

Hawai'i Tourism Authority

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Testimony of
Mike McCartney
President and Chief Executive Officer
Hawai'i Tourism Authority
on
S.C.R. 35
**Requesting the Hawaii Tourism Authority to Study the
Feasibility of Developing a Hotel Above the Hawaii Convention Center Facility**

Senate Committee on Tourism
Thursday, March 1, 2012
1:15 p.m.
Conference Room 224

The Hawai'i Tourism Authority (HTA) supports S.C.R. 35 and S.R. 14, which request the HTA to study the feasibility of developing a hotel above the Hawaii Convention Center facility.

S.C.R. 35 and S.R. 14 direct HTA to determine, in conducting the study:

- Site and logistical issues related to the development of a hotel facility on top of the Convention Center facility, such as traffic and infrastructure demands;
- Jurisdictional and permitting requirements, and requirements for design, construction, and funding;
- The interest of private sector developers;
- Options for public-private partnerships for the development and operation of a hotel, including partnership with the School of Travel Industry Management for internships, externships, and other professional development opportunities for students; and
- Other pertinent issues that may impact the development of a hotel facility.

The Hawaii Convention Center is fourteen years old and has greatly contributed to Hawaii's economy, with an average of \$488 million annually in visitor spending and \$48 million in tax revenues.

There is the potential for growth in the meetings, incentives, conventions, and exhibits (MICE) market, particularly from Asia, for which the Convention Center is an essential asset. S.C.R. 35 and S.R. 14, provides us the opportunity to explore the viability of developing a hotel as part of the Convention Center complex, whether as a training hotel, or as a convention hotel.

In 1984, \$50,000 was appropriated for the convention center feasibility study. The feasibility of developing a hotel above the Hawaii Convention Center facility may incur costs similar to those encountered in the 1984 study, such as the contracting of traffic experts, development consultants, and financial advisors, which HTA has not budgeted for and which may delay the completion of a report beyond twenty days prior to the convening of the 2013 Regular Session.

Thank you for the opportunity to offer these comments.