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**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, September 28, 2023, 9:30 a.m.**

Hybrid In-Person & Virtual Meeting

Hawai'i Convention Center
Parking Level | Executive Boardroom A
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815

MINUTES OF THE REGULAR BOARD MEETING

MEMBERS PRESENT:

Blaine Miyasato (Chair), Mahina Paishon Duarte (Vice Chair) (Zoom), Kimberly Agas (Zoom), David Arakawa, Dylan Ching, Mufi Hannemann (Zoom), Stephanie Iona, James McCully, Sherry Menor-McNamara (Zoom), James Tokioka (Ex Officio, DBEDT Director), Mike White (Zoom), Sig Zane (Zoom)

HTA STAFF PRESENT:

Daniel Nāho'opi'i, Kalani Ka'anā'anā, Isaac Choy, Caroline Anderson, Ilihia Gionson, Jadie Goo, Iwalani Kaho'ohanohano, Carole Hagihara-Loo, Maka Casson-Fisher, Talon Kishi, Kāhea Kashinoki

GUESTS:

Jennifer Chun, Lawrence Liu, Susan Webb, Lorenzo Campos, Jeffrey Eslinger, Irene Lee, Gaeun Moon, Alex Wong, Dennis Suo, Erin Khan, Bobbie Okamoto, Guillaume Manan, Kylie Butts, Nathan Kam, Jennifer Gaskin, Jacqui Walshe, Shannon McKee, Darraugh Walshe, Andrew Koh, Eric Takahata, Mitsue Varley, Tyler Gomes, Teri Orton, Mari Tait, Noelle Liew, John Reyes

LEGAL COUNSEL:

John Cole

1. Call to Order

Chair Miyasato called the meeting to order at 9:30 a.m.

2. Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic

Mr. Gionson did the roll call, and all members were confirmed in attendance. Members who attended via Zoom were by themselves.

3. Opening Protocol

Mr. Casson-Fisher did the opening protocol and shared a video, “Ka Na’i Aupuni,” produced in partnership with many organizations, including the HTA.

4. Report of Permitted Interactions at Informational Meetings or Presentations Not Organized by the Board Under HRS section 92-2.5(e)

There was no input on Permitted Interaction Groups.

5. Approval of Meeting Minutes

5.a. August 15, 2023 Emergency Meeting of the Board

Approval of minutes. Emergency Meeting of the Board on August 15, 2023, was proposed, seconded, and carried unanimously.

5.b. August 31, 2023 Regular Board Meeting

Approval of minutes. Regular Board Meeting on August 31, 2023, was proposed, seconded, and carried unanimously.

6. CEO Report

Mr. Nāho’opi’i spoke about the CEO report. He reported on Europe and said they have made progress on that. The Board had recommended increasing their global reach into Europe for the current year. They hired a new staff member and introduced Mr. Kashinoki, the administrative assistant in the Branding department.

He spoke about disaster recovery. The economic situation for the recent DBEDT forecast showed that in terms of growth, they are at 1.8% for 2023. It has been revised at 1.1%. For 2024, it went from 2% to 1.5%. This is from the impact of the Maui wildfires, the restrictions, the decline in travel, and the recovery process. That equates to the businesses not operating currently and accounts for about \$2.7 million per day in lost revenue. With all the components, including visitor income, the loss comes to \$11 - \$13 million per day statewide due to the various issues related to the Maui wildfires. The estimate in terms of arrivals through December will be double-digit declines. Not seeing much in terms of full recovery. The big issue is employment. The impact at a statewide level for unemployment claims is at 8,800 total. The Maui unemployment claims count for 61%.

There has been a drop since August for future bookings. November and December are still lagging compared to the previous year's pace. Even though there was no damage to the south Maui properties, it also affected them.

They continue to work with Maui communities and visitor industries through weekly meetings with West Maui properties and other industry businesses. Board members have also been working diligently with the Mayor and Governor, listening to the needs of the residents and industry partners. Mr. Gionson represented the HTA in a joint information session in Maui County. Mr. Nāho'opi'i asked Mr. Gionson to elaborate on what he had done over the past two weeks.

Mr. Gionson highlighted the HTA's response since the previous meeting. The recovery PIG had been meeting, and they continue to meet with folks on the ground to get the message out. For the last two weeks, he has been helping out. The state and the other counties have been deploying their Public Information Officers to support Maui County to ensure information gets out to the public. The mayor had announced information about reopening phases on West Maui the previous day. Mr. Gionson said the mayor was using input from the community advisory council, Lāhainā residents, and business owners. This body convenes to help channel input into the decision-making.

Mr. Gionson spoke about the Lāhainā Civic Center. Seeing everyone pull together during the disaster was inspiring. Mr. Nāho'opi'i gave a synopsis of what they are doing with the two PIGs. They have been active with weekly meetings, hearing from various industry sectors and residents, and monitoring the issues and causes to work on detailed plans. There have been information briefings from ground sectors, hotels, airlines, and a briefing from the economic recovery task force of the Governor. They continue to schedule meetings and will have another group information from Mary Alice Evans of the task force on Friday with updated information. They will continue gathering information and talking to critical people working on disaster

recovery issues for the long-term focus. There is also the governance PIG, which has met a few times. Currently, they put out a procurement for a company to write the governance study that would then look at the structure and relationship of the HTA Board and the HTA organization with the legislature as a government agency. They will have other discussions to determine a consultant to assist them soon and will report back on that. He gave the floor to Mr. Ka'anā'anā.

Mr. Ka'anā'anā spoke about mālama Maui. He said some of the assets are out and in the field. He showed a video related to this and what was approved for the overarching mālama Maui campaign with the board-approved incremental funds. He highlighted some of the work of Kilohana, visitor education, and post-arrival marketing. The HTA staff approved the assets and will be in the airport, baggage claims, and digital displays. Thanks to the Board, they are happy to have the HTA European team back up and running.

