



**BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE  
MEETING HAWAII TOURISM AUTHORITY  
Wednesday, January 25, 2023, at 9:30 a.m.  
Virtual Meeting**

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

<b>MEMBERS PRESENT:</b>	Ben Rafter (Chair), Mike White (Vice-Chair), David Arakawa, Mahina Paishon-Duarte, George Kam
<b>HTA STAFF PRESENT:</b>	John De Fries, Daniel Nāho'opi'i, Marc Togashi, Kalani Ka'anā'anā, Ilihia Gionson, Maka Casson-Fisher
<b>GUESTS:</b>	John Monahan, John Reyes, Teri Orton, Mari Tait
<b>LEGAL COUNSEL:</b>	John Cole

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

Chair Rafter called the meeting to order at 9:32 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. Casson-Fisher did the roll call. All confirmed in attendance and that they were alone.

**3. Approval of the Minutes of the November 15, 2022, Committee Meeting**

Chair Rafter asked for a motion to approve the minutes. Mr. Kam made a motion, and Mr. White seconded. Mr. Casson-Fisher did the roll call, and the motion passed unanimously.

**4. Presentation, Discussion, and Action on the HTA's December 2022 Financial Report**

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 December 2022. 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 December 31, the HTA has access to \$29.1 million in the FY2022 TFF (Tourism Federal Fund), a \$2.6 million decrease from November, due primarily to disbursements for program and operating expenditures. Of the \$29.1 million, \$20.1 million is encumbered, and \$9 million is unencumbered.

The FY2023 ARPA funds was approved in November 2022, and they are working on that. The TSF (Tourism Special Fund) has \$25.2 million in cash, which is a \$3.4 million decrease from November 2022 due to program expenditure and operating costs. 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. For the 2022 CCFF (Convention Center Federal Fund) \$10.2 million is available, most of which has been encumbered. The CCESF has approximately \$34.9 million in cash, consistent with November 2022. 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 in support of the six-year R&M plan when the appropriation expenditure ceiling is restored through the 2023 legislative process.

Mr. Togashi said a budget statement for FY2023 funds and a second budget statement for FY2022 funds. He said federal funding budget could span across several fiscal years. The HTA will continue to encumber funds against the FY2022 budget in FY2023, essentially encumbering against FY2022 carry-over funds. Although it is the sixth month of the FY, it is also the eighteenth month of a continuing period, and their financials reflect that. For the FY2022 funds and each related program the budget statement shows the HTAs budget for the full \$60 million and the cumulative amount of \$42.2 million encumbered against the \$60 million.

From an encumbrance perspective, there was a minimal activity for the month. He showed the budget statement summary with the six main funds. Three are captured on the budget statement summary. He spoke about the 2022 ARPA TSF. They have been allotted \$52.7 million of the \$60 million to date. Over a series of meetings, a budget of \$60 million has been approved by the Board, and \$42.2 has been encumbered against the \$60 million. He showed the FY2023 budget approved by the Board with funds having been approved by former Gov. Ige.

Mr. Togashi spoke about the Economic Development Administration for EDA Grant funds they received appropriated in 2022. The Board approved the \$14 million budget and is working with the EDA to approve the Grant Administration Plan; they anticipate drawing down on funds and beginning to execute programs upon that approval. What was not captured on the sheet are three additional funds which they do not anticipate seeing the encumbrances in the FY2023, if at all, which is the TSF which has sunset pursuant to HB862, back in the 2021 legislative session and effective July 2022. The budget statement also does not include the HCC ARPA fund, the Federal Funds they received for the HCC in FY2022. It also does not include the HCCSF, which they could not contract because they do not have an appropriated expenditure ceiling. He said they continue to have significant expenditures from the funds as they spend on previously encumbered contracts, but nothing new with regard to significant new encumbrances.

