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David Y. Ige
Governor

John De Fries
President and Chief Executive Officer

Statement of
JOHN DE FRIES

Hawai'i Tourism Authority
before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Monday, February 8, 2021
3:00 PM
State Capitol, Conference Room #224

In consideration of
SENATE BILL NO. 916
RELATING TO TAXATION

Chair Wakai, Vice Chair Misalucha, and members of the Committee on Energy, Economic Development, and Tourism: the Hawai'i Tourism Authority (HTA) **supports** Senate Bill 916, which specifies that the \$1,000,000 of Transient Accommodations Tax revenues currently allocated to operate a Hawaiian center and the Museum of Hawaiian Music and Dance may also be used to plan, design, and construct these facilities at an unspecified location.

SB 916 is needed as we move forward to create the new Museum of Hawaiian Music and Dance. This measure will allow the funds to be utilized both for operations and development of the center. Currently, the law does not provide clear guidance as to how the funds may be utilized. The term "operations," as found in the current statute, appears to restrict the use of the funds to the day-to-day activities of a center. Since this will be a new endeavor, we believe that allowing the funds to also be used for the planning, design, and construction will encourage more interest as we move forward in the Request for Proposal (RFP) process.

It is for these reasons that HTA **supports** SB 916. We appreciate this opportunity to provide testimony.



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TO: Hon. Glenn Wakai, Chair
Hon. Bennette E. Misalucha, Vice Chair
Senate Committee on Energy, Economic Development, and Tourism

CC: Hon. Donovan M. Dela Cruz, Chair
Hon. Gilbert S.C. Keith-Agaran, Vice Chair
Senate Committee on Ways and Means

Hon. Richard H.K. Onishi, Chair
Hon., Jackson D. Sayama, Vice Chair
House Committee on Labor and Tourism

Hon., Sean Quilan, Chair
Hon., Daniel Holt, Vice Chair
House Committee on Economic Development

FROM: Monte McComber, Cultural Director
m.mccomber@festivalcos.com
(808) 931-3240

HEARING DATE: February 3, 2021

SUBJECT: SUPPORT for S.B. 916, Relating To Taxation

Aloha Kākou,

The broadening of the language in Section 1, (3), (B), (i) of S.B. 916 to include planning, design, and construction now sufficiently provides for the necessary infrastructural pre-requisites for the establishment of a Hawaiian center and the museum of Hawaiian music and dance, as envisioned from the outset of Act 230, SLH 2007. Hereafter, to be in step with the June 2015 report, I'll refer to the project as the Center for Hawaiian Music and Dance (CHMD).

A decade and several years later, the vision and the will to see the CHMD to fruition remain strong; an undeniable sign that this project is seen as a worthy expenditure of Hawai'i's taxpayers, even amid worldwide uncertainty. I see the establishment of the CHMD as a key component to the overall economic recovery plan for Hawai'i. I'm sure many can easily comprehend that the world's love of hula and our being able to share it through a new synergistic platform, such as the CHMD, will attract guests, near and far, kama'āina and malihini alike, in substantial numbers for a long time.



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The many public officials, community organizations, and private citizens who have been a part of the process over the years have ensured that it is conceptually sound, properly rooted, technologically forward-thinking, and economically beneficial to Hawai‘i. We simply could not ask for a more comprehensively prepared project. The many years of creative effort, thought, diligence, collaboration, technical expertise, and subject matter knowledge at a mastery level should not go to waste, even as we face difficult times ahead. If we were to monetarily quantify the aforementioned, we would undoubtedly surpass over one million dollars excluding funds previously provided by the State. The initial broad-based community investment has been made. The will to see it to completion and the conviction that it will, indeed, help us to rebound even stronger are all that remain. It is, therefore, refreshing and uplifting that this hearing today seeks to move the project ever so closer to opening its doors, and by extension, reopening up Hawai‘i to worldwide business.