He spoke about Sea Cleaners and thanked everyone related to the project. He showed a video about Sea Cleaners. He highlighted 18 CEP and signature events in August and said they look forward to the Aloha Festival Floral Parade this weekend, which honors the Hawaiian Culture, sharing with visitors through Waikīkī and across the state through other activations. He said they are excited that the Global Marketing Team will be under one roof to discuss important topics facing the islands. There are 427 registrations, and they are getting close to the limit of 450. They will cover important topics related to Maui, destination management, AI, and the application in the industry. The conference details are on the website.

Mr. Nāho'opī'i emphasized the importance of the tourism conference moving toward regenerative tourism. He said they had dedicated speakers, including the Governor, Lieutenant Governor, and the tourism subject matter Chairs. They will end the conference with a well-known international consultant looking at how state offices and DMAPs have changed their roles and what they see as the future of tourism management globally.

Chair Miyasato opened the floor for questions, comments, and observations. Dir. Tokioka mentioned that as tourists return to Maui as of the October 8 opening, the concern was insensitive guests, asking questions about favorite restaurants or talking to someone who had a loss from the fire. He said they should address that topic. They could use the airport announcements to educate visitors and guests on this. He said he could work with DOT to put this on the PA system. Mr. Nāho'opī'i said the staff have been discussing that issue. He asked Mr. Gionson to elaborate on that.

Mr. Gionson said they have done a good job of getting out the word about respectful and compassionate travel being important. He said they now need to educate visitors on what to do, such as supporting local businesses, restaurants, etc. He said it was helpful being on the

ground. They will continue to work on the messaging at airport announcements. Mr. Ching said a sensitive spot would be the bypass road into Lāhainā, where people would stop for pictures. There was enforcement there previously. He asked if that could be a place where they apply respectfulness for more sensitivity. Mr. Nāho'opi'i said Mr. Gionson is familiar with that area.

Dir. Tokioka said dust screens are going up for most of the area, but coming down the Bypass road, the burnt areas are still visible. He said they would have some presence after the opening and continue to have the barriers so people can't stop and take pictures. They are working with communities and high schools to put up messages on the banners on the dust screens, which is all part of the opening process. There were no further comments.

7. Board Chair Report

Chair Miyasato gave some background on himself. He was with Hawaiian Airlines for 38 years started as a flight attendant. Regarding the HTA brand, he spoke about the days when Hawaiian Airlines stood for "Hawaiian always late." As an employee, he was proud of what they did, but after they removed their uniforms, they would not tell people who they worked for as it was not something they were proud of. He said it was not the people but the circumstances that caused issues. He said it was an honor to be in his current role. He spoke about his observations in the first few weeks of being Chair. He read a statement, "A culture is strong when people work with each other for each other. A culture is weak when people work against each other for themselves." He said that is the way he wants to approach being Chair.

He confirmed the following points on what success looks like and to reach the goals they set forth:

- He confirmed that the HTA remains an independent entity as envisioned and conceived.
- The HTA retains lump sum funding.
- The HTA lost procurement exemption.
- The HTA must justify its financial existence annually.
- The Board retains independence, and the CEO reports to the Board through the Board chair.
- The chair (vice-chair) leads and directs the CEO with the expectation that leadership direction flows through to the staff.
- Sunshine law is to be embraced.
- There is a Hawaiian way of governance work.

Chair Miyasato spoke about a few stories during the Lāhainā disaster. He said they need a leader.

He spoke about his focus going forward:

- Meaningful Data, Reports, Dashboards
- Shoring up Organization
- Immediate Resources: Chief Executive Officer and brand Roles are critical to moving forward, which will preclude micromanagement.
- Building Hui.
- Brand-enhancing partners that include a demonstrated understanding of kākou.
- Speaking in one voice as a body.
- Tell the HTA Story.
- Be the Tourism Authority.
- Be the advocate for the brand.

Chair Miyasato said he came across a headline "The breakup of the contract to market the state's tourism industry has prompted queries about management and accountability." He said the challenges they face are not new. He said he and the vice-chair visited with historians, legislators, senators, etc. He asked them to provide history and how and when the HTA functioned well. He said they gave feedback freely from a historical perspective to help them honor the past, honor the present, and get the best possible future for the HTA, to do what's best for the state.

He gave a quick overview of the airline industry's response to the Maui fires. Loss from businesses and tourism was \$11 million per day.

He shared the airline industry's immediate response to the tragedy:

On August 8, at 11:30 p.m. he got a call from acting Gov. Luke on situational awareness. Until August 9 at 4 a.m., she gathered all hands on deck with the airline HIEMA department directors. The immediate crisis was evacuation. By first light, 2,000 visitors were sleeping at the airport. Airplanes being on the ground was a precursor to the busses. He showed how the number of people sleeping at the airport decreased every day. The HTA also offered the HCC, and the plan was not to drain resources in the shelters in Maui but to utilize O'ahu, so a lot of the flow was coming through Honolulu. After the rapid response, their efforts moved to cargo and transport needs. In early August, 23,000 airseats (88 flights) to Maui were canceled due to supply and demand.

He showed a slide with the air seat decline. Airlines dropped prices to bring visitors back. As of September 27, the average fare to Maui was \$64 from the West Coast to stimulate the market. He showed a slide showing where airlines dropped prices to bring visitors back. As of September 27, the average fare to Maui was \$64 from the West Coast to stimulate the market.

Chair Miyasato spoke about where the HTA stands.

He mentioned the proclamations:

- August 8 - strongly discourage travel to Maui
- August 13 - strongly discourage travel to West Maui.
- September 8 - West Maui was open to visitors on October 8.

He spoke about the effectiveness of KĀKOU. The HISLAC team stepped into the void of the industry during COVID. It was a Senate-select COVID committee focusing on building lasting relationships of trust. The relationships, in turn, create opportunities for one voice. The relationship creates an industry seat at the table, a trusted resource for Hawai'i legislative bodies.

