



**HĀLĀWAI PAPA ALAKA'I KŪMAU O KE KE'ENA KULEANA HO'OKIPA O HAWAII'
REGULAR BOARD MEETING OF THE HAWAII TOURISM AUTHORITY**

**HĀLĀWAI HŌ'EA KINO A KELEKA'A'IKE
HYBRID IN-PERSON & VIRTUAL MEETING**

**PŌ'AHĀ, 25 IULAI 2024, 9:30 AM
THURSDAY, JULY 25, 2024 AT 9:30 AM**

Kikowaena Hālāwai O Hawai'i
Papahale Ho'okū Ka'a | Lumi Nui A
1801 Alaākea Kalākaua
Honolulu, Hawai'i 96815

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

E ho'olele 'iwa'ia ka hālāwai ma o ka Zoom.

Meeting will be live streaming via Zoom.

<https://us06web.zoom.us/j/87158075631>

*E noi 'ia 'oe e kainoa me kou inoa. E 'olu'olu, e ho'okomo i kou inoa piha akā hiki nō iā 'oe ke ho'ohana i ka inoa kapakapa e like me kou makemake. E noi 'ia 'oe e hā'awi mai i kāu helu leka uila. Hiki nō ke ho'opihapiha penei, ****@****mail.com*

You may be asked to enter your name. The Board requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous. You may also be asked for an email address. You may fill in this field with any entry in an email format, e.g., ****@****mail.com.

**Kelepona / Call In: (669) 444-9171
Helu Hālāwai / Webinar ID: 871 5807 5631**

Hiki i ka lehulehu ke hō'ike mana'o ma o ka palapala a i 'ole ma o ka waha. E kau palena 'ia ka hō'ike mana'o waha (ma ke kino a i 'ole ma o ka Zoom) he 'elima minuke ka lō'ihī no kēlā me kēia kumuhana. E kāinoa no ka hō'ike mana'o waha ma ke pākaukau ho'okipa ma ka lumi hālāwai. E kāinoa no ka hō'ike mana'o waha ma o ka Zoom ma o ke pihi "Q&A."

Members of the public may provide written or oral testimony on agenda items. Oral testimony (in-person or via Zoom) will be limited to five minutes for each testifier per agenda item. Signup for oral testimony in-person will be at the registration table in the meeting room. Signup for oral testimony via Zoom will be accepted through the Q&A feature on Zoom.

E ho'ohui 'ia nā palapala hō'ike mana'o i hiki ma ka pū'olo hālāwai. No nā palapala hō'ike mana'o i hō'ea mai ma hope o ka pa'a o ka pū'olo hālāwai ('elua lā ma mua o ka hālāwai), e kāka'ahi 'ia nā kope i ka papa alaka'i a e mākaukau no ka 'ike 'ia e ke anaina ma ka hālāwai. E leka uila 'ia nā palapala iā Carole Hagihara-Loo ma carole@gohta.net, a i 'ole, e lawe kino 'ia i ke ke'ena.

Written testimony received ahead of the preparation of the board packet will be included in the board packet. Written testimony received after the issuance of the board packet (two business days prior to the meeting) will be distributed to the board and available for public inspection at the meeting. Email written testimony to Carole Hagihara-Loo at Carole@gohta.net or hand-deliver or mail to the Hawai'i Tourism Authority office, 1801 Kalākaua Avenue, 1st Floor, Honolulu, HI 96815.

**PAPA KUMUMANA'O
AGENDA**

1. *Ho'omaka*
Call to Order
2. *Kikolā*
Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic
3. *Wehena*
Opening Protocol
4. *Hō'ike O Nā Hālāwai 'Ae 'Ia*
Report of Permitted Interactions at Informational Meetings or Presentations Not Organized by the Board Under HRS section 92-2.5(e)
5. *Āpono Mo'olelo Hālāwai*
Approval of Meeting Minutes
 - a. **Approval of Meeting Minutes of the June 27, 2024 Regular Board Meeting**
 - b. **Approval of Meeting Minutes of the July 8, 2024 Special Board Meeting**
6. *Hō'ike A Ka Luna Ho'okele*
CEO Report
 - a. *Hō'ike Kāko'o Maui*
Update on the Maui Wildfires Recovery
 - b. *Hō'ike 'Aha'ōlelo*
Legislative Update
7. *Hō'ike A Ka Luna Ho'omalū Papa Alaka'i HTA*
Board Chair Report
8. *Hāpai A Ho'oholo I Ka Luna Ho'omalū Me Ka Hope Luna Ho'omalū*
Nomination and Election of the Board Chair and Board Vice Chair of the Hawai'i Tourism Authority
9. *Kūkākūkā No Nā Lālā O Nā Kōmike*
Discussion on the Membership of Standing Committees and Permitted Interaction Groups

10. *Kūkākūkā A Ho'oholo No Ka Ho'okumu I Kōmike Ho'okō*
Motion, Discussion and Action to Create an EXECUTIVE STANDING COMMITTEE for the Purpose of Guiding Tourism Policies and the Authority's Strategic Direction. The Committee Shall be Responsible for the Review, Evaluation, and Recommendation for the Authority's Workforce, Tourism Education, Training, and Career Counseling Programs. The Committee Shall also be Responsible for Matters Relating to Legislative and Governmental Affairs
11. *Kūkākūkā A Ho'oholo No Ka Ho'ololi I Ke Kuleana O Ke Kōmike Ho'okele A Hō'ōia*
Motion, Discussion and Action to Change the Purpose of the ADMINISTRATIVE & AUDIT STANDING COMMITTEE by Deleting the Sentence: "The Committee Shall also be Responsible for Matters Relating to Legislative and Governmental Affairs."
12. *Kūkākūkā A Ho'oholo No Ka Ho'okumu Hui Noi'i Koho Pelekikena a Luna Ho'okele*
Discussion and Action Regarding the Formation of a Permitted Interaction Group to Assist in the Selection Process for the Position of President and CEO of the Hawai'i Tourism Authority
13. *Ho'okuleana I Nā Lālā Papa Alaka'i I Nā Kōmike*
Action to Elect Board Members to Standing Committees and Permitted Interaction Group
14. *Hō'ike'ike A Kūkā No Nā 'Ike A Kūlana Mākeke O Kēia Wā I Hawai'i A Me Nā Mākeke Kipa Nui*
Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets
15. *Hō'ike A Ke Kōmike Ho'okahua Hawai'i*
Report and Update by the HO'OKAHUA HAWAI'I STANDING COMMITTEE of their Meeting Held on July 24, 2024
 - a. *Hō'ike'ike, Kūkā, a Hana no ka Palapala Hō'ike Hō'ana I Ka Papahana Mālama 'Āina Ho'okipa*
Presentation, Discussion and/or Action on the Destination Management Action Plan Evaluation Report Findings by Pacific Research and Evaluation (PRE)
 - b. *Hō'ike'ike na ka Omnitrak Group no ka Hopena Anamana'o Mana'o Mea Noho*
Presentation of DBEDT's Spring 2024 Resident Sentiment Survey by Chris Kam of Omnitrak Group

16. *Hō'ike A Ke Kōmike Mo'ohelu Kālā, 'Oihana Kālā, a me ke Kikowaena Hālāwai*
**Report and Update by the BUDGET, FINANCE, AND CONVENTION CENTER
STANDING COMMITTEE of their Meeting Held on July 16, 2024**

- a. *Kūkākūkā a Ho'oholo No Ka Mo'olelo Kālā*
**Motion, Presentation, Discussion, and Action on HTA's Financial Reports
for April and May 2024**
- b. *Hō'ike'ike, Kūkākūkā, a Ho'oholo No Ka Ho'omahele Makahiki Kālā 2024*
**Motion, Presentation, Discussion, and Action on Fiscal Year 2024 Budget
Allocations**
- c. *Kūkākūkā a Ho'oholo No Ka Mo'olelo Kikowaena Hālāwai O Hawai'i*
**Motion, Presentation, Discussion, and Action on the Hawai'i Convention
Center's April, May, and June Financial Report and Update on the Hawai'i
Convention Center's 6-Year Repair and Maintenance Plan**
- d. *Kūkākūkā a Ho'oholo No Ka Mo'ohelu Makahiki Kālā 2025*
**Motion, Presentation, Discussion, and Action on Fiscal Year 2025 Hawai'i
Tourism Authority Operating Budget**
- e. *Noi, Hō'ike'ike, Kūkā a Ki'ina Hana no nā Mo'ohelu Kālā Hana me Hokona FY25
no ke Kikowaena Hālāwai o Hawai'i*
**Motion, Discussion, and Action Regarding the Fiscal Year 2025 Hawai'i
Convention Center (HCC) Operating and Sales and Marketing Budgets**

17. *Hō'ike A Ke Kōmike Alowelo*
**Report and Update by the BRANDING STANDING COMMITTEE of their Meeting
Held on July 23, 2024**

- a. *Hō'ike'ike a Kūkā no ka 'Oihana Kāko'o Puni Honua no ka Ho'omalua Alowelo a
Hokona*
**Presentation and/or Discussion on Global Support Services for Brand
Management and Marketing**

18. *Hō'ike A Ka Hui Noi'i Hō'ulu'ulu Ho'omalua*
Report of the Governance Study Permitted Interaction Group

19. *Ho'oku'u*
Adjournment

*** *ʻAha Hoʻokō: Ua hiki i ka Papa Alakaʻi ke mālama i kekahi hālāwai kūhelu i kū i ka Hawaiʻi Revised Statutes (HRS) § 92-4. E mālama ʻia kēia hālāwai kūhelu nei ma lalo o ka § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) no ka pono o ko ka Papa Alakaʻi kūkā a hoʻoholo ʻana i nā nīnūnē a nīnau i pili i ko ka Papa Alakaʻi kuleana me ko ka Papa Alakaʻi loio. He hālāwai kūhelu kēia i ʻole paulele ʻia ka ʻikepili a i mea hoʻi e mālama kūpono ai i ko Hawaiʻi ʻano, he wahi i kipa mau ʻia e nā malihini.*

*** Executive Session: The Board may conduct an executive session closed to the public pursuant to Hawaiʻi Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to HRS § 92-5 (a) (2), § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) for the purpose of consulting with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities; to consider hiring and evaluation of officers or employees, where consideration of matters affecting privacy will be involved; and to discuss information that must be kept confidential to protect Hawaiʻi's competitive advantage as a visitor destination.

Ma lalo o ka māhele 531.5 o ka Budgetary Control Accounting Manual, Mokuʻāina ʻo Hawaiʻi, he māhele ka ʻaina awakea o ka hālāwai. E mau ana ka hālāwai ma loko nō o ka ʻai ʻana, ʻaʻole hoʻi ia he wā hoʻomalolo.

Pursuant to Section 531.5, of the Budgetary Control Accounting Manual, State of Hawaiʻi, lunch is served as an integral part of the meeting, while the meeting continues in session, and not during a break.

Inā he lawelawe a mea like paha e pono ai ke kīnānā, e hoʻokaʻaʻike aku me Carole Hagihara-Loo ma (808)-973-2289 a ma ka leka uila e like me ka wikiwiki i hiki, ʻaʻole hoʻi a ma ʻō aku o ka ʻekolu lā ma mua o ka hālāwai. Inā ʻike ʻia he noi i ka lā ma mua o ka hālāwai, e hoʻāʻo mākou e ʻimi i ka lawelawe a mea like paha, ʻaʻole naʻe hoʻi e hiki ke hoʻohiki ʻia ke kō o ua noi lā. Ua noa pū kēia hoʻolaha ma nā kino ʻokoʻa e like me ka mea pono.

If you need an auxiliary aid/service or other accommodation due to a disability, contact Carole Hagihara-Loo at (808) 973-2289 or carole@gohta.net as soon as possible, preferably no later than 3 days prior to the meeting. **Requests made as early as possible have a greater likelihood of being fulfilled.**

Upon request, this notice is available in **alternative/accessible** formats.

E like nō me ka ʻōlelo o ke Kānāwai Hawaiʻi i hoʻoholo ʻia māhele 92-32.7, ʻaʻole e mālama ana ke Keʻena Kuleana Hoʻokipa o Hawaiʻi i kekahi wahi kaʻawale no ka lehulehu a lālā papa alakaʻi e nānā a e komo ai i ka hālāwai ma ka hoʻohana i ka ʻenehana komo hālāwai, no ka mea, hiki nō i ka poʻe o ka lehulehu a lālā papa alakaʻi ke nānā a komo pū ma ka hālāwai hōʻea kino.

In accordance with HRS section 92-3.7, the Hawaiʻi Tourism Authority will not establish a remote viewing area for members of the public and board members to view and participate in meetings held using interactive conference technology (ICT) because there will be an in-person option for members of the public and board member to view and participate in the meeting.

05

- a. Approval of Minutes of the June 27, 2024
Regular Board Meeting**

- b. Approval of Minutes of the July 8, 2024
Special Board Meeting**



Ke'ena Kuleana Ho'opipa O Hawai'i
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepa'i fax 808 973 2253
hawaiiauthority.org

**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, June 27, 2024, 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:

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

MEMBER NOT PRESENT:

Sig Zane

HTA STAFF PRESENT:

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

GUESTS:

Jennifer Chun, Jeffrey Eslinger, Lei-Ann Field, Tyler Gomes, Krislyn Hashimoto, Erin Khan, Tom Mullen, Guillaume Maman, Teri Orton, Jessica Lani Rich, Cathy Ritter, Allison Schaefer, Rebecca Soon, Kanoe Takitani-Puahi, Jay Talwar

LEGAL COUNSEL:

John Cole

1. Call to Order

Chair Hannemann called the meeting to order at 9:31 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 members were in attendance except for Mr. Zane, who was excused. Members who attended via Zoom was by themselves.

3. Opening Protocol

Mr. Casson-Fisher did the opening cultural protocol.

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 of the May 30, 2024 Regular Board Meeting

Mr. McCully made a motion to approve the minutes. Mr. Arakawa seconded and pointed out a correction to be made on page 13 of the minutes, where there was a discussion about the search for the HTA President and CEO. He voted yes, but with reservations, the minutes need to reflect it.

6. Recognition of Departing Board Members

Chair Hannemann recognized that Ms. Menor-McNamara and Mr. Ching had completed their terms on the Board and thanked them for their service.

Chair Hannemann commented that, as leader of the Chamber of Commerce, no one understood the business better than Ms. Menor-McNamara, and she also understood how to achieve progress at the legislature. He expressed his appreciation for Ms. Menor-McNamara's work on the Board, particularly for her input on workforce development. Her crowning achievement had been her involvement with Hawai'i on the Hill in D.C., with another successful event recently completed. The simultaneous occurrence of FestPAC meant that the HTA Board and staff members were unable to participate as much as usual. Hawai'i on the Hill resonated well in D.C. Sen. President Kouchi was very supportive.

Chair Hannemann commented that Mr. Ching operated restaurants throughout Hawai'i and was always available whenever asked. Mr. Ching served on the Branding Committee, and his overall knowledge of Hawai'i was important and supportive of the codification of destination stewardship. During the Maui wildfire disaster, Mr. Ching had been assisted in developing a strategy. Chair Hanneman stated that even though Ms. Menor-McNamara and Mr. Ching were returning to the private sector, the HTA would remain in contact with them and hoped to continue to use their knowledge and commitment.

Chair Hannemann invited other Board members to comment and reminded the departing members that they must respond by speaking or singing.

Mr. Nāho'opi'i extended the thanks and appreciation of the HTA staff, noting that both Ms. Menor-McNamara and Mr. Ching had always been very supportive and had contributed great projects during committee meetings. Over the past eight years of their Board service, these two Board members have always provided useful feedback for staff and used their organizations and networks to help carry forward projects. Mr. Nāho'opi'i acknowledged Ms. Menor-McNamara and Mr. Ching's work in the community and the industry. Mr. Nāho'opi'i presented the departing Board members with leis from the HTA staff. He reminded them that being a Board member was just the start of their relationship with the HTA, and they would continue to be consulted.

Ms. Iona thanked Ms. Menor-McNamara for her ideas and support during COVID, allowing agriculture and restaurant employees to step forward. Ms. Menor-McNamara had encouraged businesses on Kaua'i to support the food bank, and she had engaged businesses in helping keep the community together. Mr. Ching had done so much for young people and sports through his team on Kaua'i, the initiation of the food bank, and the charity walk, in which he had partnered with the food bank. Mr. Ching's staff was excellent and provided financial support. Mr. Ching had done so much for the HTA. Having started beach volleyball for children, he had made organizations like the HTA share his concern for children and young people. Ms. Iona noted that Dir. Tokioka and Sen. President Kouchi shared their appreciation for Mr. Ching. Ms. Menor-McNamara had persuaded Sen. President Kouchi to act as honorary chair of Hawai'i on the Hill for so many years. Ms. Iona thanked Ms. Menor-McNamara and Mr. Ching for everything they had done for the community.

Referring to Chair Hannemann's comment about these members returning to the private sector, Mr. Miyasato noted that before joining the HTA Board he had thought this was the private sector, but he had quickly discovered that this was not the case. He had worked with Ms. Menor-McNamara at the Chamber of Commerce for many years, and they had become personal friends. He had not encountered Mr. Ching before serving with him on the Board, and he was impressed with Mr. Ching's commitment, dedication, and focus, which resulted in his always doing the right thing. Mr. Miyasato had come onto the Board less than nine months ago, and ten days later, he became the Chair. Seven days after that, there had been a disastrous fire,

and three months later, his 94-year-old company, Hawaiian Airlines, had been taken over. Mr. Miyasato underscored how helpful Ms. Menor-McNamara and Mr. Ching had been to him with their good intentions for the HTA. He would often look at these members during Board meetings to verify that he was doing the right thing. They had been very supportive and helped him feel he was heading in the right direction. He hoped this was not goodbye, but notwithstanding the Sunshine Law, he would be happy to host a gathering to say goodbye properly. He repeated that he had always appreciated the support of Ms. Menor-McNamara and Mr. Ching.

Mr. McCully pointed out that Board meetings were often long, drawn out, and sometimes lively, especially in Executive Sessions. He had always appreciated the qualities of Ms. Menor-McNamara and Mr. Ching. They were humble and self-confident, and their presence on the Board had been critical for leading by example.

Mr. Arakawa reminded the Board that Ms. Menor-McNamara had been his original seatmate. She had been an active member of the Branding Committee and often asked challenging questions on that committee. Her inquiries had set the tone for the HTA Branding Committee's policy of close examination of events. The Branding Committee owed her thanks because of her background in the business sector. Mr. Arakawa looked forward to working with her again in the future.

Mr. Arakawa first met Mr. Ching through family connections. During the COVID pandemic, Mr. Ching provided valuable first-hand input on what was happening to businesses and their employees. Mr. Ching's support for his statewide employees made the Board and the public aware of his concern. Mr. Ching's forward vision caused him to host leaders in the Japan tourism industry. When they experienced the hospitality of Mr. Ching's restaurants, these visitors learned the Aloha spirit. Mr. Arakawa was interviewed about workforce development with Mr. Ching, and he hoped that Mr. Ching would continue to assist in this field. Mr. Arakawa believed that the HTA would use Mr. Ching's ideas and policies in the future. Mr. Arakawa thanked Mr. Ching for his service.

Dir. Tokioka echoed Mr. McCully's comments about the confident and humble attitude of Ms. Menor-McNamara and Mr. Ching. He referred to Ms. Iona's remarks about Mr. Ching's restaurants and noted that that single program had assisted many people. Dir. Tokioka recalled visiting restaurants on Kaua'i during COVID and hearing the comments of thanking his brilliant ideas to bring people to the restaurants. Mr. Ching's company had cooperated with the Lieutenant Governor. Dir. Tokioka expected further collaboration in the future with the Department of Business, Economic Development and Tourism (DBEDT) and the Chamber of Commerce. Dir. Tokioka had been told about Mr. Ching by his management team when dealing with DIP credit. He had heard from the Red Cross, the Federal Emergency Management Administration (FEMA), and the people of Maui, especially those impacted on the west side, how Mr. Ching's restaurants had served thousands of people. Ms. Menor-McNamara and Mr.

Ching would be missed on the Board, but Dir. Tokioka believed that there would be opportunities to work together in the future.

Ms. Paishon was in agreement with the other members, and noted that relationships and connections were the superpower of Hawai'i, showing how business was done and how people cared for one another. She thanked Ms. Menor-McNamara and Mr. Ching for exemplifying that idea. Relationships allowed Board members to enter robust debates and remain on good terms. This could be seen in how Ms. Menor McNamara and Mr. Ching managed their teams and represented their organizations and businesses in the community. The Vice Chair stated that working with them and private sector and community leaders had been an honor and privilege. She thanked Ms. Menor-McNamara and Mr. Ching for maintaining decorum in the boardroom and pointed out that everyone benefited. She thanked them again and their families for lending them to the HTA Board.

Ms. Agas agreed with the previous comments about the importance of relationships. She had nothing further to add but looked forward to continuing partnerships with both departing members. She was respectful of what had been achieved at the HTA and looked forward to calling and meeting with Mr. Ching. She thanked the families of Ms. Menor-McNamara and Mr. Ching for allowing them to work with the HTA Board.

Mr. White appreciated the steadfastness, integrity, and love of community shown by Ms. Menor-McNamara and Mr. Ching. After the fire, they both provided support. As a Lahaina local, Mr. Ching was out front and center the entire time. Both Members Menor-McNamara and Ching had demonstrated their zest for life and their support for all parts of the community. Mr. White appreciated the degree of participation provided by both departing members. While they would be missed, Mr. White looked forward to seeing both of them in the future.

Chair Hannemann added that there was much anxiety among the private industry during the pandemic. Members Menor-McNamara and Ching had collaborated on the Mākaukau campaign. Mr. Ching had volunteered to provide food for Tourism Day at the Capitol, a major event supported by all industry stakeholders.

Ms. Menor-McNamara responded that she would have loved to continue on the Board. She thanked Chair Hannemann and the HTA team for their support of Hawai'i on the Hill, even though, with FestPAC going on, they had been unable to be present. This year's event had been the best ever. It had been the eighth annual Hawai'i on the Hill, and if not for the pandemic, it would have been the tenth. There had been a huge turnout, with an attendance of 2,000 at the taste event. The schedule had been expanded to include a leadership event and a welcome reception at the Mets Stadium. Ms. Menor-McNamara thanked Alaska Airlines for their support in workforce development and noted that the administrator of FEMA had addressed the delegation. The event's highlight had been that everyone had a lei, which helped them feel the Aloha spirit. Ms. Menor-McNamara noted that many participants returned every year, donating

their time, their products, and their services because they wanted to showcase Hawai'i. The HTA sponsored a Career Connect symposium to connect Hawai'i employers with mainland residents of Hawai'i heritage. Ms. Menor-McNamara was grateful for Ms. Iona's support in transporting Kaua'i goods. She thanked everyone for their support.

Ms. Menor-McNamara had been grateful for the honor of serving on the Board. She noted that the HTA Board had made substantial progress and recognized that everyone had worked hard to reach this level. When she was invited to join the Board, she was aware of its mission because she had grown up in the tourism industry. Her mother owned a small travel agency in Hilo, and Ms. Menor-McNamara understood the impact of tourism on the State. It was important to continue supporting the jobs the tourism industry provided. She stated that her time on Board had been a roller coaster ride, making the organization more resilient. She reminded incoming Board members and the HTA staff that it was important to believe in the mission and added that she would always be available to support this mission in any way possible.

Mr. Ching thanked the Board members and the HTA staff. He reminded them that when a person believed in something and just kept showing up, their work would be appreciated one day. Mr. Ching noted that he had obtained more than he gave because of everyone he had met. He had also learned about how the government worked. His friends had always commiserated with him for having to serve on the Board, but he used to advise them to come and see the great people on the Board. It had been his pleasure to serve with everyone, and he would still be available. He appreciated all the work that had been done and thanked his colleagues on the Board. He asked everyone to stand up and sing the Hawaiian Doxology.

7. CEO Report

a. Update on the Maui Wildfires Recovery

b. Legislative Update

Mr. Nāho'opi'i gave a presentation reinforced by a detailed written report submitted to Board members as part of the Board information packet.

He stated that the achievement of the one-year, two-year, and five-year goals for the agency would be based on a combination of strategic planning, provision for emergency issues, and budget direction.

For the first year up to 2025, the focus was to ensure market recovery and to develop international markets to prior levels, emphasizing attracting high-spending visitors, given that the visitor industry provided a strong economic impact and recovery for the State.

Very strong island-based systems were expected to be in place in two years' time. The legislature had made financial provisions for five island-based positions for Destination Managers responsible for Destination Management Action Plans (DMAPs).

At the five-year level, it was intended that Hawai'i would have shifted to a successful regenerative tourism model through destination stewardship and product development in the workforce. Regenerative tourism would produce fewer negative and more positive impacts, resulting in community enrichment and providing economic benefits through revenue leading to community economic development.

Mr. Nāho'opi'i gave highlights of his written report.

Reorganization and recruitment: There were several vacant positions in the HTA, and in the past, recruitment was difficult because applicants were dubious about the organization's stability. Now that base funding had been assured, there had been an increase in the number of applicants for destination managers. Hiring offers for two destination managers were to be made very soon, and these staff members would start sometime in July, one in branding and the other in the Destination Stewardship branch.

Mr. Nāho'opi'i had been asked to set up the recruitment process for Chief Brand Officer, and the first step was to create a search committee comprising two board members, three staff members, at least one industry member, and a community member. This was to be finalized next week. The search committee would first review the definitive version of the position description. Mr. Nāho'opi'i had already made a draft, which the search committee would review to ensure that it aligned with the needs of stakeholders. Candidate sourcing would begin over the next three weeks, and interviews would be scheduled before the end of July. If qualified candidates presented themselves, it was hoped that hiring would occur during August. Mr. Nāho'opi'i will give a detailed report at the next meeting of the Administrative and Audit Committee.

Governance study: The report on the governance study has been completed and will be submitted during the present meeting. Better Destinations would conduct the presentation. The Governance Permitted Interaction Group (PIG) was still in session and intended to write a final report to state their recommendations, taking into consideration the contents of the Better Destinations report.

Maui recovery: Existing Maui recovery efforts were presented at the last meeting of the Budget, Finance, and Convention Center Committee (BFCC), and all of the actions and activities identified in the original request from the Board had been executed except for two. Finding a Maui Farmers' Market venue to provide outlets for businesses affected by the wildfire proved impossible. The HTA had collaborated with the county to find a place, but it had proved impossible to make the necessary arrangements before the deadline of June 30. The second uncompleted issue was managing additional communications and outreach for residents still in visitor accommodation. In this case, finalizing a contract before the deadline proved impossible.

The remaining balance was about \$125,000, and the Board would have to decide whether to extend the deadline or to look at new needs to tap into the emergency fund. This was to be

brought up at the next meeting of the Ho'okahua Committee, which would consider whether to look at staff recommendations or to continue with the regular based budget.

The China market: During the previous Board meeting, Mr. Nāho'opi'i had been in Japan and China where he had attended the U.S. Travel Leaders' Summit. It was important for Hawai'i to have a presence in front of the Chinese government. Hawai'i was frequently mentioned as one of the key pieces in reestablishing good relations between China and the U.S. through travel and tourism. The exchange of friendship and understanding was critical to the improvement of relations. During this summit, Mr. Nāho'opi'i discussed with U.S. colleagues in Brand USA and U.S. travel to explain Hawai'i's priorities. Even though Hawai'i was a small state, its impact on international visitors, including China, was significant. Hawai'i was often forgotten because of its distance from D.C. However, Mr. Nāho'opi'i interacted with government officials and non-governmental organizations (NGOs) members during the summit. There would be further meetings during July.

Mr. Nāho'opi'i been accompanied by a large contingent from travel partners and trade shows to ITB, Shanghai, China. He had met with a number of Chinese companies, especially in the digital world, where much of the travel trade took place. Online travel agencies (OTAs) and social media markets have become more critical to the travel industry than traditional print or T.V. advertising. It was important for Hawai'i to contact these major digital companies. Mr. Nāho'opi'i noted that many Chinese businesses had close ties with the Chinese government, so it was important to continue the relationship at the government-to-government level. As a state, Hawai'i was committed to the China travel trade. Mr. Nāho'opi'i referred the Board members to his report in the information packet, which contained more details.

A memorandum of understanding (MOU) had been signed with Spring Tours. Because there was no non-stop service from China to Hawai'i, the current strategy was to promote one-stop routes passing through Japan. Spring Tours provided services to Japan from China and then collaborated with partners such as Japanese Airlines to travel from Japan to Hawai'i.

FestPAC: The cultural aspects of the Festival of Pacific Arts and Culture (FestPAC) have been delightful, but at the same time, there have been additional meetings with the business side, travel and tourism leadership, and government officials such as ministers of tourism. Meetings had also taken place with the South Pacific Community (SPC), an NGO represented in many Pacific Islands, as well as the South Pacific Tourism Organization (SPTO), to attempt to unite with other Pacific Islands to market to visitors seeking indigenous cultural tourism in the Pacific. The hope was that instead of trying to compete, Pacific destinations would work and market together to those segments of the target audience that sought similar experiences. Hawai'i hoped to become a leader in the Pacific region, which would benefit the U.S.

Destination stewardship: During the past month, two cruise ships approached very close to the shoreline and impacted naturally preserved areas. The HTA aimed to work closely with the

cruise ship industry and would continue to hold meetings with all cruise companies about sensitivity to the environment and compliance with State rules. The HTA intended to work with cruise ship companies to enable them to understand community impact and how they could work closely with the local community.

Visitor Education Post Arrival Marketing (VEPAM): The Branding committee received a report about Visitor Education Post Arrival Marketing conducted by Kilohana. This had been completed for Maui's recovery. Because of the wildfires, visitor access was changed, and the latest information was integrated into VEPAM along with new itineraries. Additional assets were to be posted on the GoHawaii.com website shortly.

The new marketing message was “The people, the place, the Hawaiian Islands,” and this material would be presented later in the present meeting.

The Japan follow-up “Mākaukau Maui” marketing campaign has been entered for the United States Tourism Association (USTA) Mercury awards for productive, high-quality activations. It was important for Hawai‘i to be seen as a globally competitive destination. Hawai‘i Tourism China had also been involved.

An evaluation of DMAP was taking place, and the contractor contacted many industry partners to quantify the success of the programs that had been conducted over the past three years. This would guide the HTA towards the next three years. The evaluation result was to be reported in the July Board meeting.

Qurator: The quality assurance program, Qurator, was launched the previous day through press releases and articles. This was a way of keeping the HTA globally competitive and ensuring its transformation towards a more regenerative tourism model. The program would ensure that curated businesses and organizations would provide high-quality experiences for visitors in all areas, including ensuring employee diversity, equity, and inclusion (DEI). More information will be provided in links on the website.

