



Ke'ena Kuleana Ho'okipa O'Hawai'i
Hawai'i Convention Center
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Statement of
JOHN DE FRIES
Hawai'i Tourism Authority
before the
COMMITTEE ON FINANCE

Wednesday, March 29, 2023
3:00 p.m.
State Capitol Conference Room 308 & Videoconference

In consideration of
SENATE BILL NO. 629 SD1 HD1
RELATING TO THE HAWAII TOURISM AUTHORITY

Aloha Chair Yamashita, Vice Chair Kitagawa, and members of the Committee on Finance,

The Hawai'i Tourism Authority (HTA) appreciates the opportunity to offer comments on SB629 SD1 HD1, which would require contracts entered into by the Hawai'i Tourism Authority for the management of the Hawai'i Convention Center facility to include marketing for all uses of the facility.

The Hawai'i Convention Center is an important part of HTA's responsibilities and key to the capacity of the Hawaiian Islands to host large meetings, conventions, and incentives. Events of scale often require coordination with multiple properties and venues. In 2019, HB226 passed allowing HTA to contract the marketing of all uses of the Hawai'i Convention Center separately from the management of the facility.

The current statute allows HTA to procure marketing services through a competitive bidding process seeking the best value for the state. Nothing in HRS 201B-7 precludes the firm managing the convention center from bidding on that procurement.

In December 2021, HTA awarded a contract for Global Meetings, Conventions, and Incentives Marketing and Management Services for the Hawaiian Islands to commence in January 2022. That contractor has been working diligently to rebuild our meetings, conventions and incentives business in the wake of the devastating global pandemic.

Our current convention center management contractor and our Meet Hawai'i contractor have been working well together, and industry stakeholders we have been in touch with had positive feedback about the collaboration. The following table shows the results of that collaboration:

Meet Hawai'i Sales Production

Calendar Year	Citywide Seller FTEs	Definite Citywide Bookings	Definite Citywide Room Nights	Economic Impact ¹
2022	3.00	14	144,043	\$396 million
2021	2.75	2	4,144	\$28 million
2020	1.50	1	2,279	\$6 million
2019	5.00	17	58,025	\$153 million

Source: Meet Hawai'i Tableau/Simpleview Sales Production. Chart shows year event was booked.

In other highly competitive destinations, it is common practice to separate the marketing and operations of their convention centers. Our current arrangement reflects this common industry practice. This measure would remove HTA's ability to seek competitive proposals for this service through the state procurement process.

While we are encouraged by the strong performance of meetings and conventions in 2022, it is important to note that the planning of large scale meetings involves long lead times and often takes years of preparation to execute. With Hawai'i's recovery in that market still in progress, this is an especially fragile time to disrupt that important work.

Mahalo for the opportunity to provide these comments on SB629 SD1 HD1.

¹ Economic Impact represents Sales generated (direct, indirect, and induced) calculated using DBEDT's Input-Output model. For more on the Input-Output model, see https://dbedt.hawaii.gov/economic/reports_studies/2017-io/.