Mr. McCully said governance is what the HTA is considering as a PIG. Part of how the HTA has evolved over the last 20 years is the internal communications and the means of working with the staff. He said there is a gap between the Board and the staff, a necessary pledge they must go through. He said Chair Miyasato mentioned that the Board retains independence, and the CEO reports to the Board through the Board chair. The vice-chair leads and directs the CEO with expectations that leadership direction flows through to the staff. He said the governance committee needs to incorporate this in its work moving forward, how the Board will work with the staff, and how that interaction will occur. He reiterated a recommendation he made earlier: that the Board supports the concept of a staff position that directly represents the authority staff to the Board. It would be an administrative position to help the Board effectuate their responsibilities. He said it is difficult for the Board members to keep up with the volume of work, and it is important that they can find out directly what is going on at the staff level. They will be taken to task if the HTA is perceived to have failed its responsibilities. He understood Chair Miyasato's explanation of everything, but it is not in the statutes, and no rules incorporate that.

Chair Miyasato said they will get into the heart of the matter. He does not want to be a dictator. He wants to know the charter, the organization, etc. He said the HTA must take Mr. McCully's suggestion and move it through the proper channels. Mr. Nāho'opī'i said that the discussion could happen in the Administrative Committee once there is a recommendation. Mr. Arakawa said Mr. McCully raised a good point about communication. Mr. McCully appreciated Chair Miyasato taking on the responsibility, and he appreciated his openness.

Mr. Hannemann said Chair Miyasato does not need to feel that he will be held responsible for the rise and fall of the HTA Board, as all of them have constituencies they all represent. He also said that the discussion with Mr. McCully requires a dual referral, and they must all look at the issue. He said Mr. White's committee should have a hand in it. He asked when they would decide on filling the CEO position. Mr. McCully said the only concern is that all the meetings are

fully agendized as they are a large group of people. Mr. Hannemann said they will all benefit from fresh eyes, with Chair Miyasato being new to the HTA.

There were no comments or public testimony.

8. Report and Update by the Budget, Finance, and Convention Center Committee of their Meeting Held on September 27, 2023

a. Discussion and/or Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on HTA's Financial Report for August 2023

Mr. Arakawa started with the motion - to approve the HTA's financial report for August 23. Ms. Agas seconded. He asked Mr. Choy to do the presentation for the August transactions. Mr. Gionson did the roll call, and the motion passed unanimously.

b. Discussion and Action on the FY25 Legislative Budget Request

The motion was to approve the FY2025 legislative budget request. Mr. Arakawa made a motion, and Ms. Agas seconded. Mr. Choy gave some highlights. He said they had a robust conversation at the BFCC. He alerted everyone to the fact that the budget is very itemized. It was recommended to him by the BNF director, but he wants the committee members to know they have another chance in December when the briefings start to make any changes. Mr. Arakawa said Mr. Choy is submitting the budget in the same format the legislature asked for over the past two years, which includes listing all contractual obligations and adding administrative costs.

He listed the five steps of review:

- The HTA prepared it.
- Reviewed by the department of business and economic development.
- Reviewed by the Department of Budget and Finance
- Reviewed by the Governor
- Reviewed by the legislature.

The Board will have a chance to go through a detailed review of the submitted budget, two Board members at a time, to comply with the Sunshine Law.

One issue raised was the salaries and bonuses, which the HTA staff will get back to the State departments.

Mr. Gionson did the roll call, and the motion passed unanimously.

c. Discussion and/or Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on the Hawai'i Convention Center's August Financial Report and Update on the Hawai'i Convention Center's 6-Year Repair and Maintenance Plan

d. Discussion Regarding an Update of the Meetings, Conventions and Incentives Market Activity and Pace Report, and Hawai'i Convention Center Activity and Local Sales

Mr. Arakawa made a motion to approve the HCC August financial report and update the HCC six-year repair and maintenance plan. Ms. Agas seconded.

Ms. Orton gave some highlights. Mr. Choy gave an update on the repairs. They had two bidders for the RFP for the roof. The losing bidder wanted to do a protest on their bid. They will report on it in the next meeting. The overall roof budget is on track.

Ms. Orton spoke about the August financials. In August, the HCC served as an assistance center that operated under the partnership of the HTA and American Red Cross to support the evacuees from the Maui wildfires. It served nearly three hundred evacuees and provided temporary accommodation until evacuees could find alternate accommodation.

They also successfully hosted a significant amount of local business, including the return of Comicon and the Made in Hawai'i festival, which brought 58,000 attendees. The HCC also welcomed the return of the first international Citywide event, Daito Kentaku, which brought in a little over 3,300 attendees and generated \$41.3 million in economic impact, and \$4.1 million TAT. For the HCC, they generated \$800,000 in food and beverage revenue. Citywide business's economic and financial impacts and the four other Citywide events in the last month have driven a positive financial bottom line. The reforecast for the remainder of the year is at \$5 million compared to the budget at \$6.5 million. Thanks to the Citywide business, they are \$1.5 million ahead of the budget. Ms. Orton thanked Mr. Reyes for his hard work. The ROI is at \$25.91. The ROI for the last two months was \$4.30.

Ms. Orton spoke about the pace report to bring in more of this business. She said they need to draw attention to future business from 2026 onwards. She said they need to support the Visitors Bureau to ensure they have the resources to put business on the books, whether getting additional staff or additional budget funding. Corporate market segments are big spenders and stay in higher-end hotels. Those incentive groups spend a lot of money on their incentive trips. The Board needs to be made aware of that. Mr. Reyes needs to fill this position to ensure these groups come to Hawai'i. They need to find additional funding to support this position as it impacts the HCC.

Mr. McCully asked about the sharp drop off of Citywide's from 2026 or 2027. She said it was related to a structural thing and also due to COVID. She said it takes five to seven years to put association business on the books. In between that, they hope to garner a few corporate events per year.

