



TESTIMONY OF DANIEL NĀHO'OPI'I
INTERIM PRESIDENT & CEO, HAWAII TOURISM AUTHORITY
BEFORE THE SENATE COMMITTEE ON WAYS AND MEANS
Wednesday, February 28, 2024 10:01 a.m.
In consideration of
SB 2406 SD 1
RELATING TO THE HAWAII TOURISM AUTHORITY

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee,

The Hawai'i Tourism Authority (HTA) appreciates the opportunity to offer comments on SB2406 SD1, which would require contracts entered into by HTA for management of the Hawai'i Convention Center (HCC) facility to include marketing for all uses of the facility.

HCC is and key to the capacity of the Hawaiian Islands to host large meetings, conventions, and incentives. In 2019, HB226 passed allowing HTA to contract the marketing of all uses of the HCC separately from the management of the facility. Events of scale often require coordination with multiple properties and venues. Sales are approached as selling a destination (Hawai'i) and not selling just a single venue. This allows development and education of the potential client, particularly finding and developing new clients, and identifying new industries. The benefit of a separate marketing arm that also does single-property sales is the ability to exchange leads from single property or vice versa.

Current statute allows HTA to procure marketing services through a competitive bidding process seeking the best value for the state. Nothing precludes the firm managing HCC from bidding on that procurement. In December 2021, HTA awarded a contract for Global Meetings, Conventions, and Incentives (MCI) Marketing and Management Services for the Hawaiian Islands that commenced in January 2022. That contractor has been working diligently to rebuild our meetings, conventions and incentives business in the wake of the pandemic.

Our current HCC management contractor and our Meet Hawai'i contractor have been working well together. In other competitive destinations, it is common practice to separate the marketing of the destination in the MCI market and the operations of their convention centers. Our current arrangement reflects this common industry practice. This measure would remove HTA's ability to seek competitive proposals for this service through the state procurement process.

Planning large scale meetings involves long lead times and often takes years of preparation to execute. With Hawai'i's recovery in that market still in progress and on the right track, this is an especially fragile time to disrupt that important work.

Mahalo for the opportunity to provide these comments on SB2406 SD1.