

HAWAII *hospitality*

LODGING & FOODSERVICE | JULY/AUGUST 2018

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DEAL WITH
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The Garden Isle

*Why Visitors
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contents

july/august 2018_vol.33/no.4

- 4 Checking In: David Putnam
- 6 Hospitality People: Don Chapman
- 8 Kauai Enchants & Recharges
- 12 Get Set for HLHF Expo
- 14 Destination Ambassadors
- 18 Disasters in Paradise
- 22 Airbnbs' Threat to Hotels
- 24 Inspect Walkways and Railings



- 26 News Briefs
- 30 Charity Walk Raises Record \$2.5M
- 31 HLTA: Mufi Hannemann
- 32 Hookipa: HYPE
- 34 HTA: George Szigeti
- 34 HRA: Gregg Fraser

checking in

As the islands of Kauai and Hawaii deal with flooding and volcanic eruptions, hurricane season is also upon us. In this issue, hospitality industry leaders offer their insights on how to cope, before and after, with natural disasters. As Mufi Hannemann, president and CEO of the Hawaii Lodging & Tourism Association, tells us, “hotels, resorts and businesses (have) their own procedures . . . catered to their unique building layouts, staff on hand and operations. As the saying goes, ‘prepare for the worst and hope for the best.’”

On the up-side, the areas of Kauai that escaped damage from flooding report steady tourism business. In our report, Sue Kanoho, executive director of the Kauai Visitors Bureau, says she “was anticipating a significant drop-off in business.”

Many of Hawaii’s buildings are showing signs of aging, and the effects of natural deterioration caused by time and the elements on walkways and railings can pose a major safety hazard. In our report, we examine the risks of having decaying railings and walkways at hotels, resorts and restaurants.

Do you know the difference between a “great” concierge and a “good” one? Some of Hawaii’s best concierges talk about their chosen profession. They also offer their thoughts on why the Islands remain one of the top repeat travel destinations in the world.

Aloha!



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Plating Dinners Worthy of the Iconic Pink Palace of the Pacific

From presidents in Maine to guests at The Royal Hawaiian, Alwin serves up only the best dishes

Shaymus Alwin was in high school when he started working in restaurants, and had one simple goal: “Just keep working my way up.”

That was in his native Kennebunkport, Maine, and two decades later he’s still moving up after his recent promotion to executive sous chef at The Royal Hawaiian.

Looked at another way, he’s providing the people who embroider chef’s jackets a steady business.

“Roll out of one coat into the next,” says Shaymus, the only Oahu chef to be invited to cook at the James Beard House. That was in September 2016 when he was chef de cuisine at The Royal Hawaiian’s Azure restaurant.

Shaymus comes from a family that gave him a solid foundation in food, especially seafood. His mother is a restaurant manager and his father is a lobsterman.

“There was no such thing as a summer fun program for me—my summer fun was getting out on a boat and going fishing with Dad, which couldn’t have been better as a summer activity. It was so much fun.

“Every lobster trap is a mystery—you pull it up and what is it going to be? Crab? Lobster? Full of shells or sand fleas? And on rare occasions you’d pull up a monk fish, a prehistoric-looking thing, pretty ugly. Or you’d run into a school of fish while you’re out lobstering, so you throw your line in, catch a bunch of mackerel or blue fish or stripers, whatever was running.

“When I was young, after school



Chef Shaymus Alwin, wife Nikki and daughter Madeline

Chef Alwin’s Dream Dinner

If Shaymus Alwin could sit down for dinner with three other chefs, this would be his trio:

“One of my first influential chefs and meals I ever had was at Michel Richard’s Citronelle in Washington, D.C. That was my first course dinner with wine pairings, and that sparked my interest—there’s more to it than just cooking. His playfulness and whimsical plays on food, it made you think. I liked that I was having this elevated meal

and thinking about how did he do that throughout the entire meal. That’s what I want to do.

“Daniel Humm of Eleven Madison Park, he’s an innovator. I’d love to get inside his mind and find out what’s going on.

“Daniel Boulud, I’ve met him, read his books, but haven’t been able to sit down with him. He’s amazing, the way he’s built his restaurants, his brand, a platform that’s bigger than life.”

I would go meet my mom at her restaurant and help out. That was my introduction to the kitchen. And two

uncles were chefs. It just seemed glamorous, and this was before all these TV shows that overhype and glamorize

everything. You were in the back, working hard, kind of the pirates of the restaurant. It seemed so appealing. I always wanted to do it.

"And at some point I realized, I don't think lobstering is my thing, I think I'll do the cooking thing. So I became a dishwasher. It just seemed so cool, the chefs over there hammering it out on the hot line. . . . All I wanted to do was just keep moving up. I wanted to go into that pantry station, I wanted to work the hot line, I wanted to eventually be a sous chef, then a chef, and just keep working my way up."

If Kennebunkport sounds familiar, the presidential **Bush** family has a home there.

"We had quite a few encounters," Shaymus says. "When **George Sr.** was vice president, my dad was out lobstering and he saw all these Secret Service guys swarming around where he was fishing. And it was Mr. Bush coming over to my dad to give him a bluefish he'd caught.

"When he became president, they had to reconfigure where he would land so it was closer to the compound. They built a helicopter pad next to the elementary school I was attending, and we'd see the three helicopters go by and we'd all guess, he's in the middle one this time, no he's in the back one. As a kid it was fun. It was a big deal when he came to town. Then when I was older and got into the restaurant business, once or twice a season he would rent out the restaurant where I worked for private events, so I got to meet him and **Barbara**."

He spent his first 18 years in Maine and is now going into his 18th year in Hawaii—with one winter in between chasing his dream of becoming a professional snowboarder.

"Looking back, I never could have thought I would work here, the iconic Pink Palace. It blows my mind to think about it," he says. "People have big expectations of this hotel. Nowadays, people go (on vacation) to eat. Yes, of course, we have this beautiful weather and this beautiful scenery, but if we don't have food that matches it, we're falling short."

His new role under Executive Chef **Colin Hazama** means he's not cooking on a regular basis, but he sees it as "a great opportunity for me because Chef Colin and I get along

very well. As No. 2, my job is to uplift him and what his vision is, but I also have a lot of influence in what we want to do for the future, build the brand of The Royal Hawaiian in the luxury market."

He is especially focusing on banquets.

"Our philosophy is to bring restaurant-quality food and restaurant-style food to a larger format. So we're doing plated dinners for 500, 600 people that look like something you'd get in the restaurant, tastes like it. We're trying to move away from 'banquet-quality' food. Even our buffets, we don't use chafing dishes, we use large platters that we can do a nice plating of big volume, feed 20-25 people. It's like being a painter and having a bigger palette.

"Not as much cooking, just making sure all our orders are in, delegating who's doing what and getting everything done on time. Every minute counts when you have a big staff. One person loses five minutes, that affects other people and pretty soon you lose

15 minutes of work. I'm constantly looking at that timeframe and making sure everybody is on task and doing what has to be done.

"I look at it like a team sport. I like to think I'm coaching, to get to the end and be successful."

He's also delving into something completely new—baby food—after he and wife **Nikki**, one of Hawaii's top models and a graphic designer at *Mid-Week*, welcomed daughter **Madeline** into the world nearly a year ago.

"I'm trying to stay with local organic stuff—she really likes sweet potatoes," he says.

As baby Madeline will discover soon enough, everybody really likes her daddy's food.



Have a good story about a good person in the Hawaii hospitality industry? Please e-mail me at don@tradepublishing.com.

