



A BILL FOR AN ORDINANCE

TO AMEND CHAPTER 28, ARTICLES 6 THROUGH 9, 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 Lease and Rental Policy for the Neal S. Blaisdell Center and the Waikiki Shell by updating the rental rates for nonadmission and admission events; establishing a uniform long-term rate structure for nonprofit fixed rental rates; providing additional Arena and Waikiki Shell rental options; and amending provisions pertaining to certain rental conditions for the benefit of nonprofit tenants.

SECTION 2. Section 28-7.1, Revised Ordinances of Honolulu 1990, as amended ("Rates"), is amended by amending subsections (a) and (b) to read as follows:

(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 shall be charged. The fixed rental rates shall cover the facility daily operating cost of each facility.

(A)	Arena		
	Performance Day	[\$4,692.00]	<u>\$5,396.00</u>
	Nonperformance Day	[2,346.00]	<u>2,698.00</u>
	Overtime rate (per hour).....	[503.00]	<u>594.00</u>
(B)	Concert Hall		
	Performance Day	[2,964.00]	<u>3,409.00</u>
	Nonperformance Day	[1,482.00]	<u>1,705.00</u>
	Overtime rate (per hour).....	[318.00]	<u>375.00</u>
(C)	Exhibition Hall		
	Performance Day	[3,392.00]	<u>3,901.00</u>
	Nonperformance Day	[1,696.00]	<u>1,951.00</u>
	Overtime rate (per hour).....	[363.00]	<u>429.00</u>



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(D)	Pikake Room		
	Performance Day	[826.00]	<u>950.00</u>
	Nonperformance Day	[413.00]	<u>475.00</u>
	Overtime rate (per hour).....	[89.00]	<u>105.00</u>
(E)	Hawaii Suites 1 to 12		
	Performance Day	[80.00]	<u>92.00</u>
	Nonperformance Day	[80.00]	<u>92.00</u>
(F)	Galleria 1 st floor or 2 nd floor		
	Performance Day	[200.00]	<u>230.00</u>
	Nonperformance Day	[100.00]	<u>115.00</u>
	Overtime rate (per hour).....	[5.00]	<u>25.00</u>
(G)	Maui Room		
	Performance Day	[125.00]	<u>144.00</u>
	Nonperformance Day	[125.00]	<u>144.00</u>
(H)	Oahu Room		
	Performance Day	[105.00]	<u>121.00</u>
	Nonperformance Day	[105.00]	<u>121.00</u>
(I)	Kauai Room		
	Performance Day	[95.00]	<u>109.00</u>
	Nonperformance Day	[95.00]	<u>109.00</u>
(J)	Waikiki Shell		
	Performance Day	[1,694.00]	<u>1,948.00</u>
	Nonperformance Day	[847.00]	<u>974.00</u>
(K)	Waikiki Shell Amphitheater		
	Performance Day	[564.00]	<u>649.00</u>
	Non Performance Day	[282.00]	<u>325.00</u>
(L)	Nonfacility Space		
	Performance Day	[\$0.03]	<u>\$.04/sq. ft.</u>
	Nonperformance Day	[0.015]	<u>\$.02/sq. ft.</u>

- (2) Reduced 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 shall pay a reduced rent. The reduced rental rates shall cover the use day



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operating cost for each facility. Facility rentals by the Blaisdell Center’s in-house 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	[\$3,294.00]	<u>\$3,788.00</u>
	Nonperformance Day	[1,647.00]	<u>1,894.00</u>
(B)	Concert Hall		
	Performance Day	[1,844.00]	<u>2,121.00</u>
	Nonperformance Day	[922.00]	<u>1,061.00</u>
(C)	Exhibition Hall		
	Performance Day	[2,150.00]	<u>2,473.00</u>
	Nonperformance Day	[1,075.00]	<u>1,237.00</u>
(D)	Pikake Room		
	Performance Day	[596.00]	<u>685.00</u>
	Nonperformance Day	[298.00]	<u>343.00</u>
(E)	Hawaii Suites 1 to 12		
	Performance Day	[60.00]	<u>69.00</u>
(F)	Galleria 1 st floor or 2 nd floor		
	Performance Day	[200.00]	<u>230.00</u>
(G)	Maui Room		
	Performance Day	[125.00]	<u>144.00</u>
(H)	Oahu Room		
	Performance Day	[105.00]	<u>121.00</u>
(I)	Kauai Room		
	Performance Day	[95.00]	<u>110.00</u>
(J)	Waikiki Shell		
	Performance Day	[1,354.00]	<u>1,558.00</u>
	Nonperformance Day	[677.00]	<u>779.00</u>



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(K) <u>Waikiki Shell Amphitheater</u>	
<u>Performance Day</u>	<u>520.00</u>
<u>Nonperformance Day</u>	<u>260.00</u>

[(K)](L) Nonfacility Space [\$0.03]\$0.04/sq. ft.

