

INSIDE: KAUAI TOURISM BOOM * ARE YOUR RAILINGS & WALKWAYS SAFE?

HAWAII *hospitality*

LODGING & FOODSERVICE | JULY/AUGUST 2019

FRANCHISE

renzy

Buying into Hawaii's popular food chains
requires intelligent preparation—and deep pockets

FINE HOSPITALITY PRODUCTS

ENHANCING HOSPITALITY ENVIRONMENTS SINCE 1988



Your single source local supplier for indoor and outdoor furniture since 1988, Orbit Sales has the team to coordinate your project no matter what the size. We work directly with some of the top factories in the hospitality business and we are a bonded importer that can provide custom product.



IN STOCK



808-625-1000
info@orbitsales.com

Orbit
SALES

www.orbitsales.com

Celebrating **2** Generations
Of Working Together and Success of Hospitality Investors
and their 'ohana as a preferred flooring vendor
since 1985



Embassy Carpets®

Coast-to-Coast Quality

Since 1985

Luxury LVT | Carpet Tiles



HAWAII LODGING
& TOURISM
ASSOCIATION
Allied Member

UNDERSTAND THE DIFFERENCE BETWEEN **PRICE** AND **COST**

PRICE IS WHAT YOU PAY • **COST** IS WHAT YOU GET IN QUALITY & SERVICE

Embassy Carpets®

Quality and Trust with Confidence
Since 1985

Embassycarpets.com

contents

july/august 2019_vol.34/no.4

- 4 Checking In: David Putnam
- 6 Kauai Rises to New Heights
- 12 Sheraton Waikiki's Cogen System Pays Off in First Year
- 14 Franchise Frenzy
- 18 Railings and Walkways



14



6

- 22 How to Respond to a Negative Hotel Review
- 24 News Briefs
- 26 Hookipa: 2019 Visitor Industry Charity Walk
- 29 HRA: Sheryl Matsuoka
- 30 HLTA: Mufi Hannemann

checking in

Even after the flooding and landslides on Kauai that were caused by last April's record rains, the tourism industry on the Garden Isle still had a record year as visitor arrivals were up 7.6 percent over 2017. In this issue, industry leaders discuss how they are plotting strategies to keep travelers interested. Among the ways is the inaugural Kauai Folk Festival, which will debut in late September.

So, you want to own and operate a food franchise in Hawaii? First, according to experts, you will need deep pockets. Check our report on what it will take to be part of a major franchise and open the doors to a popular fast-food brand.

Railings and walkways are a potential hazard at hotels, resorts and restaurants, and must be maintained year-round for safety of both guests and employees. Failure to keep a close watch on those areas is not an option, say manufacturers, contractors and lawyers.

No place in the world does more to be energy-efficient than Hawaii. That includes our hotels and resorts such as the Sheraton Waikiki, which upgraded to a cogeneration power system only a year ago. The engineers and contractors on the project tell us the property is already reaping a huge cost savings.

Aloha!



Editor

david@tradepublishing.com

HAWAII hospitality

Publisher

Amanda Canada

Editor

David Putnam

Associate Editors

Brett Alexander-Estes
Priscilla Pérez Billig

Senior Advertising Directors

Barry Redmayne
Charlene Gray

Senior Account Executive

David Kanyuck

Advertising Coordinator

Lorraine Cabanero

Creative Director

Davin Iyamatsu

Creative Manager

Darrell Ishida

Art Directors

Ursula A. Silva
Darrell Ishida

Circulation Manager

Chelse Takahashi

Press Manager

Abe Popa

Press Operator

Dean Onishi



Bindery Operator

Austin Popa

TRADE PUBLISHING & PRINTING

287 Mokauea Street, Honolulu, Hawaii 96819
Tel: (808) 848-0711 | Fax: (808) 841-3053
www.tradepublishing.com

Copyright 2019 with all rights reserved. Unauthorized reproduction is prohibited. *Hawaii Hospitality* is published on the tenth day of each month by Trade Publishing Company, with offices at 287 Mokauea, Honolulu HI 96819. Unsolicited materials must be accompanied by self-addressed, stamped return envelope. Publisher reserves the right to edit or otherwise modify all materials and assumes no responsibility for items lost or misplaced during production. Content within this publications is not to be construed as professional advice; Trade Publishing disclaims any and all responsibility or liability for health or financial damages that may arise from its content. Statement of fact and opinion in articles, columns or letters of contributors are the responsibility of authors alone and do not necessarily reflect the opinion of Trade Publishing Co. Single copy rate is \$5, with subscriptions available at \$25 per year. For information, call (808) 848-0711.



Leis by Ron

*Sharing Aloha
since 1989*

*The Hawaiian
Dream Begins
with the*

Aloha of Lei

**Proudly serving
Hawaii's tourist
industry:**

- Hotels •
- Timeshares •
- Travel Agencies •
- Luaus •
- Conventions •
- Cruise Ships •

851 Mapunapuna Street
Honolulu, HI 96819

808-838-1455

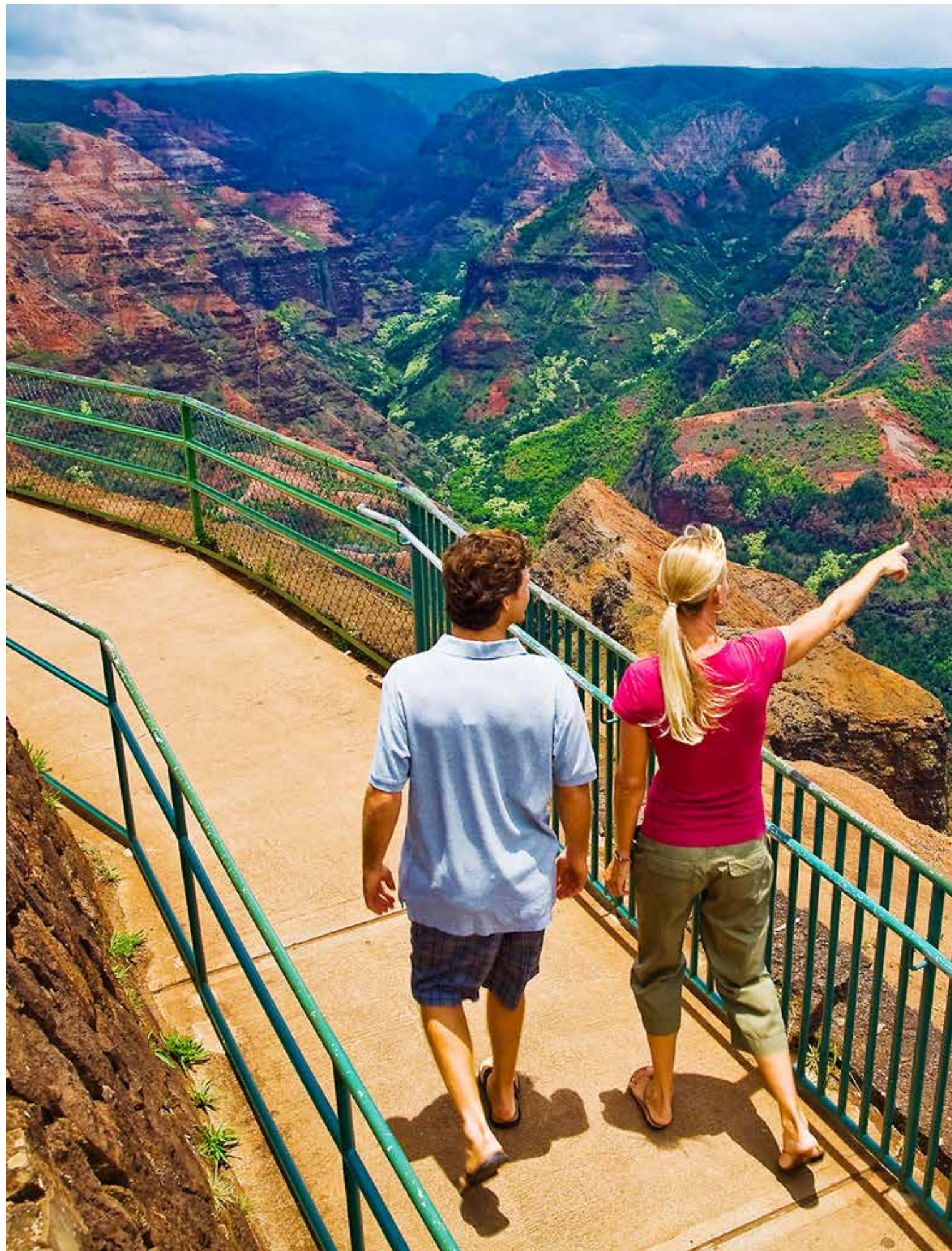
Toll-free: 1-844-838-1455

Fax: 808-838-1424

leisbyron.net

Orchid | Kukui Nut | Shell Lei





Kauai Rises to New Heights

Despite floods and landslides, the Garden Isle's visitor industry hopes to continue momentum of a stellar 2018

BY MEGHAN THIBAUT

While air arrivals statewide have been up 3.4 percent from January through April, visitor arrivals to Kauai have been down 2.2 percent, according to statistics from the Department of Business, Economic Development and Tourism (DBEDT).

