



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

**BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE MEETING  
HAWAII TOURISM AUTHORITY**

*Po'aluā, 22 Pepeluali 2022, 9:00 a.m.*  
**Tuesday, February 22, 2022 at 9:00 a.m.**

**HĀLĀWAI KIKOHO'E  
VIRTUAL MEETING**

*Hiki i ka lehulehu ke hālāwai pū ma o ka ZOOM.*  
**Webinar will be live streaming via ZOOM.**

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*Ma hope o ke kāinoa 'ana, e ho'ouna 'ia ka leka uila hō'ōia iā 'oe me ka 'ikepili ho'oku'i hālāwai.*  
After registering, you will receive a confirmation email containing information about joining the webinar.

*Papa Kumumana'o I Ho'ololi 'Ia*  
**AMENDED AGENDA**

1. *Ho'omaka A Pule*  
Call to Order and Pule
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. *Ke 'Āpono 'Ana I Nā Mo'o'ōlelo Hālāwai Kōmike O Ianuali 20, 2022*  
Approval of the Minutes of the January 20, 2022 Committee Meeting



4. *Ka Hō'ike'ike, Ke Kūkākūkā, A Me Ka Hana E Pili Pū Ana I Ko Ke'ena Kuleana Ho'okipa O Hawai'i Palapala Waiwai No Ianuali*  
Presentation, Discussion and Action on the Hawai'i Tourism Authority's January Financial Report
5. *Ke Kūkākūkā 'Ana No Ka Waihona Kālā O Ka Makahiki 2023 No Ka Mo'ohelu Kālā Kūikawā O Ka 'Aha'ōlelo*  
Discussion on the Fiscal Year 2023 Legislative Placeholder Budget
6. *Ke Kūkākūkā 'Ana No Ka Laina Manawa A Ka'ina Hana E Pili Pū Ana I Ka Mo'ohelu Kālā Waihona Kālā O Ka Malahiki Hou*  
Discussion on New Fiscal Year Budget Timeline and Process
7. ***Ka Hō'ike'ike, Ke Kūkākūkā, a Me Ka Hana E Pili Pū Ana I Ka Ho'oka'awale 'Ana I Ke Kālā Mai Ka Makahiki 'Auhau 2022, No Ke Kāko'o 'Ana I Ko HTA 'Aelike Alowelo Me Ko Ke Kulanui O Hawai'i Māhele 'Ālapa, Ma O Ko HTA 'Aelike Me Ka Hui Kūkā 'O Big West***  
**Presentation, Discussion and Action to Allocate FY22 Funds to Support HTA's Branding Partnership with University of Hawai'i Athletics through Funding of HTA's Contract with the Big West Conference**
8. *Ka Hō'ike'ike, Ke Kūkākūkā, A Me Ka Hana E Pili Pū Ana I Ka Palapala Waiwai A Ka Hale 'Aha No Ianuali*  
Presentation, Discussion and Action on the Hawai'i Convention Center's January Financial Report
9. *Ka Nū Hou E Pili Pū Ana I Ko Ka Hale 'Aha Papa Hana CIP He 6 Makahiki Ka Lō'ihī*  
Update on the Hawai'i Convention Center's 6-Year CIP Plan
10. *Ka Hō'ike'ike, Ke Kūkākūkā, A Me Ka Hana E Pili Pū Ana I Ka 'Imi 'Ana I Ke Kālā E Kāko'o Ai I Ka Ho'āno Hou 'Ia 'O Ka Hō'ike A Ka Hale 'Aha O Hawai'i No Ka Wā E Hiki Mai Ana*  
Presentation, Discussion, and Action on Funding to Support an Update of the Hawai'i Convention Center Futures Study
11. *Ho'oku'u*  
Adjournment



*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 kumumana'o. 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 paha ma o ka leka 'ana aku iā Carole Hagihara-Loo ma kēia helu wahi nei, 'o 1801 Kalākaua Avenue, Honolulu, HI 96815, 'o ia ka helu wahi o ke Ke'ena Kuleana Ho'okipa o Hawai'i. Inā pono ke kōkua ma muli o kekahi kīnānā, e ho'omaopopo aku iā Carole Hagihara-Loo (973-2289 a i 'ole [carole@gohta.net](mailto:carole@gohta.net)), he 'ekolu lā ma mua o ka hālāwai ka lohi loa, i hiki ke ho'olālā pono 'ia ka hana.*

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 Hawai'i Tourism Authority, 1801 Kalākaua Avenue, Honolulu, HI 96815 - Attn: Carole Hagihara-Loo. Any person requiring an auxiliary aid/service or other accommodation due to a disability, please contact Carole Hagihara-Loo (808-973-2289 or [carole@gohta.net](mailto:carole@gohta.net)) no later than 3 days prior to the meeting so arrangements can be made.

*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 papahale 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 Minutes of the January 20, 2022  
Budget, Finance, and Convention Center Standing  
Committee Meeting



**BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE MEETING**  
**HAWAII TOURISM AUTHORITY**  
**Thursday, January 20, 2022, at 9:00 a.m.**  
**Virtual Meeting**

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

<b>MEMBERS PRESENT:</b>	Fred Atkins, Micah Alameda, David Arakawa, Kyoko Kimura, Dylan Ching
<b>MEMBER NOT PRESENT:</b>	Ben Rafter, Kimi Yuen
<b>HTA STAFF PRESENT:</b>	Keith Regan, Kalani Ka'anā'anā, Marc Togashi, Maka Casson-Fisher, Carole Hagihara-Loo
<b>GUESTS:</b>	Teri Orton, Mari Tait
<b>LEGAL COUNSEL:</b>	Gregg Kinkley

**1. Call to Order and Pule**

Mr. Regan called the meeting to order at 9:04 a.m. and confirmed the attendance of the Committee members by roll call. Chair Atkins asked Mr. Casson-Fisher to open with a pule.

**2. Approval of Minutes of the December 21, 2021, Budget, Finance, and Convention Center Standing Committee Meeting**

Ms. Kimura mentioned her name was spelt wrong and Chair Atkins said it would be corrected. She also mentioned that page 6 of the minutes needed to be revised to say she was referring to the legislation of the budget meeting not being discussed the previous day. Chair Atkins asked who will make the changes and Mr. Regan confirmed that they will. Mr. Regan suggested the motion to include the recommendation to make the changes as identified by Ms. Kimura. Ms. Kimura moved to approve the minutes as amended. Chair Atkins asked if the minutes are made

public and if anyone in the community wanted to make a change. Mr. Regan said there were no recommendations. Chair Atkins called a vote and Mr. Alameda seconded. Mr. Regan did a roll call and the motion passed unanimously.

### **3. Presentation, Discussion and Action on the Hawai'i Tourism Authority's December Financial Report**

Mr. Regan gave the floor to Mr. Togashi to review the finances of the Hawai'i Tourism Authority as well as the Hawai'i Convention Center.

Mr. Togashi directed to page 35 of the financial packet with all the relevant information and an executive summary that captured the month of December 2021. He mentioned page 63 of the financial packet, the budget statement summary which showed the four main funds represented by the four quadrants on the page. He mentioned the ARPA Tourism federal fund, anticipating receiving \$60 million in ARPA funds of which \$32.7 million has already been released to them by BNF for availability and reported onto their financials.

He said that over a series of meetings the board had approved the fiscal year 2022 budget of \$48,375,000 through December of which \$31.3 million had been encumbered. He said approximately \$11.6 million had not yet been approved including \$10.7 million that had been deferred and \$925,000 to be reprogrammed, which will be discussed in the BFCC committee meeting today. He said in December 2021 the primary activity to report beyond budget approval is the commitment of \$5.3 million in branding encumbrances, which represented an earmark of funds for the MCI contract; and secondly, BNF approving HTA's extension request to encumber and expand ARPA funds by June 30<sup>th</sup>, of 2023, beyond the original deadline of June 2022 - a one year extension. He said they have the ability to go back to BNF if they do need a bit more time in the discussions.

He said they have not made any budget allocations for the current fiscal year, but when they do, they will be detailed in the summary of budget reallocations included in the financial packet. He then moved on to the Tourism Special Fund (TSF) in fiscal year 2022. Although TSF sunsets on January 1st, he said on the page is revenue receipts that came before sunset and may continue to see revenue activity, such as interest and refunds until they have paid out all of their prior encumbrances. He said that through December 2021 they recorded \$184,000 in miscellaneous revenue to this fund. For the ARPA Convention Center Federal Fund, he said they anticipated the release of \$11 million in ARPA and in December 2021, BNF released the remaining \$10.5 million of that to HTA for availability. He said in the December 2021 meeting the BFCC committee discussed the intention to deploy the funds primarily for funding

significant repair maintenance projects as they have already encumbered funds for the Convention Center's fiscal year 2022 operations with the fiscal year 2021 TT restart funds.

For the CCESF activity: through December they received the full \$11 million in Convention Center Enterprise Special Fund (CCESF) TAT allocation and \$1 million in HCC revenue. He mentioned their financial position as of December 31st, and said they have access to \$32.6 million in the tourism federal fund, the ARPA funds, and BNF has also approved the release of an additional \$2.7 million in funds which will be recorded in January 2022, with staff also recording those funds at the Department of Accounting and General Services (DAGS). The summary of funds released by BNF compared with the Board approved budget related in encumbrance can be found on page 36, item two of the executive summary in the meeting packet.

For the HTA Tourism Special Fund (TSF): as of December 31st, Mr. Togashi said they have \$57 million in cash in investments which represents a \$1.3 million decrease from November 2021 due to disbursements related to operational and program expenditure. Of the \$57 million, \$5 million is reserved as their emergency fund and \$49.2 million is encumbered to contracts, and \$2.8 million is unencumbered. He said they do anticipate the \$2.8 million of unencumbered funds to increase as savings from certain encumbered contracts are realized.

He said the TSF sunsets on January 1st, 2022, pursuant to Act 1 of the 2021 legislative special session, leaving \$2.8 million available to return to the state's General Fund, and the \$5 million emergency fund will remain as HTA's reserve. Mr. Togashi then moved on to the ARPA Convention Centers Federal Fund. He said \$11 million is available and the intention is to use this funding for repair and maintenance projects.

With regards to the CCESF, the fund that the Convention Center has historically operated from, HTA has \$48.9 million in cash, consistent with November 2021. He said of that money, \$35.9 million is encumbered for contracts, which represents the funds that they encumbered using fiscal year 2021 TAT restart funds, as well as their reserves. He said the remaining \$13 million of unencumbered funds in the CCESF, including the \$11 million in TAT that they received in September 2021 will include further deposits into the fund representing Convention Center revenue.

He said the \$13 million will be stored as repair/maintenance reserve for future deployment. He said the deployment is subject to the restoration of the CCESF's expenditure appropriation ceiling by the legislature. He said at the beginning of the fiscal year the fund had reserves of \$870,000 and they anticipate that balance to increase to \$16.8 million by the end of this fiscal year, which is due to the deposit of the Convention Center revenues as well as receiving the

\$11 million in TAT in September 2021. He said the funds are earmarked to support the 6-year repair/maintenance plan discussed at the December 2021 committee meeting.

Chair Atkins asked if there were any discussions or questions from panelists.

Mr. Arakawa asked about the use of the \$11 million for the Convention Center repairs and another \$13 million, part of the \$15 million held in reserves for repair and maintenance. He said they had a presentation on the Convention Center roof and repairs a few meetings back and said he remembered a price tag over \$60 million. He asked if that figure is correct? Mr. Regan confirmed this as correct (\$64 million).

Mr. Arakawa asked if there is a budget request for that.

Mr. Regan confirmed there is a request at the legislature that was included as part of the governor's budget proposal that they will be working with the legislature to hopefully get approved. Mr. Regan said it is the \$64 million CIP request for general obligation bonds to support that.

Mr. Arakawa suggested to Chair Atkins that the matter be referred to the BFCC committee and if it's a legislative issue they can refer it to the legislative investigatory committee. Mr. Regan confirmed it is the accurate representation.

Chair Atkins said he would pass it on to Mr. Rafter and let him know Mr. Arakawa's request.

Ms. Kimura asked if the \$60 million ARPA was extended to June 2023, and if the \$22 million out of that is for the HVCB contract?

Mr. Togashi confirmed the \$22 million is budgeted for the fiscal year. He said the RFP that went out was suspended and HTA executed a contract extension with the existing contractor for a 6-month period.

Mr. Regan confirmed Mr. Togashi's response was accurate and said HTA also went through the state procurement office to authorize that extension. He confirmed that there is a 6-month extension for the current contractor, HVCB, for the U.S MMA contract.

Ms. Kyoko asked how much the 6-month extension is for.

Mr. Ka'anā'anā confirmed it is \$8 million for the leisure contract and \$750,000 for the support services contract. He said there were two contracts that needed extensions: 1) the big leisure contract, and 2) support services, which includes knowledge bank, GoHawai'i, etc. He said the two make up the bulk of HVCB's work. He said both are extended through June and both were allocated half of the prior year's amount.



Mr. Kimura asked about the DMAP support.

Mr. Ka'anā'anā said the DMAP support is separate from the two contracts, and that contract is 21038, and there are a few others that are one off for DMAPs that are being managed by Ms. Anderson and some of his staff.

Ms. Kimura asked about the money going to Island Chapter.

Mr. Ka'anā'anā said Island Chapter is a separate contract, which does not require RFP. He said they have an active, current contract and they exercised the option and funded the next years' work. He said there are numerous separate contracts: The Basic Leisure contract, the Support Services contract, Island Chapter contract, MCI contract, and 2103 is the DMAP contract with the bureau, which he would be glad to discuss it with Ms. Kimura after the meeting.

Chair Atkins mentioned that HVCB will be doing a presentation on their first 6-month plan in the Branding Standing Committee Meeting next week.

Mr. Regan confirmed there were no questions or testimonies from the public. He requested a motion to be made to accept the financials as presented.

Mr. Arakawa made a motion, and it was seconded by Mr. Alameda.

Mr. Regan did a roll call and the motion passed unanimously.

#### **4. Presentation, Discussion, and Action on Proposal to Allocate FY22 Funds to Support the Native Hawaiian Hospitality Association**

Mr. Regan said HTA is asking for the allocation to fund the Native Hawai'i Hospitality Association (NaHHA) for their ongoing work they're doing for HTA, as the contract will be concluded in the next 3 to 4 months. He said it ends in June 2022, so in order to keep NaHHA funded to provide the excellent service they give, HTA is requesting the board consider an allocation of up to \$475,000 for the next 12 months of the funding cycle. He mentioned that HTA has had a long-standing relationship with NaHHA with excellent service in various aspects. Mr. Regan then gave the floor to Mr. Ka'anā'anā, HTA's Chief Brand Officer, to provide insight into the contract.

Mr. Ka'anā'anā reported that HTA did appropriate funds of the fiscal 2021 funding from the Resolution which were for specific projects. In the process, he failed to account for NaHHA's base funding for the next fiscal year. This is the reason HTA came back to it and asked for the approval. He said the \$475,000 is to continue NaHHA's base operations, which includes their

training and education programs, their capacity building for product development and business development, conferences and convenings, as well as other services that are provided to HTA to support HTA programs, activities and GMT's.

Mr. Regan mentioned that in the last Board meeting and Budget, Finance and Convention Center Committee meeting, they also discussed the \$925,000 of unallocated funds from ARPA budget. They had reviewed it, and it was approved by the Board. He said the \$475,00 request will be coming out the \$925,000 unallocated funds made available to the Board process.

Chair Atkins asked what the allocation is that HTA gave to NaHHA.

Mr. Ka'anā'anā said in the Resolution from last May there were thirteen line items they wanted to move forward. He said he thinks it was 4 out of them that were called out. He mentioned that Ms. Yuen had asked to remove the contractor HTA had identified to give HTA the flexibility because HTA was worried about the timing. Mr. Ka'anā'anā said NaHHA was identified in the original Resolution. He said those were the funds added to NaHHA's usual base contract to help HTA execute the programs and the timing HTA had at the end of the previous year. He reiterated HTA's error was the base contract for NaHHA for fiscal 2023, or for calendar operations beginning July 1st to June 30 because NaHHA is on a fiscal year cycle with HTA. He said he had not included the base contract amount for the next supplemental four which is the next contract for NaHHA.

Chair Atkins mentioned HTA cut \$925,000 or \$950,000 out of some programs they didn't think they could get up and running this year which left a surplus, and asked if they are taking the \$475,000 out of that, and it was confirmed as correct. Chair Atkins asked Mr. Togashi if it would constitute a re-allocation of funds on the ARPA side in the current month.

Mr. Togashi said it would not be a re-allocation as the funds were never approved by the Board to be included in the budget in the first place, so it would be an approval of \$475,000 to add to the existing budget.

Chair Atkins asked about if the surplus could be allocated to any one of the HTA programs?

Mr. Togashi confirmed this as correct. He said staff are currently assessing that for recommendations.

Chair Atkins asked if the staff has a lot of flexibility on what they can do with it. Mr. Regan clarified that they would have to go back to Chair Atkins to get the approval. Chair Atkins asked if staff has the flexibility to go to them for the programs which may need more funding and Mr. Regan confirmed it. Chair Atkins said NaHHA does great work and he personally supports it.

Mr. Arakawa asked Mr. Ka'anā'anā if the proposal has changed as he is not a member of the marketing committee, so he is not familiar if the proposal has been tweaked due to what's going on with COVID restrictions.

