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A BILL FOR AN ORDINANCE

TO AMEND CHAPTER 28, ARTICLE 7, REVISED ORDINANCES OF HONOLULU, 1990, AS AMENDED RELATING TO THE DEPARTMENT OF ENTERPRISE SERVICES.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose and Intent. The purpose of this ordinance is to amend the Rental Schedule Rates for the Neal S. Blaisdell Center and Tom Moffatt Waikiki Sheil to permit adjustments to rental rates and/or substitution of larger facilities to allow for required physical/social distancing to prevent the spread of COVID-19, as recommended and/or mandated by the U.S. Centers for Disease Control, State of Hawaii, and other relevant organizations.

SECTION 2. Section 28-7.1, Revised Ordinances of Honolulu 1990, is amended by adding subsection (e), as follows:

"Sec. 28-7.1 Rates.

(A)

- (a) NONADMISSION EVENTS Users of facilities used for nonadmission events shall pay the following charges as applicable.
 - (1) Except for events qualifying for reduced rental rates, the following fixed rental rates will be charged. The fixed rental rates must cover the facility daily operating cost of each facility.

Arena	
Performance Day	\$5,396.00
Nonperformance Day	
Overtime rate (per hour)	

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(D)	Pikake Room Performance Day
(E)	Hawaii Suites 1 to 12 Performance Day
(F)	Galleria 1st floor or 2nd floor Performance Day
(G)	Maui Room Performance Day144.00 Nonperformance Day
(H)	Oahu Room Performance Day
(I)	Kauai Room Performance Day
(J)	Waikiki Shell Performance Day
(K)	Waikiki Shell Amphitheater Performance Day
(L)	Nonfacility Space Performance Day\$.04/sq. ft. Nonperformance Day\$.02/sq. ft.
	ced Rental Rates.

When facilities are only rented on low use days (Mondays, Tuesdays or Wednesdays) or less than five weeks in advance of the use day, the tenant





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shall pay a reduced rent. The reduced rental rates must cover the use day operating cost for each facility. Facility rentals by the Blaisdell Center's inhouse caterers for all events approved by the director of enterprise services will be assessed at the reduced rental rate except where the caterer's client is a qualified nonprofit organization as defined in this article. In such situation the caterer will be assessed the applicable nonprofit rate.

(A)	Arena Performance Day
(B)	Concert Hall Performance Day2,121.00 Nonperformance Day
(C)	Exhibition Hall Performance Day
(D)	Pikake Room Performance Day
(E)	Hawaii Suites 1 to 12 Performance Day 69.00
(F)	Galleria 1st floor or 2nd floor Performance Day 230.00
(G)	Maui Room Performance Day 144.00
(H)	Oahu Room Performance Day 121.00
(I)	Kauai Room Performance Day 110.00
(J)	Waikiki Shell Performance Day



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		(K)	Waikiki Shell Amphitheater Performance Day
		(L)	Nonfacility Space \$.04/sq. ft.
(b)		of fac	I EVENTS ilities used for admission events shall pay the following charges as
	(1)		sits. sits for admission events must cover the facility use day operating cost are due upon execution of the rental agreement:
		(A)	Arena and Arena Theater Configuration (one half arena seating and set-up for stage show.) Performance Day
		(B)	Concert Hall Performance Day
		(C)	Exhibition Hall Performance Day
		(D)	Pikake Room Performance Day
		(E)	Hawaii Suites 1 to 12 Performance Day69.00
		(F)	Galleria 1st floor or 2nd floor Performance Day230.00
		(G)	Maui Room Performance Day 144.00



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(H)	Oahu Room Performance Day 121.00
(I)	Kauai Room Performance Day 109.00
(J)	Waikiki Shell Performance Day1,557.00 Nonperformance Day
(K)	Waikiki Shell Amphitheater Performance Day
(L)	Nonfacility Space \$.04/sq. ft.

(2) Percentage Rental Rates.