(b) **ADMISSION EVENTS**

Users of facilities used for admission events shall pay the following charges as applicable:

(1) **Deposits.**

Deposits for admission events shall cover the facility use day operating cost and 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	[\$3,294.00] <u>\$3,788.00</u>
Nonperformance Day	[1,647.00] <u>1,894.00</u>
(B) Concert Hall	
Performance Day	[1,844.00] <u>2,121.00</u>
Nonperformance Day	[922.00] <u>1,061.00</u>
(C) Exhibition Hall	
Performance Day	[2,150.00] <u>2,473.00</u>
Nonperformance Day	[1,075.00] <u>1,237.00</u>
(D) Pikake Room	
Performance Day	[596.00] <u>685.00</u>
Nonperformance Day	[298.00] <u>343.00</u>
(E) Hawaii Suites 1 to 12	
Performance Day	[60.00] <u>69.00</u>
(F) Galleria 1 st floor or 2 nd floor	
Performance Day	[200.00] <u>230.00</u>
(G) Maui Room	
Performance Day	[125.00] <u>144.00</u>



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(H)	Oahu Room		
	Performance Day	[105.00]	<u>121.00</u>
(I)	Kauai Room		
	Performance Day	[95.00]	<u>109.00</u>
(J)	Waikiki Shell		
	Performance Day	[1,354.00]	<u>1,557.00</u>
	Nonperformance Day.....	[677.00]	<u>779.00</u>
(K)	Waikiki Shell Amphitheater		
	Performance Day.....	[452.00]	<u>520.00</u>
	Nonperformance Day	[226.00]	<u>260.00</u>
(L)	Nonfacility Space.....	[\$0.03]	<u>\$.04/sq. ft</u>

(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 shall be based upon the schedule listed below and calculated on gross receipts from admission charges for each contracted event, which performances shall occur in a period of up to seven consecutive days. Each seven consecutive day period or portion thereof, shall begin 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 shall be charged no more than three (3) 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 shall be calculated as prescribed in this section and the percentage rent shall be capped at a total of \$53,000.00.

For each additional performance of the event, the percentage rent shall be calculated as prescribed in this section and the percentage rent shall be capped at \$26,500.00.

(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 over \$150,000.00.

(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



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weekly percentage rent for the Concert Hall shall be [~~\$35,000.00~~]
\$40,250.00.

- (D) Exhibition Hall
10.0% of gross receipts.
 - (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 shall be the area a subcontractor of the tenant shall have rented to present a product, service or other commercial display. Rent shall be [~~\$0.17~~]\$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 shall apply which provides that the percentage rental shall not exceed twice the applicable deposit; and this rental cap shall 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



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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.

- (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 shall be authorized to establish and assess reasonable rental charges for those facilities and services not specified herein.

SECTION 3. Section 28-9.3, Revised Ordinance of Honolulu 1990, as amended, is amended to read as follows:

[Sec. 28-9.3 Rental rates.

- (a) Nonprofit Fixed Rental.

(1) The department of enterprise services will establish nonprofit fixed rental rates at the Neal Blaisdell Center Arena, Concert Hall, Pikake Room and Waikiki Shell equivalent to the applicable use day operating cost for facilities rentals. Rates will be adjusted annually at the beginning of each fiscal year commencing on July 1, 2006 in accordance with the rate schedule in Section 28-9.3 below until the nonprofit fixed rental rate for the facilities identified is equivalent to but no more than the use day operating cost for the facility. After attainment of such coverage, the department will conduct a use day operating cost review on a biennial basis thereafter and undertake rental adjustment through the adoption of rules pursuant to HRS Chapter 91 to maintain the nonprofit rental rates at the use day operating cost described herein.

- (2) Nonprofit Fixed Rental in FY 2006

(A) Arena	
Performance Day.....	\$1,288.00
Nonperformance Day.....	644.00
(B) Concert Hall	
Performance Day	790.00
Nonperformance Day	395.00



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(C) Exhibition Hall	
Performance Day	964.00
Nonperformance Day	482.00
(D) Pikake Room	
Performance Day.....	334.00
Nonperformance Day.....	167.00
(E) Waikiki Shell	
Performance Day.....	670.00
Nonperformance Day.....	335.00
(3) Nonprofit Fixed Rental in FY 2007	
(A) Arena	
Performance Day.....	\$1,788.00
Nonperformance Day.....	894.00
(B) Concert Hall	
Performance Day	1,054.00
Nonperformance Day	527.00
(C) Exhibition Hall	
Performance Day	1,260.00
Nonperformance Day	630.00
(D) Pikake Room	
Performance Day.....	400.00
Nonperformance Day.....	200.00
(E) Waikiki Shell	
Performance Day.....	840.00
Nonperformance Day.....	420.00
(4) Nonprofit Fixed Rental in FY 2008	
(A) Arena	
Performance Day.....	\$2,288.00
Nonperformance Day.....	1,144.00