Mr. Ka'anā'anā said things have changed and most of the trainings is virtual due to COVID, without much interruption. He said the other changes in the NaHHA work plan are focused around aligning behind the four pillars. He said NaHHA has supported HTA in the Hawaiian culture pillar and the natural resource pillar. He said when HTA makes brand promises they want people to take a trip that gives back, and they have to ensure the activities are there for people to volunteer at. He mentioned that NaHHA has been instrumental for HTA in understanding which community-based non-profits want to have those experiences, and offer that tourism experience, so NaHHA partners with them to do capacity building and business development. He said the base through line has been the training and education piece of NaHHA's work for HTA. He said the training and education happens with frontline workers and all the segments - transportation, hotels, airlines, rental cars. He said they also do training that's important for GMTs, and NaHHA helps HTA accomplish that as well. He said a lot of the movement has also been around addressing DMAP actions to make sure everything they're doing is HTA effort behind the DMAPs and said NaHHA is a critical part of that.

Mr. Arakawa asked when the schedule is for doing training, so the committee is not surprised when the training takes place because tourism hasn't fully recovered yet. He said they were surprised by the influx of tourists the previous summer.

Mr. Ka'anā'anā said now is the perfect time for training to happen. He said the training is important to refresh and keep people current with everything. He said the training is a tool they have to create a better visitor experience and said if their frontline workers have Hawaiian culture training in the basic values, such as ho'okipa, kuleana, aloha and mālama, it helps create a better sense of place and visitor experience so they can tool and train up to create a Hawaiian sense of place.

Chair Atkins said he agreed with Mr. Ka'anā'anā. He said Mr. Rafter couldn't be in the meeting today and Mr. Rafter had mentioned to him that one of the items they discussed is recommending the \$475,000 be a place mark for NaHHA. And Mr. Rafter had said NaHHA is going to come back and tell HTA what they're doing moving forward with the money. Chair Atkins wanted to confirm with Mr. Regan and Mr. Ka'anā'anā if this was discussed with Mr. Rafter.

Mr. Ka'anā'anā said he hadn't spoken to Mr. Rafter, but HTA needs to have the budget approved, as HTA has set deadlines for the contractors, and NaHHA's work plan to HTA is due

March 31<sup>st</sup>. He said HTA will have the work plan for the next fiscal year in March which begins July 1, but said HTA needs the budget approved so NaHHA knows how to create their work plan HTA anticipates to have the work plan finished by March.

Chair Atkins asked if it will be presented back to the Budget, Finance Convention Center Standing committee or the Branding Standing committee, and Mr. Ka'anā'anā said it would be. Chair Atkins said it's important for the committee to know what they're asking and bringing it to the board, if they move to recommend this.

Mr. Ka'anā'anā wanted to provide more context and showed the current work plan to the committee members. He said every action HTA is doing within NaHHA, HTA has identified and addressed the goal that NaHHA is meeting. He said they tie every program back to the documents to make sure there is alignment in the workplan to those the Board has approved.

Chair Atkins asked that by the end of March they'll HTA will have a plan and if Mr. Ka'anā'anā will feel comfortable in April to run it by the board. Mr. Ka'anā'anā confirmed it and also said NaHHA is in a position where they have a 1-year option left on the contract, so it will be the final year of contract No. 18200.

Mr. Regan provided some additional context - what they're approving is the budget line item, HTA is not sending a check to NaHHA, and it still has to go through all the processes that Mr. Ka'anā'anā described, including the work plan, bringing it back to the Branding Standing committee to go over the work plan, if that is what the committee would like to do.

Mr. Ka'anā'anā said NaHHA's scope of work and the work plan is better suited for the Ho'okahua Hawai'i Standing committee and recommended it goes to Ho'okahua Hawai'i Standing committee, then the full Board meeting.

Ms. Kimura agreed and so did Mr. Arakawa. Mr. Arakawa also said the scope includes timelines, goals, benchmarks and targets to hit, and asked Mr. Ka'anā'anā if it's all in the work plan and Mr. Ka'anā'anā confirmed it.

Mr. Ching commended NaHHA for their good work and supported it. He said there are tourism sectors that are coming to Hawai'i. On the ground level Mr. Ching sees there are visitors, and its important work and they must prepare for what's coming ahead.

Mr. Regan recognized Senate Tourism Chair Wakai is present in the meeting.

Mr. Regan said there is a question not related to NaHHA but related to U.S. MMAs, but Chair Atkins said they must move forward with this agenda item and then take the question before the next agenda item.

Chair Atkins asked for a motion, but in the motion must be included what Mr. Ka'anā'anā said to streamline things to the board if they're recommending that they hold the \$475,000 as a placemark, and the final review will go through the committee Mr. Ka'anā'anā recommends as it will be helpful to Mr. Ka'anā'anā's staff for the process. Chair Atkins asked everyone if it needs to be brought back to the board for the full presentation or if the committee can make the decision?

Mr. Regan said his recommendation is to approve the budget line item recommended by the committee to be approved so that when it gets to the board meeting, the board can accept the recommendation and then approve the budget line item with the caveat that NaHHA's work plan must be reviewed by the Ho'okahua Hawai'i Standing committee.

Ms. Kimura made a motion that the \$475,000 be allocated to NaHHA, provided that the workplan be presented to the Ho'okahua Hawai'i Standing committee and approved. Mr. Alameda seconded. Mr. Regan did a roll call and the motion passed unanimously.

Mr. Regan read a question in the Q&A section: how does HTA analyze how much money is needed for each MMA, as the practice was simply to roll over contract amounts year after year, and what if USA marketing can be done for \$15 million instead of \$22 million, or \$30 million? He asked Mr. Ka'anā'anā if he wanted to respond to the question.

Mr. Ka'anā'anā said the first layer HTA looks at is the visitor statistics data, so when looking at the performance of the overall market, there are numerous key performance indicators HTA is looking at and tracking. -The second layer is what kind of programmatic things they are trying to accomplish in the given market, which is tied to the context and what's happening in that market. He said the different markets are in different stages (mature or emerging stages) so those factor into the decision making. He said the first level is the data and metrics, the KPI's HTA is seeing out of those markets. The second layer is the goals and strategic objectives for those markets and this Board sets the policy. And the third level is understanding the specific context of where that market is in its development for Hawai'i and where it is at.

Mr. Arakawa asked Mr. Ka'anā'anā if the process is documented in guidelines anywhere as it's important for the board to know.

Mr. Ka'anā'anā said it's not drafted as a policy anywhere that he is aware of. He said when he came into his role 7 months ago, he wanted to understand how decisions were previously made. He said he will make his recommendations to leadership at HTA and then to the Board on how he thinks it should be done and he is happy to put it on paper. He wants to focus on how to best drive results for the State, making prudent decisions based on data, aligned with

HTA's goals and that are unique to the context of the market. He said in the past there were different strategies, but he recommended the three as mentioned.

Mr. Arakawa recommended to work on documenting it somewhere for guidance going forward.

Mr. Kinkley said that under Sunshine Law HTA does prioritize comments from the public. He said the importance of this kind of conversation is why they shouldn't get too deeply into it. He said it's important to stick to the agenda items as people who would want to discuss certain topics would have joined the meeting if they knew what was being discussed.

Mr. Arakawa respected Mr. Kinkley's opinion but begged to differ, as he said it's important for the Board to know what criteria is used when voting on approving contracts. He said he agrees that in the future, if there is a guideline, that it be put on the agenda for a full discussion, but as a board member he just wanted to follow up on the Senate Tourism Chairs question.

Mr. Kinkley agreed with Mr. Arakawa but reiterated to keep to the agenda.

Mr. Kimura asked if they could transfer that question to the Branding Standing committee to discuss it further. Mr. Kinkley concurred.

Chair Atkins said the agenda had not been set up for the next meeting so if Ms. Kimura feels it needs to be addressed, they can add it to the agenda as they're trying to finalize the agenda, so he will make sure it's sent out to the committee members for their input prior to it being posted. He asked Mr. Ka'anā'anā if it's possible. Mr. Ka'anā'anā asked Ms. Hagihara-Loo if it's possible and said he would make it work.

Chair Atkins said they can also amend the agenda and if they think it's relevant, they can bring it up in the branding commission.

Ms. Hagihara-Loo said the agenda had not been filed. She said the deadline was to finalize that day and she is waiting on it.

Chair Atkins asked to get it out to the committee members for feedback. He asked if they're opening it to the public, and asked Senator Wakai if the information was helpful or for follow up questions.

Mr. Regan said Chair Wakai appreciates Branding Standing committee taking those matters up and looks forward to it.

## **5. Presentation, Discussion, and Action on HTA's Investment Strategy Related to Funds in the Tourism Emergency Special Fund**

Mr. Regan said there is an existing investment policy that guides the HTA in activities related to investments. He mentioned the Tourism Emergency Special Fund (TESF) which is authorized by statute 201B-10 into which has been deposited \$5 million. When HP862 was passed, and made some modifications to 201B-10, the TESF that allows the investment earnings to remain within there as HTA go forward. He said they must discuss the \$5 million in the fund and how they are to move forward with investing those funds, keeping in mind HTA is restricted by the policy and state law in terms of what kind of instruments HTA is able to invest those funds in. Safety is the primary goal relating to the investment policy with liquidity, and return coming in second and third in terms of requirements. He said historically the investments HTA made have been very safe and they've placed them into treasuries, mutual funds and CD's, with low interest/return. He said they're divesting from those as the term is up and looking at how to go forward with investing the monies. He wanted to raise awareness for the committee of such investment policy.

Mr. Togashi reiterated that they are investing in very conservative, liquid securities, namely U.S Treasuries and said they ladder out the investments over time to allow for the liquidity. He added that currently all the funds are held in money market funds, and they intended at one point to deploy the \$5 million emergency fund to subsidize the budget, but now they have the opportunity to re-pivot, and it's created the opportunity and need for them to take a look at reinvesting the funds.

Chair Atkins added that this is something HTA has been doing for a long time and some board members would like to see a higher interest, but it's not very possible through a conservative investment vehicle. He said he is happy HTA brought it up for transparency and awareness for the committee and public.

Mr. Regan said there were no questions or testimonies from the public. Mr. Regan said this item can be included in the presentation that HTA staff made on the investment policy. He said they reviewed and provided that investment policy to the committee. The committee has no questions about what's been presented and has faith in the HTA staff to do their job as it relates to the policy.

Chair Atkins said he will relay it as such to Chair Ben Rafter.

## **6. Presentation, Discussion and Action on the Hawai'i Convention Center's December Financial Report**

Mr. Regan introduced the general manager of the Hawai'i Convention Center, Ms. Orton. He expressed his gratitude to Ms. Orton and her team for their wonderful work. He said they just completed a successful round of business at the Convention Center put the Center in a positive light in hosting meetings and conventions safely. He said the team has been working hard doing repair and maintenance. He reiterated it's an old building and there are lots of issues to be sorted out.

Ms. Orton opened her presentation highlighting the most recent changes in the restrictions. She brought up indoor events with 1,000 or more attendees, limited to 50% capacity with social distancing. She said they most recently serviced their first city-wide event, International Dairy Queen, and the event was great. She said she was proud of the team and contractors, navigating through all the changes. She commended Dairy Queen on fitting in with the restriction recommendations. She said she was on the floor as well as the manager, leadership team members, sales team from the visitor bureau, all helping where they could to make things happen, to ensure they gave their best in service.

She also mentioned their first volleyball tournament last week which went very well. She said as they are navigating through the events, they are making changes they see could have been improved and they're learning through the process and improving with each event.

She said to date, because of COVID, they have had two association cancellations, with roughly \$238,000 in lost revenue, two city-wide corporate events with \$292,000 in lost revenue, and 31 local events cancelled with \$1.62 million lost revenue. She mentioned that on a positive note when restrictions were loosened, they picked up local business. There are 47 events, including 2 city-wide events, and 26 tentative local events and some sporting events that have not been confirmed yet, but very positive they will be.

She said they also have events they've never done before, such as weddings, as they're trying to get into that market segment, and they are also going to look at different opportunities to utilize the Convention Center. She said sporting events are coming back and are lucrative for them.

She spoke about the financials and pointed out that they ended December at a negative \$2.8 million, versus the \$2.3 million showing on the presentation slide. She said they're midway through their fiscal year that ends June 30<sup>th</sup>, and they continue to operate in a fluid environment.

She said the total revenue loss, with 31 local event cancellations and 4 city-wide event cancellations, came to \$2.1 million in revenue loss due to COVID. Fortunately, they had 3 state agencies with them for part of the year - the Department of Health, the Housing and Finance



Department and the DLIR (the unemployment office), two of which have left at the end of December 2021. She mentioned that they are continuing to house the Department of Health on a smaller footprint until the end March 2022. She said they were operating at a break even for the three state agencies, extending the use of their facility to help the community, and thanked HTA for allowing them to do that, but were not gaining any profit on this as everything was at cost. She mentioned that they enjoyed their time with the state agencies and honed in on their health and safety protocols, which better prepared the Convention Center before they opened to public events. She reiterated they are comfortable with the health and safety protocols in the building.

She stated that the numbers of local businesses continue to grow. Since the sales team for the visitor bureau has staffed up, they're seeing a lot of traction in future events being put on the books, both tentative and definite.

For FY 2022 re-forecast, she is anticipating a negative \$6 million loss at the year end, which is about \$33,000 over their budget numbers. She mentioned they were hit with the flash floods in December 2021, just before Dairy Queen event. They had rushed to get the building back up to par, taking some rooms out of inventory, and they did about \$250,000 in building repairs to fix some of the damage, such as ceiling tiles and water damage, Two days before Dairy Queen they had another flash flood which damaged most of the previous repairs. Dairy Queen was very flexible in having them move their program around to accommodate the rooms that were taken out of inventory. Ms. Orten opened the floor for questions.

Chair Atkins asked the numbers of attendees at Dairy Queen.

Ms. Orton said they were estimating originally 2,500 but said they numbers dropped to a little to about 1,480 people.

Chair Atkins asked what numbers they can bring into the Convention Center during the rainy time without a real challenge on their hands.

Ms. Orton estimated that if it were larger than 1,500 people, they would have to make concessions in splitting up their meeting rooms they wanted together. She said unfortunately the rain hit in some rooms with air walls where they could open up the air walls and make into larger meeting rooms, so they had to split up some of their breakout sessions that they normally would have had, in one room.

Chair Atkins stated that if it were a high-end corporate, the complaints would have been worse. He said it's amazing what Ms. Orton and her team did and commended them, as they heard no

negativity from the challenges they dealt with, and they did a great job to keep the client happy in those adverse conditions.

Ms. Orton said Dairy Queen was very willing to work with them on some of the problems they identified early on: pre-registration at Hilton Hawaiian Village, doing the credential checks, color banding before getting to the Convention Center which was helpful to prevent a backlog of people for credential checks and temperature checks at the Convention Center. They put a lot of things into place in advance to help expedite the process.

Mr. Arakawa asked about the quick repairs that had to be made for the events at the Center and the difference between those costs and the \$64 million in the budget for the repairs. He asked if the earlier repair work is patches or if the \$64 million is for a solid fix.

Ms. Orton said the repair and maintenance work they did at \$250,000 for the first flash flood is not fixing the source of the leak, it's just patching up so it's aesthetically pleasing. She said the source of the leak is the \$64 million. She said if it rains again, they will have to repair everything again as they have several other conferences coming up. She said it's a waste of money doing these patch repairs as they're not fixing the actual source of the problem.

Ms. Kimura asked how Ms. Orton cut the operation expense by \$12 million compared to 2019, besides the sales and marketing? She mentioned the expense for December year to date expenses was \$5.1 million versus 2019 expenses was \$17.6 million.

Ms. Orton said that it was a full calendar year and the other one was not. She said the 2019 was a comparison as a calendar year to the fiscal year, so their reforecast is in fiscal year so it would be comparing the 2019 calendar year to the fiscal year 2022 reforecast, so the \$17.6 million to the \$11.5 million. Ms. Orton turned it over to Ms. Tait.

Ms. Tait reiterated what Ms. Orton said about them addressing all the leaks and repairs. She said in December 2021 they had two contractors in to work on drywall, fireproofing and ceiling repairs, which involved the meeting rooms and some public areas, like the ballroom foyer. With the good relationships, they brought in multiple companies to meet the December deadline, but only to be hit again by the New Years' rain. She said they still have remediation and repairs going on at the Center.

She said it's a lot of work, and the issue is that the source is not being fixed. She said after the January rains they now have seven rooms that are permanently out of order. They are repairing the rooms as they prepare for the rest of the year.

She presented the listed leak repairs from flash floods under the HCC managed projects. She spoke about the ongoing current projects: the trellis is moving along, they are working on the

delivery issues and working to have it all completed by the first quarter of 2022. She said they are working hard to get the RFPs out for other projects that are coming up. She showed the projects they have listed and identified with HTA to be funded under the ARPA funding. She also spoke about the CIP, showing the projects completed in 2020 and 2021. She asked if there were any questions about CIP.

Chair Atkins mentioned the trellis renovation for \$5 million that should be complete this year, and asked if the \$64 million gets allocated will it remain intact, or will it have to be removed to fix the roof?

Ms. Tait said it was a good question and said it involves trellis on three different floors and the rooftop terrace deck impacts the rooftop, 4th floor. She said when they do start the surface on the rooftop it will not affect the trellis, but they might have to take some trellis down dependent on the contractor and how they plan to proceed. She said the vertical poles won't have to be removed. She said they're using the existing poles that were in place since the original construction and building on that for the trellis, so it's just minor removal. She said, included in the \$64 million, there is a trellis system to cover 50% of the rooftop.

Chair Atkins mentioned two major expenditures - \$18.7 million and \$10.7 million, and asked if that is over and above the \$64 million.