Board members were shown photographs of the previous day’s launch of Qurator. These showed the leaders of the 13 pilot businesses that joined the program initially to help evaluate and give feedback. These businesses had agreed to be part of a critical process review. The photographs also showed staff who had assisted with the design and critical criteria. A more detailed presentation will be given later in the present meeting.

Work force development program: This would provide paid internships in the visitor industry for high school students. At present, the only such program is the Hele Imua program, which provided internships for students to work in government. The HTA had provided funding to place high school students in the visitor industry and the private sector. It was important to start familiarizing students with the visitor industry early to enable them to make an informed career choice. A report on recruitment and employment of interns during the summer will be given during the July Board meeting.

Chair Hannemann invited questions from Board members.

Mr. Arakawa informed the Board that this was the first time he had heard about hiring a Chief Brand Officer. A search consultant had previously been contracted in connection with the hiring of the CEO, and he understood that the CEO was responsible for hiring the Chief Brand Officer with Board approval. Mr. Nāho'opi'i responded that Board approval was the last step in the process.

Mr. Arakawa asked who had reviewed the position description. Mr. Nāho'opi'i replied that it would be reviewed by part of the selection committee. Mr. Arakawa asked whether Board members had reviewed it yet, and Mr. Nāho'opi'i replied that this had not occurred.

Mr. Arakawa suggested that a PIG could be created from part of the Branding committee, with external people added to it who could serve as a selection committee. He pointed out that input from the Branding Committee might improve the position description.

Mr. Arakawa continued by stating that the governance study went into much detail about the method of operation of the HTA, and this was why it would be good to have a PIG to look into selection. The PIG would ensure that issues identified by the Governance Committee could be addressed. The Branding Committee would ensure that these issues were covered in the position description, resulting in the new Chief Brand Officer understanding these issues from the start. Mr. Arakawa pointed out that the Board should consider creating a PIG since there was already a committee. Mr. Nāho'opi'i responded that the Branding Committee was involved and there would be deliberations at their July meeting.

Mr. Arakawa stated that this was a late stage for the Branding Committee's involvement in this hire. The Administrative and Audit Committee could also be involved since it manages hiring. Mr. Arakawa emphasized that hiring a Chief Brand Officer was important enough to involve an existing committee and ensure that the issues raised by the Governance Committee were covered.

Mr. Miyasato was unsure whether the Administrative and Audit Committee was the appropriate area for such discussions. He had noticed that although the HTA had many rules and structures, compliance did not always take place. It was important to ensure that the HTA understand its *kuleana* and grasped the autonomy available to conduct it. Nothing in the governance study was news, it was all obvious.

Dir. Tokioka asked for clarification about an item on a slide about the hiring of the President/CEO. Chair Hannemann explained that the present discussion was about the hire of the Chief Brand Officer, and the hire of the CEO/president was to be addressed later in the agenda.

Chair Hannemann thanked Mr. Nāho'opi'i for his report.

8. Board Chair Report

Chair Hannemann gave kudos to Governor and First Lady Green for their leadership of FestPAC and congratulated Dr. Aaron Salā for his leadership of the event. Chair Hannemann thanked Mr. Ka'anā'anā and Mr. Casson-Fisher for all their time and effort, as well as Ms. Orton, who had supervised hosting two dozen island nations. At the eleven other venues, apart from the Hawai'i Convention Center (HCC), half a million people had an opportunity to witness a family reunion. The Chair also thanked Dir. Tokioka and Ms. Paishon for their participation. They, along with himself, had been asked to participate in several workshops, and he believed that the HTA's light shone brightly. There would be follow-up because it was important to invest in the goodwill that had been created. People hoped to see regular occurrences, even if not always to the same degree. The Governor hoped for follow-up from the tourism perspective, expecting to accrue additional benefits, especially for the younger generation.

The launch of Qurator was great for Hawai'i and would make it competitive with other destinations. A solid set of criteria had now been developed by more than 100 organizations, a 24-person advisory committee, and 13 organizations in the pilot phase. It was important for follow-up and follow-through to involve as many businesses as possible. Chair Hannemann thanked Mr. Gomes from Kilohana and Ms. Anderson from the HTA. He also appreciated the businesses that had participated in the pilot phase.

Chair Hannemann explained that Mr. Ka'anā'anā and Ms. Anderson were not present at the Board meeting because they were attending an important press conference at the Culinary Institute of the Pacific. They were to announce that the HTA would provide partial funding for 32 chefs to undergo a five-day intensive training course with Roy Yamaguchi, resulting in certification as a Culinary Institute of America chef. The Chair expressed his gratitude to Chef Yamaguchi and reminded the Board that this was part of workforce development, in which the Chamber of Commerce and DBEDT were also involved.

Regarding paid summer internships for high school students, Chair Hannemann noted that funds were to be provided by private industry. Ms. Anderson was collaborating with Ms. Morikawa in the LEI Climb-HI program, with additional assistance from Mr. Harris Nakamoto and Farrington High School, to provide opportunities for the interns. O'ahu and Maui had been targeted because of a lack of funding from the private sector, but it was hoped that future summers would see expansion of the program. Chair Hannemann referred to some businesses taking part in this program, such as a popular retail shop with locations on O'ahu and Maui participating in Work Wise.

Chair Hannemann informed Board members that a visit from the L.A. Clippers had been arranged early in October, during which time they would play the Golden State Warriors. The team would provide resources to renovate a basketball court and upgrade classrooms to provide a more tech-friendly atmosphere. They were to choose one out of three excellent

schools. Chair Hannemann reminded the Board that sports tourism was part of the HTA mandate.

Mr. Nāho'opi'i was working with the HTA staff to develop the agenda for a fall conference that would involve the visitor industry as a whole. They were considering mainland speakers to augment what was already being done in Hawai'i and highlight work on destination marketing and destination stewardship. This conference was to take place at the HCC and will be explained in greater detail in the near future. Tentative dates were Sept 30, Oct 1, and 2.

Chair Hannemann stated that he was conscious of the travel market's present "soft" State. The HTA built on the message, "The people, the place, the Hawaiian Islands." The dwindling numbers from summer to fall were a concern, and the Chair had asked Mr. Miyasato, the Chair of the Branding Committee, to work with Mr. Talwar at HVCB to develop a saturation strategy focusing on Hawai'i's base market, Southern California. Later in the meeting, Mr. Talwar will discuss the discussions with industry partners. It was important to be more proactive, making clear to industry partners that the HTA was concerned and intended to take action to solve the problem.

The process for hiring the President and CEO was to be reported later in the meeting by Mr. White, the Administrative and Audit Committee Chair. Chair Hannemann reminded Board members that there would be a short special meeting of the Board on July 8 to bring members of the CEO selection committee for approval by the Board.

Chair Hannemann stated that he had asked Mr. Nāho'opi'i to reinstate the meetings that formerly took place with the mayors of every county on the regular Board agenda. The visitor industry as a whole was to be invited to engage. This had been done during the pandemic, but the Maui wildfire had caused it to be neglected.

Chair Hannemann invited questions from Board members.

Dir. Tokioka recalled that two Board meetings had been held at the State Capitol. Live attendance had been low, but many people had watched the meetings live. The purpose of these meetings was to ensure that the legislature knew that the HTA was communicating directly with them. Chair Hannemann explained that the meeting with the island mayors would be on Zoom. Mr. Nāho'opi'i added that locations for the rest of the year were still being considered. Meetings at the Capitol presented logistical problems that were still being assessed. He suggested that a Board meeting should be planned on a neighboring island since many community members and industry partners wished to participate, provide testimony, or speak with Board members.

Chair Hannemann agreed it would be good to hold at least one meeting on a neighboring island, but cost might be an issue. Dir. Tokioka made a good point regarding a Board meeting at the Capitol since, even if legislators did not attend, they would be aware of the presence of the Board, and their staff would be present. This would imply that out of the twelve annual Board

meetings, one would be on a neighboring island, another at the State Capitol, and the rest in the HCC.

Mr. Nāho'opi'i recalled that meeting venues used to rotate between locations at one time. This helped to expose discussions to different audiences. Although the present meeting was at the HCC, it was open to the public, including the legislators to whom invitations are always sent out.

Dir. Tokioka agreed that it was important to ensure access to the public.

9. Presentation of the Governance Study

Chair Hannemann introduced the presentation of the results of the governance study. He explained that Ms. Paishon and Ms. Iona had been Co-chairs of the Governance Committee.

Mr. Nāho'opi'i reviewed the logistics related to the presentation. The Board would hear from Better Destinations on the results of their study of governance. This study was presented to the Board and the Governance PIG, and the PIG would eventually produce its report. Since the Board was in a public session, the PowerPoint slides would be public, and at the end of the presentation, the entire report would also be available for distribution.

Mr. Nāho'opi'i reminded Board members that questions about the presentation should be directed toward Ms. Ritter or other members of Better Destinations. Attorney Cole explained that the Sunshine Law prohibited discussion among Board members at the present time because the report on the Governance PIG was not yet complete.

Ms. Paishon thanked Mr. Nāho'opi'i and Chair Hannemann. She also thanked the Chair for providing an update on the progress being made by the HTA. She was proud of the organization's progress in the service of Hawai'i, even though members of the public were not always aware of this.

The Governance Study had been commissioned to deliver strong outcomes for the State economy, of better managing the impact of the visitor industry on residents, communities, and natural and cultural resources, and provide greater benefits for all of Hawai'i.

On behalf of herself, her Co-chair Ms. Iona, and the members of the governance PIG – Members Arakawa, McCully, and Menor-McNamara – Ms. Paishon assured the Board that the transparency, accountability, and independent nature of the Governance Study had been guaranteed, and Board members, PIG members, and the HTA staff had refrained from directing the work of the study team. Ms. Paishon stated that it was important to make this clear to benefit the public and legislature, which might be listening.

She stated that the study came at an opportune time because it built on the progress the HTA was actively making with partners, legislators, County leaders, and residents as the agency

strove for a more balanced tourism approach. She selected three areas to highlight in which concrete results and high-level recommendations were to be given.

Firstly, lumpsum funding had been reinstated so that the HTA could move into the next fiscal year with financial stability.

Secondly, talk of disbanding the HTA had ceased, and more conversations were occurring about collaboration around workforce development and summer internship initiatives.

Thirdly and very importantly, Senate Bill 2659 codified regenerative tourism in a way that incorporated native Hawaiian culture and values throughout.

Ms. Paishon reminded Board members that this did not mean the HTA was already where it wanted to be. As they heard the report, she encouraged Board members to be open-minded about focusing on challenges, gap areas, possible interventions, and solutions upon which collaboration could take place.

She noted that the present task was to delve into the report, not just to hear information but to allow enough time to absorb the information and formulate questions. Ms. Paishon asked Board members to forward their questions to Mr. Nāho'opi'i and to copy them to herself and Ms. Iona. The members of the PIG would be responsible for drawing the questions together and organizing them to have robust conversations.

Finally, Ms. Paishon thanked the members of the Governance PIG, Members Arakawa, McCully, Menor-McNamara, and Co-chair Iona, for their time, effort and commitment to the process. She then handed over the presentation to Ms. Cathy Ritter of Better Destinations.

Ms. Ritter also thanked the members of the PIG for their service, admitting that it had been a difficult project and that she appreciated the insights and steadfastness of the PIG members. She had found it moving to listen to the tributes from everyone to the departing Board members. She thanked the co-chair for the lei she had brought from Kaua'i. The spirit of Aloha had been a prominent aspect of the Governance Study, and that was why the report was entitled "Governance with Aloha."

Ms. Ritter noted that the study had been initiated almost five months ago. The eleven recommendations to be shared during the present meeting resulted from the condensation of 69 in-depth interviews, two rounds of workshops, a state-wide survey providing more than 700 results, and many conversations.

Ms. Ritter introduced her fellow team members: Ms. Elke Dens and Mr. Cuypers from Place Generation joined the meeting remotely from Belgium, Ms. Denise Miller was not able to join the meeting today, Mr. Jason Economou from Ms. Karey Kapoi's team was a private attorney on Maui, and Ms. Kapoi herself was also in attendance.

Ms. Ritter reminded everyone that this study had been undertaken under unusual circumstances. Both the HTA Board and the HTA staff had publicly refrained from directing this work with the intention that the ultimate findings and recommendations would be credible and reflective of stakeholder perspectives across Hawai'i.

Ms. Ritter outlined the agenda of her presentation:

1. The Hawai'i challenge – the reason why this study was important and the case for transformation
2. Recommendations for governance structure
3. Recommendations for oversight in the future involving destination stewardship councils both at the State and Island level
4. Proposed organizational structure
5. The path ahead

The request for proposal (RFP) that had been shared the previous fall outlined nine actions for the study's scope of work. The last of these nine actions was determining if an alternative system was necessary. The study had answered that question in the affirmative, based on everything that had been heard and the present position of the HTA. This was despite much progress over the past legislative session, during which the HTA had obtained the first appropriation from the legislature in three years, but HTA had also lost the last of the exemptions that had been granted when the HTA was founded in 1998. For these reasons, the dynamic needed to change.

The purpose of the Governance Study was to recommend how Hawai'i tourism could be governed to deliver solid outcomes for the State's economy, to manage its impacts on communities and natural resources, and to provide more significant benefits for Hawaii's people and places. This statement was assessed in multiple settings to ensure the study's conclusions resonated with stakeholders across the islands. In every case, the statement was endorsed.

Ms. Ritter noted that the report was named "Governance with Aloha." During the study, she gained a deep appreciation for Aloha, which was more than a greeting and a farewell. Aloha comprised deep layers of meaning and implied governing with a willingness to understand various perspectives. She had been told on Maui that grants had been distributed "with Aloha," suggesting a sense of fairness, goodwill, and an intention to create positive outcomes.

Ms. Ritter continued explaining that governing with Aloha meant governing in ways intended to create harmony and positive outcomes, to look beyond the obvious, and to seek partnership in the truest sense. The study's recommendations were intended to achieve these objectives.

She briefly overviewed the eleven recommendations, noting that alternatives and examples were often provided from other states or global destinations.

The intention was to create empowerment at the State and Island levels, empowering the HTA, the Board, and the Islands to collaborate on the development of a superior system of governance.

The study provided three options for predictable funding, noting that the lifeblood of any destination organization was a predictable source of financing that would allow long-term planning.

The study proposed statutory language. This would need further revision, but it represented a starting point.

A two-year path to transformation had been charted. This timescale was optimistic, and a long-term move would require much commitment.

The report had been prepared and delivered to the HTA, and it was accompanied by a document entitled “A situational analysis,” which included all of the extensive desktop research, as well as accounts of the benchmark case studies developed from 11 U.S. and global destinations, 69 in-depth interviews, co-creation labs, ideation sessions, and findings of stakeholders’ survey. This document would be shared on Hawaiiitourismgovernance.com.

Ms. Dens took over the presentation to speak about “The Hawai’i Challenge.”

Ms Dens thanked Ms. Ritter and greeted the Board members. She had learned from the situational analysis that HTA had been set up more than 25 years ago. The initial setup had been so successful that it had been cited as an example for other parts of the world to copy, including Belgium.

Over the years, especially over the last five years, the HTA has experienced challenges resulting from concerns about funding uncertainty. The increased funding stability was good news, but the HTA had also suffered from uncertainty in focus. Focus was very important for long-term planning and was essential for proper long-term destination management. The ability to adapt was also important, especially when crises occurred. Since COVID, there has been much more competition between destinations than before, and this meant that the ability to adapt was essential to tap into the changing visitor and industry landscape. Every destination wanted to recover quickly, but this put pressure on some destinations.

Ms. Dens pointed out that Hawai’i had an attribute that was not open to competition: the unique Hawaiian culture. However, the culture had to be protected, and tourism was needed to avoid negative impacts on the environment, water resources, and waste management. On the social side, tourism caused further questions around equity, along with the question of where all the money went.

Safeguarding the value of tourism was a big challenge because, at present, tourism is often the scapegoat for everything that went wrong on the islands. Ms. Dens pointed out that the challenge of addressing the negative attitudes of residents undermined Hawaii's appeal as a travel destination. This was a huge challenge for the destination, not the organization. In the opinion of the study team, this should be a priority or a focus of the HTA during the next five years, and this major challenge could not be successfully redressed with minor fixes.

Ms. Ritter took over from Ms. Dens and thanked her for her presentation. Ms. Ritter stated that the first recommendation was to restructure the HTA as a destination stewardship organization (DSO). This was an emerging concept across the globe. The Travel Foundation, to which she and Ms. Dens were affiliated, had identified the public sector, private sector, and community benefits of a destination stewardship organization. This was explained in detail in the report.

This recommendation also reflected most of the discussions during the co-creation labs, some of which had been attended by Board members. The report contained a schematic entitled Scenario 2, which was presented during the co-creation labs. This represented the present position of the HTA as a destination management organization. In this schematic, the State was at the center of collaborative lines coming from interests of the HTA, such as the islands, the community, the environment, and the private sector, with wider lines returning from the State to these entities. This meant that the present model was a top-down approach.

Ms. Ritter pointed out that the dynamic changed with destination stewardship represented by Scenario 3. In this schematic, the arrows were of equal size in both directions. The same interests were represented, showing the State working with the environment, the islands, the community, and the private sector, but a spirit of collaboration imbued this model. This was the recommendation for Hawai'i because the study team believed that creating Hawai'i tourism governance as a strong collaboration across the island would be the antidote to the present pushback against tourism. People who perceived themselves as being shut out of the tourism economy with no voice in it would tend to feel unsettled and unhappy, with little appreciation for the main economic driver of the State.

Ms. Ritter suggested that by becoming a destination stewardship organization (DSO), the HTA could be relaunched as an exemplary State agency aligned with the priorities expressed by stakeholders and legislative overseers.

At the ideation session, the team asked the Board whether it was more important to be a model State agency or a model global agency. The Board explained that their priority was to be a model State agency and that destination stewardship would accomplish that aim.

Ms. Ritter pointed out that this change in focus was highly consistent with the direction of HB3364, a bill that had been filed five days before the Governance Study was launched. This convinced the study team that they were moving in parallel with the track of the legislators

responding to the same factors they were hearing as they engaged with residents across the islands.

The idea that the legislature breathed into the bill was for the HTA to grow the visitor economy as long as it followed destination management practices and integrated regenerative tourism into its strategy. A destination stewardship organization would execute this on a larger level.

Ms. Ritter pointed out that although Board members had said that being a global leader was not important, moving toward the direction of destination stewardship would position Hawai'i and restore it to being a recognized global leader. The HTA would become the first U.S. state agency to integrate collaborative practices of destination stewardship into every aspect of its mission, including brand development.

The "Governance with Aloha" definition of a DSO was a concept under discussion around the globe, and several different definitions emerged. The team recommended a strong definition of an organization committed to community-first. The regenerative mindset would deliver a healthy tourism economy, address local priorities, and improve Hawai'i's unique assets through ongoing collaboration.

Ms. Ritter reminded Board members that destination stewardship was not primarily about mitigating impacts, even though mitigation did occur. The focus of destination stewardship would shift to improvement, which was the regenerative model. Success was to be measured against a range of considerations, extending beyond the widely accepted economic measures to include social, cultural, and environmental improvements to deliver net positive results from tourism. The same type of language was also used in SB3364, so the attitude was consistent with the direction of this legislation scheduled to take effect on July 1.

Ms. Ritter laid out options for the organization of the HTA as a new destination stewardship organization, recommending a bold move for the reorganization of the DSO either as a non-profit organization or as a cabinet-level entity, which would place the DSO at the highest level of government in Hawai'i. This was appropriate because tourism was the strongest economic driver in the State, rivaled only by U.S. military spending. In 2023, tourism had brought in \$21 billion in cash. However, at present, the State's most prominent industry appears to have been deprioritized by the State government.

Ms. Ritter noted that the three best-funded state-level tourism enterprises in the U.S. were all non-profit organizations. Visit California, Visit Florida, and Discover Puerto Rico were the undisputed tourism leaders in their area. With wide industry and population support, any of these could be a good model for Hawai'i.

The key to the success of this form of governance would be to establish a new role within the Governor's office to coordinate stewardship efforts across State agencies. One of the issues that the HTA encountered with the DMAPs was that most of these solutions required collaboration across the State government. The HTA could not convene discussions at State

level, resulting in solutions falling short because the HTA could not get other agencies to focus on actions to be executed on the various islands.

Ms. Ritter suggested a possible solution would be a variant of the tourism liaison in former Governor Linda Lingle's office. Stewardship issues not only affected tourism but cut across the whole of Hawai'i. There was an interest in focusing on the impacts of tourism on land, climate, and culture by making it a priority of the Governor's office. By bringing together all state agencies with a role in addressing this, Hawai'i could make strides on all fronts and inspire collaboration across state agencies.

Ms Ritter proposed three funding options relating to tourism revenue. Each of these was viable and built from the FY2024 baseline of \$60 million since this was the last year from which contributions of transient accommodations tax (TAT) to the budget were available. Currently, only 7% of TAT supports the HTA budget at the state level. The study team suggested that using TAT revenues could provide a growing source of revenue for the new DSO during future years. This would enable the DSO to solve more issues and create increased enhancements from tourism. The team proposed that funding for the non-profit would come from the Governor's budget under the jurisdiction of the new stewardship liaison.

This proposal would create a much-needed policy in light of the finding mentioned by Ms. Dens, which is that most Hawai'i residents saw little value in tourism. A major reason for this was the lack of transparency concerning the use of the TAT revenue. Ms. Ritter pointed out that many administrations, especially in Nevada, identified specific ways tourism revenues enhanced the quality of life in their State. In Florida, every resident knew that tourism revenue was why there was no income tax. Demonstrating the benefits of tourism for residents was a way to break down barriers. The economy's viability was at risk as long as residents did not understand the value of tourism. It was natural for them to push back when they only saw impacts, not benefits.

The team had provided statutory language to move these ideas forward. They recommended that the legislature enact a statute to give the DSO with independence, flexibility, and long-term stability.

Ms. Dens took over to give information about the oversight structure. She stated that the study team recommended that the scope of the oversight body, now known as the Board, be broadened. This would be done in multiple ways. Firstly, instead of focusing on a single organization's strategy and internal operations, oversight should focus on the strategy of an entire tourism system. This was important to satisfy the expectation that problems would be solved statewide and not only in one organization. The Board and the Stewardship Council should have that focus. This would need guidance in strategy and policymaking, as well as in monitoring the implementation of the strategy at both State and local levels.

Ms. Dens pointed out that education for stewardship would be more important than ever. All council members would support policies or implementation, especially among their constituencies. They would bring in what they knew, draw employees to the table, and educate and support tourism.

Ms. Dens reminded Board members that tourism was diverse, making it important to invite different and more diverse voices to the oversight table. Discussion of negative and positive impacts required broader scope and collaboration, resulting from the inclusion of more people of different profiles from the non-profit sector and the legislature. The study team believed that lack of understanding, support, and trust from legislators could be improved by directly involving them in oversight.

The study team also believed it was important to set up horizontal collaboration by involving staff of other state agencies and departments in oversight of tourism. CEOs, directors of different departments, and the stewardship liaison mentioned by Ms. Ritter could serve as non-voting ex-officio council members.

Ms. Dens emphasized the importance of including people from the islands at the table, calling this vertical collaboration. She suggested that the Chairs of the local destination stewardship councils could be members of the stewardship council at the State level.

The study team proposed a mirror or local counterpart with the same representation at the island level. This was a suggestion from island councils, and the team was informed that DMAPs had succeeded. Resources should be assigned to these councils to empower them.

Ms. Dens proposed that every DSO should have a stewardship manager to provide ongoing guidance from councils at both State and local levels for local DMAPs. In the past, there had been a steering committee, but the team recommended the creation of a permanent island stewardship council dedicated to this process. Such a council could be empowered with a multi-year grant or contract for implementing locally identified priorities. This would be followed up on by the State-level stewardship council, which would represent the chairs of the island stewardship councils.

Ms. Ritter took over the presentation and commented that these proposals shifted the responsibility for implementing DMAPs from HTA to the island councils. This idea would create empowerment and responsibility at the local level and implement DMAPs per the guidelines set by the DSO. This created a system of shared responsibility integral to the destination stewardship concept.

Ms. Ritter asked Mr. Cuypers to speak about the proposed organizational structure.

Mr. Cuypers defined Stewardship. The big difference between Destination Management and Stewardship is destination co-management. The processes are different. A requirement for the

RFP is an organizational chart or recommendation. He explained the processes for a stewardship company - develop experience and communicate experiences. It starts with policy - value, and brand. Next is strategy. This needs to be enforced in stewardship. All plans should go through the same lens for long-term strategy. This includes implementation, following up, monitoring data, and bringing it together in the strategic framework.

After the strategy comes:

Developing tourism projects

Experience beneficial for visitors and residents

Markets

Business

Community

Infrastructure, investing, and reevaluating infrastructure

Capacity

Industry & Residents include listening, facilitating, telling

Adding value includes:

Financial

Social

Symbolic

Build Intellectual capital

Input is received from contributors and stakeholders.

Fred spoke about the organizational chart and governance chart.

Normally, stewardship should have a circular organization chart because it is a good way to collaborate, co-create, and co-manage with everyone.

He defined a role. A role is not a job, a title, or a payment grade. Five people can do a role and vice versa.

He highlighted the roles of the President and CEO. The CEO needs to be set up for success. It should be somebody who hires people who work for the organization.

He highlighted the second role, Deputy CEO or chief strategy officer. For success, there must be alignment between everything developed and promoted. What is developed must be promoted, and vice versa. Stewardship managers should be in-house and internally aligned. The same goes for researchers. They need to work as closely with the business as possible.

Another process that needs to be enforced is information and communication. One person cannot do this alone, as many processes are involved.

He spoke about the Blue-Ribbon Commission. This is a group of experts, or exceptional people of the State appointed to investigate, study, or analyze a series of important questions raised. There are many tasks included in this. One of the tasks could be the kuleana of the organization. The whole process could take a minimum of two years. The person leading the Blue-Ribbon Commission must be unbiased, understand Hawai'i's economy, know stewardship, and be open to it.

He spoke about culture change. To wrap up the entire study in one word, would be trust. This is the motor of an organization. This is an important role for the President and CEO. Stewardship comes with a certain engagement and process. Leadership commitment inside the company, the council, and outside involve all employees and create an inclusive process. This is also about empowerment and communication flow that needs to be set up. He gave the floor to Ms. Ritter.

Ms. Ritter acknowledged Mr. Economou and thanked him for his contributions. She said she was wondering about how realistic some of the recommendations were. She opened the floor for questions.

Chair Hannemann said they must use this study well. He thanked everyone for their hard work.

Dir. Tokioka thanked Ms. Ritter and her team for all the hard work. He spoke about her reaching out to the community and Board members. He asked for a brief overview of the interviews.

Ms. Ritter said Karey Kapoi LLC developed a stakeholder list for them, and they submitted the list to the HTA for review. The interviewees included people in the room and the HTA staff. They split up the Board members and interviewed them. They interviewed several legislators and members of the tourism industry. They did follow-up interviews with several people who attended the co-creation labs and ideation sessions. They spoke to all the county's economic development directors, most county chairs or mayors, several county officials, island chapter executives, destination managers, and many of the vendors in the room. There were 69 people who touched base in a meaningful way with promises of confidentiality. The exercise was about building trust.

Dir. Tokioka asked about the involvement after this. Ms. Ritter said the contract ended on Sunday, so they have already submitted their final deliverable. Dir. Tokioka said this is a whole new HTA and asked if the discussions with the legislature spoke about the overhaul as they fund the organization, so it is important that they have input on what the HTA does. Ms. Ritter said questions were asked, and she did about 40 interviews with the legislature. She had asked

the legislature about the non-profit option, a cabinet-level option, and other options. She also asked them what they saw the role of the HTA to be and what they saw needed improvement. The legislature understood where thoughts were going, and she heard from them about funding mechanisms, exemptions, etc. She said they covered a lot of ground.

Dir. Tokioka said they need to change to achieve different results. He asked Chair Hannemann how they would implement the changes. Mr. Nāho'opi'i said all the information gets turned back to the PIG. The PIG will then make recommendations going forward. Chair Hannemann said it was always his recommendation that the PIG committee make recommendations to the Board. Mr. Nāho'opi'i said the Board can then decide on the full steps.

Ms. Iona said they implemented who would be in the ideation sessions with Ms. Ritter. There was a good group of people who could give a balanced opinion. She said Mr. Atkins and Jackie Kaina from Kaua'i and hotel managers from Maui were invited to participate in the governance study. Mr. McCully said that when he first heard about the governance study, it was originally stymied and not affected. He said everything in the report is known by them all, but what the report did was bring the information to the Board in a concise fashion. They can cope with the change, and it is their kuleana. He suggested that the PIG discuss it at length and develop a reasonable proposal. He thanked everyone for their help with the report.

Mr. Miyasato said these studies tend to slow things down in the short term and will be a long process, but they must not lose sight of what they continue to do. He said the HTA is a shining example of an organization that works. Parts of the world emulate what the HTA is doing.

Ms. Paishon acknowledged Sen. DeCoite, who was online. She asked if any of the Board members or the public had comments or questions that they sent to Mr. Nāho'opi'i. After that, it will be forwarded to the governance committee.

Mr. Arakawa agreed with Chair Hannemann and said there were no surprises in the study. He asked Ms. Ritter if they should start working on the issues now or first hire the CEO and then work on those issues. Ms. Ritter said they must consider all the recommendations and the entirety of the study and make a deliberate decision to move ahead.

Mr. Ching said this report was a pleasant surprise for him. Ms. Iona said that if the HTA is trying to build trust, they need to hear it from the people, and Ms. Ritter and her team helped them hear this. She said that, at the conference the previous year, they were told not to market, but now Mr. Cuyper has done the study and reported that they must not stop marketing. She said the Chair is leading them in the right direction. This study validated the hard work of the HTA team. Tourism is the most important entity in the State. She thanked Ms. Ritter and the team.

Ms. Ritter thanked Mr. Nāho‘opi‘i, who led with a steady hand and shared a high degree of entity around not influencing or directing the study's outcomes. She thanked Mr. Nāho‘opi‘i for doing the study with the freedom they were authorized to do.