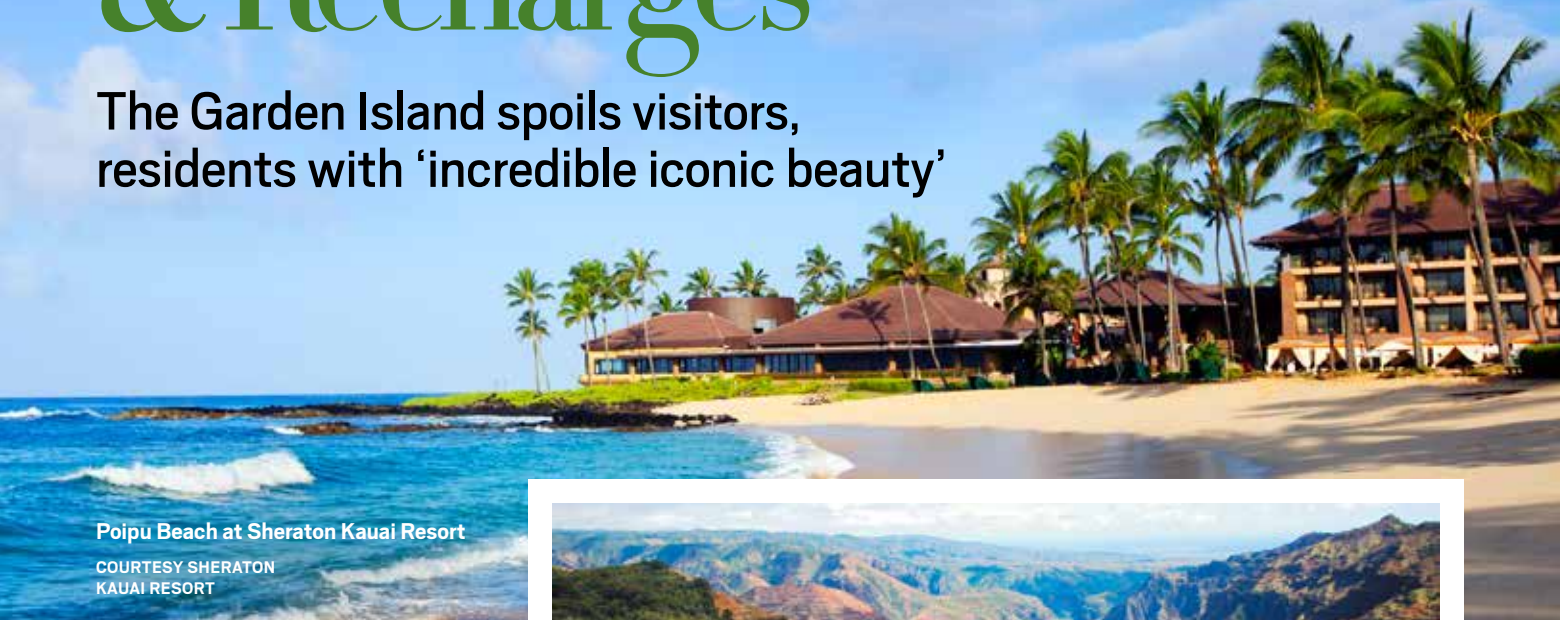
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Kauai Enchants & Recharges

The Garden Island spoils visitors, residents with ‘incredible iconic beauty’



Poipu Beach at Sheraton Kauai Resort

COURTESY SHERATON
KAUAI RESORT

BY BRANDON BOSWORTH

While other islands have bigger, more well-known attractions, there is something about Kauai that enchants visitors and residents alike.

“Many of our visitors have been to the other islands, so I think when they choose Kauai, it has to do with wanting a slower pace, a chance to rejuvenate and immerse themselves in the beauty of our island,” says Sue Kanoho, executive director of the Kauai Visitors



Sue Kanoho

Bureau. “Kauai is a place you come to recharge your batteries, reconnect with family and friends amidst the beauty of the Garden Island. We are known for our incredible iconic beauty such as the Napali Coast, Waimea Canyon, our navigable rivers and more.”

“People want to get away from the rat race,” says Chip Bahouth, general manager of Sheraton Kauai Resort. “You can go to any major city and have a good time. They come here to chill and ‘veg out.’ Visitors realize Kauai is a tranquil, underpopulated and underdeveloped



Waimea Canyon, known
as the Grand Canyon
of the Pacific

“Kauai emphasizes intelligent growth, not growth for the sake of growth.” – Tim Alex



Chip Bahouth

beauty of Kauai draws visitors from around the world. Tim Alex, director of sales and marketing at the Waimea Plantation Cottages, says his property gets many outdoor enthusiasts visiting from Europe.

“They put in a tremendous amount of homework. They stay longer,” he says, adding that many European visitors are repeat guests. “They use our cottages as

a home base to explore the Island. It fits their lifestyle to a ‘T.’” Alex adds that Kauai’s population of only about 66,000 residents makes it more “inclusive and welcoming. Visitors feel like they are experiencing life here along with the community. They are living the life locals live.”

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The Kauai hospitality industry strives to make sure the island never loses

its unique charm. “Kauai emphasizes intelligent growth, not growth for the sake of growth,” Alex says. “At every industry planning meeting, people



Tim Alex



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Kauai's Na Pali Coast

talk about maintaining that balance of visitors and community.”

Bahouth credits local officials for taking a wise approach to growth and being “mindful of who we are.” He also praises his peers in the industry. “There’s just a small group of hoteliers here. They are continually looking for ways to help the community. You get to know them well. We’re all working for the same cause.”

Garden Island Steps Up During the Storm

In April, Kauai experienced severe flash floods, causing severe damage and forcing some people out of their homes.

“Considering the record-breaking rainfall and damage created in a 24-hour period back in April, I was anticipating a significant drop-off in business,” says Sue Kanoho, executive director of the Kauai Visitors Bureau. “While there were cancellations initially, we think many of the updates we provided have helped people understand it was just one portion of the Island’s visitor industry that was negatively impacted.”

While major hotels did not suffer any significant damage, it was a different story for rental properties located in residential areas where houses were vulnerable to the flooding.

“Bed-and-breakfast establishments and Airbnbs have seen their inventories affected,” says Chip Bahouth, general manager of Sheraton Kauai Resort.

The situation might not improve in the foreseeable future. “There was already a problem with illegal vacation rentals. Now there will be more hoops for those operators without the right permits to jump through,” Bahouth says.

As visitors were evacuated from both legal and illegal vacation rentals, they found themselves needing places to stay. The Kauai hospitality industry stepped up to help.

“There was an increased demand from displaced guests,” says Tim Alex, DOSM at the Waimea Plantation Cottages. “We offered special rates for people who were stuck. All hotels really stepped up to help the many people who were affected.”



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Get Set for 2019

The industry's newest products and services are on view at the Hawaii Lodging, Hospitality & Foodservice Expo

BY BRETT ALEXANDER-ESTES

The 2018 Hawaii Lodging, Hospitality & Foodservice Expo, the show of shows for Hawaii's visitor industry, runs July 11-12 at the Blaisdell Center.

"This year there will be over 340 exhibiting companies occupying 500 exhibit booths featuring products, services and equipment for Hawaii's hotels, resorts, restaurants and foodservice establishments," says Ken Kanter, organizer of the event.

Cheryl Alapai, purchasing manager at Kauai's St. Regis Princeville Resort, says she expects to fill about 50 percent of her purchasing needs at the Expo. Says Amy Fong, director of purchasing for Kyo-ya Hotels & Resorts, SPG Hotels in Waikiki: "There are so many of our vendors all under one roof at the same time—couldn't get much easier than that."

Dennis Franks, corporate executive chef at Big City Diner Restaurants, agrees. The Expo "saves me a lot of time, in researching, traveling (and) planning," he says. "I look forward to it every year."

Vendors at the Expo will include:



Battery Bill's portable batteries are must-haves for on-the-go guests.

Embassy Carpets: "As vivid as your imagination," is how Dara Jilla, president of Embassy Carpets, describes Embassy's new VIVID carpet line. VIVID's revolutionary tufting technology, Jilla says, creates solution-dyed carpets that replicate

"the depth of color seen in a cross-section of marble and precious stones." VIVID's new line is competitively priced, Jilla says, and is being "enthusiastically installed in 5-star and boutique hotels."

Servco Home & Appliance: Craig Washofsky, vice president of Servco's Hawaii division, says Hawaii's wholesale distributor of premier appliances "will showcase new products from GE, Haier, Fisher & Paykel and DCS Outdoor." Washofsky expects visitors "will be excited about the new models that our lines are offering."

Other international, national and local Expo headliners include **3M Company, American Hotel Register Company, Georgia Pacific Commercial Services, Ha-**

HLHF Expo Facts

When: Wednesday, July 11, and Thursday, July 12, 10 a.m. to 5 p.m. daily.

Where: Neal S. Blaisdell Center, 777 Ward Ave., Honolulu

Admission: No charge

Prizes: Attendees can win prizes including:

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waii Gas, Hawaiian Telecom, HFM FoodService, Orbit Sales, P&G Professional, U.S. Jaclean and the City & County of Honolulu's Storm Water Quality Branch.

Dennis Maher, director of facilities and security at Trump International Hotel Waikiki, goes to the Expo every year. "There are great resources at the show," Maher says, "and this allows us to see what is new, maybe reach out to a current resource that may only be here for the show, and also to develop new resources for future needs or projects."