Chair Rafter asked when they anticipate being able to encumber the EDA grant money. Mr. Togashi said they are working with EDA to approve the Grant Administration Plan. He said they had made significant progress, but there is one area they are looking into and have questions on. He said they have been working with them, going back and forth, and responding to questions. He is hopeful it will be soon.

Mr. Arakawa asked about the status of the \$15 million the legislature gave them for HCC repairs in CIP funds for the temporary fix of the rooftop terrace deck. Mr. Togashi said they have begun the planning process, have submitted paperwork, and are reviewing the paperwork with the director's office. The funds have not been released yet, and they have not issued an RFP for the temporary repair, but through ASM, they have issued an RFP for the project management. The project manager will assist with seeing the project from start to finish.

Mr. Arakawa asked who at the HTA is responsible for planning, submitting paperwork, and working with DBEDT to request the funds' release. Mr. Togashi said that it is his office, and they support the CAO, who will also be involved. Mr. Arakawa wanted to know who was responsible for the repairs, but that would be addressed later in the meeting. Mr. Togashi clarified that the CAO is the primary staff member responsible for the operation side of the HCC, including R&M. Mr. Togashi plays an integral role in supporting the position. He said the CAO is getting up to speed, and he is helping support the role.

Mr. De Fries emphasized that the \$15 million CIP is intended as a three-to-five-year fix. He said Ms. Orton could later expand on the impact to operations during that fix where the space is lost, and that could be taken up in agenda item 8.

Chair Rafter referenced the three-to-five-year fix and said they are through the radius part of the season and asked for the rough timing, whether it will take months or years to do. Mr. De

Fries asked Ms. Orton to elaborate. Ms. Orton said they want to bring the project manager on board now. She said Mr. Togashi has been working with her and her team on the RFP. She said the award approval form is with Mr. Togashi, so they can award the contractor managing this. The timeline was put in place during the RFP process, but they feel they need the project manager to go through everything and start the planning process. The rough estimated timeline is through 2023, and it will probably take eight months to get through the planning process. Construction was tentatively set to begin in 2023 and end in December 2024. She said the unfortunate thing is that they have city-wide business and various businesses in their buildings, so that it will be disruptive, but they will try navigating, which might push the project out further. She said they had incorporated that into the construction plan and timeline, but it might be difficult. She said they need to discuss any opportunity to go back to the legislature to ask for the \$65 million, so they can do the permanent repair.

Mr. De Fries added that the following day (January 26, 2023) the Senate Energy Economic Development and Tourism committee chaired by Sen. DeCoite and Vice-Chair Sen. Wakai will be at the HCC for a site tour and briefing from Ms. Orton and her leadership team. Chair Rafter said the Board had previously expressed support for a bigger solution than a short-term temporary fix of \$15 million. Mr. Arakawa asked Mr. Togashi and Mr. De Fries if the HTA is to deal directly with Ms. Orton and if she is responsible for everything or if it is through HVCB. Mr. De Fries said that for operations of the HCC and the project, they are dealing directly with Ms. Orton. There is no HVCB engagement on this matter. HVCB is on the marketing side.

There were no further questions. Chair Rafter asked for a motion to approve the December 2022 financial report. Mr. Kam made a motion, and Mr. White seconded. Mr. Casson-Fisher did the roll call, and the motion passed unanimously.

## **5. Update on Senate Committee on Ways and Means Budget Briefing held on January 17, 2023**

Mr. De Fries added that this resumes that day. He said it is an entire DBEDT briefing outside of creative industries. Going back in time to early Fall when the HTA was required to submit to DBEDT a budget as part of the governors presentation to the legislature, he recalled that based on the resolution of the Board, and based on the funding, it was at \$80 million with a first year FY2024 one-time only insertion of an additional \$15 million. The ask of the Ige administration was \$95 million and \$80 million. It was later cited by the governor and DBEDT director Mr. McCartney that they would be submitting level funding which translated to base funding of \$60 million for each fiscal year with a one-time only \$15 million insertion for FY2024, or \$75 million in FY2024, and \$60 million in FY2025. At that time, Mr. McCartney and the governor felt that it was a fair thing to do with the incoming Green administration, and they also encouraged the

HTA to make the pitch once a new DBEDT director and Gov. Green were on the ground to see if they would respond to the increased amount.