The tenant shall pay the applicable deposit or percentage rent, whichever is greater, based upon gross receipts from admission charges. Percentage rent will be based upon the schedule listed below and calculated on gross receipts from admission charges for each contracted event, which performances must occur in a period of up to seven consecutive days. Each seven consecutive day period or portion thereof, begins a new calculation of the percentage rent period.

Notwithstanding the foregoing, a nonprofit organization as defined in Section 28-6.2, which takes a collection or donation from attendees at an event held at the Blaisdell Center or the Waikiki Shell but does not charge a formal admission fee will be charged no more than three times the minimum deposit for each performance day as facility rent.

- (A) Arena
 - (i) Full Arena

10.0% of gross receipts up to \$150,000.00; plus 8.5% of gross receipts from \$150,000.01 to \$250,000.00; plus 7.5% of gross receipts from \$250,000.01 to \$350,000.00; plus 6.5% of gross receipts from \$350,000.01 to \$450,000.00; plus 5.5% of gross receipts from \$450,000.01 to \$550,000.00; plus 5.0% of gross receipts over \$550,000.00.



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- (ii) Arena in Theater Configuration 5% of gross receipts.
- (iii) Should a tenant request a cap on the percentage rent as a condition of bringing to the Arena a major popular commercial event with a minimum of two consecutive performances, the director may set a rent cap as follows:
 For the first two performances, the percentage rent will be calculated as prescribed in this section and the percentage rent will be capped at a total of \$53,000.00.
 For each additional performance of the event, the percentage rent will be calculated as prescribed in this section and the percentage rent will be calculated as prescribed in this section and the percentage rent will be calculated as prescribed in this section.
- (B) Waikiki Shell

(i)

- Waikiki Shell
 When the Waikiki Shell is rented during the months of April through August, the following percentage rates will apply: 10.0% of gross receipts up to \$75,000.00; plus
 8.5% of gross receipts from \$75,000.01 to \$150,000.00; plus
 5.0% of gross receipts over \$150,000.00.
 When the Waikiki Shell is rented during the low-use months of September through March, the following percentage rates will apply:
 8.5% of gross receipts up to \$150,000.00; plus
 5.0% of gross receipts up to \$150,000.00; plus
 5.0% of gross receipts up to \$150,000.00; plus
- (ii) Waikiki Shell Amphitheater 5% of gross receipts.
- (C) Concert Hall

5.0% of gross receipts up to \$500,000.00; plus 5.0% of gross receipts in excess of 75% of the weekly gross potential (based upon ticket price and salable seats). The maximum weekly percentage rent for the Concert Hall will be \$40,250.00.

(D) Exhibition Hall 10.0% of gross receipts.



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- (E) Pikake Room 5.0% of gross receipts.
- (F) Hawaii Suites, Maui, Oahu, Kauai and Galleria 5.0% of gross receipts.
- (3) Net Square Footage Rental. Net square footage is calculated by the facility in which the booth space is located. The booth space will be the area a subcontractor of the tenant has rented to present a product, service or other commercial display. Rent will be \$0.18 per net square foot per event day. A tenant shall pay the greater of the deposit, the total net square footage rental, or the percentage rental rate for each event day.
- (4) Exhibition Hall and Meeting Rooms Rental for Fundraisers. Where the exhibition hall and meeting rooms are rented for the presentation of a fundraising event sponsored by a nonprofit organization, a bona fide political party, which qualifies under Hawaii's election laws, or a bona fide political candidate, who qualifies under Hawaii's election laws, the tenant of the exhibition hall shall pay the applicable rental charge or 10 percent of the donated gross receipts collected for the event, whichever is greater; provided, that a rental cap will apply which provides that the percentage rental must not exceed twice the applicable deposit; and this rental cap will not apply to the Waikiki Shell, arena, or the concert hall if it is used for a fundraising event.
- (5) Facility Use for Indoor Sports Practice Rental. When the sports surface is already installed, ordinary lighting is used, and there are no additional labor, cleanup and air conditioning costs incurred by the city, the use of the facility for practice purposes, at the discretion of the director of enterprise services, is permissible without charge; provided that a waiver of liability is signed by the tenant.
- (c) Nonperformance Day Rental.
 - (1) When renting either the exhibition hall or the Pikake Room, the tenant will be entitled to the nonperformance day rental rate for the number of days equal to the number of performance days. Any nonperformance days exceeding that number will be charged at the fixed rental rate, reduced rental rates, or deposit, as applicable, for a performance day for the facility.