At first glance, this seems worrisome, until Sue Kanoho, the executive director of the Kauai Visitors Bureau, puts it in context: "We finished 2018 at 1,377,777 visitors, which is the highest number of visitors ever," she says.



Sue Kanoho

Last year, visitor arrivals were up 7.6 percent over 2017 on Kauai, and in 2017, they were up 7.5 percent over 2016. It's hard to beat a few consecutive years of such substantial growth.

Last year's expected occupancy was extremely high on Kauai, and despite widespread flooding and landslides that impacted the island in April following record rainfalls, the Garden Isle still had a record year. "Initially everybody was under the impression that the entire island was under water, but we were aggressive in getting information out," Kanoho says.



Kahealani Zietz

While vacation rentals and North Shore homes were affected in the short term, the Hanalei Colony Resort was the only hotel impacted long-term by the flooding.

Though the 48-room hotel remains closed for repairs, overall the island didn't lose many room nights in 2018.

Kahealani Zietz heads up Hawaii Life Vacation Rentals (HLVR), one of the largest short-term vacation rental booking services and property management companies on Kauai's North Shore. HLVR is part of Hawaii Life, a statewide real estate brokerage headquartered in Princeville.

"We finished 2018 at 1,377,777 visitors, which is the highest number of visitors ever."

— Sue Kanoho

Sightseers and visitors from around the world marvel at the views from atop Waimea Canyon on Kauai.

"We experienced some negative impacts, mostly in the immediate short-term," Zietz says. "Hawaii Life was strategic and acted quickly to relocate our guests to safer parts of the island and the neighbor islands, when necessary." Zietz says.

She says their guests had an array of options since the company has vacation rental properties on all islands, but most found space in Poipu and Waimea on Kauai.

"In some cases, we allowed guests to postpone their visit to a future date. Mostly, we concentrated on providing a good guest experience here on Kauai," Zietz says. "Luckily, we didn't have any homes under management that required serious renovations."

Another reason for the record-breaking year was that Kauai benefited from a bump in rebookings later in 2018, when the sudden eruption of Kilauea stirred a media frenzy across the country, causing many travelers to rebook their trips. Hurricanes threatening the Gulf Coast and hurricane damage in Puerto Rico also redirected many travelers to Kauai, boosting the island's visitor numbers throughout the summer months of 2018.

Comparing this year to the banner year the island had in 2018, Kauai is faring well, all things considered. The North Shore vacation rental market bounced back quickly last year, though Zietz points out that the first quarter of 2019 was expected to be flat.

"The first quarter was slow because people were watching the news in September of last year," she says, referring to the media scare around volcanic eruptions that influenced many travelers unfamiliar with the Hawaiian Islands.

That isn't to say there haven't been some lasting impacts. "Hanalei town has suffered, but Haena and Wainiha suffered tremendously," says Kanoho.

While the Napali Coast has been accessible and open for air and boat tours, the Kuhio Highway has been under repair west of Hanalei since the spring of 2018, immediately following the record rainfall that caused widespread flooding and landslides in the area.

The roadways and state parks on Kauai's North Shore were scheduled to reopen on June 17, according to both the Hawaii Department of Transportation (DOT) and the Division of State Parks (DSP) websites.

The DSP announced that Haena State Park and Napali Coast State Wilderness Park also were scheduled to reopen in accordance with the Kuhio Highway's scheduled opening on June 17. The



(1) The 2019 Kauai Folk Festival welcomes Grammy Award-winning singer-songwriter Peter Rowan and the Bluegrass Band; (2) Two-time Grammy winning artist Taj Mahal and his Hula Blues Band; (3) Fiddler Blaine Sprouse; and (4) Grammy winning singer-songwriter and multi-instrumentalist Tim O'Brien with Jan Fabricius on vocals.

Folk Festival Debuts Sept. 28-29

Featuring multiple musical genres and activities, the new event is packed with plenty of appeal for residents and visitors alike

The 2019 Kauai Folk Festival debuts in late September with a mission to showcase Hawaiian and North American musical traditions, with performances from more than 34 artists across five performance stages and an eclectic lineup of local and guest musicians.

Hosted by the Grove Farm Museum in Lihue, the Sept. 28-29 event's headliners include Taj Mahal and the Hula Blues Band, as well as Grammy award-winning Peter Rowan and his "My Aloha" Bluegrass Band.

Described as a two-day festival of folk and aloha, the festival will showcase musicianship in country, roots, Hawaiian slack key and steel guitar, bluegrass and more, along with a host of on-site activities. Arts and crafts and interactive learning experiences make this a family-friendly event.

Kids and adults can enjoy workshops in lei making, ukulele, guitar, fiddle, banjo and mandolin, as well as lessons in hula, swing, two-step and square dancing. Voice

instructors will teach singing, ballads and Hawaiian song and Sunday morning will feature gospel singing. Attendees are encouraged to bring their own instruments, though loaners will be available.

The festival recognizes the powerful influence that Hawaiian music has had on almost every genre of American music, in a cultural exchange spanning more than 100 years. Around the turn of the 20th century, Hawaiian troubadours began touring the United States, exposing mainland America to the rich influences of Hawaiian music.

Festival director Matt Morelock recently explained to *Billboard Magazine*, "(Hawaiian King) Kalakaua understood the importance not only of promoting Hawaiian language, culture and dance abroad, but also the positive influence that global culture could have in Hawaii."

Festival-goers can refuel from a curated lineup of local food and beverage favorites including Maui Brewing Company, Kauai Juice Co., Pookela Sausage, Ya Quddus Bagels, and Uncle D's Vegan BBQ.

Kauai also will be holding such events as the Concert in the Sky on July 4, Koloa Plantation Days on July 19-28, and Heiva I Kauai on Aug. 3-4.



DSP website also reports that additional paving repairs at Kokee State Park are scheduled to reach completion in July. The DSP website noted that if the

opening for Kuhio Highway were to be amended, the reopening of both parks would follow suit.

The road repairs around the Ha-

FEATURING EQUIPMENT FROM ONE OF THE LEADING MANUFACTURERS OF FLOOR SCRUBBERS AND SWEEPERS



Contact us for more information:
Sand Island Location
1038 Ulupono Street
808.650.6464
pcm1108@sunbeltrentals.com
sunbeltrentals.com

Meet Steve Friez, PCM 1108

I have 27 years experience in the equipment rental industry serving on many different levels throughout my career.

My amazing team and I are committed to providing the best equipment and service for our customers.



Ride-On Sweepers



- Ideal for high-production sweeping applications
- Great for indoor and outdoor surfaces
- Combine brushing action with an on-board vacuum to clean up to 200,000 sq. ft. per hour
- Large capacity hoppers and multi-level dumping capabilities

Climate Control/ Remediation

Air Scrubbers



- Operate up to three units on a single 115V circuit
- High-velocity air flow for fast and efficient drying
- Rugged housings and stackable designs

Dehumidifiers

- Maximum moisture removal of 29 gallons per day
- Floor area of ranging from 800 - 1,100 sq. ft.
- Very effective drying hardwood floors

Air Conditioners

- Provides up to 10,000 BTUs of cool air
- Operates on standard 115V power
- Handles temperatures up to 105 degrees Fahrenheit

Walk-Behind Scrubbers



- One-pass floor cleaning in a variety of applications
- Utilize dual 14" disk brushes with adjustable down pressure to match floor conditions
- Cleaning solution dispensed at brushes
- Built-in vacuum recovery system and floor squeegee leaves floors clean and dry

THE SUNBELT PROMISE

At Sunbelt Rentals, we are committed to delivering the equipment, service, and expertise your project requires. Backed by the support and strength of an extensive network of local rental locations, empowered to do whatever it takes to deliver ready-to-work equipment when and where needed. We promise our customers we will **MAKE IT HAPPEN**.