Two weeks ago, he and the leadership met with Chris Sadayasu, who made it clear that at that time there was no appetite at DBEDT nor at the administration level to seek increased funding, and that they would remain with the budget amounts that were embedded in the Ige administration budget which they inherited. He said they also noted that if there was an appetite, he was not precluding the HTA from seeking it through other means, but it would not be part of the administration's budget. Referencing the resolution of the Board, which has instructed the HTA to seek a minimum of \$80 for each, they will have to make the case in the subject committee to see if they can get that added number. The added number would be an increase of \$5 million for FY2024, assuming they get the \$75 million for FY2024, and an additional \$20 million for FY2025, making the minimum resolution amounts. Although they were adjourned at the previous week's meeting and there were agenda items raised after the HTA's briefing was completed, they will be returning to the hearing in anticipation of being called back up. In addition to the budget amounts, there was a reference to the audit and recommendations they received in September 2022 that they needed to correct, fix and comply with.

On January 17, a briefing coincided with Mr. Nāho'opi'i's first day at work. At the briefing, in response to Sen. Wakai, Mr. De Fries indicated that he was responsible for implementing the action plan. Subsequently, Sen. Wakai requested a recap and a timeline of what steps will be taken to bring the HTA to full compliance. He received it that morning and noticed that effective today, the responsibility for receiving the implementation plan resides with the new CAO. In addition, in another subject area based on a report requested on sales at the HCC, Sen. Kim had a specific interest in that. The responsibility now moved to HVCB. Sen. Kim had specific feelings about that as a former chair of the Tourism committee, and on Friday, this will be discussed when the EET committee arrives, of which Sen. Kim is a member.

Mr. De Fries said that as Mr. Reyes will be there in person, he can anticipate that to be a topic of interest. It is related to future and near-term sales in FY2024 and FY2025. Also at the WAM hearing is the ongoing debate about whether the HTA needs Brand marketing or whether it is time to shift the majority of attention to the DMAPs. Again, there is not enough priority placed on pre-arrivals visitor education, educating the visitor throughout their trip and shaping their expectations. He asked Mr. Nāho'opi'i to share his opinion about the hearing. Mr. Nāho'opi'i said they covered the most important issues for the WAM briefing, and they have submitted the information as requested on the status of the audit report follow-up and the requests on the existing DMAPs for the HCC information. He said they would follow up again with individual

senators throughout the meetings they have with them. Overall the questions were poignant, yet things they knew needed to be addressed, and they had responses to them. In terms of developing a stronger position, destination development and strengthening community and industry relations is important, and it will be reflected in section 6.

Mr. De Fries asked Ms. Anderson if she wanted to add anything about DMAPs. Ms. Anderson said nothing was further and felt they answered all the questions. Website updates were done later that afternoon. She said it was an oversight on her part regarding the steering committee members. Mr. De Fries asked her to update on OIP on whether the steering committee meeting should be subject to sunshine law and agendaized. Ms. Anderson said she reached out to them on the morning of the hearing. They responded with further questions, which she responded to. She said she was waiting to hear back from OIP. She sent follow-up emails and asked about the status, but they have not responded.