Continued on Page 29



Amy Fong



Craig Washofsky



Dennis Maher

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Destination Ambassadors

Hawaii's concierges go the extra mile to make guests' experiences memorable

BY DAVID PUTNAM

There's a vast difference between being an awesome concierge in Hawaii and a run-of-the-mill attendant anywhere else.

"A great concierge," says Roy Nacapuy, concierge supervisor at Turtle Bay Resort, "must be a people person. If you are shy and do not take chances, or even feel hesitant about doing anything, this is not for you."

Roy Nacapuy

able to interact with every guest and get

to know them," adds Nacapuy, who became a concierge in 2010. "This means they must be good listeners and always be a step ahead."

Veronica Oldham, who in May became guest services manager at the International Market Place, says "a great concierge is someone who has the passion for luxury service, who goes out of his or her way to create 'Wow!' moments and memories for a lifetime for our guests' experiences."



Veronica Oldham

On the other hand, "a good concierge

is someone who is capable of completing his or her task," adds Oldham, pre-



Ryan Tucker

viously concierge at The Modern Honolulu for four years after nine years as concierge at the Wynn Las Vegas.

Ryan Tucker is president of the Concierge Association of Hawaii as well as director

of concierge and front services for the Trump International Hotel Waikiki, Oahu's only five-star property. He points to "discipline and commitment" as separating the best in the trade from the merely good.

"There is a point in the career of a concierge where the work transforms from a 'just a job' to a profession," says Tucker, whose first concierge job was at the 21-room Wentworth Mansion

in Charleston, S.C. in 2005. “In my experience, that change coincides with one’s commitment to their guests and the discipline it takes to serve them with open arms and humble heart.

“One does not ‘clock-out’ from being a concierge,” adds Tucker, who oversees the Trump attaché, bell, concierge, door and valet teams. “I frequently find myself welcoming guests outside of my hotel, my seatmate on flights returning to Oahu, in queue waiting for a table at a restaurant or simply offering directions to travelers who appear turned around.

“And this dedication permeates the spirit of our profession . . . we are truly the ambassadors of our destinations.”

The three “ambassadors”—Nacapuy, Oldham and Tucker—recently shared their thoughts with *Hawaii Hospitality* on what it takes to be a top concierge in the Islands:

As a concierge, what do you find most rewarding?

Nacapuy: I get to talk story with guests and make their dreams come true.

Guests come to Hawaii with a certain expectation about what they want to do, and as a concierge, I get personal and interact with them, wanting them to do more. I want to exceed their expectations. After spending a couple of days with them, they become *ohana*. You start to exchange pictures and birthday cards. They return year after year. I love my job.

Oldham: When you make a difference to guests’ experience, and send them home with memories that they will treasure and share with their family and friends. When you see them return to your resort after a year or two, and look for you personally. That is so rewarding for me.

Tucker: My guests! They allow me into their lives, and trust me to help them have the most memorable experience possible, both within the hotel and on the island. I love to share, and am blessed to have this opportunity with my guests every day.

What experiences do you try to create for your guests?

Nacapuy: I want them to be local. I want them to experience what I enjoy doing, and what it was like growing up

in the country. I love sending them to a hula class and ukulele lessons, to our local market for poki bowl and spam musubi, have them visit a local farm and taste a fresh-pick mango or banana, learn to surf off Alii Beach Park or spearfish off Kaaawa Beach area and pick limu off Turtle Bay Resort. I even invite them over for dinner or a local baby shower.

Oldham: I like to recommend something that will take them out of their comfort zone, such as parasailing, a helicopter tour and, very often, a shark cage dive, although I make sure that they are comfortable as our focus is their total experience.

Tucker: The most authentic experiences aligning with their interests in hopes of providing them with lifelong memories.

What attractions do you recommend to guests?

Nacapuy: If adventure is what they seek, Turtle Bay Resort has 15 miles of hiking and biking trails on its 850 acres.

We also have an on-site helipad offering helicopter tours, horseback rides from the resort’s own stables, 36 holes of championship golf and on-site surf school instruction. Off-property, the hike to Kaena Point is very worthwhile. For cultural experiences, the Polynesian Cultural Center and Waimea Valley are the best.

Oldham: For someone adventurous, I recommend a few of our beautiful hiking trails such as the Koko Head Crater Trail and Kuliouou Ridge Trail. For a more scenic tour, certainly the Circle Island Tour, whether in a group tour or on their own.

Tucker: Kualoa Ranch is a must for the adventurer, from mountain biking to ATV rides, they cover the gamut in between. For scenic and cultural tours, my opinion is, smaller is better. I recommend securing a private guide through your concierge, as this will allow your tour to be focused on your interests. The Bishop Museum is also a great resource and perfect rainy-day option for those looking to steep a little longer in the history of the Islands.

Top Reasons Guests Return

What brings visitors back to the Islands?

“I always believe that there’s a tiny voice in everyone that wants to come to Hawaii,” says Roy Nacapuy, concierge supervisor at Turtle Bay Resort. “Some say it’s the music that calls them here. But it’s that voice that convinces the mind and body to come to Hawaii. They are curious about the culture, the stories, the legends and the aloha spirit that lives within the people.

“Former guests return because of their relationship to the hotel’s staff. They become family and enjoy visiting them year after year. Did you know that if a guest throws a lei in the ocean and it floats back, it means they will return soon? It’s all what we love to do.”

Two more concierges join Nacapuy in offering their top reasons that guests return to the Islands:

Ryan Tucker

Trump International Hotel Waikiki

1. The beautiful weather year-round—and we can’t have rainbows without a little rain.

2. The sense of “getting away” one feels in the most remote islands in the world.

3. The abundance of activities available, from surfing to sightseeing and everything in between.

4. The retail. Oahu is becoming quite the shopping mecca, with one of the highest concentrations of luxury retail in the world.

5. Last but not least, the spirit of the Islands. Aloha still permeates our culture, and after visitors have their first taste, they long for the next drink.

Veronica Oldham

The International Market Place

1. Breathtaking beaches and scenery.

2. Fresh seafood; Hawaiian food.

3. Perfect for couples and family.

4. Amazing culture.

5. They can easily hop on and fly to another island.

Do you have a personal favorite (place or attraction)?

Nacapuy: I like to send my guests to my playground. Through Kahuku and Haleiwa to Kaena Point, this is my home turf. Some of the island's biggest secrets are here. Waimea Valley is probably the best place to send your guest for a quiet and cultural experience. It's surf country for those who love the water. For hikes, it's Kaena Point. For food, try the panini sandwich at Kahuku Farms, Snow Puffies at Pa'akai Bakery, chocolate haupia pie at Ted's Bakery. We got the huli huli chicken at Ray's, shrimp scampi at Giovanni's, maki sushi at Kay's.

Oldham: Me and my husband have been blessed to live on the island of Oahu for about four years now. There are so many beautiful spots. I enjoy hiking Makapuu Lighthouse Trail, Lulumahu Falls and Manoa Falls. We also like to start our day at Windward beaches, and later walk down Kakaako for some light treat.

Tucker: I love the North Shore of Oahu. One can always find a beach without a crowd. There's surf in the winter, great swimming in the summer months and sunshine usually abounds.

What's the most unexpected request you've had from a guest?

Nacapuy: One day, I received a box in the mail addressed to the concierge. I opened it up and learned it was ashes. Yes, cremated ashes. This family I have known who came annually wanted to have their dad's ashes scattered outside Turtle Bay Resort. Not knowing where to begin, I worked with a memorial service company and planned this funeral in time for when the entire family arrived. I had flowers, music and a canoe all set to go. I remember that the ashes had to be kept in a cool place, so I left it under my manager's desk. When she learned it was ashes, I had to move it. Boy, I can laugh about this now.

Oldham: Coming from Las Vegas, I am not sure what are considered unexpected requests.

Tucker: The most unexpected request was a group wanting inflatable sumo suits pretty late in the evening. Luckily, I had a contact available and she delivered them right over without delay. The guests had a great time.

What request do you get most frequently from guests?

Oldham: Common requests are, where can they find the best poke, and which luau to go to? The great thing is, there are so many options I can recommend based on their itinerary for the day.

Tucker: The most frequent request is for information regarding World War II Valor in the Pacific National Monument. It is by far the most popular attraction, and guests want to make sure they understand their options and the ticketing process.

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An aerial photograph capturing a powerful volcanic eruption. A massive, dark, and jagged flow of lava dominates the upper half of the frame, with bright orange and red lava fountains and streams visible at its edges. Thick, billowing plumes of white and grey smoke rise from the lava, filling the sky. Below the lava, a lush green forest is partially visible, with some trees appearing charred or consumed by the lava. In the lower portion of the image, several small, white, rectangular structures, likely houses, are scattered across a green field, some appearing to be partially buried or surrounded by lava. The overall scene is one of immense natural power and destruction.