Ms. Tait said the projects are separate from the rooftop terrace and they're on the mauka/ballroom side of the building. She said the building envelope starts from street level and goes all the way up, and the ballroom gutter is around the ballroom and the foyer. So it should not be affected by the work done on the rooftop. She said the funding is available and they're working with HTA on it and it's either funds available now or funds that will be appropriated, but they have it in their CIP budget to cover this.

Mr. Regan said there were no questions from the public. Chair Atkins asked if they are asking for a motion to recommend to the Board that they proceed with their recommendations for 2022 and 2023.

Mr. Regan said, similar to the financial reports that they presented on the previous agenda item, HTA would ask the committee to accept the financial report and other reports as presented by the Hawai'i Convention Center team, and recommend the Board approves them.

Mr. Alameda made a motion and Ms. Kimura seconded.

Mr. Kinkley clarified that the motion is to agree to recommend.

Mr. Regan did a roll call and the motion passed unanimously.

## **7. Adjournment**

Chair Rafter adjourned the meeting at 10:29 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheillane Reyes". The signature is written in black ink and is positioned above a horizontal line.

---

Sheillane Reyes  
Recorder

**4**

Presentation, Discussion and Action on the  
Hawai'i Tourism Authority's January Financial Report

## **4.1**

# Financial Statements – Executive Summary

As of January 31, 2022



AUTHORITY

Financial Statements – Executive Summary  
As of January 31, 2022

**Foreword:**

- FY21 Transactions Processed in FY22. As noted in HTA’s June 30, 2021 financial statements, some transactions using FY21 funds that we submitted to DAGS in FY21 were processed by DAGS as FY22 business. It is necessary to include these transactions processed in July 2021 in HTA’s official records for FY22 and accordingly are acknowledging that via a separate Budget Statement included in these financial statements for informational purposes only. However, we have included these transactions in HTA’s unofficial FY21 encumbrance records and we will omit these transactions from our focus in FY22 business discussed in these financial statements. Further detail can also be found in HTA’s June 30, 2021 financial statements.
- New Fund Accounts. With HTA now appropriated Federal ARPA funds in FY 2022, we have added two new sections to the Executive Summary to discuss the Tourism Federal Fund (ARPA) and Convention Center Federal Fund (ARPA).

***Tourism Federal Fund (ARPA TFF) – [Official Name: HTA CSFRF Subaward]:***

1. \$35.4M in cash (remaining from amount that has been allotted to HTA so far), an increase of \$2.7M primarily due to an allotment of Federal ARPA funds in January.
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	-
Natural Resources	-	665,000	-	665,000	-
Community	27,289,500	735,500	-	735,500	-
Branding	28,500,000	31,730,000	31,305,000	34,480,000	27,952,209
Sports	-	3,677,889	-	3,677,889	-
Safety & Security	-	900,000	900,000	900,000	1,380
Research	-	-	-	60,000	-
Planning	-	2,005,200	-	2,005,200	300,000
Admin	648,700	999,111	648,700	999,111	41,846
Governance and Org-Wide	351,800	351,800	246,800	351,800	82,638
Payroll	3,210,000	3,210,000	3,210,000	3,410,000	3,210,000
	60,000,000	44,274,500	36,310,500	48,850,000	31,588,073

B&F has approved HTA's extension request to allow the encumbering and expenditure of the \$60M ARPA funds by June 30, 2023.

- Over several meetings, the HTA Board approved a partial FY 2022 budget of \$48.9M, further detailed below.

	Incremental Approved at Meeting	Cumulative Budget Approved	Description
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

Through January, \$11,150,000 of programs presented as part of HTA's draft FY 2022 budget has been deferred or will be reprogrammed for other purposes, resulting in a FY 2022 budget of \$48,850,000 approved to date.

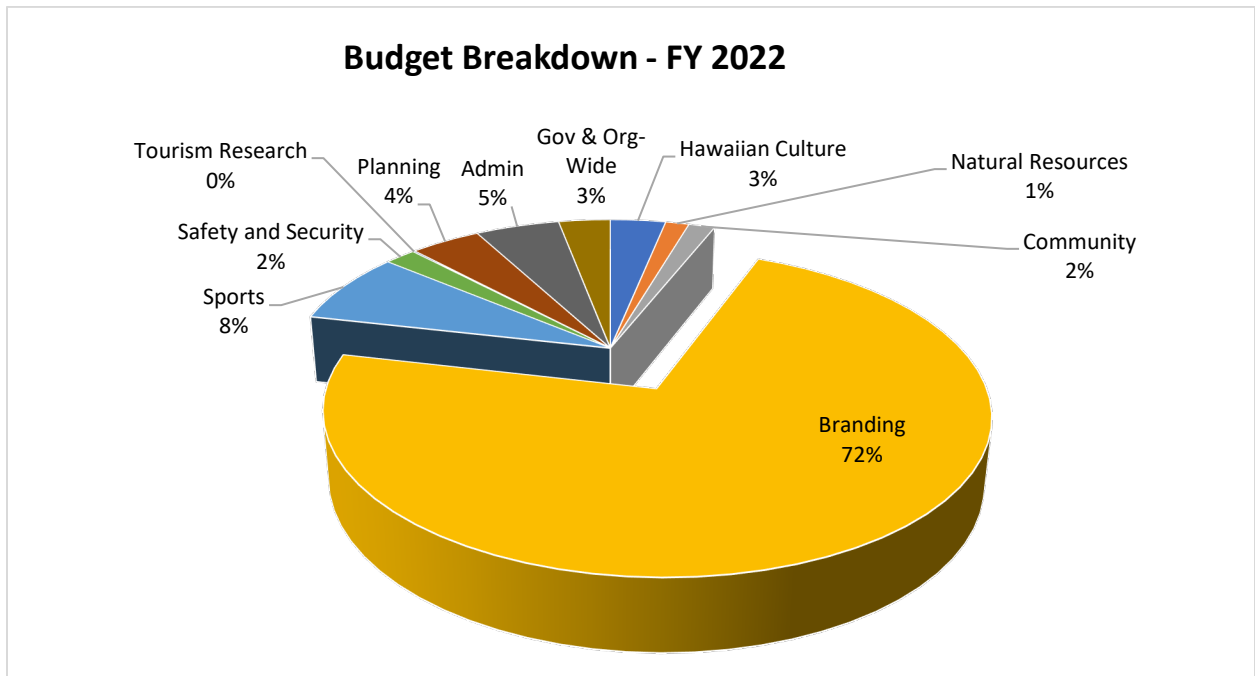
As of January 31, 2022, \$31.6M of the \$48.9M FY2022 budget was utilized/encumbered, or 65%.



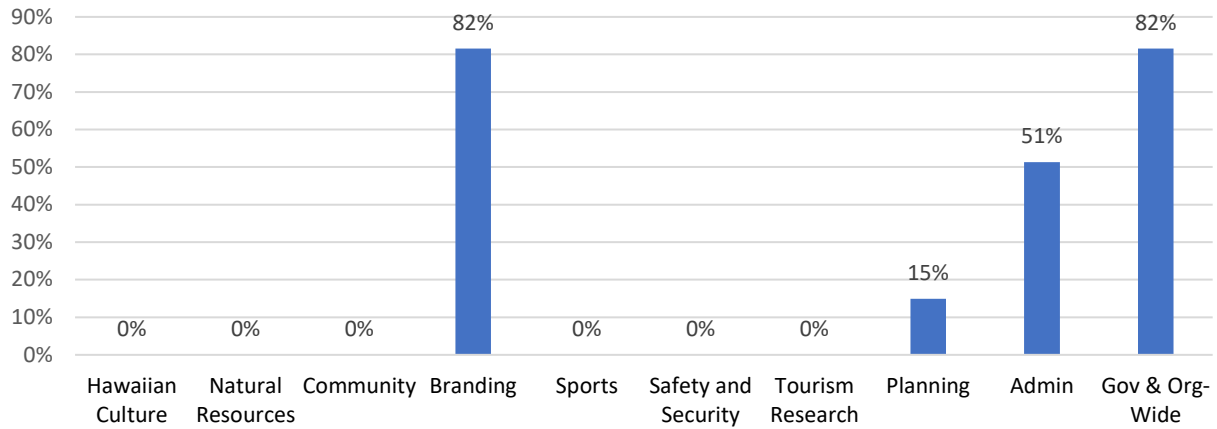
Below is a summary of the FY 2022 budget based upon Federal reporting categories (titles were paraphrased):

Primary Federal Category	Budget	Encumbered	Remaining
Economic Recovery	45,440,000	28,378,073	17,061,927
Continuation of Government Services			
Payroll	3,410,000	3,210,000	200,000
	48,850,000	31,588,073	17,261,927

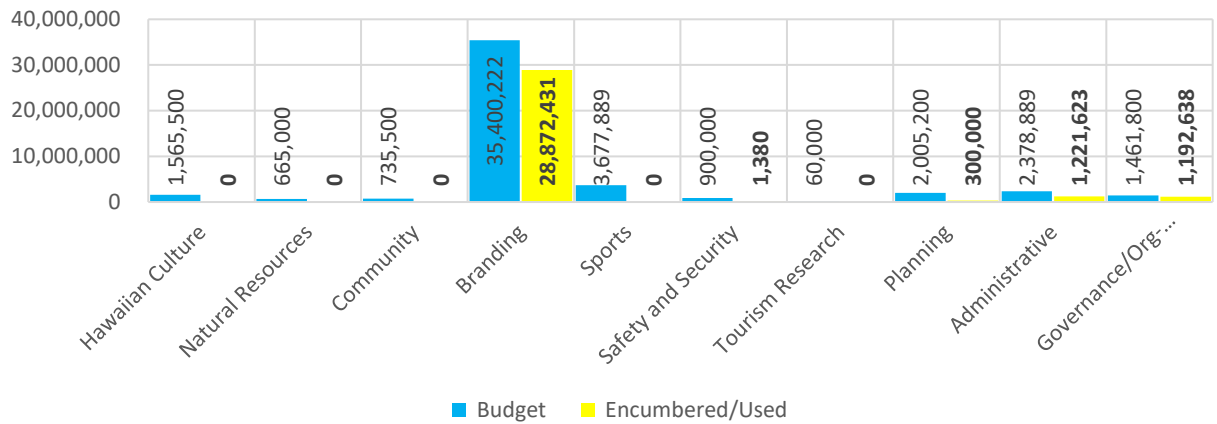
The following are various charts to depict our FY 2022 budget, budget utilization and trends. It is important to note that approximately \$11M of HTA's budget has been deferred for approval as of the date of these financial statements, and accordingly are not reflected here below. Additionally, a more balanced budget would be evident when considering the contracts for FY 22 services that HTA encumbered using FY 2021 funds (sourced from June 2021 TAT revenue and HTA Board Resolution funds). Further, we anticipate approximately 29% of HTA's FY 2022 budget to be used toward Branding Education programs.



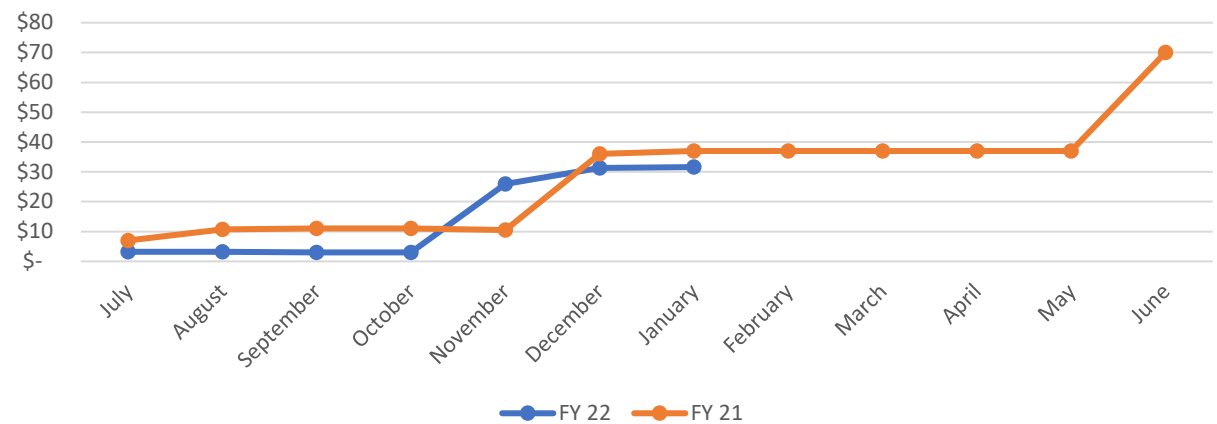
### Percentage of Budget Utilized 1/31/22



### Budget vs Encumbered as of 1/31/22 (Budget Used)



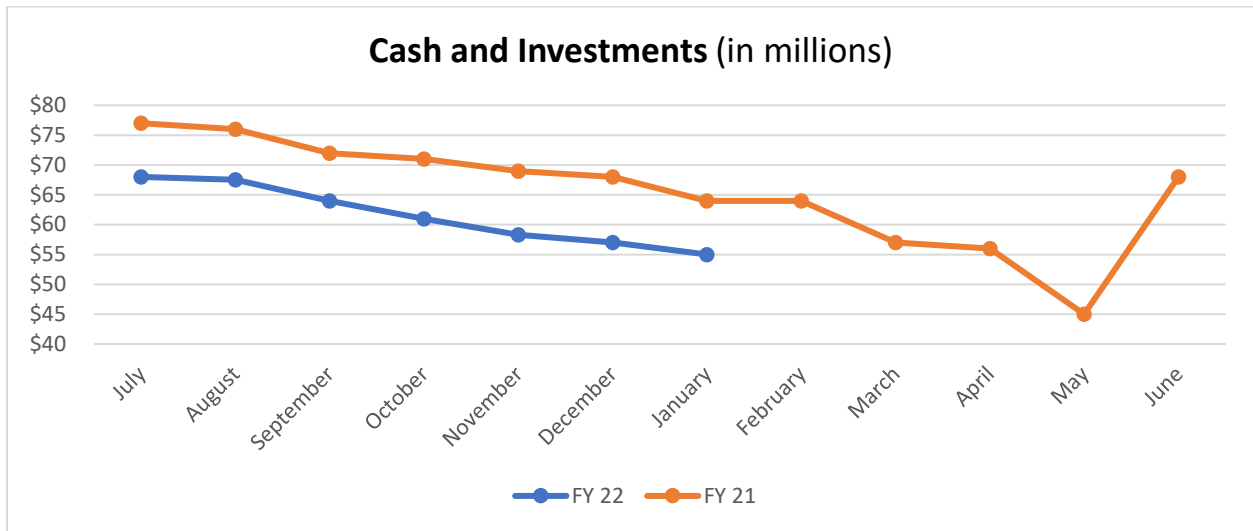
### Budget Utilized (in millions)



4. No budget reallocations were made in January 2022. A detail of the reallocations made for the reporting period and cumulatively for the fiscal year are typically detailed on the accompanying Budget Reallocation Summary.
5. Operating Income (Loss):
  - a. \$2,705,000 in ARPA funds were recorded as allotted to HTA during the January 2022 period. Cumulatively, \$35.4M has been allotted to HTA year-to-date through January 2022, which represents ARPA funds HTA will use in FY 2022 for staff's payroll, branding, admin and governance costs.
  - b. Since this is the fund's first year in operation, no Statement of Revenues and Expenditures associated with prior year funds is included.

**Tourism Special Fund (TSF):**

6. The Tourism Special Fund sunset on January 1, 2022, pursuant to Act 001, 2021 Legislative Special Session, upon which all unencumbered funds are available for remitting to the State's General Fund. The \$5M Emergency Fund remains with HTA.
7. \$55M in cash and investments



- a. Includes \$5M in Emergency Fund held as investments.

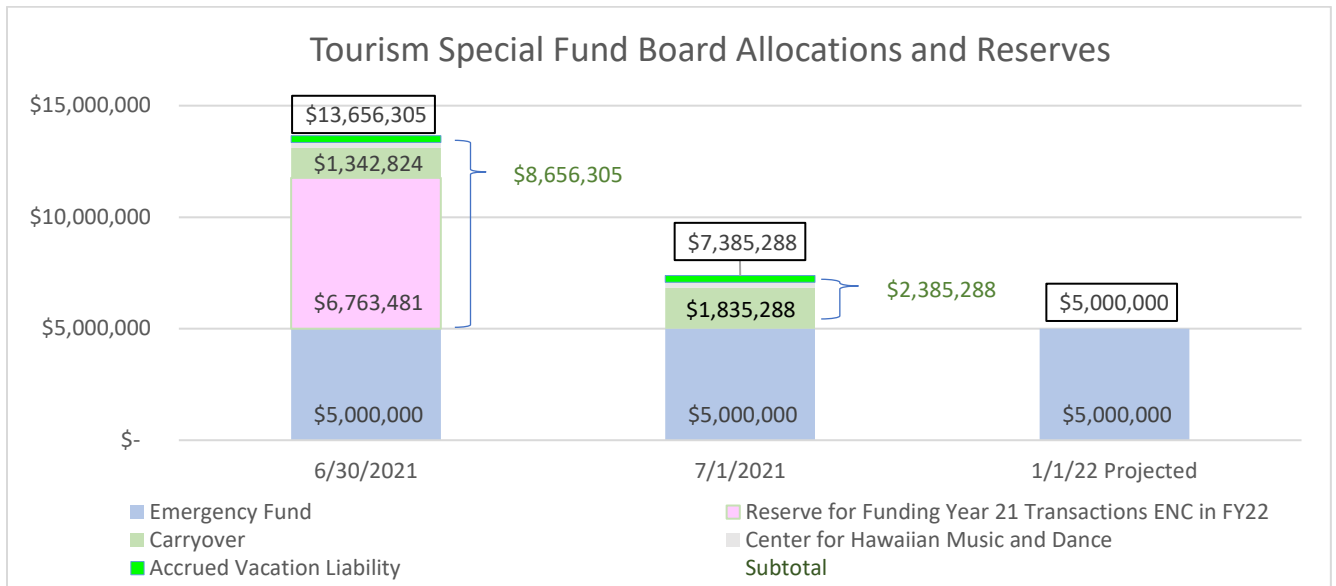
- i. Approximately \$5.0M held in money market funds
- ii. Further detail provided in the financial statements (as of November 2021)
- b. Cash decreased by approximately \$2.1M from December 31, 2021 primarily due to disbursements related to operational and program expenditures.
- c. We anticipate the cash balance to decrease to \$0 over time once all encumbered funds are expended, except for the \$5M Emergency Fund.

