



KA HĀLĀWAI KŪMAU O NĀ KŌMIKE MO'OHELU KĀLĀ, 'OIHANA KĀLĀ, A ME KA HALE 'AHA  
KE'ENA KULEANA HO'OKIPA O HAWAII

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

*Po'ahā, Malaki 29, 2022, i ka hola 9:00 kak.*  
**Tuesday, March 29, 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.**

*E kāinoa mua no kēia hālāwai:*  
**Register in advance for this webinar:**

[https://us06web.zoom.us/webinar/register/WN\\_MGiueKiaQYi9b4hXA9jSUQ](https://us06web.zoom.us/webinar/register/WN_MGiueKiaQYi9b4hXA9jSUQ)

*Ma hope o ke kāinoa 'ana, e ho'ouna 'ia ka leka uila hō'oiā 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 Opening Protocol
2. *E Mālama 'ia Ana Ke Kikolā I Hiki Ke Ho'olauna 'ia Nā Lālā Papa Luna Ho'okele A Me Nā Kānaka 'Ē A'e E Komo Pū Ana Ma Ka Hālāwai Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic*
3. *Ke 'Āpono 'Ana I Nā Mo'o'ōlelo Hālāwai Kōmike O Pepeluali 22, 2022*  
Approval of the Minutes of the February 22, 2022 Committee Meeting



4. *Ka Hō'ike'ike, Ke Kūkākūkā, A Me Ka Hana E Pili Pū Ana I Ka Palapala Hō'ike Waiwai a Ke Ke'ena Kuleana Ho'okipa Hawai'i*  
Presentation, Discussion, and Action on the Hawai'i Tourism Authority's February Financial Report
5. *Ka Hō'ike'ike, Ke Kūkākūkā, A Me Ka Hana E Pili Pū Ana I Ka Palapala Hō'ike Waiwai A Ka Hale 'Aha o Hawai'i No Pepeluāli, Me Ka Nū Hou a Ka Hale 'Aha No Ko Lākou Papa Hana CIP He 6 Makahiki Ka Lō'ihī*  
Presentation, Discussion, and Action on the Hawai'i Convention Center's February Financial Report and Update on the Hawai'i Convention Center's 6-Year CIP Plan
6. ***Ka Hō'ike'ike, Ke Kūkākūkā, Me Nā Mana'o a Nā Kōmike Mo'ohelu Kālā, 'Oihana Kālā, Me Ka Hale 'Aha i Hāpai Ai No Ke Kāko'o 'Ana i Ka Mo'ohelu Kālā e Kāko'o Ana i Ka Ho'āno Hou 'Ana i Ko Ka Hale 'Aha Noi'i No Ka Wā e Hiki Mai Ana***  
**Presentation, Discussion and Recommendation by the Budget, Finance, and Convention Center Standing Committee for the Funding to Support an Update of the Hawai'i Convention Center Futures Study**
7. *Ka Hō'ike'ike, Ke Kūkākūkā, A Me Ka Hana e Pili Pū Ana i Ke Noi No Ka Ho'ohana 'Ana i Ka Mo'ohelu Kālā o Ka Makahiki 'Auhau 2022 Mai Ka Ho'omōhala Ala Hele, i Ka Polokalamu Ho'ōla Mo'omeheu Hawai'i, He Noi o Ka \$250,000 Ka Nui, No Ke Kāko'o 'Ana i Nā Hana Pili i Ka DMAP*  
Presentation, Discussion, and Action on Proposal to Reallocate FY22 Funds from Route Development to Resort Area Hawaiian Culture Initiative in the Amount of \$250,000 to Support DMAP-Related Activities
8. *Ka Hō'ike'ike, Ke Kūkākūkā, A Me Ka Hana e Pili Pū Ana i Ke Noi No Ka Ho'ohana 'Ana i Ka Mo'ohelu Kālā o Ka Makahiki 'Auhau 2022 Mai GoHawaii, No Nā Hana Ha'uki i Ho'oka'awale 'Ole 'Ia, He Noi o Ka \$167,000 Ka Nui, No Ka Ho'onui 'Ana i Ka Huinanui o Ke Kālā i Ka \$1,500,000 e Kāko'o Ai i Ka Palapala Ha'uki RFP*  
Presentation, Discussion, and Action on Proposal to Reallocate FY22 Funds from GoHawaii to Sports Unallocated in the Amount of \$167,000 to Increase the Total Funding in Support of the Sports RFP to \$1,500,000
9. *Ka Hō'ike'ike, Ke Kūkākūkā, a Me Ka Hana E Pili Pū Ana i Ke Noi No Ka Ho'ohana 'Ana i Ka Mo'ohelu Kālā o Ka Makahiki 'Auhau 2022 Mai GoHawaii, No LPGA, He Noi o Ka \$500,000 Ka Nui, e Kāko'o Ai i Ka Ho'okūkū Kahului 'o LPGA Lotte*  
Presentation, Discussion, and Action on Proposal to Reallocate FY22 Funds from GoHawaii to LPGA in the Amount of \$500,000 to Support the LPGA Lotte Championship



10. Ka Hō'ike'ike, Ke Kūkākūkā, a me Ka Hana Pili i Ke Noi e Ho'ohana i Ka Mo'ohelu Kālā o Ka Makahiki 'Auhau 2022 Mai GoHawaii, No Kekahi Hana Hokona, He Noi o Ke \$43,000 Ka Nui, e Kāko'o Ai i Ke Ka'ina Hana Ho'omāhelehele Hokona Presentation, Discussion, and Action on Proposal to Reallocate FY22 Funds from GoHawaii to Marketing Opportunity Fund in the Amount of \$43,000 to Support the Market Allocation Platform

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. 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), he 'ekolu lā ma mua o ka hālāwai ka lohi loa.*

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 February 22, 2022  
Budget, Finance, and Convention Center Standing  
Committee Meeting



Hawai'i Convention Center  
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815  
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**David Y. Ige**  
*Governor*

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

**BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE MEETING  
HAWAII TOURISM AUTHORITY  
Tuesday, February 22, 2022, at 9:00 a.m.  
Virtual Meeting**

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

<b>MEMBERS PRESENT:</b>	Ben Rafter (Chair), Fred Atkins (1 <sup>st</sup> Vice Chair), Micah Alameda, David Arakawa, Kyoko Kimura
<b>MEMBER NOT PRESENT:</b>	Kimi Yuen
<b>HTA STAFF PRESENT:</b>	Keith Regan, Kalani Ka'anā'anā, Marc Togashi, Caroline Anderson, Maka Casson-Fisher, Ross Willkom
<b>GUESTS:</b>	Senator Glenn Wakai, Representative Richard Onishi, Teri Orton, Mari Tait, Julian Anderson
<b>LEGAL COUNSEL:</b>	Gregg Kinkley

**1. Call to Order and Pule**

Chair Rafter called the meeting to order at 9:03 a.m. Mr. Regan asked Mr. Casson-Fisher to open with a pule.

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

Mr. Regan did a roll call, and the members confirmed they were by themselves except for Ms. Kimura, with general public Glen Yamasaki Kimura in the premise.

### **3. Approval of the Minutes of the January 20, 2022, Committee Meeting**

Chair Rafter asked if there were questions or comments on the January 2022 minutes, but there were none. Mr. Alameda made a motion, and Mr. Atkins seconded. Mr. Regan did a roll call for the motion to accept the minutes and the motion passed unanimously.

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

Mr. Regan thanked Mr. Togashi and his team for working hard to pull the financials together. He gave the floor to Mr. Togashi. Mr. Togashi directed to page 23 of the financial packet with all the relevant information and an executive summary that captured the month of January 2022.

He directed to the budget statement summary on page 53 of the financial packet, 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 \$35.4 million has already been released to them by BNF for availability and reported onto their financials.

He said the \$35.4 million includes \$2.7 million that was released in January 2022, which doesn't yet include the approximate \$8 million in ARPA funds that were subsequently released to them by BNF. It will be recorded in February's financials.

He said that over a series of meetings the Board had approved the fiscal year 2022 budget of \$48,850,000 through January 2022, of which \$31.6 million had been encumbered. He said approximately \$11.2 million had not yet been approved, including \$10.7 million that had been deferred, and \$450,000 to be reprogrammed.

In January 2022, the primary activity to report is the Board's approval of \$475,000 budget to fund the NaHHA contract and the commitment of \$300,000 in planning encumbrances, which represented an earmark of funds for program evaluation and the aforementioned \$27 million release of funds by BNF.

He said they had not made any budget reallocations so far in this fiscal year, and when they do, it will be detailed in the summary of budget reallocations that is included in the financial packet.

He then moved on to funds activity for the Tourism Special Fund (TSF) in the fiscal year 2022. Although TSF sunsets on January 1st, he said on the page are revenue receipts that came before sunset and may continue to see revenue, such as interest and refunds until they have paid out all of their prior year encumbrances. He said that through January 2022 they recorded \$185,000 in miscellaneous revenue to this fund.

For the ARPA Convention Center Federal Fund, he said the full \$11 million in ARPA funds has been released by BNF for the Convention Centers availability. He said in the December 2021 meeting, the BFCC committee discussed the intention to deploy these 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 TAT restart funds.

He said they will be seeking Board approval for the intended use of the \$11 million at this week's upcoming Board meeting. For the Convention Center Enterprise Special Fund (CCESF) activity - through January 2022 they received the full \$11 million in CCESF TAT allocation and additionally \$1.6 million in HCC revenue.

He mentioned their financial position as of January 31st, 2022, and said they have access to \$35.4 million in the Tourism Federal Fund. A summary of the funds released by BNF compared with the amount of Board approved budget, and related encumbrances, is provided at item 2 of the executive summary, on page 24 of the packet.

He said item 6 of the executive summary also provides a chronology of budgets approval over six Board meetings. For the HTA Tourism Special Fund (TSF), as of January 31st, 2022, Mr. Togashi said they have \$55 million in cash in investments, which represents a \$2 million decrease from December 2021 due to disbursements related to operational and program expenditure.

Of the \$55 million, \$5 million is reserved as their emergency fund, and \$47 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 as he previously reported.

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. He said similar to prior months there is a chart at item 9 of the Executive Summary that shows the progression over time.

Mr. Togashi then moved on to the ARPA Convention Centers Federal Fund. He said \$11 million is available and the intention is to primarily use this funding for repair and maintenance projects.

Regarding the CCESF, the fund that the Convention Center has historically operated from, HTA has \$49.7 million in cash, which is a \$700,000 increase from the previous reported month, due to the receipt of Convention Center operating revenue receipts. He said of that \$49.7 million cash amount \$35.9 million is encumbered for contracts, and most of the \$35.9 million encumbrance is detailed at item 19 of the Executive Summary representing the funds that they encumbered using the fiscal year 2021 TAT restart funds, as well as their Board allocation reserves.

He said the remaining \$13.7 million of unencumbered funds, including the \$11 million in TAT that they received in September 2021, will include further deposits of Convention Center revenue, and will primarily be stored as repair/maintenance reserve for future deployment. He said this is subject to the restoration of the CCESF funds expenditure appropriation ceiling by the Legislature. He said at the beginning of the fiscal year the CCESF had reserves of \$870,000 and they anticipate that balance to increase to \$16.4 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 that was mentioned.

He said the \$16.4 million represents an approximate \$400,000 decrease from what they previously recorded, which is due to a reduction in the forecasted revenues for the Convention Center, partially offset by other miscellaneous revenue receipts. He said the \$16.4 million is earmarked to support the 6-year repair/maintenance plan previously presented to the Board and this committee.

Mr. Togashi asked if there were any comments or questions.

Chair Rafter asked about the \$10.7 million that had not been encumbered and asked what happens if that amount does not get encumbered.

Mr. Togashi said they previously reported that they had sought and received approval from the Department of Budget and Finance to extend the performance period of their funds, so essentially, that allows them to encumber the funds up until June 30th, 2023, as well as expend the funds up until that period in time.

Chair Rafter asked if there were any questions from Board members or Committee members.

Ms. Kimura asked if the Board approved the amount of \$48 million, and the encumbered is \$31 million.

Mr. Togashi said Chair Rafter is referring to the Board approving \$48,850,000 of the fiscal year 2022 budget through January 2022, out of the \$60 million of ARPA funds they have access to.

Mr. Regan said there were no questions from the public.

Chair Rafter asked for a motion to approve the January 2022 financials. Mr. Alameda made a motion to approve, and Ms. Kimura seconded. Mr. Regan did a roll call and the motion passed unanimously.

## **5. Discussion on the Fiscal Year 2023 Legislative Placeholder Budget**

Mr. Regan provided some background on this. He asked Mr. Togashi to pull up the policy. Mr. Regan said they want to talk about the process they went through to submit the fiscal year 2023 Legislature placeholder budget, which is before the Legislature at this time.

He showed the slide with the \$60 million request - he said this particular procedure speaks to what it is the HTA has gone through to develop and submit their Legislative budget through the process to where it is today, before the Legislature for their consideration. He said there are multiple steps involved in the process, but it is to prepare them at the HTA to have a document/submittal entered into the process so they can have the funds made available to the HTA to support their mission and operations going forward into the next fiscal year.

He asked if there were any questions about the procedure. Mr. Atkins said he hadn't seen the document until that morning and that the members received a document six weeks ago and wanted to know if it's the same document as shown. Mr. Regan was not sure, but reiterated that this document is the procedure the HTA uses and follows to build the budget and submit it through the process.

Chair Rafter asked what happens if the Legislature changes the budget amount. Mr. Regan said at that point they will have to come back through the Board to consider how the HTA will modify their fiscal year 2023 request, as there is a lot more to come beyond the Legislative budget. There is still the HTA budget they have to go through and set for the fiscal year 2023, which they have not done yet, but to Chair Rafter's point, he said if the Legislature sets the parameters in terms of how the monies are allocated within the budget that's been created through that process, the HTA staff and Board will have to consider how those parameters fit into their mission, projects and programs, so there is a lot more discussion to come on that.

Mr. Arakawa said if the Legislature modifies the budget request, they have a Legislative PIG to address that, and said that Chair Rafter and 1st Vice Chair Atkins is on the committee, so they

can discuss the matters in the Legislative PIG if things change. He said last year they had two PIGS - one was a Legislative PIG, and the other was a finance PIG, and they found many of the matters were dealt with legislatively and were broader than the budget and fiscal PIG for Legislative matters and duplicative. He asked Chair Rafter and Mr. Regan for their input.

Mr. Regan said it's reasonable and deferred to Chair Rafter. Chair Rafter said it's a great suggestion and said they're all trying to avoid is, given that there's more inertia in doing things, if something has to be done last minute, the HTA may not be able to do so. He said they want to avoid having an emergency toward the end, but he agrees that the Legislative PIG seems like the best way to handle this.

Ms. Kimura said the Legislative session does not start until January 2023, so she asked if they are submitting the following years budget or the current year's budget, and asked if they are going to discuss the Board approved budget for the next year, around June or July 2022, so she was a bit uncertain.

Mr. Regan said there is another discussion point that they will go through about process, timelines, and what it looks like going forward, but to Ms. Kimura's point, they're talking about the fiscal year 2023 budget and mentioned that the fiscal year 2023 starts July 1st, 2022.