**SATISFACTION • DELIVERY • SERVICE
AVAILABILITY • AFTER-HOURS RESPONSE**

The breathtaking panoramic view
of Kauai's Na Pali Coast.

*"Kauai has always remained
true to being the Garden Isle.
For those who are seeking a true, organic
experience, Kauai always delivers that experience."*

— Kahealani Zietz



Finish Well.

**30 Years of Quality,
Experience and Service!**

JD
**JD PAINTING
& DECORATING, INC.**

LIC. NO. C-15379
jdpainting.com

Oahu 808-841-7100 | Maui 808-242-9731 | Kauai 808-632-2160

HOTELS & RESORTS | COMMERCIAL | RESIDENTIAL DEVELOPMENTS | GOVERNMENT

nalei hillside have been less predictable, making North Shore day trips something of a moving target for both residents and visitors.

"The Hanalei hill landslide has impacted those communities," Kanoho says. "The perception is not good, and people think, don't go there at all. In fact, it's fine to go on certain days. The Hanalei slope stabilization will last for the next four to five months.

"I think the numbers we had last year were an anomaly. I don't expect them to be the same," she adds. "I've told everybody to plan on being 5 or 10 percent down this year. With 2 percent unemployment, we are hitting maximum capacity. That's where we have to make sure we are managing everything very carefully."

Visitor expenditures are down 10.2 percent in the first four months of this year, and the Kauai Visitors Bureau says it is watching this closely. Cruise ship arrivals have been up 12.6 percent, but cruise ship passengers make up a relatively small proportion of the visitor industry on Kauai, at just 7.69 percent of the total number of arrivals January through April.

With her long experience in Kauai's tourism industry, Zietz remains positive. "After the crash in '08-'09, Kauai remained a popular destination. People just dug deeper," she says.

DBEDT has forecast an overall 2.6 percent growth rate in visitor arrivals statewide for 2019.

Zietz expects to continue meeting financial goals through the balance of this year. "Kauai has always remained true to being the Garden Isle," she says. "For those who are seeking a true, organic experience, Kauai always delivers that experience."



Refurnishing Kauai's Hotels

Work to upgrade and renovate the amenities at many Garden Isle hotels and resorts is ongoing. According to the Kauai Visitors Bureau, projects include:

- **The Courtyard by Marriott** is undergoing a complete transformation from guest rooms, public spaces, pool and resort activities. The project is slated to be completed by September with the new name of **Sheraton Kauai Coconut Beach Resort**.
- **The Westin Princeville Resort Villas** and the **Waipa Foundation** launched He Aina Ola, a farm-to-table dinner highlighting Hawaiian history and culture. The Westin Princeville's culinary team prepares a dinner showcasing seasonal, locally sourced ingredients. Call (808) 827-8808 or visit www.westinprinceville.com.
- **The Timbers Kauai Ocean Club & Residences** is celebrating its grand opening. Guests can receive a \$1,000 experience credit to explore all the amenities on property. Call (844) 815-9193 or visit www.hokualakauai.com.
- **Koloa Landing Resort at Poipu** welcomes Holoholo Grill, with James Beard Award-winning Chef Sam Choy. Call (808) 240-6600 or visit www.koloalandingresort.com.
- **The Sheraton Kauai Resort** offers new and refreshed guestrooms and suites in its Ocean Wing. Go to sheraton-kauai.com or call (808) 742-1661.



When it comes to commercial HVAC, we rule the roost.

(More commonly known as the roof.)

For the islands' most extensive line of HVAC systems with the latest secure integrated BACnet® controls, look no further. Carrier Hawaii is your single-source solution for cooling, ventilation and intelligent controls. Turn to the experts with service and distribution across the islands to save time and money.



i-Vu® v7 web-based control interface



30MP AquaSnap®
Water-Cooled Packaged
Scroll Chiller (Puron®)



30XV AquaForce®
Variable Speed Screw
Chiller (R-134A)



50FC/50GC Weather Series
RTUs with EcoBlue™
Technology (Puron)



19DV AquaEdge®
High Efficiency Centrifugal
Chiller (R-1233zd (E))



23XRV AquaEdge®
Water-Cooled Screw
Chiller (R-134A)



turn to the experts™

Locally owned distributor: **Carrier Hawaii**
Kapolei Honolulu Kahului Kailua-Kona
(808) 677-6339 • CarrierHawaii.com

The Future is NOW

‘Milestone’ Cogeneration System Powers Up the Sheraton Waikiki

BY DAVID PUTNAM

The cogeneration system installed at the Sheraton Waikiki reached its first full year of being “operational and online and working as designed” in April, says the contractor who installed the units that produce 60 percent of the hotel’s electricity on-site.

Calling the project “a major milestone,” Darryl Kanno, president of Alakai Mechanical Corp., which installed the cogen system along with Western Energy Systems, adds that “data trending and system setpoints are still being tweaked to optimize the system efficiency and cost savings.”

Eric Au, Marriott International’s area director of engineering and facilities for Hawaii and French Polynesia, estimates the hotel’s savings from the cogen system at \$500,000 a year. He says the installation was a “power purchase agreement, so zero cost to the hotel” for the



Eric Au

system valued at \$8 million.

The cogen system went fully online in April 2018, and both Au and Kanno point to a lack of space as a major challenge in completing the installation.

“The hotel had to remain operational, and getting new systems installed and operational within the existing space before cutting over and demolishing the old systems was very challenging,” Kanno says.

To provide space for the Sheraton Waikiki’s cogen system—which provides 2.2 MW of electricity—and absorption chiller, Au says the crew had to “relocate existing hot water tanks, remove older boilers and remove heat pumps.”

Next came the installation of two 1.1 MW cogen units, a 300-ton absorption

Getting More Efficient

Energy-efficiency strategies at other Marriott Hawaii properties include:

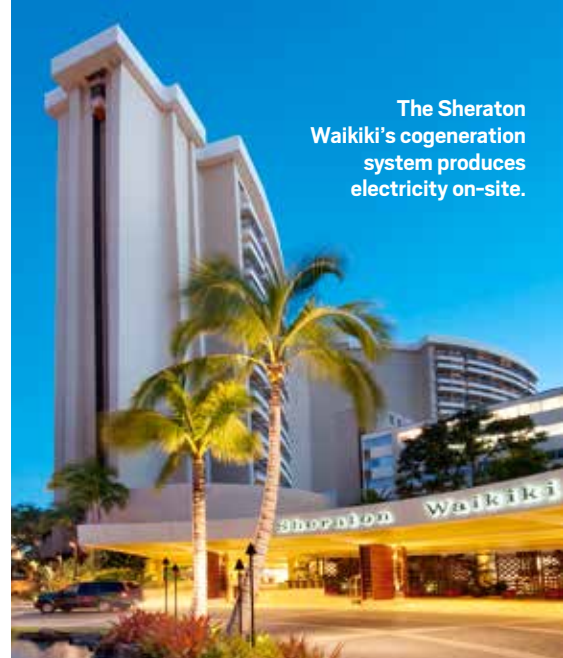
- **Sheraton Maui:** Lighting retrofit to LED, battery storage system for demand management, photovoltaic system (currently in engineering design phase) and building management system upgrade
- **Sheraton Kona:** Efficient chiller replacement and building management system upgrade
- **Waikoloa Marriott:** Efficient chiller and boiler replacement
- **Wailea Marriott:** Photovoltaic system (currently in RFP phase)
- **Princess Kaiulani:** Efficient chiller replacement and building management system upgrade
- **Sheraton Waikiki:** Lighting retrofit to LED, battery storage system for demand management, efficient chiller replacement and cogeneration and absorption chiller
- **Residence Inn Wailea:** Battery storage system for demand management
- **Sheraton Kauai:** Efficient chiller and tankless heater replacement

chiller, new hot water tanks, including structure to support above a tunnel, two new 1,500-ton electric centrifugal chillers, a 500 KW back-diesel generator and an overall building management system.

Additionally, Au adds, the scope of the job included a “built sound attenuating and cooling enclosure around the cogen to help contain noise and provide ample cooling/airflow for cogen units.”

The heat generated by the cogen system supports the hotel’s hot water

The Sheraton Waikiki’s cogeneration system produces electricity on-site.



Eric Au is joined on a tour of the cogeneration system at the Sheraton Waikiki by Maria Vargas, director of U.S. Department of Energy’s Better Buildings Challenge, and Brian Kealoha, executive director at Hawaii Energy.

needs and feeds an absorption chiller which provides air conditioning to the hotel. The cogen system also is able to provide electricity to the property in the event of a grid outage.

