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Testimony of
Mike McCartney
President and Chief Executive Officer
Hawai'i Tourism Authority
on
H.B. 2183, Proposed H.D. 1
Relating to the Convention Center

House Committee on Finance
Tuesday, February 28, 2012
12:00 p.m.
Conference Room 312

The Hawai'i Tourism Authority (HTA) supports, with amendments, H.B. 2183, H.D.1, which establishes the Convention Center District, and designated the Hawaii Community Development Authority (HCDA) as the district's redevelopment authority to develop uses and activities that promote and encourage the use of the Convention Center.

In 2002, the Convention Center Authority was repealed, and the responsibility for the Hawai'i Convention Center assigned to the HTA, including, "[acquisition] by purchase, lease, or otherwise, and develop, construct, operate, own, manage, repair, reconstruct, enlarge, or otherwise effectuate, either directly or through developers, a convention center facility."

H.B. 2183, H.D. 1, establishes a Convention Center District, and directs the HCDA to develop uses and activities that promote and encourage the use of the convention center. HCDA was established to "...join the strengths of private enterprise, public development and regulation" to enable "...long-range planning and implementation of improved community development."

The development of uses and activities that *promote and encourage the use of the Convention Center*, however, requires certain expertise and knowledge of the convention and events planning industry and of the visitor industry. While HTA was not established as a development authority, it is the lead entity with a "permanent, strong focus on marketing and promotion" of Hawai'i as a visitor destination, and promoting and marketing the Hawaii Convention Center in the meetings and conventions market. The HTA board possesses the knowledge and experience to guide the activities and development of uses in a convention center district, and has the professional relationships to engage the expertise necessary to facilitate such activities and development.

The provisions of H.B. 2183, could better be carried out more effectively by designating the HTA board, with representation from businesses within the district as the district board, with the authority to form ad hoc advisory groups, when necessary, for

development in the district of uses and activities that will promote and encourage the use of the Convention Center.

HTA recommends that H.B. 2183 be amended to establish the HTA board, with representation of businesses in the district, as the convention center district board, and the authority in the attached amendment.

Thank you for the opportunity to offer these comments.

Proposed amendment

§206E-A Convention center district board establishment. (a)

Notwithstanding section 206E-3(b), there is established a convention center district board, which shall consist of the members of the Hawaii tourism authority board. At least two members shall be representatives of businesses located within the boundaries of the designated district appointed by the governor pursuant to section 26-34.

(b) The members of the board shall elect a chairperson from among its public members.

(c) Eight members shall constitute a quorum and a minimum of eight affirmative votes shall be necessary for all actions by the board. The members shall serve without compensation, but shall be reimbursed for expenses, including traveling expenses, necessary for the performance of their duties.

(d) The may form ad hoc advisory groups with expertise, knowledge, and experience in land economics, development, real estate, business, finance, marketing, management, events planning, and the visitor industry.

(e) As used in this part "board" means the convention center district board.

§206E-B Powers of the board; generally. Except as otherwise limited by this chapter, the board may:

- (1) Make and execute contracts and all other instruments necessary or convenient for the exercise of its powers and functions under this part;
- (2) Make rules with respect to its projects, operations, properties, and facilities, which rules shall be in conformance with chapter 91;
- (3) Prepare or cause to be prepared a convention center district development plan;
- (4) Exercise the powers of the Hawaii community development authority within the convention center district;
- (5) Through the authority, acquire, reacquire, or contract to acquire or reacquire by grant or purchase real, personal, or mixed property or any interest therein; to own, hold, clear, improve, and rehabilitate, and to sell, assign, exchange, transfer, convey, lease, or otherwise dispose of or encumber the same;
- (6) Through the authority, acquire or reacquire by condemnation real, personal, or mixed property or any interest therein for public facilities, including but not limited to streets, sidewalks, parks, and other public improvements;
- (7) Through the authority, or in partnership with qualified persons, acquire, reacquire, construct, reconstruct, rehabilitate, improve, alter, or repair or provide for the construction, reconstruction, improvement, alteration, or repair of any project; own, hold, sell, assign, transfer, convey, exchange, lease, or otherwise dispose of or encumber any project, and in the case of the sale of any project, accept a purchase money mortgage in connection therewith; and repurchase or otherwise acquire any project which the authority has theretofore sold or otherwise conveyed, transferred, or disposed of;

- (8) Through the authority, arrange or contract for the planning, replanning, opening, grading, or closing of streets, roads, roadways, alleys, or other places, or for the furnishing of facilities or for the acquisition of property or property rights or for the furnishing of property or services in connection with a project;
- (9) Prepare or cause to be prepared plans, specifications, designs, and estimates of costs for the construction, reconstruction, rehabilitation, improvement, alteration, or repair of any project, and from time to time to modify such plans, specifications, designs, or estimates;
- (10) Provide advisory, consultative, training, and educational services, technical assistance, and advice to any person, partnership, or corporation, either public or private, to carry out the purposes of this part, and engage the services of consultants on a contractual basis for rendering professional and technical assistance and advice; and
- (11) Do any and all things necessary to carry out its purposes and exercise the powers given and granted in this part.



