawaiian Culture Initiative	718	400,000	(250,000)	150,000	
				-	
				-	
			(450,655)		-
<i>To:</i>					
Resort Area Hawaiian Culture Initiative	718	-	400,000	400,000	
Kahea Airport Greetings	207	-	700,000	700,000	
Legacy Award Program	214	25,000	50,000	75,000	
Hawaiian Culture Festivals & Events	218	-	330,000	330,000 *	
				-	
				-	
			1,480,000		-
<b>Natural Resources</b>					
<i>From:</i>					
Wahi Pana Series	416	250,000	(250,000)	-	
				-	
				-	
			(250,000)		-
<i>To:</i>					
				-	
				-	
				-	
				-	
			-		-
<b>Community</b>					
<i>From:</i>					
Community Product Capacity Building	702	500,000	(500,000)	-	
Current Workforce	802	100,000	(100,000)	-	
				-	
			(600,000)		-
<i>To:</i>					
Future Workforce	803	120,000	150,000	270,000	
				-	
			150,000		-
<b>Branding</b>					
<i>From:</i>					
Route Development	005	250,000	(250,000)	-	

Budget Reallocation Summary  
 FY 2022 ARPA Funds (TFF)  
 Through February 28, 2023

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations	February 2023 Activity
gohawaii.com	318	2,500,000	(1,725,500)	774,500	
Campaig Effectiveness Study	010	270,000	(10,000)	260,000	
Island Chapters Staffing and Admin	320	-	-	-	
Rebranding the Hawaiian Islands	012	1,000,000	(1,000,000)	-	
Creative Agency	013	250,000	(250,000)	-	
Marketing Opportunity Fund	380	250,000	(202,345)	47,655	
			(3,437,845)		-
<b>To:</b>					
US MMA	321	22,500,000	-	22,500,000	-
Pono Travel Education Program	014	175,000	225,000	400,000	-
Hawaii Tourism Updates	102	125,000	106,000	231,000	-
Cruise Industry Consulting Services	004	100,000	100,000	200,000	-
Global Mkt Shared Resces (formerly Intellect Prop Data f	350	787,000	200,500	987,500	-
			631,500		-
<b>Sports</b>					
<b>From:</b>			-		-
<b>To:</b>					
UH Athletics Branding Partnership	378	-	334,000	334,000	-
Sports Programs - Unallocated	379	1,500,000	(1,500,000)	-	-
LPGA	343	-	500,000	500,000	-
WTC - Ironman Worrld Championships	340	-	250,000	250,000	-
Sports RFP or Other Procurement	385	-	1,250,000	1,250,000	-
PGA Tour Contracts	312	2,177,889	1,800,000	3,977,889	-
			2,634,000		-
<b>Safety and Security</b>					
<b>From:</b>					
Lifeguard Program	603	200,000	(200,000)	-	-
			(200,000)		-
<b>To:</b>					
				-	-
				-	-
				-	-

Budget Reallocation Summary  
 FY 2022 ARPA Funds (TFF)  
 Through February 28, 2023

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations	February 2023 Activity
<b>Tourism Research</b>					
<i>From:</i>					
None				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
			-		-
<b>Planning</b>					
<i>From:</i>					
None				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
			-		-
<b>Administration</b>					
<i>From:</i>					
General and Administrative	901	848,700	(10,000)	838,700	(10,000)
				-	
			(10,000)		(10,000)
<i>To:</i>					
				-	
				-	
			-		-

Budget Reallocation Summary  
 FY 2022 ARPA Funds (TFF)  
 Through February 28, 2023

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations	February 2023 Activity
<b>Governance and Organization-Wide</b>					
<i>From:</i>					
Organization-Wide	915	230,000	(10,000)	220,000	
			-	-	
			(10,000)		-
<i>To:</i>					
Governance - Gen Board/Others	919	121,800	53,000	174,800	
Organization-Wide	915	220,000	10,000	230,000	10,000
			63,000		10,000
<b>Board Allocations</b>					
<i>From:</i>					
None				-	
			-		-
			-		-

\*Excluded \$450,000 that was a release of funds for availability by the Board, as opposed to a reallocation.

