



Hawai'i Convention Center
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**Testimony of
Mike McCartney
President and Chief Executive Officer
Hawai'i Tourism Authority
on
HCR 179 / HR 144
Requesting the Hawaii Tourism Authority to Conduct a Feasibility Study on
Options to Generate more Revenue from the Hawaii Convention Center**

House Committee on Tourism
Monday, March 25, 2013
10:00 a.m.
Conference Room 312

The Hawai'i Tourism Authority (HTA) offers comments on H.C.R. 179 and H.R. 144, which request the HTA to conduct a feasibility study on options to generate more revenue from the Hawaii Convention Center, including the feasibility of developing a hotel at the Convention Center. This resolution is unnecessary because the HTA is already conducting such a study.

The Hawaii Convention Center is an important economic generator for tourism in the state of Hawaii and has greatly contributed to Hawaii's economy, with a 10-year average of \$526 million in visitor spending and \$53 million in tax revenues, providing a 14 to 1 return on investment.

There is potential for growth in the meetings, conventions and incentives (MCI) market, particularly from Asia, for which the Convention Center is an essential asset. Over the past 18 months, the Hawaii Tourism Authority has led a comprehensive restructuring of the sales and marketing operation for the Convention Center and all group sales for the State of Hawaii. Every aspect of group sales and marketing, including the international efforts, has been evaluated and improved. This process was completed in conjunction with the Hawaii Convention Center, the Hawaii Visitors and Convention Bureau, the Hawaii Tourism Authority International Contractors, and the tourism industry stakeholders. The new sales and marketing operation has been branded as "Meet Hawaii" to create a unified broad based approach designed to increase Hawaii's market share of this important business.

In response to S.C.R. 35 and S.R. 14, which were adopted in 2012, HTA is already conducting a study to determine:

- 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 and expand opportunities for generating more revenues from the Convention Center.

For these reasons H.C.R. 179 and H.R. 144 are not necessary.

Thank you for the opportunity to offer these comments.