8. HTA's outstanding encumbrances are summarized as follows:

\$47.1M	Prior year encumbrances currently being spent down	
\$0.00	Current year encumbrances remaining	
\$47.1M	Total encumbrances outstanding at January 31, 2022	

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

9. In addition to HTA's \$5M Emergency Fund, \$2.3M was reserved as Board allocations as of July 1, 2021. This compares to \$8.6M at the end of last fiscal year. The reduction is due to the FY21 transactions that DAGS processed in July of FY22, as previously discussed. A supporting schedule is also embedded in these financial statements to provide greater detail. These balances are comprised of the following:



Pursuant to Act 001, Special Session 2021 (HB 862), the Tourism Special Fund sunset on January 1, 2022. Any unencumbered funds are now considered available to return to the State's General Fund, which we currently anticipate being approximately \$2.8M.

10. There is no budget for the Tourism Special Fund in FY 2022, as only Federal funds were appropriated.

11. Operating Income (Loss):

- a. Pursuant to Act 001, Legislative Special Session 2021, HTA is no longer included in the TAT allocation.
- b. No investment income was earned in January 2022. Year-to-date investment income is \$126K.

***Convention Center Federal Fund (ARPA CCFF) – [Official Name: Convention Center CSFRF Subaward]:***

12. \$11M in cash (remaining from amount that has been allotted to HTA so far).

13. The Board approved a \$490K budget for payroll, which was fully encumbered earlier in FY 2022.

14. Operating Income:

- a. Cumulatively, \$11M of ARPA funds has been allotted year-to-date, which represents ARPA funds HTA will use in FY 2022 for staff's payroll and to fund expenditures of the Convention Center.
- b. Since this is the fund's first year in operation, no Statement of Revenues and Expenditures associated with prior year funds is included.

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

15. \$49.7M in cash. Cash increased by \$705K from December 31, 2021, primarily due to Convention Center operations revenue receipts.

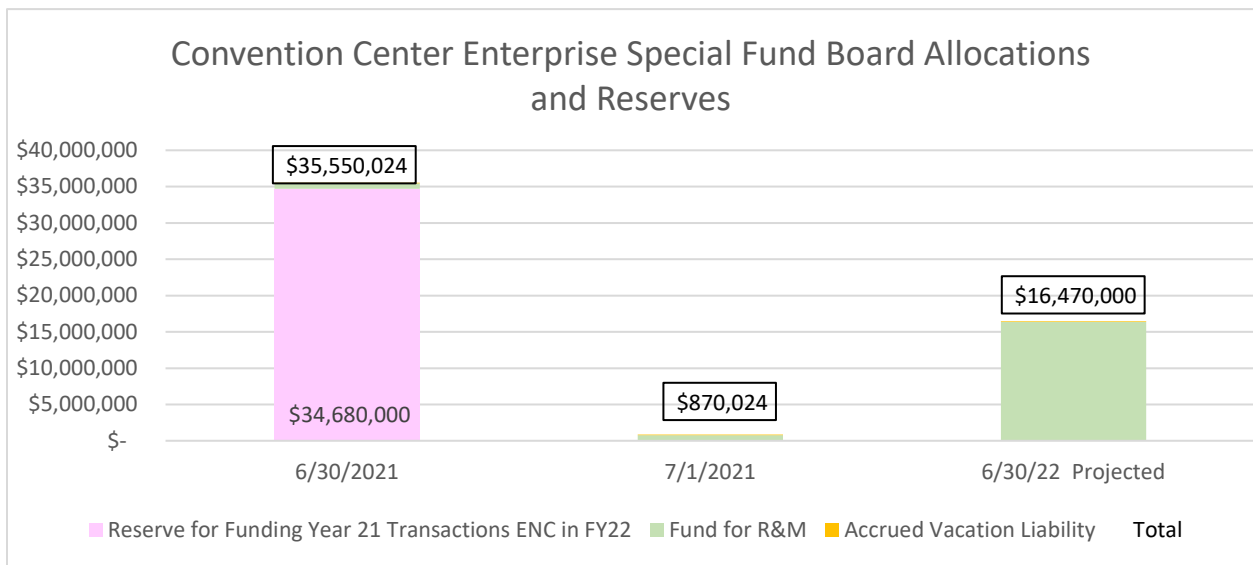
16. \$18.7M in cash with contractor or with DAGS, for R&M projects (as of December 2021).

- 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, trellis replacement, house audio upgrades, ballroom gutter and transom glass repair, chiller replacement, and various equipment purchases and upgrades. Of the \$18.7M, approximately \$7.5M has been contracted (as of December 2021).
- c. The amount of cash remaining with the contractor already accounts for \$5.3M expended on current and future projects (in-progress costs or preliminary work).

17. \$13.8M reserved as Board allocations as of January 31, 2022. This compares to a reserve balance of \$35.5M as of June 30, 2021. The decrease is due to the FY 2021 transactions that were processed by DAGS in July 2021 (as FY 2022 business) discussed earlier, partially offset by \$1.8M in HCC revenue/other receipts and \$11M in TAT revenue deposited into the CCESF in FY 2022, pursuant to HRS 237D, as amended by Act 1 of the 2021 Legislative Special Session. We anticipate the \$13.8M reserve balance to further increase to \$16.4M by June 30, 2022, due to:

- a. The deposit of Convention Center revenues throughout FY 2022.
- b. The inability to spend these funds due to the CCESF not having an appropriation ceiling in FY 2022.
- c. (The \$16.4M represents a \$400K decrease from prior months due to a decrease in revenue projections, partially offset by the receipt of investment and other income.)



18. \$35.9M of prior year outstanding encumbrances currently being spent down.

19. Budget:

- a. No budget has been established for the CCESF in FY 2022, as no expenditure ceiling was appropriated, as discussed earlier.
- b. Note: In FY 2021, HTA used the \$16.5M TAT it received in June 2021 and \$18.6M previously reserved as Board Allocations to fund AEG's FY 2022 operations contract. Staff advised the Board of its intention to do so at the June 10, 2021 Board meeting, including to deploy reserve funds in an effort to ensure we maximize HCC's ROI and efficiently use any time afforded during the pandemic to address major repair and maintenance. The \$16.5M and \$18.6M were encumbered as follows:

	FY22 HCC Operations - Encumbrance Funded with		
	TAT Restart Funds	Reserve / Board Reso Funds	Total
HCC Facility Operations Expenses	5,517,400	5,169,000	10,686,400
HCC Operating Contingency	-	2,500,000	2,500,000
HCC Local Sales	533,000	-	533,000
Major R&M (from TAT Restart funds)	10,129,600	-	10,129,600
Major R&M (from CCESF Reserves)	-	10,831,000	10,831,000
Property Insurance	320,000	100,000	420,000
	<u>16,500,000</u>	<u>18,600,000</u>	<u>35,100,000</u>

\* Additionally, the AEG contract included \$5,948,568 funded from the TSF for the Center for Hawaiian Music & Dance.

20. Operating Income:

- a. \$11M in TAT funds were received YTD.
- b. Convention Center Operations
  - i. Note: \$2.6M operating loss fiscal-year-to-date per HCC financial statements (as of December 2021). Funded by FY21's encumbrance as discussed above.

**Hawaii Tourism Authority**  
Balance Sheet  
Tourism Federal (ARPA) Fund  
As of 1/31/22

	<u>Current Year</u>
Assets	
Current Assets	
Checking	<u>35,362,906.77</u>
Total Current Assets	<u>35,362,906.77</u>
Total Assets	<u>35,362,906.77</u>
Fund Balance	
Encumbered Funds	
FY 2022 Funds	<u>31,540,479.61</u>
Total Encumbered Funds	31,540,479.61
Unencumbered Funds	
Total Unencumbered Funds	3,822,427.16
Total Fund Balance	<u>35,362,906.77</u>



**Hawaii Tourism Authority**

Balance Sheet

Tourism Special Fund

As of 1/31/22

	<u>Current Year</u>
Assets	
Current Assets	
Checking	49,919,114.51
Petty Cash	5,000.00
Total Current Assets	<u>49,924,114.51</u>
Total Assets	<u><u>49,924,114.51</u></u>
Fund Balance	
Encumbered Funds	
FY 2015 Funds	7,851.29
FY 2016 Funds	6,047.12
FY 2017 Funds	15,706.80
FY 2018 Funds	4,137.03
FY 2019 Funds	271,150.41
FY 2020 Funds	1,689,108.31
FY 2021 Funds	45,076,480.66
Total Encumbered Funds	<u>47,070,481.62</u>
Unencumbered Funds	
Total Unencumbered Funds	2,853,632.89
Total Fund Balance	<u><u>49,924,114.51</u></u>

**Hawaii Tourism Authority**  
Balance Sheet  
Convention Center Federal (ARPA) Fund  
As of 1/31/22

	<u>Current Year</u>
Assets	
Current Assets	
Checking	<u>11,000,000.00</u>
Total Current Assets	<u>11,000,000.00</u>
Total Assets	<u><u>11,000,000.00</u></u>
Fund Balance	
Encumbered Funds	
FY 2022 Funds	<u>490,000.00</u>
Total Encumbered Funds	490,000.00
Unencumbered Funds	
Total Unencumbered Funds	10,510,000.00
Total Fund Balance	<u><u>11,000,000.00</u></u>

**Hawaii Tourism Authority**  
Balance Sheet  
Convention Center Enterprise Special Fund  
As of 1/31/22

	<u>Current Year</u>
Assets	
Current Assets	
Checking	49,670,264.91
Total Current Assets	<u>49,670,264.91</u>
Total Assets	<u><u>49,670,264.91</u></u>
Fund Balance	
Encumbered Funds	
FY 2019 Funds	110,894.39
FY 2021 Funds	35,796,538.80
Total Encumbered Funds	<u>35,907,433.19</u>
Unencumbered Funds	
Total Unencumbered Funds	13,762,831.72
Total Fund Balance	<u><u>49,670,264.91</u></u>

**Hawaii Tourism Authority**

Balance Sheet

Emergency Trust Fund

As of 1/31/22

	<u>Current Year</u>
Assets	
Current Assets	
Investments	5,012,933.93
Total Current Assets	<u>5,012,933.93</u>
Total Assets	<u><u>5,012,933.93</u></u>
Fund Balance	
Current year net assets	
	(6,025.15)
Total Current year net assets	<u>(6,025.15)</u>
Prior years	
Total Prior years	5,018,959.08
Total Fund Balance	<u><u>5,012,933.93</u></u>

HTA Allocations  
FY 2021 and FY 2022 (Projected)

**Annual Budgets:**  
**-\$60M FY 2022 HTA Tourism Federal (ARPA) Fund**  
 [subject to approval]  
**-\$11M FY 2022 Convention Center Federal (ARPA) Fund**  
 [subject to approval]

**\$5M Emergency Funds**  
**\$0M Mandated by Board**  
 (designated for use in the event of a significant economic downturn upon Board approval; used to fund FY 21 budget)

	Tourism Special Fund Long-Term Obligations, Commitments and Allocations:			Convention Center Fund Long-Term Obligations, Commitments and Obligations:		
	6/30/2021	7/1/2021	Projected 1/1/2022	6/30/2021	7/1/2021	Projected 6/30/2022
Carryover of FY 2020 to FY 2021 Budget (Use in FY 21)	-	-	-	-	-	-
Reserve for Funding Year 21 Transactions Enc in FY22	6,763,481	-	-	34,680,000	-	-
Carryover	1,342,824	1,342,824	-	790,024	790,024	16,390,000
FY21 Interest, Refunds and Other Income	-	-	-	-	-	-
Encumbrance liquidations	-	492,464	-	-	-	-
Center for Hawaiian Music & Dance	250,000	250,000	-	-	-	-
Accrued Health Liability	-	-	-	-	-	-
Accrued Retirement Liability	-	-	-	-	-	-
Accrued Vacation Liability	300,000	300,000	-	80,000	80,000	80,000
<b>Total Long-Term Obligations and Commitments</b>	<b>8,656,305</b>	<b>2,385,288</b>	<b>-</b>	<b>35,550,024</b>	<b>870,024</b>	<b>16,470,000</b>

**TOTAL RESERVES (incl \$5M Emergency Fund) 13,656,305 7,385,288 5,000,000 35,550,024 870,024 16,470,000**

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
Tourism Federal (ARPA) Fund  
FY 2022 Funds  
From 1/1/2022 Through 1/31/2022

	<u>Total Budget - FY22</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance - FY22</u>
Revenue				
Alloted Federal Funds	60,000,000.00	2,705,000.00	35,410,500.00	(24,589,500.00)
Total Revenue	<u>60,000,000.00</u>	<u>2,705,000.00</u>	<u>35,410,500.00</u>	<u>(24,589,500.00)</u>
Expense				
Perpetuating Hawaiian Culture	1,565,500.00	0.00	0.00	1,565,500.00
Natural Resources	665,000.00	0.00	0.00	665,000.00
Community	735,500.00	0.00	0.00	735,500.00
Branding	35,400,222.00	0.00	0.00	35,400,222.00
Sports	3,677,889.00	0.00	0.00	3,677,889.00
Safety and Security	900,000.00	0.00	0.00	900,000.00
Tourism Research	60,000.00	0.00	0.00	60,000.00
Planning	2,005,200.00	0.00	0.00	2,005,200.00
Administrative	2,378,889.00	5,766.24	5,766.24	2,373,122.76
Governance and Org-Wide	1,461,800.00	0.00	41,826.99	1,419,973.01
Total Expense	<u>48,850,000.00</u>	<u>5,766.24</u>	<u>47,593.23</u>	<u>48,802,406.77</u>
Net Income	<u>11,150,000.00</u>	<u>2,699,233.76</u>	<u>35,362,906.77</u>	<u>24,212,906.77</u>

Hawaii Tourism Authority  
 Statement of Revenues and Expenditures  
 Tourism Special Fund  
 FY 2022 Funds  
 From 1/1/2022 Through 1/31/2022

	<u>Total Budget - FY22</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance - FY22</u>
Revenue				
Miscellaneous	0.00	(8,890.37)	1,302.52	1,302.52
Refunds	<u>0.00</u>	<u>9,233.05</u>	<u>57,075.14</u>	<u>57,075.14</u>
Total Revenue	<u>0.00</u>	<u>342.68</u>	<u>58,377.66</u>	<u>58,377.66</u>
Net Income	<u>0.00</u>	<u>342.68</u>	<u>58,377.66</u>	<u>58,377.66</u>

Hawaii Tourism Authority  
Statement of Revenues and Expenditures  
Prior Year Funds - Tourism Special Fund  
From 1/1/2022 Through 1/31/2022

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Interest and Dividends	0.00	0.00	126,770.45	126,770.45
Total Revenue	<u>0.00</u>	<u>0.00</u>	<u>126,770.45</u>	<u>126,770.45</u>
Expense				
Perpetuating Hawaiian Culture	11,199,632.00	887,855.00	1,871,472.25	9,328,159.75
Natural Resources	3,447,910.00	36,910.00	781,910.00	2,666,000.00
Community	8,462,772.12	0.00	391,062.07	8,071,710.05
Branding	33,112,516.00	602,673.00	8,013,455.88	25,099,060.12
Sports	160,222.00	0.00	7,222.00	153,000.00
Safety and Security	770,114.66	382,500.00	419,625.00	350,489.66
Tourism Research	2,270,248.83	180,226.91	1,344,958.54	925,290.29
Administrative	933,514.62	29,528.79	255,431.14	678,083.48
Governance and Org-Wide	<u>201,675.92</u>	<u>3,455.52</u>	<u>119,790.98</u>	<u>81,884.94</u>
Total Expense	<u>60,558,606.15</u>	<u>2,123,149.22</u>	<u>13,204,927.86</u>	<u>47,353,678.29</u>
Net Income	<u>(60,558,606.15)</u>	<u>(2,123,149.22)</u>	<u>(13,078,157.41)</u>	<u>47,480,448.74</u>



Hawaii Tourism Authority  
 Statement of Revenues and Expenditures  
 Convention Center Federal (ARPA) Fund  
 FY 2022 Funds  
 From 1/1/2022 Through 1/31/2022

	<u>Total Budget - FY22</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance - FY22</u>
Revenue				
Alloted Federal Funds	11,000,000.00	0.00	11,000,000.00	0.00
Total Revenue	<u>11,000,000.00</u>	<u>0.00</u>	<u>11,000,000.00</u>	<u>0.00</u>
Expense				
Branding	72,958.00	0.00	0.00	72,958.00
Administrative	247,042.00	0.00	0.00	247,042.00
Governance and Org-Wide	<u>170,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>170,000.00</u>
Total Expense	<u>490,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>490,000.00</u>
Net Income	<u>10,510,000.00</u>	<u>0.00</u>	<u>11,000,000.00</u>	<u>490,000.00</u>