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(B)	Concert Hall	
	Performance Day	1,318.00
	Nonperformance Day	659.00
(C)	Exhibition Hall	
	Performance Day	1,556.00
	Nonperformance Day	778.00
(D)	Pikake Room	
	Performance Day.....	466.00
	Nonperformance Day.....	233.00
(E)	Waikiki Shell	
	Performance Day.....	1,010.00
	Nonperformance Day.....	505.00
(5)	Nonprofit Fixed Rental in FY 2009	
(A)	Arena	
	Performance Day.....	\$2,788.00
	Nonperformance Day.....	1,394.00
(B)	Concert Hall	
	Performance Day	1,582.00
	Nonperformance Day	791.00
(C)	Exhibition Hall	
	Performance Day	1,852.00
	Nonperformance Day	926.00
(D)	Pikake Room	
	Performance Day.....	532.00
	Nonperformance Day.....	266.00
(E)	Waikiki Shell	
	Performance Day.....	1,180.00
	Nonperformance Day.....	590.00



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(6) Nonprofit Fixed Rental in FY 2010

(A) Arena	
Performance Day.....	\$3,294.00
Nonperformance Day.....	1,647.00
(B) Concert Hall	
Performance Day	1,844.00
Nonperformance Day	922.00
(C) Exhibition Hall	
Performance Day	2,150.00
Nonperformance Day	1,075.00
(D) Pikake Room	
Performance Day.....	596.00
Nonperformance Day.....	298.00
(E) Waikiki Shell	
Performance Day.....	1,354.00
Nonperformance Day.....	677.00

(7) The nonprofit organization shall pay the nonprofit fixed rental rates, reduced rental rates, or deposit, as applicable, for each day of use. The percentage rental rates as set forth in Section 28-7.1(b)(2), shall be applicable to a nonprofit organization, except for the rental of the concert hall for which the additional rental charge shall be five percent of the gross receipts in excess of \$40,0000.

(8) Public educational institutions or private educational institutions which are licensed by the state department of education and qualify as nonprofit organizations shall pay the nonprofit fixed rental rates, reduced rental rates, or deposit, as applicable, for each day of use; provided that the activity or the sponsored program which takes place at the center is an integral part or extension of an established school curriculum, including but not limited to athletic, musical, cultural (plays and dramas), social (school dances or graduation exercises) and educational (lectures and seminars) activities; provided further that this exception shall not be available if the activity or program is primarily for fundraising purposes. Any activity or program shall be deemed primarily for fundraising purposes when the funds raised through admissions, donations or gifts or other things of value exceed the cost of sponsoring the activity or program at the center or exceed the



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amount budgeted for the curriculum activity or program for which the center was rented. The percentage rental rates, as set forth in this section or Section 28-7.1(b)(2), shall be applicable to a nonprofit organization, except for the rental of the concert hall for which the additional rental charge shall be five percent of the gross receipts in excess of \$40,000.00.

(b) (1) Any nonprofit organization renting the concert hall for not less than 30 performance days during the current fiscal year of the city shall not be required to pay the five percent additional rental charge on the gross receipts in excess of \$40,000.00.

(2) Any nonprofit organization renting the concert hall for 21 or more consecutive days shall pay the minimum rental due for that rental period as specified in subsection (a) plus five percent of gross receipts for the rental period in excess of \$250,000.00.

(3) Any non profit organization that rents the concert hall and qualifies for the rental adjustment contained in Section 28-9.3(b)(1) may, prior to receiving a signed contract from the city, or with their agreement after receiving a signed contract from the city, be displaced from the contracted date by the department of enterprise services to allow the use of the facility by another tenant that will provide an event that offers greater financial benefit to the department; be of large public appeal; and offer an attraction to the community that would not otherwise be presented without the availability of the concert hall. If a nonprofit organization is displaced as described above, the nonprofit organization shall be given replacement use of the Waikiki Shell and not be required to pay any percentage rental charge.]

SECTION 4. Section 28-9.3, Revised Ordinance of Honolulu 1990, as amended, is hereby amended by adding a new Section 28-9.3 to read as follows:

Sec. 28-9.3 Rental rates.

(a) Nonprofit Fixed Rental.

(1) The Department of Enterprise Services has established nonprofit fixed rental rates at the Neal Blaisdell Center Arena, Concert Hall, Pikake Room and Waikiki Shell equivalent to the applicable use day operating cost for facilities rentals of any week. Rates will be adjusted annually at the beginning of each fiscal year commencing on July 1, 2011 in accordance with the rate schedule in Section 28-9.3 below until the nonprofit fixed rental rate for the facilities identified



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is equivalent to but no more than the use day operating cost for the appropriate facility. After attainment of such coverage, the department will conduct a use day operating cost review on a biennial basis thereafter and undertake rental adjustment through the adoption of rules pursuant to HRS Chapter 91 to maintain the nonprofit rental rates at the use day operating cost described herein.