## **6**

Presentation, Discussion, and/or Action to Approve  
Funding for China Markets \*\*\*



# **China MMA 2023-2025 BUDGET PLAN**

# GENERAL OVERVIEW

CON 21031 Contract Amount	2022 Actual Spend	Balance after 2022	2023 (Jan - Jun) Restricted Spend	Balance after June 2023
\$1,800,000	\$733,616	\$1,066,384	\$87,000	\$979,384

- **1/8/23:** Quarantine restrictions lifted for international travelers
- **3/10/23:** U.S. ended COVID-19 testing requirement on travelers from China
- **Ctrip** reported a tenfold year on year increase in the search volume of popular overseas destinations, with searches for outbound flight tickets reaching a three-year high
- **Strong demand for travel to U.S.** with visa applications at U.S. embassy and consulates in China backed up to 4th Quarter 2023



# 2023 BUDGET DETAILS

	2023 (Jan-Jun)	2023 (Jul-Dec)	2023 Total	Projected Outcome
<b>Approved Budget</b>	<b>\$87,000</b>	<b>\$120,000</b>	<b>\$207,000</b>	
<b>Proposed Additional Budget</b>	<b>15,000</b>	<b>105,000</b>	<b>120,000</b>	
US Embassy Education USA Events	12,000	-	12,000	Est. 300 participants at each event with social media coverage reaching 3M. HTC will have Mālama Hawai'i booth as well as speaking engagements.
Wuhan US Consulate Tourism Event	3,000	-	3,000	Meet w/industry partners and general consumers to share Mālama Hawai'i message. Media coverage by HTC official accounts and KOLs reaching est. 250K across all platforms.
Trade Mission – Beijing / Shanghai	-	50,000	50,000	Invite Hawai'i industry stakeholders to reconnect with key OTAs, wholesalers, travel KOLs, travel media, airlines in China; deliver Mālama Hawai'i message; feature Hawai'i itineraries. Social media coverage to exceed 200K across all platforms.
Travel Trade co-op (Airline / TO / OTA)	-	50,000	50,000	Target 1:3 ratio (cash/in-kind); push for Hawai'i mono-packages; est. incremental visitors to Hawai'i of 5,000
WeChat B2C / B2B Mini-Programs	-	2,500	2,500	SEO to drive viewership and followers to HTC B2C and B2B Mini-Programs to educate travelers and industry partners; target incremental 3K fans
Social Media Marketing	-	2,500	2,500	SEO to drive viewership and followers to official HTC social media accounts – Weibo, WeChat, WeChat Video Channel, Little Red Book, Douyin; target incremental 10K fans across all platforms
<b>PROPOSED NEW BUDGET</b>	<b>\$102,000</b>	<b>\$225,000</b>	<b>\$327,000</b>	

# 2024 - 2025 BUDGET OVERVIEW

	CY 2024	CY 2025
<b>Total Program Costs</b>	<b>\$307,100</b>	<b>\$293,284</b>
Consumer Direct	142,600	128,784
Public Relations	49,500	49,500
Travel Trade	115,000	115,000
<b>Total Administrative Costs</b>	<b>69,500</b>	<b>69,500</b>
Staffing	26,600	26,600
Office Expenses	24,000	24,000
Other Administrative Costs	900	900
Contractor Profit / Retainer	18,000	18,000
<b>TOTAL</b>	<b>\$376,600</b>	<b>\$362,784</b>

The  
HAWAIIAN  
ISLANDS

夏威夷旅游观光局  
祝同仁朋友们「卯兔年」  
吉祥安康 诸事顺祥!

大展鸿兔  
HAPPY NEW YEAR

2023

Mahalo  
谢谢

HAWAII TOURISM  
CHINA