Hawaii Tourism Authority  
 Statement of Revenues and Expenditures  
 Convention Center Enterprise Special Fund  
 FY 2022 Funds  
 From 1/1/2022 Through 1/31/2022

	<u>Total Budget - FY22</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance - FY22</u>
Revenue				
Transient Accomodations Tax	11,000,000.00	0.00	11,000,000.00	0.00
Miscellaneous	0.00	0.00	42,210.00	42,210.00
Refunds	0.00	0.00	41,501.08	41,501.08
HCC Revenue	0.00	<u>514,537.34</u>	<u>1,371,101.32</u>	<u>1,371,101.32</u>
Total Revenue	<u>11,000,000.00</u>	<u>514,537.34</u>	<u>12,454,812.40</u>	<u>1,454,812.40</u>
Net Income	<u>11,000,000.00</u>	<u>514,537.34</u>	<u>12,454,812.40</u>	<u>1,454,812.40</u>

**Hawaii Tourism Authority**  
Statement of Revenues and Expenditures  
**Prior Year Funds - Convention Center Enterprise Special Fund**  
From 1/1/2022 Through 1/31/2022

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Revenue				
Interest and Dividends	0.00	0.00	57,844.34	57,844.34
Miscellaneous	0.00	0.00	35,100.21	35,100.21
Refunds	0.00	80,938.93	80,938.93	80,938.93
HCC Revenue	0.00	<u>109,627.56</u>	<u>264,111.94</u>	<u>264,111.94</u>
Total Revenue	<u>0.00</u>	<u>190,566.49</u>	<u>437,995.42</u>	<u>437,995.42</u>
Expense				
Branding	6,080.00	0.00	6,079.86	0.14
Administrative	19,449.64	0.00	19,449.86	(0.22)
Governance and Org-Wide	587,376.00	0.00	8,917.40	578,458.60
HCC Operating Expense	13,465,701.52	0.00	0.00	13,465,701.52
HCC Repair and Maintenance	20,960,600.00	0.00	0.00	20,960,600.00
HCC Sales and Marketing / MFF	<u>902,672.93</u>	<u>0.00</u>	<u>0.00</u>	<u>902,672.93</u>
Total Expense	<u>35,941,880.09</u>	<u>0.00</u>	<u>34,447.12</u>	<u>35,907,432.97</u>
Net Income	<u>(35,941,880.09)</u>	<u>190,566.49</u>	<u>403,548.30</u>	<u>36,345,428.39</u>

**Hawaii Convention Center**  
Facility  
Income Statement  
From 12/01/2021 Through 12/31/2021  
(In Whole Numbers)

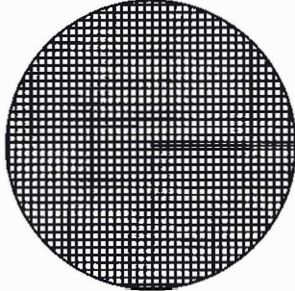
	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
<b>Direct Event Income</b>								
Rental Income (Net)	282,895	181,049	101,846	(119,911)	1,093,518	917,950	175,568	1,486,119
Service Revenue	24,940	155,850	(130,910)	181,355	683,527	849,945	(166,418)	1,210,486
<b>Total Direct Event Income</b>	<b>307,835</b>	<b>336,899</b>	<b>(29,064)</b>	<b>61,444</b>	<b>1,777,044</b>	<b>1,767,895</b>	<b>9,150</b>	<b>2,696,604</b>
<b>Direct Service Expenses</b>	<b>89,209</b>	<b>244,501</b>	<b>155,292</b>	<b>178,401</b>	<b>753,913</b>	<b>1,250,415</b>	<b>496,502</b>	<b>1,132,492</b>
<b>Net Direct Event Income</b>	<b>218,626</b>	<b>92,398</b>	<b>126,228</b>	<b>(116,957)</b>	<b>1,023,131</b>	<b>517,480</b>	<b>505,651</b>	<b>1,564,112</b>
<b>Ancillary Income</b>								
Food and Beverage (Net)	19,822	212,314	(192,492)	2,965	42,655	549,157	(506,502)	134,214
Event Parking (Net)	20,294	44,120	(23,827)	305	359,861	115,760	244,101	46,149
Electrical Services	2,000	2,800	(800)	0	2,000	23,120	(21,120)	0
Audio Visual	3,911	33,000	(29,089)	0	14,792	51,560	(36,768)	2,790
Internet Services	0	0	0	0	0	0	0	0
Rigging Services	82,661	600	82,061	0	84,003	1,600	82,403	0
First Aid Commissions	0	0	0	0	0	0	0	0
<b>Total Ancillary Income</b>	<b>128,687</b>	<b>292,834</b>	<b>(164,147)</b>	<b>3,270</b>	<b>503,312</b>	<b>741,197</b>	<b>(237,885)</b>	<b>183,153</b>
<b>Total Event Income</b>	<b>347,313</b>	<b>385,232</b>	<b>(37,919)</b>	<b>(113,687)</b>	<b>1,526,443</b>	<b>1,258,677</b>	<b>267,766</b>	<b>1,747,265</b>
<b>Other Operating Income</b>								
Non-Event Parking	0	0	0	0	3,480	0	3,480	(875)
Other Income	8,628	1,417	7,211	119	41,391	8,502	32,889	12,222
<b>Total Other Operating Income</b>	<b>8,628</b>	<b>1,417</b>	<b>7,211</b>	<b>119</b>	<b>44,871</b>	<b>8,502</b>	<b>36,369</b>	<b>11,347</b>
<b>Total Gross Income</b>	<b>355,941</b>	<b>386,649</b>	<b>(30,708)</b>	<b>(113,568)</b>	<b>1,571,314</b>	<b>1,267,179</b>	<b>304,135</b>	<b>1,758,612</b>
<b>Net Salaries &amp; Benefits</b>								
Salaries & Wages	322,109	367,640	45,531	275,485	1,879,902	2,184,800	304,898	1,751,376
Payroll Taxes & Benefits	76,495	125,893	49,398	88,576	491,073	755,358	264,285	576,021
Labor Allocations to Events	(33,791)	(171,353)	(137,562)	(174,504)	(484,638)	(843,146)	(358,508)	(1,073,974)
<b>Total Net Salaries &amp; Benefits</b>	<b>364,814</b>	<b>322,180</b>	<b>(42,634)</b>	<b>189,557</b>	<b>1,886,338</b>	<b>2,097,013</b>	<b>210,675</b>	<b>1,253,423</b>
<b>Other Indirect Expenses</b>								
Net Contracted Services	28,249	25,986	(2,263)	11,644	103,238	140,421	37,183	64,536
Operations	17,484	10,534	(6,950)	14,435	46,407	63,204	16,797	66,572
Repair & Maintenance	99,085	72,367	(26,718)	53,682	421,908	434,202	12,294	318,623
Operational Supplies	37,490	39,524	2,034	53,771	127,797	206,110	78,313	125,782
Insurance	11,345	12,188	843	6,612	71,078	63,371	(7,707)	(243)
Utilities	178,716	151,403	(27,313)	86,948	1,004,727	818,217	(186,511)	859,791
Meetings & Conventions	0	850	850	894	3,396	6,100	2,704	7,209
Promotions & Communications	2,565	2,300	(265)	454	(98)	13,800	13,898	7,004
General & Administrative	12,372	14,531	2,159	11,738	69,898	83,016	13,118	64,596
Management Fees	18,633	18,633	(0)	(91,162)	111,800	111,798	(2)	0
Other	6,343	2,166	(4,177)	6,695	12,493	12,996	503	(66,642)
<b>Total Other Indirect</b>	<b>412,282</b>	<b>350,482</b>	<b>(61,800)</b>	<b>155,710</b>	<b>1,972,644</b>	<b>1,953,235</b>	<b>(19,410)</b>	<b>1,447,229</b>
<b>Net Income (Loss) before CIP Funded Expenses</b>	<b>(421,155)</b>	<b>(286,013)</b>	<b>(135,142)</b>	<b>(458,836)</b>	<b>(2,287,668)</b>	<b>(2,783,068)</b>	<b>495,401</b>	<b>(942,039)</b>
<b>CIP Funded Expenses</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,495</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(67,777)</b>
<b>Net Income (Loss) from Operations</b>	<b>(421,155)</b>	<b>(286,013)</b>	<b>(135,142)</b>	<b>(452,341)</b>	<b>(2,287,668)</b>	<b>(2,783,068)</b>	<b>495,401</b>	<b>(1,009,816)</b>
<b>Fixed Asset Purchases</b>	<b>261,326</b>	<b>8,333</b>	<b>(252,993)</b>	<b>0</b>	<b>300,126</b>	<b>49,998</b>	<b>(250,128)</b>	<b>22,771</b>
<b>Net Income (Loss) After Fixed Asset Purchases</b>	<b>(682,481)</b>	<b>(294,346)</b>	<b>(388,135)</b>	<b>(452,341)</b>	<b>(2,587,794)</b>	<b>(2,833,066)</b>	<b>245,272</b>	<b>(1,032,587)</b>

**Hawaii Convention Center**  
**Facility**  
**Income Statement**  
From 12/01/2021 Through 12/31/2021  
(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	34,582	349,203	(314,621)	12,199	266,770	906,359	(639,589)	203,032
Facility	428,849	425,236	3,613	61,867	2,327,602	1,984,287	343,316	2,756,891
<b>Total Revenues</b>	<b>463,431</b>	<b>774,439</b>	<b>(311,008)</b>	<b>74,066</b>	<b>2,594,372</b>	<b>2,890,646</b>	<b>(296,273)</b>	<b>2,959,923</b>
<b>Expenses</b>								
Food & Beverage	93,483	239,733	146,250	73,843	707,333	931,680	224,347	410,998
Facility	791,103	820,719	29,617	459,059	4,174,708	4,742,034	567,326	3,490,964
<b>Total Expenses</b>	<b>884,586</b>	<b>1,060,452</b>	<b>175,866</b>	<b>532,902</b>	<b>4,882,040</b>	<b>5,673,714</b>	<b>791,674</b>	<b>3,901,962</b>
Net Income (Loss) before CIP Funded Expenses	(421,155)	(286,013)	(135,142)	(458,836)	(2,287,668)	(2,783,068)	495,401	(942,039)
CIP Funded Expenses	0	0	0	6,495	0	0	0	(67,777)
<b>Net Income (Loss) from Operations</b>	<b>(421,155)</b>	<b>(286,013)</b>	<b>(135,142)</b>	<b>(452,341)</b>	<b>(2,287,668)</b>	<b>(2,783,068)</b>	<b>495,401</b>	<b>(1,009,816)</b>
Fixed Asset Purchases	261,326	8,333	(252,993)	0	300,126	49,998	(250,128)	22,771
<b>Net Income (Loss) after Fixed Asset Purchases</b>	<b>(682,481)</b>	<b>(294,346)</b>	<b>(388,135)</b>	<b>(452,341)</b>	<b>(2,587,794)</b>	<b>(2,833,066)</b>	<b>245,273</b>	<b>(1,032,587)</b>

## Summary Of Investments

### Investment Allocation



0.0%	CASH	41.21
100.0%	CASH EQUIVALENTS	5,012,892.72
100.0%	TOTAL	5,012,933.93

### Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	41.21	0.00	0	0.00
CASH EQUIVALENTS	5,012,892.72	100.00	501	0.01
<b>Total Fund</b>	<b>5,012,933.93</b>	<b>100.00</b>	<b>501</b>	<b>0.01</b>

### Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	41.21	41.21	100.00
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
5,012,892.72	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	5,012,892.72	5,012,892.72	100.00
	<b>Total Fund</b>	<b>5,012,933.93*</b>	<b>5,012,933.93*</b>	<b>100.00*</b>

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**4.2**  
Budget Reallocation Summary  
FY2022  
Through January 31, 2022

Budget Reallocation Summary  
 FY 2022  
 Through January 31, 2022

Budget Line Item	Program Code	Budget	Year-to-Date		January 2022 Activity
			Reallocation	Budget After Reallocations	
<b>Perpetuating Hawaiian Culture</b>					
<i>From:</i>					
None				-	
				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
				-	
				-	
			-		-
<b>Natural Resources</b>					
<i>From:</i>					
None				-	
				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
				-	
			-		-
<b>Community</b>					
<i>From:</i>					
None				-	
				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
				-	
			-		-





Budget Reallocation Summary  
 FY 2022  
 Through January 31, 2022

Budget Line Item	Program Code	Budget	Reallocation	Budget After Reallocations	January 2022 Activity
None			-	-	-
			-	-	-
<b>To:</b>			-	-	-
			-	-	-
<hr/>					
<b>Planning</b>					
<b>From:</b>					
None			-	-	-
			-	-	-
<b>To:</b>			-	-	-
			-	-	-
<hr/>					
<b>Administration</b>					
<b>From:</b>					
None			-	-	-
			-	-	-
<b>To:</b>			-	-	-
			-	-	-
<hr/>					
<b>Governance and Organization-Wide</b>					
<b>From:</b>					
None			-	-	-
			-	-	-
<b>To:</b>			-	-	-
			-	-	-
<hr/>					

Budget Reallocation Summary  
 FY 2022  
 Through January 31, 2022

Budget Line Item	Program Code	Budget	Reallocation	Budget After Reallocations	January 2022 Activity
<b>Board Allocations</b>					
<i>From:</i>					
None			-	-	-
			-		-

**4.3**  
Budget Statement – Summary

FY2022

As of January 31, 2022

Category	Tourism Federal Fund - ARPA [TFF]				Convention Center Federal Fund - ARPA [CCFF]			
	Fiscal Year 2022				Fiscal Year 2022			
	Budget	YTD Amount of Budget Used	Balance	Activity for January 2022	Budget	YTD Amount of Budget Used	Balance	Activity for January 2022
<b>Revenues</b>								
TAT Revenue Allocation			-	-			-	-
Federal ARPA Funds	60,000,000	35,410,500	24,589,500	2,705,000	11,000,000	11,000,000	-	-
Prior Year Carryover			-	-			-	-
Availability of \$5M Emergency Fund (Subject to Governor Approval)			-	-			-	-
Other			-	-			-	-
<b>Total Revenues</b>	<b>60,000,000</b>	<b>35,410,500</b>	<b>24,589,500</b>	<b>2,705,000</b>	<b>11,000,000</b>	<b>11,000,000</b>	<b>-</b>	<b>-</b>
<b>Encumbrances</b>								
<b>Perpetuating Hawaiian Culture</b>								
Hawaiian Culture Programs	1,565,500	-	1,565,500	-	-	-	-	-
In-House Contracted Staff - Hawaiian Culture			-	-			-	-
Subtotal	1,565,500	-	1,565,500	-	-	-	-	-
<b>Natural Resources (Statute: \$1M minimum)</b>								
Natural Resources Programs	665,000	-	665,000	-	-	-	-	-
In-House Contracted Staff - Natural Resources			-	-			-	-
Subtotal	665,000	-	665,000	-	-	-	-	-
<b>Community</b>								
Community Programs	735,500	-	735,500	-	-	-	-	-
In-House Contracted Staff - Community			-	-			-	-
Subtotal	735,500	-	735,500	-	-	-	-	-
<b>Branding</b>								
Branding Programs	34,480,000	27,952,209	6,527,791	-	-	-	-	-
In-House Contracted Staff - Branding			-	-			-	-
State Employee Salaries - Branding	920,222	920,222	-	-	72,958	72,958	-	-
Subtotal	35,400,222	28,872,431	6,527,791	-	72,958	72,958	-	-
<b>Sports</b>								
Sports Programs	3,677,889	-	3,677,889	-	-	-	-	-
Subtotal	3,677,889	-	3,677,889	-	-	-	-	-
<b>Safety and Security</b>								
Safety and Security Programs	900,000	1,380	898,620	-	-	-	-	-
Subtotal	900,000	1,380	898,620	-	-	-	-	-
<b>Tourism Research</b>								
Tourism Research Programs	60,000	-	60,000	-	-	-	-	-
In-House Contracted Staff - Tourism Research			-	-			-	-
Subtotal	60,000	-	60,000	-	-	-	-	-
<b>Planning</b>								
Planning Programs	2,005,200	300,000	1,705,200	300,000	-	-	-	-
In-House Contracted Staff - Planning			-	-			-	-
Subtotal	2,005,200	300,000	1,705,200	300,000	-	-	-	-
<b>Hawai'i Convention Center</b>								
Sales & Marketing			-	-			-	-
Operations			-	-			-	-
Major Repair & Maintenance			-	-			-	-
Subtotal			-	-			-	-
<b>Administrative (Statute: Cannot exceed 3.5% = \$2,765,000)</b>								
Operations	999,111	41,845	957,266	620	-	-	-	-
In-House Contracted Staff - Admin			-	-			-	-
State Employee Salaries - Admin	1,379,778	1,179,778	200,000	-	247,042	247,042	-	-
Subtotal	2,378,889	1,221,623	1,157,266	620	247,042	247,042	-	-
<b>Organizationwide Costs</b>								
State Employee Fringe	1,110,000	1,110,000	-	-	170,000	170,000	-	-
Organization-Wide	230,000	-	230,000	-	-	-	-	-
Governance - Board/Others	121,800	82,638	39,162	3,355	-	-	-	-
Subtotal	1,461,800	1,192,638	269,162	3,355	170,000	170,000	-	-
<b>Total Encumbrances</b>	<b>48,850,000</b>	<b>31,588,072</b>	<b>17,261,928</b>	<b>303,975</b>	<b>490,000</b>	<b>490,000</b>	<b>-</b>	<b>-</b>
<b>Revenues vs Encumbrances</b>	<b>11,150,000</b>	<b>3,822,428</b>			<b>10,510,000</b>	<b>10,510,000</b>		