Mr. Reyes reiterated the impacts of COVID on the Citywide events. He mentioned that Hawai'i has \$150,000 to market to the country. Smaller destinations have \$300,000. He understands everyone has been challenged by staffing cuts, but the way to generate sales is through salespeople. In April, they went from 51 to 59 bookings for Citywide events. The key to filling short-term events is having a sales team. Mr. Arakawa said the most Citywide events happened in 2019 before COVID, so they are playing catch up. The Board needs to support Mr. Reyes and his team. The Board had initially approved the \$800,000 funding to hire a new marketing person, but that was used because the budget was not approved the previous year.

Mr. Gionson did the roll call, and the motion passed unanimously. Mr. Arakawa said at a previous BOD in August that Rep. Quinlan had referred to an email he sent to the HTA regarding the HTA budget being submitted to the Governor then. He said Mr. Nāho'opi'i has transmitted it, and the rest of the Board will be receiving it.

Chair Miyasato went back to the Board Chair's report. Ms. Duarte said she is in New Mexico for the tribal land summit. She wanted the Ho'okahua Hawai'i committee members to know she would call for a meeting soon. The reasons are that Chair Miyasato and herself received a letter from several Lāhainā community leaders and volunteers, which she will circulate among everyone. The essence of the letter is to invite the HTA to participate in their comprehensive planning process because they will be undergoing a multi-month planning process for which they are going to putting forth a vision of regenerative, sustainable Lāhainā economy that is also consistent with the HTA's mantra and speaks to their desire to advance AAEF and explore with them how the HTA can be a strategic partner, so they can rebuild a local economy where regenerative tourism will be an important component.

e. Discussion and Action on HTA Budget Issues, Comments, and Suggestions Raised by Legislators, Board Members, Staff, Stakeholders, etc.

9. Report and Update of the Branding Standing Committee of their Meetings Held on September 15, 2023 and September 27, 2023

a. Discussion and/or Action on the Purpose, Charter, and Description of the Branding Standing Committee

Chair Miyasato started with a discussion and purpose of the Branding Standing Committee, which was deferred to the second BOD. Mr. Zane said they had not been satisfied with the narrative or wording.

b. Discussion and/or Action on Hawai'i Tourism Japan Activities Under the Brand Management & Marketing Services Contract and HTA's 2024 Brand Marketing Plans for the Japan Market

Chair Miyasato made a motion, and Mr. Ching seconded.

Mr. Takahata said Japan is moving in a positive direction.

He highlighted the following points:

- Japan's economic output grew by an annualized 6% in Q2 (third consecutive quarter expansion and the strongest growth since last quarter of 2020)
- Rise in exports with a flood of tourists into Japan
- Weak yen and high inflation slow domestic spending
- Continued recovery is expected.

Mr. Takahata highlighted the competitive landscape for getting Japanese visitors. They are the most Pono travelers, and Hawai'i is up against a lot of competition. Target audiences have not changed. The rate for Japan is 150 yen to \$1, coupled with inflation.

The core brand messaging will pivot for Japan. They had discussions with the Branding Standing Committee the previous day and reported that Mālama will always be in the DNA of how they message Japan. They will pivot to a more aggressive messaging and targeting driving bookings. "Beautiful Hawai'i, travel can make the world beautiful" campaign is designed to change one's outlook on life through travel.

HTJ's strategies will not change. It will continue to do consumer and travel trade. Its PR efforts will be more focused and segmented towards those target audiences. The major programs are to accelerate bookings and continue working with the industry to affect as many consumers as possible. The Beautiful Hawai'i campaign will be on a variety of platforms. In-person initiatives will also continue. For mālama Maui, they will continue to get the Japanese traveler back to Hawai'i. They have raised \$1 million from the travel trade industry that has been donated to Maui. The partnership opportunities are available on their website. The base budget is at \$6.5 million.

Chair Miyasato showed the slide with the incremental funding request. This is to try to maintain their position in Japan. Other destinations are throwing a lot of resources at the Japanese market to win them over.

He mentioned the second pivot, a new “Yapparu Hawai’i” campaign, which means "It's gotta be Hawai’i". The distribution channels will be multi-faceted: digital, travel trade, media, etc. He said they are requesting a return to the 2019 base budget of \$9 million.

Chair Miyasato made an amendment. What was passed was subject to availability of funds, and he wanted to amend it to remove “subject to availability” and approve it as presented. Mr. Hannemann seconded. Mr. McCully said the slide with competitive destination marketing promotions was good information for them to work from.

Mr. Hannemann spoke about competitors' packages to capture the Japanese market. He said he liked what Mr. Takahata presented and supported him in winning over the Japanese market during his travels.

Ms. Iona asked if certain events, such as the golf tournament, would still be happening. Mr. Hannemann said it will still go ahead with the staggered opening. She asked if there were any other activities they could work on to attract the Japanese market. Mr. Takahata said they have a golf promotion in their base budget initiatives. Ms. Iona asked if it could also highlight conventions. Mr. Takahata said in the incremental ask there is a portion dedicated to co-op, which is to work with the biggest and best stakeholders to secure more bookings.

Mr. Arakawa said he supports the proposal, but they have a funding issue and said they will have to cut other programs that have not been identified yet. He said if "subject to funding" is removed he would still vote yes, but with reservations as they do not have a current funding source.

Chair Miyasato suggested letting the staff look at this overnight and prioritize what they could do. He said they need to move quickly on this. He asked to carry the vote. Mr. Hannemann added that it is a matter of priority, and the Japanese are a key international market. He encouraged the staff to keep it a priority. Ms. Iona added to Mr. Arakawa's comment that if the Board could submit the budget request but make a strong message from the Chair, the Board, and Mr. Nāho’opi’i to the Governor. Chair Miyasato said that is communicated in the amendment.

Mr. Nāho’opi’i gave a recap of the process going forward. After the Board approves this, they send it back to the BFCC to work out the implementation specifics because of the funding issue.