DISASTRE IN PARADISE

As floods and lava batter the Islands, hospitality experts tell hotels and restaurants: 'Prepare for the worst and hope for the best'

Lava from the Kilauea volcano has destroyed hundreds of homes on Hawaii Island.

"With regards to any natural disaster, including the Kilauea eruption on Hawaii Island, we are constantly emphasizing the importance of education and communication."

— Mufi Hannemann

Getting Business Back

According to Janet Coney, the office manager for Kilauea Lodge and Restaurant, "the Lodge has covered all the

catchment tanks with additional tarps and opened all gutter down spouts on days that we have Kona winds in case there is any ash fallout."

Still, the small hotel and 70-odd businesses in

Volcano have seen a dramatic downturn in tourist revenue to the point of employees being laid off or having their hours cut due to the closure of much of the nearby Hawaii Volcanoes National Park in early May.

Getting the message out about the relative safety of visiting Hawaii and Kauai islands has been a topic that Gregg

Fraser, owner of Opakapaka Grill & Bar in Hanalei and executive director of the Hawaii Restaurant Association (HRA), is all too familiar with.

"Every different place that has a disaster is going

to have a different set of circumstances," Fraser says.

He recounts that as he watched the storm from his house across the street from the restaurant, "at its peak at 3 a.m. Saturday, the intensity was such that the lightning strikes and thunder were coming simultaneously and, instead of

Tourism

Authority (HTA). "To

get a 50-inch rain on Kauai, and

then 38 days later, the eruption on the

Big Island, it reminds us

that are in tourism to not get complacent and relax."

Global media coverage of the Big Island eruption has magnified the spectacle such that the HTA is reminding potential visitors that only 10 square miles out of the 4,000-plus that comprise the Big Island are being affected

by lava flows.

"Overall," Szigeti says, "Hawaii is open for business."

The HTA reports that visitors to the Islands spent a total of \$1.42 billion in April, an increase of 13.4 percent

compared to last year. But despite the positive report on tourist spending, those businesses directly impacted by the disasters on Kauai and Hawaii Island are still going through some hard times.

"We have seen a change of in-bound clients shifting away from vacation stays on both the Big Island and Kauai," says Earl Loo of Ultimate Vacations. "Repeat visitors are the clients who are looking for Neighbor Island stays. Demand for hotels on Maui is stronger due to the image impact of both the Big Island and Kauai."

Even Norwegian Cruise Lines initially decided not to dock at Hilo and Kona for safety reasons, but started service again in mid-June, much to the relief of small businesses who are dependent on tourism.



Janet Coney



George Szigeti




Gregg Fraser

BY GARY CHUN

Already in 2018 Hawaii is reeling from two natural disasters that have tested the preparedness of the Islands' hotels and restaurants—tourist destinations that depend on conveying a sense of aloha to visiting patrons.

First was the devastating storm and flooding that hit the north shore of Kauai in mid-April. Then came the eruption of Kilauea volcano on the east coast of Hawaii Island that has destroyed hundreds of homes and businesses in the Puna area. And, of course, June marked the beginning of hurricane season.

The recent disasters "remind us that the industry is very fragile," says George Szigeti, president and CEO of the Hawaii



Heavy rains flooded the island of Kauai.

PHOTO COURTESY U.S. COAST GUARD

what we usually think of as rain, streams of water were pouring down.”

Fraser says his restaurant’s revenue reduced six-fold from average numbers. Although the restaurant did not sustain physical damage “aside from a little leak in the skylight,” it became a makeshift community center for visiting campers and hikers, residents and first-responders.

“Food was brought over by boat by local fishermen,” Fraser says, “and since they couldn’t come in at Tunnels Beach, we had to wade out to them with coolers, come back to the beach and take the food back to trucks waiting by the road.”

Fraser says he was glad to help the community “get back some sense of normalcy and to have hundreds of residents come in and not feel isolated. I offered free breakfasts and pupus and charged a nominal fee for dinner and liquor. But aside from the bar, up to May 28, the restaurant basically made no money.”

Fraser says “it’ll take six to eight months to get back to pre-flood numbers, based on the roads that are open to visitors and how the state and city and county control the number of cars going in and out of the north shore area.”

Because such a voluntary action means no reimbursement for costs incurred, Fraser says he has applied for a disaster relief loan to cover his losses. He says he’s willing to take part in a program that would allow his restaurant to be designated as a community center in case of disaster and receive funding during that time as a nonprofit.

“It’s building on good faith for the community,” he says. “You can’t take that to the bank.”

Fraser says businesses, especially in “remote areas like Haena and Pahoa,” should “start discussions with their city and county offices” to develop a program in which their facilities and services can become qualified, such as being designated an Emergency Operating Center.



Opakapaka Grill and Bar opened its doors during the floods on Kauai to feed Feed- ing First Responders and members of the National Guard.

PHOTO COURTESY OPAKAPAKA GRILL AND BAR

“For remote areas like Haena and Pahoa, county officials should work with businesses to ease the challenges of starting from scratch when a disaster occurs,” Fraser says.

‘Hope for the Best’

And it shouldn’t be forgotten that as of June 1 we’re into hurricane season.

Steven Pang, assistant vice president of risk and claims management for Atlas Insurance Agency, sends detailed information to his hotel clients on storm and disaster preparedness. While all the information is important to ensure a reliable response to such events, “turnover of supplies and establishing dedicated storage areas that have climate control is of particular importance,”

he says. “We encourage that stock is turned around every year and to donate what’s not used to an organization like the Hawaii Foodbank.

“We want to prepare our clients as best we



Steven Pang

can,” Pang says, “in the event of a quick-hit disaster, like a tsunami.”

When it comes to natural disasters like hurricanes and tsunamis, Mufi Hannemann, president and CEO of the Hawaii Lodging & Tourism Association, says “there is no one-size-fits-all solu-

tion. HLTA member hotels, resorts and businesses vary from size to geological location, and each organization has their own procedures and protocols in place for times of natural disasters which is catered to their unique building layouts, staff on hand and operations.

“As the saying goes, prepare for the worst and hope for the best.”

The importance of recovery efforts is an integral part of storm and disaster preparedness, adds Hannemann. “This includes having contingency plans for

fuel, water and food, energy and off-line communication networks.

“As we recently witnessed with the floods on Kauai, we must take into consideration after-effects of storms

that can leave areas without electricity or ground transportation access. With regards to any natural disaster, including the Kilauea eruption on Hawaii Island, we are constantly emphasizing the importance of education and communication.”

Adds Fraser: “Seeing what’s happened on the Big Island and Kauai, there could be a worst-case scenario for the majority tourist population in Honolulu. How are we then going to handle it? You have businesses responsible for the safety of hundreds and thousands of visitors. How will they survive for three to seven days? How soon will first responders come?”

“We sit on a series of islands in the middle of the Pacific Ocean,” Fraser says. “There are a lot of what-ifs, and we’ve got to be ready. I think with climate change happening, I feel that in 10, 20, 30 years, something big will happen to the state.”



Mufi Hannemann

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Research Reveals Airbnb's Threat to Hotels

Study shows impact on sales patterns—and customers are taking notes

BY INÈS BLAL, MANISHA SINGAL
AND JONATHAN TEMPLIN

Since the entry of Airbnb into the hospitality industry in 2008, media attention has largely focused on the disruptive nature of the service. Industry reports, as well as lively debates at hotel, travel and tourism conferences, have kept the spotlight on Airbnb's growth and success. But despite all this attention, we still know little about its real impact on hotel sales.

For our article in the *International Journal of Hospitality Management*, we examined how Airbnb supply, price and perceived quality affect the sales performance of incumbent hotels in the San Francisco market. In particular, we explored the impact of the development of Airbnb supply and users' satisfaction on hotel sales patterns and whether different hotel segments have been affected by Airbnb's entry.

We estimated a series of mixed models on data collected from 101 hotels in San Francisco neighborhoods. Our sample totaled 1,111 observations. We measured the trend of change in hotel sales performance as Airbnb developed its supply in the city. Additionally, STR (formerly Smith Travel Research), a company that tracks supply and demand data, anonymized data for the 101 hotels for the period December 2013 to February 2016. Hotels in the sample ranged from economy to luxury.

We included in our study hotels' total revenues, total supply, number of rooms, years since opening, and renovation, as well as brand information. We also analyzed the impact of rates and customer satisfaction (a proxy for perceived benefits) on the pattern of RevPAR (revenue per available room).