Royal Hawaiian Center respectfully requests to be considered as a potential site for the CHMD. To this end, we are working towards finalizing a formal proposal that will demonstrate the strengths and benefits of situating the CHMD at Helumoa, the ‘ili ‘āina upon which Royal Hawaiian Center is built, and within the ahupua‘a of Waikīkī. Let me be forthright, we are continuing to have internal discussions, and, at this time, can make no commitments.

Mā‘ilikūkahi, a 15th century ali‘i nui of O‘ahu, recognized the great potential of Waikīkī and subsequently, during his reign, relocated O‘ahu’s political and ruling sphere to the water-rich plains of Waikīkī. From that point forward, Waikīkī has been and remains an important *wahi pana* (storied place); a collection of chiefly residences that include, Helumoa, Kaluaokau, Pualeilani, Uluniu, and Hamohamo.

Waikīkī’s role as a wellspring for Hawaiian music and dance are well-noted and include, but are not limited to such shows and performers as Hawai‘i Calls, the Kodak Hula Show, The Brother’s Cazimero, May Day at the Shell, Don Ho, Alfred Apaka, and much, much more.

Situating the CHMD in Waikīkī will serve as the long-needed and much overdue *kāhea* (call) to *kama‘āina* and local businesses to rediscover and re-enliven this part of our island home. The tourism of tomorrow is not just *malihini*, but *kama‘āina* and *malihini* together. Implicit in that is reciprocity, balance, and regeneration.

Further, the CHMD can serve as a catalyst to create a cohesive and collaborative Waikīkī; one that redefines what it means to share our aloha spirit. While the sales and marketing departments of the many Waikīkī establishments are competitive as a necessity, the cultural community of Waikīkī is not. The Waikīkī cultural community has always been a supportive and cooperative force. It was common for entertainers to go to another entertainer’s show after finishing her/his



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show. It was common for entertainers to call one another up during a show for an unplanned performance. Happily, this tradition remains with us today. There are many more such examples of how musicians, dancers, and artists of all makings enriched each other's craft and the greater community by freely sharing of their gifts.

Helumoa, Royal Hawaiian Center, possesses the vision to leverage the CHMD to benefit our greater community, the cultural expertise to ensure integrity, the business savvy to ensure a return on our taxpayer's generous investment, and the financial acumen to make this public-private partnership a model for future economic recovery in Hawai'i.

Mahalo for the opportunity to offer my testimony, and mahalo for your kind consideration.

Best wishes on the remainder of the 31st Biennium Legislative Session.

Me Ke Aloha Pumehana – *Warm Regards*
Monte McComber

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TRANSIENT ACCOMMODATIONS, Modify earmark to Hawaiian museum

BILL NUMBER: SB 916; HB 1165

INTRODUCED BY: SB by WAKAI; HB by HOLT, DECOITE, GATES, HASHIMOTO, ILAGAN, NAKAMURA, Matayoshi

EXECUTIVE SUMMARY: Specifies that the \$1,000,000 of transient accommodations tax revenues currently allocated to operate a Hawaiian center and the museum of Hawaiian music and dance may also be used to plan, design, and construct these facilities at an unspecified location.

SYNOPSIS: Amends section 237D-6.5(b)(3)(B)(i), HRS, to make the above described change.

EFFECTIVE DATE: 7/1/2021.

STAFF COMMENTS: The proposed measure would perpetuate the earmarking of tax revenues. The museum of Hawaiian music and dance may provide some benefit to the State. But does that justify grabbing tax money without going through the normal budgeting process that also considers sweltering primary schools, underfunded state pensions, or disaster relief for rain-flooded or lava-burnt counties as well as the economic decimation wrought by COVID-19?

Rather than the continual earmarking of revenues, a direct appropriation of general funds would be preferable. Earmarking revenues from any tax type for a particular purpose decreases transparency and accountability.

Next, it should be remembered that revenues diverted for a special purpose, in this case to fund the museum of Hawaiian music and dance, will not be counted against the state's spending ceiling or debt limit and will obscure the state's true financial condition..