10. Report and Update by the BRANDING STANDING COMMITTEE of their Meeting Held on June 20, 2024

a. Presentation and/or Discussion on HTUSA’s Recent Advertising and Messaging Campaigns and Marketing Maui Recovery Plan

Mr. Miyasato updated everyone on the latest information related to the Branding Standing Committee. He wanted to ensure they did not fall out of step from a conceptual perspective of what they wanted to achieve. He shared the process they are working on. Regarding the budget, the way the process should work is that they must come up with the message or value set for the brand, which drives the strategy. That strategy drives the plan. The plan drives the budget. They are working on the 2026 budget. Once the plan is locked down, they must not pivot and change without good reason. Related to that are discretionary funds or marketing opportunity funds. In any brand plan, there is the ability to pivot and have some flexibility to move things around. They are subject to program I.D.s, making it difficult to move resources around. They need to put a lot of thought into the discretionary Marketing Opportunity Fund. They have to work on their brand-building exercise. As a Board, they need to focus on the brand. He said everyone on the Board has a fiduciary, contractual, moral Pono responsibility to the institution. They all need to focus on that. Their allegiance has to be to the institution. He gave the floor to Mr. Talwar.

Mr. Talwar shared the new campaign direction. He started with the process involved. He said they were provided a lot of education, information, and perspectives. They also looked at data on how the tourism industry was doing and how the situation evolved after COVID, etc., with the Mālama Hawai‘i campaign. Things changed with the resident population and the over-tourism situation that ran through 2019 pre-COVID. The residents had both sides of the coin of COVID. They are also looking at who they are inviting back and how the HTA is inviting them back. They are working with the HTA staff, the island chapters, and the Branding Standing Committee. The hone-in was on the mindful Hawai‘i target traveler. He said they went across four islands and got still images that he showed on the screen. They also looked at the regenerative tourism model that the HTA put in as part of the brand, e.g., chefs, designers, culturalists, the lei makers, etc., to see how they can spread the benefit of tourism to the broader community. They usually shoot a short film with each ambassador; then they cut it down to the time the media will run. He showed a video.

He said people do not come to Hawai‘i based on one video. It is a process they go

through. They reach them with heart and soul; then, they look at YouTube for more content. Then, they drive them to the website to look at different options, e.g., islands, activities, etc. They started launching the videos in mid-May. The videos are running hard through the end of the month, and social media picks up. They generally stop showing the videos in August, but they will continue during August as they see a market need for it. He showed a few of the still shots. If everyone is on the same campaign and path, they can amplify what the State is doing with the private funds, and it helps push things forward in the same direction. They are working on integrating that with their messaging. He spoke about the social media posts with Meleana Estes, Kainani Kahaunaele, Chef Kyle Kawakami, and Kūhaʻo Zane.

On the travel trade side, everything they are doing is in the campaign:

They are updating the training.

There are multi-island FAM Tours scheduled throughout the year.

Wholesale, Consortia, and Industry Events were able to reach a lot more travel agents.

The marketing tools are all being updated with the campaign.

He spoke about the Cooperative Marketing program in place, working with Pleasant Hawaiian Holidays, Classic Vacations, Apple Vacations, and Delta Vacations. There has been a click-through rate of three times the industry average, so the branding is working. There is some drop-off on the offers page, so they are talking to partners to ensure that it is clear that there are values there.

He and Mr. Eslinger met with the research firms and spoke to others. They need to take the messaging out to the audience. They did the strategy beforehand with research, and now they are returning with the product. Research will gauge the emotional reaction to the messaging and how this translates into a desire to visit.

The public relations team has a state-wide virtual media blitz scheduled for September, working with the campaign, the people, and places that make Hawai'i special and promoting it in line with the campaign. They also generated coverage focused on Maui.

Ms. Field shared some generative coverage the team has secured over the past several months, focused on Maui through incremental funding. She thanked the team at Anthology for all their hard work over the past few months. She said there were a hundred million impressions and counting, but they are more focused on reaching their target audience through high-impact media, like Virtuoso Magazine, which targets luxury travel advisors, Travel & Leisure, Afar, etc. All the publications have been right on with the message that now more than ever, Maui needs visitors who tread lightly, compassionately, and support local businesses.

She mentioned other publications:

Travel Pulse

The Points Guy

Forbes with their favorite headline - "why there has never been a better time to visit Hawai'i."

Sunset Magazine

Fodor's Travel

There were two big hits for them from the New York Times, Good Morning America and AFAR. She mentioned a few broadcast segments from Minneapolis. Minnesota is a key market for Maui from the central region.

A fantastic story from CBS ran 634 times across the continent and reached 3.2M viewers.

The previous month, they met with media from the Bay Area - Travel & Leisure, AFAR, Condé Nast Traveler, and The Wall Street Journal. The good news is that Condé Nast Traveler has a major feature in their July Issue that is solely focused on Maui.

She spoke about sharing Aloha for Maui in Healdsburg at the Healdsburg Wine & Food Experience, the goal of which was to support responsible travel back to Maui. They utilize TESH for the program, particularly to support small businesses.

Ms. Field told the story of a runner who painted Pioneer Inn for Chef Lee Anne Wong.

Ms. Field said they had 15 ambassadors from Maui representing Four Seasons, the Fairmont, Maui Ocean Brewing, etc. They were all fantastic partners and appreciated the HTA for allowing them the opportunity. They ended the evening with a Magnum Party, where Guy Fieri helped raise \$75,000 for Maui Strong Fund. It was a successful weekend overall. 28 Maui brands and small businesses were featured and promoted at the event. For the past few weeks, they have been working hard. They partnered with travel expert Emily Kaufman on regional T.V. segments in top markets. There were 5-minute segments in Phoenix, Sacramento, and Las Vegas with an estimated 80,000 reach. There is a landing page for calls-to-action with Maui travel offers.

Mr. Miyasato said the campaign was fantastic and was a pivot, but it was done in an elegant, creative, subtle way. Chair Hannemann said they must find a way to get what they are doing out for everyone to see. He said there is a proactive plan at the HVCB to generate travel and tourism with the HTA.

Mr. Talwar said the brand lives better if more people understand what the HTA is funding and doing. The strategy for the market saturation is for them to maintain their role as the long-term branding agency for the State, going to the marketplace and doing it with high-level cooperation with industry partners who come in and make the sales happen. He said they look

at the data, and they look at what the source markets are. The largest market in the world for Hawai'i is Los Angeles, which is losing shares and carriers there. They are losing seats, but most importantly, they are losing the people of Los Angeles, and they need to work on market saturation there. They will develop the branding message in the L.A. market and have tent post events, travel trade, education programs, etc., to close those sales.

Mr. Arakawa asked about source markets and L.A. and suggested doing a partnership the following year with the L.A. Dodgers and bringing Shohei Ohtani to Hawai'i. Mr. Ching asked what data they were able to pull. Mr. Talwar said they get the lift data from the airlines. They can see home addresses and where people are coming from in the data that DBEDT and the HTA pull for them.

There were no further questions.

Mr. Miyasato was pleased, saying that some of the work being done mirrors some of the recommendations.

11. Presentation, Discussion and/or Action on Foundational Technical Assistance, Community Tourism Collaboratives Planning, and Visitor Education & Post Arrival Marketing Program

Mr. Gomes said they did a presentation to the Branding Standing Committee a few weeks ago. He gave an update on everything done under the VEPAM. They did a quick overview of the creative process. They spent time reviewing how they solicit feedback, allowing that into the direction and allowing their background to guide it but not overwhelm it. They wanted to ensure their cultural background did not overwhelm or overshadow the HTA's brand. Working with NexStar, they developed the KPI thermometer that he displayed. KPIs are past 76%. He showed one of the video assets from Travel808. There are five episodes in progress at the moment.

Mr. Gomes said they have done a lot of work with DLNR to ensure wildlife is respected. He spoke about a separate allocation from the Board for Maui recovery VEPAM, so he was focused specifically on the response to the wildfire. It began with a notice of closure to the public to clarify confusion around what was open and what was not. They did digital displays encouraging visitors to visit other Maui areas, all tied to QR codes with actionable items at the end. They did native advertisements, and they were placed in conspicuous places. He showed more advertisements in the airports. They are working on itineraries for GoHawaii.com for Maui. All of Moku except for Lahaina will have an itinerary attached. More VEPAM digital displays and social media have gone out. To address Mr. McCully's previous question at a past meeting, their total projected budget through December 2024 for VEPAM is \$1.3M. He gave a

breakdown. The goal is to do this for every program they present to see how it tracks against the entire year's budget of \$17M. Mr. Gomes commended Ms. Kaho'ohanohano.

The Qurator launched the previous day, and the program was live. There are 14 certified companies, which is 40% of the KPI for the year. There are three certificate levels. They look at their base score, which is how they get their certification tier. They do not reveal the scores as it is unfair to smaller entities who compete against larger entities or companies who do not work entirely in the environmental space versus others who do. It is weight-adjusted to ensure everyone is treated fairly. There is not a program like this in the rest of the world. In addition to the three-tier levels, there are six badges based on scores. Some questions apply to more than one badge, but it is just an accumulation of points. There is a safety badge for organizations that have emergency preparedness, etc. There is a culture badge for organizations that prominently display and engage in all cultures from Hawai'i. There is a community budget for organizations that invest directly in the communities and incorporate community opinions into their work. There is an environment badge for those who promote the environment. They also look at the carbon impact, etc. There is an equity badge where they ask companies if they provide fair wages, adequate leave time, etc. The sixth badge is a guest experience for organizations that invest in welcoming all the guests and leaving them with a memorable experience. There are about 300 yes or no questions. There is a random 25-question audit with the applicant after the first 300 questions to ensure they answered in line with their intention. They have them recertified every year. The pilot program had 14 companies participating. 13 of the 14 qualified in the mid or early-tier levels.

Chair Hannemann said they must get organizations to get the word out to their members and encourage them to be Qurator-certified. Mr. Gomes spoke about the development of three technical assistance programs. The total budget for the bucket is \$2.5M. The needs assessment was about \$250,000 of the \$2.5M. The first program is about \$400,000 for start-up and execution through the remainder of the year. The second program is \$280,000. The third program is \$420,000. In addition, they will be awarding \$1.2M in financial awards to community organizations or businesses that participate in technical assistance as a form of capacity building.

Ms. Rebecca Soon said a lot of work was based on a needs assessment that was done early in the year. She honed in on the technical assistance capacity-building programs from that work. She said they heard from various community organizations and for-profit organizations. Over 921 folks responded to say where they are doing regenerative work and mentioned where they need help promoting and supporting more meaningful and regenerative work, and where the HTA can partner for that. There are three programs the HTA is launching next month. She shared a few high-level details. She turned it over to Ms. Kano'e Takitani-Puahi to present the

three programs: The Foundational Technical Assistance Program, The Community Stewardship Program (housed in the Community Tourism Collaborative program), and The Regenerative Experiences.

Ms. Takitani-Puahi showed a presentation given to the Ho'okahua Standing Committee in May. It had a little more information. Mr. Ka'anā'anā said this was agendaized for the May full Board meeting, but because of that meeting, they deferred to this meeting to connect the bridge from May to now. Ms. Takitani-Puahi said they are in the program execution phase, which will commence the following Monday. The first is the Foundational Technical Assistance Program. Large-scale community meetings for non-profit businesses are needed to help them better connect with the visitor industry. They will bring a lot of information, stakeholders, and partners to let businesses and locally owned non-profit organizations connect to people within the industry. There will be eight of them, and they will go to a different island. Additionally, they will be streamed online via Zoom and on the website. Every workshop will have subject matter experts, with some people talking about successes in the industry. They will also have a resource fair where they will bring partners and stakeholders in the industry together so that people can network. This will be taken twice to Maui, twice to Hawai'i island, and once to Kaua'i, and a few will be held on O'ahu as well. On Maui, they will work on connecting with the Maui visitor industry, working with stakeholders and people doing industry work there, and ensuring they hone in on the individual communities they are going out to.

The first in the Community Tourism Collaborative they have is the Community Stewardship Program. It is tailored and focused on non-profit organizations that have already begun stewardship and people stewarding DMAP-identified hotspots throughout Hawai'i. They will join a cohort and be provided with technical assistance and capacity-building opportunities. They will be in the driver's seat, and then they will tailor the experiences to what they need. They used the visitor needs assessment to identify some categories of help that people have identified who are currently doing stewardship work. They will let each organization hone in on what they seek. Additionally, they have direct funding going out to the organizations, and they will advise them on what the money will be doing. The timeline is extremely tight regarding when the money needs to be spent, so they are honing on people currently doing stewardship work.

She spoke about the second program, which is focused on people who would like to create new regenerative experiences or are interested in hosting more regenerative experiences than they are currently operating with. This program will allow them to bring consultants and experts in different categories. The intention is to be able to provide businesses and non-profit organizations with a plan to start a new regenerative experience in 2025 and for them to be able to have market-ready products at that point. The program has additional funding to enable

people to see those regenerative activities or see the changes they are looking to make and then forecast some of the differences they can make with those funds. The timeline is also just as tight as the previous program.

Mr. Nāho'opi'i thanked everyone for getting to this point. They saw the presentation of the study and the need in the community and business community and got along the path to five years of being a change of brand, where they are a regenerative tourism destination. On the brand side, they have been working with the GMTs. Suppose the HTA can get some of the products or people at a level where they have existing products but have converted more to regenerative. In that case, the incentive is to be part of the travel trade missions and the team promoting abroad and the U.S.

Mr. Gomes said they completed the needs assessment. Mr. Ka'anā'anā said they are excited, and it has been a busy time for Kilohana. They launched Qurator the previous day and will launch the first community tourism collaboratives the following week. There is always a need for new things to feature and highlight. Ms. Paishon commended Mr. Gomes and the team for putting all this forward. She wanted confirmation that the reports would be loaded to the websites so that they would be accessible to the public. She recommended that they not lose momentum and ensure they reconnect to some conversations with Mr. Nāho'opi'i, Mr. Ka'anā'anā, and everyone else. They must capitalize on the momentum and look broader at the initiative. She said they must share the report with all the partners who helped the HTA reach this point. Chair Hannemann thanked the team for their report and presentation.

12. Report and Update by the HO'OKAHUA HAWAI'I STANDING COMMITTEE of their Meeting Held on June 26, 2024

a. Presentation, Discussion and/or Action on Destination Stewardship Strategies for Fiscal Year 2025, Fiscal Year 2026-2027

Ms. Paishon said the Ho'okahua committee met the previous day and discussed some of the strategies presented in the May Ho'okahua meeting. They also looked at the financials presented by Mr. Kishi and Mr. Choy. They will continue to look at the strategies and discuss some of the implications of the governance study. There was no further action to be taken at this time.

Mr. Ka'anā'anā asked that they vote on these. He said that in the May Ho'okahua meeting, the Committee had already adopted the recommendation to the full Board for approval of the strategies outlined for 12a.

Ms. Paishon asked Chair Hannemann to call for a vote. Ms. Paishon made a motion, and Mr.

Miyasato seconded. The motion passed unanimously.

13. Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets

Ms. Chun said they published the May visitor statistics that morning around 9 a.m. They saw a trend for continuing the slower lagging visitor arrivals compared to 2023. Expenditures are lower too.

Looking at the markets, she highlighted Japan for expenditures as that was the only market that showed an increase versus May 2023, but this is also less than half for 2019. Visitor arrivals are lagging across the markets. Total arrivals by air were down 4.8% for May compared to May 2023. Overall expenditures were down 12% compared to May 2023. There were decreases in the U.S. West and the U.S. East. The Japan recovery is still really slow. Even though visitor arrivals from Japan were 35% higher than May 2023, this is almost 60% lower than in 2019.

Looking at the islands, Kaua'i and Hawai'i were the only winners in May. There was some increase in PPPD spending, but combined with the overall volume, it was not much. For the airport throughput, all numbers except for Hilo are down compared to May 2023. The load factors are lower for 2024 for domestic flights compared to 2023. International flights are lower compared to May 2023. Occupancy overall state-wide for May is slightly down compared to 2023. Rates are lower for hotels in May, and RevPAR is also lower. Occupancy is still lower for vacation rentals but slightly higher compared to May 2023. Most of the demand is for hotels.

TAT collections are \$16.8M. It was a slow month of collections in May compared to what they collected in other months in 2024. Compared to FY2023, they are down 4.2% and \$34M. She showed the estimated county TAT collections, but this is what the counties should collect, not necessarily what they actually collected. There were more seats than in May 2023 for nonstop scheduled seats. There will be a few more seats in June, July and August.

She spoke about the six-month outlook for all markets lagging on air tickets. June was a big lag; July and August were soft, but it got slightly better during the fall. In general, all the tickets being booked are behind in numbers compared to 2019.

She spoke about the six-month outlook for the U.S. market, which is not too bad in the Fall, but still behind for the summer. Japan is also very much behind, especially in the summer, with a slight improvement in November. Canada is ahead of pace for November and gets slightly better in September and October, but Summer is not good for Canada. Korea's pace is not too bad for summer, but it is slow again in the fall. The booking window has decreased. O'ahu has

the least lag in terms of booking pace compared to the other islands, especially from August through November. Maui is off the pace compared to pre-pandemic numbers. Kaua'i is slightly better. September and Fall are not too bad for Kaua'i. Hawai'i Island is off pace through Fall and slightly better in November.

She spoke about the Hotel Forecast, which has not yet been published on the Symphony Dashboard. She gave the quarterly forecast. She highlighted the occupancy forecast. Q2 was projected to be lower for hotel occupancy state-wide. Q4 was also anticipated to be poor. She compared the hotel forecast to the actual forecast. For 2022 to 2024, the STR was low compared to RevPAR's forecast. There are many variants for occupancy. ADR forecast was almost spot on for the State. She showed the forecast for O'ahu. There was a slight pickup in Q4 in the air ticket booking charts. Q1 of 2025 is flat. Maui County is expected to have an increase in occupancy in Q3 of 2024, but she was unsure about that. They have more of a change in occupancy forecast compared to actual.

There were no questions.

14. Report and Update by the BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE of their Meeting Held on June 24, 2024

- a. Motion, Discussion and/or Action on HTA's Financial Report for April and May 2024**
- b. Motion, Discussion and/or Action on Fiscal Year 2024 Budget Allocations**
- c. Motion, Discussion and/or Action on the Hawai'i Convention Center's April and May Financial Report and Update on the Hawai'i Convention Center's 6-Year Repair and Maintenance Plan**

15. Motion, Discussion and/or Action on Fiscal Year 2025 Hawai'i Tourism Authority Operating Budget

Mr. Arakawa asked to defer items 14 and 15 as detailed presentations and review for everything from April and May had been done in the Budget Committee, and the Committee for those two months voted to recommend the poll in the presentation in detail. Secondly, the committee chairs and the staff follow the budget and stay within the line. They are at the end of the budget cycle and the beginning of another, so nothing is urgent. He said if any issues arise, they can circulate a form to help them deal with budget or contract changes. He checked this with the HTA vice president of finance, who said deferring was fine. Ms. Orton, Chair Hannemann, Mr. Nāho'opī'i, and the A.G. were also happy to defer.

16. Discussion and/or Action Regarding the Formation of a Permitted Interaction Group to Assist in the Selection Process for the Position of President and CEO of the Hawai'i Tourism Authority

Mr. White said they asked each of the Board members to share their interest in being on the selection committee for the position of the new President/CEO of the HTA. He said everyone must respond to Ms. Hagihara before the following day's end. They are having a special Board meeting on July 8 to discuss the committee's makeup further. The last selection committee was formed as a PIG with six Board members and three community members. They could do the same thing this time or opt for a different constitution for the committee. The thought was to use the PIG format if six or fewer Board members showed an interest in being on the committee. Or, if there is more interest, the Board could authorize the committee as a whole to be the selection committee, with invited members from the community to be added and included in the process. As a reference, the UH Board of Regions set up the selection committee for their new president position without any members from the Board on the committee. He was not sure if this was the right way to do. Another option is to blend that concept with what they have done in the past and be sensitive to the fact that the legislature and the Governor are the "Bank." All those options are up for discussion at the July 8 meeting. The one thought was for a nine-member committee, which is the same size as the last time, but rather than overweight with Board members, they allow one member to be appointed by the speaker of the House, one appointed by the President of the Senate, one appointed by the Governor, and one appointed by the Executive Director of UHERO which provides economic forecasting and focus, and an appointee by the director of the UH TIM school. Then, possibly having a non-voting member currently serving in the HTA administration and rounding it up with three or four Board members they feel would be appropriate.

Mr. Arakawa clarified where the three community members came from. One was from the business community, one from the Hawaiian cultural interest, and the third represented the tourism industry. Chair Hannemann said Mr. Arakawa and Ms. Paishon were members of that committee.

Dir. Tokioka thanked everyone for their hard work on the issues. His suggestion was that Mr. White lay out the proposals, and he stated that they could have a starting point where they would have to vote on July 8. Mr. White was happy to do that.

Chair Hannemann wanted to invite Ms. Paishon to collaborate on the process, too; they would bring it before the Board. He wanted to ensure everyone was present in person or on Zoom on July 8. Mr. Arakawa asked if they could also recommend what the selection process should look like. Mr. White said they would need to go through Ms. Hagihara first.

Mr. Arakawa asked if Ms. Hagihara could send something out to the Board members following her earlier email asking about interest and suggestions and to submit that to Ms. Hagihara. Mr. White said if anyone wanted to put forward committee members, they must send the suggestion to Ms. Hagihara and a resume on what they do, as each option has different scenarios for selecting community members. It will help to have additional names at their fingertips. Mr. Nāho'opi'i said the due date is July 3, the same time as the selection preference, giving enough time for July 8 preparations.

Mr. Choy asked if they would have a schedule for the date of hires for headhunters on July 8 for the CEO and vetting criteria. Chair Hannemann said he would discuss that with Mr. White and see the recommendation. Chair Hannemann said they will also have to discuss the departing of two members and the addition of two new members so they can make a quorum.

17. Adjournment

The meeting adjourned at 2:12 p.m.

Respectfully submitted,



Sheillane Reyes
Recorder



Ke'ena Kuleana Ho'opipa O Hawai'i
1801 Kalākaua Avenue
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**SPECIAL BOARD MEETING
HAWAII TOURISM AUTHORITY
Monday, July 8, 2024, at 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 SPECIAL BOARD MEETING

MS PRESENT:

Mufi Hannemann (Chair), Mahina Paishon (Vice Chair), Kimberly Agas (Zoom), David Arakawa, Stephanie Iona, James McCully, Blaine Miyasato (Zoom), Roy Pfund, James Tokioka (Ex Officio, DBEDT Director), Chris West, Mike White

M NOT PRESENT:

Sig Zane

HTA STAFF PRESENT:

Kalani Ka'anā'anā, Isaac Choy, Ilihia Gionson, Maka Casson-Fisher, Carole Hagihara-Loo

GUEST:

Kylie Butts, Erin Khan, Teri Orton, Allison Schaefers

LEGAL COUNSEL:

John Cole

1. Call to Order

Chair Hannemann called the meeting to order at 9:40 a.m.

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

Mr. Gionson did the roll call, and all Members were confirmed in attendance except for Mr. Zane, who was excused. Member who attended via Zoom was by herself.

3. Opening Protocol

Mr. Casson-Fisher did the opening protocol with the history of the Obon celebration. Chair Hannemann introduced the two new board members, Mr. Chris West and Roy Pfund. Mr. West is the president of ILWU Local 142, which started as a union representing agriculture workers and has now evolved into representing hospitality workers. Mr. Pfund is the president and CEO of Roberts Hawai'i, a local transportation company started in Kaua'i and has now grown to service the state of Hawai'i for four decades.

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 Interactions.

5. Approval of Meeting Minutes of the May 13, 2024 Special Board Meeting

Dir. Tokioka made a motion to approve the minutes. Mr. McCully seconded, and the motion passed unanimously.

6. Discussion and/or Action on the Formation of a Permitted Interaction Group to Assist in the Selection Process for the Position of President and CEO of the Hawai'i Tourism Authority

Chair Hannemann said they have been asked by the Administrative Committee Chair to forward names to those who are interested in serving on the selection committee. Secondly, if anyone has any ideas or a process to institute going forward, they must send those ideas to Ms. Hagihara. Thirdly, if there were ideas of anyone who could serve in at large capacity, they would forward those names to Ms. Hagihara.

Chair Hannemann explained some of the thoughts that came through to him. He indicated he would consult with the Administrative Audit Committee Chair, Mr. White, and vice-chair Ms. Paishon. He was only permitted to talk to one of them at a time. Rules prohibit meetings that

go beyond one person. He asked staff to prepare notes and minutes for him to review how the past two searches were done, e.g., Mr. De Fries and Mr. Tatum.

In both instances, the Chair of the HTA convened the committee and made the recommendations before the full Board on the selection process that went forward. In both instances there were six Board Members from the HTA and three at-large Members from the community. Nine each, in both instances. It went before the full Board for a vote, then to the Director of DBEDT for his final approval of salary and the recommendation that was made. No other proposal was submitted to Ms. Hagihara for an alternative process or idea to what was presented in the past. Whoever serves on the selection committee cannot be a candidate for President and CEO of the HTA. He said it is important that the PIG committee represent a wide diversity of interests, and every island or county is represented on the selection committee. He said there should be at large members from outside the Board as this was a positive factor in the past. He put the proposal on the table. He opened the floor for discussion or alternative scenarios, processes or systems. That was the purpose of the meeting. He offered the following recommendation for consideration. All but three members of the twelve members of the Board, including Mr. Zig, have put their names forward for consideration for the PIG. He was open to other suggestions.

He recommended the following members to sit on the selection committee:

Mr. White is the Administrative Audit Committee Chair, representing West Maui

Ms. Paishon's passion has been destination stewardship and destination management. She represents Hawai'i island.

Ms. Iona has a strong passion and experience in agriculture. She also represents Kaua'i and has years of experience in the hospitality industry.

Ms. Agas represents the hospitality sector and the hospitality employees, an area growing in population.

Mr. Pfund, new to the Board, has proven to be a diligent and interested individual in the tourism economy.

Chair Hannemann also recommended himself as Chair to be on the selection committee.

For the three at-large members, he recommended the following (some suggested by Board members):

Mr. Ching, who just left the Board, continues to be interested in the HTA. He is also a restaurateur and comes from the culinary side.

Mr. Mike Rompel, the franchise owner of Domino's pizza in Hawai'i, is active with the Chamber of Commerce, is active on every island, and has a reputation for always donating wherever needed.

Ms. Angela Vento from South Maui, is the general manager of the Wailea Beach Resort in South Maui. She is active in the hotel lodging association and the HVCB.

Chair Hannemann said that for a fair and comprehensive look at who will be leading the HTA, they must ensure those individuals have an opportunity to vet the eventual finalist or finalists, depending on the wishes of the Board and the PIG committee. He said it is important for the President of the Senate, the Ways and Means Chair and the Senate Tourism Chair, the Speaker of the House, the Ways and Means Chair, and the House Tourism Chair to share their views on whoever is recommended. He felt it important for the same courtesy to be extended to the Governor and the Lieutenant Governor. He said Dir. Tokioka also had to approve the person as the budget comes from DBEDT.

Chair Hannemann said he would have loved to have the entire Board on the selection committee, but having more than six would be cumbersome. He was comforted that the final vote came to the Board. He wanted to ensure they all follow the rules. Nobody on the selection committee can influence the final vote. They are rolling out the process to select a Chief Brand Officer, and Mr. Nāho'opi'i has been asked to head that. Mr. Nāho'opi'i asked two Board members to be on that committee, namely Mr. Miyasato and Ms. Agas. That committee will also include two members from the community and two staff members. They will make recommendations to Mr. Nāho'opi'i, and he will bring them before the Board before a choice is made. He opened the floor for suggestions and recommendations.

Mr. White said there were three options on how to proceed. One would be to make a committee of the whole. While it creates transparency, it also brings additional challenges, as applicant names must remain confidential. Keeping the interviewees out of the public eye will be challenging. They may be better off forming a PIG than they were in the past. The other two options were one, setting up the way it was done in the past. The other was an option where there were three members of the Board, and the remainder of the committee would be made up of someone appointed by the Senate President and someone appointed by the Speaker of the House, another appointed by the Governor, and then either the head of the TIM school or its designee, or the head of the UHERO, or its designee, and a member of the HTA staff. There are lots of options, and the PIG gives the HTA a fair amount of flexibility in bringing people in for discussion purposes. The other benefit is that anyone they bring in on the PIG could be a voting member. He was unsure if they could have outsiders as voting members. He asked Mr. Cole for clarity on that.

Mr. Cole said that for the committee as a whole, it can be called a recommendation, but it is a decision as well. People who are not on the Board should not be members, but they could always invite people for informative purposes or to hear their thoughts. People on the outside would not have a vote.

Mr. Arakawa asked what is selection process of UH Board of Regents. Mr. White said the selection committee was made of people that were not Regents. Mr. Arakawa said they could look into that. Mr. Arakawa said he would like the transparency of the twelve members. He understood confidentiality issues; the last two times, there were no issues as they all had to sign NDAs. Mr. Arakawa said that according to the last selection process, it is not a given that the Chair of the BOD would automatically be on the selection committee. Chair Hannemann said Mr. Arakawa had a chance to submit his alternative process, but the deadline was July 3, as it was an open process. He said Mr. White did a thorough job, and Mr. Arakawa was part of all the meetings. Mr. Arakawa asked why he had not received the memorandum beforehand about the PIGs. Mr. White did not see the need to pass it out as it was discussed in the meetings. Dir. Tokioka said they could still discuss this as nothing in the memorandum said it could not be discussed further. Chair Hannemann said they could still discuss it.

Mr. Arakawa said 80% of the document was discussed in a prior HTA Board meeting. Mr. McCully asked who did the executive summary minutes. Ms. Paishon agreed that the process needed to be transparent and comprised in a way with a methodology that needs to be effective. She asked if the Board would interview candidates in a public session. Mr. Cole said there are many areas for executive sessions, such as privacy interests, employment history, etc.

Ms. Paishon asked if the candidates' names would be released in the open session. Mr. Cole said they want to put the process in place so the candidates can see when they apply if they have a privacy interest. Ms. Paishon said her only concern is getting the community to participate in the HTA. She wants a model that will enable and empower the community to sit alongside the HTA.

Mr. Miyasato asked if they utilize the PIG and can call meetings on a dime without calling for an executive session. Mr. Cole said the purpose of the PIG is to permit interaction outside the Board. Mr. Miyasato said structurally that they should do this and that conversations could occur in the PIG.

Mr. McCully brought up the politics of the HTA. They are a political Board, and the reason for staggered terms is to democratize or disperse the political influence, not to remove it. The HTA is there to represent the community and their interests. Because choosing the next CEO is a highly politicized process, they need to avoid a two-year CEO. The legislature has been

criticizing the impermanence of the CEO. Mr. McCully said the Chair must recognize his position as the Chair of the Board and the CEO of the HLTA. He said it would be wise for him to be beyond reproach. It would be wise for the Chair to allow the selection committee to advance, and when the selection committee is chosen, the Board makes the final decision. The community must see this as a tourism-neutral process. The Board should consider six members for the PIG. For members outside the Board, he recommended that it be further politicized, and they should embrace that. They are reliant on the legislature for their continued existence. He said a designee of the individual subject matter chairs and one from the Governor's cabinet would be the type of individuals who understand the nature of the next CEO and the skillsets they bring to address the politicization of the HTA. Looking at the statutes, the first responsibility of the CEO is to communicate to the legislative process and the authority's interest.