Mr. Arakawa asked about the information provided to WAM, and said it was a standing agenda item for the public to hear, which he had requested it. He requested that it be a standing agenda item again. He asked Mr. Reyes and Mr. Kam if what was sent to the WAM committee about the timeline could be sent to the Board, and that it could be a good transparency practice. He also said that if WAM had questions after information briefings, they usually sent a list of questions to the department. Mr. De Fries said he had not received any questions, and the only inquiry came from Sen. Wakai directly. Mr. De Fries said the action plan would be part of the work packet, but after the meeting, he will ensure the entire Board gets emailed what was sent. Mr. Arakawa said the WAM briefing for DBEDT is not finished and argued that it is a public document, so it should be sent to the Board when it is complete. Mr. Arakawa spoke to the continued WAM briefing and asked if there would be a representative for the HCC and if Ms. Orton would be there. Mr. De Fries said Ms. Orton is welcome to go. He was very happy that Sen. DeCoite requested a site visit to get everyone up to speed. Mr. Arakawa suggested that Mr. Reyes or Mr. Monahan be present at the briefing should there be questions on marketing.

There were no further questions or testimony. Chair Rafter said there is no need to approve the agenda item.

## **6. Update and Discussion on the HTA's FY 2024 and 2025 Executive Budget Request to the 2023 Legislature**

Mr. De Fries asked Mr. Togashi to do the opening remarks. Mr. Togashi spoke about FY2024 and FY2025 documents. He spoke about page 54. He said they provided the legislature with further detail of the preliminary draft budget at a program level which they articulated as

subject to Board review and approval. This is based on the \$75 million for FY2024 and \$60 million for FY2025, which represents the funding level supported and submitted to former Gov. Ige as part of the executive budget request to the legislature.

Mr. De Fries asked if there were questions. He said there was previously a question from Sen. Keith-Agaran at the WAM briefing about whether the RFPs they will be discussing later could be fully funded out of the budget, and he was told it would be.

Chair Rafter asked if any other questions from the legislature were pertinent for the HTA to know about. Mr. De Fries said in the briefing that there had been a level of tension over the last three years. He said the senators were doing what they were elected to use public funds. He said the HTA gets its share of vetting. He said they are all poignant questions and have sensitivity about specific budget areas. In general, for the ask of \$75 million and \$60 million, he did not get any indication the previous week that those levels were out of sync. He said it would be challenging to secure additional funding, but staff is responsible for making that pitch. It will not initially be made at WAM. He added that in the calendar year 2022 they ended with 11% fewer visitor arrivals and an 8% increase in visitor expenditures, so it is a sensitive matter. If those results can be achieved with a reduced budget, then the rationale would be to keep reducing the budget. Part of the HTAs message is that they are producing the results as an industry, of which the HTA is a public partner. They are achieving this in an unstable global marketplace. The U.S. is outperforming itself, Japan has not fully recovered, China is stalled, so it is tough to conclude. Part of the HTA's responsibility is to celebrate the recovery and rate of recovery, and to be sensitive to the fact that it is not a stabilized environment, which is another challenge they have.

Mr. Arakawa recalled that there were many questions about a gag order on the HTA Board members at the hearing. Mr. De Fries said he misspoke and clarified that what he was recalling was a draft, and in its draft stage, it would have resulted in a gag order, but the draft was not approved. Mr. Arakawa understood that they have a gag order on the U.S. MMA RFP committee and said they would wait for information from the AG or Mr. De Fries on when they could talk about things. He said there is a third gag order, and that is talking to the legislature. He said the legislative PIG was authorized to meet with the legislators. At a certain point, the legislative PIG was directed not to talk to any legislators, and he was specifically asked not to talk to any. He said that in the current year, he thinks they passed the resolution saying that only Mr. De Fries and Mr. Kam can represent the HTA concerning the official position of the HTA. He asked if Mr. De Fries recollected that all the others at the HTA cannot talk to the legislators about HTA matters. Mr. De Fries said that is not his understanding. Mr. De Fries said Mr. McCully, as chair of the PIG, had direct contact with legislators, and Mr. White joined on

the opening day. He said there is value in the relationships that Board members have with elected officials that as long as it advances the collective policy of the Board and the direction that staff is receiving, he sees great value in that.