Digested 2/4/2021

SB-916

Submitted on: 2/4/2021 2:36:21 PM

Testimony for EET on 2/8/2021 3:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
cheryl B.	Individual	Comments	No

Comments:

COMMENTS:

Since this is another one of those cryptic bills, the only thing to do is comment. A million dollars and it can be on an "unspecified location." This means they don't know where yet? Seems that someone must have an idea... Is this how the legislature shows it's a "Hawaiian supporting" place? Could this be the lead for those planning additional desecration and destruction on the Mauna? Unclear bills, make for wondering folks.

LATE

Aaron J. Salā
Director of Cultural Affairs, Royal Hawaiian Center
Project Director—*Building and Bridging Native Hawaiian Futures*, University of Hawai‘i-West O‘ahu
President, the Native Imaginative, Inc.
P.O. Box 61877
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8 February 2021

Hon. Glenn Wakai, Chair
Hon. Bennette E. Misalucha, Vice Chair
Senate Committee on Energy, Economic Development, and Tourism
Hawai‘i State Legislature

TESTIMONY IN SUPPORT OF SB916, RELATING TO TAXATION

Dear Chair Wakai, Vice Chair Misalucha, and members of the Senate Committee on Energy, Economic Development, and Tourism,

SB916 provides for the necessary preliminary activities required for the planning, design, construction, and later operation of a Hawaiian center and the museum of Hawaiian Music and Dance. Therefore, I provide this testimony in support of this critical measure.

Since 2007 with the establishment of Act 230, SLH 2007 (Exhibit 2) and the establishment of the Museum of Hawaiian Music and Dance, countless discussions have been had bringing together numerous stakeholder organizations and individuals with a keen interest in an entity responsible for the celebration of Hawaiian music and dance culture. Those discussions coalesced into HRS 237D-6.5 (3) (B) (i), which initially authorized the \$1,000,000 allocation and the Hawai‘i Tourism Authority’s initial RFQ/RFP process that ensued.

I contemplate and compose this testimony from a number of different perspectives, distinct from each other but integrally related:

I served as chairperson of the Hawai‘i Tourism Authority at the time of the inception of HRS237D-6.5 (3) (b) (i). In the RFP process, I challenged our team to think beyond the initial consideration of the goal of preservation affording more progressive attention toward the celebration of our music and performance art culture as a living, ever evolving set of phenomena deserving of recognition as such. This is the origin of the pivot to the “Center for Hawaiian Music and Dance,” as stipulated in the 2015 report. Much of Hawaiian music and dance content that comprises the Visioning Session, Archive Acquisition Plan, and Narrative Diagram sections of the report I must take responsibility for. As a Native Hawaiian musician and entertainer, cultural practitioner, researcher and scholar, myself, I was heavy handed as the field of Hawaiian music and dance performance studies and practice is close to me.

As Director of Cultural Affairs at Royal Hawaiian Center (RHC) at Helumoa, Waikīkī, I echo the sentiment of my colleague, Monte McComber, as expressed in his written testimony submitted yesterday (7 February 2021), I believe the Royal Hawaiian Center would provide a unique opportunity to host the Center for Hawaiian Music and Dance. As Mr. McComber indicates, the 15th century ali‘i nui, Mā‘ilikūkahi relocated his seat of government from Central O‘ahu to the “water-rich plans of Waikīkī.” Mā‘ilikūkahi was a primely astute and extremely enlightened chief who

understood that the waterways emanating from the uplands of Mānoa and Pālolo would bring with them the resources needed to support his chiefdom. Centuries later, Waikīkī continues to serve as the outward-facing touchpoint for Hawai‘i and Hawaiian culture. Ultimately, Waikīkī is unparalleled throughout the world for being the primary locus of the kinds of intercultural encounter that have made Hawai‘i the center of the world.