Mr. McCully said the sixth committee member should be Mr. Arakawa, who was previously a member of selection committees and has the knowledge to bring institutional wisdom. He suggested that Dir. Tokioka and Chair Hannemann should not be part of the committee. He suggested the following:

Mr. Arakawa and Ms. Paishon as the experienced members

Ms. Agas and Mr. Pfund as industry members

Mr. White and Ms. Iona as general board members

Mr. Miyasato said it was not clear to him that it was political and just accepted. He said the original charter was for the community to shepherd the state's most important industry, which was their kuleana. Their loyalty needs to be to the institution. He disagreed with Mr. McCully that it is political. People do not want it to be politicized. He is not naive and said he knows it is political, but many constituents balance the responsibility. He said they must all be aware if they are changing course and acquiescing to it.

Mr. McCully said it does not require a vote. He said that is how the world works. They all received phone calls from political forces requesting them to sit on the Board. He proposed having the subject matter designee, governor designee, and preferable cabinet level share the initial selection process with the six Board members. First, they will have a contractor do it; the contractor will deliver names and reduce those names to a few individuals who will most likely come from HLTA companies. He said they must avoid having cyclical CEOs.

Dir. Tokioka mentioned a comment about the selection of the Branding person. In his professional career, it works best for whoever will be the CEO or President to make the

decision. Following up with what Mr. McCully said, with all the people on Board, he asked if any of the suggestions by Chair Hannemann for the three at-large members were on the HLTA Board. Chair Hannemann said that of the three at-large members, Mike Rompel is on the HLTA Board, not Dylan Ching and Angela Vento. Dir. Tokioka said they should discuss that consideration.

Mr. White said they are hopefully in a transitional period. He said the Board should have more authority than they usually do. He said the goal is to have a CEO selected who is a first voyager with the courage and fortitude to be on the journey for the first time. They should fix all the structural problems before choosing a CEO, as Mr. Arakawa mentioned previously. They need a CEO who can gain the confidence of the legislature, the staff, and the Board and move them in the right direction with leadership. There should be people on the PIG who have the same hopes and desires as the HTA. He said Dir. Tokioka and Chair Hannemann should not be on the selection committee as those who will be applying are those that they deal with already. Mr. Arakawa concurred with Mr. White and supported his recommendation.

Ms. Paishon appreciated when she sat with Mr. Arakawa at the previous selection committee. She asked if he would be able to be on the selection committee as a holdover member. Mr. Arakawa said he would serve if he could contribute to it and did not see any bar to that, but it was up to the Governor's office. Mr. Cole said he does not see any legal reason for him not to be on the committee. Dir. Tokioka concurred with Mr. White and said he was one of the nine members that applied to be on the selection committee, but in Chair Hannemann's interaction for the process, he was not selected for that, and he was happy to retract his name from it if two of the respected Board members recommended that.

Ms. Iona said the most important job is hiring the CEO, and she recalled a previous instance where she was involved in a similar process when they followed the correct guidelines to come up with the best candidate. She said if Dir. Tokioka was allowed to serve on the committee, and she was happy to step down as she believed it was important for him to serve.

Dir. Tokioka would respect the wishes of the Board. His understanding was that the selection would be a serial process whereby criteria would be laid out and possible candidates removed before a final conclusion would be made.

Ms. Iona was optimistic about all the names. She felt that the inclusion of Dir. Tokioka would be an advantage because of his expertise. She stated that she knew Mr. Mike Rompel well, was familiar with Ms. Angela Vento from Maui, and everyone knew Mr. Dylan Ching. All three were good people, and the Chair's recommendations were excellent. She wished the PIG could have eight members, but she realized there could only be six. Those six members were to determine the outcome recommended by the Chair. She asked whether the present meeting's vote would

be only for the selection of the selection committee or for the whole package. Ms. Iona pointed out that another option would be to allow the members of the PIG to work on the names that the Chair had provided.

Dir. Tokioka responded that the Board would select six people, and those six people would select the other three people. Ms. Iona added that this would be the beginning of the process. Although the recommendations of the Chair would be on the table, there might be other ideas. For instance, Mr. White might know someone else on Maui. Ms. Iona had someone in mind for Kaua'i. She asked whether anything would be done during the present meeting. The PIG was to carry out the selection process, after which the committee could meet to select the rest of the selection committee based on the recommendation of the Chair. The previous practice had been to select committee members who then submitted the names of their Chair and Vice Chair to the Board.

Mr. Miyasato felt that this was an elegant solution. He noted that Mr. McCully had the courage to state the importance of not creating handicaps at the outset of the process. He believed that if both Dir. Tokioka and Chair Hannemann served on the committee that would balance any perceptions. From that point on, the process would be the *kuleana* of the committee

Dir. Tokioka referred to his earlier statement that his position would depend on what the Board wanted. He appreciated Ms. Iona's offering to step down for him to be included, but his opinion was that one person should not be favored over another. Because of Chair Hannemann's position in the HTLA and because of his own position at DBEDT, Dir. Tokioka was unsure whether either of them should be on the committee. However, he respected Ms. Iona's opinion.

Mr. McCully noted that his suggestion that Dir. Tokioka should not serve on the committee because the director is the final arbiter for the appointment and the CEO's salary. Dir. Tokioka would be placed in an inappropriate position if he had been the lone vote against the CEO candidate and then had to decide on the person's salary. It was awkward for the DBEDT director to have statutory control over the authority and be a voting member of the Board, and the attorney agreed with this. Mr. McCully's opinion and advice as a farmer was that as a wise public servant, it would be better for Dir. Tokioka is not to serve on this selection committee.

Mr. Miyasato reminded the Board for clarity that although DBEDT approved the CEO's salary, it had already been set at the maximum value by the legislature.

Ms. Paishon asked Mr. Cole whether the Director of DBEDT, under his position, could request briefings so that he would be aware of the candidates and the discussions.

Mr. Cole stated that, in his opinion, this would be difficult.

Dir. Tokioka stated that he trusted both the process and the members of the Board. Chair Hannemann, Mr. White, and Mr. McCully had all suggested processes. Board members could

change one or two people here and there. Dir. Tokioka stated it was probably impossible to avoid making the selection process political, as much as Board members hoped to do so. Mr. McCully had suggested the inclusion of the Tourism Chairs from the House and the Senate, or their representatives, as well as a representative of the Governor. For instance, Senator DeCoite might select a person from Moloka'i to represent her, and the Board would have no say in that selection.

Dir. Tokioka added that the intention of the Board to provide the six members had already been stated, but including legislature representatives would mean that the legislature would have to admit that they had been included in the process. Chair Hannemann had suggested that members of the legislature could be included at the end but would not be part of the discussion and selection process. Following Mr. McCully's suggestion would send a clear message that the HTA understood that the legislature controlled the budget and that the identity of the HTA's next leader was a major priority for it. This would help to instill total confidence and trust.

Mr. Miyasato asked if Dir. Tokioka would be open to selecting members of the PIG during the present meeting. He also asked whether the PIG would select names by unanimous vote. Clearly, rules of engagement had to be specified and agreed upon by the group.

Mr. White stated that the Board shared the responsibility for developing a charter for the executive search, and the Board should determine the constituent members. The Board had already decided that a PIG with six members was the operating optimum. It was necessary to keep the search committee compact enough for effective deliberations. Recommendations for the best practices to search for the CEO of a non-profit organization (NPO) were that the committee should have less than ten members and ideally between five and eight. It was also recommended that the present CEO and Board President, as well as recently retired CEOs, should not be involved to start the process with a clean sheet of paper.

Mr. White continued by noting that the search committee only carried out a winnowing process, since probably all the applicants would be good, but the search committee would reduce a large, unwieldy mass of applications to a manageable size from which the Board could select the best candidate. That stage of the process would be transparent since Dir. Tokioka, Chair Hannemann, and Ms. Paishon would be involved; staff would be present, and the public would be watching on Zoom. The search committee's work was to reduce the number of applicants to be considered. No one would be excluded, there would be no bias, and the process would be as effective, transparent, and democratic as possible. Selection was to be done by majority vote.

Mr. Miyasato asked whether it was possible to propose the three options and take a vote.

Chair Hannemann asked whether anyone was ready to propose a motion.

Mr. Choy asked whether public testimony would be allowed for this agenda item since he wished to testify at an appropriate time.

Chair Hannemann stated that there must be a motion and then asked for a five-minute break.

Chair Hannemann called the meeting back to order after the break. Mr. White stated that there was a recommendation that could be voted on after removing the “at-large” proposals.

Chair Hannemann suggested that a vote should be taken on the first proposal to get a sense of people’s ideas.

Chair Hannemann recognized Mr. Choy, who introduced himself in his capacity and stated that he had public testimony to offer under Agenda Item #6. He said that he was aware that the CEO was very important for the administration of the HTA, but unfortunately, this Board and past Boards did not have good “batting averages” when selecting CEOs. Eight CEOs have served during the last ten years. The victims of having a CEO who was not administratively strong were the employees who had to carry out daily tasks while trying to follow the direction of the CEO. This entailed much waste of time and effort. Mr. Choy suggested that the Board consider having an employee representative on the search committee. This person could guide the discussion to determine if the candidate had a good administrative fit. After listening to the Board discussion, Mr. Choy realized that the organization had a lot of lofty goals. He admitted that his suggestion concerned the rank and file, but he stated that employees would appreciate the possibility that the Board could consider appointing an employee representative on the search committee, with either voting or non-voting status.

Chair Hannemann thanked Mr. Choy for his testimony. He would yield to Mr. Miyasato’s suggestion that the Board could now make some decisions. The Chair had suggested an idea and would elaborate on it, using it as a starting point to determine if there would be consensus. If it failed, then other alternatives could be considered.

Chair Hannemann intended to amend the three “at-large” recommendations he had made, believing it would be prudent to go forward with a six-member PIG committee with the names he had previously offered. While not intending to detract from Board members whose names had not been put forward, he was conscious that everyone brought different strengths and weaknesses, and everyone would have a vote in the process.

Chair Hannemann liked Mr. Choy’s suggestion and agreed that it would be good to include a representative from the ranks of the HTA who could provide firsthand knowledge of what had been going on. Ultimately, the HTA relied on the work of the staff. The Chair had also considered the ideas about the inclusion of elected officials. He suggested that a vote be taken to establish a PIG committee, which would then be allowed to carry out its work by winnowing through available candidates to ensure that the process would be fair, transparent, and wide open.

Chair Hannemann addressed comments that had been made about his affiliation with the Hawai’i Lodging and Tourism Association (HLTA). He pointed out that this had been well known to the Governor when Chair Hannemann had been asked to serve on the HTA Board to

represent the HLTA. The Governor knew that delicate situations might arise, but he had no problem sending Chair Hanneman's name to the legislature. Chair Hannemann himself had appeared before the Senate when the HLTA issues came up. During his confirmation, he was asked if he had any connection with the CEO/President of the HLTA, and he refused. Although the legislature knew his affiliation with the HLTA, their vote had been unanimous. Chair Hannemann accepted that he did represent the HLTA but pointed out that his actions on the HTA Board were always fair and transparent. When he became aware of situations that could present a conflict of interest, he was very careful not to cross that line. When Chair Miyasato stepped down, Chair Hannemann had not asked to be the HTA Board Chair, but had requested Chair Miyasato to find someone else to be the Board Chair. However, Chair Hannemann had been voted as Chair even though Board members knew of his affiliation with the HLTA. If he felt a conflict between his paid and voluntary positions, he would step down.

Chair Hannemann believed that if he served on the selection committee, it would be a strength, not a distraction. He had heard people, including even Board members, say that he was using his position as Board Chair to become the CEO of the HTA, but he assured Board members that he had no interest in the position but wanted only to ensure positive progress of the authority. He noted that formerly, the HTA funding had been insecure, and there had been no idea of increasing the CEO's salary, but this had now taken place.

Chair Hannemann noted that no one said Mr. Miyasato was trying to promote Hawaiian Airlines over other airlines. Everyone came to the table knowing the situation, and the Chair trusted everyone to be able to declare if there was a conflict or a possible compromise at any time. For this reason, he believed that he deserved a seat on the selection committee.

He added that the selection committee members would decide who would be its Chair, and he had never said that he would be the Chair. Chair Hannemann explained that he was doing his best to keep everything above Board and to outline the best way to proceed. Board members spent a lot of time in Board meetings and were not compensated for their time. Spending a lot of time questioning one another's motives was unnecessary. Chair Hannemann recalled that early in the discussion, he stated that the DBEDT director had the ultimate say and needed to be involved from the start. As Ms. Iona pointed out, as director, he had the right to have a briefing or understanding of what was happening. The same courtesy would be extended to the Governor or legislators, even though it was necessary to follow protocol and to keep matters confidential.

Chair Hannemann believed that it was important to take a vote. It was unnecessary to follow exactly the processes that had taken place previously because otherwise, he would not have made his own suggestions. Not all islands or sectors of the community were represented by the members he had suggested, so that was a difference. The PIG committee was to have six members, using the three "at-large" members as a starting point. The Chair continued by explaining that maybe there should be someone from Moloka'i, maybe elected officials should

be involved, maybe, as Mr. Choy had suggested, staff should be involved, but it was important to get a PIG committee to carry out the work impartially. The Chair pointed out that it might be necessary for the PIG to operate in executive-style sessions to protect candidates' identities. The Board also needs to select a head-hunting firm to help with the search.

Chair Hannemann believed the six individuals he had suggested would represent the best interests of the HTA, and was confident that they would factor in everything discussed during the present meeting. He believed that they would act to select the right person to lead the HTA for, hopefully, longer than two years and that they would incorporate findings of the governance study, as well as the expectations of the community, DMAPs, legislators, and private industry.

The Chair asked for a motion, which would be followed by discussion.

Mr. Miyasato proposed that the motion and amendments suggested by the Chair should be put to a vote. Ms. Paishon seconded the motion with the amendments suggested.

Dir. Tokioka believed it would be a great process to select the six members and allow them to select any other three members who were not Board members. He had chosen not to be on the PIG for the reasons he stated earlier. Other people had suggested that Chair Hannemann should not be on the selection committee for similar reasons. Dir. Tokioka asked whether there should be a vote.

Chair Hannemann replied that he wanted the motion to go to the vote with the suggested slate so that if there were members who did or did not want Chair Hannemann to be there, they would either accept or reject the slate and if necessary, a new motion would be made.

Mr. McCully asked for the motion to be codified. Mr. Cole said that he understood that the motion was that the original six selection committee members proposed by Chair Hannemann were Mr. White, Ms. Iona, Mr. Pfund, Ms. Paishon, Ms. Agas, and Chair Hannemann. The committee would be selected from these members, not the "at-large" members.

Mr. White pointed out that some comments had suggested that this committee select additional members to join, which would be a much different motion than simply the six suggested members. Such a motion would establish the charter for the committee, but this had not been clearly articulated.

Dir. Tokioka stated that he had no problem with five of the members who had been mentioned, but he did not feel comfortable that Chair Hannemann was to be on the selection committee, even though he was aware that eventually, all Board members would vote on the appointment of the President/CEO. He would like to propose a different motion that would not include Chair Hannemann among the six members. Dir. Tokioka asked Mr. Cole for his advice, and the attorney replied that once a motion had been proposed and seconded, it must be voted on by

the Board. Alternatively, the Chair could defer the first motion, or the person who proposed it could amend the first motion.

Mr. Miyasato said that he had made the motion to expedite the process.

Dir. Tokioka asked Mr. Cole whether a motion could be proposed on the floor on top of an existing motion. He would not vote for the slate because of his opinion that neither he nor Chair Hannemann should be on the selection committee. However, he had no problem regarding the other five members.

Mr. McCully commented on the extent of the motion, which went far beyond the slate, and he was strenuously opposed to the Board as a whole not being the determinant of the selection committee members. He believed that a subset of the Board should not determine the composition of the selection committee, and for that reason, he thought that the motion on the floor was defective because it represented an abdication of the Board's responsibilities.

Chair Hannemann stated that the PIG would recommend additional members, but the final decision would be returned to the Board in the same way as a decision was being made in the present meeting.

Mr. McCully thanked the Chair for this clarification, which had not previously been articulated. The process must be clearly defined because it is very important. He stated that he believed that during the present meeting, the Board should establish the charter for the selection committee. The Board should have spent time examining their additional responsibilities because that would have shown them the necessity for certain members to be on or off the committee. The Board should have considered the extent of their prerogatives, powers, and responsibilities.

Dir. Tokioka explained that this was the beauty of creating a PIG, as had been done for the Maui wildfire funding from the Governor. If the decision was undefined and the Board was overreaching regarding the vote, Board members could use the PIG as a guiding group. PIG members would be able to meet frequently to examine how the process had worked in the past to return to the full Board with recommendations.

Mr. Arakawa agreed with Mr. McCully that this was a messy process because if the PIG recommended the three or four outside members, then that PIG had to be terminated and another PIG formed. Mr. Arakawa explained that the virtue of PIG was that they were created for a specific purpose. Supposing that one of the duties of the PIG was to recommend three or four other members to be drawn from the public or the HTA staff, the PIG would make that recommendation to the Board, wait for one meeting, the Board would vote on it, and the PIG would be terminated after its recommendations were made. Mr. Cole confirmed this version of events. Mr. Arakawa emphasized that it was not permissible for the PIG to keep adding new duties. As Mr. McCully had said, the PIG had narrow functions, and the Board was responsible for them.

Mr. McCully added that if the Board chose to create a PIG, as apparently was to be done in the present meeting, the Board must not avoid the other parts of the process involving selecting members of the selection committee.

Chair Hannemann summarized the timeline as follows: the PIG would be formed and would meet, the PIG would make recommendations on the names of the “at large” members, the PIG would submit its recommendations to the Board, the Board would vote on the recommendations of the PIG, and then another PIG would be formed to include the newly recruited members. Chair Hannemann did not regard this either as a complicated process or as an abdication of the responsibility of the Board. He believed the process could be carried out before the end of July.

Mr. Cole explained that the formation of the subsequent PIG would have to be deferred to another Board meeting, but it was possible that the Chair could call another special meeting like the present meeting.

Ms. Agas commented that all the discussion might cause a Board member sometimes to wish they had been given a handbook before entering the Board, and it was unfortunate that no handbook was available. She took the presence of her name on a list of selection committee members seriously and wished there had been more discussion before the meeting. Mr. McCully had brought up some points that she was still learning, and she worried that the selection process was being defined as political. Ms. Agas was concerned about this perception and respectfully stated that she would vote “no” because she believed there was not enough time for discussion. She apologized to Chair Hannemann. Although she and the Chair had carried out permitted discussions one-on-one, she thought that a larger group discussion was necessary. Outside perception had an impact not only on the HTA but also on herself as a General Manager. Ms. Agas repeated that her perception of herself and how she would vote was very important to her. She was explaining this now because she was uncomfortable with the process and determined to be honest and transparent.

Dir. Tokioka asked if Chair Hannemann would entertain a process of achieving two things in one meeting, which would be the six-member slate, and then deciding between the three or four suggestions about how to select the remaining three members. Chair Hanneman, Mr. White, and Mr. McCully all had suggestions. Mr. Choy also had a suggestion with which he 100% agreed. This meant that the Board could select the slate and immediately decide to select non-Board members.

Chair Hannemann agreed that that would be possible.

Mr. White suggested that conducting the deliberations at an Administrative and Audit Committee meeting would be another option to avoid forming one PIG and then forming a second PIG including the three new members. All twelve Board members could participate in such a meeting, although only six could vote. This option would preclude forming a PIG now

and then reforming it later. This option could be considered between now and the next Board meeting.

Mr. West stated that he could not, with integrity, vote on anything due to a lack of knowledge. He took Ms. Agas's point that everything had become so confusing and convoluted that he would hesitate to vote "yes" to anything but would not want to vote "no" to something that might be good. He would be in favor Dir. Tokioka's suggestion is to postpone the decision to be able to make a better-informed and educated decision. Mr. West hoped that the delay would enable him to vote "yes" or "no" to the process presented to them.

Mr. Pfund agreed that this had been a very educational first meeting, with a lot of detail, but from the timing perspective, he could see that the Board should try to move forward and make progress on selecting a new CEO/President. Mr. Pfund felt that he now had enough background information.

Dir. Tokioka sympathized with Mr. West's comments and agreed with Ms. Agas's comment that there was no manual. It was difficult for new members to become educated because private conversations were prohibited, meaning that education took place in public meetings. Otherwise, education would be provided by a single Board member. Dir. Tokioka noted that it was difficult to get the historical viewpoints. All of this meant that Board members had a huge *kuleana* towards the HTA.

Mr. West replied that he had always tried to consider all the available information and, in good faith, made an initial decision representing a point of view. He would then be able to review the points that had been mentioned in his mind. He realized that if Mr. White had not already retired, negotiating with him would be very difficult. As Ms. Agas had stated, whether Board members liked it or not, the CEO appointment would be politicized. Mr. West embraced his naivete as a positive quality, which could lead to a decision being made for the people in general and not for a particular person. Having been away from Hawai'i for almost three weeks, he did not have enough time to consider this matter, so he signed his Board Membership form that day. He would appreciate more time to understand the weight of the decision that would be made, and he would like to make a thoughtful vote based on a *pono* decision. Mr. West stated he would be remiss if he failed to request more time to consider all the issues.

Chair Hannemann suggested that the Board take this discussion back to the Administrative and Audit Standing Committee and encouraged everyone to participate. All Board members had the right to participate in all standing committees whether they were voting committee members or not, but the only Board member who regularly participated in meetings of which he was not a member was Mr. McCully. All Board members should attend the meeting so the discussion can occur in a committee. Hearing the contributions of all the members was a great benefit.

Mr. White stated that a meeting of the Administrative and Audit Standing Committee would be scheduled before July 25.

Mr. Miyasato withdrew his motion and Ms. Paishon withdrew her second.

Chair Hannemann stated that this was the end of the present meeting of the discussion about the selection committee but pointed out that there were still many uncertainties. It was important for the two new members to be informed voters, and this was why, in deference to the new members, the Chair recommended that the discussion should continue in the Administrative and Audit Committee.

Mr. White addressed Mr. McCully's point that the Board should vote on the Membership to avoid repeating this discussion.

Mr. McCully apologized to the two new members but reminded them they were both very experienced individuals, which was why they had been appointed to the Board. He was unsure how much better educated they would be in two weeks' time on this subject matter. Every Board member had learned about the work on the job. Mr. McCully warned the new members that even in regular meetings, they would be overwhelmed by information in reports and would learn to deal with it.

Mr. McCully emphasized that this had been a special meeting held specifically to deliberate on the appointment of the CEO. The appointment of the CEO had been deferred and delayed for many months while the HTA had been operating with an interim CEO. HTA would continue to operate with an interim CEO for many more months while this process continued. Board members needed to demonstrate functionality that would inspire trust and confidence in the people who had appointed them and in the people who would read about this the next day. Mr. McCully felt it was important for something constructive to come from this meeting. He had said many times that the charter for the search committee needed to be established by this Board, and the committee needed to be constituted by this Board.

Mr. McCully reminded members that the Chair had made a proposal, discussion had taken place, and alternative proposals had been put forward. Before the Board adjourned, it should consider doing something more constructive than "kicking the can down the road" to Mr. White's Standing Committee. The Administrative and Audit Committee was to meet in two weeks, followed a few days later by the regular Board meeting at the end of July. The appointment of the CEO would be deliberated at the July Board meeting if there were time for it on the agenda, but otherwise, there would be another special meeting in August. Mr. McCully urged the Board members to consider their responsibilities to achieve a definite outcome.

Dir. Tokioka stated that he understood Mr. McCully's concern because the meeting had occupied a large part of the working day. On the other hand, listening to Mr. West's comments, he realized that only Mr. Miyasato could imagine Mr. West's feelings at being thrown in at the deep end. Dir. Tokioka believed that a bad decision could never be made due to too much information. He understood that the new Board members could speak with former Board members or go through previous minutes of Board meetings. He believed that the new

members would have time to consider all the options proposed during this meeting if another emergency meeting were to be called, although the old Board members were ready to vote right away. He agreed with Mr. McCully that the Board should select the other three members. The meeting was now in its third hour, and the two new members would have had enough time to digest the dialogue. Dir. Tokioka was unsure whether deliberations in the Administrative and Audit Standing Committee would be useful, because, although everyone had a right to contribute, only the six committee members could vote. He recommended that the Chair should schedule another special meeting like the present one during which the decision could be made.

The Chair of the Administrative and Audit Committee, Mr. White, clarified that all twelve Board members were permitted to participate in committee meetings, but only the six committee members could vote. He recommended that the opinions of Board members for or against an individual or a person to be named by a legislator could be discussed at the Board meeting during the week following the meeting of the Standing Committee.

Mr. Miyasato asked Mr. Cole whether non-members could attend meetings of the PIG in the same way they could participate in public meetings of standing committees. Mr. Cole replied that only the six members of the PIG were allowed to attend.

Mr. Arakawa asked Mr. McCully to specify the type of constructive decisions he had expected the Board to address during the meeting.

Mr. McCully replied that the Board should focus on the philosophical or technical approach and avoid the slate issue. Chair Hanneman made a motion to include community members and suggested three individuals. A proposal had also been made for *ex officio* members, that is, persons whose membership in the committee was based on their title or office. Earlier, Mr. White had proposed a committee with a minority of Board members and a majority of members from outside the Board, with the rationale that this would give the community more confidence that the CEO would be someone who looked at the big picture. This would avoid the impression of an insular Board making decisions about the new leader of the HTA. Mr. White's proposal had not been discussed during this meeting. Mr. McCully had previously suggested that *ex officio* members should come from the legislative and executive branch, and a different approach had not been discussed, even though one might have come out of a debate.

Mr. McCully pointed out that there had been no discussion about structure and framework, but the discussion had instead dwelled on slates. He agreed that it was fair to mention the roles of individuals such as the Director of DBEDT or the Chairs of legislative committees taking part in the initial selection committee. Mr. McCully stated that in his opinion, and guided by best practices, this might not be the wisest choice by the Board. He did not think that anyone should be disenfranchised, but the final vote would take care of that issue. There would not be a future CEO of the HTA who was not voted on by the eleven Board members in attendance and

whomever would be appointed to fill the empty Chair. Mr. McCully ended by mentioning the initial proposal by Mr. White that a member of the staff should be a member of the committee and that the member of staff was to be chosen by the committee, answering Mr. Choy's concern. In response to Mr. Arakawa's question, a minimum constructive result for this meeting would be for the Board to vote on the framework of the committee.

Chair Hannemann invited discussion by Board members.

Mr. Miyasato observed that the Board had almost concluded since the present discussion related not just to a slate but to the composition of the deliverable for the PIG and the selection committee. He pointed out that the discussion boiled down to whether the Chair should serve on the selection committee. He asked whether more time was needed to settle that question.

Chair Hannemann stated that he was prepared to go forward based on the pleas by Mr. West and Mr. Pfund. He felt they should be given an opportunity to grasp the issues, but he also appreciated Mr. McCully's contribution because he also felt that Board members were prepared to go forward. Major obstacles had been removed, the most important having been the will of Board members to suggest to the legislature that they wanted to vote for a President and CEO despite the problems besetting the HTA. The legislature first agreed to this suggestion and then agreed to increase the CEO's salary from \$250,000 to \$300,000. Those were the two major obstacles, and the Board was now confronting the practical problem of going forward in a fair and open process that would be resolved with the best person to head the agency. Chair Hannemann believed it was worth investing a little more time, although he still believed that the best process would be a PIG with six Board members and three or four other members to be added, noting Mr. Choy's excellent suggestion to include a staff member.

Chair Hannemann suggested that the Board should have one more meeting with Mr. White, Chair of the Administrative and Audit Committee. He encouraged everyone to attend even though only six would be entitled to vote. The Chair noted that this had never prevented Mr. McCully from participating in Branding meetings as if he were a voting member. Chair Hannemann suggested that the conclusions of the Administrative and Audit Committee would be brought up to the full Board meeting on July 25.

Ms. Paishon appreciated the logic behind the Chair's initial proposal and subsequent amendments. She continued to emphasize the importance of geographical and industry representation and gender representation. The Vice-Chair urged Board members to remember this issue during the finalization of the selection committee. She also noted that Ms. Menor-McNamara was now back with the Board, which had implications for gender equality.

Chair Hannemann pointed out that the proposed slate was 50% female, but Ms. Paishon responded that it was 4/5. The Chair explained that he had referred to the slate for the selection committee. Ms. Paishon repeated that it was not 50% female when the legislative

Members were included. Mr. McCully had assumed that she was referring to the PIG because the PIG was what the Board had under its control.

Mr. Miyasato referred to his previous comment about Chair Hannemann's not being Chair next week and explained that serving as the Chair of the Board was not a bad thing but an honor.

Chair Hannemann called for a motion to adjourn, but Mr. McCully moved, and Mr. Miyasato seconded the motion.

7. Discussion and/or Action on the Assignment of New Board Ms to Standing Committees

Chair Hannemann said three new committees will be involved here, with the departure of Ms. Menor-McNamara and Mr. Ching. He put Roy Pfund and Kimberley Agas to replace the members of the Branding Committee. Dir. Tokioka asked if Chair Hannemann had spoken to them to determine if they would like to be on the committees. Chair Hannemann said he had and would not be putting their names forward if he had not spoken to them first. Mr. McCully said that when they add members, it makes sense to recommend them to the Board. Mr. McCully reminded everyone that committees are established under Article 5 of the bylaws. The Board, at its discretion, appoints members of the committee and the chairperson of the committee. He said it makes sense that the Board Chair asks those members if they would be happy to serve on the respective committees and not appoint anyone without those members' approval. There was no further discussion. Ms. Paishon asked if Mr. Miyasato was in favor of the additional members. Chair Hannemann asked for a motion. Mr. McCully made a motion, and Mr. Miyasato seconded. The motion passed unanimously.