The Findings

Our analyses revealed that:

- 1) Total Airbnb volume does not impact RevPAR.
- 2) Total Airbnb listings (i.e., total inventory) do not impact the growth



The growing popularity of Airbnbs cannot be ignored, according to a new study.

trajectory of hotel RevPAR, which confirms the argument that Airbnbs are offering a supplementary service.

These results are also consistent with a 2017 report on the Airbnb effect in Boston, and with an STR 2017 study of 13 global markets. However, the average price of an Airbnb offer can have an impact on RevPAR.

And that impact varies across different segments of the industry. Airbnb property prices had a positive effect on hotel RevPAR: the higher the price of the rentals posted on the platform, the higher the RevPAR of the hotels. Also:

- The increase in the quality of the Airbnb service has a direct adverse impact on hotel performance. The higher the average satisfaction score of an Airbnb property, the lower the RevPAR for the hotels in the sample. More specifically, every increase in the review score of an Airbnb property had a negative impact of minus \$25.54 on hotel RevPAR for hotels in the sample.

- This last effect varies across segments. Airbnb rental prices had an effect on hotels' RevPAR in the luxury segment, with an increase in RevPAR of \$0.651 for every dollar increase in the average rental price of the Airbnb units.

In Conclusion

Not just a supplement: The study reveals that Airbnb's listings/offers do not merely supplement the lodging market, but rather show substitute characteristics in their long-term effects on hotel sales' patterns.

Customers make comparisons: The effect of Airbnb on hotels sales is

intricate, and appears to be based on customers' dynamic comparison of the price and value offered by the two products. The research results imply that guests do consider both products when booking rooms and compare the benefits of each through user reviews.

Signs of disruption: The results provide empirical evidence that Airbnb will disrupt the hotel business, and that the more Airbnb users are satisfied with their experience, the more likely it is that demand for hotel rooms will decrease. Hotel managers therefore need to be aware of the level of service and price offered by Airbnb and other sharing platforms in their market. Airbnb offers in their locality can no longer be ignored and should be considered when developing revenue management strategies.

Airbnb is slowly disrupting the lodging industry, going beyond the supplementary role claimed by its founders. The impact of the sharing economy is not related so much to the volume of the offers on the platform, but rather on the pricing and price-to-value proposition as perceived by guests.

About the authors: Inès Blal is the dean at hotel management school EHL (École hôtelière de Lausanne), Manisha Singal is an associate professor of hospitality management in the Pamplin College of Business at Virginia Tech University and Jonathan Templin is professor and associate chair of the department of educational psychology at the University of Kansas.

The full study of this report, which was prepared for the July issue of the *International Journal of Hospitality Management*, can be found at sciencedirect.com. A version of this article was published at ehotelier.com.



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BY BRETT ALEXANDER-ESTES

A recent fatality at Ala Moana Center that occurred when a railing reportedly gave way is still fresh in the minds of many Hawaii residents. As the Ala Moana accident and similar tragedies show, maintaining safe railings and walkways is critical at Hawaii's commercial and hospitality properties.

It's no easy task.

Hairline cracks in a walkway . . . specks of rust on a balcony . . . too much



Kenneth Kasdan

space between railing pickets—these tiny catastrophes-in-the-making are common at many Hawaii properties.

The source of these dangerous conditions “can be bad design, defective construction or inadequate maintenance, or any combination of these factors,” says Kenneth Kasdan, a senior partner at Kasdan LippSmith LLLC, a Hawaii law firm.

Design Defects

Railings, whether on a balcony, stairway or any platform, must conform to

Corrosion of a railing stanchion

COURTESY KASDAN LIPPSMITH LLLC



state and county building codes. However, many Hawaii buildings are more than 30-40 years old. Railings on these buildings may be too low by current standards, or may have more space between railing pickets or between the bottom railing and the floor than is currently allowed.

Other design defects include railings that run horizontally—“four or five above each other,” Kasdan says. “This allows people to potentially use the railing as a ladder.”

Moreover, says Kasdan, even if codes are followed in the design and construction of a railing system, the building code is “a minimal standard, not the ultimate safety standard.”

Deterioration

Most commercial buildings in Hawaii are made of concrete reinforced with steel rebar. If these buildings are near the ocean, their railings and walkways deteriorate rapidly.

“Ocean air contains salts and chlorides,” notes Kasdan. Chlorides attack rebar, which then rusts, expands and cracks the surrounding concrete—a defect known as “spalling.”

Many concrete lanais and balconies at Hawaii’s hospitality properties—and their metal railings—fall victim to spalling. Concrete spalling problems can occur at the base of aluminum railing posts, typically due to rusting of the embedded reinforcing steel, and weaken the railing post.

Spalling degrades concrete walkways, too, and can result in tripping hazards.

Liabilities

“In Hawaii, as in virtually all other states, a ‘guest’ of a hotel or restaurant or ... a mall, does not have to be a paying

patron for the facility to have responsibility,” says Kasdan. “So long as the business is open to the public, the owner and operator owe its invitees a duty to not have premises which present an unreasonable risk of harm. You must anticipate that it will not only be alert adults, but children, or even intoxicated guests.”

Kasdan cites the 2006 death of a toddler who fell from the balcony of a Waikiki hotel. “The issue was whether the child climbed over the safety railing or squeezed through the vertical slats,” he says. “How the claims concerning this accident were resolved is not reported in the public record.”

It doesn’t take a fatality to trigger a lawsuit: damages are frequently awarded when a trip-and-fall injury occurs on a level walkway with an elevation defect of half an inch or more.

Expert Inspections

“Hotels, hospitality facilities and restaurants should have their lanais, elevated walkways, exterior stairs and the like periodically inspected for safety,” says Dana Bergeman, founder and



Dana Bergeman

CEO of Bergeman Group, a construction and risk management company that performs safety inspections.

Bergeman says inspections “should generally be done by a consulting firm, architecture or engineering firm that specializes in building repairs and working on existing structures.

“We generally recommend about a 10-year interval,” Bergeman says. “The older the building, the more frequent the inspections should be.”

On the Alert

Owners and operators of commercial and hospitality properties have “a duty to maintain a premise free from unreasonable risk of harm,” Kasdan emphasizes. “Inspections and maintenance are key.”

The owner or operator of a hospitality property, he says, “protects itself, as well as its guests, by having a formal, written maintenance and inspection procedure, documenting that it is being followed, and seeing that any repairs or deficiencies are promptly and properly acted upon.”

Premises Liability Explained

Kenneth Kasdan, a Hawaii attorney recently recognized with the Silver Star Award for Best Plaintiff Attorney at the 25th Annual West Coast Casualty Construction Defect Seminar, says Hawaii’s Premises Liability rule states “a possessor of land, who knows or should have known of an unreasonable risk of harm posed to persons using the land ... owes a duty to take reasonable steps to eliminate the reasonable risk, or warn against it.”

Kasdan says key points include:

1. There must be an unreasonable risk of harm.
2. The owner must take reasonable steps to eliminate the risk.
3. There must be warnings to alert of the risk. And if warnings are not sufficient—and they usually are not—then measures implemented to abate the risk to avoid liability.
4. “The issue of whether the owner is on notice is a tricky point, as the issue of whether the owner has, or should be deemed to have, turns on many facts,” Kasdan says. “Was the property properly maintained or not? Did the owner know? Should the owner have known? These all are complex issues of fact. Expert opinions, and more often than not, disagreement among all concerned, abound. When an impasse is reached, a lawsuit is often the result.”

HLTA Presents 5 Scholarships

The Hawaii Lodging & Tourism Association in June awarded \$2,500 Member Scholarships to one Active and one Allied member with a son or daughter who is a graduating high school senior and planning to pursue higher education. The HLTA also presented its second annual Hookipa Scholarship of \$1,000 to each of three high school students.



Madysen-Rae Reiny

The Member Scholarships, introduced in 2017 to commemorate HLTA's 70th anniversary, were given to **Madysen-Rae Reiny** of James Campbell High School and **Jenelle Aoki** of Moanalua High School. Active members are employed by hotel and lodging properties; allied members are employed by other businesses or are individuals with HLTA membership. Reiny, the Active Member Scholarship recipient, is the daughter of Vonnell Reiny, the assistant front office manager at Marriott's Ko Olina Beach Club. Reiny plans to attend Dixie State University and major in biology and pursue a career as a pediatrician.