Mr. Togashi said that regarding Mr. Regan's point they will go into more detail on the next agenda item.

Mr. Regan asked Mr. Togashi to pull up the budget request background information document, but asked if there were any questions before they continued. Chair Rafter said there were no questions.

Mr. Regan asked to pull up some documents so that they can refresh what has been submitted up until this point. He mentioned that everyone is aware of the shift towards Destination Management, and a lot of the funds they have set aside in the process have been specifically targeted towards programs and projects that address Destination Management. Having incorporated their vision of Mālama Ku'u Home, which everyone is familiar with, he said they are setting aside the funds to support those programs, and there have been some challenges as it relates to overall funding, but as it can be seen on the budget requests, where the HTA is and where they will be heading towards the 2023 request.

He spoke about 2021, when they had \$21.5 million out of the \$79 million that was dedicated funding from TAT, which was specific to HTA programs and operations, and they had \$16.5 million in Convention Center Enterprise Special Fund, also funded through TAT. Looking at the fiscal year 2021/2022 HTA received \$60 million in ARPA funds, which they are utilizing now to

cover HTA's programs and operations and \$11 million in ARPA funds to cover the Convention Center needs.

He reiterated what Mr. Togashi mentioned, that a significant amount of those funds is going to support the repair/maintenance needs of the Convention Center.

He spoke about the 2023 overall budget request and said there were no funds allocated for the fiscal year 2023, but the budget had \$60 million in ARPA for that first fiscal year, but the second fiscal year had zero. So, the intent, which was mentioned to them by the Legislature, was that HTA will come back and make the request and go through the process with the Legislature as it relates to funding for the fiscal year 2023.

The Governor put in \$60 million to support HTA operations, and they are currently in discussion with the Legislature on that particular funds; and included in that request was the \$28.5 million ceiling limit. He reiterated that the HTA is not asking for \$28.5 million, but they're asking for the ability to spend up to \$28.5 million of monies that are already contained in the Convention Center Enterprise Special Fund, so this will allow them the flexibility to support the Convention Center and the repair/maintenance needs, as well as address the general revenue and expenditure that they have within the Convention Center for operations.

He said that in the overall budget request, HTA had the \$64 million in General Obligation bonds to support the fixing of the rooftop, as the rooftop project is critical for the Convention Center.

He gave a quick breakdown of the fund. He said of the funds, they had \$3.7 million in payroll. Including salaries and fringes for all the staff, \$13.6 million allocated towards Hawaiian culture, and 23% of the budget request, including DMAP items. He said, contained in the \$13.6 million, there are specific items that work towards and support the efforts in the DMAPs, the actions and sub-actions. He said \$11 million of the request is going towards natural resources, \$13.3 million towards community, \$14.4 million towards branding, \$2.7 million for sports, and \$1.3 million for Administrative, Governance and Organization-Wide costs, which includes supporting the Board operations, audit costs and general needs for the HTA to function and operate.

He asked Mr. Atkins if this was the document he was referring to, and mentioned a second document for Mr. Togashi to pull up, which is a graphic representation of what Mr. Regan just described.

He spoke about that document, which is a recap of what they just spoke about, breaking it out a little more. He mentioned that it was submitted to the Legislature, and there was a request from WAM - Ways and Means on the Senate, and House Finance, on the House side for a further breakdown of the funds and how they intend to use the funds.

Mr. Regan said his team put it together and shared it with WAM and the Senate. The pie chart showed a graphic representation of how the funds are split out and supported within the overall operation. He reiterated to Chair Rafter that all of this is for discussion and no action is needed at this time, but it's more of raising awareness and sharing the information with the Budget, Finance and Convention Center Standing committee.

Mr. Atkins said he looked at the chart and looked at how they did their major market areas the previous year, 2021, and said it's a big cut, just looking at North America, Japan, and all the other MMA's. He asked how it works with the drastic cut.

Mr. Regan said they looked at how the monies were spent in those particular areas, so as an example, to support MMA's - they're not just doing branding, but also doing other related activities that fit into and support those other categories, which includes Hawaiian culture, communities, natural resources, and supporting the DMAPs, actions and sub actions.

He asked Mr. Ka'anā'anā to give more context. Mr. Ka'anā'anā said when they looked at the activities of each GMT, their BMMP and the proposed activity under each, they made assessments and analyzed what they could and understood how they do what they're doing, supporting those pillars. Mr. Ka'anā'anā made a judgement call to break the costs out as best they could across the multiple pillars, so while it looks like drastic cut, it's actually reporting what they are, so if they look at Mālama Hawai'i, it's very much focused around natural resource conservation. The Kuleana campaign is about educating visitors, about staying on trails and things like that, so he said when they took that into consideration, they thought it would be good to show how it's supporting the other pillars.

Mr. Regan said there were no questions from the public. Mr. Regan mentioned that Mr. Onishi and Senator Wakai are present on the call, so they are attending the meeting. Mr. Regan expressed appreciation for the two of them supporting the HTA as it relates to their fiscal year 2023.

## **6. Discussion on New Fiscal Year Budget Timeline and Process**

Mr. Regan asked Mr. Togashi to bring up the Legislative fiscal year budget process slide that they worked on. He said this information is included in the packet and said it shows the time and effort it is going to take to be able to produce the budgets going forward, to ensure they're aligned with the process.

He said that what they're looking at internally, is the process for the next fiscal year 2024, and they're going to have to start in April/May 2022, so internally their team will have to start

looking at and talking about the projects and funds that will be needed to support the HTA's needs in the fiscal year 2024.

He walked through the cycle for the fiscal year 2024 - In April or May 2022 they must be talking about it, in June 2022 they must be internalizing the budget request for the fiscal year 2024, and then presenting that Legislative budget for the next fiscal year, presenting it to the Board in July 2022, and then having discussions with BFFC committee, and perhaps the Legislative PIG, as Mr. Arakawa mentioned, but having discussions what the Legislative budget will look like, entail and include, as part of the proposal.

He said after that the Board must approve it, which will be in August/September 2022, adding time in there to address any questions, to meet the deadlines, and the need to be able to transmit it to DBEDT and Budget and Finance for that review process that occurs, which will be in October/November 2022.

That then goes through their internal process in review, and they have questions for HTA as part of the process. He said the Governor then transmits his/her budget to the Legislature, which occurs 30 days before it was submitted on December, 20th, but Legislative budget will be included in the packet, then it gets vetted and discussed by the various committees, including House Finance, Ways And Means, Labor and Tourism committee on the House side, chaired by Rep. Onishi, and at the Energy Economic Development and Tourism Committee by Senator Wakai.

He said a lot of discussions will be taking place, and a lot of information is going to be shared in the process. Once the Legislature finalizes the budget for the State, including the HTA's component, the DBEDT component for HTA, they will take it back to the Board and the Budget, Finance Convention Center Standing Committee, as well the Legislative PIG to review that with them, so that they can have an understanding of how that will fit with the programs that the Board and staff want to do, and if there are any changes, based on what's come out of the Legislature, HTA will have to address that and then that becomes the HTA's budget for operations to support the start of the next fiscal year, which will be in July.

He said it's almost a full year to get them to the next fiscal year's budget in the overall process. He said they wanted to share all this with the Board, and raise awareness with them and the committee so they know it is going to be a long, involved process for them to put together a budget that's translated to the Legislature for their review and approval, and it will take time and effort for the staff. Mr. Regan asked if Mr. Togashi can add more context, but Mr. Togashi said that Mr. Regan covered everything.

Chair Rafter said there were two questions from Rep. Onishi - one related to the last subject item and one related to this one. The first question relating to the last agenda item - how does the marketing group break down with the pillars? He asked Mr. Ka'anā'anā to go through that.

Mr. Ka'anā'anā said the breakdown of the marketing dollars across the pillars is not broken down further by market area, but said if it's something the committee would like, they can take a look at doing that. He said they took the total of their marketing allocations, and looked at the kind of functions they were, and made some decisions about what should stay in the branding pillar. He said what Mr. Togashi showed in the branding pillar specifically are core functions of the branding piece that Mr. Ka'anā'anā and his team do. He said they also look at other elements of different line items in the budgets of the BMMP, and took line items out the BMMP budget, and the ones that made sense to aggregate across the other pillars is how his team broke it out. He told Rep. Onishi that he doesn't have it by market, but he has it in broader categories.

Mr. Regan mentioned that HTA's process of planning out what funds they'll need to support future branding and operational needs, where it was very close in the past, and remembering in the past, HTA had an allocation of TAT through the TSF, which was pre-862, the Board had the ability to go in and set their budget in May/June. After that, the Board would approve it by June hopefully, then the fiscal year budget came in effect on July 1st, to support a lot of the functions that were taking place in the first half of the fiscal year, and then some of those monies were utilized to support the MMA contracts which were for the calendar year. So, for the fiscal year 2022, those monies that the Board supported are going to be utilized to cover MMA contracts in calendar year 2022.

He said the fiscal year 2023 monies which are being discussed at the Legislature, get approved and HTA will be able to utilize them, July 1st, funding calendar year 2023 contracts. He said he is grateful the Rep. Onishi reminded him that it's a biennial budget so HTA will have to look at two years of funding needs. He said they'll have to have forward thinking plans on how HTA will spend the monies to support those markets, almost a year or more ahead of time, which may be a challenge for HTA, as the markets change so quickly. He said if they're having budget discussions a year in advance, things may change.

Mr. Togashi said it's a year and a half for the first year in the biennial, and it's two and a half years in advance for the second year in the biennial. Mr. Togashi thanked Rep. Onishi for that.

Mr. Regan wanted to socialize that with everyone, so they're all aware of that information as it will be challenging for them all. He said this might be something to consider taking up in the

Administrative and Audit Standing Committee, to incorporate it into the policy and procedure since they're going to have a longer timeline as it relates to these procedures.

Mr. Atkins asked if Rep. Onishi had another question for the other slide. He read Rep. Onishi's comment, "I think HTA should really consider changing the marketing contact to run with the State's fiscal year." Mr. Atkins said this is something he has been wanting to do for the last eight years. He asked if anyone had any comments on what Rep. Onishi put up.

Chair Rafter agreed with Mr. Atkins, and said it was one of the most confusing things to understand when he came on Board - the difference between how they did their year versus the State's fiscal year.

Mr. Atkins had a question about the slide that was just put up, and how they can plan for 2024. He said when the year ends in July 2022, HTA starts to work on this in April/May, but at the end of July when can they expect YouGov to track the programs they're doing and trying to get ROI - how many months does it take them to compile everything, so as they go through the process, are they going to have the ROIs from a lot of the events that HTA does, and will they be getting enough feedback from them to make good decisions before it gets transferred to DBEDT. He was wondering if they have a commitment to give them the information at a certain time after July when all the events are finished.

Mr. Ka'anā'anā said it depends on the cycle of the event or the contract, so the complexity is that many of the contracts are on different schedules, but it also depends on the timing of the events. It's hard to say based on the schedule how all the other complexities lay over to this, but it won't be neat and clean where everything will have an ROI done and complete by July - if they have an event in June, they won't have that information by July.

Mr. Atkins asked if YouGov wait to compile everything they have at the end of the year, or if they have something that happens in March, do they wait, or does HTA get to see that two to three months after, so HTA can look at a report from what they did.

Mr. Ka'anā'anā asked Ms. Anderson to address that.

Ms. Anderson said they just issued out the RFP a couple of weeks ago, and it looks like they'll probably enter the contract in May 2022, and said they won't be fielding until June 2022, and it takes a contractor around two months to submit a report to HTA on that event.

Mr. Atkins said he assumed it would take two months, but went back to what Rep. Onishi said, that it's hard to try to figure out how good HTA did in the past when so much is overlapping.

Mr. Ka'anā'anā clarified that the RFP that is out now is only for a set number of events, and is not across every program and every BLI they do, so he wanted to set clear expectations. He asked Ms. Anderson if it's 30 events they sent out RFP for, and Ms. Anderson confirmed.

## **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**

Chair Rafter asked Mr. Regan to confirm that this is a continuation of something that HTA has already funded historically, and Mr. Regan confirmed this.

Mr. Willkom introduced himself and mentioned the contract that runs from 2021 - 2023 which provides for HTA's sponsorship of Big West Men's & Women's Basketball conference championships, as well as the Men's Volleyball tournament, which will be held on O'ahu in April. He said they have \$167,000 obligation for the fiscal year 2022 which was not included in HTA's 2022 budget, so he is requesting the committee approve the transfer of funds from the fiscal year 2022 - \$1.5 million unallocated sports budget to cover the budget line item.

Mr. Atkins said he supports this, but asked for background on this.

Mr. Willkom explained that in 2020 a three-year contract was signed with Big West to sponsor the Men's & Women's Basketball and Men's Volleyball championships, along with a broader idea to support UHAthletics as a whole. He said the sponsorships have 18 games played between the Men's & Women's Basketball tournament on-site, which will be held in Las Vegas, and then the Men's Volleyball will be held in O'ahu at Stan Sheriff Center.

He explained that it provides for in-game sponsorship, signage, advertising, and television on ESPN, ESPN Plus, ESPN Platforms, and radio. He said they're in the second year of the three-year contract, and as mentioned, he said it was not accounted for in the budget line item, and not encumbered.

Mr. Atkins asked if they have one more year left of the current contract, and Mr. Willkom confirmed.

Mr. Ka'anā'anā added that him and his team will take a look at the performance for the current year to assess how it went, then can decide together with HTA about year three, but reiterates that they want to take a look at every individual year to see how it performed, even though it's a three-year commitment.

Mr. Arakawa asked Mr. Willkom if Big West includes some of their major market areas, and asked him to explain which area it includes.

Mr. Willkom said it includes the entire State of California, San Diego, Los Angeles, through to Sacramento, in the bay area, which is primarily the State of California and Nevada.

Mr. Arakawa asked what kind of metrics they use to determine KPIs. Mr. Willkom said they're looking at market reach and penetration, the number of eyes that are seeing, and with it being broadcast across ESPN digitally and on the airwaves, they reach a broader base across the U.S. and the world.

Mr. Ka'anā'anā added that the partnership came under Chris Tatum's leadership when it was initiated, and the community benefit part is about making sure they are supporting UH Athletics, letting the local athletes know that they're supporting them as well. He said the intention was that the Men's Volleyball Tournament for Big West would be held in Hawai'i which will also coincide with the contract as well.

Ms. Kimura wanted to make sure that they examine each sporting event against what they discussed last time - the goals of the sports event - marketing impact, community benefit, etc. She mentioned they had ten goals that the sporting event should achieve, so wanted to make sure each event is performing according to the brand messaging.

Mr. Regan said there were no testimonies or questions from the public.

Chair Rafter said the motion would be to approve the request for \$167,000 from the \$1.5 million that was unallocated. Mr. Alameda made a motion and Mr. Arakawa seconded. Mr. Regan did a roll call and the motion passed unanimously.

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

Mr. Regan thanked Ms. Orton and her team for their great job, serving as their management firm that's expertly managing the Convention Center. Mr. Regan mentioned the Bar exam that's going on at the Convention Center.