For the Ho'okahua Hawai'i committee, he proposed that they recommend Mr. Chris West to replace Ms. Menor-McNamara and Ms. Iona to replace Mr. Ching. Mr. West wanted more information to know if he could do a good job before he accepted the role. Ms. Paishon said the committee would focus on key areas and build on their work with DMAPs with Ms. Anderson and Mr. Ka'anā'anā so they would increase their level of conversation. The second area is workforce development and education that supports workforce development. She said there will be increasing the number of meetings to focus on those areas specifically. She will make the agenda more collaborative. Meetings are always on Zoom. Mr. McCully suggested that Mr. West sit in at the next meeting before deciding if he would like to be on the committee. Mr. West said he would like to explore that possibility. Mr. Arakawa said they amended the bylaws so that every committee has twelve members, and six are voting members. Everyone can attend all the meetings and decide if they want to be part of any other committees. Mr. Ka'anā'anā said the Ho'okahua also covers all the natural resources, Hawaiian Culture, and

community programs, including the money they dispursed to the various community organizations. Mr. West apologized for his lack of availability in the past few weeks as he was in Canada.

Ms. Agas asked if they are also replacing Mr. Zane on the Ho'okahua Hawai'i committee as well. Chair Hannemann said that they will canvass more members at their BOD meeting in July. Mr. Zane said he would step down immediately, and Chair Hannemann hoped he would have a replacement before August. Ms. Agas asked about the replacement for the Branding Committee, as Mr. Zane was also on that committee.

Chair Hannemann asked for a motion to have Ms. Iona on the Ho'okahua Hawai'i committee. Ms. Paishon made a motion, and Mr. White seconded. The motion passed unanimously.

8. Adjournment

The meeting adjourned at 12:30 p.m.

Respectfully submitted,



Sheillane Reyes
Recorder

14

Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets

HTA REGULAR BOARD MEETING

Thursday, July 25, 2024

Hō‘ike ‘Ikepili Noi‘i ‘Oihana Ho‘omāka‘ika‘i

Presentation and Discussion of Current Market Insights and Conditions in Hawai‘i and Key Major Hawai‘i Tourism Markets, including the United States, Japan, Canada, Oceania, and Cruise

Jennifer Chun

Director of Tourism Research



STATE OF HAWAII • DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM

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 - US Travel Association Dashboards
 - Portrait of American Travelers – Hawai'i Edition
 - Market Profiles
- Air Ticket Booking Trends

June 2024 Highlights – Hawai‘i Airport Throughput

Throughput by Week

State: Hawaii; Airport: All



Hawaii Airports

Throughput for the last 6 months, % change compared to 2023

	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24
All Airports	-1%	6%	-2%	-4%	-4%	-4%
Daniel K. Inouye International Airport	6%	15%	6%	3%	2%	2%
Kahului	-17%	-12%	-19%	-20%	-19%	-19%
Ellison Onizuka Kona International Airport	2%	7%	-4%	-3%	-5%	-5%
Lihue	-1%	2%	0%	-6%	-5%	-1%
Hilo International	-3%	7%	1%	7%	1%	-2%

Source: Transportation Security Administration by Tourism Economics

June 2024 Highlights - Lodging

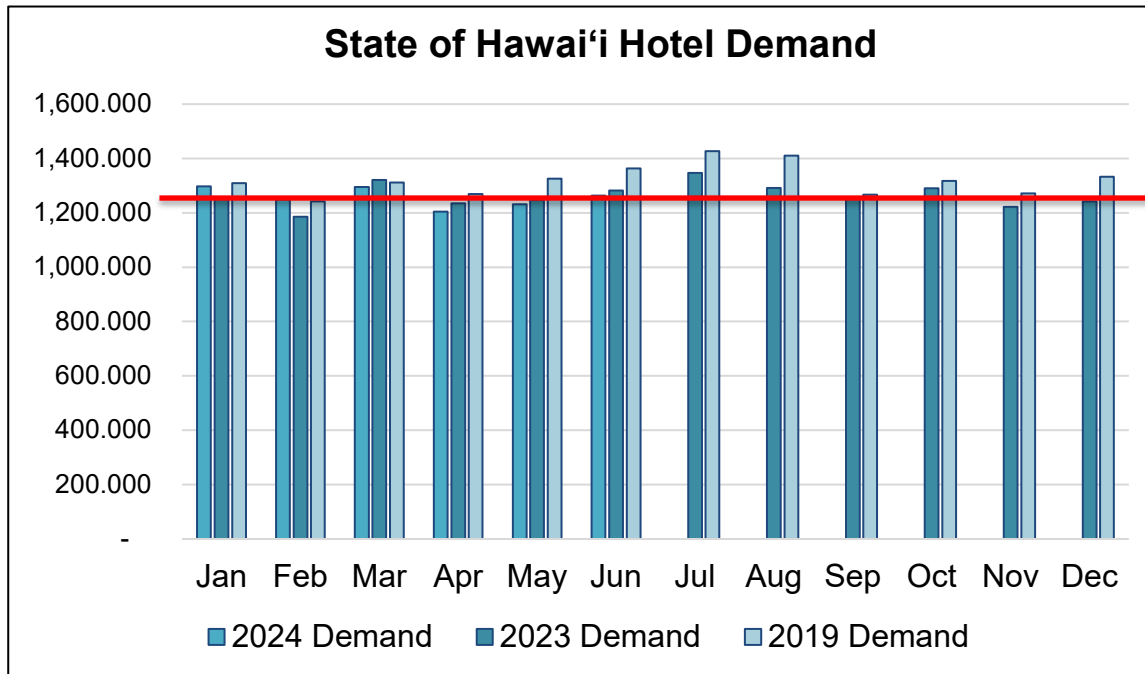
State of Hawai'i Hotel Performance

	2024	2023	2019
Occupancy	75.5%	76.7%	83.9%
ADR	\$373	\$387	\$281
RevPAR	\$281	\$297	\$235

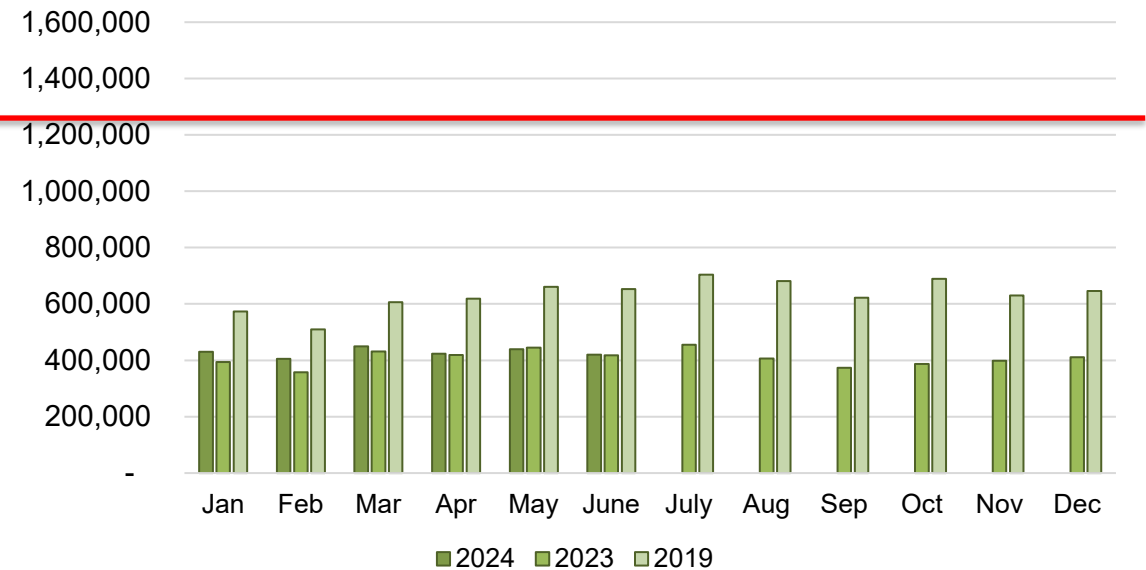
State of Hawai'i Vacation Rental Performance

	2024	2023	2019
Occupancy	51.1%	54.4%	73.7%
ADR	\$320	\$303	\$203

State of Hawai'i Hotel Demand



State of Hawai'i Vacation Rental Demand

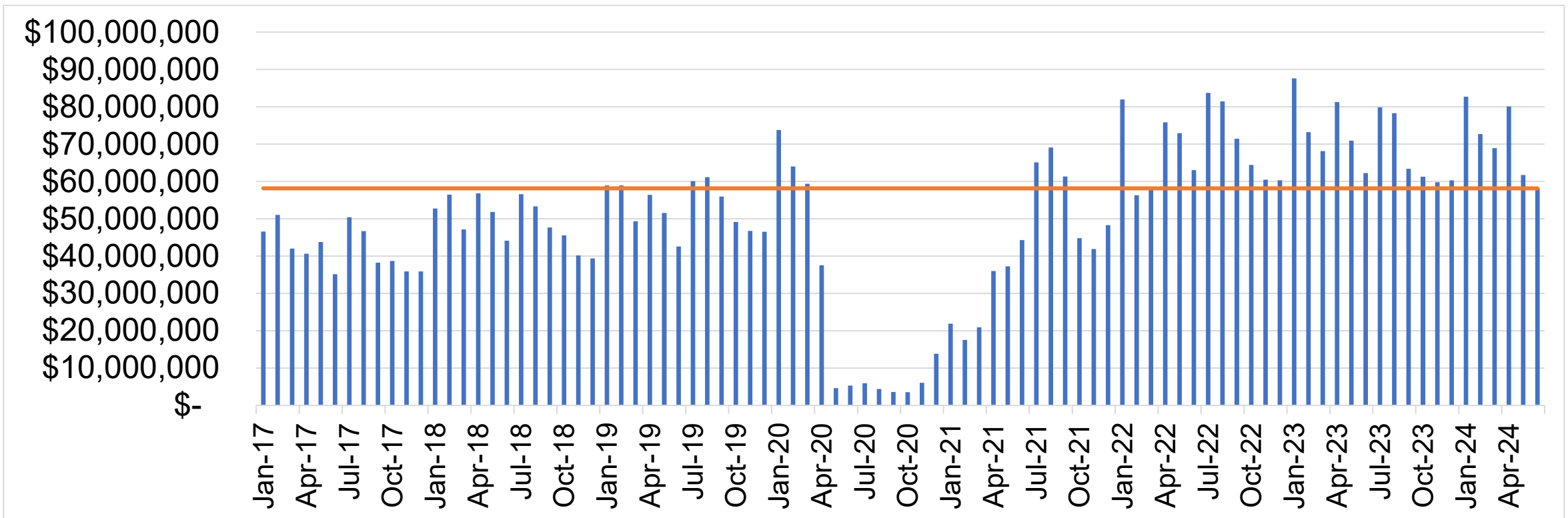


Source: STR, Inc. © Copyright 2024 Hawai'i Tourism Authority; Transparent Intelligence, Inc. © Copyright 2024 State of Hawai'i Department of Business, Economic Development & Tourism



June 2024 Highlights - State TAT Collections

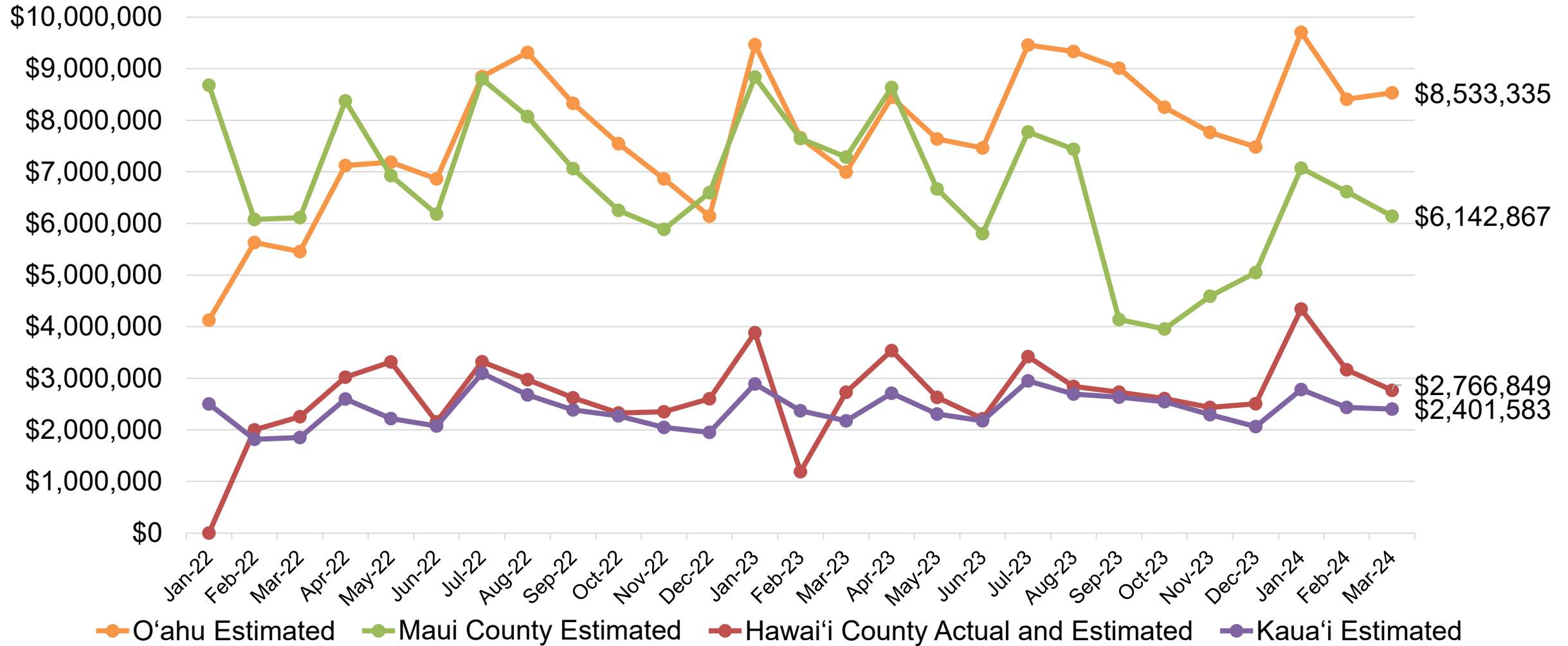
- Preliminary June 2024 TAT Collections: \$58.1 million
- Preliminary YTD Fiscal 24 TAT Collections: \$827.2 million (-4.4%)
- YTD Fiscal 23 TAT Collections: \$865.3 million (-38.1 million)



Source: Department of Taxation



Estimated County TAT Collections



Source: Department of Taxation Transient Accommodation Tax Base

Scheduled Nonstop Seats to Hawai'i by Port Entry

July	Total			Domestic			International		
	2024	2023	2019	2024	2023	2019	2024	2023	2019
STATE	1,221,524	1,171,028	1,247,347	1,011,123	986,355	945,632	210,401	184,673	301,715
HONOLULU	773,728	688,396	746,579	568,150	515,749	462,801	205,578	172,647	283,778
KAHULUI	227,095	271,578	281,408	223,267	260,945	273,254	3,828	10,633	8,154
KONA	121,484	122,276	119,878	120,489	120,883	110,095	995	1,393	9,783
HILO	0	0	5,146	0	0	5,146	0	0	0
LIHU'E	99,217	88,778	94,336	99,217	88,778	94,336	0	0	0

August	Total			Domestic			International		
	2024	2023	2019	2024	2023	2019	2024	2023	2019
STATE	1,125,963	1,128,513	1,203,531	910,951	930,086	891,415	215,012	198,427	312,116
HONOLULU	720,684	685,074	746,985	511,689	497,963	453,028	208,995	187,111	293,957
KAHULUI	204,260	235,222	257,291	200,432	226,493	248,915	3,828	8,729	8,376
KONA	112,900	119,766	108,231	110,711	117,179	98,448	2,189	2,587	9,783
HILO	0	0	4,804	0	0	4,804	0	0	0
LIHU'E	88,119	88,451	86,220	88,119	88,451	86,220	0	0	0

Source: DBEDT READ analysis based on scheduled flights from Diio Mi flight schedules as of July 22, 2024, subject to change



Scheduled Nonstop Seats to Hawai'i by Port Entry

September	Total			Domestic			International		
	2024	2023	2019	2024	2023	2019	2024	2023	2019
STATE	996,267	961,818	1,006,682	794,435	780,728	711,856	201,832	181,090	294,826
HONOLULU	646,499	628,998	660,257	448,495	452,894	382,095	198,004	176,104	278,162
KAHULUI	181,692	160,238	204,791	177,864	155,252	197,711	3,828	4,986	7,080
KONA	95,472	101,423	74,540	95,472	101,423	64,956	0	0	9,584
HILO	0	0	3,486	0	0	3,486	0	0	0
LIHU'E	72,604	71,159	63,608	72,604	71,159	63,608	0	0	0

Source: DBEDT READ analysis based on scheduled flights from Diio Mi flight schedules as of July 22, 2024, subject to change



MARKET TRENDS AND INSIGHTS

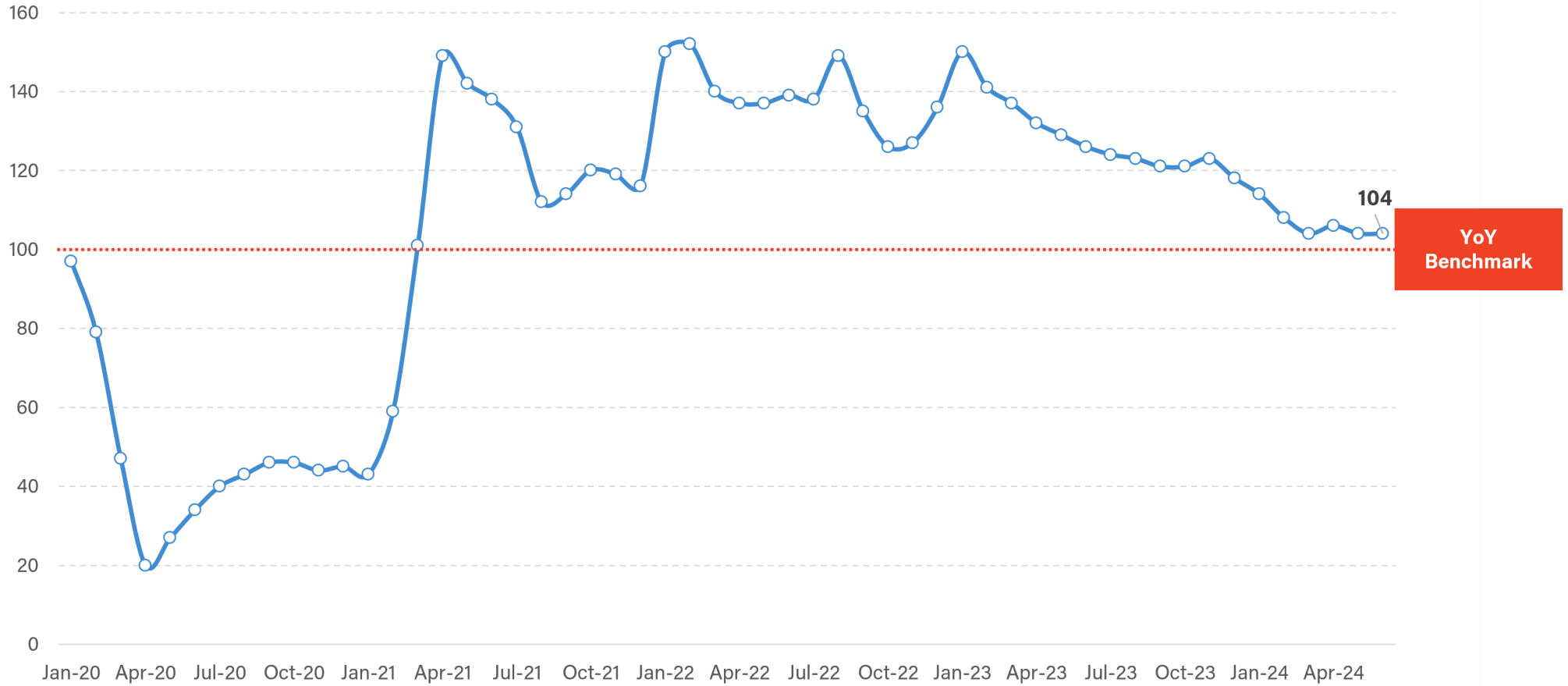


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Skift Travel Health Index = 104

Global Travel Health Index Score
Weighted Average



Source: Skift Research from partner data.

Source: Skift Research

National Travel Indicators

May, 2024

Compare to Prior Year or 2019
2019



Travel Spending*

(Tourism Economics)

\$114.7B

↗ **+13.2%**

May vs. 2019

↗ **+10.1%**

YTD vs. 2019



Air Passengers

(TSA)

↗ **+11.1%**

May vs. 2019

↗ **+10.4%**

YTD vs. 2019



Overseas Arrivals

(NTTO)

↘ **-13.5%**

May vs. 2019

↘ **-14.5%**

YTD vs. 2019



Hotel Demand

(STR)

↘ **-0.6%**

May vs. 2019

↘ **-1.0%**

YTD vs. 2019



Short-term Rental Demand

(AIRDNA)

↗ **+40.7%**

May vs. 2019

↗ **+39.2%**

YTD vs. 2019

Insights

Air passenger volume growth accelerated year-over-year to 8% in May from 5% in April.

Overseas arrivals year-over-year growth increased to 18% in May from 9% in the month prior.

Hotel room demand in May versus last year increased for a second consecutive month (+2%).

Group room demand for the top 25 markets grew 6% year-over-year compared to 11% in April.

Short-term rental demand grew at a faster pace in May relative to 2023 (+12%) compared to April (+1%).

Travel Indicators

% change relative to same month vs. 2019

Travel Spending (Tourism Economics)

Air Passengers (TSA)

Overseas Arrivals (NTTO)

Hotel Demand (STR)

Top 25 Group Hotel Demand** (STR)

Short-term Rental Demand (AIRDNA)

National Park Visits (National Park Service)

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Travel Spending (Tourism Economics)	9%	8%	6%	15%	9%	8%	11%	8%	9%	7%	13%	13%
Air Passengers (TSA)	3%	1%	-1%	5%	5%	6%	-1%	8%	14%	9%	9%	11%
Overseas Arrivals (NTTO)	-27%	-22%	-18%	-16%	-15%	-17%	-12%	-17%	-13%	-6%	-21%	-14%
Hotel Demand (STR)	-2%	-3%	-5%	1%	-2%	-3%	-1%	-1%	-1%	-3%	0%	-1%
Top 25 Group Hotel Demand** (STR)	-7%	-12%	-7%	-5%	0%	-3%	-13%	-7%	-3%	-7%	-4%	-4%
Short-term Rental Demand (AIRDNA)	43%	33%	23%	38%	57%	35%	32%	33%	55%	43%	28%	41%
National Park Visits (National Park Service)	-7%	-7%	-8%	-3%	6%	0%	5%	31%	14%	8%	-7%	-1%

-27% 57%

Compare to 2019

Insights

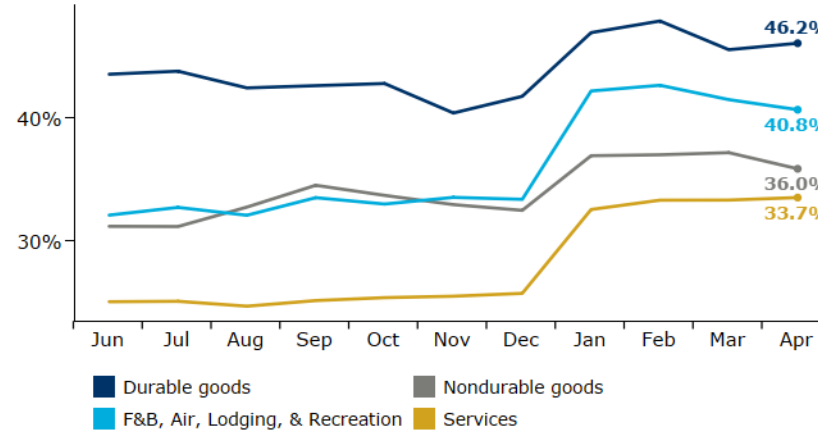
The second consecutive monthly drop in the University of Michigan consumer sentiment survey was driven by a worse outlook on personal finances. Higher prices, delayed interest rate cuts, and weakening income growth are weighing on consumers, although it is expected that recent positive inflation news will offer support in the coming months. Regardless, the resilience of consumer spending is dependent on the state of household balance sheets which remain strong for middle-and high-income households

A trifecta of May inflation readings – the CPI, PPI, and import prices – surprised to the downside, and many of the underlying details in the reports were encouraging and indicate disinflation is back on track. The supercore CPI – the CPI for core services excluding rent of shelter – fell for the first time since September 2021. On the back of this, the Federal Reserve left rates unchanged in June and marked down its forecast for the number of rate cuts this year to just one from three in March. Meanwhile, TPI year-over-year growth decelerated to 1.2% in May from 1.5% in April, driven by lower lodging price growth.

The NFIB small business optimism index improved for a second month in a row but remains well below its historical average, conveying pessimism among firms. The weak signal from the NFIB survey is largely due to the index's "soft" components, which are most susceptible to political bias. In contrast, the "hard" components, which include firms' hiring and capex plans, correlate more strongly with GDP growth and point to an economy that has cooled but not collapsed.

Consumer Spending

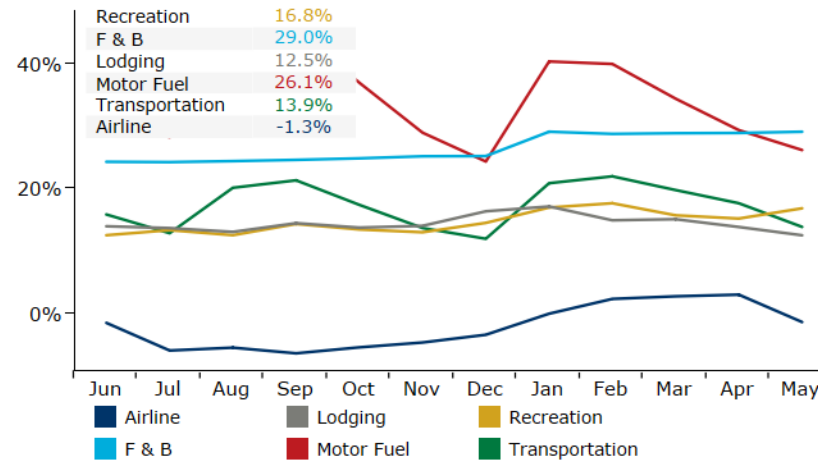
% change relative to same month vs. 2019, prior 12-month trend



Source: BEA

Travel Price Index, Major Components

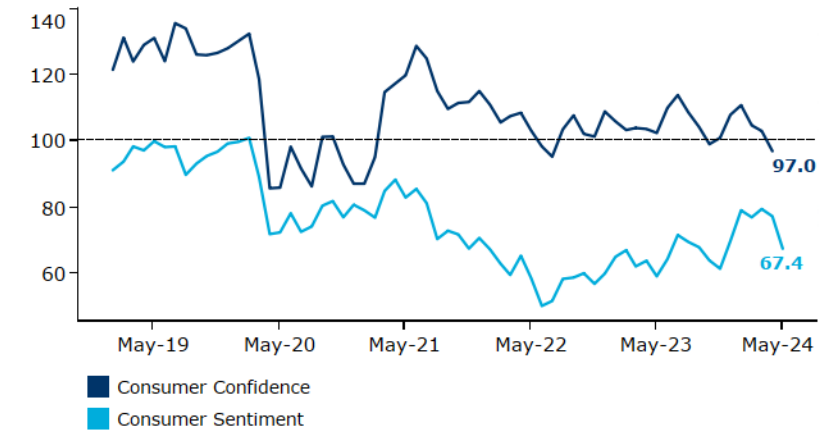
% change relative to same month vs. 2019, prior 12-month trend



Source: Tourism Economics

Consumer Confidence & Sentiment Index

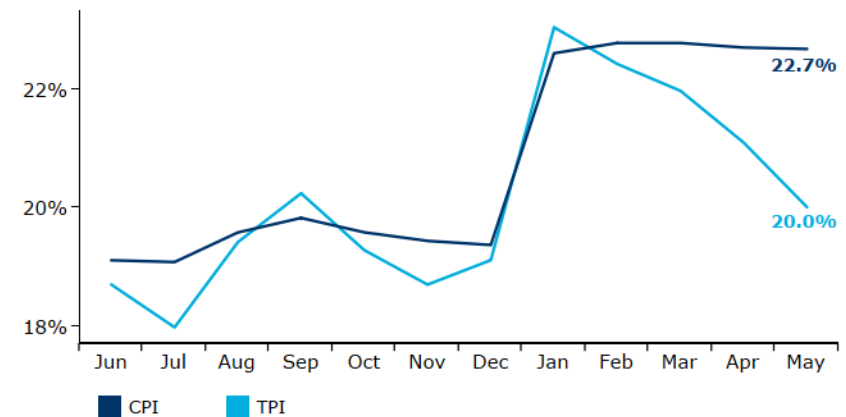
Index, 1985=100, prior 5-years



Source: Conference Board and University of Michigan

Travel (TPI) and Consumer (CPI) Price Indices

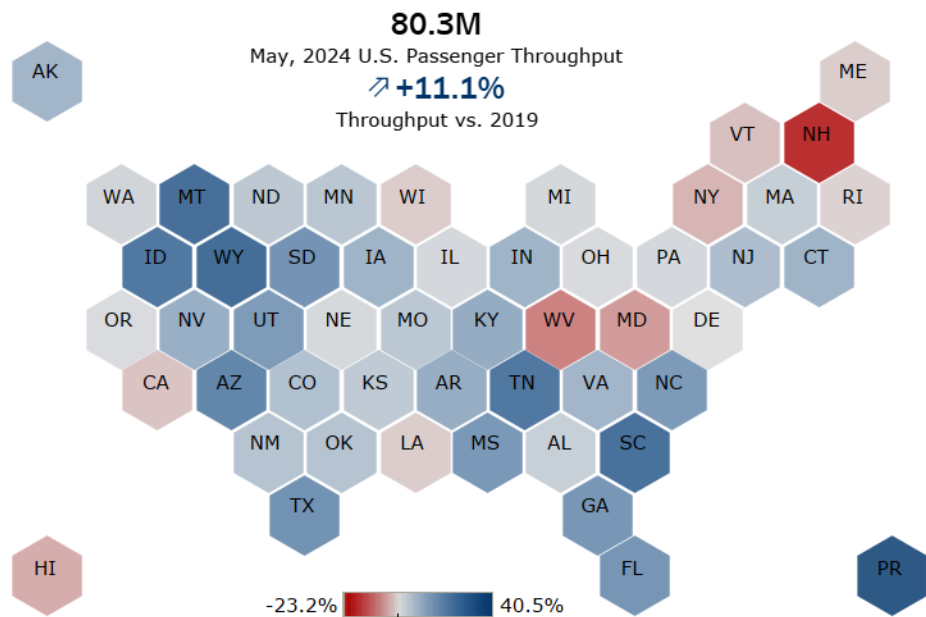
% change relative to same month vs. 2019, prior 12-months