Aoki, the Allied Member Scholarship recipient, is the daughter of Karon Aoki, the job planner at Honblue. She plans to attend Whitworth University in Spokane and pursue a career in the healthcare industry.



Claudia Hanson

The Hookipa Scholarship winners are **Claudia Hanson** of Kapaa High School in Kauai County, **Ray-Anne Dela Cruz** of Baldwin High School in Maui County and **Satoko Davidson** of McKinley High School in Honolulu.

At Kapaa High School, Hanson was

enrolled in Public Human Services, an introduction to hospitality and culinary courses. She plans to attend the University of California at Santa Barbara to major in sociology and pursue a career in hospitality.



Ray-Anne Dela Cruz with Mufi Hannemann

Dela Cruz plans to major in business management at the University of San Francisco and work toward a career in the hospitality industry.



Satoko Davidson

Davidson is an officer in McKinley's Academy of Hospitality and Tourism, where she has participated in the Hawaiian Airlines Ka Hookele Program, an internship that exposes students to career opportunities in the airline industry. She plans to attend the University of Hawaii at Manoa and pursue a career as an airline pilot.

"This is the hospitality industry's way of commending and rewarding high school students for their interest in travel and tourism and for their pursuit of potential careers in this business," says Mufi Hannemann, HLTA president and CEO.

Ritz-Carlton Residences Adds Narvaez, Truong

Sandy Narvaez was named director of sales and marketing and **Farrah**



Sandy Narvaez

Truong has been appointed director of revenue management at The Ritz-Carlton Residences, Waikiki Beach. Narvaez is responsible for overseeing and leading all strategic global sales and marketing initiatives for the first Ritz-Carlton resort on Oahu. Narvaez, who graduated from the University of Hawaii at Manoa, will be instrumental in leading the opening of the resort's 250-unit Diamond Head Tower in October, marking the completion of the resort.



Farrah Truong

She previously was sales and marketing director at Hilton Waikiki Beach. Her background includes management roles at DoubleTree by Hilton Alana Waikiki and at Hilton Waikiki Beach.

Truong is responsible for identifying revenue opportunities for the resort by formulating long- and short-term strategies toward increases in RevPAR and market share.

Truong, who earned a bachelor's in Travel Industry Management from the University of Hawaii, joins the resort from Starwood Hotels & Resorts Hawaii.

Hilton Hawaii Promotes To-Nguyen

Linh To-Nguyen has been named regional senior sales manager at Hilton Hawaii where she will handle leisure sales in both the domestic and international markets for Hilton Hawaiian Village Waikiki Beach Resort, Hilton Waikoloa Village and DoubleTree by Hilton Hotel Alana Waikiki Beach.

To-Nguyen, who has a bachelor's



Linh To-Nguyen

served as senior sales manager at The Beverly Hilton in Beverly Hills, Calif. She began her career with Hilton in 2003 as an administrative assistant at Hilton Hawaiian Village.

in Business Administration – Travel Industry Management from Hawaii Pacific University, joins the resort with more than 13 years of sales experience. She most recently

Ritz-Carlton, Kapalua promotes Peniche

Will Peniche has been promoted to director of group sales at The Ritz-Carlton,



Will Peniche

Ritz-Carlton, San Francisco.

Kapalua, from his previous position as director of banquets.

Peniche, originally from San Antonio, Texas, has been with the brand since 2013, and previously was food and beverage manager at The

Katsura Named Chef De Cuisine at Azure

Shingo Katsura has been named chef de cuisine at Azure Restaurant at The



Shingo Katsura

graduated from Moanalua High School. He was most recently at Roots & Rye in San Jose, Calif. He began his culinary career at Madera Restaurant, a Michelin-starred restaurant in Menlo Park, Calif.

In his new role, Alwin, who had been the

Royal Hawaiian, a Luxury Collection Resort, following the promotion of **Chef Shaymus Alwin** to executive sous chef for the Pink Palace of the Pacific.

Katsura was born in Japan, raised in the Islands and

Registration Opens for HTA Summit

Early-bird registration offering flexible discounted rates for the 2018 Global Tourism Summit is now available through July 31. The annual conference, presented by the Hawaii Tourism Authority, will be held Oct. 1-3 at the Hawaii Convention Center.

To register, go to globaltourismsummithawaii.com.

The focus of this year's event will be sustainability and how it is incorporated in the future of tourism. The significance of Hawaiian culture, global marketing, technology and innovation will also be highlighted in presentations.

Early-bird registration is available at the following discounted rates:

- **Individuals:** Full Summit registration, Oct. 1-3: \$325 (\$425 after July 31)
- **Group Package (minimum of eight people):** Full Summit registration, Oct. 1-3: \$325 per person. (Mix and match different attendees during the conference)
- **Student and Faculty Members:** Full Summit registration, Oct. 1-3: \$150
- **Student:** 1-day Summit registration, \$50 (Monday, Tuesday or Wednesday)
- **Individuals:** 2-day Summit registration, Oct. 1-2: \$315
- **Individuals:** 2-day Summit registration, Oct. 2-3: \$295



Shaymus Alwin

chef de cuisine at Azure for nearly eight years, will assist Executive Chef Colin Hazama with the hotel's culinary operations.

Texeira Named Top Chef at Nobu Lanai

Christopher "Tex" Teixeira brings more than 15 years of culinary experience as the



Christopher Teixeira

restaurant's operations. Nobu Lanai features a sushi bar and teppan tables as well as seating overlooking Hulopoe Bay.

Born and raised on Kailua on Oahu, Teixeira attended the KCC Culinary Arts Program on Oahu.

new executive chef at Nobu Lanai at the Four Seasons Resort Lanai.

Teixeira previously worked at Nobu Waikiki before heading to Lanai to help open the resort's restaurant in 2012. He will oversee all of the

Marketing Pair Suemoto and Oriole Joins Mina Group

Scott Suemoto has been named sales and marketing director while **Jordyn Oriole**



Scott Suemoto

of Hawaii School of Travel Industry Management, previously worked for



Jordyn Oriole

at the Trump International and later at Morton's The Steakhouse at Ala Moana Shopping Center.

is the sales and events manager for the MINA Group LLC's Stripsteak Waikiki and The Street Food Hall at the International Market Place.

Suemoto, who earned his bachelor's at the University

Hawaiian Airlines, Aston Hotels & Resorts, Ko Olina Golf Club and Aulani, A Disney Resort & Spa.

Oriole graduated with a degree in marketing at Hawaii Pacific University and joined BLT Steak

Leilani's Completes Renovation

Leilani's On The Beach, a landmark Kaanapali restaurant, reopened in May following an extensive renovation that is scheduled to be complete at the end of June.

"The goal of our renovation was to honor the Leilani's of yesterday, today and tomorrow by incorporating traditional design with modern comfort," says **Jason Donez**, the restaurant's general manager. "Guests will continue to enjoy the same great views and friendly hospitality for which we've been known since our opening in 1982."

The 5,739-square-foot renovation included updates to the main dining room and an extension of the lanai, with some areas now offering 180-degree ocean views.