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- (2) Any tenant renting the arena for an event which requires more than eight hours to change over the facility for that event will be charged a nonperformance day at the beginning and end of the booking.
- (d) Charges for Facilities and Services Not Specified. The director of enterprise services is authorized to establish and assess reasonable rental charges for those facilities and services not specified herein.
- (e) Charges for Facilities and Services to Prevent the Spread of COVID-19:

To allow for physical distancing to prevent the spread of COVID-19, the director of enterprise services shall be authorized to offer users of facilities additional or larger facilities, based on availability, reasonably required to accommodate an event that otherwise would have been accommodated by and met posted occupancy limits of a smaller facility.

<u>The director is authorized to charge rental rates based on the rates for the smaller</u> <u>facility which would have met the needs of the event based on posted occupancy</u> <u>limits prior to the emergence of COVID-19</u>. The authorizations contained herein <u>shall not apply to the rental and use of any of the facilities after June 30, 2023</u>.

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this Ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the bracketed and stricken material, or the underscoring.



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SECTION 4. This ordinance shall take effect upon approval.

INTRODUCED B (br)

DATE OF INTRODUCTION:

MAY 4 2022

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel DUANE W.H. PANC APPROVED this 29th day of August, 2022.

and

RICK BLANGIARDI, Mayor City and County of Honolulu

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CITY COUNCIL CITY AND COUNTY OF HONOLULU HONOLULU, HAWAII CERTIFICATE

BILL 36 (2022)

Introduced: 05/04/22 By: TOMMY WATERS - BY REQUEST Committee: BUDGET (BUD)

Title: TO AMEND CHAPTER 28, ARTICLE 7, REVISED ORDINANCES OF HONOLULU, 1990, AS AMENDED RELATING TO THE DEPARTMENT OF ENTERPRISE SERVICES.

Voting Legend: * = Aye w/Reservations

05/04/22	INTRO	Introduced.
06/01/22	CCL	Passed first reading.
	_	9 AYES: CORDERO, ELEFANTE, FUKUNAGA, KIA'ÅINA, SAY, TSUNEYOSHI, TUŁBA, TUPOLA, WATERS
06/15/22	BUD	Reported out for passage on second reading and scheduling of a public hearing.
		CR-164
		5 AYES: CORDERO, ELEFANTE, KIA'ĀINA, SAY, TSUNEYOSHI
		1 EXCUSED: TUPOLA
06/24/22	PUBLISH	Public hearing notice published in the Honolulu Star-Advertiser.
07/06/22	CCL/PH	Committee report adopted. Bill passed second reading, public hearing closed and referred to committee.
		9 AYES: CORDERO, ELEFANTE, FUKUNAGA, KIA'ĂINA, SAY, TSUNEYOSHI, TULBA, TUPOLA, WATERS
07/13/22	PUBLISH	Second reading notice published in the Honolulu Star-Advertiser.
07/27/22	BUD	Reported out for passage on third reading.
		CR-195
		6 AYES: CORDERO, ELEFANTE, KIA'ĂINA, SAY, TSUNEYOSHI, TUPOLA
08/10/22	CCL	Committee report adopted and Bill passed third reading.
		9 AYES: CORDERO, ELEFANTE, FUKUNAGA, KIA'ĂINA, SAY, TSUNEYOSHI, TULBA, TUPOLA, WATERS

I hereby certify that the above is a true record of action by the Council of the City and County of Honolulu on this BILL.

AKAHASHI, CITY CLERK FN I

TOMMY WATERS, CHAIR AND PRESIDING OFFICER