Ms. Orton said they're off to a good start in January 2022, and spoke about Coronavirus and the impact it has had on the Center. She said to date, in their fiscal year 2022, they have had two association cancellations, three city wide's and 32 local events, roughly equating to \$2.2 million. She mentioned that in spite of the cancellations, in the month of January, with some COVID

restrictions - limits of 1,000 attendees for larger events, most of the events had less than 1,000 attendees present, so they were fortunate.

On a positive note, she mentioned that business for the future, over the next few months in the fiscal year, is picking up. She said they have about 41 definite events, two of which are city wide events, which did not cancel. She said there are 24 first option events, meaning they just haven't licensed the events yet.

She reiterated that January was off to a good start as they hosted the first city wide event, International Dairy Queen, and they ended up having weekly calls with Dairy Queen getting closer to the event, and restrictions started to loosen, which was great. She said they executed a great event and Dairy Queen was very happy with everything done - check-in process with temperature checks, credential checks, as well as signage in the building and health and safety protocols. She said they were all happy with the results of that event.

She mentioned the first sporting event they hosted - a volleyball tournament and said they haven't had a large offshore city-wide sporting event for the last two years, so both of those were entry way into structured events, or hosting meetings and sporting events at the Convention Center for 2022.

She mentioned some silver linings - no restrictions for large, structured events, and they're getting lots of short-term local business, helping to fill their calendar. For the fiscal year 2022, in comparison to budget, they are in par with their financial net loss at \$6 million, which was anticipated for budget loss. She said they are currently mitigating expense efforts and not filling positions if they're not needed, to curtail expenses, and to ensure they keep in line with their budget and only spend what is needed at the Convention Center.

Ms. Kimura asked if it's possible to include the number of room nights generated from the city-wide events. Ms. Orton said she will include it in the next financial update. She highlighted the number of events noted on slides - 190 is forecasted to their budgeted number of 100. She said their budget was somewhat conservative as they didn't know what restrictions would be, and as restrictions started to lift, they started to pick up, roughly 90 events to date, and they still have a few more they're anticipating picking up.

She said recently sporting events have popped up and she mentioned that they had Van Gogh before and they're now coming back to do an exhibit at the Convention Center which will start in June 2022, which will reflect on the financials for this fiscal year. They're excited that they are returning again as it was a very successful event at the Convention Center. She said they have a few sporting events picking up for the latter half of the year, which doesn't impact this

financial update, but local business is helping fill the calendar short term, and helping fill their financial gap from all the cancellations due to the pandemic.

Chair Rafter mentioned that he read that they're down to one of the last four states with mass mandates, and two have announced they're ending in March, so it's them and Oregon that are left. He asked if it's still impacting them or if people have moved on from that.

Ms. Orton said for the most part, the meeting planners and local event organizers prefer them having some of the health and safety protocols in place. She added that they try to social distance when they can, and spread the floorplan out a little more if the room allows. She mentioned that it's more of a perception to attendees that they feel that there are still health and safety regulations as a priority at the Center.

She said even if they remove the mass mandate, there will still be some meeting planners that will want that to be in place for their event, and many of them are going to 100% vaccination. Asia studies that are coming up, have opted to only allow attendees that are vaccinated to attend their event, which Dairy Queen did not mandate. She reiterated that a lot of them are still looking at health and safety first. To answer Chair Rafter's question, she said it has not been a negative impact on them to hosting events.

Chair Rafter reiterated that HTA is doing well with getting more smaller, local events, and they almost have twice the number of events, slightly the same or less revenue than 2021. Ms. Orton confirmed this to be correct.

Mr. Regan mentioned the six-year CIP presentation, a separate agenda item, but asked if they can go ahead, if there are no other questions about the financials, if there can be a motion to accept the Hawai'i Convention Center financials as presented by HTA's managing partner, ASM Global.

Chair Rafter asked for a motion to approve the financials. Ms. Kimura made a motion, and Mr. Arakawa seconded. Mr. Regan did a roll call and the motion passed unanimously.

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

Ms. Tait gave an overview of the repair and maintenance project. She showed the six-year plan on two pages. She mentioned project 1 - 25 which are their current projects and showed the add-on projects. She said to complete the six-year plan, they've moved projects on their list to this priority list - project 040 and beyond. She asked if there is a question on any particular project.

Chair Rafter asked where the roof fits into everything.

Ms. Tait said the rooftop project is number 1, so it's still on the list. She said the list shows different funding, the cash flow of CIP funds that the Convention Center holds. The rooftop project is listed for the General Obligation Bonds, and a portion of that is being funded through the HCC CIP funds, which would be the planning portion, which is the \$8.1 million. She mentioned there is a presentation by Julian Anderson to get a set update on different options for the rooftop terrace deck. She noted that the projects marked in yellow are the ARPA funded projects.

Mr. Regan gave clarity that the request for the Legislature is for \$64 million in General Obligation Bonds, and said it must be updated, as it should be GOB for planning, design and construction component, which was the request to the Legislature, and shown on the presentation are previous discussions, so the presentation needs to be updated.

Ms. Tait showed a list of projects on slide 7, which they will be working on, and will be funded by the ARPA funds. She mentioned the last slide showing completed projects to date.

Mr. Regan asked if Ms. Tait could do a brief overview of the projects, to ensure the Board and Committee is familiar with what is being done. Mr. Regan mentioned stairwell 5 and 6, and said the repairs are related to the rooftop leaks; there is intrusion occurring in the stairwells as part of the process, and those repairs need to take place. He said there are structural concerns in there that must be addressed, and the work seen on the slide is about fixing the stairwell 5 and 6 to make sure they're functional and they mitigate the damage that occurred through the water.

He asked Ms. Tait to elaborate on the chiller replacement project.

Ms. Tait mentioned that they replaced the cooling towers, and this equipment is original to the building and by replacing the full chiller unit, there will be a lot of savings in regard to utility costs.

Mr. Regan backed up a bit and said the cooling towers was a huge project for the HTA, and as part of the project, they asked the team at the Convention Center to get the project completed on time, as well as trying to find if there's new technology that will help save money on energy, and the team did that. He said it would be a good idea to do a site visit on some of the projects to see what is getting done. He mentioned that the original chiller equipment was all stainless steel, but now it's all fiberglass, so it's more resistant to corrosion which is good, considering how close they are to the ocean. He said this was out of the box thinking and he mentioned that the electrical inside the equipment is updated and more energy efficient, so he anticipates

with the new technology there will be more efficiency in energy savings for the Convention Center.

Mr. Regan mentioned the parapet roof that needs repairs to prevent further damage to the interior of the building and the structure.

Ms. Tait spoke about the kitchen hood control panel and said it's outdated, and they have not been successful in finding a company to help with the repairs, so the in-house staff have been trying to band-aid the control pane. She said they need to change out the control panel, and upgrade the fire suppression system.

She spoke about the wallpaper replacement, the wear and tear in the rooms, and said they're looking for better products - Zoella wallpaper, so they have added that information in meetings, and will match it up with their current wallpaper so they don't have to change all the aesthetics in the meeting room.

Ms. Tait spoke about air wall repairs, something that directly affects the events, and they have sections of the air walls that are missing and need repairs.

Mr. Regan reiterated that these projects will be funded through the ARPA funds, so \$10.5 million of those funds will be used to support these important projects at the Convention Center.

Chair Rafter mentioned the chiller being the original that came with the building, and asked if there are any other items like that which will come up over the next couple of years.

Ms. Tait said one of the new items on the 6-year list is the escalator and elevator refurbishment, and it's something they've been working on with their maintenance company for a few years, as similarly repair costs have increased. They haven't found the exact solution, but they're looking at, instead of changing out the entire unit, changing major components of the unit that will extend the life of it.

She mentioned the food and beverage equipment - the ice machines and dishwasher, same scenario - the repair costs are just going up, so they'd like to do a full replacement of those.

Ms. Tait spoke about the most recent fix on the slide being the window replacement at the front of the lobby, which was damaged by vandalism, so that was completed in the last month.

Ms. Orton added that the project they're looking to execute in the next year to six years, has a definite return on investment, as they've been spending a lot of money on repair and maintenance for a lot of the equipment. She reiterated that there are definite benefits of

moving the projects along, aside from the efficiency, the reduction in repair and maintenance annually that they're putting in for various equipment, are ongoing expenses.

Ms. Orton gave the floor to Mr. Anderson.

Mr. Anderson spoke about the recently considered options for the Convention Center - a reduced funding request; a new option D which responds to requests from the Legislative Chair around temporary repair; and questions. He went over what they looked at in the past - HTA asked that they look at a variety of options, and three were settled on - repair the deck with pedestal pavers as the finished wearing surface and repair Stairs 5 and 6 for \$54 million. He said HTA preferred a different option A, but with additional electrically operated shading so that it covered about 50% of the deck area, which was option B, and that was \$64 million - the amount that's being requested.

There was a further option, option A, but with a new Ballroom on the new rooftop terrace deck, the Ballroom to cover about 50% of the rooftop area, which was \$122 million, but HTA thought option B was the best option, and option C did not pencil out financially.

He showed the HCC step and looked at the \$64 million, less the additional electrically operated shading for \$10 million, and then HCC proposed covering the planning costs of option B, deck repair, from the current CIP budget, which is approximately \$8 million, to reduce the funding request down to \$46 million.

He said they've looked at the temporary repair option to see if they could find a low cost for that, so the funding of the complete repair can be delayed, keeping in mind the minimum needed to get by, to buy them a few years.

He reminded everyone that 10 years ago, in March 2012, they were told by their expert consultant that they needed to do full demolition, repair, and replacement of deck, and unless they do that, they won't solve the problem, and if it's left unrepaired, water will continue to collect, and it will eventually compromise the structural reinforcing concrete slab that provides stability and foundation for the 4th floor. He said the bottom line is the less footprint included in the scope, the more increased the risk is present for future leaks and problems to continue.

He mentioned that it's estimated that a temporary repair, to stop the worst of the water leaks, would cost between \$14 million and \$15 million, depending on what the repair actually looks like, and that's if it were carried out in 2022, but if done later, the number would go up.

He said the Convention Center would be interrupted during the construction work, and the rooftop terrace deck would not be usable until a permanent repair is completed, and the reason for that is to keep the cost down, so they would just be putting the membrane and the

protection layer on, but it would not be able to be walked on, other than to get to drains to clean them out.

He said stairwells 5 and 6 would not have a permanent fix because a lot of the water and filtration that gets into those stairs is resulting from the problems with the rooftop terrace deck structure, and the damage will continue, but at a lesser rate, and the cost of final repair would still be there and escalate rapidly.

He showed what the temporary repair would look like - demolish the sports court finish on top - the plastic layer; demolish the landscaping and water features; put down temporary lightweight sloping concrete in areas previously landscaped, or with water features to build those up to same level as the rest of the deck; 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 Stairs 5 & 6, and it would require that those stairs be closed to access on Level 4; new waterproofing membrane and pads and flood test it.

He mentioned the cost implications of those - 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, the cost of permanent repair will continue to escalate; the temporary repair cannot address all the items that need attention, 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 the deck structure will fail, but nobody knows when that is, but the chances it will happen will increase over time.

He compared the pros and cons of spending \$14 or \$15 million on the rooftop terrace temporary repair - it may save up to \$2.5 million of the cost of the temporary repair if they did the temporary repair immediately, which is not going to happen.

He showed some of the cost implications of the temporary repair option and apologized for the chart which is hard to follow. He stated that if funding was approved in 2022 for work, then funding of work in the permanent repair won't happen, but by 2023 if they do a temporary repair in 2022, they get funding in 2023, which means they can do the work of the full repair in 2024. Roughly by the time the additional work has to be done to stop the deterioration, as well as the cost escalation, the permanent repair will cost about \$3.5 million more.

He said, going with option B, for the full temporary repair, there is cost escalation alone on the original scope of work, of around \$8.3 million, so by leaving this a whole year with additional work that will have to be done, and cost escalations, it will be about \$12 million extra if they

wait one year. The table has educated guesses on what cost escalation to construction is going to do, and how much the damage to the building is going to increase over time.

He said by 2028 the number gets very high - \$45.5 million extra, on top of the \$64 million that has been asked for. He spoke about the failure of the deck in whole or in part, so the slide is not showing just the damage that's ongoing, but it is what the additional cost would be if the deck started to fail, so the table shows educated guesses of extra costs for that as years goes by.

Chair Rafter asked if Mr. Anderson estimated how much revenue would be lost over this time period. He gave context and said his understanding, based on looking at the Convention Center in December in January when it was raining heavily, is a lot of the rooms are becoming unusable during certain time periods and they're deteriorating, so they might lose the use of them. He asked if that is an accurate statement.

Ms. Orton and Mr. Anderson confirmed Chair Rafters statement to be accurate.

Mr. Anderson said he has not done an estimate, but will ask if Ms. Tait can speak of that.

Ms. Tait asked Ms. Orton to speak on the revenue and economic impact. Ms. Orton highlighted, as Chair Rafter mentioned, about the last two flash floods in December. They had \$252,000 in repairs just to get the rooms back to event-ready status, because they had International Dairy Queen checking in, and the day before check in, there was another flash flood in January, which took all those rooms out of inventory, so they had to move rooms around to find new space for Dairy Queen, as those rooms were not usable - the carpet was flooded, ceiling tiles were gone and there were trash bins collecting streaming water. She said some of the leaks are substantial in the building and when there is flash flooding, it takes out a lot of rooms from inventory and the leaks get more.

Mr. Arakawa wanted to clarify - if the temporary fix is done, and if there are flash floods, if they have to do the emergency repairs and fixes it will be \$250,000.

Ms. Orton confirmed that if they want to continue to use the rooms, they will have to make sure the rooms are available or would have to cancel some of the city-wide events as they sometimes book out the entire venue, and then have to look at compensation to relocate them to another city. She said right now, if there is a flash flood, they try to get the rooms back to event ready status, drying it out and addressing any moisture - she said they brought in a company to assist them. She said the second flash flood that came, they didn't manage to fix the rooms in time, as they needed 10 days to dry the rooms out, so they moved the Dairy Queen participants to various rooms, and she had to break their breakout sessions into smaller

sections as they didn't have the junior Ballrooms available, which were the rooms impacted on the third floor.

Mr. Arakawa asked if Ms. Orton was saying that if they do a temporary fix, the issues/problems with the repairs and the unavailability of meeting spaces will continue if they choose the temporary fix.

Ms. Orton reiterated that the temporary fix would slow the leaks and water intrusion down, but will not fix the problem, and she can't confirm that with temporary fixes there won't be other leaks elsewhere, but it will mitigate a large component of the water intrusion to the meeting rooms on the third floor directly below.

Ms. Orton circled back to the economic impact - if they were to close, the financial impact for HCC and revenue loss would be about \$7.6 million. If they were to close the Convention Center from February to October, the nine-month period that Mr. Anderson estimated for construction, \$2 million of that would be city wide revenue, and \$5.5 would be local revenue. She said this is just revenue to the Convention Center, but the economic impact and TAT will be far greater than that.

