



TESTIMONY OF DANIEL NĀHO'OPI'I  
INTERIM PRESIDENT & CEO, HAWAII TOURISM AUTHORITY  
BEFORE THE SENATE COMMITTEES ON  
ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM  
AND  
GOVERNMENT OPERATIONS  
Thursday, February 1, 2024 2:00 p.m.  
In consideration of  
**SB 2765**  
**RELATING TO THE STATE CONVENTION CENTER**

Aloha Chairs DeCoite and McKelvey, Vice Chairs Wakai and Gabbard, and Members,

The Hawai'i Tourism Authority (HTA) offers the following comments on SB2765 for your consideration. HTA understands the intent of this measure to transfer oversight of the Hawai'i Convention Center and its enterprise special fund from HTA to the Department of Accounting and General Services (DAGS).

Over the quarter century that the Hawai'i Convention Center has been in operation, it has hosted high-profile international convenings, national and local conferences and conventions, beloved festivals and events, athletic events attracting participants locally and from abroad, and served as an important hub for the state's response to emergencies.

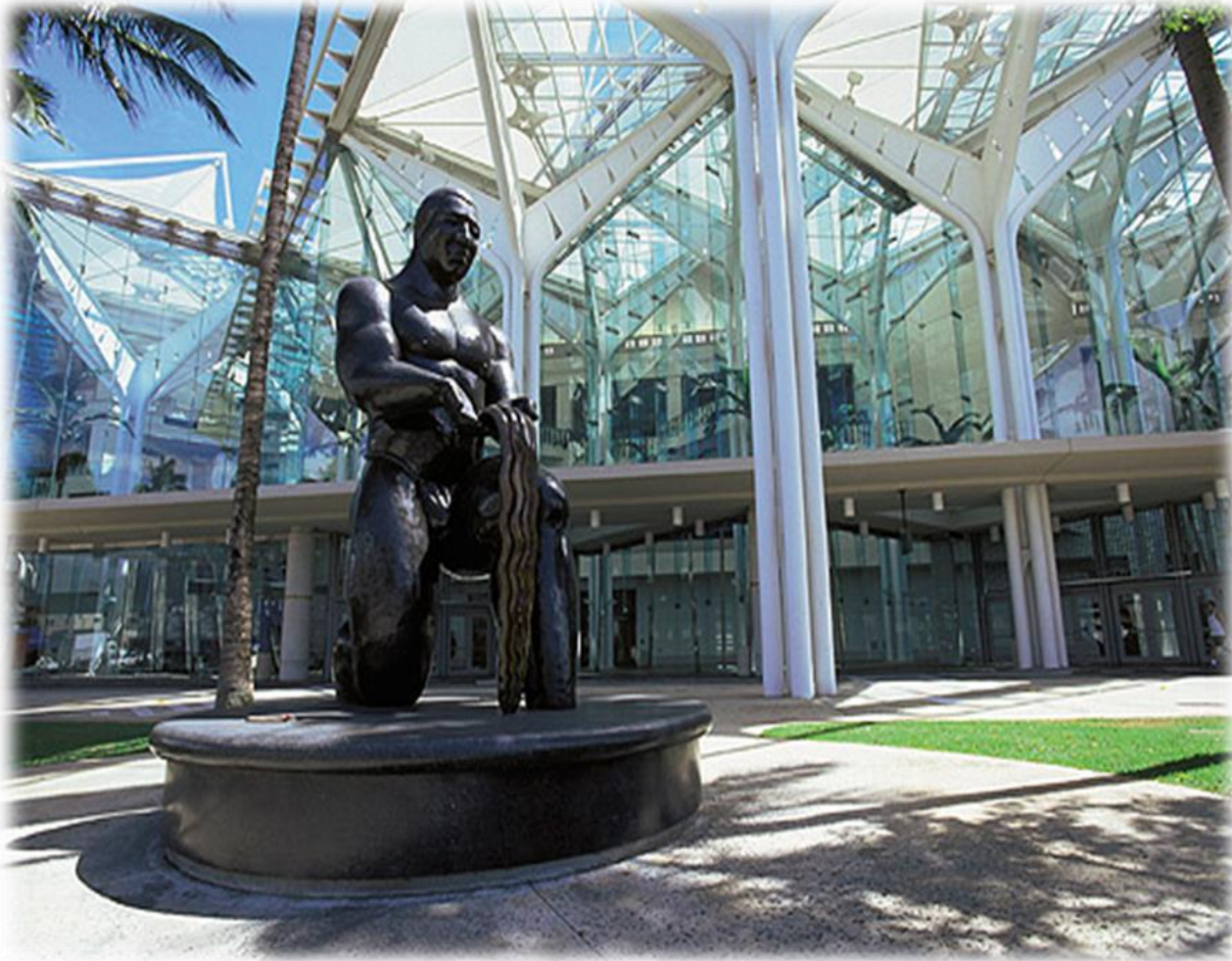
HTA's oversight and management of the Hawai'i Convention Center on the state's behalf leverages our tourism expertise to integrate the center's operations, sales and marketing efforts for local events, and the work of Meet Hawai'i – HTA's global meetings, conventions and incentives marketing effort. The close integration allows Hawai'i as a destination to compete at a high level for large gatherings that attract mindful, high-spending visitors.