Mr. Arakawa asked if the resolution could be sent to the Board members as he believes there is value in having Mr. De Fries and Mr. Kam as the official representatives of the HTA at the legislature. He does not think there should be a gag order on the other members. Mr. De Fries encouraged Mr. Arakawa to have that conversation with Mr. McCully. Ms. Duarte said she feels they are in a position where they have to defend the HTA's values and work with the public and legislators. She asked, out of the public Board meetings, what other mechanisms for which the HTA as an agency can report on the return on investment for which public dollars are utilized to execute functions that benefit Hawai'i. Mr. De Fries said the primary source of information is in e-bulletins that are supported media releases when there is new data to be put out. From time to time, the HTA are called on neighborhood Boards to appear. The general public needs more information on this, and the HTA needs to do a better job of getting it out to the public. They have recently accepted an invitation to a public television round table.

Mr. De Fries said he had a meeting with the House Tourism Chair Rep. Quinlan the previous day, who asked to meet with each department. He is trying to school himself as the new chair of tourism. One thing that came up is that 2022 generated more than \$700 million in TAT funds. Hence, the question is, is there a way for the legislature to appropriate 100% of the TAT funds in daylight, in public, whether it goes to public education, affordable housing, native Hawaiian issues, etc. It must be done in public so the public has an idea of the tangible benefits that are being derived as a result of tourism. Neither one of them rejected it, and although there is a lot of politics involved, direct impact tourism becomes diluted. Part of the suggestion is to take out the HTAs funding from the total amount and then the HTA would not be involved in how the other \$600 million is appropriated. He said it seems a practical thing to do. Mr. Nāho'opi'i added that as part of the audit response the auditor had asked them about developing performance metrics that are public facing to ensure progress, as well as worth in each of the programs. He added that they accomplished that in January. Ms. Anderson contracted with SMS Research Marketing and Consulting to work with the staff to develop the metrics. They integrate both the AEEF and Strategic Plan Goals in an assessment policy, and working forward they will take those to integrate in reports to the Board and the public-facing dashboards.

Chair Rafter asked a question about the presentation of the budget shared. He asked who broke up the \$75 million and \$60 million and if those were recommendations from various team members. Mr. Togashi confirmed they were recommendations proposed by staff.

Chair Rafter said there was no need for a vote.



## **7. Presentation, Discussion, and Action to Release Funds for the United States Major Market Area Brand Marketing and Destination Management Support Services Requests for Proposals\*\*\***

Mr. Togashi said the staff is seeking the release of funds for the U.S. MMA brand marketing and destination management support services RFPs. To protect the integrity of the procurement process is important for them to discuss the matter in executive session. This would be pursuant to HRS92-5A8 which allows boards to enter executive session to discuss matters that require consideration of information that must be kept confidential pursuant to law and/or 201B4A, which allows the HTA to meet in executive session to receive information that is necessary to protect Hawaii's competitive advantage as a visitor destination.

Mr. Arakawa said he does not think it is sufficient information on the record to go into the executive session. If it is the release of money for an existing contract, the legislature funded that. Unless there was some wrongdoing or an investigation into the people receiving the money, he does not see how that should be confidential. He asked Mr. Togashi or Mr. Reyes to clarify the area without disclosing confidential information. Mr. Togashi said the intention, as specified in the agenda, is to seek to release funds for the RFPs. As part of the discussion, they will contemplate the dollar amount they will be funding the RFPs. Until the RFPs are solidified, finalized, and released, those amounts should remain confidential, which is why they are asking for it to go to the executive session. Mr. Cole said his understanding is that the scope of work and other things in the RFP are not finalized yet and should be kept confidential until the RFPs are posted. Looking at the release of funds might indicate where the scope will be, which would not be appropriate to disclose. Mr. Arakawa said he supports that. Chair Rafter asked Mr. Togashi how the executive session will be done and whether it included the HTA Board members or the Budget committee. Mr. Togashi said there is nothing further to discuss in the public session, but there will be a Zoom link for committee members. Mr. Kam asked if Mr. Ching and Ms. Agas were invited, and Mr. Togashi confirmed they were invited in a non-voting fashion.