Due to the Sheraton Waikiki’s current power setup, Au says, that “per inter-connection review, SCADA (Supervisory Control and Data Acquisition, a security control system) installation was required, an additional grounding transformer was needed” and there were flood zone requirements to meet.

“One of the advantages of working in Hawaii’s hospitality industry is that it is a business that places great importance on being clean and green,” says Mufi Hannemann, president and CEO of the Hawaii Lodging & Tourism Association. “The cogeneration power system installed at the Sheraton Waikiki is proof that we are working toward a more sustainable future, and is consis-

tent with one of our overarching goals of managing tourism better.”

Hannemann says he commends the work by Au and Marriott International colleague Harzali Hashim “for bringing this project into the heart of Waikiki.”

According to Marriott International, the company aims to reduce its electricity and gas usage worldwide by 30 percent by 2025. In 2016, the average monthly kilowatt hour (kWh) consumption by the Sheraton Waikiki was approximately 2.1 million kWh, and the hotel has taken myriad steps to achieve its 30 percent reduction goal. Those measures include replacing old lighting with LEDs in all of its common areas, the parking lot, the hotel entrance, lobby and loading dock as well as guestrooms.

Along with Alakai Mechanical, Au lauded the contributions by Nate Koop of Western Energy Systems and Marriott’s Hashim.

Kanno says Alakai hopes to apply the experience it gained on the Sheraton project on similar work in the Islands. “So far we have not worked with other hotels on these types of projects,” he says. “We hope we have the opportunity to do more of these types of projects in the future.”



Electric-powered canal boats transport guests along the Hilton Waikoloa Village waterways.

Quiet, Electric Boat Rides at the Hilton Waikoloa Village

Becoming more “green” doesn’t always require a major overhaul of a multimillion-dollar cooling and heating plant. Changes can be made in smaller but effective ways, such as ditching plastic drinking straws in restaurants and bars and replacing them with biodegradable paper straws.

Or you can follow the example of the Hilton Waikoloa Village, which is scuttling the gas-powered engines in its canal boats and replacing the motors with nearly silent electric propulsion systems.

The mahogany canal boats, built for the

grand opening of Walt Disney World in Florida in 1988, carry guests along the resort’s unique waterways. In May, the Hilton Waikoloa Village revealed plans to convert four of the boats to an electric propulsion system.

The resort reports that the switch will result in an annual savings of 4,320 gallons of gas per boat. And since the boats will no longer need motor oil, the resort will save up to 180 quarts annually per boat.

The boats have LED lights that illuminate the waterway at night, cabin floor lighting and a marine-grade sound system.



INTER-ISLAND
SOLAR SUPPLY

*Your Source for High Efficiency
Water Heaters & Pumps*

GAS

ELECTRIC

RECIRCULATION

BOOSTER



Honolulu • Hilo • Kona • Kahului • Lihue

(808) 523-0711
solarsupply.com



FRANCHISE frenzy





Buying into Hawaii's popular food chains requires intelligent preparation—and deep pockets

BY PRISCILLA PÉREZ BILLIG

Manapua, musubi or mochi . . . these local favorites often don't make it onto the fast-food radar of the uninitiated visitor to the Islands.

A hungry traveler busy with sightseeing, tours and beach-going may instead pick up the familiar snack or fast-food menu items from such franchise eateries as McDonald's, Taco Bell or Dunkin' Donuts.

Even the time-starved working mom, knuckling under the pressure to get dinner on the table, may opt for a bucket of KFC or a sack of Subway sandwiches.

While choices such as these food chains may not benefit the sales of local favorites, herein lies an opportunity for the savvy local entrepreneur. For those wanting to own and operate a business in Hawaii and think the fast food franchise world is worth exploring, here are a few tips to start the ball rolling.

First, ask yourself if you really understand the meaning of the word "franchise." According to the U.S. Small Business Administration (SBA), a franchise is a business model where one business owner sells the rights to their logo, name and model to an independent entrepreneur. However, it doesn't come cheap.

SBA—noting that more than 100,000 franchises are started in the U.S. annually—advises those interested in franchising to start with three steps before making a final decision:

- **Determine how much you are willing and able to invest in the purchase and management of the business.** Are there land or lease costs, an initial franchise fee, royalty fee, or advertising fee and how do these get financed?
- **Consider your skills and experience before embarking on a fast-food business venture.** What's your level of commitment?
- **Understand the bigger picture, including infrastructure, contracts, leases, existing cash flow and possible sales quotas.** Will the franchisor provide training, operational guidance, marketing and advertising expertise, equipment, supplies and inventory?



Hot Franchises

The top franchises in the U.S. in their categories as ranked in May by entrepreneur.com in its report, "The Top Food Franchises of 2019," include (with estimated startup costs and total franchises and how many are company-owned):

• **Asian Food: L&L Hawaiian Barbecue**
Startup cost: \$135.7-\$527K. Total franchises/co.-owned: 185/0

• **Pizza: Pizza Hut LLC**
\$327K-\$2.3M; 15,325/93

• **Baked Goods: Cinnabon**
\$185.2-\$330.7K; 1,512/1

• **Chicken: KFC US LLC**
\$1.4-\$2.8M; 20,775/668

• **Coffee: Dunkin' Donuts**
\$228.6K-\$1.7M; 12,871/0

• **Frozen Desserts: Culver's**
\$2M - \$4.7M; 651/6

• **Full-Service Restaurants: Golden Corral Restaurants**
\$2.2-\$6.6M; 448/43

• **Hamburgers: McDonald's**
\$1.1-\$2.2M; 34,521/2,885

• **Mexican Food: Taco Bell**
\$525.1K-\$2.6M; 6,299/606

• **Sandwiches: Jersey Mike's Subs**
\$178.5-\$746.3K; 1,441/8

• **Hot Dogs: Wienerschnitzel**
\$303.6K-\$1.4M; 3,230/0

• **Miscellaneous Quick-Service Restaurants: Captain D's LLC**
\$781K-\$1.1M; 242/290

• **Retail Food/Food Services: Kilwins Chocolates Franchise Inc.**
\$423.3-\$790.2K; 116/2

• **Smoothies/Juices: Smoothie King**
\$263.6-\$844.5K; 944/28

Cost vs. Risk

To open a McDonald's, No. 1 in *Entrepreneur's* "2019 Franchise 500 Ranking," requires an investment of \$433,000 to \$2.2 million. Required liquid assets amount to \$750,000. McDonald's operates 21 restaurants across Hawaii and according to Statista, a provider of market and consumer data, boasts the highest brand value of any global quick-service chain with a worth of just over \$126 billion. Even so, the company has a failure rate of 20 percent, according to the SBA Loan Default Rate.

The following information comes from Bid-On-Equipment, an online seller of over 30,000 new and used machinery, internet sources and the SBA, and does not include costs of merchandise and equipment transport from the Mainland:

To start up a Taco Bell, a franchisee must invest between \$525,100 and \$2.6 million, have at least \$360,000 in liquid assets and a net worth of \$1 million. With 20 in the Islands, its failure rate is the lowest, clocking in at roughly 0 percent.



According to Google, the second-most popular franchise to open in the country is Dunkin' Donuts. Hawaii has only eight. Its start-up costs are between \$97,500 and \$1.7 million, with required

liquid assets at \$125,000 and a net worth of \$250,000. Its failure rate is 12 percent.

Kentucky Fried Chicken (KFC) has start-up costs between \$1.4 million and \$2.7 million with required liquid assets

Tips on Commercial Leasing

Any realtor will tell you it's all about location, location, location. Chenise Iwamasa, a commercial leasing attorney and founder of Ziva Law, offers eight tips for the commercial leasing process:

1. Find a real estate agent. Discuss your business space and location needs.
2. Find a space. Visit different spaces, explore the surrounding area, talk to tenants.
3. Negotiate a Letter of Intent (LOI). Have an attorney review it before you sign.
4. Physical due diligence. Scope out the space for operational or safety concerns.
5. Legal due diligence. Have an attorney review your lease.
6. Negotiate. Identify lease provisions that need further attention.
7. Final review. Closely review the lease to ensure that everything is completed.
8. Sign your lease. Sign only after confirming the lease correctly reflects all material terms.