Mr. Gionson did the roll call, and the motion passed unanimously, except for Mr. Arakawa who had reservations.

c. Discussion and/or Action on Hawai'i Tourism USA Activities Under the Brand Management & Marketing Services Contract and HTA's 2024 Brand Marketing Plans for the USA Market

Chair Miyasato made a motion, and Mr. Ching seconded. They moved to discussion.

Mr. Talwar said the U.S. economy is doing well. Travel demand within the USA is driven by domestic travel. External travel into the U.S. is not doing well due to the exchange rate. In the state, the economy has been recovering. In the first quarter, GDP came to 97% versus 2019. The labor force recovered to 99% during the first seven months. DBEDT has downgraded its growth projections for both 2023 and 2024. The airlines noticed, and they are driven solely by demand. 2024 versus 2023 is down 9% seats into the destination. Two or three months out it will change again based on demand. In terms of 2023 versus 2022, revenue is down. Looking ahead to 2024, the booking pace is down 10% statewide. Revenue into the state is down 17.3%. They need to look to create more demand. Their core branding message is mālama Hawai'i and continues to be effective with the mindful traveler. Strategically they work with consumers, PR, educating travel trade, etc. The strategies are mālama Hawai'i, to share an invitation and education at the same time. He added the campaign elements of mālama Maui to that. Their concern is that previous visitors went to Lāhainā, but the visitors are now questioning what they will do after the fires, so they need to create more dimension to the brand to show people there are a lot of other facets of the brand of Maui.

For programs, there are paid media, digital, and native programs which appear to be editorial. Throughout all their messaging, they support local expanding the benefit of tourism to the broader community through fashion, retail, music, agriculture, and cuisine. They are also reviewing a brand partnership for 2024 that would allow them to amplify their existing budget by working cooperatively with major retailers across the country. Consumer direct programs are the newsletters, special offers co-op programs, and messaging on the GoHawaii app. Major programs for 2024 in the earned media, on the PR side, include going to New York twice and working with FestPAC. The travel trade team educates travel sellers.

Tourism Cares is an organization everyone in the travel industry knows. The HTA created Meaningful FAM, which it has never done before. Tourism Cares will come to Maui in May 2024. The 2024 BMP budget is \$14,350,000; they are in dire straits with half the budget they used to have. They have an incremental funding request for Maui. They need to go to markets where the demand is soft. They have a \$10 million ask for a program to support the return for

demand flights. This includes in-market events, promotions, paid advertising, social media, PR, etc.

Mr. McCully asked for an Executive Summary of the 142-page deck they provided the staff with. Mr. Ching said that running a business with a post-COVID budget is difficult. He supports incremental funding without reservations.

Mr. Gionson did the roll call, and the motion passed unanimously.

d. Discussion and/or Action on Meet Hawai'i Activities Under the HTA's 2024 Brand Marketing Plans for Meet Hawai'i

Mr. Reyes thanked the GMTs present that handle sales for MeetHawai'i. There are four different departments - Citywide, single property, Oceania, and the service department. Now that they are selling, they need to service, so they are staffing up on their service side for Citywide and single property.

Regarding the market situation, it is all about growth. They have the opportunity; they are positioned and are ready to go. Regarding single property, there is optimism. People want to go to Hawai'i and have their single-property meetings. They have had a team in place for 20+ years. The concern is the competition. Europe, the Caribbean, and Mexico are open and offer all-inclusive deals. There are benefits of having meetings in Hawai'i through increased attendance, etc.

Citywide customer sentiment talks about the HCC roof. For Citywide planners, they have 800 accounts they are going through. They are questioning the roof situation and progress. Regarding Maui's concerns, having meetings in Hawai'i will keep people employed. The concern now is Q4 2023. For 2024, Q1, and Q2, customers want to know if they can have the meeting in Hawai'i. Regarding the target audience, 96% of business comes from the U.S. They are getting great opportunities in Japan and Oceania, so they are focusing there, so there is a global market for MCI.

Regarding core branding messages, having meetings in Hawai'i increases attendance as people are interested in coming. People are more relaxed and open to learning.

The benefit of engaging in mālama Hawai'i through COVID has been successful. Corporate social responsibility programs are part of the landscape. What is resonating with the meeting planners and attendees is the culture of Hawai'i. The Maui message is to be respectful and mindful and continue visiting. Strategy is all about short-term for Citywide and single property especially. They must implement a powerfully aligned statement with the HTA, the HCC, and MeetHawai'i regarding communicating the roof strategy. What came out of the focus of Ms.

Orton's talk at the various meetings is that they need to have a stronger focus on corporate business. They want to close the event gap, increase the Citywide sellers, look at reducing the corporate gap, and get a dedicated person to help with that. They are focusing on 2026 to 2030 for three to four corporate events per year.

The strategies in Maui are about retaining business and finding new opportunities. They are focused on selling, the corporate environment, and the HCC roof schedule. Global MCI is doing a lot with third parties, attending incentive events, seminars, Japan summits, missions, and workshops, so they are working with all the GMTs to ensure they have a collective message about meetings in the marketplace. The 2024 budget of \$4,825,000 includes salaries, benefits, a remote office, programs, travel, and entertainment. There is an additional ask of one plus person. The \$2.6 million has already been approved, of which they get \$600,000. The objective is to retain business in Maui in Q4 of 2023, for Q1 and Q2 in 2024. It will be \$200,000 to retain business in Maui. There were no questions.

Mr. Gionson did the roll call, and the motion passed unanimously.

e. Discussion and/or Action on Hawai'i Tourism Canada Activities Under the Brand Management & Marketing Services Contract and HTA's 2024 Brand Marketing Plans for the Canada Market

Chair Miyasato made a motion, and Mr. Arakawa seconded.

Ms. Webb highlighted a few points about the Canadian market.

Canadians are prioritizing travel. It is now 90% of 2019 outbound travel. 48% focus on sustainable travel. She gave an overview of the airseats in Hawai'i. Air Canada and WestJet are looking at their bookings weekly. She said they are working closely with them for the messaging and marketing to ensure they keep the routes going. Maui is number one for Canadian travelers.