Category	Tourism Special Fund (TSF)				Convention Center Enterprise Special Fund (CCESF)			
	Fiscal Year 2022				Fiscal Year 2022			
<b>Revenues</b>								
TAT Revenue Allocation	-	-	-	-	11,000,000	11,000,000	-	-
Convention Center Revenue - Relating to FY22 (also tied to FY21 encumbrance)	-	-	-	-	-	1,371,101	(1,371,101)	514,537
Convention Center Revenue - Relating to Prior Years	-	-	-	-	-	264,112	(264,112)	109,628
Other	-	185,148	(185,148)	343	-	257,594	(257,594)	80,939
<b>Total Revenues</b>	<b>-</b>	<b>185,148</b>	<b>(185,148)</b>	<b>343</b>	<b>11,000,000</b>	<b>12,892,807</b>	<b>(1,892,807)</b>	<b>705,104</b>

**4.4**  
Budget Statement

FY2022

As of January 31, 2022

Hawai'i Tourism Authority  
Budget Statement  
As of January 31, 2022  
FY 2022

Program Code	Program Title	Budget FY22	YTD Amount of Budget Used	Remaining Balance	January 2022 Activity
<b>Tourism Federal Fund</b>					
<b>Perpetuating Hawaiian Culture</b>					
202	Hawaiian Culture Initiative	475,000.00	0.00	475,000.00	0.00
203	Ma'ema'e HTA	50,000.00	0.00	50,000.00	0.00
204	Market Support	50,000.00	0.00	50,000.00	0.00
214	Legacy Award Program	25,000.00	0.00	25,000.00	0.00
215	Hawaiian Culture Opportunity Fund	200,000.00	0.00	200,000.00	0.00
216	Olelo Hawaii	500,000.00	0.00	500,000.00	0.00
217	FESTPAC	250,000.00	0.00	250,000.00	0.00
297	Memberships and Dues - Hawaiian Culture	500.00	0.00	500.00	0.00
298	Travel - Hawaiian Culture	15,000.00	0.00	15,000.00	0.00
<b>Subtotal</b>	<b>Perpetuating Hawaiian Culture</b>	<b>1,565,500.00</b>	<b>0.00</b>	<b>1,565,500.00</b>	<b>0.00</b>
<b>Natural Resources</b>					
406	Visitor Impact Program	350,000.00	0.00	350,000.00	0.00
407	Hawaii Eco Tourism Association	50,000.00	0.00	50,000.00	0.00
416	Wahī Pana Series	250,000.00	0.00	250,000.00	0.00
498	Travel - Natural Resources	15,000.00	0.00	15,000.00	0.00
<b>Subtotal</b>	<b>Natural Resources</b>	<b>665,000.00</b>	<b>0.00</b>	<b>665,000.00</b>	<b>0.00</b>
<b>Community</b>					
702	Community Training Workshops (formerly Capacity)	500,000.00	0.00	500,000.00	0.00
797	Memberships and Dues - Community	500.00	0.00	500.00	0.00
798	Travel - Community	15,000.00	0.00	15,000.00	0.00
802	Current Workforce Development (Industry Career Dev)	100,000.00	0.00	100,000.00	0.00
803	Future Workforce Development (LEI)	120,000.00	0.00	120,000.00	0.00
<b>Subtotal</b>	<b>Community</b>	<b>735,500.00</b>	<b>0.00</b>	<b>735,500.00</b>	<b>0.00</b>
<b>Branding</b>					
004	Cruise Infrastructure Improvements and Arrival Experience	100,000.00	100,000.00	0.00	0.00
005	Route Development Program (PAUSE)	250,000.00	0.00	250,000.00	0.00
010	HTUS/HTJ Campaign Effectiveness Study	270,000.00	0.00	270,000.00	0.00
012	Rebranding of the Hawaiian Islands	1,000,000.00	0.00	1,000,000.00	0.00
013	Creative Agency	250,000.00	0.00	250,000.00	0.00
014	Pono Travel Tips (Kuleana Travel Messaging at NI Airports)	175,000.00	0.00	175,000.00	0.00
102	Hawai'i Tourism Summit	125,000.00	2,209.42	122,790.58	0.00
317	Convention Center Sales & Marketing - City Wide	2,600,000.00	2,600,000.00	0.00	0.00
318	gohawaii.com (formerly Online Website Coordination) (PAUSE)	2,500,000.00	0.00	2,500,000.00	0.00
319	MCI MFF	850,000.00	850,000.00	0.00	0.00
321	US (formerly North America)	22,500,000.00	22,500,000.00	0.00	0.00
331	Meetings, Convention & Incentives	1,900,000.00	1,900,000.00	0.00	0.00
339	Global Digital Marketing Strategy (former Intl Online Strat)	713,000.00	0.00	713,000.00	0.00
350	Global Mkt Shared Resces (formerly Intellect Prop Data Bank)	787,000.00	0.00	787,000.00	0.00
380	Marketing Opportunity Fund	250,000.00	0.00	250,000.00	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	920,222.00	920,222.00	0.00	0.00
<b>Subtotal</b>	<b>Branding</b>	<b>35,400,222.00</b>	<b>28,872,431.42</b>	<b>6,527,790.58</b>	<b>0.00</b>
<b>Sports</b>					
312	PGA Tour Contracts	2,177,889.00	0.00	2,177,889.00	0.00
379	Sports Programs - Unallocated	1,500,000.00	0.00	1,500,000.00	0.00
<b>Subtotal</b>	<b>Sports</b>	<b>3,677,889.00</b>	<b>0.00</b>	<b>3,677,889.00</b>	<b>0.00</b>
<b>Safety and Security</b>					
601	Visitor Assistance Programs	500,000.00	0.00	500,000.00	0.00
602	Crisis Management	100,000.00	1,380.00	98,620.00	0.00
603	Lifeguard Program	200,000.00	0.00	200,000.00	0.00
604	Preventative Programs	100,000.00	0.00	100,000.00	0.00
<b>Subtotal</b>	<b>Safety and Security</b>	<b>900,000.00</b>	<b>1,380.00</b>	<b>898,620.00</b>	<b>0.00</b>
<b>Tourism Research</b>					
506	Infrastructure Research (Accomodations and Airseats)	60,000.00	0.00	60,000.00	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>Planning</b>					
652	Planning Tools and Assessments	410,000.00	0.00	410,000.00	0.00
653	Hotspot Mitigation	500,000.00	0.00	500,000.00	0.00
654	Program Evaluation	500,000.00	300,000.00	200,000.00	300,000.00
655	Community Engagement	175,000.00	0.00	175,000.00	0.00
656	Community Tourism Collaborative	400,000.00	0.00	400,000.00	0.00
697	Memberships and Dues - Planning	3,200.00	0.00	3,200.00	0.00
698	Travel - Planning	17,000.00	0.00	17,000.00	0.00
<b>Subtotal</b>	<b>Planning</b>	<b>2,005,200.00</b>	<b>300,000.00</b>	<b>1,705,200.00</b>	<b>300,000.00</b>
<b>Administrative</b>					
101	Community-Industry Outreach & Public Relations Svcs	200,000.00	0.00	200,000.00	0.00
103	hawaiiitourismauthority.org (formerly HTA web/Global Social)	100,000.00	0.00	100,000.00	0.00
901	General and Administrative	648,700.00	41,845.46	606,854.54	619.90
930	State Employee Salaries - Admin	1,379,778.00	1,179,778.00	200,000.00	0.00
998	Travel - Admin	50,411.00	0.00	50,411.00	0.00
<b>Subtotal</b>	<b>Administrative</b>	<b>2,378,889.00</b>	<b>1,221,623.46</b>	<b>1,157,265.54</b>	<b>619.90</b>
<b>Governance and Org-Wide</b>					
915	Organization-Wide	230,000.00	0.00	230,000.00	0.00
919	Governance - Gen Board/Others	121,800.00	82,637.96	39,162.04	3,355.53
931	State Employees Fringe	1,110,000.00	1,110,000.00	0.00	0.00
<b>Subtotal</b>	<b>Governance and Org-Wide</b>	<b>1,461,800.00</b>	<b>1,192,637.96</b>	<b>269,162.04</b>	<b>3,355.53</b>
<b>Total</b>	<b>FY 2022 Funds</b>	<b>48,850,000.00</b>	<b>31,588,072.84</b>	<b>17,261,927.16</b>	<b>303,975.43</b>
<b>Convention Center Federal Fund</b>					
<b>Branding</b>					
934	State Employee Salaries - Branding	72,958.00	72,958.00	0.00	0.00
<b>Subtotal</b>	<b>Branding</b>	<b>72,958.00</b>	<b>72,958.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Administrative</b>					
930	State Employee Salaries - Admin	247,042.00	247,042.00	0.00	0.00
<b>Subtotal</b>	<b>Administrative</b>	<b>247,042.00</b>	<b>247,042.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Governance and Org-Wide</b>					
931	State Employees Fringe	170,000.00	170,000.00	0.00	0.00
<b>Subtotal</b>	<b>Governance and Org-Wide</b>	<b>170,000.00</b>	<b>170,000.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total</b>	<b>FY 2022 Funds</b>	<b>490,000.00</b>	<b>490,000.00</b>	<b>0.00</b>	<b>0.00</b>

**4.5**  
Budget Statement

July 31, 2021



Hawaii Tourism Authority  
Budget Statement  
July 1, 2021

**Note:** This schedule summarizes transactions that were encumbered with FY21 funds, processed by FY22 business. See further discussion in Executive Summary.

Program Code	Program Title	FY21 Funds Transactions, Processed in FY22
<b>Perpetuating Hawaiian Culture</b>		
201	Kukulu Ola: Living Hawaiian Cultural Prog	-
202	Hawaiian Culture Initiative	-
206	Kahea Program - Harbor Greetings	-
207	Kahea Program - Airport Greetings	-
208	Hawaiian Music and Dance Center	5,948,568
212	Merrie Monarch Hula Festival	-
215	Hawaiian Culture Opportunity Fund	99,995
216	Olelo Hawaii	-
297	Memberships and Dues - Hawaiian Culture	-
717	Monthly Music Series	-
932	Salaries - Hawaiian Culture	-
	<b>Total - Perpetuating Hawaiian Culture</b>	<b>6,048,563</b>
<b>Natural Resources</b>		
402	Aloha Aina (formerly NR and Leg Prov NR)	-
406	Visitor Impact Program	-
407	Hawaii Eco Tourism Association	-
499	In-House Contracted Staff - Natural Resources	-
936	State Employee Salaries - Natural Resources	-
	<b>Total - Natural Resources</b>	<b>-</b>
<b>Community</b>		
700	Community Opportunity	-
701	Community Enrichment Program	-
731	Community-Based Tourism - Oahu	-
732	Community-Based Tourism - Maui County	20,000
733	Community-Based Tourism - Hawaii Island	15,000
734	Community-Based Tourism - Kauai	15,000
797	Memberships and Dues - Community	-
933	State Employee Salaries - Community	-
	<b>Total - Community</b>	<b>50,000</b>
<b>Branding</b>		
4	Cruise Infrastructure Improvements and Arrival Experienc	-
318	gohawaii.com (formerly Online Website Coordination)	-
320	Island Chapters Staffing and Admin	-
321	US (formerly North America)	-
322	Canada	800,000
323	Japan	-
324	Korea	-
325	Oceania	-
329	China	-
331	Meetings, Convention & Incentives	-
339	Global Digital Marketing Strategy (former Intl Online Stra	-
350	Global Mkt Shared Resces (formerly Intellect Prop Data B	-
380	Marketing Opportunity Fund	-
397	Memberships and Dues - Branding	-
398	Travel - Branding	-
723	Hawaii Film Office Partnership	-
934	State Employee Salaries - Branding	-
	<b>Total - Branding</b>	<b>800,000</b>
<b>Sports</b>		
312	PGA Tour Contracts	-
377	Polynesian Football HoF	-
378	UH Athletics Branding Partnership	-
384	Football	-
	<b>Total - Sports</b>	<b>-</b>
<b>Safety and Security</b>		
601	Visitor Assistance Programs	55,000
602	Crisis Management	-
	<b>Total - Safety and Security</b>	<b>55,000</b>

Hawaii Tourism Authority  
Budget Statement  
July 1, 2021

<b>Tourism Research</b>		
505	Est of Visitor Arrivals by Country by Month	-
506	Infrastructure Research (Accomodations and Airseats)	-
512	Visitor Arrivals and Departure Surveys	(390,082)
513	Evaluation and Performance Studies	-
514	Marketing Research	-
597	Memberships and Dues - Research	-
935	State Employee Salaries - Research	-
	<b>Total - Tourism Research</b>	<b>(390,082)</b>
<b>Administrative</b>		
101	Community-Industry Outreach & Public Relations Svcs	200,000
103	hawaiitourismauthority.org (formerly HTA web/Global Sc	-
901	General and Administrative	-
909	Protocol Fund	-
930	State Employee Salaries - Admin	-
	<b>Total - Administrative</b>	<b>200,000</b>
<b>Governance and Organization-Wide</b>		
915	Organization-Wide	-
919	Governance - Gen Board/Others	-
931	State Employees Fringe	-
	<b>Total - Governance and Organization-Wide</b>	<b>-</b>
	<b>Total</b>	<b>6,763,481</b>

**Convention Center Enterprise Special Fund:**

<b>Branding</b>		
934	State Employee Salaries - Branding	-
	<b>Total - Branding</b>	<b>-</b>
<b>Administrative</b>		
930	State Employee Salaries - Admin	-
	<b>Total - Administrative</b>	<b>-</b>
<b>HCC Operations</b>		
850	HCC Operating Expense	13,186,400
860	HCC Repair and Maintenance	20,960,600
870	HCC Sales and Marketing / MFF	-
871	HCC Local Sales	533,000
	<b>Total - HCC Operations</b>	<b>34,680,000</b>
<b>Governance and Organization-Wide</b>		
915	Organization-Wide	-
931	State Employees Fringe	-
	<b>Total - Governance and Organization-Wide</b>	<b>-</b>
	<b>Total CCESF</b>	<b>34,680,000</b>

## **5**

### Discussion on the Fiscal Year 2023 Legislative Placeholder Budget

## **5.1**

### HTA FY 2022-2023 Budget Request: Background Information



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 [hawaiiitourismauthority.org](http://hawaiiitourismauthority.org)

**David Y. Ige**  
*Governor*

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

January 16, 2022

## **HTA FY 2022-2023 Budget Request: Background Information**

### **HTA's Shift to Destination Management**

- Prior to the 2021 Legislature's passing of HB862, HTA was already working to shift its operational focus to placing a greater emphasis on destination management for tourism. By 2019, while visitor arrivals had climbed to more than 10 million, resident sentiment towards Hawai'i's No. 1 industry was continuing to decline. The public demanded a change in Hawai'i's tourism focus and HTA responded.
- In July 2021, HTA reorganized its structure and operations to become a more effective and efficient destination management organization in alignment with the direction of its 2025 Strategic Plan and guided by HTA's four interacting pillars: Natural Resources, Hawaiian Culture, Community, and Brand Marketing.

### **The Vision of Mālama Ku'u Home**

- HTA has shifted the focus of its purpose from primarily marketing travel to Hawai'i to that of being a more streamlined destination management organization. The centerpiece of this operational focus is the vision of Mālama Ku'u Home (caring for my beloved home), which strives to achieve a regenerative tourism model that is responsive and sensitive to community needs.
- Understanding the significance of tourism's impact as the largest single source of private capital for Hawai'i's economy and a driver of diversification, one of HTA's primary responsibilities is to protect Hawai'i's iconic brand. HTA's kuleana encompasses Hawai'i's natural environment, host culture and community spirit – the qualities that collectively define Hawai'i's unmatched global brand.

### **Funding Tourism Management For Hawai'i**

- In 1998 the Hawai'i State Legislature established the Hawai'i Tourism Authority with annual funding provided from a portion of the Transient Accommodations Tax (TAT) collected from guests staying in hotels and other legal accommodations.
- Through legislative action in 2021, HTA and the Convention Center's funding has transitioned from dedicated annual funding through the Transient Accommodations Tax (via the Tourism Special Fund [TSF] and Convention Center Special Enterprise Fund [CCESF] respectively) to an annual funding request from the Legislature.

- For FY 2021-2022, HTA and the Convention Center was funded with American Rescue Plan (ARP) funds.
- With the end of the Tourism Special Fund, TAT revenues are deposited into the State’s General Fund. In FY 2021-2022, TAT collections are expected to reach \$434 million, then increase to \$513 million in FY 2022-2023, \$560 million in FY 2023-2024, and \$595 million in FY 2024-2025, according to forecasts from the Council on Revenues.
- For FY 2022-2023, HTA is requesting \$60 million from the State’s General Fund for its programs and operations. With no dedicated funding source as in previous years, there is no funding assigned to HTA until the Legislature does so.

**Hawai’i Convention Center**

- For FY 2022-2023, HTA is requesting a \$28.5 million ceiling for the operation of the Convention Center, which needs to accommodate the flow of income as well as expenditures. At this time, CCESF funds can not be expended since an expenditure ceiling for the Convention Center was not authorized for FY 2021-2022.
- HTA is also requesting \$64 million in Capital Improvements from General Obligation bonds to complete critical repairs to the Convention Center’s rooftop deck, which is rusting and has water damage to various structural components. This project is necessary to ensure the safety of users and staff, and to ensure that it remains a first-class meetings facility to attract citywide and group business to Hawai’i.