Ms. Orton said if construction went the entire year from February to December, the financial impact was \$106,000 in economic impact, taking the revenue loss up to \$8.1 million, so it's a substantial loss in revenue as far as how that impacts city wide. They also looked at the option to close the Center, which would save them \$8 million in revenue, but thought that is something they don't want to opt to do, as they'd much rather navigate through the construction process, because they'd have to start looking at compensation to relocate groups, which gets costly. It would also have financial impact on the hotel stakeholders, as they'd be cancelling large blocks of rooms in the next two years if they opted to close the Convention Center.

Ms. Orton doubts there is a hotel that can absorb a conference at this point, and that's why the Convention Center is being used. She said a lot of the groups have over 2,000 delegates and the largest Ballroom aside from the Convention Center is Hilton, and that would be too large, and they don't have breakout meeting rooms to accommodate. She also mentioned that reputational damage does not bode well for them for marketing efforts moving forward, if they relocate groups because of CIP projects.

Chair Rafter noted that on the Thursday agenda, the full Board agenda there is a recommendation to support the Convention Center PIG and if that gets passed, they'll put together a PIG to explore the best ways to proceed, but he said him and some of the Board members are strongly supporting addressing this now, as the longer they wait to do the repairs,

the bigger the problems get. He said everyone should educate themselves as much as they can on this and proceed now, based on Ms. Orton, Ms. Tait and Mr. Anderson's recommendations.

Ms. Orton mentioned that rooftop repairs is just one project, the largest leak source in their building, but it's not the only leak source they have. There are multiple leak projects they're trying to address with the CIP funds they have. They've earmarked every project and every dollar, which are top priority projects they need to get fixed because the water intrusion is coming, not just from the rooftop terrace deck, but almost every roof in the building is somewhat leaking. She said the repair coupled with multiple other CIP projects that are leak related are all needed and necessary.

Mr. Arakawa said he supports Chair Rafters statements about fixing the problem and looking for a permanent fix, and said the other problems Ms. Orton mentioned can be handled in the Convention Center PIG, coming up on Thursday to be discussed by the Board.

Mr. Atkins asked if the economic numbers that Ms. Orton gave are for 2022/2023 and Ms. Orton confirmed this.

Mr. Atkins said if they look at the economic potential on a negative side, if they waited to go into 2024/2025 it would be much greater. He thinks it's important to put the other economic number out there if they had to go through 2024 and 2025.

Ms. Orton agreed.

Mr. Atkins said a lot of the programs Ms. Orton spoke about in 2022 are smaller programs that could be handled in the Ballroom that is not affected. He remembers Ms. Orton stating that everything is picking up and will improve more now with HVCB's help. He asked if they could get the impact of what it would be the following year, 2024, compared to the 2022/2023 window, which could help them convince that now is the time to do it.

Ms. Orton said that was a great point and said the planning for construction would take place in 2022, so the impact to groups on the books would be in 2023. She mentioned they have seven city wide groups currently in year 2023, versus 2024 and 2025. The number jumps up to double digits, so based on their case report, they thought the best year to do construction without pushing it beyond 2025, into 2026, would be 2023, as they have the least amount of business on the books and to Mr. Atkins point to John and the team, they're starting to sell 2026 onwards, so the longer they wait the more business they put on the books, and the larger the financial impact is to the State.

Chair Rafter asked if there were any questions.

Mr. Regan said there were no question from the public.

Mr. Anderson made a point saying the building as it is, is worth hundreds of millions of dollars, and as the building deteriorates, the value goes down quicker. If they fix it the value will improve going forward, so from an accounting viewpoint it's important to consider doing the repair to maintain the value of this asset.

Chair Rafter believes the Convention Center was also built as a place of refuge for the community. He mentioned there have been talks about the PPP with potential to add rooms in a hotel development, but he said his issue is that it would be multiple years away, perhaps a decade before anything would be open. He came to the conclusion that the timeline for the other solutions for the Center is too expensive, versus trying to solve the problem sooner.

Mr. Atkins asked if, at the Board meeting on Thursday, there will be a full presentation on the Convention Center, and if not, they should see if the Committee can recommend what Chair Rafter mentioned to get going on the Convention Center as soon as possible, and recommend it to the Legislature.

Chair Rafter asked Mr. Regan or Ms. Orton what has been scheduled for the Board meeting on Thursday. He said the recommendation to create the PIG is tied to the Board meeting.

Mr. Regan said there is no intent to do the presentation, the request is to create the PIG for the Convention Center as indicated on the Board agenda, so they did not plan to do an update to the Board on the rooftop.

Mr. Arakawa asked if the agenda item is broad enough to discuss matters like Mr. Anderson's presentations to be put under there.

Mr. Regan deferred to Mr. Kinkley, as he thinks the intent of that particular agenda item is to report out what occurred in this Standing Committee and under the report out, maybe there is an opportunity for Chair Rafter to ask the Board to allow Mr. Anderson's recap what was presented here.

Mr. Arakawa asked if the recommendation could go under agenda item number 10.

Mr. Regan said that particular agenda item was to support an allocation of funds for that study, but perhaps that could be the overlap, but until they get there, he deferred.

Mr. Kinkley said it would not be offensive to the Sunshine Law, but they could have Mr. Anderson go in and give the whole presentation, but the problem could be that they must "spare" the Board as it were, by meeting on it here.

Chair Rafter said they've done a good job since having the Committee handle some of the heavier lifting of keeping it off the agenda, but in some instances, it has warranted bringing it up to the whole Board. He suggested Ms. Orton and her team, via Mr. Anderson give a summary of where they're at, as it's something all the Board members will be asked about. He said they should keep it short and then go to the recommendations to the PIG, assuming it's approved. He asked Ms. Orton if it's doable.

Ms. Orton agreed.

Mr. Arakawa agreed with Chair Rafter and thanked Mr. Kinkley.

Mr. Kinkley said it's perfectly consistent with the duty of this Committee as they're serving a bit of the gatekeeping function, and there will be more important things to bring to the Board.

Chair Rafter said there is no motion needed.

Ms. Kimura commented to say she is sure that Ms. Orton will do her best, but that they should have damage control even if it means costing some of the compensation, not only for the economy, but also for the reputation of the meeting planners.

Ms. Orton agreed and said that most city-wide events have already solidified their contracts with cities, five years out, so they would require, if they weren't able to accommodate the Convention Center for their event, to seek compensation for relocation to find another city.

She will present the financial impact for the future years outside of 2023 so that they have all their cards on the table, but they must also consider relocation costs, and compensation that might be expected from them.

Mr. Regan said there were no other questions.

## **10. Presentation, Discussion, and Action on Funding to Support an Update of the Hawai'i Convention Center Futures Study**

Mr. Regan said there was an analysis done by HVS, which is a Convention Sports and Entertainment facility consulting firm, based out of Chicago, who, they were contracted to present and do an analysis on a possibility of a limited-service hotel at the Convention Center. Based on some of their work and assumptions, they had a proposal that was provided to HTA, in October 2019, which gave assumptions and what may be possible for the future of the Convention Center, if the State were to enter into an agreement through some public/private partnership to develop a 600-room limited-service hotel. He said it was a project

commissioned by the former CEO, Mr. Tatum, and the study was based on pre-pandemic information, and a lot of the assumptions were pre-pandemic assumptions that helped to inform the development of that update and study. The request here is to update it with post pandemic information, so the study is current, with all the changes that have taken place since the pandemic.

He pointed out that in the analysis that was done by HVS, one of the assumptions was an ongoing subsidy from the State of Hawai'i for approximately \$11 million, for the period of time that relationship existed, and is something that needs to be revisited.

He mentioned that the amount can't be guaranteed over the period of time that the partnership had been consummated, so that risk needs to be taken into consideration, which was not done in the original report provided to the HTA. He said the request is to update the study so that it is current and can be used, so the Board can consider their options as it relates to the future of the Convention Center and what direction it wants to go in, and that the estimated cost to update it is about \$50,000.

He reiterated that the request to the Board is to allocate \$50,000 to support the updating of the study and said HTA will have to go through the procurement process to ensure that they do everything in alignment with 103D as it relates to that.

Chair Rafter said that for a relatively small amount, they are getting enough questions about what happened to the 2019 future study that's worth doing, given the reasonable amount. He asked Mr. Arakawa for any comments or questions.

Mr. Arakawa said he thinks Mr. Regan explained it and said that post pandemic, and based on the budget changes and funding changes, based on the Legislative actions last year, he thinks the update is warranted.

Mr. Regan said there is a question from Rep. Onishi, and the question is related to the previous discussion about the rooftop and how it relates to the updating of this study, and how that may be potentially conflicting. Mr. Regan was not sure about the response to that, but clarified that their intent in putting it on the agenda was to update the study and have that available if HTA needed it, but if the Convention Center PIG is going to decide which way to go, at least the HTA has the study that has been done, available to the Board members.

Mr. Arakawa said it's interesting that the request comes from Rep. Onishi, as HTA was under the understanding that the Legislature had questions about the matter and update, so if the Legislature doesn't have questions about it, HTA should clarify that.

Mr. Regan gave clarity that the question was part of that discussion with the Legislature - what are HTA doing about the study that was created back in 2019? He said part of HTA's position was that it was in need of any update.

Chair Rafter asked if the question came from the Senate or the House.

Mr. Regan said it was part of the discussion with members of the House, but perhaps, if it's okay, maybe Rep. Onishi could provide insight.

Chair Rafter agreed, and said one of the reasons why it's here is because he thinks the HTA needs to break it into two things, whether or not the future study is of value, and there's a way to move forward with, for example, the PPP, is one outstanding question. He thinks the roof is a totally different item, at this point, as one of them is multiple years away and if there was a pathway to do something like that, it will be long after the roof problem is solved.

His personal opinion is that there still may be value in the future study, but it needs to be separated from solving the short-term roof problem. He saw that Rep. Onishi was willing to come on the call and thanked him for that, and asked Mr. Regan to get him online.

Rep. Onishi thinks that the discussion was done previously in 2019, and the pandemic would have been the perfect opportunity to have done something to the Convention Center, whether it was a temporary fix or the rooftop fix, but because the HTA did not have this discussion, his understanding at the Legislature was that HTA was going to move forward with an RFI, so they could get that information to make that determination on what is the timing.

He mentioned there was extensive discussion, including with Mr. Anderson about timelines, damage, future damage, etc., but the Board did not act, and now they're in the situation where the Legislation does not see this as separate issues, and now they're looking at the long term issues of the Convention Center, not just an immediate, next five years, because other things in the Convention Center might cost the State more money. He doesn't think anyone can predict that.

He agreed with Ms. Orton about what she mentioned about the bookings, but it was always an issue from the previous discussion - was the booking still ongoing at the time, 2019, and they knew there would be a future impact. They all knew that the rooftop needed addressing immediately, so what the Legislature, or what the House is saying, is that they need a long-term solution to the Convention Center, not short-term answer, that in a few years from now, they'll have to address the same, huge costs to try fix something else at the Center.

He said the study, if he remembers correctly, is they were looking at sustainability of the Convention Center without the Government's subsidy, and having the same economic impact to Hawai'i's economy in general, of having a Convention Center for the long term.

He asked if it makes more sense to utilize the Center for something else and consider building a new Convention Center. Rep. Onishi said those are the things the Board needs to look at and not just fix the roof, as it's a long-term impact to Hawai'i's visitor industry, and how do they solve it, so it's not an ongoing issue like the Aloha stadium turned out to be. He reiterated that's where the House is at, and said at this point, he doesn't think the HTA is addressing the issue.

Mr. Arakawa thanked Rep. Onishi for his input and said the HTA needs to do a better job of that. He thinks part of the major issue with the Convention Center is that it is a structure that was intended also, to serve as a Center for disaster relief, and that is the function it served during the pandemic, so it's important to have a safe and secure structure like that, that can serve the public during emergency. He said HTA needs to look at all the possible uses of the Convention Center, and whether putting hotels on top of the Center would limit its use as an emergency facility. He agreed HTA needs to look at the long term uses and get back to Rep. Onishi as soon as possible.

Mr. Atkins understands the frustration, as some of the issues should have been addressed earlier, but where they are today, no matter what they do, if they build another Convention Center, or find a partner to do the whole partnership, in order to go out and market, he is not sure how easy it would be to market with all the things that need to be done.

He said they need to assess where they are, what they need to do, and figure out the best way to get the long term Rep. by getting a good study, moving forward, getting repairs fixed, and decide what needs to be done and assess the return on investment, but letting it stay as is and the damage gets worse every time there is a flood, they need to see what the best way forward is.

He mentioned the other CIP projects over the next six years and appreciates the report getting done, for the long-term planning. He said either they get an investor to come in and see the issues are addressed, the roof is fixed, or look at the other instance, where they have the facility. He is not sure how much work could have been done during the pandemic, but it would have been a lot easier to do then, but he doesn't want to go backward, if HTA failed to do something in an expedient manner. Now they have to step up from both fronts.

Rep. Onishi said the Convention Center was used during the pandemic because it wasn't being utilized, and said they could have found other spaces if needed, if there was a plan on the

Convention Center, but that's a moot point because it's already done. The issue about a temporary repair came up from the House. It wasn't anything that was considered by the HTA Board or Committee, to look at that, as well as the possible development.

He asked them what parameters the HTA are going to be setting for the re-valuation of whether or not there's a feasibility of building a Convention Center. He asked if the HTA has talked about that, or what the options are, that HTA would offer a developer to entice them.

Chair Rafter believes there has been an analysis of what a new Convention Center might cost, or what it would cost to replace the current one.

Rep. Onishi reiterated that the issue is not cost, but what are the incentives that the State of Hawai'i is going to offer to a developer.

Chair Rafter said this is where he would use Mr. Onishi's reference to the stadium as a good reference, because his fear in agreement with Mr. Atkins is that this can be studied forever and they would be sitting in the room five years from now with no Convention Center, similar to how they have no stadium, and that's a real risk, so he agrees.

He has seen new Convention Centers being built, and they've been constructed differently, but he is not sure HTA has the luxury of going down that path because it's multiple years away.

Mr. Arakawa said the issue will not be solved right there, but thinks they all need to sit down with Rep. Onishi and the House and follow up on what they've recommended months ago. Mr. Arakawa said there have been developers who have made proposals to HTA on developing hotels on site, etc. so to Rep. Onishi's question on what incentives or what developers are looking at, is a further discussion that Mr. De Fries can look into that, and a future study can address that.

Rep. Onishi said at this point they cannot eliminate the Senate. If HTA is going to do something and have this discussion it should be with the full Legislature - the Senate and the House, and he mentioned that Mr. De Fries and Mr. Regan try set up this presentation to the House and Senate.

Mr. Atkins agreed with Rep. Onishi.

Mr. Arakawa said it's a good idea, and agreed that the Senate is looking at it as two separate things, but they need to do the fix to the roof now, so there will be an operating Center that can attract future developers, because if it's not in a good state, it will not attract interest, which will be like trying to sell the current Aloha Stadium to some developer and then they tear it down and start all over.

Rep. Onishi said they are going to tear it down and start all over, and reiterated that HTA has got guys proposing to do that.

Mr. Arakawa reiterated that in this case, they don't have the same issues as the Aloha Stadium, but they're trying to do the repairs now so that it can be a fully operating Convention Center. He agreed that Rep. Onishi is 100% correct, and it should be discussed with the House and Senate together.