(2) Nonprofit Fixed Rental from July 1, 2011 through July 1, 2015

<u>Facility/Day</u>	<u>from July 1, 2011 to June 30, 2013</u>	<u>from July 1, 2013 to June 30, 2015</u>	<u>from July 1, 2015</u>
<u>Arena-</u>			
<u>Performance Day</u>	<u>\$3,459.00</u>	<u>\$3,623.00</u>	<u>\$3,788.00</u>
<u>Arena-</u>			
<u>Nonperformance Day</u>	<u>1,730.00</u>	<u>1,812.00</u>	<u>1,894.00</u>
<u>Concert Hall –</u>			
<u>Performance Day</u>	<u>1,936.00</u>	<u>2,028.00</u>	<u>2,121.00</u>
<u>Concert Hall –</u>			
<u>Nonperformance Day</u>	<u>968.00</u>	<u>1,014.00</u>	<u>1,061.00</u>
<u>Exhibition Hall –</u>			
<u>Performance Day</u>	<u>2,258.00</u>	<u>2,365.00</u>	<u>2,473.00</u>
<u>Exhibition Hall –</u>			
<u>Nonperformance Day</u>	<u>1,129.00</u>	<u>1,183.00</u>	<u>1,237.00</u>
<u>Pikake Room –</u>			
<u>Performance Day</u>	<u>626.00</u>	<u>656.00</u>	<u>685.00</u>
<u>Pikake Room –</u>			
<u>Nonperformance Day</u>	<u>313.00</u>	<u>328.00</u>	<u>343.00</u>
<u>Waikiki Shell –</u>			
<u>Performance Day</u>	<u>1,422.00</u>	<u>1,489.00</u>	<u>1,557.00</u>
<u>Nonperformance Day</u>	<u>711.00</u>	<u>745.00</u>	<u>779.00</u>

(3) The nonprofit organization shall pay the nonprofit fixed rental rates, reduced rental rates, or deposit, as applicable, for each day of use. The percentage rental rates as set forth in Section 28-7.1(b)(2), shall be applicable to a nonprofit organization, except for the rental of the concert hall for which the additional rental charge shall be five percent of the gross receipts in excess of \$40,250.00 as established in Sec. 28-7.1(b)(2)(C).

(4) Public educational institutions or private educational institutions which are licensed by the state department of education and qualify as nonprofit organizations shall pay the nonprofit fixed rental rates, reduced rental rates, or deposit, as applicable, for each day of use; provided that the activity or the sponsored program which takes place at the center is an integral part or extension of an established school curriculum, including but not limited to athletic, musical,



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cultural (plays and dramas), social (school dances or graduation exercises) and educational (lectures and seminars) activities; provided further that this exception shall not be available if the activity or program is primarily for fundraising purposes. Any activity or program shall be deemed primarily for fundraising purposes when the funds raised through admissions, donations or gifts or other things of value exceed the cost of sponsoring the activity or program at the center or exceed the amount budgeted for the curriculum activity or program for which the center was rented. The percentage rental rates, as set forth in this section or Section 28-7.1 (b)(2), shall be applicable to a nonprofit organization, except for the rental of the concert hall for which the additional rental charge shall be five percent of the gross receipts in excess of \$40,250.00.

(b) (1) Any nonprofit organization renting the concert hall for 21 or more consecutive days shall pay the minimum rental due for that rental period as specified in subsection (a) plus five percent of gross receipts for the rental period in excess of \$250,000.00.

(2) Any nonprofit organization that rents the concert hall and qualifies for the rental adjustment contained in Section 28-9.3(b)(1) may, prior to receiving a signed contract from the city, or with their agreement after receiving a signed contract from the city, be displaced from the contracted date by the department of enterprise services to allow the use of the facility by another tenant that will provide an event that offers greater financial benefit to the department; be of large public appeal; and offer an attraction to the community that would not otherwise be presented without the availability of the concert hall. If a nonprofit organization is displaced as described above, the nonprofit organization shall be given replacement use of the Waikiki Shell but at the same not-for-profit rate as is established here for the Concert Hall.

SECTION 5. Ordinance material to be repealed is bracketed. 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 material, or the underscoring.



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SECTION 6. This ordinance shall take effect on July 1, 2011.

INTRODUCED BY:

[Handwritten Signature] (br)

DATE OF INTRODUCTION:

MAR 02 2011

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 20_____

PETER B. CARLISLE, Mayor
City and County of Honolulu