Iwamasa warns any tenant new to fast-



Chenise Iwamasa

food franchising should understand the depth of involvement by the franchisor in site selection and the lease negotiation process. "As a prospective franchisee, it is essential to understand how much real support your franchisor will provide to help you find a good location for your fast-food restaurant," Iwamasa says. "If the franchise agreement requires specific provisions to be included in the lease, communicate this to your landlord up front and negotiate them into your lease."

Additionally, Iwamasa points out, the new franchisee should be aware of a 'rider' attached to the lease—special lease terms required by the franchisor.

"Also, if the franchisor has a site criteria list, get a copy and use it to guide the selection of a space to lease. Failure to understand and comply with your obliga-

tions under your franchise agreement when negotiating your lease can lead to wasted time and money," she says.

Iwamasa warns that the new business owner should avoid a situation where the lease expires before or after the franchise agreement term ends. "Otherwise," she says, "you could be stuck without a space to operate your franchised business or paying rent for a space when you no longer have the right to operate your franchised business."

There is no standard commercial lease, but all commercial leases are negotiable. A commercial leasing attorney can work with your commercial real estate agent to cover all bases in negotiating a commercial lease.

Iwamasa says her approach is collaborative.

"I guide my clients through the lease negotiation process, and my goal is to educate them about their rights and obligations under their lease and to empower them to actively negotiate their lease terms," Iwamasa says. "This way, they are smarter and better-equipped tenants throughout the entire term of their lease."

"As a prospective franchisee, it is essential to understand how much real support your franchisor will provide to help you find a good location for your fast-food restaurant."

— Chenise Iwamasa

of \$750,000. To open a business, a new owner must have a net worth of at least \$1.5 million, according to company data. KFC has 13 restaurants in Hawaii, and a failure rate of 13 percent.

Subway, with 20 eateries in Hawaii, is one of the most popular franchises and has the lowest start-up costs of between \$89,000 and \$328,700. To start a Subway franchise, the investor must have \$30,000 in liquid assets with a net worth of \$80,000. Subway's failure rate tops this list at a reeling 23 percent.

We won't even venture down the path of pizza parlors here, but they do account for one-half of quick-service restaurant sales—making up a nationwide franchise industry worth \$60 billion a year.

Local Kine

Not all fast-food franchises come from Mainland brands. In 1976, Eddie Flores opened the first L&L Drive-Inn in Honolulu, specializing in the plate lunch. With the help of business partner Johnson Kam, the duo offered franchises, and by 1997 there were 30 locations in Hawaii.

Today, 200 L&L Hawaiian Barbecue restaurants are in Hawaii, Alaska, Arizona, Colorado, Nevada, New York, Oregon, Tennessee, Texas, Florida, Utah, Washington, Guam, New Zealand, Japan, the Philippines, Malaysia and Indonesia.

Initial investment costs between \$135,700 and \$527,000. Liquid cash requirement runs between \$300,000 and \$600,000, and a net worth requirement between \$500,000 and \$1 million. Other ongoing fees include the initial franchise fee, royalty fee and ad fee.

Create an Ambience...

Servicing Honolulu's Finer Restaurants

With table linens, chef coats, oshibori towels, kitchen towels, etc.

- **SIMPLIFIED** invoicing that you can understand.
- You **ONLY PAY** for what you use.
- **NO** hidden charges.

Jack Robinson

Phone: 202-8416

Email: jsunshine@hawaiiantel.net



Colors available



Sunshine Linen Rental

www.sunshinelinen.net



Put premium ground transport at your guests' fingertips.

With trained drivers, advanced technology and clean late model cars, Charley's Taxi has long set the bar for Oahu ground transport. When guests ride with us, you can be assured they are receiving fast, safe, exceptional service. All drivers are trained in defensive driving techniques, knowledgeable about Hawaiian culture and thoroughly vetted, including fingerprint background checks.

Our plug-and-play Taxi Butler is free to qualifying hotel, restaurant and bar accounts. It hails a ride at the touch of a button with a compact design ideal for any countertop. Call us today to upgrade ground transport for your establishment's guests.

Charley's Taxi
LIMOUSINES VANS & SUVS

233-3333

or visit charleystaxi.com

PROTECT *every* STEP



Bergeman Group conducts approximately 30 to 50 assessments annually for both maintenance and new construction projects.

PHOTO COURTESY BERGEMAN GROUP

Concrete Advice

Dana Bergeman, president and CEO of Bergeman Group, offers the following tips on concrete repair:

For Concrete Walkways and Spalling

"There are a variety of concrete repair mortars available—varying in price as well as application. SikaTop 122 and SikaRepair 222 are great products widely used in the industry, along with Sika's line of concrete repair corrosion inhibitors."

Glass Fiber Reinforced Polymer (GFRP) Rebar

"In certain applications, fiber-reinforced polymer rebar is an effective solution," he says. But it is "only rated for concrete flat work such as curbs, gutters, sidewalks, concrete paving, parking lots and when designed-in by an engineer and used for spall repair and limited-height structural walls and columns."

Epoxy Injections

"Epoxy injections should be used on a case-by-case basis for structural cracks," he says, and are "effective where minimal or no movement occurs, where there is an absence

Elite Railings installed a frameless glass system (CRL Base shoe system) in 2017 for street and lobby level railings at The Laylow, Autograph Collection. (Right) At the Outrigger Waikiki Beach Resort, Elite Railings used an Elite 1000 series glass railing system on a guestroom replacement project.

PHOTOS COURTESY ELITE RAILINGS & WINDOWS



Somewhere on your property there is an accident waiting to happen

BY BRETT ALEXANDER-ESTES

Does your maintenance budget cover regular repairs to railings, walkways and staircases? If not, your bill could be catastrophic.

A man fell to his death in 2016 when a railing at Ala Moana Center reportedly gave way. His friend, who tried to stop the fall, was severely injured. The resulting lawsuit was settled in March.



Kenneth Kasdan

"The public record does not reflect any party admitting fault, there was no trial, and no judicial finding of fault," says Kenneth Kasdan, senior partner at Kasdan LippSmith LLC, a Hawaii law firm. "This is typical of a settlement. Given the gravity of the matter, it is likely the settlement was for a substantial sum.

"The implications of the railing failure and lawsuit are clear," Kasdan continues. "The owner of a mall or hotel or other hospitality property holding itself out as inviting the public has an obligation to provide safe premises."

How can you be sure that your railings—and your other pedestrian structures—are safe?

Know What to Look For



Abel Libisch

Hawaii's ocean chlorides corrode steel railings. So look for "corrosion, mainly at the base of the post" and peeling paint, says Abel Libisch, architect and project engineer at Elite Railings & Windows. Aluminum railings don't corrode, Libisch notes, so look for loose components due to broken steel screws.



Damien Enright

Failing steel and aluminum rails both show cracks in surrounding concrete. "With our harsh salty environment, our metal guardrail systems and the concrete they are attached to degrade at an accelerated rate," says Damien Enright, president of Structural Systems Inc., a Hawaii firm specializing in guardrail replacement and concrete work.

"The driving issue, many times, is dissimilar metal," says Dana Bergeman, president and CEO of Bergeman Group, a construction management firm based in Honolulu with

"With our harsh salty environment, our metal guardrail systems and the concrete they are attached to degrade at an accelerated rate."

— Damien Enright

of an unusually heavy load and the concrete is sound." Epoxy welds the two separated sections together, but if the cause of the split is not addressed, separation will continue. "Structural cracks and structural members that have not spalled are usually candidates for epoxy injections."

Polyurethane Grout Injection

"Polyurethane grout injections are usually a good solution in occupied spaces," he says. However, "they shrink over time and are eventually prone to fail. An acrylate injection, such as Aquafin or similar, is generally recommended for these types of cases."

offices on the Mainland. “For example, an unprotected aluminum railing comes into contact with steel reinforcement . . . that can weaken the rail’s connection.”

If ocean chlorides reach steel reinforcements, the rods will rust, expand and shatter surrounding concrete, a condition known as “spalling.”



Richard Malmgren

This often happens “with aluminum railing post assemblies where rainwater infiltrates through the joints of the extruded aluminum, drips to the bottom, and promotes rusting of nearby rebar,” says Richard Malmgren, president of RCM Construction Corp., a concrete restoration company. “On many occasions, we have had to replace entire lanais due to the extensive rusting of rebar.”

Schedule Regular Inspections

“Regular inspection of older railings is recommended, at least once a year,” says Libisch. “Properties located near the ocean should be inspected more often.”

Also check concrete at the base of the rails. And don’t forget concrete stairs, lanais and walkways.

