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Flower of the month:

*Crown Flower
(aka Calotropis gigantea), was
the favorite flower of
Queen Liliuokalani*



SKYLINE

AT ISLAND COLONY



MAY 2014

ISLAND COLONY PARTNERS NEWSLETTER

Edited statement from Mike McCartney, President and CEO, Hawaii Tourism Authority, issued May 29, 2014

VISITOR SPENDING AND ARRIVALS CONTINUE TO SOFTEN IN 2014



During the first four months of 2014, both arrivals and spending have softened compared to the record growth Hawaii's tourism economy experienced in 2013. The Hawaii Tourism Authority (HTA) anticipates a continued slowdown through the second quarter of 2014, a traditionally slower travel period for the state.

Declines in arrivals have been affected by a decrease in Hawaii's cruise business. Other factors affecting visitor arrivals include growing competition, the strengthening of the U.S. dollar against international currencies and other economic conditions. As a result, the HTA continues focusing on diversifying our international markets by increasing destination awareness and interest in markets like Australia, New Zealand, China, Korea, Taiwan and Latin America. Strengthening our core markets like the U.S. and Japan also remain a priority for the HTA.

Visitor arrivals and expenditures will continue to plateau in 2014, in comparison to the past two record-breaking years. Through the strategic and collective efforts of our industry, marketing and other stakeholder partners, we will continue to work together to balance and strengthen Hawaii's tourism economy.

HOTEL PERFORMANCE

Below is an abbreviated statistical presentation of Revenue per Available Room (RevPAR) and composite of Average Daily Rate (ADR) for the month of April:

E Star Report	Skyline 4/2014	CompSet 4/2014	Skyline 4/2013	Comp Set 4/2013
RevPar	\$103.05	\$105.19	\$104.64	\$108.85
ADR	\$111.32	\$145.87	\$123.58	\$138.87

[2014 Comp Set = similar competitor hotels including L-R Hyatt Place Waikiki Beach, Aqua Pacific Monarch, OHANA Waikiki Malia, Ilima Hotel and Joie De Vivre Coconut Waikiki Hotel]



The following chart shows percentage changes in Occupancy, ADR, and RevPAR for the month of April, year-to-date, running three months, and running twelve months for Skyline at Island Colony as compared to our competitive set:

	Current	Month	YTD	YTD	Running 3	Months	Running 12	Months
E_Star Report	Skyline	Comp Set	Skyline	Comp Set	Skyline	Comp Set	Skyline	Comp Set
Occupancy	9.3%	-8.0%	5.3%	-2.2%	6.3%	-2.1%	-2.8%	-2.7%
ADR	-9.9%	5.0%	-1.3%	6.2%	-2.0%	5.9%	19.8%	11.0%
RevPAR	-1.5%	-3.4%	3.9%	3.9%	4.2%	3.8%	16.4%	8.1%

Occupancies for April reached 92% versus 72% by our competitive set while our ADR was \$34 below. Because of this, our RevPAR finished \$2.14 below our competitive set. Although we did not meet our budget goal, we were successful in keeping market share as demand continued to weaken.

PROJECTED RESULTS

May is currently at 91% on the books while ADR is short of our budget goals due to continued softness in visitor arrivals. However, the pace for June, July and August is exceedingly strong with anticipated distributions higher than last year.

ENERGY SAVINGS PROGRAM

Magnum Energy Solutions Installed motion heat sensors in 2 guest rooms as a test. This allows us to monitor energy consumption in all units. When guest leave their room or when lanai doors are open, the AC shuts off. The system has proven to work so well that the AOA plans to encourage all owner participation thus lowering the per unit installation cost. There is an 11 month payback..

CAPITAL IMPROVEMENT & MISCELLANEOUS UPDATES

Security cameras have been installed on all floors. This added feature allows the AOA security to monitor up close all activity throughout the floors.

ICCOG

You may have recently received a letter from an anonymous group calling itself the ICCOG. Please rest assured that their allegations are untrue. The ICCOG letter is an attempt to undermine the interest of the Partnership, snowball all other law abiding IC owners and drain our resources while doing so.

In a few days I will send out a rebuttal addressing each of the allegations. Because there are potential legal issues, I have had to pass this matter through our attorney.

Kristie Cachola
Managing Director
Island Colony Partners/ Skyline at Island Colony



Photo at left—It's been over a year since the baby koi (carp) were placed in the new ponds at the front entrance. They have grown and live comfortably in their home at Skyline at Island Colony.

Waikiki Partner Update:

Waikiki Beach Clean-up, June 14, 2014 (Kamehameha Day)
Please join the Waikīkī 'Ohana Workforce of the **Waikīkī Improvement Association** for a Waikīkī Beach Clean-up!



Continental Breakfast to be provided. Please RSVP @ 923-1094

Validated Parking available to beach clean up participants at the Hyatt Regency Waikīkī

7:00 am: Meet at the Duke Kahanamoku Statue in Kūhiō Beach Park (Transportation will be provided to other clean-up areas.)

9:00 am: Ends back at Kūhiō Beach Park.

As always, we appreciate your support and thank you for your continued patience and assistance during these extraordinary times. Please feel free to contact Kristie Cachola at 808-772-2662 or via email at laucachola@gmail.com, or either one of us if you have any questions.

Me ke Aloha Pumehana,

SKYLINE
AT ISLAND COLONY

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