Source: BLS (CPI); and Tourism Economics (TPI)

May, 2024 Passenger Throughput by State

All passengers (domestic + international), % change vs. 2019



Passenger Throughput Trend Comparison

All passengers (domestic + international), Index (2019=100)

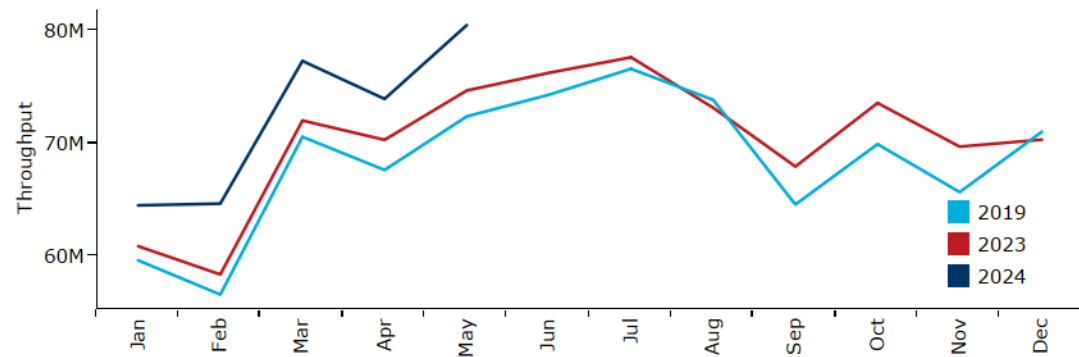
State/Territory Name
Multiple values

	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
Arizona	111	110	110	117	119	116	108	116	122	115	122	123
California	93	92	90	95	97	97	91	95	98	96	93	97
Colorado	98	100	98	104	106	106	98	104	112	107	110	107
Hawaii	98	98	89	95	96	97	92	102	104	99	99	94
Illinois	95	95	93	98	98	98	93	98	100	96	97	102
Indiana	98	100	100	109	109	106	98	113	114	108	112	110
Kentucky	102	106	99	109	106	109	102	106	115	108	112	113
Massachusetts	98	98	97	101	104	103	94	103	104	101	102	104
Michigan	98	96	96	101	98	102	92	100	107	97	102	102
Minnesota	98	97	96	100	100	102	93	101	107	100	105	106
Missouri	101	103	100	104	102	105	97	103	108	103	107	106
Montana	117	118	120	132	130	125	108	129	133	126	125	131
Nevada	104	107	104	106	116	107	109	111	117	111	111	112
New Jersey	102	102	104	106	105	108	99	107	114	109	106	108
New York	89	91	91	92	96	101	95	102	102	101	96	95
North Carolina	106	108	103	111	110	110	103	115	120	121	112	118
Oregon	95	94	93	97	100	102	91	93	102	97	101	101
Pennsylvania	93	93	93	98	96	98	90	99	104	104	99	102
Puerto Rico	128	129	138	128	130	129	115	129	136	126	128	141
South Dakota	108	107	109	113	112	117	104	130	132	129	127	119
Texas	107	108	108	115	114	116	108	118	119	116	120	120
Virginia	106	107	103	111	107	109	101	109	114	112	105	110
Washington	98	99	97	101	101	103	91	100	107	99	100	102
United States	103	101	99	105	105	106	99	108	114	109	109	111

89 to 141

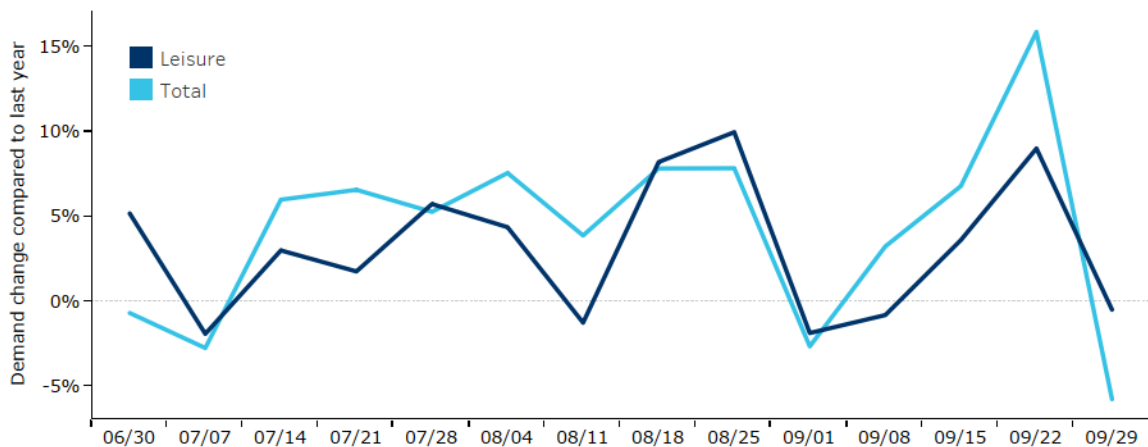
U.S. Monthly Passenger Throughput

All passengers (domestic + international)



U.S. Hotel Leisure Demand Pace

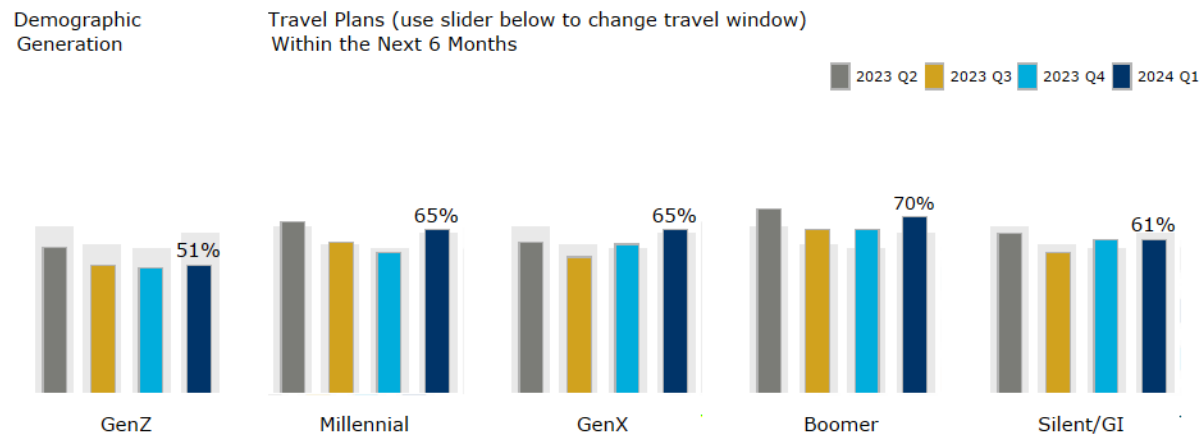
Leisure hotel booking pace vs same time last year, as of 6/18/2024



Source: Amadeus

Planning Leisure Travel Within the Next 6 Months

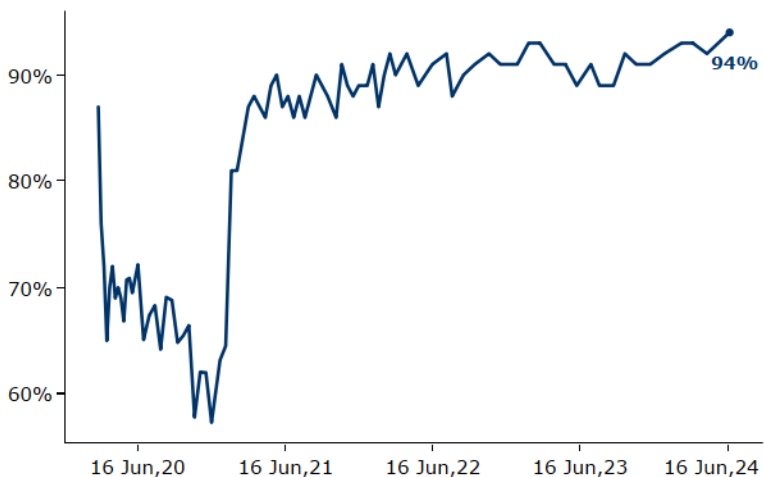
% of American Travelers



Source: MMGY Global's Portrait of American Travelers (released Q1 2024)

Consumer Travel Sentiment

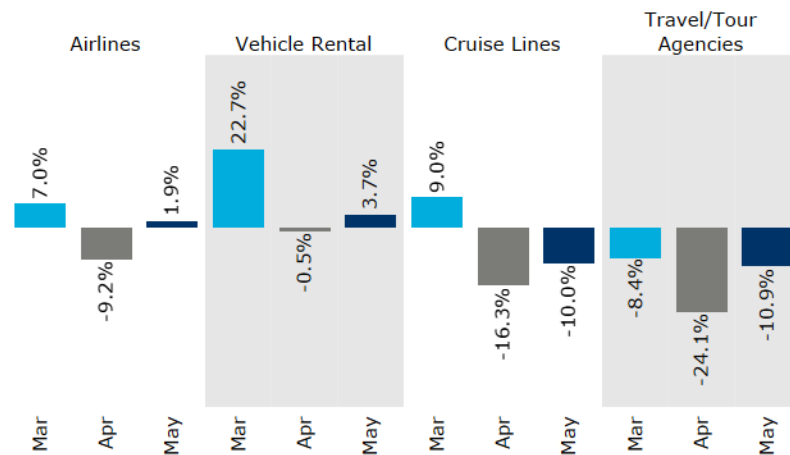
Travelers with Travel Plans in the Next Six Months



Source: Longwoods International

US Consumer Credit Card Spend

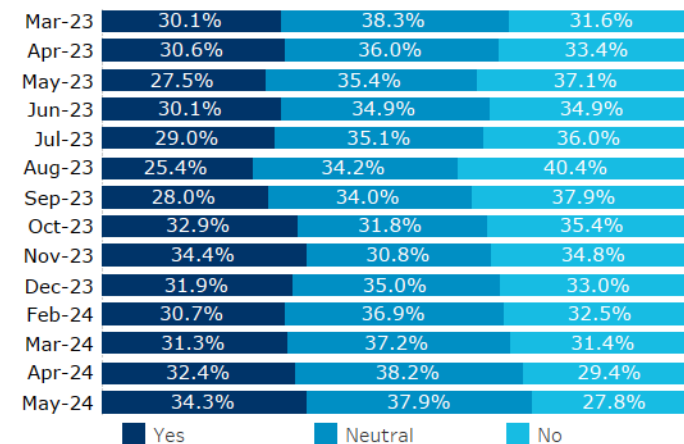
3-month trend, % change YOY (Mar 2024-May 2024)



Source: TransUnion

Consumer Travel Sentiment

Do you feel now is a good or bad time for you to spend money on leisure..



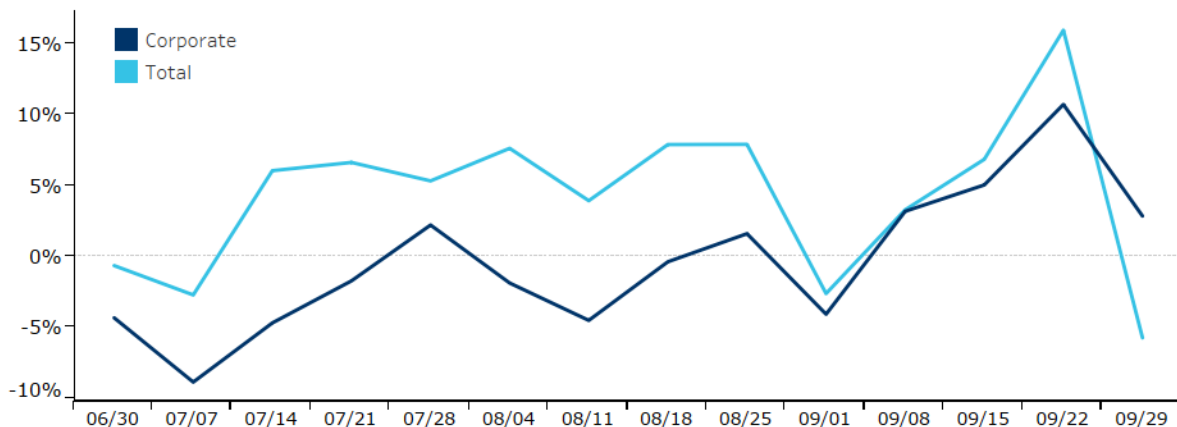
Source: Future Partners

Domestic Business Travel

May, 2024

U.S. Hotel Business Demand Pace

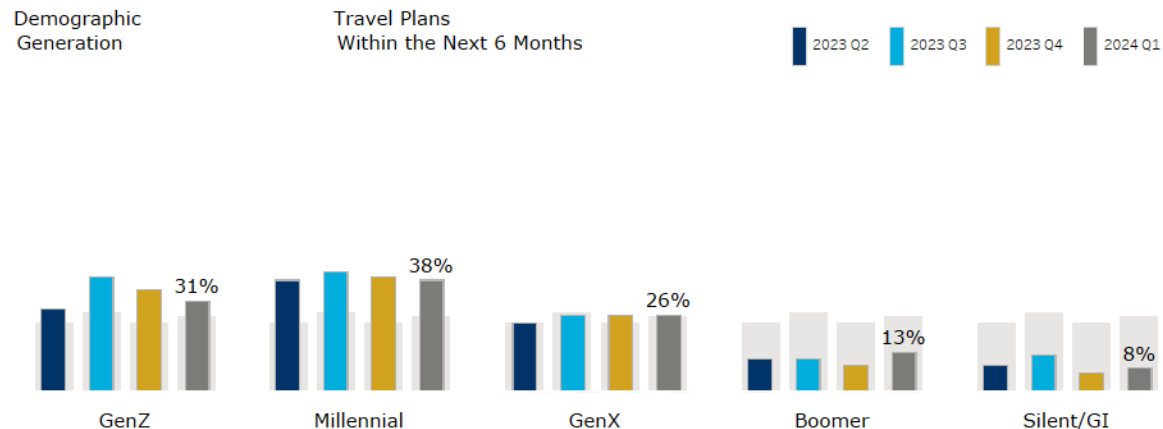
Business hotel booking pace vs same time last year, as of 6/18/2024



Source: Amadeus

Planning Business Travel Within the Next 6 Months

% of American Consumers



Source: MMGY Global's Portrait of American Travelers (released Q1 2024)

Business-related Day Trips

How many overnight business trips have you taken the past month?



Source: Future Partners

Business-related Overnight Trips

Percent of all travelers that have taken an overnight business trip in the past month



Source: Future Partners

Domestic Group Travel

May, 2024

Insights

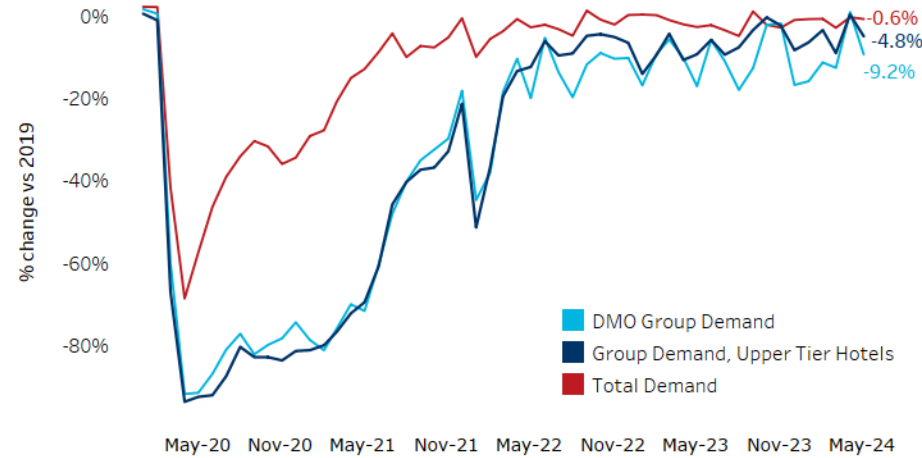
DMO group demand in May fell back below 2019 levels after rising above for the first time the month prior.

DMO/CVB pace for room nights on the books as of June 2024 improved from the May readings for the second half of 2024.

Fewer meeting planners were optimistic about the outlook for recovery in May (55%) than in March (57%).

Total U.S. Hotel Demand vs Group Demand

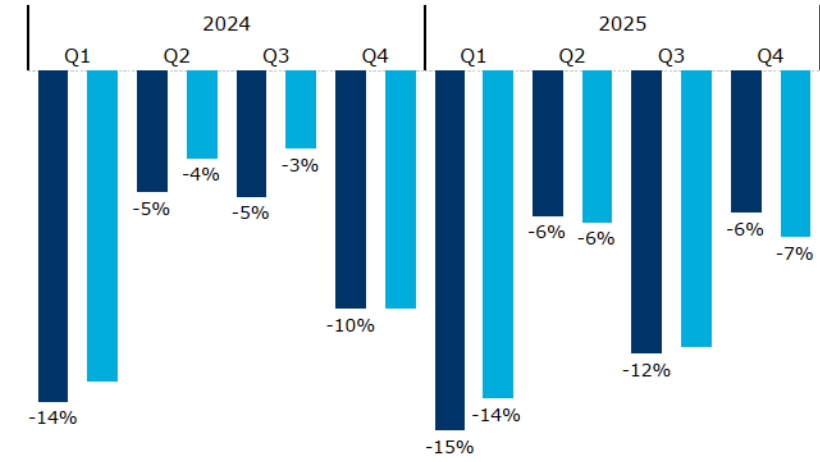
Group demand, % change vs 2019



Source: STR (total demand and top-tier group demand), Simpleview CRM (250+ U.S. DMOs)

DMO/CVB Room Nights on the Books

Pace for future dates, relative to the same period in 2019

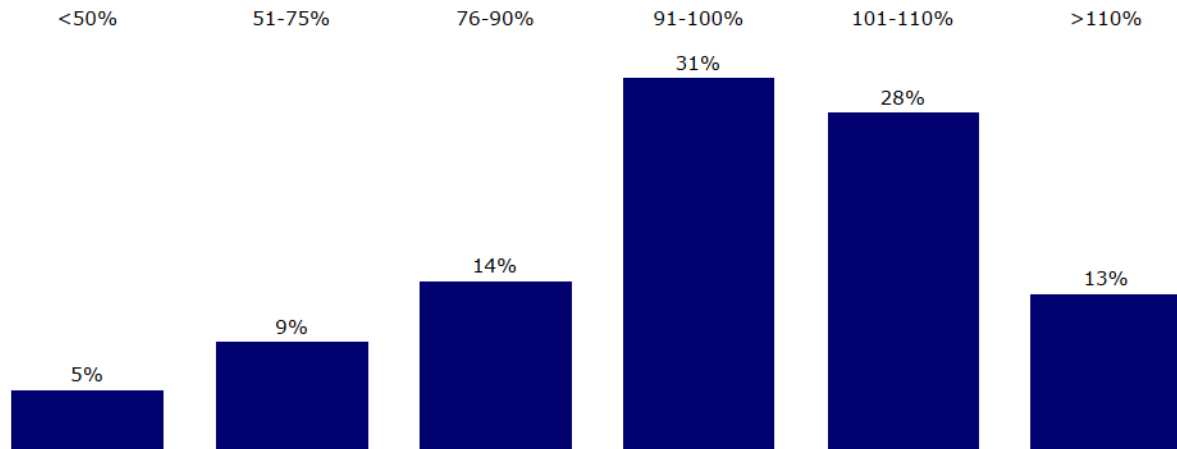


Source: Simpleview CRM (250+ U.S. DMOs)

As of Date
 ■ May 6, 2024
 ■ Jun 3, 2024

Value of Face-to-Face Meetings

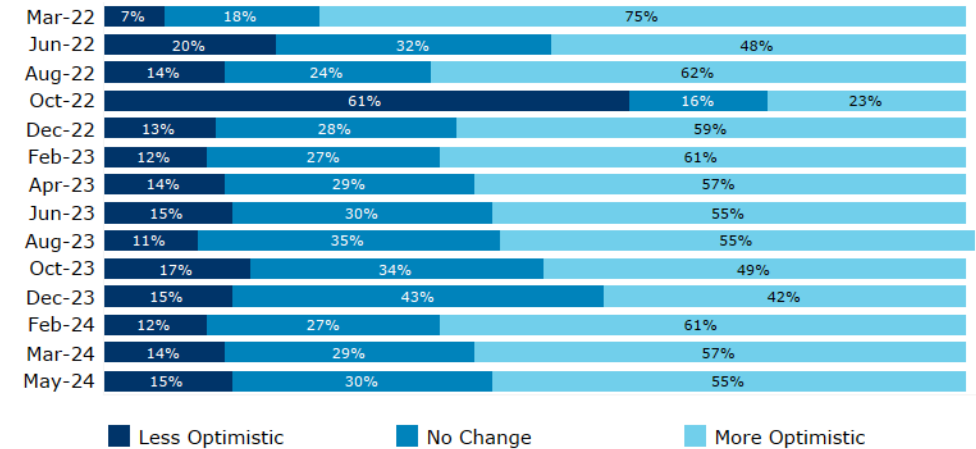
How many in-person attendees do you expect in this year vs prior year results?



Source: Northstar Meetings Group and Cvent (Meetings industry PULSE survey), as of May 2024

Meeting Planner Outlook

How the outlook for recovery has changed among meeting planners the past six weeks



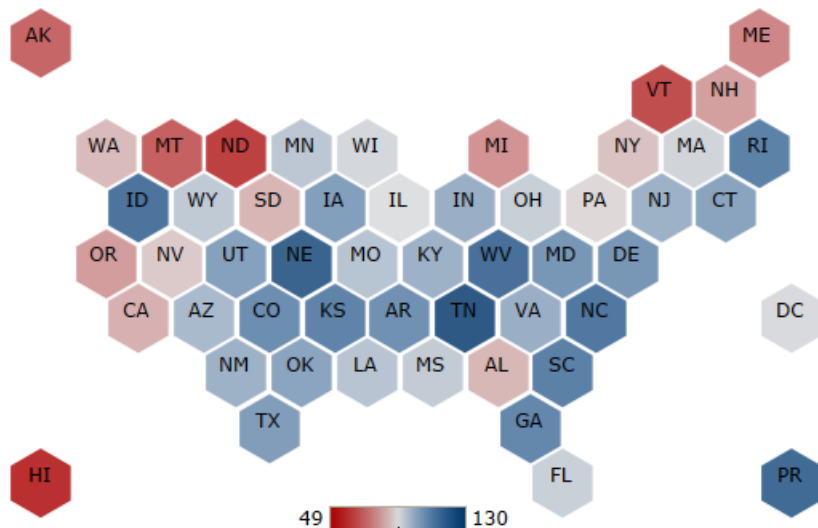
Source: Northstar Meetings Group and Cvent (Meetings industry PULSE survey), as of May 2024

International Inbound Travel

May, 2024

Overseas Arrivals to U.S. by State (+PR)

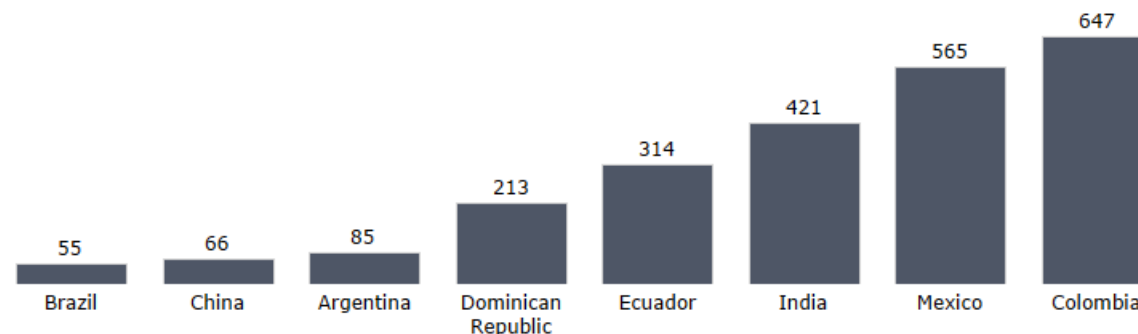
Visitor arrivals for May, 2024, Index (2019 = 100)



Visa Interview Wait Times, Average Days

As of June 25, 2024

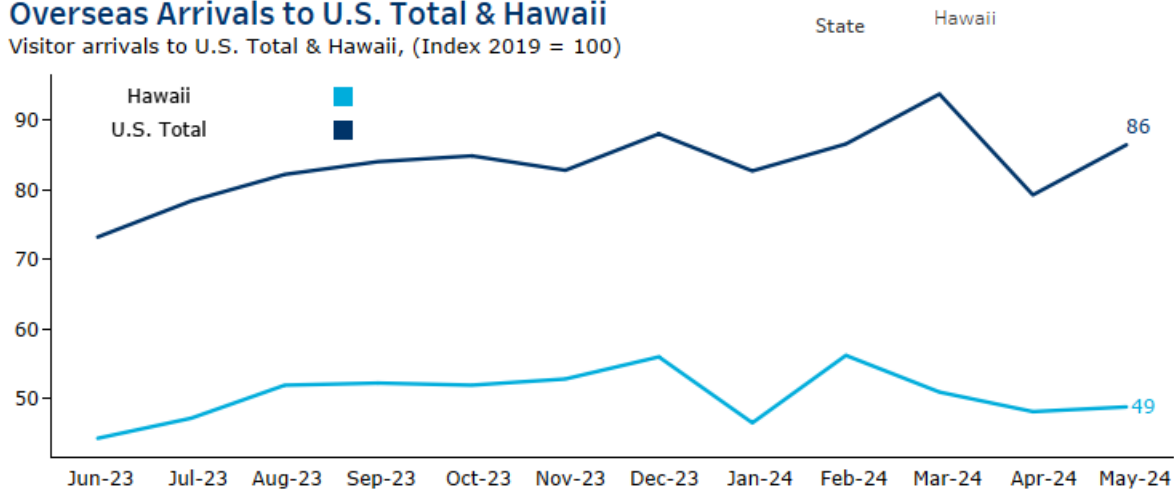
As of Date
June 25, 2024



Top-8 inbound markets for tourist visa required countries. Weighted average by 2019 consulate visa issuance. Source: Tourism Economics

Overseas Arrivals to U.S. Total & Hawaii

Visitor arrivals to U.S. Total & Hawaii, (Index 2019 = 100)



International Arrivals to U.S. Total

Visitor arrivals to U.S. Total, (Index 2019 = 100)

Destination	U.S. Total												
	Origin	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24
Total Overseas	Multiple values	73	78	82	84	85	83	88	83	87	94	79	86
Brazil	Multiple values	78	81	83	94	96	83	89	79	89	78	85	95
Canada (air)	Multiple values	107	113	111	107	113	105	101	113	111	108	109	
France	Multiple values	80	82	87	87	93	90	103	95	99	93	101	94
Germany	Multiple values	79	87	101	92	94	89	94	91	94	122	84	102
India	Multiple values	100	114	154	136	136	130	149	153	161	159	141	131
Mexico (air)	Multiple values	100	99	122	115	121	115	117	120	127	158	91	118
UK	Multiple values	73	83	85	81	84	84	91	89	84	98	73	80
China	Multiple values	35	36	47	48	50	58	58	45	50	60	54	53
Japan	Multiple values	38	44	49	50	46	51	48	46	50	47	42	51
South Korea	Multiple values	55	68	70	80	74	68	68	83	85	81	77	78
Taiwan	Multiple values	70	86	78	74	77	67	69	61	80	74	87	71

35 161

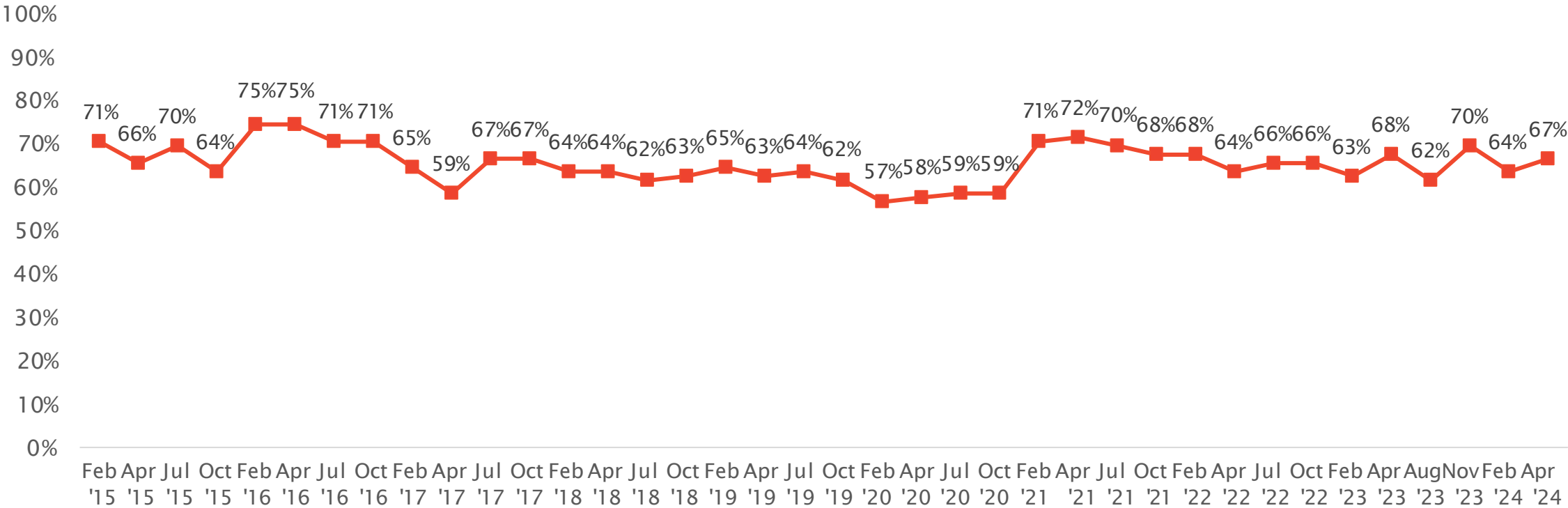


PORTRAIT OF AMERICAN TRAVELERS®

Summer 2024

Interest in Visiting Hawai'i Has Increased From Last Wave But Is Unchanged From This Time Last Year.