The European countries have spent a fortune on marketing to get the Canadian market back. Portugal is up 53% because of their marketing. For the winter, Mexico and Fiji have been doing a lot of aggressive marketing. Target markets include experience seekers, affluent travelers, snowbirds/retirees, and romantic people.

For core branding messaging, Mālama is the overarching message. Mālama Maui is the focus. They educate the visitor on the value of Aloha, Mālama, Kuleana, and Ho'okipia.

They have a lot of PR plans for 2024, such as group FAM trips and individuals. They also have consumer opportunities doing out-of-home, extensive campaigns in Vancouver and Toronto,

and looking at digital, the number one way Canadians consume the media. Major programs include:

- Cooperative campaigns -Focus on Maui, Spring and Fall seasons, Air Canada, WestJet, and TravelBrands.
- Aloha Canada 2024 - Travel trade, Media, Cultural component.

Their budget is \$1 million for January to December 2024 in their BMP. They have requested additional funding for Maui. Maui is the most important place for Canadians to travel. The message needs to get out quickly for the snowbirds for winter. They are ready to go with their initiatives when they get the go-ahead.

The PR initiatives include two media showing up on Sunday. They will be at the conference doing interviews, then flying to Maui on Tuesday, where they are attending a travel show and interviewing local people in Maui, hoteliers, restaurants, etc. They have other key media coming as well.

She spoke about key partnerships. They are requesting a \$1.5 million budget to help put Maui back in the Canadians' minds.

Chair Miyasato said they approved the base and incremental recommendation, subject to available funds, but to remove the "subject to". Chair Miyasato made a motion, and Mr. Ching seconded. Mr. Gionson did the roll call, and the motion passed unanimously, but Mr. Arakawa had reservations.

f. Discussion and/or Action on Hawai'i Tourism Oceania Activities Under the Brand Management & Marketing Services Contract and HTA's 2024 Brand Marketing Plans for the Oceania Market

Chair Miyasato made a motion, and Mr. Ching seconded.

Ms. Gaskin did the presentation. Inflation has peaked in Australia and New Zealand and is coming down. Unemployment remains low in both markets. The U.S. dollar remains one of the biggest challenges. The outlook for the travel industry for both markets is better than any of the past three years. On Maui, she said they have good support from the media and their trade partners in Australia and New Zealand, and they have already done various initiatives to support Maui to get the message out about returning visitors. For visitor statistics, there was an improvement in 2022, but it will be a while until they recover to the 2019 numbers. Part of that is airlift from both markets. As mentioned by others, the competitive landscape is a strong investment from other tourism boards, particularly California and Fiji. Tourism Australia has

been investing heavily in keeping Australian visitors traveling domestically. Thailand and Singapore have also increased their spending in the Australian market during some of the outdoor consumer campaigns in Sydney. Their target audience is the older couple market, families with school children, and the younger traveler. Repeat guests (60% of the market) are also part of the target audience and the mindful visitor.

The core branding message remains the same - Connection between the visitor, the people of Hawai'i and the land and ocean, Hawaiian Culture, and cuisine. Their strategies are consumer, content, co-ops, and trade. The major programs include We Are Explorers on a video series, 'Act Local,' hosted by an Australian/New Zealand personality. The series will follow the personalities as they travel around The Hawaiian Islands, meeting local people involved in responsible tourism and preserving the environment. Another major program is Hawai'i's Biggest Fan, where they partner with International Traveler magazine. This campaign is aimed at repeat visitors but aims to encourage them to visit a neighboring island, participate in a voluntourism activity, delve deeper into local culture, or shop locally.

Another major program, Month of Lei, would like to use Lei Day and May to bring each distinct island personality to life. They will do this through trade training events with the island chapters in secondary cities throughout Australia and New Zealand. Another program mentioned by Mr. Ka'anā'anā, Sea Cleaners, will be returned the following year to make it bigger. Following the successful 2023 Sea Cleaners initiative, they plan to include all Pacific Rim markets next year.

Their budget is split evenly between consumer direct and trade, with the lowest spend on PR because they focus on earned media wherever possible. For mālama Maui, they have a few campaigns. One is the "We Are Explorers Maui Recovery Campaign" to drive visitation to the island. They are working on a video first Maui recovery campaign, which will include an editorial with their partners, "We Are Explorers," focusing on local voice and perspective and looking at the significance of why it's important to revisit Maui.

Another campaign is Luxury Escapes Co-op.

Another campaign is the Helloworld Global Stars Conference. The Hawaiian Islands haven't hosted an Australian or New Zealand retail chain/travel trade conference from Oceania since 2018. Helloworld is interested in Maui as a destination for their 2024 conference. The opportunity comes with various marketing inclusions leading up to the event. There will be seventy top-selling agents visiting the island. All of the budget used to support the event will be reinvested into the island in the form of hotel, transport, and activity bookings.

Another campaign is the Whakaata Māori/Māori Television. The series features ten indigenous-linked Hawaiian tourism experiences, including some in Maui. The series launches

on free-to-air TV in October, and HTO and Māori TV can extend the broadcast partnership to feature messaging around tourism's positive opportunity to help the Maui recovery. They also propose increasing their visiting media program specifically for the island of Maui. The budget request is \$252,000.

Mr. Hannemann asked what the competitive advantage is over Fiji when pitching Hawai'i. Ms. Gaskin said their competitive advantage is that they are seen as a culturally authentic destination. Fiji is an island destination and resort-based, and it is not as easy to get out and explore authentic local culture, but they have made a bigger effort in the current year, focusing their branding campaign on culture.

Mr. Hannemann asked if New Zealand and Hawai'i could have an opportunity to film something together. Mr. Ka'anā'anā cautioned that they are often warned to stay in their lane given that the creative industries and the film office have that kuleana. Mr. Walshe added that they have partnered with Māori Television and the filming was based around indigenous tourism, showcasing Hawai'i indigenous tourism operators and Māori indigenous operators, which will be airing shortly. They are looking at partnerships with networks that feature in Hawai'i as well. There were no further comments.