Mr. Regan confirmed that they did have a presentation to Rep. Onishi and Senator Wakai, but to Rep. Onishi's point, they will engage Finance and WAM, and schedule a meeting to Rep. Onishi's recommendation and do the presentation, because to his point they now have updated information to share, and said it's a great suggestion. He asked if it's okay with Mr. De Fries, Chair Rafter and members, he'd like to move forward and get it scheduled asap.

Rep. Onishi mentioned that Chair Rafter should be included at least, and asked Mr. Kinkley if Chair Rafter can attend.

Mr. Kinkley confirmed that it's okay.

Mr. Arakawa mentioned that he is the Legislative Chair, so he would like to attend as well.

Chair Rafter asked if they could move the \$50,000 to March's 2022 agenda, and asked Mr. Regan if it's a reasonable solution to defer, to have the meetings, have Mr. Anderson's presentation on Thursday, then create the PIG, as they have not resolved how they are going to move forward.

Mr. Arakawa asked Rep. Onishi if it's reasonable for HTA to go ahead with addressing the fixes to the roof, or should it stop, pending a study on options or alternatives. Mr. Arakawa thinks the sooner the repairs get going, the better it is, as they don't know when the next flash flood will be.

Rep. Onishi asked how HTA will get the repairs done if there is no money.

Mr. Arakawa asked if he is saying that the House will not agree to any repair money unless they do the future study, and Rep. Onishi said what he is saying is that they are in the process of determining what they would fund, and that's what he has expressed to the HTA administration.

Mr. Arakawa asked Chair Rafter that they go forward with this as if they don't have their position on what should be funded this year, then the Legislature doesn't have anything to work with, and the HTA needs to follow up with all the issues Rep. Onishi and Senator Wakai raised.

Rep. Onishi interrupted and said the HTA has already taken a position - HTA has submitted a budget of \$64 million, and said they don't need to know anything other than that, but the question is will the Legislature fund \$64 million.

Mr. Arakawa said there might be a proposal for something less than \$64 million, based on discussions staff had. He proposed, for the future that Chair Rafter and him should sit in on discussions with Legislatures so that they know exactly what's going on.

Mr. Regan interjected for clarity, and said Mr. Arakawa had a good point, which based on the conversations, HTA has started to think about how they can value engineer the project, to bring down the overall cost for it, to make it more acceptable to the Legislatures to support.

He mentioned that Ms. Orton, Mr. Anderson and team have been going back and looking at temporary fixes, looking at taking out certain things, like the trellis, etc. to see what makes sense to do and get it down to the minimum amount of funds needed to fix the rooftop, to make it usable. He said phasing it all in is something they've been looking at and asked Ms. Orton, Chair and members if it's okay to send over some of the draft proposals to Rep. Onishi and Senator Wakai so they're aware of it, as they've been supported of them.

Mr. Togashi mentioned one of the options they were looking at for consideration was whether HCC would be able to fund the planning and design out of existing prior maintenance funds.

Mr. Regan agreed and said it would involve reprogramming, so HTA would have to identify those projects so they can take out and defer to a later date to reduce the number needed to support the overall project.

Rep. Onishi said it's hard for HTA to come up with a definitive direction as there are all kinds of variables available.

Mr. Regan said the one thing that has not changed is fixing the rooftop. He said they need to find a compromise from what's included in the budget to what they're hearing from the Legislature.

Rep. Onishi agrees - the House believes something has to be done, and the sooner the better, but what is that something?

Mr. Atkins asked Ms. Orton a question - he said there are lots of Convention Centers around the mainland - is the rooftop the key selling point?

Ms. Orton mentioned that it is not their most rented space, the Ballroom is, and the only reason for that is that it's not covered, and because of inclement weather, they always have to

reserve the Ballroom as a rain backup. She said it is a selling feature and most city-wide events do have their open or closing reception on the rooftop, so it is a key selling point.

Mr. Atkins said if they piecemeal the roof and fix the water, but don't put pavers out for another year, he sees more complications with noise on the roof and asked if it's really worth the saving of \$6 million or whatever the cost is. He wanted to challenge that. The Center doesn't have a lot of dinners up there because of the weather, but receptions and closing receptions, he thinks is a major selling feature for HTA selling other destinations.

Ms. Orton agreed and said that is why they proposed option 2 on Mr. Anderson's slide, which was to cover 50% of the roof with some louvered trellis system allowing them to utilize the Center, and then the rooftop terrace would have more for functions as they wouldn't have to worry about the weather, so they could market the Ballroom and the rooftop.

Chair Rafter asked about the \$50,000 - to Rep. Onishi's point, it is clear that HTA needs the new roof, but the questions that have come to him is what about the future study in 2019, and the PPP. He personally doesn't need a new study to advise that a PPP of this complexity, if even viable, would take well beyond the lifetime of the roof.

He also knows that and RFI would accomplish the same thing but would take many more months. The problem he sees is that the questions are still coming, so he sees value in doing the rooftop, and said they must bifurcate the issues, but he will leave it to the rest of the Committee to determine whether HTA needs it, or any developer that can get on a phone call to let them know it's multiple years away, and whether it's worth \$50,000 or not, is a vote for this Committee.

He noted his opinion that they would need to take a step for the Audit division as to where they are going at the Convention Center, and Mr. Anderson does have numbers on what it would take to build here or anywhere else, but any solution is well beyond the life of the current one.

Mr. Regan suggested deferring this to the next Budget, Finance Convention Center Standing Committee meeting, and then it can be taken up by the Convention Center PIG, as part of the discussion. He said if the PIG is approved at the Board meeting coming up on Thursday, then this will be appropriate for that particular PIG's purpose, so it could be part of that, and depending on the timing of when the PIG meets, it could help to inform the next Budget, Finance Convention Center Standing Committee meeting.

Chair Rafter asked Mr. Regan to correct him if he is wrong, but the timeline to update the futures was ten weeks, so waiting a few weeks might not be too much of an issue, as they're

ten weeks out which pushes them to May 2022, which is beyond when any decision can be made about it in 2022.

Mr. Regan said that is correct. He also mentioned that the PIG, Board or the Committee might decide that, instead of using the \$50,000 to update the study, instead use a portion of that to do the RFI, or help build the RFP. He said if they're going down that path, they'll need the consultant on Board to help HTA put that together properly, which is something that can be discussed in the PIG.

Mr. Atkins asked what reason they need the PIG for - is the Convention Center going to be taken out of the budget, where the PIG focusses on the Convention Center totally? He wanted clarity on why they needed another PIG, as they have a Legislative PIG that could be involved in the presentation to the House and the Senate about this, then they have the Budget Committee that can give their thoughts to the Legislative Committee, and now they're going to have a Convention Center PIG that deals with what?

Mr. Arakawa said that will be discussed on Thursday.

Mr. Atkins said if they're going to do the study, they need to bring up things that Rep. Onishi mentioned today about relocating, other uses, etc., as if you build a 600-room resort, it needs to be looked at from a community sentiment too.

Mr. Regan gave clarity that agenda item on the Board meeting for Thursday on the PIG, states that "To create a Convention Center permanent investigative group that explore issues relating to the future of the Hawaiian Convention Center and RFP issues," so that's the purpose of the PIG according to the agenda item.

Chair Rafter said it will be spoken about on Thursday, but thinks it's a more specific and longer-term item that they'll be talking about, but they can debate it on Thursday. He said it will be a good idea to defer it to March's Budget Committee, as at that time, they might have more information on everything.

Ms. Kimura asked when the study will be done. She said having a PIG they should include the future goal. Rep. Onishi mentioned achieve subsidizing from the Government. She mentioned that the Kyoto Convention Center was only subsidized for the first five years. She said there are some Convention Centers not being subsidized by the Government.

Chair Rafter asked if there were any other comments from Mr. Regan or anyone else. Mr. Regan said there was no need for a motion to defer.

Chair Rafter thanked Rep. Onishi for joining the call.

## **11. Adjournment**

Chair Rafter asked for a motion to adjourn. Mr. Atkins gave a motion, and Ms. Kimura seconded. The motion passed unanimously.

Mr. Regan adjourned the meeting at 11:46 a.m.

Respectfully submitted,



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Sheillane Reyes  
Recorder

**4**

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

## **4.1**

### **Financial Statements – Executive Summary**

**As of February 28, 2022**



AUTHORITY

Financial Statements – Executive Summary  
As of February 28, 2022

**Foreword:**

- FY 2021 Transactions Processed in FY 2022. As noted in HTA’s June 30, 2021 financial statements, some transactions using FY 2021 funds that we submitted to DAGS in FY 2021 were processed by DAGS as FY 2022 business. It is necessary to include these transactions processed in July 2021 in HTA’s official records for FY 2022 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 FY 2021 encumbrance records and we will omit these transactions from our focus in FY 2022 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. \$44.2M in cash (remaining from amount that has been allotted to HTA so far), an increase of \$8.9M primarily due to an allotment of Federal ARPA funds in February.
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	B&F Funds Release		Board Approved	Encumbered
	(CSFRF)	Requested	Approved	Amount	
Hawaiian Culture	-	-	-	1,565,500	-
Natural Resources	-	665,000	665,000	665,000	-
Community	27,289,500	735,500	735,500	735,500	-
Branding	28,500,000	31,730,000	31,730,000	34,480,000	27,952,209
Sports	-	3,677,889	3,677,889	3,677,889	2,344,889
Safety & Security	-	900,000	900,000	900,000	1,380
Research	-	-	-	60,000	-
Planning	-	2,005,200	2,005,200	2,005,200	300,000
Admin	648,700	999,111	999,111	999,111	52,782
Governance and Org-Wide	351,800	351,800	351,800	351,800	191,980
Payroll	3,210,000	3,210,000	3,210,000	3,410,000	3,210,000
	60,000,000	44,274,500	44,274,500	48,850,000	34,053,240

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
January 2022 Meeting	475,000	48,850,000	NAHHA FY23

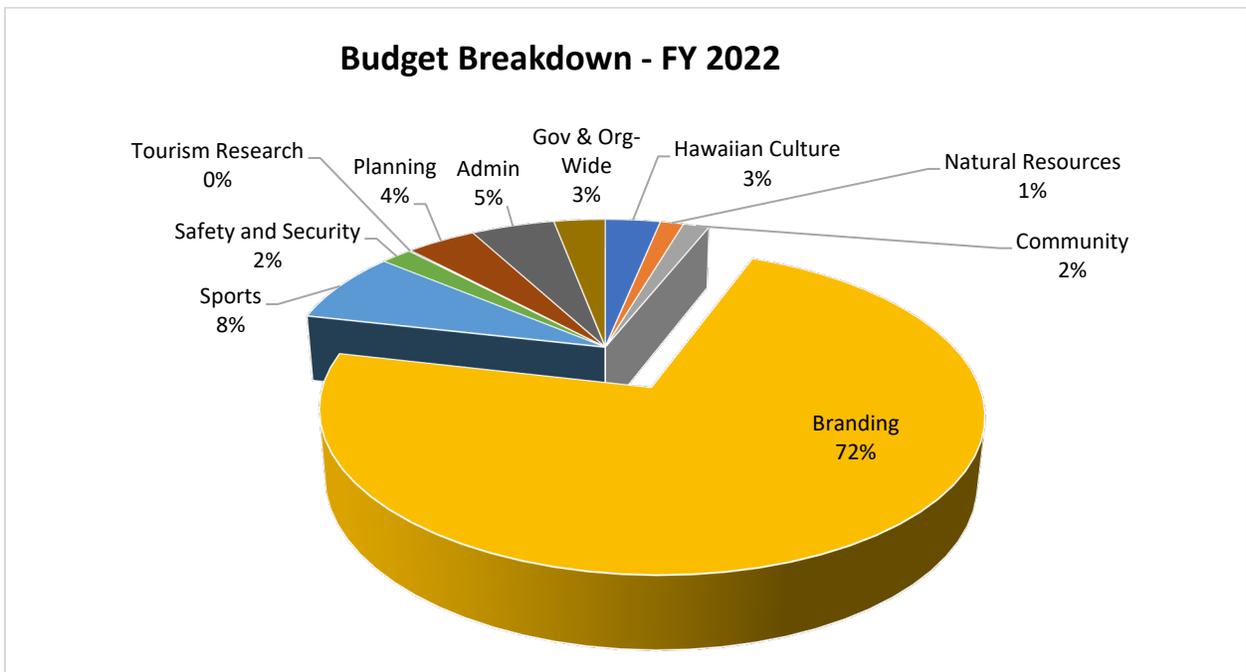
Through February, \$11,150,000 of programs presented as part of HTA's draft FY 2022 budget has been deferred or will be reprogrammed for other purposes, resulting in a FY 2022 budget of \$48,850,000 approved to date.

As of February 28, 2022, \$34.0M of the \$48.9M FY2022 budget was utilized/encumbered, or 70%.

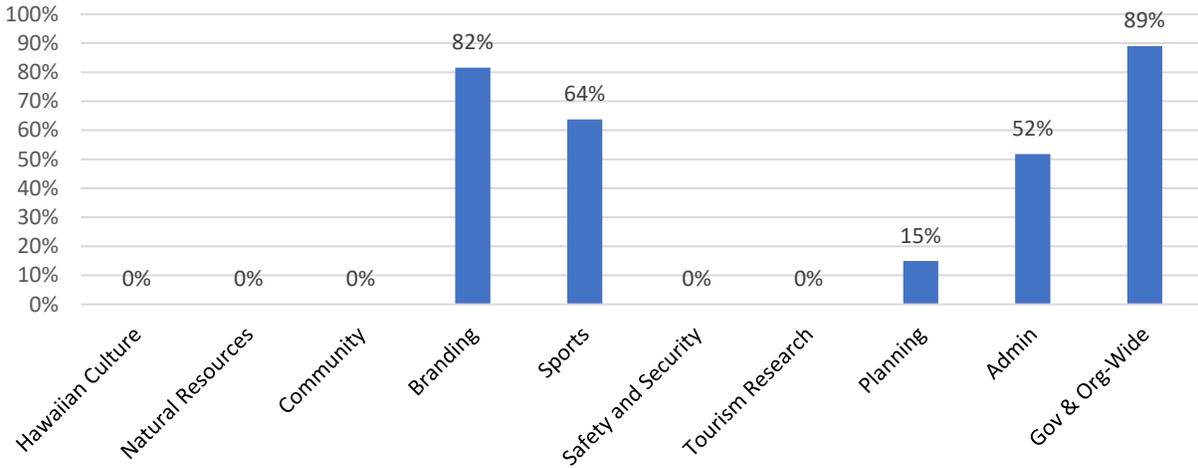
Below is a summary of the FY 2022 budget based upon Federal reporting categories (titles were paraphrased):

<b>Primary Federal Category</b>	<b>Budget</b>	<b>Encumbered</b>	<b>Remaining</b>
Economic Recovery	45,440,000	30,843,240	14,596,760
Continuation of Government Services			
Payroll	3,410,000	3,210,000	200,000
	<b>48,850,000</b>	<b>34,053,240</b>	<b>14,796,760</b>

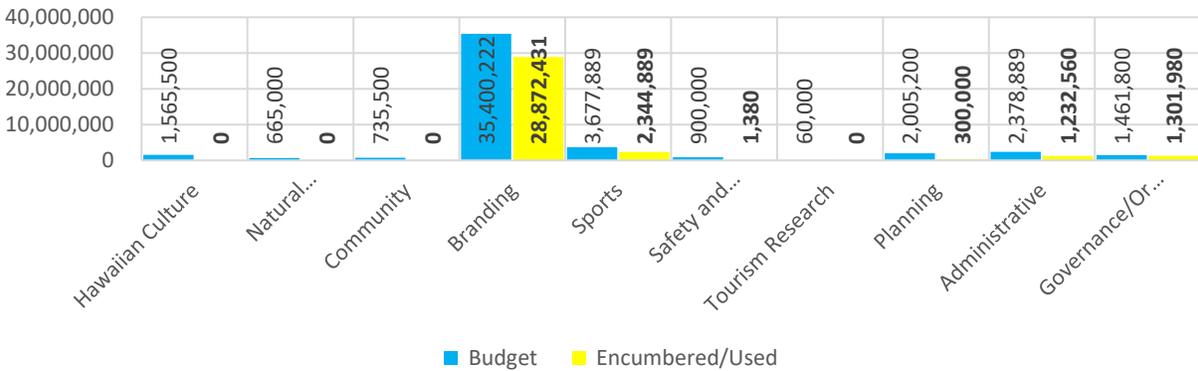
The following are various charts to depict our FY 2022 budget, budget utilization and trends. It is important to note that approximately \$11M of HTA’s budget has been deferred for approval as of the date of these financial statements, and accordingly are not reflected here below. Additionally, a more balanced budget would be evident when considering the contracts for FY 2022 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.