We are making good progress on repair projects to maintain this important state asset, including progress on the roof repair. With funding support from the Legislature this session, we will continue to keep to our timeline to complete repairs in 2026. We are also exploring new ideas to contribute to future repair and maintenance needs, such as supporting naming rights for the center.

The HTA board receives monthly presentations from the Convention Center's management contractor, including a financial report, recent and upcoming events, and updates on repair and maintenance projects. The most recent presentation is attached. As shown in the attachment, the state's return on investment (for expenditures on the Convention Center as well as Meet Hawai'i) under HTA's management is **\$18.52 for every dollar spent to date in FY2024**.

For the reasons above, we believe HTA management of the Hawai'i Convention Center is working well for the state. We are poised and eager to continue in our current role, and we appreciate the opportunity to offer these comments on this measure.

# *Hawai'i Convention Center*



*Update for*  
***December 2023***  
*For*  
***(January 2024 meeting)***

# Financial Update

	Dec-23 Actual	FY 2024 Reforecast	FY 2024 Budget	Variance	FY 2023 Actual	FY 2022 Actual
Facility Number of Events	20	243	225	18	273	213
Facility Operating Revenue	\$835,100	\$22,765,200	\$18,354,500	\$4,410,700	\$14,310,800	\$7,178,200
Facility Other Income	\$174,500	\$1,532,200	\$125,700	\$1,406,500	\$135,700	\$78,500
Facility Total Revenue	<b>\$1,009,600</b>	<b>\$24,297,400</b>	<b>\$18,480,200</b>	<b>\$5,817,200</b>	<b>\$14,446,500</b>	<b>\$7,256,700</b>
Facility Operating Expenses	-\$1,649,700	-\$25,085,800	-\$23,812,600	-\$1,273,200	-\$18,412,200	-\$11,842,500
Facility Net Income/(Subsidy)	<b>-\$640,100</b>	<b>-\$788,400</b>	<b>-\$5,332,400</b>	<b>\$4,544,000</b>	<b>-\$3,965,700</b>	<b>-\$4,585,800</b>
Local S&M Operating Expenses	-\$60,400	-\$1,223,700	-\$1,223,700	\$0	-\$959,400	-\$522,600
HCC Net Income/(Subsidy)	<b>-\$700,500</b>	<b>-\$2,012,100</b>	<b>-\$6,556,100</b>	<b>\$4,544,000</b>	<b>-\$4,925,100</b>	<b>-\$5,108,400</b>