Mr. Gionson did the roll call, and the motion passed unanimously.

g. Discussion and/or Action on Hawai'i Tourism China Activities Under the Brand Management & Marketing Services Contract and HTA's 2024 Brand Marketing Plans for the China Market

Chair Miyasato made a motion, and Mr. Hannemann seconded.

Mr. Suo did the presentation. He introduced the HTC team. The market situation with regard to the currency is stable. The GDP growth for the year is 5.1%. The annual inflation rate is 1.2%.

Outbound travel sentiment:

- The millennial market dominates travel trade sales in 2023.
- Beach vacation and nature, arts and culture, family travel, and special experiences are selling best.
- Quality and experiences are valued over low prices.

The number one region in terms of selling is Europe, second is Southeast Asia, North America is third. Independent travel and small group tours are the most popular types of travel now.

Air seats synopsis - there are no direct flights from China to Hawai'i, but there are 24 flights weekly between China and the U.S. From September 30, it will increase to 48 weekly flights.

The ideal connecting flight from China to Hawai'i is through Japan and Korea. Almost 200 flights from China to Japan and Korea every week connect over 20 cities to Honolulu. The average round-trip ticket price for the economy is \$1,500; for business class, it is \$4,000, back to pre-pandemic levels.

In terms of competition, they look at three layers. Europe, Australia, and New Zealand is the first layer. The second layer is Maldives, Bali, Fiji, etc. The third layer is California and Vegas. There are no changes to the target audience.

There are three segments: millennium individualist, family, and affluent and high-net-worth individual. The core branding message is mālama Hawai'i/Maui. They look at a holistic view from the B2C-to-B2C consumer channel to the B2B travel trade. They create demand through the B2C channel, interacting with the B2B trade channel to increase sales. To leverage the messaging, they look at the story angle: natural resources, cultural diversity, geographic uniqueness, and the historical tie between Hawai'i and China.

They have limited resources and budget for strategies, so they are focused on consumer marketing and social media. China's social media landscape is different from all other markets. They keep the message consistent over all platforms. They are leveraging all partnerships with key OTAs, the U.S. Embassy, and Education USA on joint marketing campaigns and road shows. The travel trade also focuses on education, offline and online. The goal is collaborating with their travel industry partners to create a travel package and leverage the joint social marketing programs.

For social marketing for 2024, the impression is 3.8 million, and engagement is 310,000. Total posts are at 832 across all the platforms. For social media marketing, they continue the B2C and B2B WeChat Mini Program, keep up with content maintenance and feed, and the industry monthly newsletter for "What's happening in Hawai'i." He spoke about travel trade education, where they will partner with U.S. Embassy in Beijing, U.S. Consulates, Education USA and Brand USA, Travel and Tourism Roadshows.

He spoke about the travel trade mission for the following year. The trade mission in Beijing and Shanghai will partner with ITB China with industry partners. For mālama Maui, from a consumer, travel trade, industry collaboration, and public relations angle, they are looking at a bundle package to include Maui in the package, because for the Chinese market, the package is mostly O'ahu and Hawai'i Island. For 2024 they will push Maui in the package. For social media, marketing, and travel trade education, they will emphasize Maui as well.

The 2024 budget is \$376,600. For the incremental budget, he spoke about the Maui Key Opinion Leader Fam, where they will create authentic storytelling and are looking to bring

social media influencers to Maui to help them. The Bundled Package will include Maui. The third campaign is working with the SEEC to bring back the Lōkahi Spring World Music Festival, a fund-raising event in February 2024. This will be part of the Maui Recovery plan. Local artists (HSO, Jake Shimabukuro, and others) and overseas artists (China) will be performing. The incremental budget request for the three initiatives is \$100,000.

He spoke about a college fair they attended the previous week. The College Fair in 2023 by Education USA in Beijing marked the largest college fair since 2020. During the fair, 58 U.S. university representatives and 10 U.S. companies in the travel trade sector and financial service sector were there for face-to-face communication, while twelve other institutions interacted with thousands online. The event attracted over 1,200 parents and students in person, with nearly 10,000 additional visitors online. Attendees joined from thirty provinces, and 10% of the online visitors were from outside China. Ambassador Burns' opening remarks emphasized the importance of people-to-people exchange and highlighted that the U.S. welcomes Chinese students for study and travel. He also mentioned that in 2022, nearly 300,000 Chinese students studied in U.S. universities and colleges. So far this year, over 90,300 visas have been issued to students, scholars, and their families by the U.S. Embassy and Consulate, a rise of over 23,000 from previous years. The Ambassador also mentioned on Twitter that education is crucial in maintaining people-to-people ties between the U.S. and China.

Mr. Hannemann said the U.S. commerce secretary recently returned from China, and she reported enthusiastically that they could make headway on the trade front. Trade and commerce are big issues between the U.S. and China. She also intimated that it could increase travel as they ease the tensions on the trade front for the Chinese coming to the U.S.

Mr. Gionson did the roll call, and the motion passed unanimously.

h. Discussion and/or Action on Hawai'i Tourism Korea Activities Under the Brand Management & Marketing Services Contract and HTA's 2024 Brand Marketing Plans for the Korea Market

Chair Miyasato made a motion, and Mr. McCully seconded.

Ms. Lee did the presentation and introduced her team. She highlighted outbound travel. There is pent-up travel demand from Korea. Korean outbound travelers from January to August passed fourteen million people, a 420% increase over the previous year. The quarantine mandate was lifted early last year, so it has been over a year since Koreans traveled abroad. They expect twenty-one million people to travel overseas for the year from Korea. The outbound travel ratio is slightly less than half, so about half of Koreans travel abroad. As seen from the past years, Korea was one of the most resilient countries in terms of outbound travel

during the crisis. Koreans are recovering faster than other Asian countries. Currently, they have longer Chuseok holidays, which is the Korean Thanksgiving. They have up to twelve days of extended holidays that week. 93% of Koreans have said they desire to travel during this holiday, and 71% said they have plans to travel during the holiday. According to the top three travel agencies in Korea, their average bookings increased 900% for the Chuseok holiday compared to the previous year. For the special holiday demand, Hawaiian Airlines is adding extra flights to handle the increase in demand.