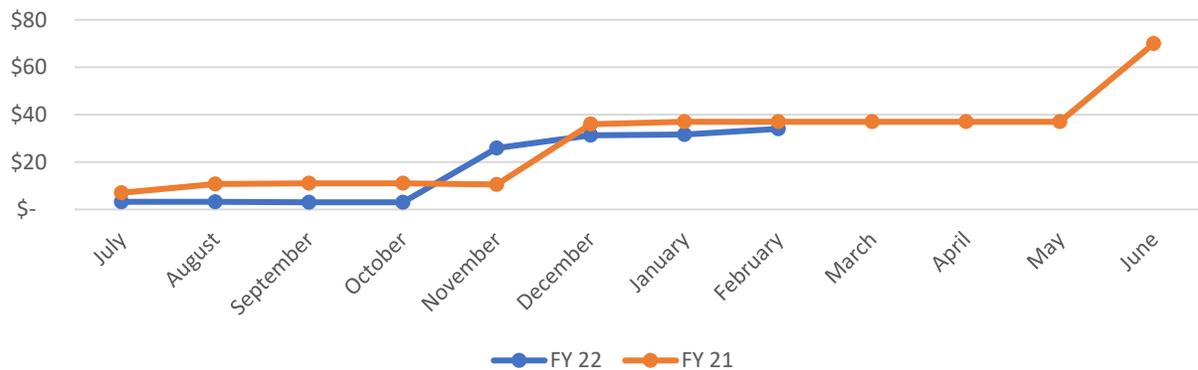
### Percentage of Budget Utilized 2/28/22



### Budget vs Encumbered as of 2/28/22 (Budget Used)



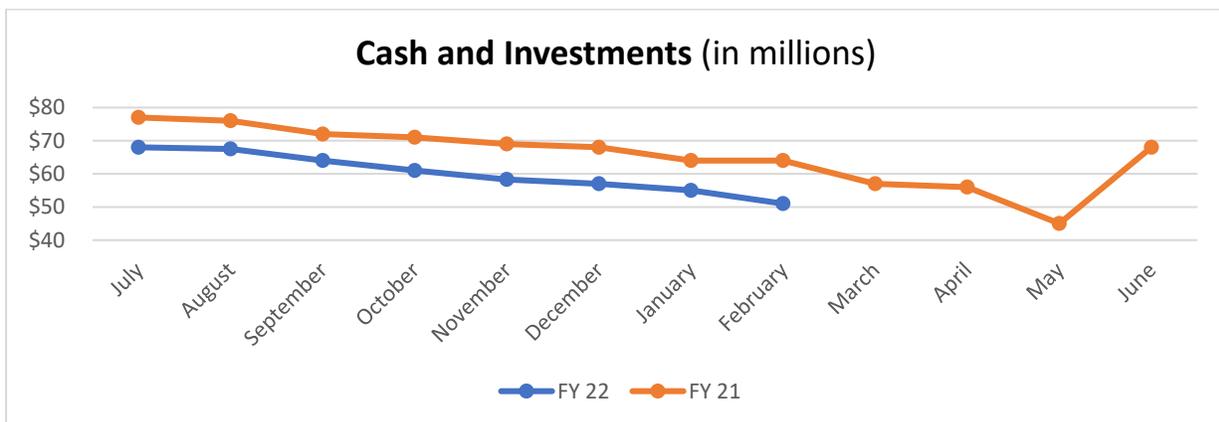
### Budget Utilized (in millions)



4. A detail of the budget reallocations made for the reporting period and cumulatively for the fiscal year is provided on the accompanying Budget Reallocation Summary. The following reallocations occurred in February 2022:
  - a. \$167K from Sports Programs Unallocated to UH Branding Partnership, related to HTA's contract with the Big West Conference.
  
5. Operating Income (Loss):
  - a. \$8,864,000 in ARPA funds were recorded as allotted to HTA during the February 2022 period. Cumulatively, \$44.3M has been allotted to HTA year-to-date through February 2022, which represents ARPA funds HTA is using in FY 2022 for staff's payroll, program, 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. \$51M in cash and investments. The trend in cash balance is consistent with that of the prior year. In FY 2021, HTA funded its operations from its reserves that was bolstered by cancelled and/or reduced contracts due to the pausing of TAT distributions to HTA. During that period, there were minimal sources of revenue until TAT distribution temporarily restarted in June 2021. In FY 2022, we continue to spend down previously encumbered funds.



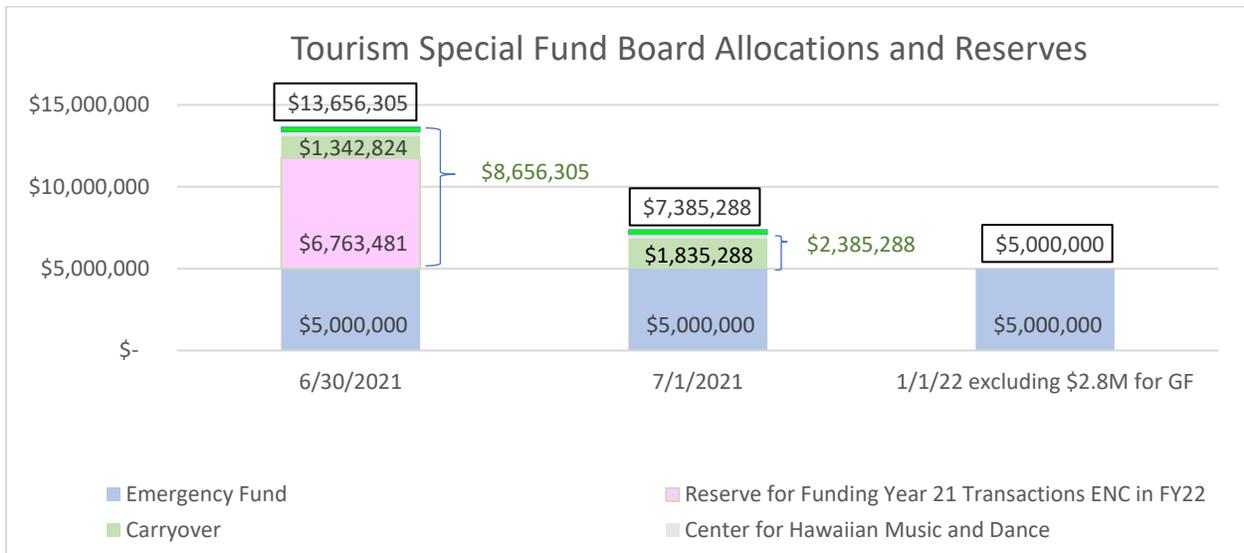
- a. Includes \$5M in Emergency Fund held as investments.
  - i. Approximately \$5.0M held in money market funds
  - ii. Further detail provided in the financial statements (as of January 2021)
- b. Cash decreased by approximately \$3.9M from January 31, 2022 primarily due to disbursements related to 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:

\$43.0M	Prior year encumbrances currently being spent down	
\$0.00	Current year encumbrances remaining	
\$43.0M	Total encumbrances outstanding at February 28, 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 FY 2021 transactions that DAGS processed in July of FY 2022, 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 February 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).

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

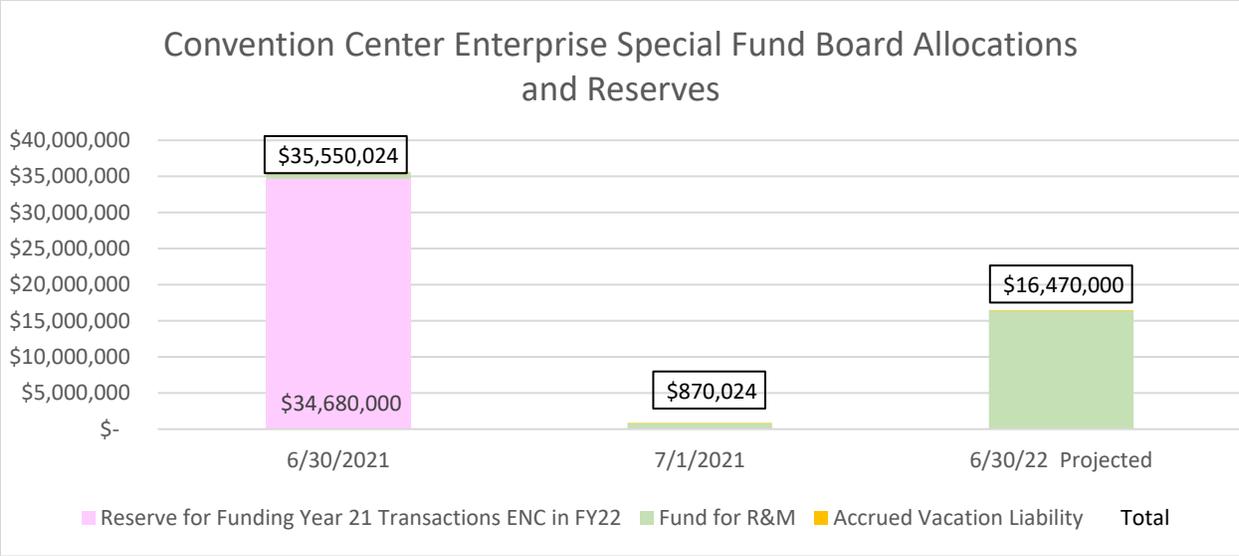
	<b>Incremental Approved at Meeting</b>	<b>Cumulative Budget Approved</b>	
June 2021 Meeting	162,000	162,000	Interim Payroll funding
July 2021 Meeting	328,000	490,000	Payroll for remainder of year
February 2022 Meeting	10,510,000	11,000,000	Remainder of budget, primarily for R&M

14. Operating Income:

- a. Cumulatively, \$11M of ARPA funds has been allotted, 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. \$50.9M in cash. Cash increased by \$1.2M from January 31, 2022, primarily due to Convention Center operations revenue receipts.
  
16. \$18.2M in cash with contractor or with DAGS, for R&M projects (as of January 2022).
  - 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 \$18.2M, approximately \$7.3M has been contracted (as of January 2022).
  - c. The amount of cash remaining with the contractor already accounts for \$5.1M expended on current and future projects (in-progress costs or preliminary work).
  
17. \$14.9M reserved as Board allocations as of February 28, 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 \$3.1M 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 \$14.9M 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 already reflects a \$400K decrease from earlier projections due to a decrease in revenue projections, partially offset by the receipt of investment and other income.)
  - d. (We anticipate approximately \$2.5M of the \$16.4M to be dedicated toward replenishing HTA's operating reserve for the Convention Center.)



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
	<b>16,500,000</b>	<b>18,600,000</b>	<b>35,100,000</b>

\* 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: \$3.1M operating subsidy fiscal-year-to-date per HCC financial statements (as of February 2022). We budgeted for a \$5.5M operating subsidy for FY 2022. HCC management anticipates operating within budget at \$5.35M for FY 2022. Funded by FY21's encumbrance as discussed above.

**Hawaii Tourism Authority**  
**Balance Sheet**  
**Tourism Federal (ARPA) Fund**  
**As of 2/28/22**

	Current Year
<b>Assets</b>	
Current Assets	
Checking	44,221,906.77
Total Current Assets	44,221,906.77
Total Assets	44,221,906.77
<b>Fund Balance</b>	
Encumbered Funds	
FY 2022 Funds	34,000,647.35
Total Encumbered Funds	34,000,647.35
Unencumbered Funds	
Total Unencumbered Funds	10,221,259.42
Total Fund Balance	44,221,906.77

**Hawai'i Tourism Authority**

Balance Sheet

Tourism Special Fund

As of 2/28/22

	<u>Current Year</u>
Assets	
Current Assets	
Checking	45,945,535.01
Petty Cash	<u>-</u>
Total Current Assets	<u>45,945,535.01</u>
Total Assets	<u><u>45,945,535.01</u></u>
Fund Balance	
Current year payables	
Accounts Payable	54,500.00
Total Current year payables	<u>54,500.00</u>
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	1,644,332.98
FY 2021 Funds	<u>41,088,176.49</u>
Total Encumbered Funds	<u>43,037,402.12</u>
Unencumbered Funds	
Total Unencumbered Funds	2,853,632.89
Total Fund Balance	<u><u>45,945,535.01</u></u>

**Hawai'i Tourism Authority**  
Balance Sheet  
Convention Center Federal (ARPA) Fund  
As of 2/28/22

	<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>

**Hawai'i Tourism Authority**  
Balance Sheet  
Convention Center Enterprise Special Fund  
As of 2/28/22

	<u>Current Year</u>
Assets	
Current Assets	
Checking	50,902,891.49
Total Current Assets	<u>50,902,891.49</u>
Total Assets	<u><u>50,902,891.49</u></u>
Fund Balance	
Encumbered Funds	
FY 2019 Funds	110,894.39
FY 2021 Funds	<u>35,796,538.80</u>
Total Encumbered Funds	35,907,433.19
Unencumbered Funds	
Total Unencumbered Funds	14,995,458.30
Total Fund Balance	<u><u>50,902,891.49</u></u>

**Hawai'i Tourism Authority**  
Balance Sheet  
Emergency Trust Fund  
As of 2/28

	<u>Current Year</u>
Assets	
Current Assets	
Investments	5,010,932.68
Total Current Assets	<u>5,010,932.68</u>
Total Assets	<u><u>5,010,932.68</u></u>
Fund Balance	
Current year net assets	
	<u>(8,026.40)</u>
Total Current year net assets	<u>(8,026.40)</u>
Prior years	
Total Prior years	5,018,959.08
Total Fund Balance	<u><u>5,010,932.68</u></u>