**Budget Requests At A Glance**

	<b>FY 2022-2023 (requested)</b>	<b>FY 2021-2022</b>	<b>FY 2020-2021</b>
HTA Programs and Operations	\$60 million from General Fund	\$60 million from ARP	\$21.5 million out of \$79 million dedicated funding from TAT (suspended under Governor’s EP, temporarily restarted in June 2021)
Convention Center Operations	\$28.5 million ceiling (limit) from CCESF (money in fund, need authorization to spend)	\$11 million in ARP (authorization to spend CCESF funds revoked)	\$16.5 million from CCESF (funded by TAT)
Convention Center Capital Improvements (GO bonds)	\$64 million from General Obligation bonds	<i>Previous repair and maintenance projects have been funded by the CCESF</i>	

## **Breakdown of \$60M Request to Fund HTA Programs and Operations**

**\$3.7M: Payroll (6%)**

*Includes salaries and fringe of \$1.7M for program staff and \$2M for non-program staff.*

**\$13.6M: Hawaiian Culture (23%)**

*Includes funding support for Kūkulu Ola projects that benefit the Hawaiian culture and community, and that support the advancement of Destination Management Action Plan (DMAP) action items. Also includes NaHHA visitor workforce training.*

*Additionally, it includes \$6.6M in Branding Education programs focused on pre- and post- visitor education in key visitor source markets about Hawai'i's value proposition and their kuleana to mālama our people and place when they visit the state; attracting mindful, respectful and high-value travelers.*

**\$11M: Natural Resources (18%)**

*Includes funding support for Aloha 'Āina projects that protect, enhance and maintain Hawai'i's unique and fragile environment, and that support the advancement of DMAP action items. Also includes \$6.6M in Branding Education programs.*

**\$13.3M: Community (22%)**

*Includes DMAP implementation on each island (including \$1.8M earmarked for HTA Planning Division's efforts), workforce development, and providing funding support to Community Enrichment programs that support residents while also serving as a bridge to connecting our communities with visitors. Also includes \$6.6M in Branding Education programs and \$1.2M in Safety and Security programs, such as visitor assistance programs on each island.*

**\$14.4M: Branding (24%)**

*Includes \$6.3M to support HTA's Global Marketing Team, including their staffing and admin costs. Also includes \$8.1M in Other Branding costs, such as Meetings, Conventions, and Incentives (MCI) and an allocation to reflect the branding efforts of the Island Chapters.*

*To reiterate, the focus is on pre- and post- visitor education in key visitor source markets about Hawai'i's value proposition and their kuleana to mālama our people and place when they visit the state; attracting mindful, respectful and high-value travelers.*

**\$2.7M: Sports (5%)**

*The PGA contract will be renegotiated.*

**\$1.3M: Administrative, Governance and Organization-Wide (2%)**

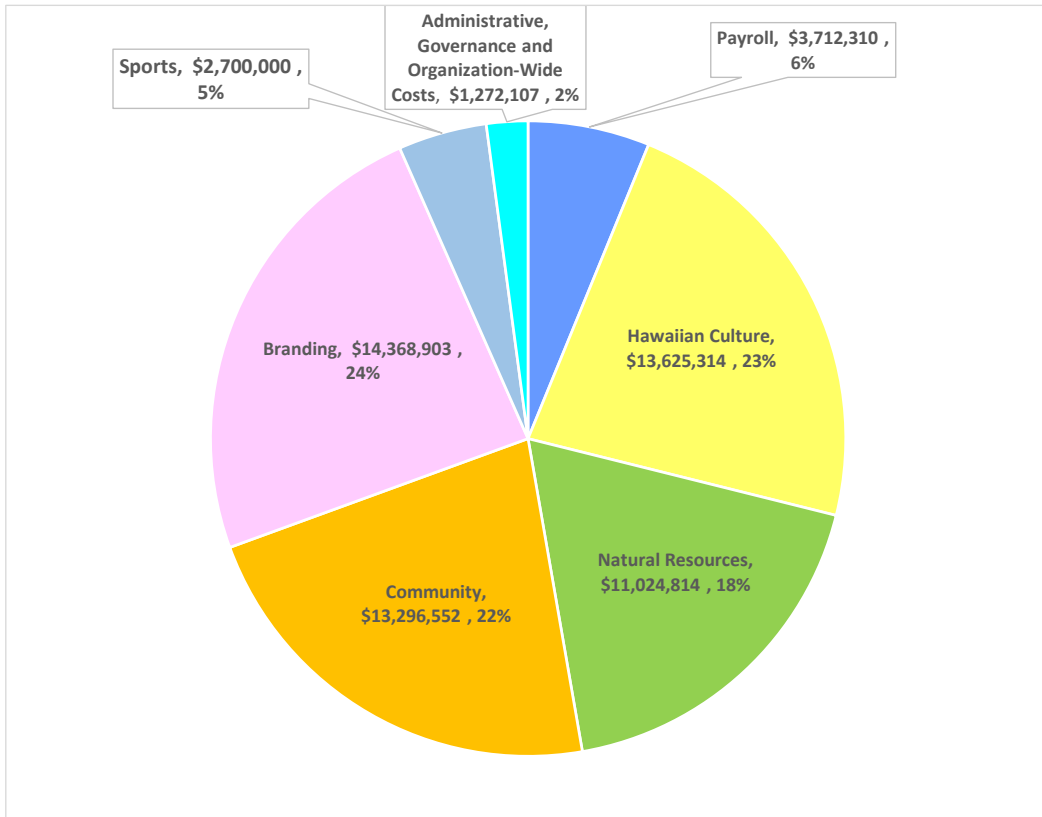
*Includes operational, Board and audit costs.*

**5.1**  
HTA FY 20 Draft Budget  
to Support Legislative Request



Hawaii Tourism Authority  
 FY 2023 Draft Budget to Support Legislative Request

	FY 2023		
	Detail	Totals	%
<b>Payroll</b>		3,712,310	6.2%
Program Staff (Salaries and Fringe)	1,707,804		
Non-Program Staff (Salaries and Fringe)	2,004,506		
<b>Hawaiian Culture</b>		13,625,314	22.7%
Programs (includes DMAPs)	6,265,500		
Branding Education (Paid media, PR, Trade)	6,572,314		
Island Chapters	787,500		
<b>Natural Resources</b>		11,024,814	18.4%
Programs (includes DMAPs)	3,665,000		
Branding Education (Paid media, PR, Trade)	6,572,314		
Island Chapters	787,500		
<b>Community</b>		13,296,552	22.2%
Programs (includes DMAPs)	2,915,500		
Branding Education (Paid media, PR, Trade)	6,572,314		
Island Chapters	787,500		
Safety and Security	1,221,238		
Planning Department's DMAP Programs	1,800,000		
<b>Branding</b>		14,368,903	23.9%
Global Marketing Teams (incl GMT Staffing)	6,226,403		
Non-GMTs (MCI and other Branding costs)	7,355,000		
Island Chapters	787,500		
<b>Sports</b>	2,700,000	2,700,000	4.5%
<b>Administrative, Governance and Organization-Wide Costs</b>	1,272,107	1,272,107	2.1%
		<u>60,000,000</u>	<u>100%</u>



## **6**

### Discussion on New Fiscal Year Budget Timeline and Process

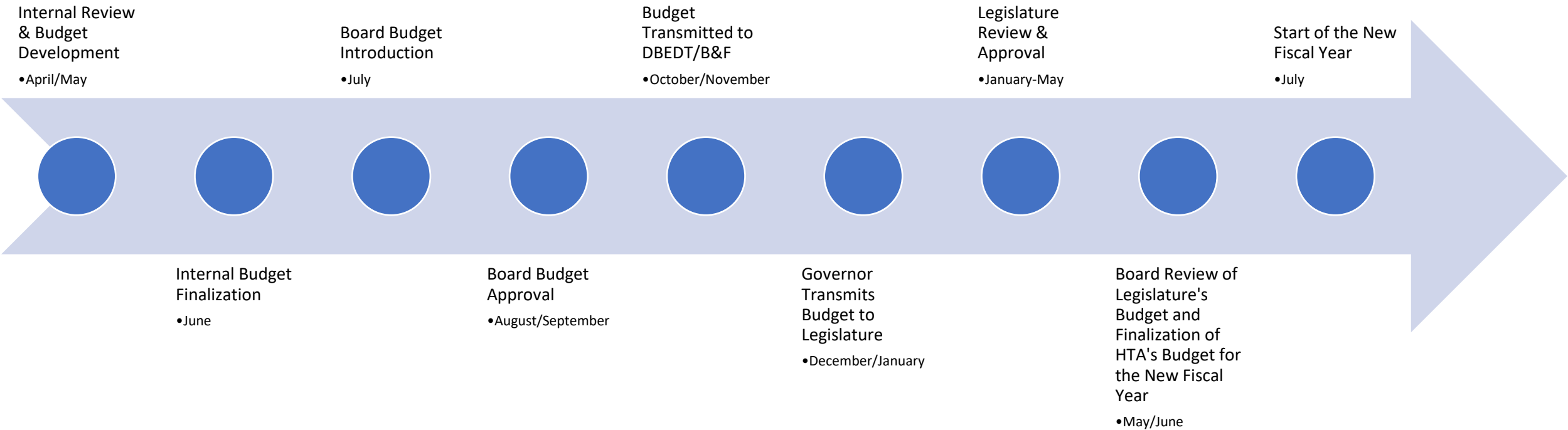
## **6.1**

### Legislative Fiscal Year Budget Process

<b>Legislative Fiscal Year Budget Process</b>		
<b>Date</b>	<b>Task</b>	<b>Notes</b>
April/May	Staff starts reviewing needs for next fiscal year. Builds basic budget for their respective areas.	This begins the process for the next fiscal year budget that will be included in the legislative proposal that comes from the Governor.
June	Staff begins to finalize budget proposal. Review proposals by programs, make revisions, and finalize internal version of proposal to the board.	This is the first round of internal reviews of the proposals that will come from the teams. This is to ensure alignment with overall HTA direction.
July	Introduce draft budget proposal to board. Provide overview of requests by budget line items. Meet with board members to go over requests and answer questions.	This is the start of the board's review of the proposal that staff has worked on. Staff will work with the BFCC committee to review the proposal to include non-BFCC board members for their input/feedback.
August/September	Board approves draft for next fiscal year budget.	Ideally, the board would approve the proposed next fiscal year budget in August but an additional month has been provided to address any issues/concerns that may take time to address at the board and team levels.
October/November	Proposed fiscal year budget is transmitted through DBEDT to B&F and eventually approved by Governor.	Historically, the department requests all divisions and attached agencies to submit their proposed budget for the next fiscal year no later than November. Discussions on the budget have started earlier than November which is why we have added October as a potential due date to transmit the HTA's proposed budget.
December/January	Budget transmitted to legislature by Governor. Info briefings scheduled in the House and Senate.	The governor is required to transmit her/his budget to the legislature at least 30 days before the legislature convenes in regular session. Typically, the budget is transmitted to the legislature by/on December 20 <sup>th</sup> .
May	End of session.	The HTA board will know by the end of the session what funds have been appropriated to it through the legislative process. The date may be earlier than May if the legislature approves a budget and transmits it to the governor for her/his approval before May.

May/June	HTA Board reviews the outcome of the legislative process and adjusts its budget (if necessary). Board ratifies next fiscal year budget.	The board will need to review the budget that has been approved through the legislative process. This may or may not align with what was previously reviewed and approved by the board. This may require that the board adjust the HTA's budget to ensure alignment with the legislature's budget.
July	Start of New Fiscal Year	This is the start of the expenditures of funds for the new fiscal year budget that was originally presented to the Board in the prior July period and subjected to the legislative process.

# Legislative Fiscal Year Budget Process Timeline



## **6.2**

### Development and Approval of Legislative Budget Procedure

#400-51.01

Budgeting

# Development and Approval of Legislative Budget Procedure



## Procedure Purpose

The following procedure is intended to assist in applying the *400-51 Legislative Budget Policy*. The procedure provides guidance on the process by which the legislature determines the Authority's appropriation for the next fiscal year.

## Procedure

Responsible Party	Tasks
	<b>A. OVERVIEW</b>
	<ol style="list-style-type: none"> <li>1. The legislative budget is a high-level budget used to determine the Authority's appropriation for the next fiscal year. Separate budgets are prepared for the Tourism Special Fund and the Hawaii Convention Center Enterprise Fund. For legislative purposes the Authority is included under the Department of Business, Economic Development &amp; Tourism (DBEDT).</li> <li>2. The appropriation level is the main driver of the Authority's operational budget.</li> </ol>
	<b>B. LEGISLATIVE BUDGET PROCESS</b>
<p>State Legislature</p> <p>DBEDT</p> <p>VP of Finance</p> <p>Chief Administrative Office Director of Communications</p>	<ol style="list-style-type: none"> <li>1. Prepare legislative testimony and budget instructions (Governor's budget for all executive branches) and send to DBEDT.</li> <li>2. Forward the legislative testimony and budget instructions to the Authority.</li> <li>3. Receive the legislative testimony and budget instructions. (Usually occurs in November.)</li> <li>4. Coordinate with the Fiscal Officer and Finance staff, as necessary, to prepare the legislative budget worksheet amounts. Budget worksheets are included as "Tables" within the DBEDT testimony. Tables typically include "Non-General Fund Balances", listing of open contracts, and other requested information.</li> <li>5. Since the Authority presents its own separate testimony to the Legislature, in addition to the legislative budget worksheets to be included in DBEDT's testimony package, coordinate the preparation of the Authority's legislative testimony package. To prepare the testimony, gather input from discussions with the President &amp; CEO, VP of Marketing and Product Development, Program staff, Chief Administrative Officer, VP of Finance, Fiscal Officer, and the</li> </ol>



	<p>Research team. The Authority's individual testimony is typically submitted in early January, and has historically included:</p> <ol style="list-style-type: none"> <li>a. Narrative testimony</li> <li>b. Overview of the Authority (including a glossary of marketing and experience elements)</li> <li>c. Visitor Industry Impacts</li> <li>d. Key Performance Indicators/Performance Measures/Outcomes</li> <li>e. Transient Accommodations Tax distribution</li> <li>f. Budgets for the current and following (draft) fiscal years</li> <li>g. Other pertinent information in consideration of needs and foreseen issues</li> </ol>
President & CEO	6. Submit the draft to the President & CEO for review.
CAO	7. Review intended submittals.
DBEDT	8. Provide the approved budget and testimony to DBEDT.
	9. Combine the Authority's testimony (legislative budget worksheets) and budget with DBEDT's testimony and budget.
State Legislature	10. Hold legislative budget hearings. Any revisions to the budget are submitted to the Authority for finalization.
VP of Finance, DBEDT	11. Finalize the legislative budget. Once finalized, return to DBEDT for submission.
	12. Submit the legislative budget to the state legislature.
State Legislature	13. Approximately in April (during final decking), finalize the budget in conference committee.
	14. Pass the legislative budget bill and forward to the governor for signature.
Governor	15. Sign the legislative budget bill into law.
	<p>See the <i>400-50.01 Development and Approval of Operating Budget Procedure</i>.</p>


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## Related Policies

- 400-51 Legislative Budget Policy

## **7**

Presentation, Discussion and Action to Allocate  
FY22 Funds to Support HTA's Branding Partnership with  
University of Hawai'i Athletics through Funding of  
HTA's Contract with the Big West Conference



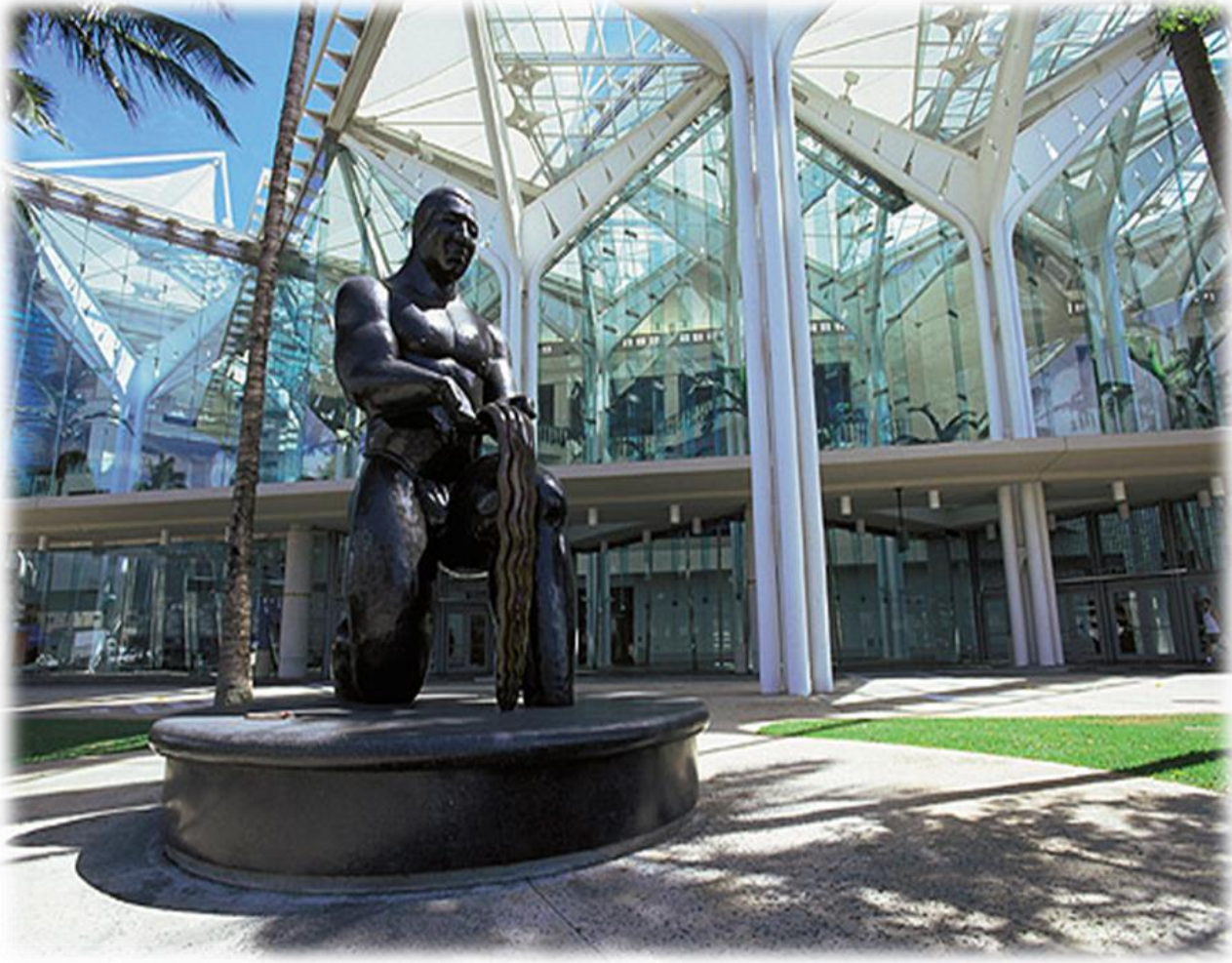
# BIG WEST CONFERENCE SPONSORSHIP ENCUMBRANCE