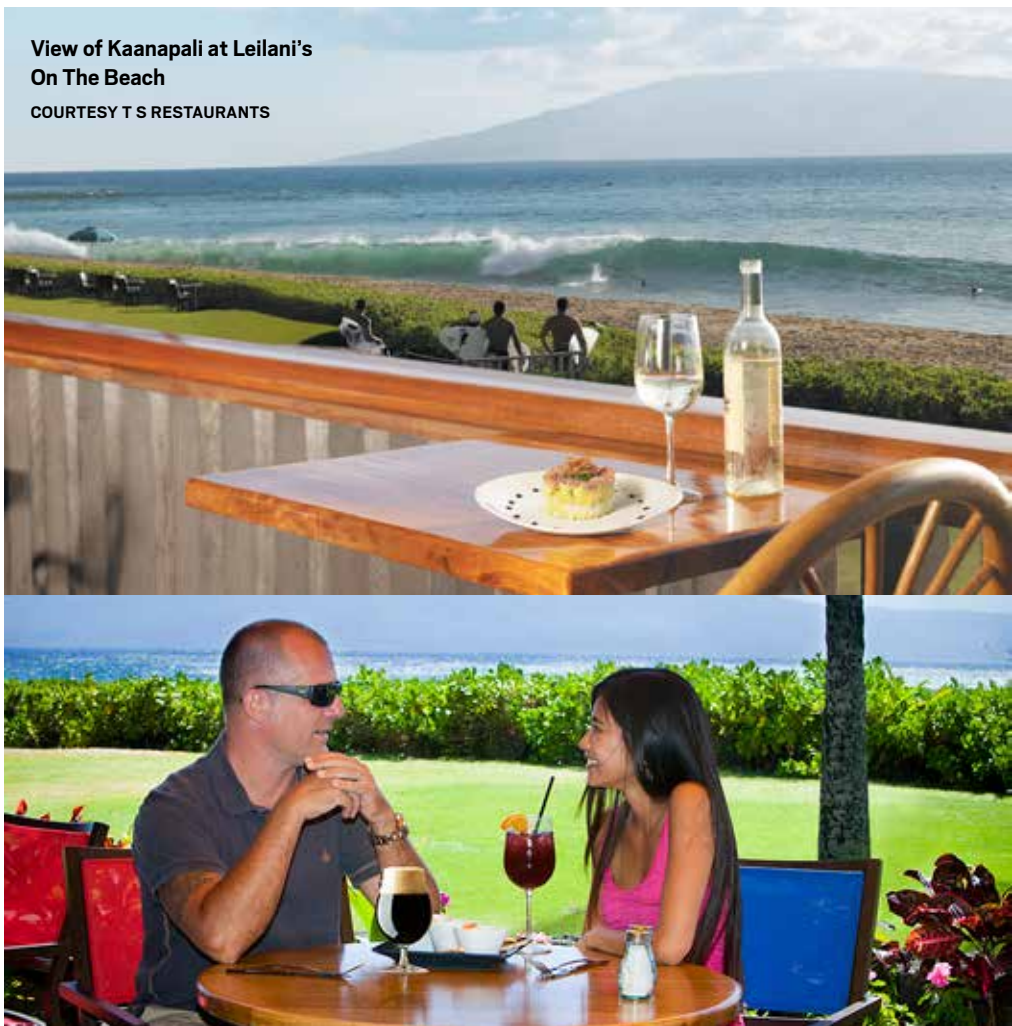
New accents include custom lighting by local artist **Mark Chai**, refinished koa tables, and the addition and re-use of *a'a* lava rock. A new teak tile wall depicts the West Maui mountains and frames Leilani's seven original Pegge Hopper paintings.

The renovations were designed by WCIT Architecture, with Honolulu Builders LLC as general contractor.

Leilani's On The Beach is owned by TS Restaurants, which operates 13 restaurants in Hawaii and California.

View of Kaanapali at Leilani's On The Beach

COURTESY T S RESTAURANTS



Philpotts Launches New Logo, Website

Philpotts Interiors, a leading Hawaii interior design firm, in May launched a new logo and website that better reflects "the next generation of leadership within our firm" and conveys "a simple, timeless elegance," the company said in a statement. The logo was designed by Kingsland Linassi, an award-winning branding agency in the United Kingdom.

Philpotts Interiors' current projects include Sheraton Waikiki and Kahala By The Sea, Alexander & Baldwin's condominium residence development along Kahala Avenue.

Oceanfront view of the future Kahala By The Sea

COURTESY A&B PROPERTIES HAWAII

Case in point: “The city has a mandate to reduce the amount of trash in the storm water system by 50 percent by 2023,” says Randall Wakumoto, branch chief for the City & County of Honolulu’s Storm Water Quality Branch. “Our booth display will focus on storm water Best Management Practices as it relates to property maintenance, landscape maintenance and the restaurant and food industry.”

Fresh Faces

More than 70 Expo exhibitors will be on the floor for the first time, including:

Hawaiian Granola: Macadamia nuts, Hawaiian coffee, coconut and ginger are Hawaiian Granola’s four “premium ingredient” flavors, says Barbara Anderson, managing member of the Hilo-based company.

FlexCart: This national company designs and manufactures highly efficient tool and supply carts to spec for lodging and foodservice maintenance professionals.

Adon Renewables: “SunChillers,” a multi-zone hybrid solar air conditioning system, is making its North America market debut at the Expo. Phoebe Tse, marketing coordinator at Adon Renewables, says each solar-powered SunChillers condenser can cool up to

four separate zones at different temperatures.

ICEE Hawaii: “In addition to the Classic ICEE we will have on display our brand-new Twisted Chill by ICEE, cold-brew Nitro Coffee,”



Phoebe Tse

and other signature treats, says Koa Asam, general manager of The ICEE Company.

Battery Bill’s: “Do you (or your guests) use a cell phone?” asks “Battery Bill,” owner of the namesake Hawaii company. “We offer portable cell phone and tablet power solutions.” Bill also carries batteries for cars, trucks, boats, drones, wheelchairs and solar power systems.

Hawaii Food Carts builds custom-designed food trucks, food carts and food kiosks on Maui.

Pau Maui Vodka, a Maui distillery, brews pineapple vodka.

HERE'S WHAT YOU KNOW:

People are exposed to more digital content than ever before.

HERE'S WHAT YOU THINK YOU KNOW:

As a result, print magazines are dying.

HERE'S WHAT YOU SHOULD KNOW:

- Nearly **seven out of 10** B2B readers spend more time with industry-related print publications than with business or consumer print magazines.
- **Seventy-five percent** of B2B information seekers rely on traditional media to gain insight relating to their professions, while only **seven percent** of B2B readers access digital media only.
- Approximately **63 percent** of executives trust print media advertising, whereas just **25 percent** have faith in online ads.
- Millennials ignore **50%** of online ads, while ignoring only **15%** of advertising that arrives in the mail.

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HLTA's 40th Charity Walk Raises Record \$2.5M

This year's donations pushes the overall total raised for local charities to \$34.5M

BY BRANDON BOSWORTH

An estimated 7,000 walkers and volunteers participated in Oahu's 40th annual Visitor Industry Charity Walk in Honolulu on May 19. Sponsored by the Hawaii Lodging & Tourism Association, the Oahu Charity Walk was the final in a series that began May 5 on Lanai and Molokai. Hawaii Island, Kauai and Maui held walks on May 12.

The combined events raised a record \$2.5 million statewide that will stay in Hawaii to benefit local charities, and that figure is expected to grow as donations continue to come in. Since its inception, the Charity Walk has raised more than \$34.5 million, including a record \$2.27 million last year. This year's theme was "A Tradition of Giving."

"We're absolutely delighted with the response to the Charity Walk," said Mufi Hannemann, HLTA president and CEO. "We continue to set record after record in our statewide fundraising efforts, thanks to the hard work of our hospitality industry family, the generosity of so many HLTA members and business sponsors and the participation of public-spirited folks across our Islands."

One of those "public-spirited folks" is Kevin Donnelly, who has participated in every HLTA Charity Walk from



This year's HLTA Charity Walk raised a record \$2.5 million for local charities.

PHOTO COURTESY HAWAII LODGING & TOURISM ASSOCIATION

the beginning. He says the event has had a big impact on his life.

"I was working at the Royal Hawaiian," Donnelly says. "The first one was 18 miles. I walked with people from work. After that, I got so interested in being outdoors I started running and did my first marathon a few months later."



Kevin Donnelly

For years he would run the Charity Walk as part of his marathon preparation, he says. Now an instructor with Kapiolani Community College's Hospitality and Tourism department,

Donnelly eventually got involved in the logistics of the event.

"I drive a van and help people who couldn't make it to the end of the walk," he says. Donnelly jokes he went from "walking or running the Charity Walk to driving it."

"What I like most about the Charity Walk is that everything goes to local charities," Donnelly adds. "And the charities that benefit often participate as volunteers and recruiting their own walkers."

Adds Hannemann: "What's significant about the Charity Walk is that it's the visitor industry's way of thanking the community for its support by raising money that directly benefits the people of Hawaii. We take great pride in organizing this annual event and are gratified, once again, with the exceptional response."

A Win for the Industry: SB 2699 Lands on the Veto List

The hospitality industry welcomed the news that Gov. David Ige will veto Senate Bill 2699, legislation that would have imposed the transient accommodations tax on resort fees and, conceivably, just about any business activity under a hotel's roof.

The HLTA led the opposition to the bill and drafted a petition calling on the governor to veto it, which was signed by an amazing 1,900 industry representatives. Then a delegation of a dozen industry executives and stakeholders joined me for a meeting with the governor to state our case.

While a number of factors contributed to the governor's veto, I like to believe our unanimity played a key role. It was a classic example of business, labor and stakeholders coming together to protect and support the hospitality industry. Kudos to everyone who answered our call because we're truly all in this together.

Disaster Relief

Philanthropy is one of the missions of the HLTA, and with the recent disasters on Kauai and Hawaii Island, the hospitality industry has taken the initiative to help those seeking relief.