HTA Allocations  
FY 2021 and FY 2022 (Projected)

<b>Annual Budgets:</b> -\$60M FY 2022 HTA Tourism Federal (ARPA) Fund [subject to approval]  -\$11M FY 2022 Convention Center Federal (ARPA) Fund [subject to approval]
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\$5M Emergency Funds	
<b>\$5M Emergency Fund Reserve</b> (Established by Statute as a separate fund, to be used upon declaration of a tourism emergency by the Governor)	<b>\$0M Mandated by Board</b> (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>

<b>TOTAL RESERVES (incl \$5M Emergency Fund)</b>	<b>13,656,305</b>	<b>7,385,288</b>	<b>5,000,000</b>	<b>35,550,024</b>	<b>870,024</b>	<b>16,470,000</b>
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**Hawai'i Tourism Authority**  
Statement of Revenues and Expenditures  
Tourism Federal (ARPA) Fund  
FY 2022 Funds  
From 2/1/2022 Through 2/28/2022

	<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	8,864,000.00	44,274,500.00	(15,725,500.00)
Total Revenue	<u>60,000,000.00</u>	<u>8,864,000.00</u>	<u>44,274,500.00</u>	<u>(15,725,500.00)</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	5,000.00	5,000.00	35,395,222.00
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	0.00	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>5,000.00</u>	<u>52,593.23</u>	<u>48,797,406.77</u>
Net Income	<u>11,150,000.00</u>	<u>8,859,000.00</u>	<u>44,221,906.77</u>	<u>33,071,906.77</u>

**Hawai'i Tourism Authority**  
 Statement of Revenues and Expenditures  
 Tourism Special Fund  
 FY 2022 Funds  
 From 2/1/2022 Through 2/28/2022

	<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	0.00	1,302.52	1,302.52
Refunds	<u>0.00</u>	<u>0.00</u>	<u>57,075.14</u>	<u>57,075.14</u>
Total Revenue	<u>0.00</u>	<u>0.00</u>	<u>58,377.66</u>	<u>58,377.66</u>
Net Income	<u><u>0.00</u></u>	<u><u>0.00</u></u>	<u><u>58,377.66</u></u>	<u><u>58,377.66</u></u>

**Hawai'i Tourism Authority**  
Statement of Revenues and Expenditures  
**Prior Year Funds - Tourism Special Fund**  
From 2/1/2022 Through 2/28/2022

	<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	289,814.00	2,161,286.25	9,038,345.75
Natural Resources	3,447,910.00	0.00	781,910.00	2,666,000.00
Community	8,462,772.12	20,000.00	411,062.07	8,051,710.05
Branding	33,112,516.00	3,436,131.27	11,449,587.15	21,662,928.85
Sports	160,222.00	27,949.00	35,171.00	125,051.00
Safety and Security	770,114.66	94,125.00	513,750.00	256,364.66
Tourism Research	2,270,248.83	131,927.24	1,476,885.78	793,363.05
Administrative	933,514.62	29,005.23	284,436.37	649,078.25
Governance and Org-Wide	<u>201,675.92</u>	<u>4,127.76</u>	<u>123,918.74</u>	<u>77,757.18</u>
Total Expense	<u>60,558,606.15</u>	<u>4,033,079.50</u>	<u>17,238,007.36</u>	<u>43,320,598.79</u>
Net Income	<u>(60,558,606.15)</u>	<u>(4,033,079.50)</u>	<u>(17,111,236.91)</u>	<u>43,447,369.24</u>

**Hawai'i Tourism Authority**  
Statement of Revenues and Expenditures  
Convention Center Federal (ARPA) Fund  
FY 2022 Funds  
From 2/1/2022 Through 2/28/2022

	<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	215,000.00	0.00	0.00	215,000.00
HCC Repair and Maintenance	<u>10,465,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>10,465,000.00</u>
Total Expense	<u>11,000,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>11,000,000.00</u>
Net Income	<u>0.00</u>	<u>0.00</u>	<u>11,000,000.00</u>	<u>11,000,000.00</u>

**Hawai'i Tourism Authority**  
Statement of Revenues and Expenditures  
Convention Center Enterprise Special Fund  
FY 2022 Funds  
From 2/1/2022 Through 2/28/2022

	<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>1,217,633.66</u>	<u>2,588,734.98</u>	<u>2,588,734.98</u>
Total Revenue	<u>11,000,000.00</u>	<u>1,217,633.66</u>	<u>13,672,446.06</u>	<u>2,672,446.06</u>
Net Income	<u>11,000,000.00</u>	<u>1,217,633.66</u>	<u>13,672,446.06</u>	<u>2,672,446.06</u>

**Hawai'i Tourism Authority**  
Statement of Revenues and Expenditures  
**Prior Year Funds** - Convention Center Enterprise Special Fund  
From 2/1/2022 Through 2/28/2022

	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
<b>Revenue</b>				
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	0.00	80,938.93	80,938.93
HCC Revenue	<u>0.00</u>	<u>14,992.92</u>	<u>279,104.86</u>	<u>279,104.86</u>
Total Revenue	<u>0.00</u>	<u>14,992.92</u>	<u>452,988.34</u>	<u>452,988.34</u>
<b>Expense</b>				
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>14,992.92</u>	<u>418,541.22</u>	<u>36,360,421.31</u>

**Hawaii Convention Center**  
**Facility**  
**Income Statement**  
From 2/01/2022 Through 2/28/2022  
(In Whole Numbers)

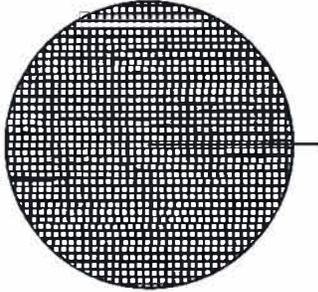
	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Direct Event Income								
Rental Income (Net)	209,368	182,180	27,188	125,472	1,604,278	1,289,255	315,023	1,726,402
Service Revenue	86,074	134,860	(48,786)	131,624	921,723	1,135,405	(213,682)	1,470,207
Total Direct Event Income	295,441	317,040	(21,599)	257,096	2,526,001	2,424,660	101,341	3,196,609
Direct Service Expenses	107,204	188,149	80,945	118,835	1,056,668	1,814,116	757,448	1,367,584
Net Direct Event Income	188,237	128,891	59,346	138,261	1,469,333	610,544	858,789	1,829,025
Ancillary Income								
Food and Beverage (Net)	58,577	203,768	(145,191)	4,374	351,997	933,572	(581,575)	141,526
Event Parking (Net)	28,142	14,530	13,612	0	431,599	152,300	279,299	46,149
Electrical Services	0	4,000	(4,000)	0	23,013	42,720	(19,707)	0
Audio Visual	5,999	2,140	3,859	340	28,663	58,440	(29,777)	3,166
Internet Services	0	0	0	0	0	0	0	0
Rigging Services	32,917	0	32,917	0	116,920	8,000	108,920	0
First Aid Commissions	0	0	0	0	0	0	0	0
Total Ancillary Income	125,635	224,438	(98,803)	4,714	952,192	1,195,032	(242,840)	190,841
Total Event Income	313,873	353,329	(39,456)	142,976	2,421,525	1,805,576	615,949	2,019,866
Other Operating Income								
Non-Event Parking	1,728	0	1,728	0	5,808	0	5,808	(875)
Other Income	3,518	1,417	2,101	1,100	51,275	11,336	39,939	14,262
Total Other Operating Income	5,246	1,417	3,829	1,100	57,083	11,336	45,747	13,387
Total Gross Income	319,119	354,746	(35,627)	144,076	2,478,608	1,816,912	661,696	2,033,253
Net Salaries & Benefits								
Salaries & Wages	298,860	364,310	65,450	219,020	2,516,427	2,915,040	398,613	2,225,713
Payroll Taxes & Benefits	94,707	125,893	31,186	75,618	726,768	1,007,144	280,376	724,269
Labor Allocations to Events	(21,406)	(131,043)	(109,637)	(113,433)	(565,811)	(1,110,254)	(544,443)	(1,299,217)
Total Net Salaries & Benefits	372,161	359,160	(13,001)	181,205	2,677,384	2,811,930	134,546	1,650,765
Other Indirect Expenses								
Net Contracted Services	17,632	22,787	5,155	7,543	135,809	187,945	52,136	78,889
Operations	8,580	10,534	1,954	20,213	59,761	84,272	24,511	88,769
Repair & Maintenance	70,857	72,367	1,510	58,772	561,508	578,936	17,428	427,315
Operational Supplies	19,475	38,720	19,245	2,808	169,273	283,584	114,311	132,977
Insurance	10,970	12,044	1,074	11,159	97,532	87,610	(9,922)	19,998
Utilities	173,365	145,058	(28,307)	101,668	1,373,375	1,128,427	(244,948)	1,075,820
Meetings & Conventions	958	850	(108)	1,300	8,874	9,300	426	10,584
Promotions & Communications	1,253	2,300	1,047	153	1,155	18,400	17,245	4,910
General & Administrative	13,682	14,500	818	8,797	100,650	115,770	15,120	81,279
Management Fees	18,633	18,633	(0)	(18,633)	149,067	149,064	(3)	0
Other	11,453	2,166	(9,287)	26,752	27,765	17,328	(10,437)	(39,690)
Total Other Indirect	346,858	339,959	(6,899)	220,532	2,684,767	2,660,636	(24,131)	1,880,849
Net Income (Loss) before CIP Funded Expenses	(399,900)	(344,373)	(55,527)	(257,662)	(2,883,544)	(3,655,654)	772,110	(1,498,361)
CIP Funded Expenses	7,991	0	7,991	26,552	7,991	0	7,991	(41,225)
Net Income (Loss) from Operations	(391,908)	(344,373)	(47,535)	(231,110)	(2,875,552)	(3,655,654)	780,102	(1,539,586)
Fixed Asset Purchases	(151,797)	8,333	160,130	1,012	230,673	66,664	(164,009)	23,783
Net Income (Loss) After Fixed Asset Purchases	(240,112)	(352,706)	112,594	(232,122)	(3,106,226)	(3,722,318)	616,093	(1,563,369)

**Hawaii Convention Center**  
Facility  
Income Statement  
From 2/01/2022 Through 2/28/2022  
(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	120,246	336,538	(216,292)	4,568	814,187	1,580,867	(766,680)	213,363
Facility	375,685	342,527	33,158	258,536	3,246,662	2,721,706	524,956	3,259,312
<b>Total Revenues</b>	<b>495,931</b>	<b>679,065</b>	<b>(183,134)</b>	<b>263,104</b>	<b>4,060,849</b>	<b>4,302,573</b>	<b>(241,724)</b>	<b>3,472,675</b>
<b>Expenses</b>								
Food & Beverage	162,344	235,135	72,791	17,926	1,143,470	1,430,442	286,972	468,439
Facility	733,487	788,303	54,817	502,840	5,800,923	6,527,785	726,862	4,502,597
<b>Total Expenses</b>	<b>895,830</b>	<b>1,023,438</b>	<b>127,608</b>	<b>520,766</b>	<b>6,944,393</b>	<b>7,958,227</b>	<b>1,013,834</b>	<b>4,971,036</b>
Net Income (Loss) before CIP Funded Expenses	(399,900)	(344,373)	(55,527)	(257,662)	(2,883,544)	(3,655,654)	772,110	(1,498,361)
CIP Funded Expenses	7,991	0	7,991	26,552	7,991	0	7,991	(41,225)
Net Income (Loss) from Operations	(391,909)	(344,373)	(47,536)	(231,110)	(2,875,553)	(3,655,654)	780,101	(1,539,586)
Fixed Asset Purchases	(151,797)	8,333	160,130	1,012	230,673	66,664	(164,009)	23,783
Net Income (Loss) after Fixed Asset Purchases	(240,112)	(352,706)	112,595	(232,122)	(3,106,226)	(3,722,318)	616,092	(1,563,369)

## Summary Of Investments

### Investment Allocation



0.0%	CASH	42.61
100.0%	CASH EQUIVALENTS	5,010,890.07
100.0%	TOTAL	5,010,932.68

### Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	42.61	0.00	0	0.00
CASH EQUIVALENTS	5,010,890.07	100.00	501	0.01
<b>Total Fund</b>	<b>5,010,932.68</b>	<b>100.00</b>	<b>501</b>	<b>0.01</b>

### Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	42.61	42.61	100.00
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
5,010,890.07	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	5,010,890.07	5,010,890.07	100.00
	<b>Total Fund</b>	<b>5,010,932.68*</b>	<b>5,010,932.68*</b>	<b>100.00*</b>



**4.2**  
Budget Reallocation Summary  
FY2022  
Through February 28, 2022

Budget Reallocation Summary  
 FY 2022  
 Through February 28, 2022

Budget Line Item	Program Code	Budget	Year-to-Date		February 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 February 28, 2022

Budget Line Item	Program Code	Budget	Reallocation	Budget After Reallocations	February 2022 Activity
			-	-	
			-	-	
			-	-	
			-	-	-
<b>Branding</b>					
<i>From:</i>					
None				-	
				-	
			-	-	-
<i>To:</i>					
				-	
				-	
			-	-	-
<b>Sports</b>					
<i>From:</i>					
Sports Programs - Unallocated	379	1,500,000	(167,000)	1,333,000	(167,000)
				-	
			(167,000)	-	(167,000)
<i>To:</i>					
UH Athletics Branding Partnership	378	-	167,000	167,000	167,000
				-	
				-	
			167,000	-	167,000
<b>Safety and Security</b>					
<i>From:</i>					
None				-	
				-	
			-	-	-
<i>To:</i>					
				-	
				-	
			-	-	-
<b>Tourism Research</b>					
<i>From:</i>					

Budget Reallocation Summary  
 FY 2022  
 Through February 28, 2022

Budget Line Item	Program Code	Budget	Reallocation	Budget After Reallocations	February 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 February 28, 2022