Interest in Visiting Hawai'i Next Two Years
(Top 2 Box)



Base: U.S. Leisure Travelers (n=3,591)

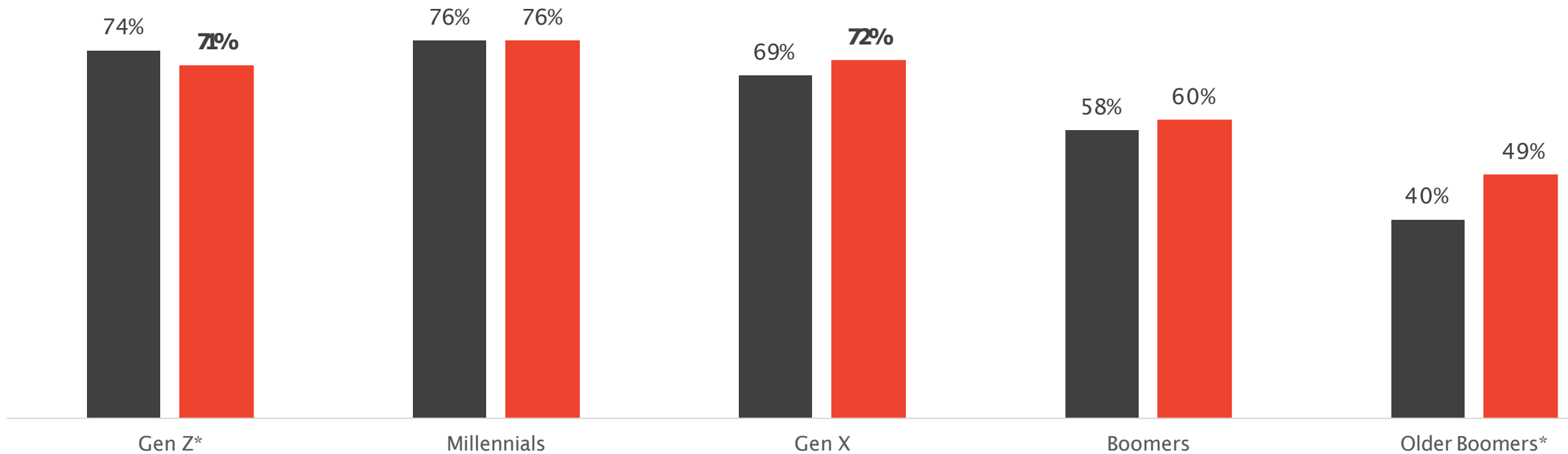
Global's 2024 Portrait of American Travelers® "Summer Edition"



Interest in Visiting Hawai'i Remains High for Younger Generations.

Interest in Visiting Hawai'i
By Generation

■ 2023 ■ 2024



* Small sample size - Interpret with caution.

Data in bold indicates a significant difference from Spring 2023.

Base: U.S. Leisure Travelers (n=3,591)

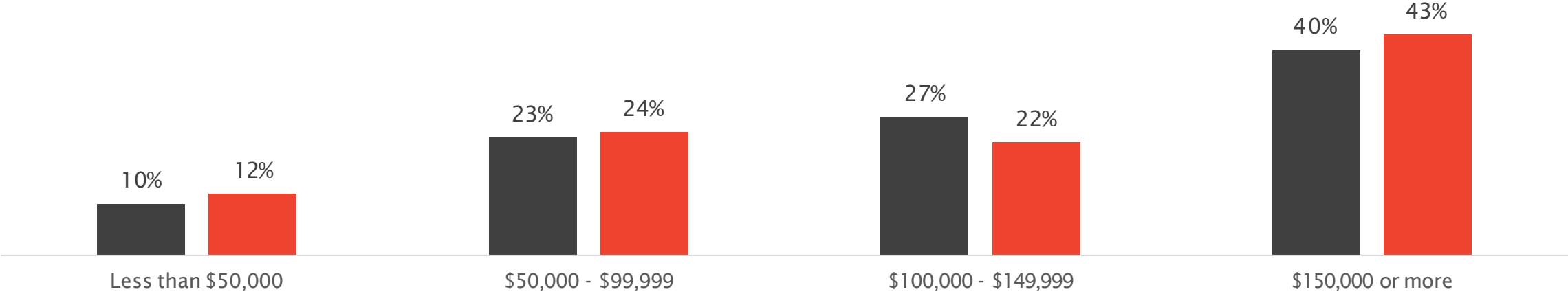
Global's 2024 *Portrait of American Travelers*® "Summer Edition"



More Than Two Fifths of Likely Hawai'i Visitors Are Drawn From The Highest Income Bracket

Interest in Visiting Hawai'i -
By Household Income

■ 2023 ■ 2024



Data in bold indicates a significant difference from Summer 2023.

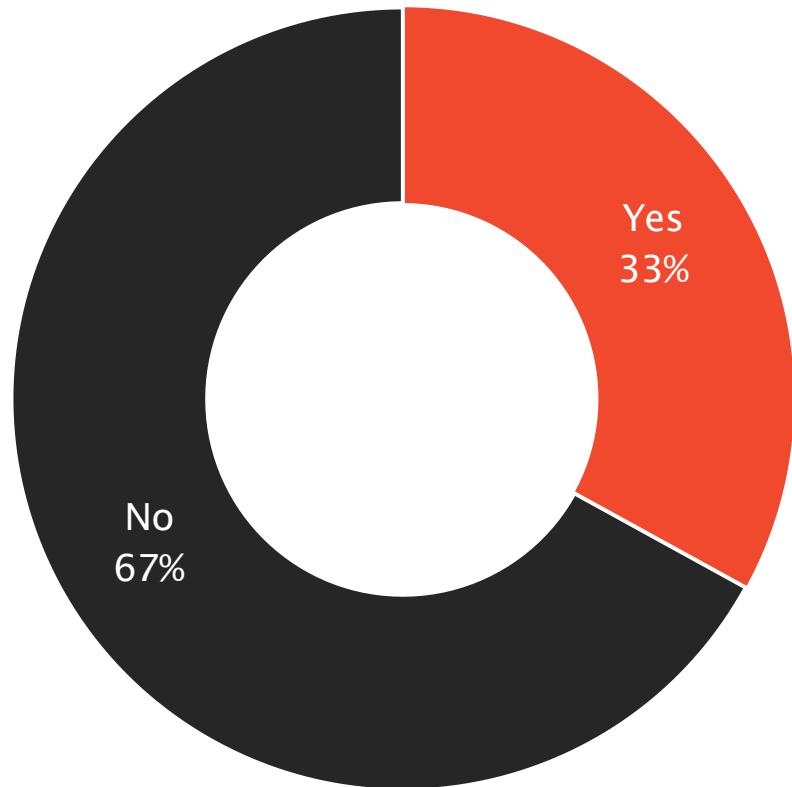
Base: Likely Hawai'i Visitors (n=841)

Global's 2024 *Portrait of American Travelers*® "Summer Edition"



The Cost to Visit Hawai'i Continues To Be The Most Cited Deterrent To Visiting.

Considered Visiting Hawai'i But Changed Their Mind

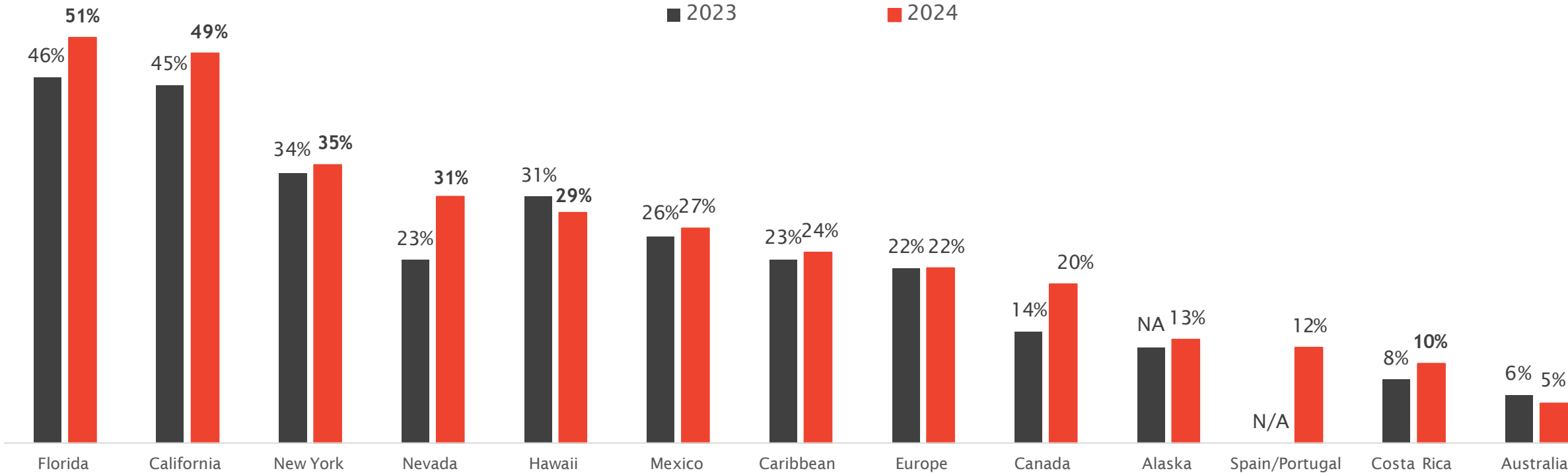


Reasons For Not Visiting Hawai'i - Among Those Who Changed Their Mind	2023	2024
Price of the airfare	40%	37%
Price of the vacation package	32%	30%
Price of the hotel	32%	30%
Better value at another destination	22%	27%
The flight to Hawaii is too long	23%	24%
Been to Hawaii before, I wish to try another destination	12%	13%
Concerns about COVID-19 variants	20%	12%
I have heard/read that Hawaii residents are opposed to visitors coming	NA	11%
I don't have enough time to travel to Hawaii	18%	10%
Not sure which island(s) in Hawaii to visit	9%	9%
Hurricanes and tropical storms hitting Hawaii	9%	8%
Hawaii is too crowded	13%	8%
I can find higher quality entertainment at other destinations	NA	8%
Accommodations were not available	9%	7%
Not enough dining option at a price point I can afford	NA	7%
Have heard rental cars are limited or not available	NA	7%
Hawaii is not unique and different enough from other destinations	7%	6%
Hawaii is not exotic enough	6%	5%
I do not feel comfortable visiting Hawaii at this time due to the fires on Maui	NA	4%
Not enough activities in Hawaii that interest me	NA	4%

Data in bold indicates a significant difference from Summer 2023

Past Visitation To Hawai'i Decreased From Summer 2023, Increases were seen for Florida, California and Nevada.

Destinations Visited in Past Three Years
Among Those Likely Hawai'i Visitors



Data in bold indicates a significant difference from Summer 2023.

Base: Likely Hawai'i Visitors (n=841)

Global's 2024 Portrait of American Travelers® "Summer Edition"



More Than One Quarter of Likely Hawai'i Visitors are Likely to Book a Trip to Hawai'i Within the Next 2 Years.

Destinations Most Likely to Book in the Next Two Years	U.S. Leisure Travelers	Air Travelers	Likely Hawai'i Visitors
Hawai'i	13%	13%	28%
Another U.S. state	44%	39%	22%
Europe	14%	19%	20%
Caribbean	11%	12%	14%
Mexico	6%	7%	8%
Asia	5%	5%	6%
Oceania	2%	3%	3%
Other	5%	3%	2%

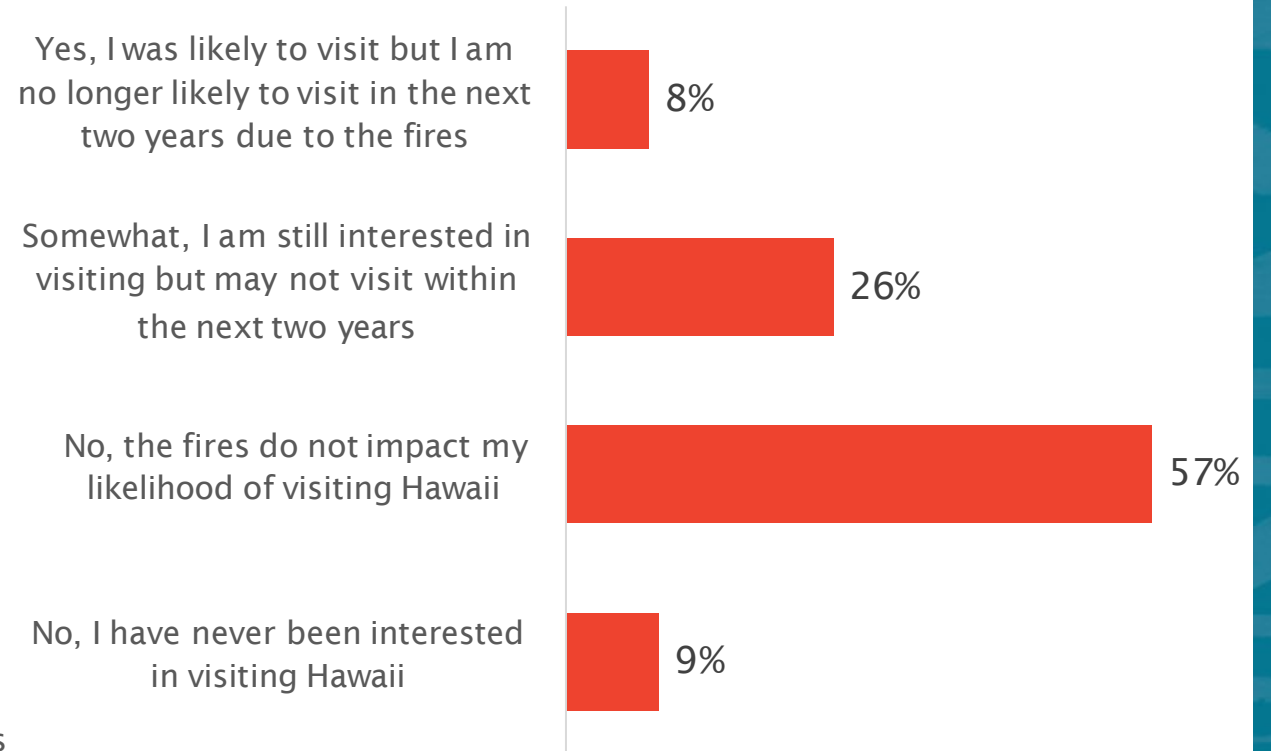
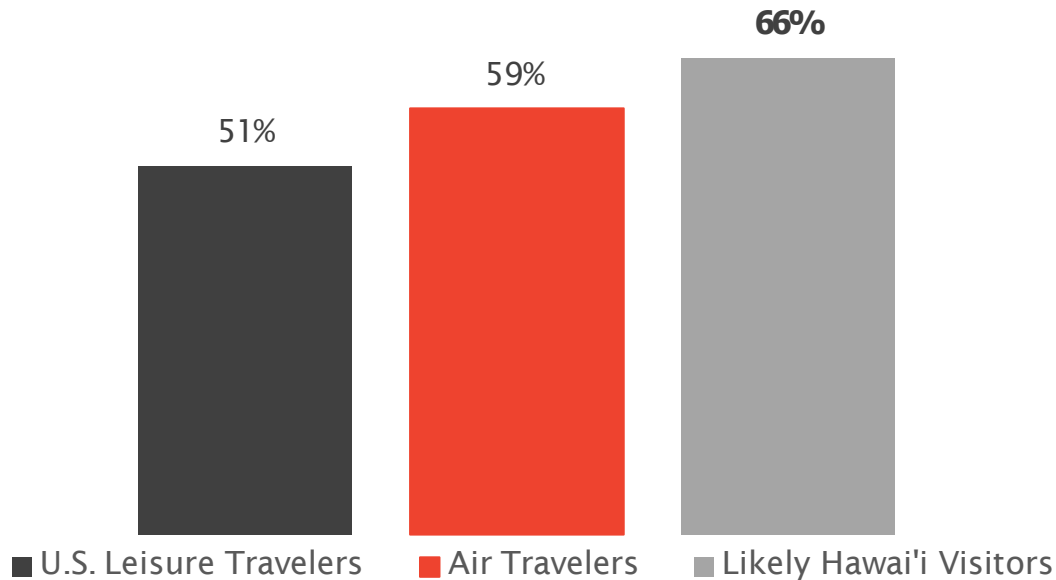
Data in bold indicates a significant difference from U.S. Leisure Travelers
Base: U.S. Leisure Travelers (n=3,591), Air Travelers (n=1,984), Likely Hawai'i Visitors (n=841)
 Global's 2024 *Portrait of American Travelers*® "Summer Edition"



Just Over a Third of Air Travelers Say That the Maui Wildfires Will at Least Somewhat Impact Their Likelihood of Visiting Hawai'i Within the Next Two Years.

Impact of Maui Wildfires on Air Traveler Likelihood to Visit Hawai'i

Awareness of Maui Fires



Data in bold indicates a significant difference from U.S. Leisure Travelers
Base: U.S. Leisure Travelers (n=3,591), Air Travelers (n=1,984), Likely Hawai'i Visitors (n=841)

Global's 2024 *Portrait of American Travelers*® "Summer Edition"



TRAVELER PROFILES



STATE OF HAWAII • DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM



Vision Insights Syndicated Survey

- DBEDT subscribes to Vision Insight's Brand Health and Profiles databases for the U.S., Japan, Canada, Australia, and Korea
- Consumers are surveyed each day
- DBEDT receives access to new data each week for selected traveler profile segments for the U.S., Japan, Canada, Australia, and Korea
- Traveler Profiles Reports
 - US – Monthly
 - Canada – Quarterly
 - Japan – Annual
 - Australia – Annual
 - Korea - Annual

US Segment Definitions

Avid Traveler \$100k+

- Gross household income is \$100k+
- Age is 25-54
- Either
 - Took an international vacation by air in the last 12 months
 - Likely/very likely to book an air trip in the next 12 months
 - Most recent leisure destination was Hawai'i or Alaska
 - Next leisure destination is Hawai'i or Alaska

Long-Distance Air Traveler under 55

- Took an international vacation by air in the last 12 months
- State of residence is not Hawai'i
- Under the age of 55

Avid Traveler \$150k+

- Gross household income is \$150k+
- 2+ persons per household
- Age is 25-54
- Either
 - Took an international vacation by air in the last 12 months
 - Likely/very likely to book an air trip in the next 12 months
 - Most recent leisure destination was Hawai'i or Alaska
 - Next leisure destination is Hawai'i or Alaska

Nationally Representative Sample (Nat Rep)

- Representative of U.S. adults in terms of age, gender, social class and education

U.S. - Importance of Travel Factors

	Very Important 5			
	US: Avid Traveler \$100k+	US: Avid Traveler \$150k+	US: Long-Distance Air Traveler under 55	US Market
Comfort and accessibility	61%	60%	56%	53%
Value for money	58%	60%	56%	58%
Entertainment and nightlife	58%	60%	48%	32%
Consideration of sustainable principles	52%	56%	43%	29%
Natural attractions/activities	56%	57%	52%	46%
Cultural attractions	54%	56%	49%	40%
Opportunity to experience local restaurants/businesses	55%	57%	50%	42%
Family-friendly location and activities	57%	59%	52%	44%

Sample Size:

n=1,213

n=820

n=2,501

n=10,259



How important are the following factors in choosing your travel destination. Please rate the following list with 1 = not very important and 5 = very important?

Canada - Segment Definitions

Avid Traveler \$100k+

- Gross household income is \$100k+
- Age is 35-49
- Took an international trip in the last 12 months

Long-Distance Traveler

- Gross household income is \$100k+
- Age is 35-64
- Took an international trip by air in the last 12 months

Nationally Representative Sample (Nat Rep)

- Representative of Canada adults in terms of age, gender, social class and education

Older Avid Traveler \$100k+

- Gross household income is \$100k+
- Age is 50-64
- Took an international trip in the last 12 months

Senior Traveler \$100k+

- Gross household income is \$100k+
- Age is 64+
- Been to Hawai'i (ever)

Canada - Importance of Travel Factors

	Very Important 5				
	Canada: Avid Traveler \$100k+	Canada: Older Avid Traveler \$100k+	Canada: Senior Traveler \$100k+	Canada: Long-Distance Air Traveler	Canada Market
Value for money	53%	50%	40%	58%	57%
Comfort and accessibility	43%	40%	30%	48%	46%
Natural attractions/activities	42%	35%	37%	42%	40%
Family friendly locations and activities	38%	19%	10%	32%	30%
Opportunity to experience local restaurants/businesses	39%	34%	24%	36%	34%
Cultural attractions	37%	34%	29%	35%	33%
Entertainment and nightlife	21%	13%	4%	22%	22%
Consideration of sustainable principles	22%	14%	10%	20%	20%

Sample Size:

n=267

N=205

n=79

n=1,381

n=3,874

How important are the following factors in choosing your travel destination. Please rate the following list with 1 = not very important and 5 = very important?



Japan - Segment Definitions

Avid Traveler

- Gross household income is 10M+ yen
- Age is 25-35
- Married or living with partner
- No children under the age of 18
- Full time/part time employed
- Either took an international vacation in the past 12 months, very likely/likely to book a flight in the next 12 months, or book a vacation using online agencies/websites

Nationally Representative Sample (Nat Rep)

- Representative of Japan adults in terms of age, gender, social class and education

Affluent Traveler

- Gross household income is 20M+ yen
- Age is 35-50
- Either took an international vacation in the past 12 months, very likely/likely to book a flight in the next 12 months, family friendly locations and activities are important, or comfort and accessibility is important

Active Senior

- Gross household income is greater than 1.95M+ yen
- Age is 60-75
- Books travel via a travel agent
- Belongs to a frequent flyer program
- Becomes aware of travel destinations on TV, radio, or newspaper

Japan - Importance of Travel Factors

	Very Important 5			
	Japan: Avid Traveler	Japan: Affluent Traveler	Japan: Active Senior Traveler	Japan Market
Value for money	18%	32%	14%	23%
Comfort and accessibility	27%	44%	36%	33%
Natural attractions/activities	0%	34%	35%	23%
Family friendly locations and activities	27%	35%	20%	22%
Opportunity to experience local restaurants/businesses	0%	23%	11%	15%
Cultural attractions	27%	23%	33%	22%
Entertainment and nightlife	0%	18%	13%	12%
Consideration of sustainable principles	0%	12%	10%	8%

Sample Size:

n=8

N=75

n=58

n=5,374

Australia - Segment Definitions

Family Traveler

- Gross household income is \$150k+
- Age is 35-50
- Has children under the age of 18
- Either took an international flight in the last 12 months or whose most recent leisure destination was Hawai'i/USA/or Southeast Asia in the past 12 months

Avid Traveler

- Gross household income is \$100k+
- Age is 45-65
- Been to Hawai'i more than 2x in the past
- Either took an international flight in the last 12 months or likely/very likely to book an air trip in the next 12 months

Couples Traveler

- Gross household income is \$100k+
- Married or living with partner
- Age is 30-50
- Not traveling with children under the age of 18
- Either took an international flight in the last 12 months, are likely/very likely to book an air trip in the next 12 months, or whose most recent leisure destination was either Hawai'i/Europe/Bali/Fiji/California/or Thailand in the past two years

Nationally Representative Sample (Nat Rep)

- Representative of Australia adults in terms of age, gender, social class and education

Australia - Importance of Travel Factors

	Very Important 5			
	Australia: Family Traveler	Australia: Older Avid Traveler	Australia: Couples Traveler	Australia Market
Value for money	46%	19%	54%	56%
Comfort and accessibility	43%	45%	43%	45%
Natural attractions/activities	39%	46%	44%	43%
Family friendly locations and activities	45%	26%	23%	34%
Opportunity to experience local restaurants/businesses	42%	25%	47%	36%
Cultural attractions	37%	40%	45%	35%
Entertainment and nightlife	27%	21%	21%	21%
Consideration of sustainable principles	26%	31%	14%	18%

Sample Size:

n=308

n=23

n=181

n=6,802

South Korea - Segment Definitions

Avid Traveler 90M+ Won

- Gross household income is 90M+ won
- Age is 25-54
- Either took an international vacation or very likely/likely to book a flight in the next 12 months

Avid Traveler 130M+ Won

- Gross household income is 130M+ won
- Age is 25-54
- Either took an international vacation, very likely/likely to book a flight in the next 12 months, or visited any of the Hawaiian Islands in the past two years

Nationally Representative Sample (Nat Rep)

- Representative of South Korea adults in terms of age, gender, social class and education

South Korea - Importance of Travel Factors

	Very Important 5		
	South Korea: Avid Traveler 90M+ Won	South Korea: Avid Traveler 130M+ Won	South Korea Market
Value for money	34%	37%	43%
Comfort and accessibility	34%	42%	40%
Natural attractions/activities	30%	42%	28%
Family friendly locations and activities	30%	45%	25%
Opportunity to experience local restaurants/businesses	28%	40%	21%
Cultural attractions	28%	41%	26%
Entertainment and nightlife	24%	37%	14%
Consideration of sustainable principles	25%	30%	16%

Sample Size:

n=750

n=184

n=6,511



How important are the following factors in choosing your travel destination. Please rate the following list with 1 = not very important and 5 = very important?

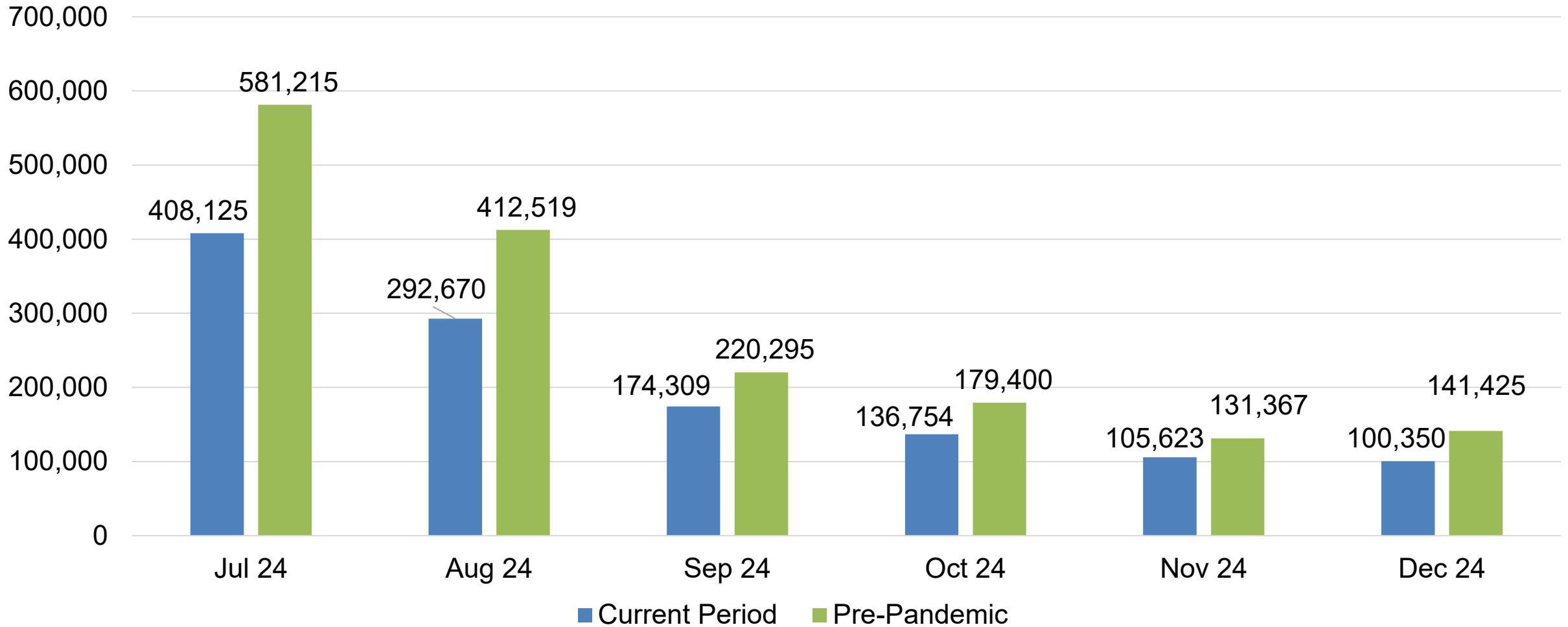
ARC/FORWARDKEYS DESTINATION GATEWAY AIR BOOKING TRENDS



STATE OF HAWAII • DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM

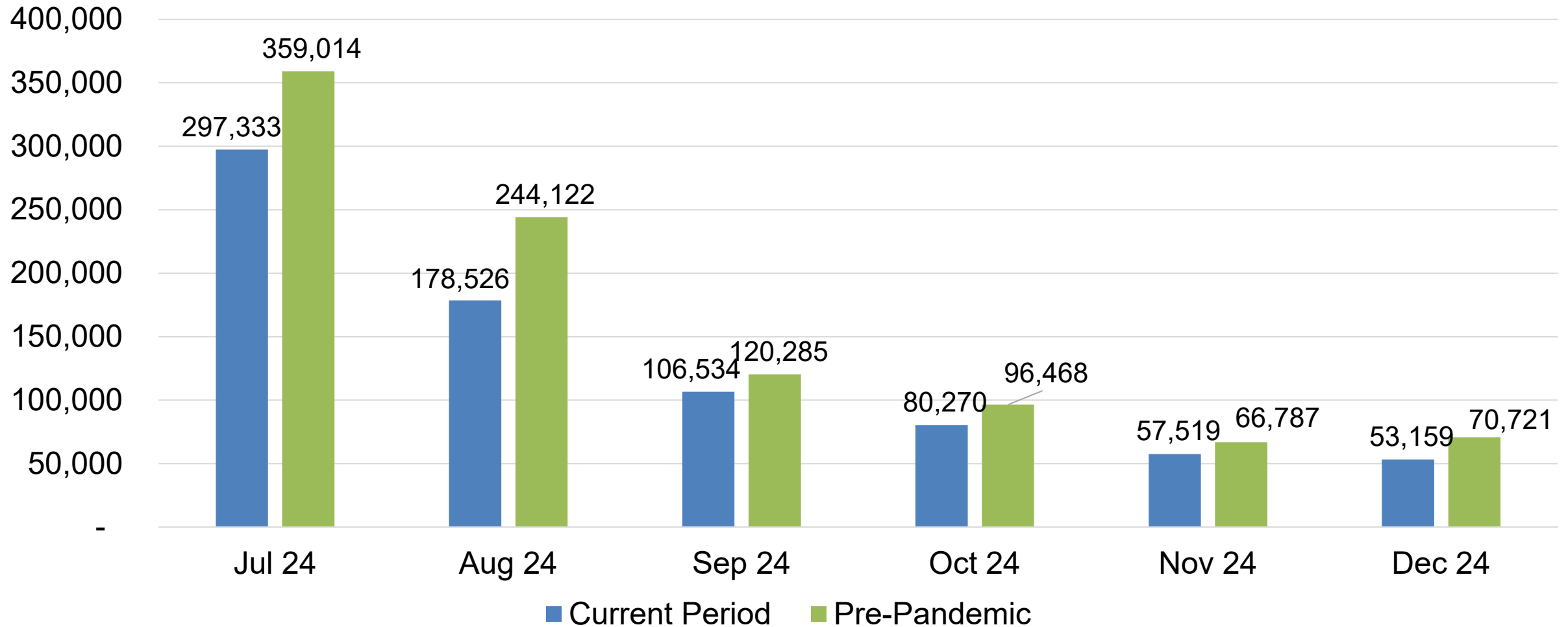


Six Month Outlook: All Markets



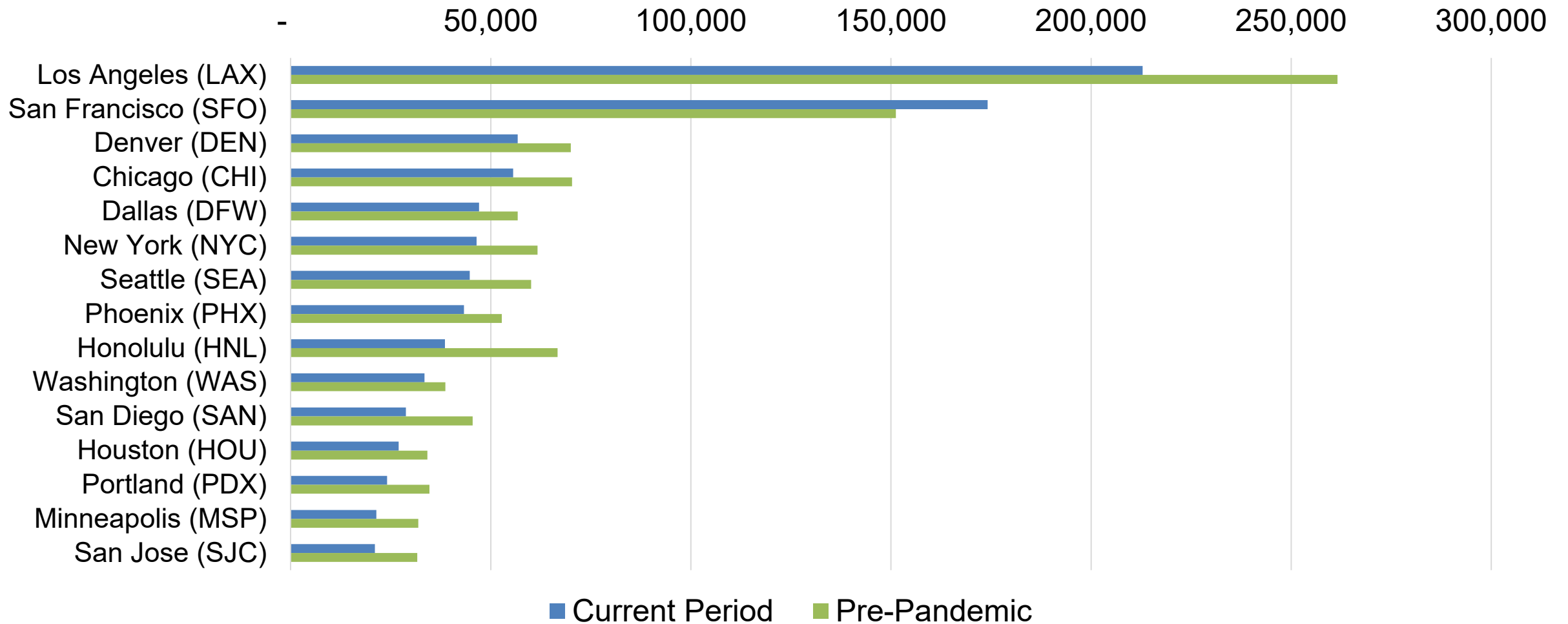
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Six Month Outlook: United States