Walkway defects—some as tiny as half an inch in elevation—typically cause two Hawaii lawsuits a year. “Will high heels get caught, and someone likely to trip?” Kasdan asks. “A recent award for damages in a Hawaii walkway lawsuit was in the amount of \$6 million.”

Your maintenance department can make the inspections, but “make sure the staff is qualified to observe defects or faults,” says Kasdan. On large, complex properties, this may require a professional assessment.

Put It in Writing

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

This assessment, Enright adds, should survey “your guardrail systems and concrete surfaces. Failing concrete or railings can be identified, areas can be secured to prevent any accidents or injuries, and a repair or replacement plan can be put in place.”



Railing Risks

“To tag dangerous railings, says Kenneth Kasdan, senior partner at Kasdan LippSmith LLC, a Hawaii law firm, look for the following:

- **Corrosion:** Flaking, peeling, holes and brittle cracks in the metal.
- **Cracked or Crumbling Concrete at the Base:** Spalling concrete shows deterioration “very likely resulting in loss of strength,” Kasdan says, “and a system subject to catastrophic failure.”
- **Dimensional Deficiencies:** “Code-compliant, but too low. Or railing pickets spaced too far apart on the bottom rung, or too high.”
- **Missing or Unstable Railings:** “Often obvious by physical inspection.”

Read the Report

“Make sure the inspection report is reviewed by (your property’s) management,” says Kasdan. “Do not ignore the reports.”

Make the Repairs

The sooner repairs are made, the better, says Libisch. “For steel railings, fix the paint to prevent further corrosion.” But painting is only a first step, cautions Kasdan. “Corrosion has to be removed,” he says. “Then proper remedial measures implemented.”

For aluminum railings, “loose railing components (like pickets) need to be fixed immediately,” Libisch says. “Fasteners in aluminum railing systems need to be coated to prevent the reaction between dissimilar metals (steel and aluminum).” Cracked concrete at the base of both steel and aluminum posts must also be repaired.

“It is good practice to install railings using epoxy anchors to isolate the metal from the concrete, and to prevent spalling in the future,” Libisch notes.

Fixing walkway cracks, says Malmgren, is expensive and time-consuming. But “if cost is no object, then one could argue that all surface cracks should be addressed.” Repairs that

route the crack and apply sealant are acceptable in the short term, he says. But “a longer-lasting approach is to route the crack and apply an epoxy resin.”

Major Surgery

Spalling caused by corroding rebar deep in concrete walkways, lanais and staircases can be costly to repair, Bergeman says. Since the steel rods must be



Dana Bergeman

replaced, he says, “in certain applications, fiber-reinforced polymer rebar is an effective solution. Since it cannot corrode, it is increasingly used for spall repair.”

Paul Kane, owner and manager at Aloha Marketing LLC, says a similar product called GatorBar is one such solution. “GatorBar cannot corrode, period,” he says. “Since GatorBar is made with a basalt rock and epoxy, there is nothing to corrode.”



Paul Kane

Enright also recommends fiberglass rebar when specified.

“Over the past five years, Structural Systems’ concrete remediation projects have been 30 percent hotel and 70 percent residential,” he says. Fiberglass rebar “has been successfully used on many concrete restoration projects.”

Just as an Isle hospitality property projects a unique image, “each situation is unique depending upon how the building was originally built, what the exact problem is, and how severe the rate of corrosion may be,” says Bergeman. “We always provide a recommended set of repair options to our clients, including any architectural, engineering and construction administration services that may also be necessary.”

Owners and operators of Hawaii’s hospitality properties should take heed. After the Ala Moana incident, Kasdan says, the property’s railings were redesigned with a low concrete wall supporting an above-grade railing system.

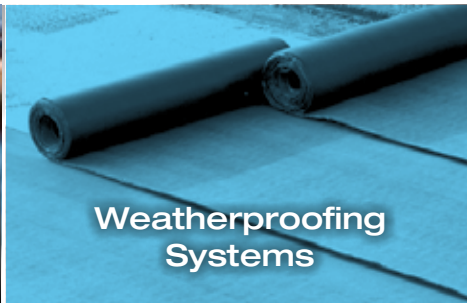
“Ultimately,” Kasdan says, “over 10,000 feet of railing was replaced at an approximate cost of \$4 million.”

Every Project Requires Thorough Assessment, Detailed Planning and Precise Execution.

The cornerstone of Bergeman Group is **Construction Intelligence™**, our experienced-based ability to successfully integrate critical knowledge across multiple disciplines to achieve your project goals. We deliver on our commitment to you by evaluating project requirements, navigating the variables and mitigating your risks through industry-leading **Construction Management Services**.



Roofing Repair and
Replacement



Weatherproofing
Systems



Fire Sprinkler
Systems



Lanais and Exterior
Improvements



Pipe
Replacement



Concrete
Spalling Repair



FREE Consultation (844) 492-BERG 2374

Program Management ✦ Project Management ✦ Design Consulting
Litigation Consulting ✦ Quality Control ✦ Property Development



How to Respond to a Negative Hotel Review

Important steps include timeliness, honesty and staying calm

BY JOSE GOMEZ

Review sites and social media are tools that all travelers use when looking for hotels to stay in. They are becoming extremely important in today's travel industry, especially now that online travel agencies (OTA) like Kayak are starting to integrate TripAdvisor reviews directly into their searches.

In this high-tech world we live in, it is best for general managers to interact with their customers on social media, especially when it comes to online customer reviews.

Sooner or later you'll encounter a negative review on Yelp or TripAdvisor that isn't a spammer or false claim. What do you do? In most cases, you should respond. Follow these simple steps in crafting your response.

Respond in a timely fashion. Responding quickly shows the customer that you are monitoring your channels closely, and that someone cares about their concerns. Other people are also more likely to read your response if it is put up quickly.

Be polite, calm and professional. Treat this review like any customer service request and be courteous. Be sensitive to the customer's feelings. Such professionalism will enhance your online reputation.

Be honest. Perhaps the criticism was just a simple misunderstanding. Is there information on your website that addresses their complaints? Or if they had a problem with your staff, apologize if necessary and look forward without accusations. If the customer's criticism is valid, acknowledge that there is a problem, and something is being done to fix it. This shows the customer that their opinions have been heard. Perhaps you should speak to your

staff about the importance of friendly customer service.

Thank the customer for his or her review. This shows that you appreciate the customer's feedback. It also encourages further (possibly positive!) feedback.

Offer other incentives. Usually a discounted room or upgrade is enough to compensate the customer for any wrongdoing. In most cases, it will also cost your





A friendly and helpful response to a negative review could prompt the customer to write a more positive review in the future.

hotel less than a bad online reputation. Ask for the customer's contact information so that you can contact them immediately upon offering the compensation. This also shows potential customers that you are willing to rectify your mistakes.

Your customers will appreciate that you cared enough to respond to their complaints, and your hotel will look great to other possible guests. Who knows, maybe your response will even get the customer to write a more positive review in the future.

*This article was first published at
insights.
ehotelier.com.*



Here For You When You Need Us Most!

City Mill Commercial Accounts Are Fast & Easy!

Multiple Authorized Users • One Call To Add/Remove • Free Delivery Over \$500

- Convenient Terms • Paperless Invoices & Statements
 - Local Credit Department • Charge At Any City Mill Location
- To apply, visit CITYMILL.COM or call a store near you!

CITY MILL

big on help
big on savings
proud to be local

BUY ONLINE
PICK UP
IN-STORE

HONOLULU - 533-3811
EWA BEACH - 685-4422

HAWAII KAI - 396-5151
KAIMUKI - 735-7636

KANEOHE - 247-2181
MILILANI - 623-3100

PEARL CITY - 487-3636
WAIANAE - 696-6996



HAWAII'S DUCT CLEANING PROFESSIONALS

- ▶ HVAC Systems Cleaning & Restoration
- ▶ Kitchen Exhaust Systems Cleaning
- ▶ Trash Chute Cleaning
- ▶ Fire Prevention Management
- ▶ Bathroom & Dryer Exhaust



(808) 832-1178 Oahu | (808) 244-1178 Maui | www.AIRPROHAWAII.com



At Oahu's 2019 Charity Walk starting line.

PHOTO COURTESY HLTA

2019 Charity Walk Raises \$2.66M

The 2019 Charity Walk, sponsored by the Hawaii Lodging & Tourism Association, has raised \$2.66 million for Hawaii's charities.