Regarding air seat synopsis, she highlighted a new airline planning to fly to Honolulu, Korean Hybrid-Service carrier Air Premia. They operate in two classes: economy and premium economy, similar to the ZipAir model. They will fly from December 31, 2023, to March 4, 2024, for the winter season with four weekly flights. They will apply for regular service once they build up their seasonal flight records.

The target audience is avid travelers, romance travelers, wellness seekers, and outdoor goers. The target geographic area is Busan and Seoul, representing 90% of the travel demand.

The core branding messaging is aiming to promote mālama Hawai'i. They will be adding the mālama Maui message to the overarching brand message. She spoke about the four major campaigns for the following year.

The first one is the Mālama Hawai'i Branding Campaign, which involves three components:

- Co-op Ad Campaign in collaboration with a credit card partner, HTK, to launch Mālama Hawai'i advertising campaign across various platforms, including out-of-home (OOH) and digital channels.
- Co-op with Fair Trade Travel Agent: HTK partners with a fair-trade travel agent known for ethical practices and a commitment to social responsibility to support the development of Maui products that benefit local communities and prioritize environmental protection.
- Development of Mālama Maui 3D Showroom: HTK creates Maui-related content within the Mālama Hawai'i 3D showroom platform, providing valuable Maui travel information to travelers.

The second initiative is My True Aloha Campaign. They plan to do a Maui Promotion with Hawaiian Airlines and OTA partners: HTK partners with Hawaiian Airlines to host Maui promotional events, aiming to boost traffic to Maui. HTK also collaborates with an OTA to maximize demand for flights, hotels, and activities through promotions. Through the campaign they will be working with influencers to create engaging Maui travel content and share their stories as part of this campaign.

The third campaign is the Made in Hawai'i Campaign, where they will promote Made in Hawai'i products and the culinary aspect. To Koreans, food is an important element for overseas travel. They will:

- Create video content and collaborate with influencers to promote Hawai'i food recipes, showcasing the culinary delights of the destination.
- Collaborate with major retail corporations to promote Hawai'i products.
- Team up with trade partners and introduce Made in Hawai'i products for travelers to purchase during their visits to Hawai'i.
- Introduce local food or farms in Hawai'i to travel agents through FAM tours.

The fourth campaign is the Hawai'i Outdoor Campaign. Outdoor demand has grown, and especially golf. The Korean Golf population increased by over 20% during COVID. There is a big demand for overseas golf. For this campaign, they will have the following:

- Maui Outdoor Promotion: Highlight Maui's outdoor attractions through advertorials that travelers can experience and enjoy while in Maui.
- Outdoor Activity Influencer FAM: HTK will partner with influencers passionate about the great outdoors to conduct a FAM trip and share the experience on HTK-owned social channels.
- Golf Promotion: Carry out a series of golf promotions with agents for the Lotte LPGA tournament and invite agents/influencers to visit the tournament.

The BMP budget is \$900,000 for the next year. For the Maui Incremental Funding Request, they propose three programs:

1. Mālama Maui Social Ad Campaign:
2. Let's Go to Maui Trade Campaign
3. Celebrity Golf Filming Project:

HTK will establish a collaboration with an influential celebrity YouTuber to engage the appropriate audience and showcase Maui as a golfing paradise. The content will encompass highlighting golf courses, showcasing Maui's beautiful scenery, unique culture, and culinary delights through the celebrity's social channels.

The incremental budget request is \$120,000.

Mr. Gionson did the roll call, and the motion passed unanimously.

10. Discussion and Action on the Formation of an HTA Budget, Finance, and Convention Center Permitted Interaction Group (PIG)

Chair Miyasato made a motion, and Mr. Arakawa seconded. Mr. Arakawa said this was discussed at the BFCC meeting, and it was relayed that in 2021, an HTA PIG successfully presented a budget and worked with both the ways and means of house finance staff. This resulted in a Bill that was later vetoed, but it resulted in a budget for the HTA, which was very effective.

Mr. Gionson did the roll call, and the motion passed unanimously.

11. Discussion and Action on Assignment of Board Members to the HTA Budget, Finance, and Convention Center Permitted Interaction Group (PIG)

Chair Miyasato showed the recommendations for the committee. Mr. Arakawa asked that the motion passed at the previous day's BFCC meeting be amended.

Mr. Arakawa reiterated that at the committee the previous day, five members of the BFCC were recommended, including himself, Ms. Agas, Mr. McCully, Mr. Miyasato, and Mr. White. There was one position to be recommended at the current meeting. He understood that Ms. Iona was prepared to be added to the PIG.

Chair Miyasato made a motion for the six people, and Mr. Arakawa seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

12. Discussion and Action on the Creation of the 2024 Legislative Permitted Interaction Group

Chair Miyasato made a motion, and Mr. Arakawa seconded. Mr. McCully said the group is of critical importance and said to continue with the group. Mr. Gionson did the roll call, and the motion passed unanimously.

13. Discussion and Action on the Assignment of Board Members to the 2024 Legislative Permitted Interaction Group

Chair Miyasato made a motion for the members of the PIG. Mr. McCully noticed an open slot and asked if Mr. White would be willing to fill the spot. Mr. White agreed to serve. Chair Miyasato mentioned the members: Mr. McCully (Chair), Ms. Menor-McNamara (vice-chair), Ms. Iona, Mr. Miyasato, Ms. Duarte, and Mr. White. Mr. Gionson did the roll call, and the motion passed unanimously.

14. Adjournment

Chair Miyasato adjourned the meeting at 1:16 p.m.

Respectfully submitted,

Sheillane Reyes

Sheillane Reyes