Chair Rafter asked for a motion to go into executive session. Mr. Arakawa made a motion, and Mr. Kam seconded. Mr. Casson-Fisher did a roll call, and the motion passed unanimously.

Closed for executive session.

After the executive session, the team presented the breakdown of two RFPs, one for the DMAP process and one for the marketing and branding process. There were several questions, and the team will respond to those questions to the full Board the following day, and they will either discuss, recommend or take action. There were no further comments or questions.

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

### **a. Presentation, Discussion, and Action on the Hawai'i Convention Center December 2022 Financial Reports**

Ms. Orton gave an update for the end of FY2022 for December 2022. She showed the financial update. There were twenty local events, including the Honolulu Marathon, Huliau inauguration for the governor's gala dinner, the Hawai'i Tourism conference, and several returning events during December 2022. For the year to date through December 2022, the net loss was \$1.7 million. Including sales and marketing, they finished the year at a negative \$2.1 million, but taking out the sales and marketing expenses, the year ended at \$1.7 million. The year-to-date as of December and forecast numbers from January to June, ending the fiscal year, they are looking better in their budget forecast. The forecast number is \$5.3 million to the budget of \$5.4 million, looking to finish the fiscal year just under \$100,000 better than budget. They are always striving to do better in revenue and expenses, but they are on track to the budget. With the increase in activity and expense management, they are chipping away month over month over the fiscal year and financials. For the two pieces of corporate business in the fiscal year budget, which did not materialize they were chasing \$1.5 million in lost revenue which they have made up with local events at the HCC, so they are on track to maintain the revenue goal, and trying to reduce expenses moving to the end of the fiscal year.

Ms. Orton spoke about the ROI for every dollar at the HCC, which was \$5.40 returned to the State. The ROI on average in their good years was \$23 - \$24 annually. Their goal is to get back to that number, and they are working on bringing more city-wide business to the HCC. She said the HCC has two more city-wide events until the end of the fiscal year. Six city-wides for the year returned \$9 million in investment to the state in TAT. The economic impact on the state was \$77.5 million in visitor spending.

Ms. Orton spoke about recent events at the HCC. There was an increase in boxing and MMA enquiries. They hosted a boxing and MMA event which went well. She said they are sanctioned by the state office, meet all the requirements, and have ample security. She spoke about upcoming events for January and February. There is a Pacific Water Conference which is an annual event. The number of trees planted to date is 5,415. The Carbon Offset Program started this year, and they planted 22 trees. Based on rented space in the HCC, the meeting planners paid an additional expense to offset their carbon footprint in the building, so they are off to a good start with the program, which is a turnkey initiative. Mr. Reyes has done a good job of including this in his sales packet when talking to meeting planners, and it has been well received. She spoke about press release coverages.

Mr. Arakawa asked about the ROI and said there should be an asterisk for a goal to be worked towards. He asked why the number was so low and what the HTA needed to do to increase the ROI. Ms. Orton said the calculation is based on TAT generated through the city-wide business. Post-pandemic short-term business was nonexistent, and because of COVID, they had to push a lot of business out to further years, or they got cancellations and put it back into rotation for some conferences. To get back to the higher ROI, she said they need more city-wide business and are actively looking to get more city-wide business on the books. Mr. Reyes said it is a mix of business, spending by local, offshore, and city-wide. In their first year after COVID, they had booked 14 events, with \$408 million in visitor spending and a tax generation of over \$40 million. He said they focus on booking 77 short-term events from 2023 through 2027. By 2027 their goal is to get 27 events.