- Contract term runs 2021-2023
- Provides for HTA's sponsorship of Big West Men's & Women's Basketball and Men's Volleyball conference tournaments
- \$167k obligation for FY22 which was not included in 2022 budget
- Requesting committee approve transfer of funds from FY22 \$1.5M unallocated sports budget

## **8**

### Presentation, Discussion and Action on the Hawai'i Convention Center's January Financial Report

# *Hawai'i Convention Center*



*February 2022  
Update*

# *Hawai'i Convention Center*

- Impact to HCC in FY22, cancellations and lost revenue impact:
  - 2 associations - \$238k in lost revenue
  - 3 city-wide corporate event - \$373k in lost revenue
  - 32 local events - \$1.65M in lost revenue
- Positive note, business on the books in remainder of FY22
  - 41 Definite events, including 2 city-wide events
  - 24 First Option events, including 4 sporting events

Future Events: As of January 31 we no longer have any Covid-restrictions for large structured events



# Financial Update

	January YTD Actual	FY 2022 Forecast	FY 2022 Budget	Variance	CY 2019 Actual
Facility Occupancy	44%	22%	20%	2%	32%
Facility Number of Events	128	190	100	90	238
Facility Gross Revenue	\$3,564,900	\$6,431,800	\$7,701,500	(\$1,269,700)	\$16,866,900
Facility Gross Expenses	\$6,431,000	\$11,945,800	\$13,218,900	\$1,273,100	\$17,649,200
Facility Net Loss	(\$2,866,100)	(\$5,514,000)	(\$5,517,400)	\$3,400	(\$782,300)
S&M Net Expenses	(\$272,800)	(\$533,000)	(\$533,000)	\$0	(\$5,315,00)
HCC Net Loss	(\$3,138,900)	(\$6,047,000)	(\$6,050,400)	\$3,400	(\$6,097,300)

# **Repair and Maintenance Projects Update**



# Repair & Maintenance Projects

## 6-Year Plan (page 1)

Project #	Project Title	Estimated Project Cost	Status (A/P/NA)	Intended Funding Source(s) (TFF/CCESF/GOB/GF/ AHF)	Funds Transferred to ASM (T/P/NT)	Prior Fiscal, incl FY22 to date	Remaining FY22	FY23	FY24	FY25	FY26	FY27	Total
001	Rooftop Terrace Deck Repair	\$ 55,900,000	P	GOB	NT	\$ -	\$ -	\$ 55,900,000					\$ 55,900,000
	Rooftop Terrace Deck Repair	\$ 8,100,000	P	AHF	T	\$ -	\$ 8,100,000						\$ 8,100,000
002	Rooftop Terrace Deck Repair, Pre-planning	\$ 340,208	A	AHF	T	\$ 302,498	\$ 37,710						\$ 340,208
003	Building Envelope Repairs	\$ 18,631,604	A	AHF	NT	\$ 227,980	\$ 8,195,111	\$ 10,208,514					\$ 18,631,605
007	Kitchen Hood Control Panel and Fire Suppres	\$ 1,102,366		ARPA	NT	\$ 31,113	\$ 557,944	\$ 513,309					\$ 1,102,366
008	F&B Refrigerator Replacement (#348)	\$ 319,004	A	AHF	NT	\$ 14,047	\$ -	\$ -	\$ -	\$ 304,957			\$ 319,004
009	Slate Tile Repair	\$ 2,142,108		AHF	T	\$ 12,963	\$ 1,065,256	\$ 1,063,888					\$ 2,142,107
010	Chiller Replacement	\$ 4,363,870		ARPA	NT	\$ -	\$ 30,000	\$ 4,333,870					\$ 4,363,870
	Chiller Replacement	\$ 275,000		AHF	T	\$ 13,247	\$ 261,753						\$ 275,000
011	Ballroom Gutter, Foyer Transom Glass Repair	\$ 10,635,599		AHF	NT	\$ 25,873	\$ 2,605,661	\$ 8,004,065					\$ 10,635,599
012	Parapet Roof Repairs	\$ 2,959,559		ARPA	NT	\$ -	\$ -	\$ 2,959,559					\$ 2,959,559
	Parapet Roof Repairs	\$ 45,000		AHF	T	\$ 10,404	\$ 34,596						\$ 45,000
013	Ballroom Roof Repairs	\$ 2,143,187		AHF	T	\$ 6,712	\$ 1,330,429	\$ 806,046					\$ 2,143,187
014	Lobby Water Feature	\$ 1,035,800		AHF	NT	\$ 1,985	\$ -	\$ -	\$ 253,946	\$ 779,869			\$ 1,035,800
015	House Sound Audio System Upgrade	\$ 1,344,650	A	AHF	T	\$ 9,183	\$ -	\$ 1,335,467					\$ 1,344,650
016	Camera, NVR and Access Control	\$ 2,000,246	A	AHF	T	\$ 1,185,551	\$ 814,695						\$ 2,000,246
017	Trellis Replacement	\$ 5,000,000	A	AHF	T	\$ 3,242,933	\$ 1,757,067						\$ 5,000,000
022	Chill Water Pipe Reinsulation	\$ 250,000	A	AHF	T	\$ -	\$ 250,000						\$ 250,000
023	Air Wall Repairs	\$ 400,000	A	ARPA	NT	\$ -	\$ -	\$ 400,000					\$ 400,000
024	Roll-up Door Replacement	\$ 225,000	A	AHF	T	\$ 23,656	\$ 201,344						\$ 225,000
025	Ballroom / Mtg Rm Wallpaper Replacement	\$ 450,000	A	ARPA	NT	\$ -	\$ 450,000						\$ 450,000

# Repair & Maintenance Projects

## 6-Year Plan (page 2)

Project #	Project Title	Estimated Project Cost	Status (A/P/NA)	Intended Funding Source(s) (TFF/CCESEF/GOB/GF/ AHF)	Funds Transferred to ASM (T/P/NT)	Prior Fiscal, incl FY22 to date	Remaining FY22	FY23	FY24	FY25	FY26	FY27	Total
026	IT Network Upgrades	\$ 125,000	A	AHF	NT	\$ -	\$ -	\$ -	\$ 55,000	\$ 70,000			\$ 125,000
027	Ice Machines Replacement	\$ 500,000	A	AHF	NT	\$ -	\$ 250,000	\$ 250,000					\$ 500,000
028	Theatre 310 and 320 Furnishings Upgrade	\$ 750,000	A	AHF	NT	\$ -	\$ -	\$ -	\$ -	\$ 375,000	\$ 375,000		\$ 750,000
029	Theatre 310 and 320 Seating Upgrade	\$ 500,000	A	AHF	NT	\$ 155	\$ -	\$ -	\$ -	\$ 249,845	\$ 250,000		\$ 500,000
030	FB China and Equipment Upgrade	\$ 3,500,000	A	AHF	NT	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000			\$ 3,500,000
031	Ala Wai Waterfall Repair	\$ 1,013,271	A	AHF	NT	\$ 1,985	\$ -	\$ -	\$ 1,011,286				\$ 1,013,271
035	Stairwell 5 and 6 Repair	\$ 1,189,205	A	ARPA	NT	\$ 15,930	\$ 25,000	\$ 1,148,275					\$ 1,189,205
036	Water Intrusion Remediation	\$ 400,000		AHF	T	\$ 10,106	\$ 389,894						\$ 400,000
037	Exterior Security Camera Upgrade	\$ 150,000		AHF	T	\$ -	\$ 150,000						\$ 150,000
038	Leak Repairs - December 2021	\$ 249,779	Emerg	AHF	T	\$ -	\$ 249,779						\$ 249,779
039	Leak Repairs - January 2022	\$ 170,000	Emerg	AHF	T	\$ -	\$ 170,000						\$ 170,000
040	Exterior Planter Repair	\$ 9,000,000				\$ -	\$ -	\$ -	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000		\$ 9,000,000
041	Children's Courtyard Repair	\$ 250,000				\$ -	\$ -	\$ -	\$ 250,000				\$ 250,000
042	Kahakai/Atkins Drywell Rehabilitation	\$ 250,000				\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000		\$ 250,000
043	Air Handler Unit 9 and 10 Replacement	\$ 300,000				\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000		\$ 300,000
044	Fire Sprinkler Line Refurbishment	\$ 270,000				\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,000	\$ 100,000	\$ 170,000
045	Escalator and Elevator Refurbishment	\$ 1,000,000				\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000	\$ 200,000	\$ 400,000
046	LED Light Upgrade	\$ 1,700,000				\$ -	\$ -	\$ -	\$ 500,000	\$ 200,000	\$ 500,000	\$ 500,000	\$ 1,700,000
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	\$ 300,000				\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000		\$ 300,000
050	Main Kitchen Flooring Replacement	\$ 2,000,000				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000
051	PBX System Replacement	\$ 50,000				\$ -	\$ -	\$ -	\$ -	\$ -	\$ 50,000		\$ 50,000
052	Ride-on Sweeper Replacement	\$ 25,000				\$ -	\$ -	\$ 25,000					\$ 25,000
053	Forklift	\$ 25,000				\$ -	\$ -	\$ 25,000					\$ 25,000
054	Boardroom Upgrade	\$ 1,000,000				\$ -	\$ -	\$ -	\$ -	\$ 1,000,000			\$ 1,000,000
055	Elevator #2 Upgrade	\$ 250,000				\$ -	\$ -	\$ -	\$ 250,000				\$ 250,000
	GRAND TOTAL	\$ 142,930,456				\$ 5,136,321	\$ 26,926,239	\$ 87,172,993	\$ 5,320,232	\$ 9,479,671	\$ 5,395,000	\$ 2,800,000	\$ 142,230,456

# Repair & Maintenance Projects

## ARPA Funding

- *Stairwell 5 and 6 Repairs; \$1,189,205; Qtr end June 2023*
- *Chiller Replacement; \$4,363,870; Qtr end Sept 2023*
- *Parapet Roof Repairs; \$2,959,559; Qtr end June 2023*
- *Kitchen Hood Control Panel and Fire Suppression Upgrade; \$1,102,366; Qtr end Dec 2022*
- *Ballroom and Meeting Room Wallpaper Replacement; \$450,000, Qtr end Dec 2022*
- *Air Wall Repairs; \$400,000, Qtr end Dec 2022*
  
- *TOTAL: \$10,465,000*



# Repair & Maintenance Projects Completed

- *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, \$720k, completed 2021*
- *Emergency Generator Repairs, \$32k, completed 2021*
- *Window Repairs – Vandalism, \$177k, completed 2021*

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

Mahalo Nui Loa

## **8.1**

### Hawaii Convention Center Rooftop Terrace Deck Further Options



# HAWAII CONVENTION CENTER ROOFTOP TERRACE DECK FURTHER OPTIONS



FEBRUARY 2022



# HAWAII CONVENTION CENTER | AGENDA

- Recently considered options (estimates)
- Reduced funding request
- Option D. Temporary repair now, permanent repair later
- Questions



## DECK IMPROVEMENT COSTS – OPTIONS CONSIDERED (ESTIMATES)

OPTIONS	\$ millions
A. Repair the deck, adding structural augmentation (if required, at additional cost), with pedestal pavers as the finished wearing surface, and repair Stairs 5 & 6.	54
B. Ditto and install additional electrically operated shading so that, together with the existing electrically operated shading, approximately 50% of the total deck area would be covered.	64
C. Repair the deck, construct a new Ballroom which would cover approximately 50% of the total deck area, and repair Stairs 5 & 6. (Cost excludes Ballroom FF&E).	122

Pricing based on October 2021 costs and escalated to the anticipated midpoint of construction of June 2023.

# HAWAII CONVENTION CENTER

## DECK IMPROVEMENT – REDUCED FUNDING REQUEST

OPTIONS	\$ millions
REPAIR OPTION B. Repair the deck, including: <ul style="list-style-type: none"><li>○ pedestal pavers as the finished wearing surface,</li><li>○ install additional electrically operated shading, and</li><li>○ repair Stairs 5 &amp; 6.</li></ul>	64
<u>LESS</u> Delete additional electrically operated shading	(10)
<u>LESS</u> HCC covering planning cost from current CIP budget	(8)
<b>REDUCED FUNDING REQUEST</b>	46

Pricing based on October 2021 costs and escalated to the anticipated midpoint of construction of June 2023.  
February 2022

## OPTION D. TEMPORARY REPAIR NOW, PERMANENT REPAIR LATER

- HTA has been asked to consider finding a (low cost) ‘temporary’ repair option, so that funding of the complete repair can be delayed.
- A reminder that, in March 2012, ABB stated that:
  - “Scope that is anything less than full demolition, repair, and replacement of deck layers will not eliminate the fundamental problem...”;
  - “If left unrepaired the water will continue to collect in the sub-layers of the deck and compromise the structural reinforced concrete slab that provides stability and foundation for the 4th floor....”;
  - “Bottom line – the less footprint that is included in the scope...the more increased the risk is present for future leaks and problems to continue”.
- It is estimated that a ‘temporary repair’ could **cost between \$14m and \$15m** if carried out in 2022.
  - Convention Center would be interrupted during the construction work,
  - The Rooftop Terrace Deck would not be useable until the permanent repair is completed,
  - Stairwells 5 & 6 would not be permanently fixed,
  - Damage to the structure will continue but perhaps at a lesser rate, and
  - Cost of final repair would escalate rapidly.

## **OPTION D. TEMPORARY REPAIR NOW, PERMANENT REPAIR LATER**

### Scope of work

- Demolish Sports Court
- Demolish landscaping
- Demolish water features
- Temporary lightweight sloping concrete in areas previously landscaped or with water features
- Blast clean and prepare existing wearing slab for new waterproofing
- Clean and make temporary repairs to roof drains
- Minor repairs to exterior bathroom wall
- Temporary repairs to Stars 5 & 6 (but closed to access on Level 4)
- New waterproofing membrane and pads
- Flood test roof.

## OPTION D. TEMPORARY REPAIR NOW, PERMANENT REPAIR LATER

### Cost implications

#### **On the plus side:**

- Some work such as demolition of landscaping and water features will be done under the temporary contract and therefore will not need to be done as part of the permanent repair.

#### **On the minus side:**

- Cost of permanent repair will continue to escalate;
- The 'temporary' repair cannot address all the items that need attention and so the scope of damage that will have to be covered in the permanent repair will continue to increase; and
- There is an increasing chance that part, or whole, of deck structure will fail (compromise of the structural reinforced concrete slab that provides stability and foundation for the 4th floor).

# HAWAII CONVENTION CENTER

## OPTION D. TEMPORARY REPAIR NOW, PERMANENT REPAIR LATER

YEAR FUNDING APPROVED	ADDITIONAL COST OF REPAIRING WORK NOT DONE IN TEMPORARY REPAIR*	OPTION B PERMANENT REPAIR COST ESCALATION	TOTAL ADDITIONAL COST OF DELAYED OPTION B PERMANENT REPAIR (after 'temporary' repair in 2022)
2022	Not Applicable	Not Applicable	Not Applicable
2023	+\$3.5 million	+\$8.3 million	\$11.8 million
2024	+\$6.6 million	+\$12.1 million	\$18.7 million
2025	+\$10.8 million	+\$15.3 million	\$26.1 million
2026	+\$14.3 million	+\$18.1 million	\$32.4 million
2027	+\$20.4 million	+\$21.0 million	\$41.4 million
2028	+\$21.6 million	+\$23.9 million	\$45.5 million

\*Includes impact of deterioration and inflation.

# HAWAII CONVENTION CENTER

## OPTION D. TEMPORARY REPAIR NOW, PERMANENT REPAIR LATER

*Example of risk profile of structure failure as permanent repair is delayed*

YEAR FUNDING APPROVED	(EXAMPLE) IF DECK FAILURE %	ADDITIONAL REPAIR COST (incl escalation)
2022	Included in current request	N/A
2023	0	0
2024	5	+\$3 million
2025	15	+\$10 million
2026	35	+\$24 million
2027	60	+\$42 million
2028	100	+\$72 million

**QUESTIONS?**