The *Hawai‘i Calls* radio show, staged under the banyan tree at the Moana Hotel and broadcast from 1935 through 1974, reached upwards of 700 radio stations worldwide in its hey day. Hosted by the adept Webley Edwards, the show featured headliners the likes of Benny Kalama, Ed Kenney, Pua Almeida, Ponce Ponce, Vickie ‘I‘i Rodrigues and her daughter Nina Keali‘iwahamana. Due to the show’s immense popularity, bringing Hawai‘i from the territorial years through World War II, Statehood, and the Hawaiian Renaissance, it was publicly subsidized throughout most of its entire tenure.

As a scholar and researcher of Hawaiian music, I am completing a dissertation in ethnomusicology that focuses upon the life and work of Hawaiian icon, Mahi Beamer. Uncle Mahi’s professional career began quickly after graduating from Kamehameha in 1946. Along with first cousins, Nona and Keola, and a small troupe of musicians and hula dancers, the trio traveled across America touring a Hawaiian revue and performing in small theatres and churches. Culminating at Little Carnegie Theatre in New York City, Uncle Mahi successfully auditioned as a piano student at the famous Juilliard School. While in New York, he worked with the likes of Ida McIntyre at the famous Hawaiian Room at the Lexington Hotel, Ethel Merman, Charles K. L. Davis and Jimmy Shigeta, and the famous soprano, Leontyne Price.

Returning to Waikīkī, Uncle Mahi headlined at the Queen’s Surf, performing nightly at 10pm, 12 midnight, and 2am. He followed his tenure at Queen’s Surf with a contract at the Princess Ka‘iulani Hotel’s Mauna Kea Room before joining Nālani Kele’s Polynesian Revue at the Stardust in Las Vegas. At the same time, Alfred Apaka headlined at the Moana Hotel and then the Hilton Dome, Haunani Kahalewai headlined at the Biltmore Hotel, *Hawai‘i Calls* called from the Moana, Don Beach produced his own set of spectacular at the International Marketplace. Together, these Hawaiian icons paved the way for Pukapuka ‘Ōte‘a and Kui Lee, Ed Kenney and Beverly Noa, Marlene Sai, Bella Richards, Danny Kaleikini, Tavana’s South Seas Spectacular, the Kodak Hula Show, Tihati Productions, and the Brothers Cazimero. In turn, these headliners paved the way for those of us who have had the privilege of taking stages throughout Waikīkī and beyond. This genealogy of incredible cultural practitioners sharing the music and dance of Hawai‘i with the world is formidable. All of these entertainers, and more, spent a considerable amount of time and influence in Waikīkī at important points in their careers. For that reason, Waikīkī continues to be an important catalyst for the cultural work that is the Hawaiian performing arts.

As Mr. McComber points out in his testimony, whereas sales and marketing teams throughout our visitor industry operate as competitors out of necessity, the cultural community continues to work in consult and in concert. The CHMD provides us an opportunity to further celebrate that collaborative work not only throughout Waikīkī but also across the State of Hawai‘i and beyond.

As reported in 2015, the organization responsible for the CHMD bears the great responsibility of bringing together the stakeholders of Hawaiian Music and Hawaiian Dance culture of which there are many. These strongly opinionated and rightfully territorial organizations create for the necessarily dynamic discussions that will ensure that the CHMD is a vibrant, progressive, and influential Center responsible for representing what, to many in Hawai‘i and around the world, reflects the core nature of Hawaiian identity and culture. These organizations necessarily include,

but are not exclusive to, the Office of Hawaiian Affairs, the Bishop Museum, the University of Hawai'i, Kamehameha Schools, the Hawai'i Academy of Recording Arts and the Hawaiian Music Hall of Fame, the Royal Hawaiian Band, and the Merrie Monarch Festival and the many hālau hula and Hawaiian-music musicians and entertainers who have made the representation of Hawai'i and our culture their life's work.

With a robust public-private partnership, Royal Hawaiian Center will provide the necessary leadership, cultural and community expertise, and financial acumen to bring to life the Center for Hawaiian Music and Dance, which will in turn continue to celebrate the unique and special culture of our home—Hawai'i.

Mahalo for this opportunity to provide testimony on behalf of SB916.

Aloha,
Aaron J. Salā