"The Charity Walk continues to be the visitor industry's premier community event, proving time and time again that we are all in this together," says Mufi Hannemann, president and CEO of the HLTA. "As we continue our tradition of giving, I am pleased to announce that we have set a new statewide record of \$2.66 million dollars raised."

Maui County raised more than \$1 million in donations, and "continues to demonstrate that they are *no ka oi* in fundraising," Hannemann says, noting that 2019 Charity Walk donations have also set new records on Oahu, Kauai and Hawaii Island.

"We continue to fundraise and, thanks to the unparalleled support of our hospitality industry and the generosity of many HLTA members, are able to provide assistance to hundreds of local nonprofits across our Islands," Hannemann says. "We take great pride in organizing this perennial event and are gratified with the exceptional reception

Island	Total
Hawai'i	\$ 382,000.00
Kauai	\$ 451,051.00
Lanai	\$ 66,362.00
Maui	\$ 1,227,062.00
Molokai	\$ 23,432.00
Oahu	\$ 510,259.00
	\$ 2,660,166.00

The 2019 Charity Walk has raised more than \$2.66 million in charitable donations.

GRAPHIC COURTESY HLTA

we continue to receive."

An estimated 7,000 walkers and volunteers participated in the 41st Charity Walk at Oahu's Magic Island on May 18, the final leg in a series that began May 4 on Lanai and Molokai. Hawaii Island, Kauai and Maui held their respective Walks on May 11.

Charity Walk donations raised on each island are reserved for that island's charitable and non-profit organizations.

Glenn Vergara, general manager of the Waikiki Resort Hotel, chaired this year's Charity Walk. Since its start in 1974, the Walk has raised more than \$28 million for Hawaii's charities.

Hotel Renew and Royal Grove Waikiki on Oahu, Plantation Hale Suites and Banyan Harbor Resort on Kauai and Ainamalu at Waikoloa Beach Resort on Hawaii Island.

"On behalf of the entire Volcano House team, I'd like to say how excited we are to partner with OLS Hotels & Resorts," says Orin McCann, general manager of Volcano House. "This new partnership is a significant part of our hotel's rebirth following the recent eruption of Kilauea Volcano, and we're ecstatic to have the OLS team on board to assist in creating memorable stays for our guests who seek once-in-a-lifetime experiences while discovering the wonder of Volcanoes National Park."

Volcano House sits on the rim of Kilauea volcano caldera with a view toward Halemaumau Crater.



HLTA President and CEO Mufi Hannemann, Assistant Superintendent of Education Cynthia Covell, Anna Peters, HLTA Chairperson Glenn Vergara and Oahu Publications Senior Vice President Ron Nagasawa.

PHOTO COURTESY HLTA

Hospitality Industry Awards Scholarship to Waialua High Senior

Waialua High School's Anna Peters was Oahu's Most Outstanding Citizen-Scholar Award recipient at the 15th annual Citizen-Scholar luncheon held on April 30 at the Alohilani Resort Waikiki Beach.

An early-admit at Harvard University, Peters plans to pursue a degree in either biology or neuroscience. She has volunteered at The Queen's Medical Center West Oahu and at Cardinal Tien Hospital in Taiwan, and is considering becoming a doctor.

The \$2,500 scholarship was granted to her in addition to the \$1,000 she received as one of the 42 Citizen-Scholar Awardees. This program, a partnership among the Hawaii Lodging & Tourism Association, the *Honolulu Star-Advertiser* and the Hawaii Department of Education, annually recognizes one exceptional senior from across Hawaii's public high schools.



The Volcano House Hotel is in Hawaii Volcanoes National Park.

OLS Hotels & Resorts Expands in Isles with Volcano House

OLS Hotels & Resorts, which has 24 hotels and resorts throughout the U.S., on June 10 began providing sales, marketing and revenue optimization services to Volcano House in Hawaii Volcanoes National Park.

The partnership signifies OLS Hotels & Resorts' continued growth into the Hawaii market. OLS Hotels & Resorts currently operates five other Hawaii properties:

Other top county students for 2019 were Hawaii: **Zea Levine**, Kealahou High School; Kauai: **Hannah Collins-Doijode**, Kapaa High School; Maui: **Josh Ooka**, Baldwin High School.

"These four outstanding students represent all the finest attributes of our future leaders, and we could not have asked for more gifted and well-rounded recipients," says HLTA President and CEO **Mufi Hannemann**.

Outrigger Taps Tsugawa

Outrigger Hospitality Group has appointed **Sheryl Tsugawa** general manager of the



Sheryl Tsugawa

Ohana Waikiki Ma-lia by Outrigger.

Tsugawa leads all operational aspects of the property.

Since 2016, Tsugawa has served as assistant general manager of the Outrigger-managed Embassy Suites by Hilton

Waikiki Beach Walk, and earlier held the same position at the Outrigger Reef Waikiki Beach Resort. Other previous positions include director of sales at the then-titled Holiday Inn Waikiki Beachcomber Resort.

Tsugawa is past vice chair for Hawaii Lodging & Tourism Association's Women in Lodging (WIL), was awarded IHG's Best of the Best in 2013 and holds a bachelor's from Georgia State University.

ARDA-Hawaii Donates \$2,500 to Center

The Hawaii chapter of the American Resort Development Association (ARDA) has donated \$2,500 to the Waikiki Community Center, a "one-stop shop" for human services, social support, lifelong education and wellness for Waikiki residents.

"The Waikiki Community Center is a vital community resource within the heart of Waikiki that provides programs and services to individuals and families in need," says **Mitchell A. Imanaka**, ARDA-Hawaii chairman and managing principal of Imanaka Asato L.L.C. "The Center is also home to a preschool that serves many residents employed within the visitor industry, and we are proud to support them."

ARDA-Hawaii also donated \$5,000 to two Big Island nonprofits earlier this year.



Kim Yoshimoto, ARDA-Hawaii board member (at left); **Caroline Hayashi**, Waikiki Community Center; and Waikiki Community Center preschoolers.

PHOTO COURTESY ARDA-HAWAII



Oahu Extraction

24/7 Island Wide Emergency Services

Emergency response
Water damage removal




Licensed, Insured & Certified

Ph: (808) 330-6212







T

- Island wide estimates and services
- Water damage restoration
- Mold Remediation
- Reconstruction Services



T

- Direct Insurance Billing
- Structural Drying Services
- Infrared Thermal Imaging Inspection
- Flood, Sewage, and Mold Cleaning






Visitor Industry Charity Walk



Cashton Pacheco, Sadie Sarkissian, Tracy Kea, Maleia Awana

PHOTOS BY NATHALIE WALKER

The 41st Visitor Industry Charity Walk, sponsored by the Hawaii Lodging & Tourism Association, attracted an estimated 7,000 walkers and volunteers on May 18 at Magic Island. Along with Walks on Neighbor Islands, the HLTA says the events raised \$2.66 million statewide.



Norman Chan, Roque Aranador, Joey Lee, Kay Mayabe, Mark Yamakawa, Sampson Won



Kristina and Sandra Ballina



Laura Kay Rand, Wendy and Allen Vergara



Skyler Sung, Sydni Kim, Miles Nirei



Helen and Denise Liu



Carmen Von Sydow, Susanne Tilschner, Harold Von Sydow, Garret Pick, Ericka Ehrhorn, Danicka Sailer, Janet Pick



Simona Rosu-Alfaro, Amber Barnes, Ruben Cabinatan, Gail Nishimura, Barbara Bigger, Roxane Horikami



Kawena Kakahua, Adam Miyasato, Matthew Hwang, Kristine and Marissa Orpilla



Bennie and Mila Javier



Steve Galbraith, Michael and Darlene Czarcinski



Hula Rosie, Dharma Fausett



Joel Bumanglag, Mary Agnes, Melissa De Franca, Cheryl and Kylee Fujihana, Phyllicia Wachi



Shelly Sakuma, Ernest Chang, Kapono Keliipuleole, Susie Diaz

Expanding Your Brand

Effective Print Marketing Increases
Your Company's Sales and Exposure

**FLYERS • MAILERS • BROCHURES • NEWSLETTERS
RACK CARDS • POSTERS • PROGRAMS**

Large or small, you can count on us
for quality service and competitive pricing.

OFFSET & DIGITAL PRINTING

MAILING SERVICES

CREATIVE DESIGN

CONTENT DEVELOPMENT

TRADE
PUBLISHING & PRINTING

*Publishers of Building Industry Magazine,
Hawaii Hospitality, Building Management Hawaii*

Locally Owned and Operated for 65 Years.