# ROI December 2023 FYTD

	<u>FYTD 2024 ROI</u>		<u>CW's FYTD</u>
HCC Revenue + State Revenue	07.23-12.23	\$18.52	(10)
+Tax Revenue	07.23-11.23	\$20.63	(10)
	07.23-10.23	\$23.16	(8)
= \$265.4 M	07.23-09.23	\$18.62	(6)
	07.23-08.23	\$25.91	(5)
HCC Expense + HVCB MCI	07.23	\$30.74	(4)
Expense = \$14.3 M			
	<u>FY 2023 ROI</u>		
	07.22-06.23	\$4.19	(7)

***ROI = For every dollar spent,  
\$18.52 returned to the State***

# Recent Events @ Hawai'i Convention Center

- Sony Open Gala Dinner, Jan 11, 2024, 1,000 attendees
- Hawaii Royale Winter '24, Jan 13-14, 800 attendees (Sports)
- TransPacific Volleyball Championships 2024, Jan 13-15, 2024, 12,000 attendees (CW/Sports)



# Upcoming Local/Citywide Events

- Hawai'i Dental Convention, Jan 25-26, 3,000 attendees
- Hawaiian AAU Grand Prix 2024, Feb 17-19, 4,000 attendees (CW)
- Joy of Sake, Feb 23, 1,000 attendees



# HCC in the News



Honolulu Star Advertiser, Jan 8, 2024

NEWSMAKERS

## HIRES and PROMOTIONS



Edwin Torres

### OUTRIGGER HOSPITALITY GROUP

Edwin Torres is general manager at the Outrigger Kā'anapali Beach Resort, effective in September.

Torres' appointment follows Outrigger Hospitality Group's acquisition of the 11-acre, 432-room Kā'anapali Beach Hotel in July. He previously served as complex general manager, overseeing both the Outrigger Waikiki Beachcomber Hotel and Ohana Waikiki East by Outrigger. He also served as general manager at the Outrigger Waikiki Beachcomber and began his career with Outrigger as food and beverage director at the Outrigger Guam Beach Resort. Other

She started her hospitality career as a guest services manager at The Royal Hawaiian, a Luxury Collection Resort.



Alexander Figler

### CASTLE HOSPITALITY GROUP

Alexander Figler was named Castle Vacation Rentals Hawai'i (CRVH) operations manager in

September. CRVH markets vacation rental units throughout the state using exclusive distribution technology. Figler will focus on guest and homeowner satisfaction. He will also coordinate operations and guest services, including housekeeping, maintenance and repairs. Previously, Figler served as guest experience manager at the Ala Moana Hotel.



Brooke Tadana

### HAWAII CONVENTION CENTER

The Hawai'i Convention Center in April welcomed Executive Chef Brooke Tadana to direct the

center's culinary offerings. Tadana has more than a decade of culinary leadership experience, most recently working as executive sous chef at the Hilton Hawaiian Village starting in 2014. He also served as an executive sous chef at Moana Surfrider, A Westin Resort & Spa, and as a banquet chef at the Hilton Hawaiian Village. Tadana earned his associate degree in occupational studies from the Culinary Institute of America in New York and attended Kapi'olani Community College in Honolulu.

Hawai'i Hospitality Magazine, Winter '23-24 issue



# Carbon Offset Program

- This is a first-of-its-kind Carbon Offset Program that provides meeting organizers with the opportunity to offset the carbon footprint of their meeting.
- Participating events include:
  - CHEST 2023 (42 trees)
  - 2023 International Conference on Machine Learning (36 trees)
  - 2023 Made in Hawaii Festival (12 trees)
  - 2023 Okinawan Festival (11 trees)



<b>Total Contributions</b>	<b>Partner Trees Planted</b>
<b>\$21,840.67</b>	<b>9,129</b>
<b><u>HCC Carbon Offset Trees Planted</u></b>	
<b>270</b>	



**ICML**  
International Conference  
On Machine Learning



**9,399**  
Total Legacy Trees Planted



**262.76**  
MTCO<sub>2</sub>e  
Carbon Offset

As of November 2023  
(total carbon offset costs)