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

**4.3**  
Budget Statement – Summary

FY2022

As of February 28, 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 February 2022	Budget	YTD Amount of Budget Used	Balance	Activity for February 2022
<b>Revenues</b>								
TAT Revenue Allocation			-	-			-	-
Federal ARPA Funds	60,000,000	44,274,500	15,725,500	8,864,000	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>44,274,500</b>	<b>15,725,500</b>	<b>8,864,000</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	2,344,889	1,333,000	2,344,889	-	-	-	-
Subtotal	3,677,889	2,344,889	1,333,000	2,344,889	-	-	-	-
<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	-	-	-	-	-
In-House Contracted Staff - Planning			-	-			-	-
Subtotal	2,005,200	300,000	1,705,200	-	-	-	-	-
<b>Hawai'i Convention Center</b>								
Sales & Marketing			-	-			-	-
Operations			-	-			-	-
Major Repair & Maintenance			-	-	10,465,000	-	10,465,000	-
Subtotal			-	-	10,465,000	-	10,465,000	-
<b>Administrative (Statute: Cannot exceed 3.5% = \$2,765,000)</b>								
Operations	999,111	52,782	946,329	10,936	-	-	-	-
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	1,232,560	1,146,329	10,936	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	105,000	125,000	105,000	45,000	-	45,000	-
Governance - Board/Others	121,800	86,980	34,820	4,342	-	-	-	-
Subtotal	1,461,800	1,301,980	159,820	109,342	215,000	170,000	45,000	-
<b>Total Encumbrances</b>	<b>48,850,000</b>	<b>34,053,240</b>	<b>14,796,760</b>	<b>2,465,167</b>	<b>11,000,000</b>	<b>490,000</b>	<b>10,510,000</b>	<b>-</b>
<b>Revenues vs Encumbrances</b>	<b>11,150,000</b>	<b>10,221,260</b>			<b>-</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)	-	-	-	-	-	2,588,735	(2,588,735)	1,217,634
Convention Center Revenue - Relating to Prior Years	-	-	-	-	-	279,105	(279,105)	-
Other	-	185,148	(185,148)	-	-	257,594	(257,594)	-
<b>Total Revenues</b>	<b>-</b>	<b>185,148</b>	<b>(185,148)</b>	<b>-</b>	<b>11,000,000</b>	<b>14,125,434</b>	<b>(3,125,434)</b>	<b>1,217,634</b>

**4.4**  
Budget Statement

FY2022

As of February 28, 2022

Hawai'i Tourism Authority  
Budget Statement  
As of February 28, 2022  
FY 2022

Program Code	Program Title	Budget FY22	YTD Amount of Budget Used	Remaining Balance	February 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	Wahi 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>					
4	Cruise Infrastructure Improvements and Arrival Experience	100,000.00	100,000.00	0.00	0.00
5	Route Development Program (PAUSE)	250,000.00	0.00	250,000.00	0.00
10	HTUS/HTJ Campaign Effectiveness Study	270,000.00	0.00	270,000.00	0.00
12	Rebranding of the Hawaiian Islands	1,000,000.00	0.00	1,000,000.00	0.00
13	Creative Agency	250,000.00	0.00	250,000.00	0.00
14	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 Rescues (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	2,177,889.00	0.00	2,177,889.00
378	UH Athletics Branding Partnership	167,000.00	167,000.00	0.00	167,000.00
379	Sports Programs - Unallocated	1,333,000.00	0.00	1,333,000.00	0.00
<b>Subtotal</b>	<b>Sports</b>	<b>3,677,889.00</b>	<b>2,344,889.00</b>	<b>1,333,000.00</b>	<b>2,344,889.00</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 (Accommodations 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	0.00
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>0.00</b>
<b>Administrative</b>					
101	Community-Industry Outreach & Public Relations Svcs	200,000.00	0.00	200,000.00	0.00
103	hawaiiauthority.org (formerly HTA web/Global Social)	100,000.00	0.00	100,000.00	0.00
901	General and Administrative	648,700.00	52,781.92	595,918.08	10,936.46
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>1,232,559.92</b>	<b>1,146,329.08</b>	<b>10,936.46</b>
<b>Governance and Org-Wide</b>					
915	Organization-Wide	230,000.00	105,000.00	125,000.00	105,000.00
919	Governance - Gen Board/Others	121,800.00	86,980.24	34,819.76	4,342.28
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>1,301,980.24</b>	<b>159,819.76</b>	<b>109,342.28</b>
<b>Total</b>	<b>FY 2022 Funds</b>	<b>48,850,000.00</b>	<b>34,053,240.58</b>	<b>14,796,759.42</b>	<b>2,465,167.74</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>HCC Operations</b>					
860	HCC Repair and Maintenance	10,465,000.00	0.00	10,465,000.00	0.00
<b>Subtotal</b>	<b>Administrative</b>	<b>10,465,000.00</b>	<b>0.00</b>	<b>10,465,000.00</b>	<b>0.00</b>
<b>Governance and Org-Wide</b>					
915	Organization-Wide	45,000.00	0.00	45,000.00	0.00
931	State Employees Fringe	170,000.00	170,000.00	0.00	0.00
<b>Subtotal</b>	<b>Governance and Org-Wide</b>	<b>215,000.00</b>	<b>170,000.00</b>	<b>45,000.00</b>	<b>0.00</b>
<b>Total</b>	<b>FY 2022 Funds</b>	<b>11,000,000.00</b>	<b>490,000.00</b>	<b>10,510,000.00</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>

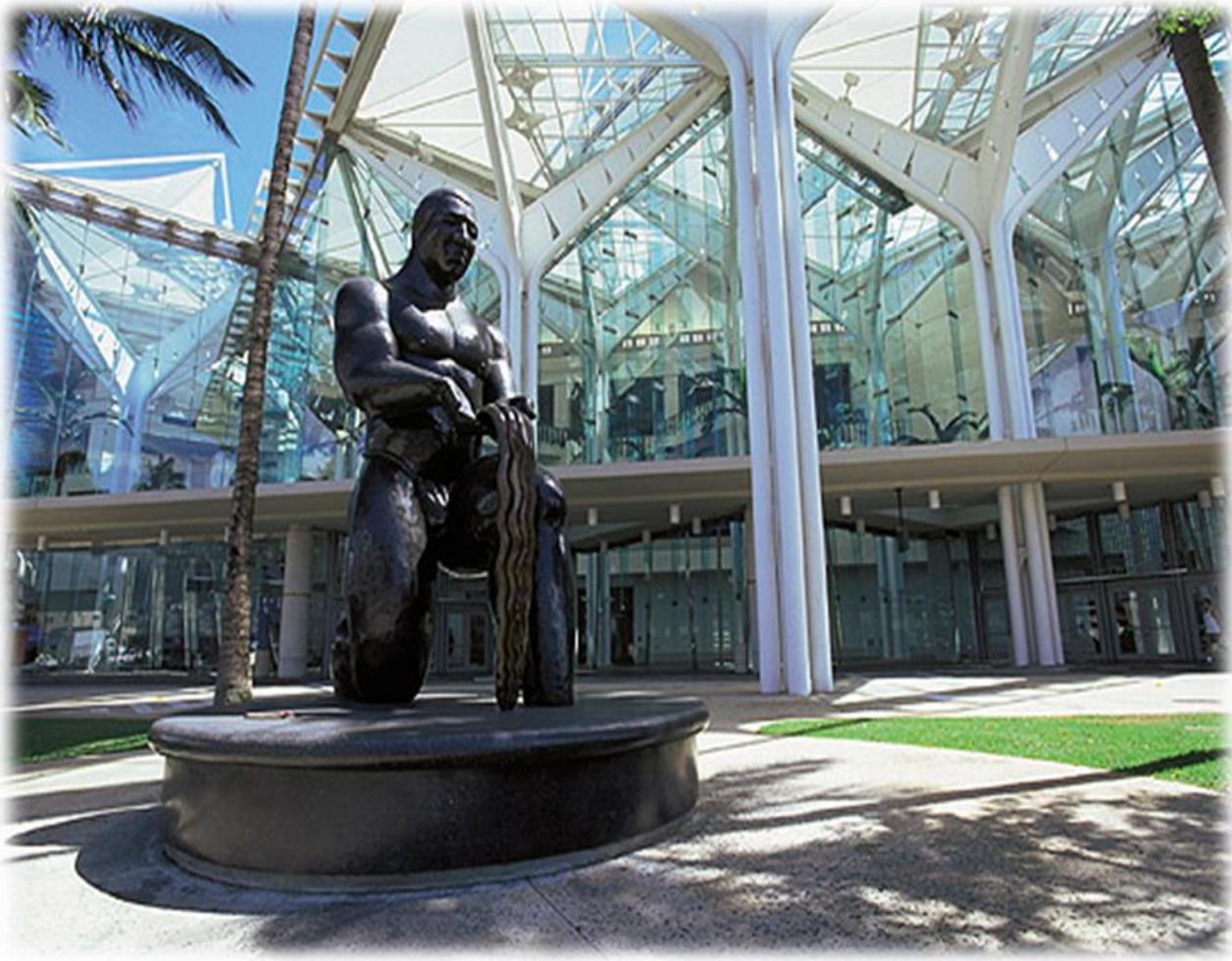
**Convention Center Enterprise Special Fund:**

<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**

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

# *Hawai'i Convention Center*



*March 2022  
Update*

# *Hawai'i Convention Center*

- Impact to HCC in FY22, cancellations and lost revenue impact
  - 2 associations - \$238k in lost revenue, 30,806 lost room nights
  - 3 city-wide corporate event - \$373k in lost revenue, 3,830 lost room nights (Best Western moved to 2023, 7,110 room nights)
  - 32 local events - \$1.65M in lost revenue
- Positive note, business on the books in remainder of FY22
  - 42 Definite events, including 2 city-wide events
  - 8 First Option events, including 3 sporting events

As of March 25<sup>th</sup>, all restrictions lifted (staff mask mandate in place until April 1<sup>st</sup>)

# Financial Update

	February YTD Actual	FY 2022 Forecast	FY 2022 Budget	Variance	CY 2019 Actual
Contracted Room Nights	5,630	17,577*	31,181*	0	132,104
Facility Occupancy	30%	28%	20%	8%	32%
Facility Number of Events	140	197	100	97	238
Facility Gross Revenue	\$4,060,800	\$6,419,100	\$7,701,500	(\$1,282,400)	\$16,866,900
Facility Gross Expenses	\$7,167,000	\$11,774,500	\$13,218,900	\$1,444,400	\$17,649,200
Facility Net Loss	(\$3,106,200)	(\$5,355,400)	(\$5,517,400)	\$162,000	(\$782,300)
S&M Net Expenses	(\$301,300)	(\$533,000)	(\$533,000)	\$0	(\$5,315,00)
HCC Net Loss	(\$3,407,500)	(\$5,888,400)	(\$6,050,400)	\$162,000	(\$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 Trnsfd to ASM (T/P/NT)	Prior Fiscal, incl FY22 to date	Remaining FY22	FY23	FY24	FY25	FY26	FY27	Total
001	Rooftop Terrace Deck Repair	\$ 64,000,000	P	GOB	NT	\$ -	\$ -	\$64,000,000					\$ 64,000,000
002	Rooftop Terrace Deck Repair, Planning - 2018, 2020	\$ 340,208	A	AHF	T	\$ 302,498	\$ 37,710						\$ 340,208
003	Building Envelope Repairs (Kalākaua Kitchen, 3rd fl planters, exterior painting)	\$ 18,631,604	A	AHF	NT	\$ 243,662	\$ 8,195,111	\$10,192,832					\$ 18,631,604
007	Kitchen Hood Control Panel and Fire Suppression	\$ 1,102,366		ARPA	NT	\$ 32,299	\$ 557,944	\$ 512,123					\$ 1,102,366
008	F&B Refrigerator, 3rd floor (#348) Replacement	\$ 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					\$ 2,142,108
010	Chiller Replacement	\$ 4,363,870		ARPA	NT	\$ -	\$ 30,000	\$ 4,332,145					\$ 4,362,144
	Chiller Replacement	\$ 275,000		AHF	T	\$ 14,973	\$ 261,753						\$ 276,726
011	Ballroom Gutter, Foyer Transom Glass Repair and Soffit 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	\$ 1,998,341	A	AHF	T	\$ 1,185,551	\$ 812,790						\$ 1,998,341
017	Trellis Replacement	\$ 5,000,000	A	AHF	T	\$ 3,748,371	\$ 1,251,629						\$ 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 and Meeting Room Wallpaper Replacement	\$ 450,000	A	ARPA	NT	\$ -	\$ 450,000						\$ 450,000
026	IT Network Upgrades	\$ 125,000	A	AHF	NT	\$ -	\$ -	\$ -	\$ 125,000				\$ 125,000
027	Ice Machines Replacement	\$ 500,000	A	AHF	NT	\$ -	\$ -	\$ -	\$ 500,000				\$ 500,000
028	Theatre 310 and 320 Furnishings Upgrade	\$ 750,000	A	AHF	NT	\$ -	\$ -	\$ -	\$ -	\$ 375,000	\$ 375,000		\$ 750,000

# Repair & Maintenance Projects

## 6-Year Plan (page 2)

Project #	Project Title	Estimated Project Cost	Status (A/P/NA)	Intended Funding Source(s) (TFF/CCESF/GOB/GF/AHF)	Funds Trsf'd to ASM (T/P/NT)	Prior Fiscal, incl FY22 to date	Remaining FY22	FY23	FY24	FY25	FY26	FY27	Total
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 - verbal	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
039	Leak Repairs - January 2022	\$ 170,000	Emerg	AHF	T	\$ -	\$ 170,000						\$ 170,000
040	Exterior Planter Repair	\$ 2,313,660				\$ -	\$ -		\$ 2,313,660				\$ 2,313,660
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	\$ 270,000
045	Escalator and Elevator Refurbishment	\$ 1,000,000				\$ -	\$ -				\$ 200,000	\$ 200,000	\$ 1,000,000
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	\$ 55,000				\$ -	\$ -	\$ 55,000					\$ 55,000
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
056	Lobby Glass Panels	\$ 120,000				\$ -	\$ 16,000	\$ 104,000					\$ 120,000
	GRAND TOTAL	\$ 136,142,432				\$ 5,660,353	\$ 17,835,117	\$ 95,413,400	\$ 5,228,892	\$ 6,409,671	\$ 2,095,000	\$ 2,800,000	\$ 136,142,432

# 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*
- *Leak Repairs – December 2021 / January 2022, \$396k, completed 2022*

# Definite Local Bookings (FY22)

Month	# of Definite Bookings
February 2022	10
March 2022	13
April 2022	17
May 2022	14
June 2022	11

# Tentative Local Bookings for Next 3 Months

Start Date	End Date	Event Name	Forecast Attendance
04/29/22	04/29/22	Hawaii STEM Conference	350
05/28/22	05/30/22	Aloha Region Summer Volleyball Classic 2022	1,000
06/10/22	06/13/22	The Hawaii Volleyball Luau	3,000
06/10/22	06/10/22	Tropics and Wine (Honolulu Japanese Junior Chamber of Commerce)	650
06/22/22	06/23/22	Hawaii Hotel & Restaurant Show 2022	3,500
06/23/22	06/23/22	Dr. Richard Kelley - Celebration of Life	300
06/28/22	06/28/22	Hawaiian Electric Annual Leadership Meeting	200

# Upcoming Public Events

- Hapalua Packet Pickup (April 8-9), 6,000 attendees
- Aloha Region Regional Volleyball (April 15-17), 5,000 attendees
- Kawaii Kon (April 22 – 24), 12,000 attendees
- Hawai'i Prayer Breakfast (April 29), 1,000 attendees

# Advertising (FY22)

## April – June 2022 ½ Page Local Ad Placements (PBN)



*Meetings. Conventions. And Everything in Between*

From meetings and tradeshows to sports tournaments,  
book your next event at the Hawai'i Convention Center.

Contact us at [info@hccasm.com](mailto:info@hccasm.com) or visit [hawaiiiconvention.com](http://hawaiiiconvention.com)



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Target: Local businesses to consider HCC for their upcoming meetings,  
banquets and special events.

Upcoming placement dates: April 1, 15 and 29



# Mahalo Nui Loa