808-848-0711 • TradePublishing.com



Dave Kennedy, Sheryl Matsuoka, Tom Jones and Sidney Higa were among the more than 3,000 attendees at the inaugural Hawaii Hotel & Restaurant Show.

Inaugural H&R Show Attracts Over 3,000

The Hawaii Restaurant Association is poised to enter a new era of exciting opportunities and possibilities. On May 29 and 30, the HRA joined forces with the Hawaii Lodging & Tourism Association (HLTA) and the *Honolulu Star-Advertiser's* Star Events team to debut the Hawaii Hotel & Restaurant Show at the Hawaii Convention Center.

Over 400 booths and more than 3,000 attendees made our "maiden voyage" a huge success.

There were live demonstrations and free educational seminars by industry experts. For example, the Hawaii Occupational Safety & Health branch gave a lecture about "Hawaii Occupational Safety Survival 101;" Hawaiian Telecom presented "Common Cybersecurity Attacks Against the Hospitality Industry;" the Hawaii Employers Council spoke about "Tip Pooling: What, When, & Why;" Ziva Law hosted a talk regarding "Negotiating Leases" and there were many other speakers involved. In all, over 30 seminars and lectures were presented.

Also available were "Leader2Leader" sessions, where show attendees were able to schedule private one-on-one meetings with key decision-makers from companies such as Marriott, Hilton, Castle Resorts & Hotels, Outback Steakhouse, Duke's Waikiki Restaurant, Servco Pacific, Ruby Tuesday Hawaii and many more.

Most of us know how hard it is to schedule appointments with people like this due to busy schedules. So, being able to garner the commitment of such a large block of their time is a testament to the efforts of the Hawaii Restaurant Association to do things on a grand scale. This spectacular event exceeded everyone's expectations, which is a must in today's business environment.

After the first day of the show, there was a *pau hana* mixer, which was the epitome of a Hawaiian happy hour. Live music, a live auction and great food and wine made for a most enjoyable end to the day. By the way, a portion of the proceeds from this *pau hana* event is being donated to the student educational foundations of the HRA and the HLTA.

In other news, the HRA's 12th annual Golf Tournament was held on June 27 at the Hawaii Prince Golf Course and more than 220 participants spent the day mingling, conversing and laughing while enjoying a round of golf on one of Hawaii's best courses. The delicious banquet dinner and awards program ended the day on a fantastic high note.

Coming up, our Hall of Fame event will be held at the Sheraton Waikiki on Sept. 23.

The HRA's main goal is to unify, represent and support the thousands employed in the Hawaii restaurant and food service industry. As a part of the National Restaurant Association, we have unlimited resources and are poised to help take our industry to the next level. If you would like to be a part of the journey, please send a message, or give me a call. I would love to talk to you about our plans to help our members do things on a grand scale.

Sheryl Matsuoka is executive director of the Hawaii Restaurant Association. For more information on the HRA, email Info@hawaiiirestaurant.org or call 944-9105.



Sports: Benefits Beyond Tourism

Tourism is unquestionably our most important industry. Last year, visitors to Hawaii spent \$18.8 billion and generated \$2.08 billion in tax revenue. The industry is our largest private sector source of jobs and income. Despite its prominence, the continued growth of tourism has led some to question its sustainability and impact on our community.

What we need to do to sustain our No. 1 industry is seek quality over quantity. We must diversify tourism by supporting enterprises that complement our industry infrastructure while directly benefiting our community.

For example, film and television production creates jobs, generates spending and showcases the Islands' beauty to global audiences and markets. Agriculture and regional cuisine showcase our goods and services, while also preserving the open spaces that make the Islands so beautiful. We host international conventions and our universities attract visitors to study and learn.

And then there's sports tourism. Major events bring visitors to the Islands and showcase us on global television. A few of the larger events benefit our community through charitable giving, but I believe we can expand and enhance the synergy between tourism and our community through sports.

The Hawaii Lodging & Tourism Association is working hand-in-hand with the Hawaii Tourism Authority and Hawaii Visitors and Convention Bureau in an unprecedented collaboration to reshape the community engagement efforts of major sporting events that are coming here through tourism tax support. To his credit, HTA President and CEO Chris Tatum wants to be sure our local communities, especially our youth, are enjoying the benefits of tourism.

The NFL's Los Angeles Rams and Dallas Cowboys will play a preseason game here in August, a game made possible with HTA funding. But in exchange, we had the Rams hold football clinics in June for championship-level teams from schools representing every county. Student-athletes from Lahainaluna, Kapaa and Hilo high schools were flown to Honolulu, where they joined their counterparts from five Oahu schools to participate in a



(From left) HLTA President and CEO Mufi Hannemann, HTA President and CEO Chris Tatum, former NFL linebacker Pisa Tinoisamoa, Junior Prep Sports President and CEO Robert Faleafine and HVCB President and CEO John Monahan.

variety of skills training, 7-on-7 passing, a Big Man competition and other activities. The events featured Rams safety John Johnson III and former Rainbow Warriors and Rams legend Pisa Tinoisamoa, who encouraged the student-athletes to prioritize goal-setting, value hard work and be upstanding citizens.

Hilo Vikings head football coach Kaeo Drummondo said it best: "It meant a lot to me, but it meant a lot more to the student-athletes, especially with the Hawaii Tourism Authority making it possible for us to participate. Without the funding, we wouldn't be able to afford to be here. We brought 35 kids here to compete, to learn and have fun. It's been wonderful."

The Rams also brought their Cleats for Character program, in which they invited us to nominate a public high school that would benefit from a motivational session about the importance of academics and other personal development advice and counsel. In return, the Rams would donate football cleats to the school's student-athletes. That lucky school was Farrington, where Principal Al Carganilla attended the session and said he was "overwhelmed" by the Rams' generosity.

In addition to the football clinics, the Rams held cheer clinics for 300 K-12 young women, led by six of the Rams cheerleaders. This activity, also free of charge for the attendees, led Iolani head cheer coach Barbara Hamocon to say, "I hope this will be an annual event."

Here's another example of this emphasis on community engagement: In April, the 8th annual LOTTE Championship was held at Ko Olina. The LPGA tournament was broadcast in more than

150 countries via the Golf Channel and its affiliates.

The tournament was a recipient of tourism funding from the HTA, so this year we expanded the direct community benefits provided by the tournament, and for the first time engaged local area high schools. Four schools—Waianae, Waipahu, Campbell and Kapolei—were awarded grants and invited to send their top golfers to participate in the pro-am tournament. In case you were wondering, they won! Waianae's renowned audio and visual program, Searider Productions, got to participate in recording the event, working alongside industry professionals.

And myriad sports events are in the pipeline. In the next few months, we will organize community engagement activities in conjunction with the AVP Volleyball Hawaii Open on Sept. 20-22 and the Los Angeles Clippers' NBA exhibition games on Oct. 4-6.

These events are a boon to our industry and our economy. Sports tourism has always been a natural asset for Hawaii, but our goal is to increase the benefits that our community derives from them on a state-wide basis through better management.

It's clear from these first few results that we are on the right path and that the best is yet to come.

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





THE GREAT OUTDOORS **HAS NEVER LOOKED THIS CHIC.**

Outdoor Living by American Leather Hospitality brings indoor luxuries to outdoor dining, lounging, and poolside.

- Performance fabrics are fade, stain, water, UV, and mildew resistant
- Exposed aluminum legs resist rust
- Dining chair casters are made of synthetic polymer that is durable and impervious to water

**AMERICAN
LEATHER
HOSPITALITY**

EXPERTLY CRAFTED IN THE U.S.A.

AMERICANLEATHERHOSPITALITY.COM

FBOARDMAN@AMERICANLEATHER.COM



LEAK REMEDIATION AND CONCRETE RESTORATION

These exterior concrete stairs were exposed to years of rain water flowing down three floors and ponding on the bottom slab. In combination with water infiltration through below grade perimeter walls and the slab, embedded reinforcing steel was severely rusted. Epoxy injection and extensive spall repair were implemented to restore the concrete and the walking surfaces to a safe condition.

PROVEN REPAIR SYSTEMS. QUALITY WORKMANSHIP.

RCM has established a successful track record with leading design professionals and building managers. Call us and put our extensive remedial experience to work for you.



CONSTRUCTION CORPORATION

Phone: 545-2177 | Fax: 538-1914
866 Iwilei Road, Bay 219, Honolulu, HI 96817

LIC.NO. ABC 13668