In May, we presented Kauai Economic Opportunity with \$25,000 to assist hospitality employees who had been displaced by the flooding. KEO distributed grants for up to \$1,000 to 34 employees from the Sheraton Kauai, St. Regis Princeville, Marriott's Waiohai Beach Club, Grand Hyatt Kauai Resort, Aston Islander on the Beach, Castle Resorts-Kiahuna Plantation, Cliffs at Princeville, Westin Princeville, Hanalei Bay Resort and Kauai Marriott Resort & Beach Club.

For the eruptions in Puna, HLTA has responded by committing \$20,000 to support HiEHIE, a mobile hygiene trailer owned and operated by Project Vision Hawaii. The trailer, which was shipped from Oahu to Puna, contains private bathroom stalls, each with a shower and toilet. One stall is ADA-accessible.

The first shower at the Puuhonua o



The HLTA presented funds to assist flood victims on Kauai.

Puna Info & Supply Hub in Pahoia was greatly appreciated by Miss Kyra. Her parents are volunteers at the Hub after losing their home the first week the lava erupted. Kyra loved the shower, exclaiming "It's wonderful! Just like being in a hotel. I loved it!" HiEHIE has provided nearly 500 showers on Oahu and Hawaii Island to date.

I'm grateful to our members for their support of all that we do to serve our community, especially in time of need.

Generational Mentor

As someone who's been blessed with many mentors, I'm eager to provide similar opportunities to future generations. On a personal basis, I founded the Pacific Century Fellows, modeled after the White House Fellows. Then, at the HLTA, we created HYPE (Hospitality's Young Professionals and Entrepreneurs) committee two years ago to encourage networking and mentoring of young leaders.

Our Generational Mentoring program, which just concluded its second year, provides an opportunity to pair high-achieving, faculty-nominated college students with general managers from properties across the state. The 2017 inaugural class included 11 student-manager pairs, with students from BYU-Hawaii, HPU and UH-Manoa. This year, the class of 13 students also included representation from the UH-West Oahu.

Generational Mentoring co-facilitator and Here and Now Consulting founder

Art Sarkissian put it well when he said, "Mentoring our next generation of hospitality leaders in Hawaii is critical. This program not only partners high potential students with some of the most outstanding industry leaders, it also allows them to learn from each other. This truly is generational mentoring."

While I expected the program to do well, I've been delighted that some of the students are hitting the ground as now full-time employees in tourism. I recently bumped into recent mentee Elaine Aquino (mentored by Denise Wardlow of the Westin Princeville Ocean Resort Villas) while touring the Four Seasons Resort Oahu at Ko Olina. Elaine joins two other participants, Michael Ven Escario, mentored by Jim Braman of The Cliffs at Princeville, and Estelle Thach, mentored by Cheryl Williams, at the time with The Royal Hawaiian Hotel and now with Highgate.

It was heartening to see that their experience in the program is inspiring them to pursue careers in our industry, and that their real-world experience is serving them well. I'm looking forward

to having them mentor future generations of industry leaders.

Mufi Hannemann is president and CEO of the Hawaii Lodging & Tourism Association.



HYPE Turns 2

PHOTOS BY LEAH FRIEL

Hospitality's Young Professionals & Entrepreneurs (HYPE), a sub-committee of the Hospitality, Lodging & Tourism Association (HLTA), celebrated its second anniversary on June 6 on the Muliwai Pool Deck of the Prince Waikiki.



Keri Brown, Jared Higashi, Conchita Maaqui, Emi Espinda, Mufi Hannemann, Whitney Crear, Jennifer Kim, Ashley Yonamine



Cody Assenmacher, Chelsea Tsuchida, Carol Ulep, Adam Luchs



Alexa Conching, Malia Zannoni, Casey Collado



Nadine Murata, Byron Riddle, Marissa Ross



Dannah Amewouame, Kelsey Matsuda



Austin Bryant, Malia Campbell, Shawn Rosemond



Dennis Burns, David Bearden, Jodi Uehara, Andrew Ling, Jason Nishimura



Rachel Blaire, Darla Paet, Cortney Matsuki



James Wilson, Karen Balogo, Joy Veeraplin, Josh Haddadi



Moses Nakao, Robert Hsu



Jun-Romeo Farinas, Jessica Caires, Michele Tang



Curt Neider, Cienna Mason-Kim, Jennifer Koon, Tarrant Togiai



Wilson Butihi, Shannon Bruno, Jackie Ornellas, Keonaona Salis



Kylee Takata, Dane Teves, Kehau DeMello



Princess Galano, Ruby Palafox, Randi Okuhara

Register Now for the Global Tourism Summit

Hawaii's annual tourism conference, the Global Tourism Summit, takes place Oct. 1-3 at the Hawaii Convention Center. I urge anyone with an interest in tourism's future to participate in the Summit and make your voice heard about an industry of local and global importance.

Early-bird registration is open through July 31 and I encourage everyone to sign up by then and take advantage of significant savings. There are other cost-saving options available for groups, students, faculty and those who cannot attend all three days. Visit GlobalTourismSummitHawaii.com for information and to register online.

This year, we are bringing together tourism industry partners from within the Hawaiian Islands and around the world to network, collaborate and partner on new opportunities and learn how travel is evolving. The Summit will focus on numerous topics vital to advancing tourism forward for the

good of residents, communities and destinations in Hawaii and worldwide. Sessions will address global tourism trends, sustainable tourism, cultural tourism and the marketing of Hawaii. There also will be a session on security and safety, a topic magnified by recent world events.

The ever-growing significance of millennials' impact on travel will be addressed. The student debate competition will feature Hawaii teams competing with those from the mainland and internationally. Hawaii's cuisine will again be showcased to the delight of everyone.

The Summit will be a gathering for reflection, for planning and for putting our collective imprint on tourism's direction for the sake of our Islands and the world.

• The HTA has a newly designed website at HawaiiTourismAuthority.org. Check out the B2B website and see the dramatic improvements. Along with being wonderfully redesigned, it is more

intuitive and user-friendly.

More importantly, the new website is reorganized to position more prominently access to information essential to travel industry professionals, such as market research, RFPs, communication activities, and community programs supported by HTA.

Another notable improvement is that the new website is optimized for use by any mobile device. It is also designed with respect to the guidelines of the Americans with Disability Act, allowing those who are visually impaired to access the content as well.

George Szigeti is president and CEO of the Hawaii Tourism Authority, the state's tourism agency.

Note: At press time it was reported that Szigeti's term as head of the HTA will end on Oct. 31.



How Long Will Your New Restaurant Last?

There is a rumor that 50 percent of new restaurants fail within the first year. There is no data to support that rumor, but we can show that 59 percent fail in the period of three years. In the first year, we show the highest level of failure to be 26 percent, with 19 percent in the second and 14 percent in the third year of business.

Let's look at some of the things that the other 41 percent are doing right.

The most common reasons for successful operators are:

- Enough start-up capital.
- Negotiating the right rent.
- Knowledge about competition.
- Right location.
- Excellent restaurant promotion.
- Constant offers and promotions.
- Maintaining good partnerships.
- Tight inventory control and staff management and training.
- Enhanced customer service focus.
- Preparing for the peaks and valleys in your sales.
- Budgeting and daily profit/loss analysis.

- Accounts payable controls.
- Payroll controls.

Capital: Depending on the type of restaurant you want to open, you will need at least \$100,000. This is capital in the bank at the time of opening (not intended to be start-up capital). You want enough to cover 6-8 months, as if you did not make any money during that time. The larger the operation, the larger that dollar amount should be.

Budget vs. Profit and Loss: If there is one most important thing about the restaurant business, it's knowing how much money is coming in and how much is going out. Some bills are paid on a weekly basis, payroll is usually every two weeks, and then you have your monthly bills. Budgeting means that you will not spend more money than you are projecting to bring in.

Worst-case Scenario: In the event of a natural disaster, maybe a record flood that closes the only road in and out to your restaurant, if you decide to stay open and cater to the 200 or so

local residents, you will need to greatly adjust your expenses. If you go down in revenues by 80 percent, all of your expenses need to drop by 80 percent to be in line. You may think this can't happen, but like with the flooding on Kauai in April and the volcanic eruptions on Hawaii Island, you have to be prepared for anything.

Marketing and Promotion: This is as important as sales and customer service training and inventory controls, yet it is always the first thing to go when we are cutting our expenses. As much as you need to reduce expenses as revenues drop, you also need to ramp up as revenues increase.

Gregg Fraser, executive director of the Hawaii Restaurant Association, can be reached at gregg.fraser@hawaii-restaurant.org or 944-9105.



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