# **Repair, Maintenance and Replacement Projects Update**

# Repair, Maintenance and Replacement Projects

## 6-Year Plan (page 1)

Project Number	Project Title	Estimated Project Cost	Priority	Prior Expenses to Dec 23	FY24	FY25	FY26	FY27	FY28	FY29	Total
001	Rooftop Terrace Deck Full Repair	\$ 64,000,000	1	\$ -	\$ 2,000,000	\$ 30,000,000	\$ 32,000,000				\$ 64,000,000
011	Ballroom Gutter, Foyer Transom Glass Roof Repair and Soffit R	\$ 7,706,791	1	\$ 71,071	\$ 7,635,720						\$ 7,706,791
013	Ballroom Roof Repairs	\$ 2,271,093	1	\$ 29,519	\$ 2,241,574						\$ 2,271,093
012	Parapet Roof Repairs	\$ 3,066,470	1	\$ 25,555	\$ 3,040,915						\$ 3,066,470
003	Kalākaua Kitchen Exterior Wall Repair	\$ 2,440,752	1	\$ 313,460		\$ 2,127,292					\$ 2,440,752
007	Kitchen Hood Control Panel Replacement	\$ 341,407	1	\$ 18,770	\$ 322,636						\$ 341,406
008	Pantry 348 Walk-in Refrigerator Replacement	\$ 135,443	1	\$ 54,637	\$ 80,806						\$ 135,443
009	Slate Tile Repair	\$ 2,142,108	1	\$ 150,018	\$ 1,992,090						\$ 2,142,108
010	Chiller Replacement	\$ 6,909,252	1	\$ 180,912	\$ 6,728,340						\$ 6,909,252
014	Lobby Water Feature	\$ 1,086,810	3	\$ 3,932			\$ 1,082,878				\$ 1,086,810
015	House Sound Audio System Upgrade	\$ 2,973,864	1	\$ 38,020	\$ 2,935,843						\$ 2,973,863
022	Chill Water Pipe Reinsulation	\$ 677,894	1	\$ 306,864	\$ 371,030						\$ 677,894
023	Air Wall Repairs	\$ 282,058	1	\$ 16,155	\$ 265,903						\$ 282,058
024	Roll-up Door Replacement	\$ 225,000	2	\$ 23,656		\$ 201,344					\$ 225,000
025	Ballroom and Meeting Room Wallpaper Replacement	\$ 203,531	1	\$ 147,721	\$ 55,810						\$ 203,531
026	IT Network Upgrades	\$ 125,000	3	\$ -		\$ 55,000	\$ 70,000				\$ 125,000
027	Ice Machines Replacement	\$ 500,000	1	\$ -	\$ 500,000						\$ 500,000
028	Theatre 310 and 320 Furnishings Upgrade	\$ 750,000	3	\$ -			\$ 375,000	\$ 375,000			\$ 750,000
029	Theatre 310 and 320 Seating Upgrade	\$ 500,000	3	\$ 155			\$ 249,845	\$ 250,000			\$ 500,000
030	FB China and Equipment Upgrade	\$ 5,300,000	1	\$ -	\$ 2,500,000	\$ 2,800,000					\$ 5,300,000
031	Ala Wai Waterfall Repair	\$ 1,071,501	3	\$ 2,362			\$ 1,069,139				\$ 1,071,501
036	Water Intrusion Remediation	\$ 400,000	1	\$ 166,165	\$ 233,835						\$ 400,000
037	Exterior Security Camera Upgrade	\$ 231,348	1	\$ 155,504	\$ 75,844						\$ 231,348
041	Children's Courtyard Repair	\$ 329,162	1	\$ -			\$ 329,162				\$ 329,162
042	Kahakai/Atkinson Drywell Rehabilitation	\$ 351,113	1	\$ -	\$ 351,113						\$ 351,113
043	Air Handler Unit 9 and 10 Replacement	\$ 401,382	2	\$ 377		\$ 401,005					\$ 401,382
044	Fire Sprinkler Line Refurbishment	\$ 343,394	1	\$ -	\$ 100,000	\$ 125,000	\$ 118,394				\$ 343,394
045	Escalator Modernization	\$ 15,865,737	1	\$ 9,058	\$ 6,900,000	\$ 2,640,000	\$ 6,316,678				\$ 15,865,736
046	LED Light Upgrade	\$ 4,781,506	1	\$ 68,293	\$ 4,713,213						\$ 4,781,506