HAWAII COMMUNITY
DEVELOPMENT AUTHORITY



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STATEMENT OF
ANTHONY J. H. CHING, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE
HOUSE COMMITTEE ON FINANCE

Tuesday, February 28, 2012

12:00 P.M.

State Capitol, Conference Room 308

in consideration of

**H. B. 2183, PROPOSED H. D. 1 – RELATING TO THE CONVENTION
CENTER.**

Purpose: Establishes the Convention Center District to develop uses and activities to promote use of the Convention Center. Establishes policies to guide development within the district. (Proposed H. D. 1)

Position: The Hawaii Community Development Authority (“HCDA”) takes no position and provides the following comments on the proposal.

The purpose of the proposal is to develop uses and activities that promote and encourage use of the Convention Center. Within this context, I offer the following comments.

- The boundaries of the proposed Convention Center District need clarification by utilizing tax map key descriptions, metes and bounds survey specifications or a combination of both.
- Within the proposed district boundaries, other than the Convention Center, there are no State or City landholdings.

- The majority of the existing development within the proposed district would appear to include parcels at its highest and best use. Buildings within the proposed district include the Discovery Bay, Wailana, Waipuna, several other residential condominiums and feature very few development opportunities.
- The HCDA is generally tasked with building communities in districts designated by the Legislature that are characterized by blight and in need of redevelopment. There are only limited opportunities for redevelopment in the area.
- Promotion of the use and activities of the Convention Center is an objective that can be administered efficiently by the existing operator and manager of the Convention Center facility.
- Clarification is needed as to whether a new community development district is being created or whether the Convention Center District would be incorporated into the Kakaako Community Development District.
- The designation of a new community development district requires that three additional members are seated alongside the existing thirteen members of the Kakaako Authority.
- A new and separate Convention Center District revolving fund need not be established. A separate account could be established for the purposes of the Convention Center District within the existing Hawaii Community Development Revolving Fund.

Thank you for the opportunity to provide my comments on this proposal.



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HOUSE OF REPRESENTATIVES
THE TWENTY-SIXTH LEGISLATURE
REGULAR SESSION OF 2012

COMMITTEE ON FINANCE
Representative Marcus R. Oshiro, Chair

2/28/12
Rm. 308, 12:00 PM

HB 2183
Relating to Convention Center

Chair Oshiro and Members of this Committee, my name is Max Sword, here on behalf of Outrigger Hotels Hawaii in support of this bill.

In all the major cities on the mainland, there is usually a hotel attached to the convention center. This hotel is usually used as the headquarter hotel of whatever convention held in the center. As usually happens, that hotel commands a premium price for rooms, which should be good in helping the convention center cover more of their operating cost.

We do not have that here in Honolulu. Having a district will allow a hotel to be attached to the Hawaii Convention Center, as well as help the undeveloped areas around the center to be revived.

Thank you for allowing me to testify.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Saturday, February 25, 2012 7:44 AM
ro: FINTestimony
Cc: Lardizabal@local368.org
Subject: Testimony for HB2183 on 2/28/2012 12:00:00 PM

Testimony for FIN 2/28/2012 12:00:00 PM HB2183

Conference room: 308
Testifier position: Support
Testifier will be present: Yes
Submitted by: Al Lardizabal
Organization: Hawaii Laborers' Union
E-mail: Lardizabal@local368.org
Submitted on: 2/25/2012

Comments:

The Hawaii Convention Center is a key facility that encourages businesses and groups from out of Hawaii to visit Hawaii. Creating a Convention Center District will expand economic development opportunities for local businesses to service the conventioners and create more employment.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 27, 2012 7:52 PM
To: FINTestimony
Cc: Brenda.Kosky@gmail.com
Subject: Testimony for HB2183 on 2/28/2012 12:00:00 PM

Testimony for FIN 2/28/2012 12:00:00 PM HB2183

Conference room: 308
Testifier position: Support
Testifier will be present: No
Submitted by: Brenda Kosky
Organization: Individual
E-mail: Brenda.Kosky@gmail.com
Submitted on: 2/27/2012

Comments:
Very good idea!