Mr. Monahan said as per Mr. Arakawa's request at the last meeting, they will have a lot of data to show in terms of progress between meetings and getting back on pace. There will be comparisons built into the pace report. He said there were five city-wides booked in December. Mr. Reyes said he and Ms. Orton constantly talk about what they are doing on the city-wide strategy and would talk about it in their PowerPoint presentation at the BOD the following day. Mr. Arakawa asked for information on the number of city-wides booked for the current year, and the following year was confirmed. He also asked what Mr. Reyes and HVCB need to be successful on MCI. He will also ask what their budget was pre-pandemic, and how they can help get back to those numbers.

Mr. Casson-Fisher said there was a question from an online attendee, Peter Young, "Are the numbers the same for both re-forecast and budget?" Ms. Orton said they were not. The re-forecast is presented from July 1 to December 31, and the forecasted numbers on the books and what they project to pick up for the remaining six months is how they come up with the re-forecast numbers, and they compare that at their budget. As it stands now, they are looking to finish their facility net loss \$82,800, better than the budget they prepared a year ago.

Chair Rafter asked for a motion to approve the HCC December 2022 financial reports as presented by Ms. Orton. Mr. Kam made a motion, and Ms. Duarte seconded. Mr. Casson-Fisher did the roll call, and the motion passed unanimously. There were no further questions.

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

Ms. Tait spoke about the 6-year plan. She showed the figures as of the end of November 2022. She spoke about the current projects. She recapped seven of the projects highlighted in blue are in the construction or execution stages. Four projects are in the procurement stage, so they are reviewing the RFPs. The chiller replacement project is close to being awarded. Two of the

projects were completed in December 2022. She said the estimated project cost, according to the spreadsheet, is \$83 million, which was brought down to \$81 million with the completion of the other projects still on the list.

She spoke about the projects assigned to outside construction and project management companies. The kitchen hood control panel and fire suppression upgrade project will start soon. The slate tile repair is in RFP status. The chiller replacement will be awarded that week. She said they lean on outside companies for assistance and expertise in several project components. Cummings has been working on several projects for them. Beyond the top three projects, they are in the planning stages for the remaining projects. She said they are ready to award the temporary repair of the rooftop terrace deck. The RFP produced a winner, and she said they are waiting on the HTA's approval.

Ms. Tait showed a slide of the completed projects, including the security camera and loading dock gate replacement project. Mr. Arakawa asked if the \$65 million for the roof repair was in the budget request. Mr. Togashi said they had not yet made the request in the current year. Mr. Arakawa asked if the Board voted to not ask for \$65 million to repair the roof. Mr. Togashi clarified that the Board did not explicitly vote on not submitting the request. Mr. Arakawa asked why the WAM committee or senate would look if they were not going to ask for the money to repair, but said they could discuss that at the BOD.

#### **c. Update and Discussion on the Hawai'i Convention Center Futures Study**

Mr. Togashi said they contracted with HVS to do the study. The scope includes hotel analysis by assessing demand and projected financial information under the hotel scenario. It also consists of an analysis of HCC and recommended options to develop and improve HCC and the surrounding neighborhood. The scope also includes looking at alternative approaches to ownership and operations, including a public-private partnership or a hotel. The contractor is making significant progress toward completion and anticipates having the report in February or March.

Mr. Reyes commented. He said customers are asking him questions about the roof, and they are letting customers know that it is being addressed. Additionally, on his and Ms. Orton's radar, in San Diego, is a new property that will compete directly with what they are doing. Hence, all data in terms of the competition is important. There were no further comments or questions.

#### **d. Update and Discussion on the Request for Proposals for the Hawai'i Convention Center Management Services Contract**

Mr. Togashi said the current contract ends in June 2023. They anticipate seeking an extension of that contract, which they would come to the Board with a request for approval of. He said they are also working on paperwork to submit to the SPO for the extension. In the meantime, they will prepare to draft the RFP with the intention of issuance. There were no questions or comments.

## **9. Adjournment**

Mr. Kam made a motion, and Chair Rafter seconded. The motion passed unanimously. Mr. Casson-Fisher concluded the meeting at 12:25 p.m.

Respectfully submitted,



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Sheillane Reyes  
Recorder