- Current project
- Cumming-managed project
- HCC-managed project
- CM/PM - to be assigned



# Repair, Maintenance and Replacement Projects

## 6-Year Plan (page 2)

Project Number	Project Title	Estimated Project Cost	Priority	Prior Expenses to Dec 23	FY24	FY25	FY26	FY27	FY28	FY29	Total
048	Electrical Harmonics Testing	\$ 100,000	3	\$ -			\$ 100,000				\$ 100,000
049	Main Kitchen Dishwasher Replacement	\$ 421,315	1	\$ 219,521	\$ 201,794						\$ 421,315
050	Main Kitchen Flooring Replacement	\$ 600,000	1/3	\$ 19,019	\$ 200,000	\$ 380,981					\$ 600,000
051	PBX System Replacement	\$ 90,505	1	\$ -	\$ 90,505						\$ 90,505
052	Ride-on Sweeper Replacement	\$ 55,000	1	\$ 100	\$ 54,900						\$ 55,000
054	Boardroom Upgrade	\$ 1,099,549	3	\$ 73,263			\$ 1,026,286				\$ 1,099,549
055	Elevator #2 Upgrade	\$ 250,000	3	\$ -			\$ 250,000				\$ 250,000
058	Kitchen Hood Fire Suppression System Replacement	\$ 341,407	1	\$ 18,770	\$ 322,636						\$ 341,406
060	Lobby Sail Repair and Maintenance	\$ 179,000	1	\$ 41,196	\$ 61,021	\$ 76,783					\$ 179,000
061	ADA Lift (#320) Replacement	\$ 165,000	1	\$ 387	\$ 164,613						\$ 165,000
064	F&B Equipment	\$ 1,266,870	1	\$ 12,640	\$ 1,254,230						\$ 1,266,870
065	Transformer Replacement	\$ 140,297	1	\$ 294	\$ 140,002						\$ 140,296
066	Kitchen Boiler Replacement	\$ 130,000	1	\$ -	\$ 130,000						\$ 130,000
068	3rd Floor Planter Repair and Exterior Planter Repair	\$ 11,048,647	1	\$ 34,545	\$ 4,415,590	\$ 6,598,512					\$ 11,048,647
069	Parking System Equipment Upgrade / Parking Flooring Sealing	\$ 616,515	1	\$ 28,382	\$ 20,000	\$ 568,133					\$ 616,515
070	Parking Garage Floor Sealing	\$ 250,000	1	\$ -		\$ 250,000					\$ 250,000
071	Access Control Upgrade	\$ 2,000,000	2	\$ -		\$ 1,000,000	\$ 1,000,000				\$ 2,000,000
072	Ride-on Scrubber Replacement	\$ 82,400	1	\$ -	\$ 82,400						\$ 82,400
073	Common Area Furniture Upgrade	\$ 200,000	1	\$ -		\$ 200,000					\$ 200,000
074	Ice Rink and Equipment	\$ 500,000	1	\$ -	\$ 500,000						\$ 500,000
075	Exterior Building Painting	\$ 2,416,382	1	\$ -	\$ 1,188,316	\$ 1,228,066					\$ 2,416,382
076	Main Kitchen Freezer Repair	\$ 500,000	1	\$ -	\$ 500,000						\$ 500,000
077	Interior Building Painting	\$ 7,000,000	1	\$ -	\$ 7,000,000						\$ 7,000,000
078	Pot Wash Machine Replacement	\$ 180,000	1	\$ -	\$ 180,000						\$ 180,000
079	Digital Signage Upgrade	\$ 6,150,000	1	\$ 20,390	\$ 30,000	\$ 6,099,610					\$ 6,150,000
081	Facility Equipment Replacement	\$ 1,000,000	1	\$ -	\$ 500,000	\$ 500,000					\$ 1,000,000
082	Escalator and Elevator Repairs	\$ 1,000,000	1	\$ 131,376	\$ 300,000	\$ 568,624					\$ 1,000,000
	Legal Retainer	\$ 151,094		\$ 112,768	\$ 38,326						\$ 151,094
	<b>GRAND TOTAL</b>	<b>\$163,346,597</b>		<b>\$ 2,494,855</b>	<b>\$60,419,005</b>	<b>\$ 55,820,350</b>	<b>\$43,987,382</b>	<b>\$ 625,000</b>	<b>\$ -</b>	<b>\$ -</b>	

# Repair, Maintenance and Replacement Projects

## Major Project Update

### Exterior Painting

- Planning work schedule around HCC events and building access logistics

### Exterior Planter Repair

- Planning investigative work logistics
- Reviewing scheduling around HCC event schedule

### Chiller Replacement

- Chillers received and are on island
- Construction started, cut access opening in outside wall, scaffolding to be erected

### House Sound Audio Upgrade

#### LED Lighting Upgrade

- Bidders presented proposals to evaluation committees
- Final selection by end January

### Escalator Modernization

- RFP issued mid-January, proposals due end February
- Site walk conducted this week

# Repair, Maintenance and Replacement Projects

## CUMMING GROUP Priority Projects

- *Kitchen Hood Control Panel and Fire Suppression Upgrade*
- *Slate Tile Repair*
- *Chiller Replacement*
- *Main Kitchen Dishwasher Replacement*
- *Ballroom Roof Repairs*
- *House Sound Audio Upgrade*
- *Ballroom Gutter, Foyer Transom Glass and Soffit Repair*
- *3<sup>rd</sup> floor and Exterior Planters Repair*
- *LED Lighting Upgrade*
- *Walk-in Refrigerator Replacement*
- *Main Kitchen Flooring Replacement*
- *Exterior Building Painting*
- *Kalākaua Kitchen Wall Repair and Atkinson Drywell Replacement*
- *Main Kitchen Freezer Repair*
- *Interior Building Painting*
- *Pot Wash Machine Replacement*
- *Parking Garage Equipment Upgrade and Floor Sealing*

# Repair, Maintenance and Replacement Projects Completed (since 2020)

## COMPLETED 2020

- *Gutter Trough, Roof Repairs; \$8.3M*
- *Boiler Replacement; \$585k*
- *Ala Wai Waterfall Repairs; \$185k*
- *Chiller 4 Repairs; \$55k*
- *#320 Roof Repairs; \$1.4M*
- *Banquet Chairs/Tables Upgrade; \$2.25M*

## COMPLETED 2021

- *Cooling Tower Replacement; \$3.2M*
- *Theatre LED Lighting Upgrade; \$77k*
- *Roof Overflow Drain Repairs; \$16k*
- *Jockey Chiller Repairs; \$28k*
- *ADA Lift Replacement; \$71.5k*
- *Emergency Generator Repairs; \$32k*
- *Window Repairs – Vandalism; \$177k*

## COMPLETED 2022

- *Leak Repairs – 12/21-1/22; \$396k*
- *Chiller Repairs; \$69.3k*
- *Trellis Renovation; \$4.7M*
- *Lobby Glass Replacement; \$25k*
- *New Security Camera, Access Control; \$1.56M*
- *Kitchen AC Compressor Replacement; \$16.5k*

## COMPLETED 2023

- *Event Stage ADA Ramp; \$41k*
- *Escalator #1 Handrail Replacement; \$64k*
- *Exterior Sign Refurbishment; \$50k*
- *Leak Repair Remediation; \$168k*
- *Forklift Replacement; \$175k*

## COMPLETED 2024

- *Water Intrusion Remediation; \$400k*



# Mahalo Nui Loa