Source: ARC/ForwardKeys Destination Gateway

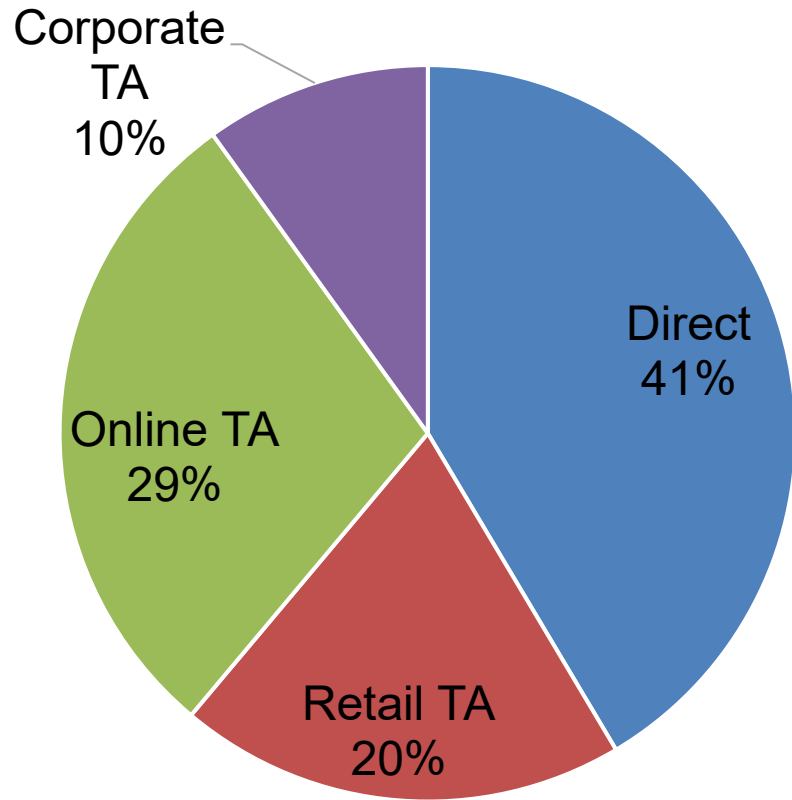
Trip Origins: United States



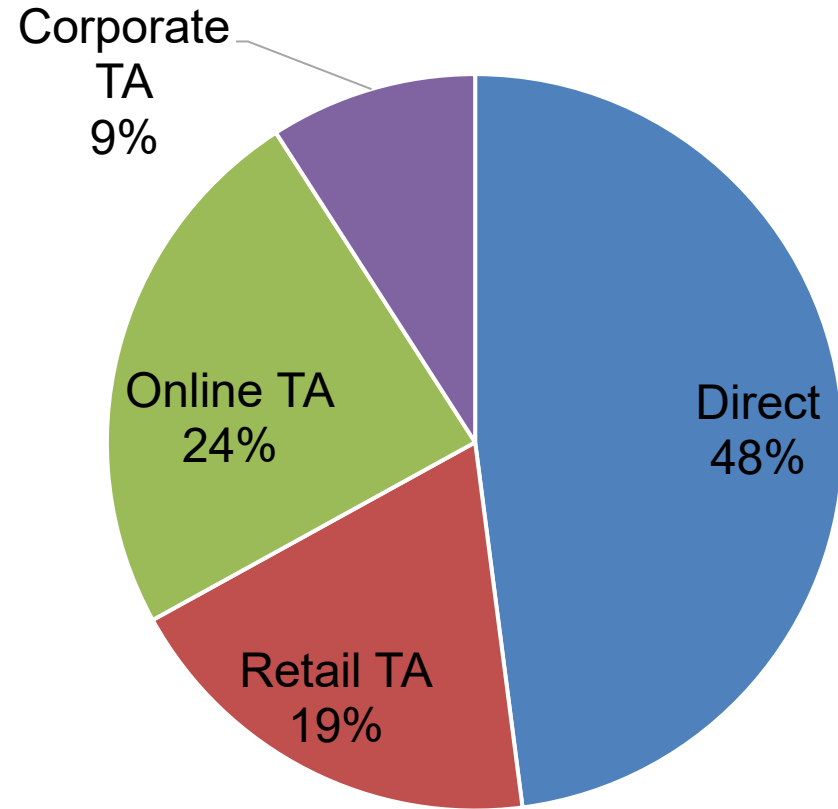
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Distribution Channel: United States

Pre-Pandemic



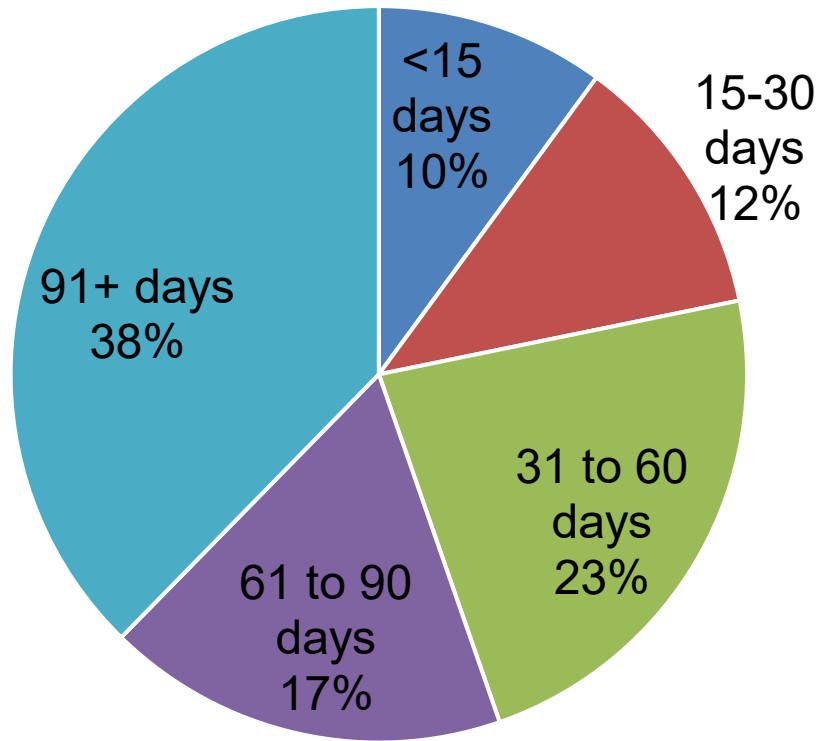
Current Period



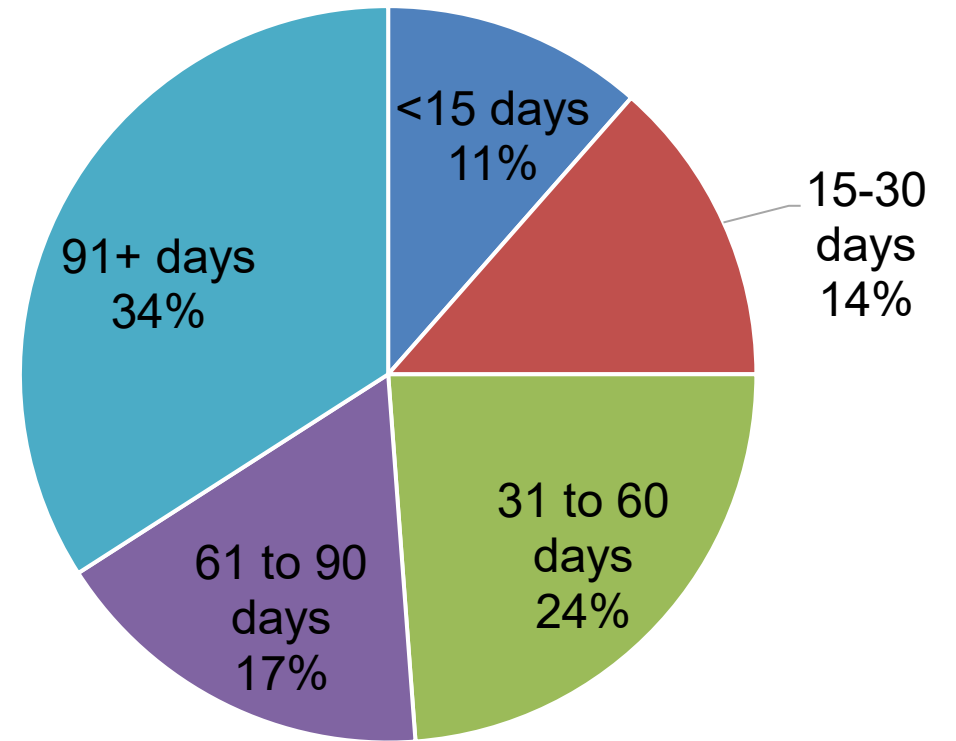
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Lead Time: United States

Pre-Pandemic

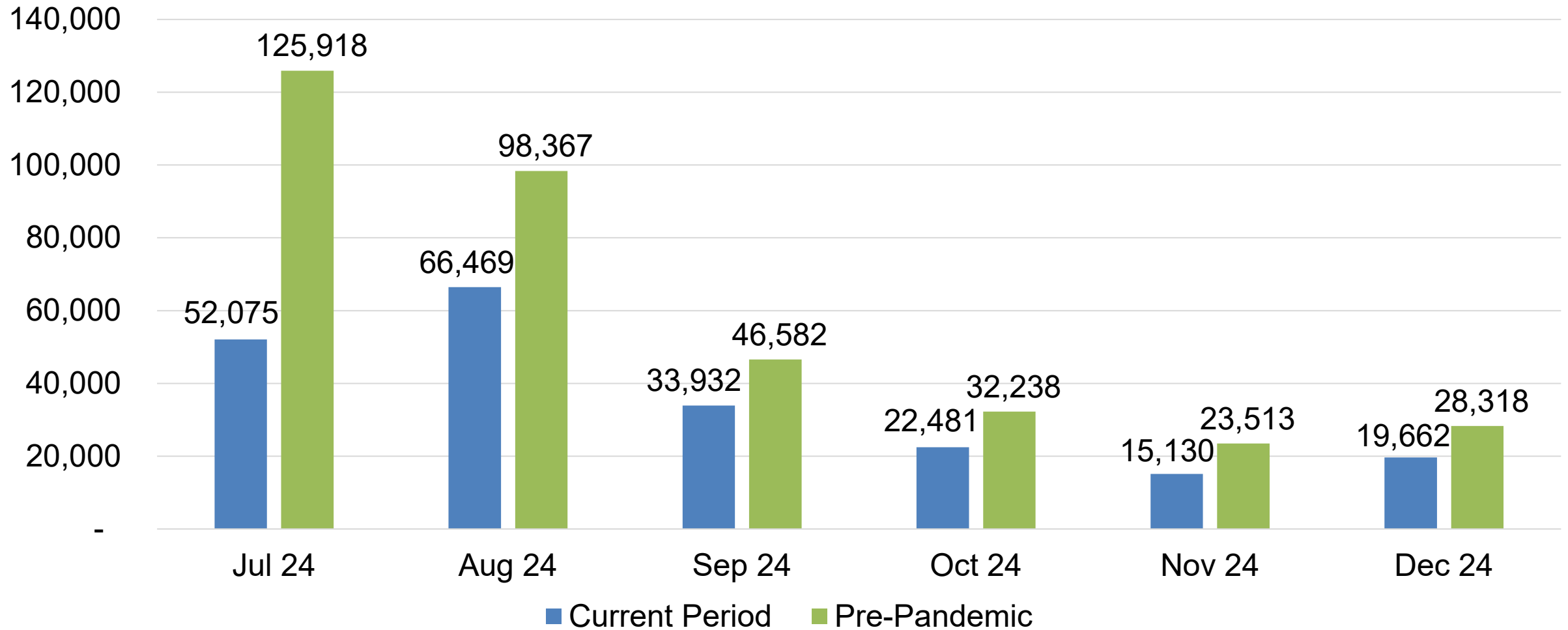


Current Period



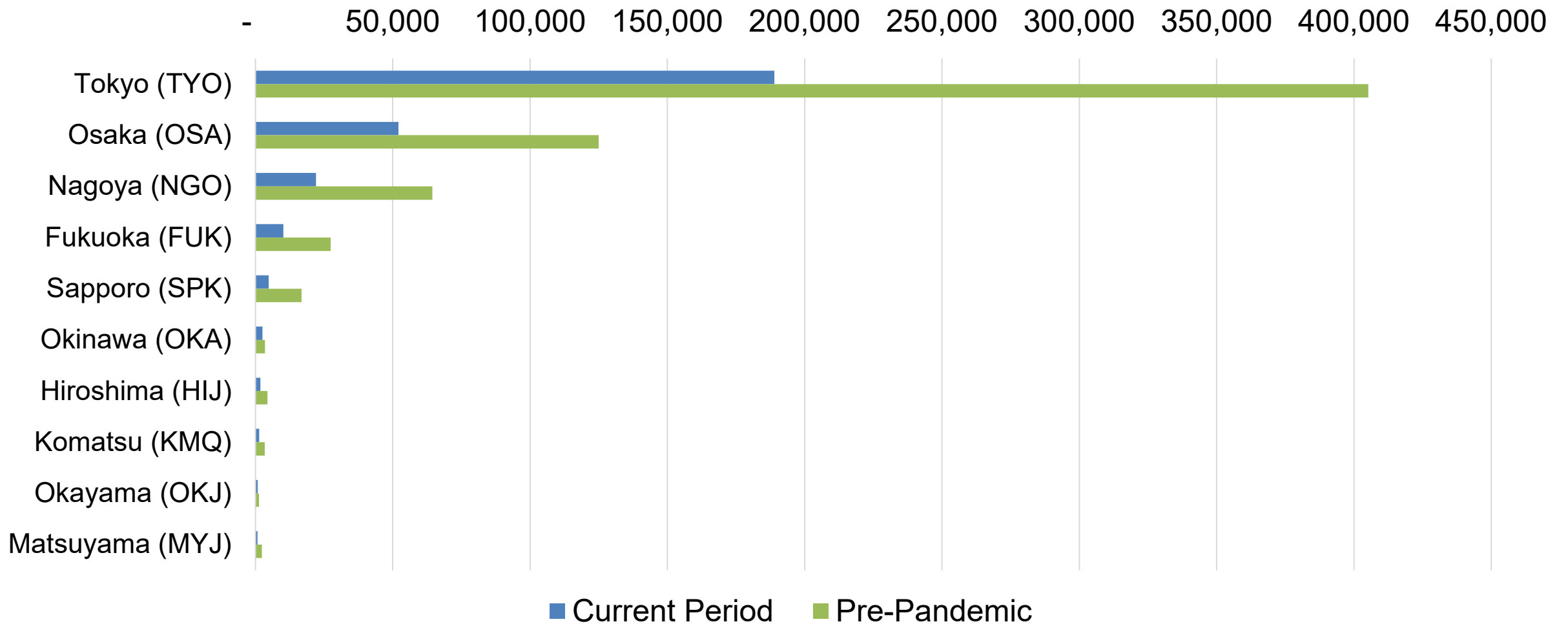
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Six Month Outlook: Japan



Source: ARC/ForwardKeys Destination Gateway

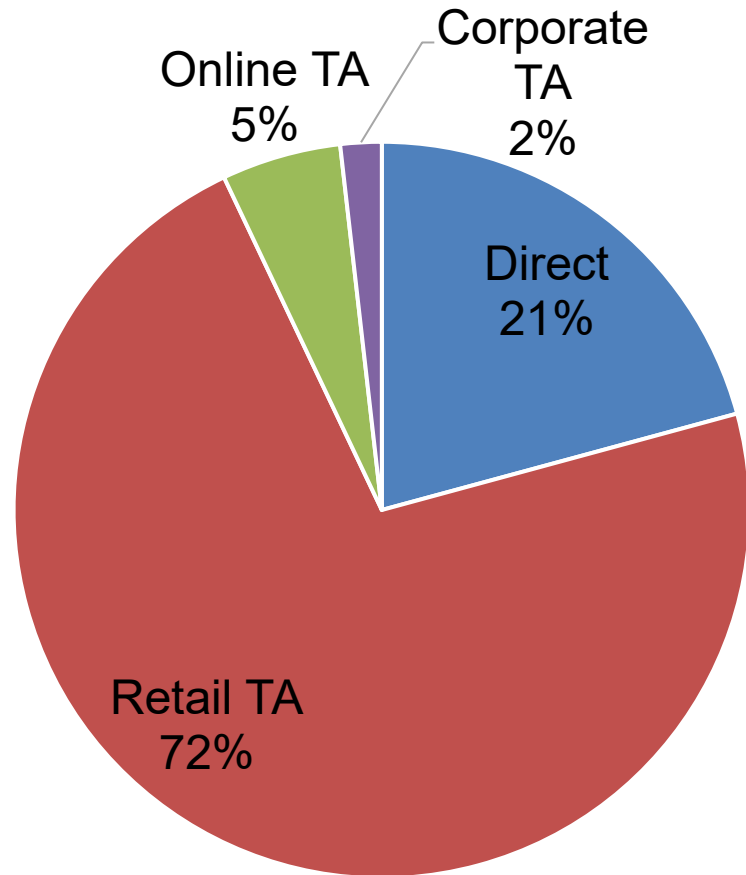
Trip Origins: Japan



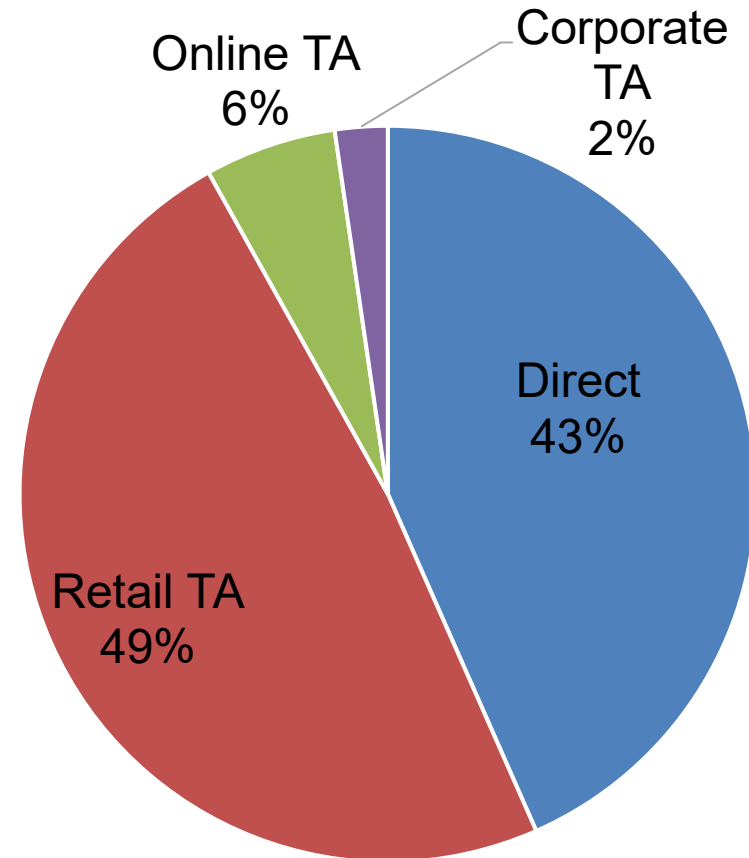
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Distribution Channel: Japan

Pre-Pandemic



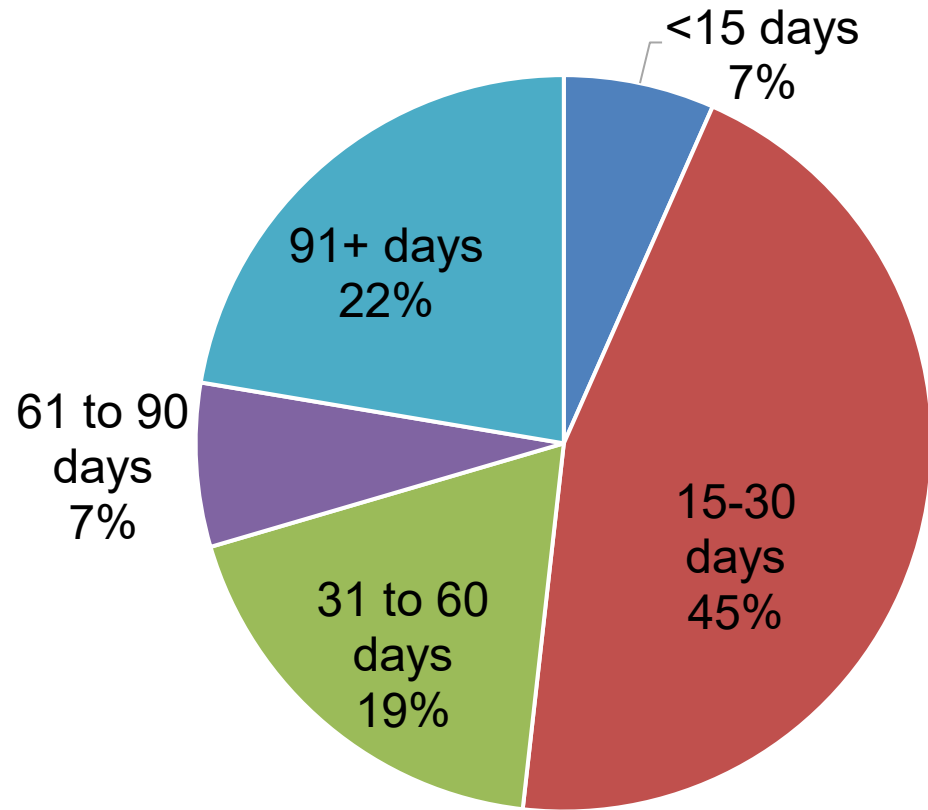
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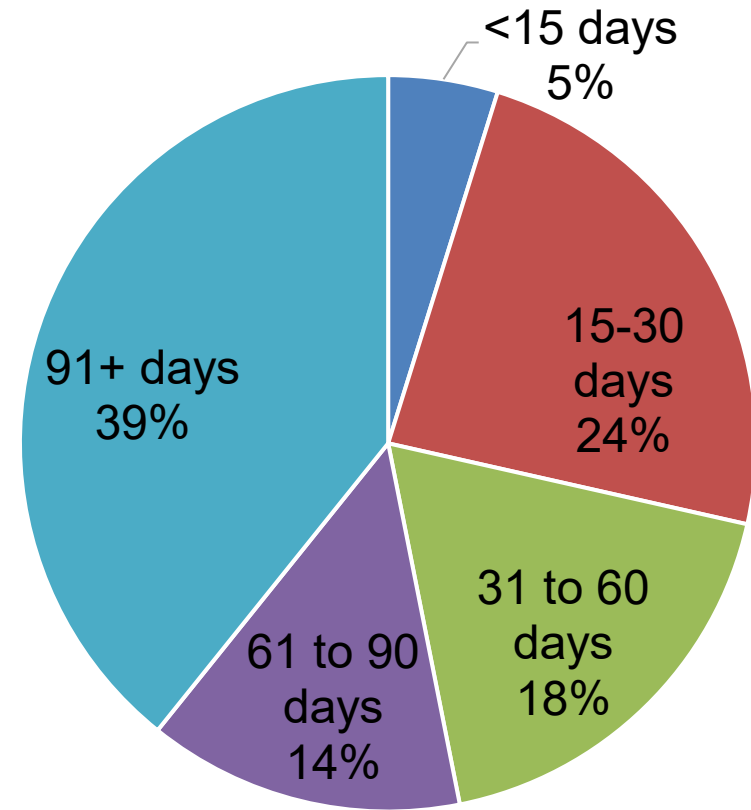
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Lead Time: Japan

Pre-Pandemic

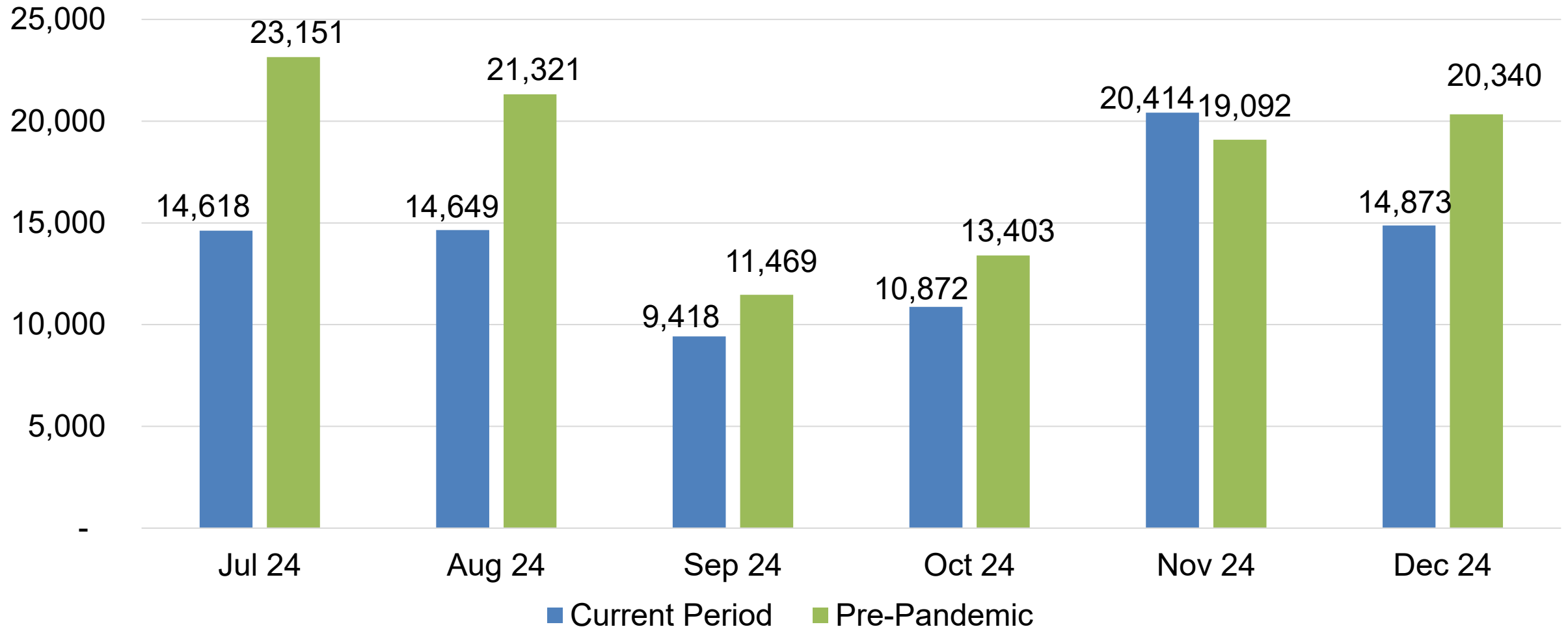


Current Period



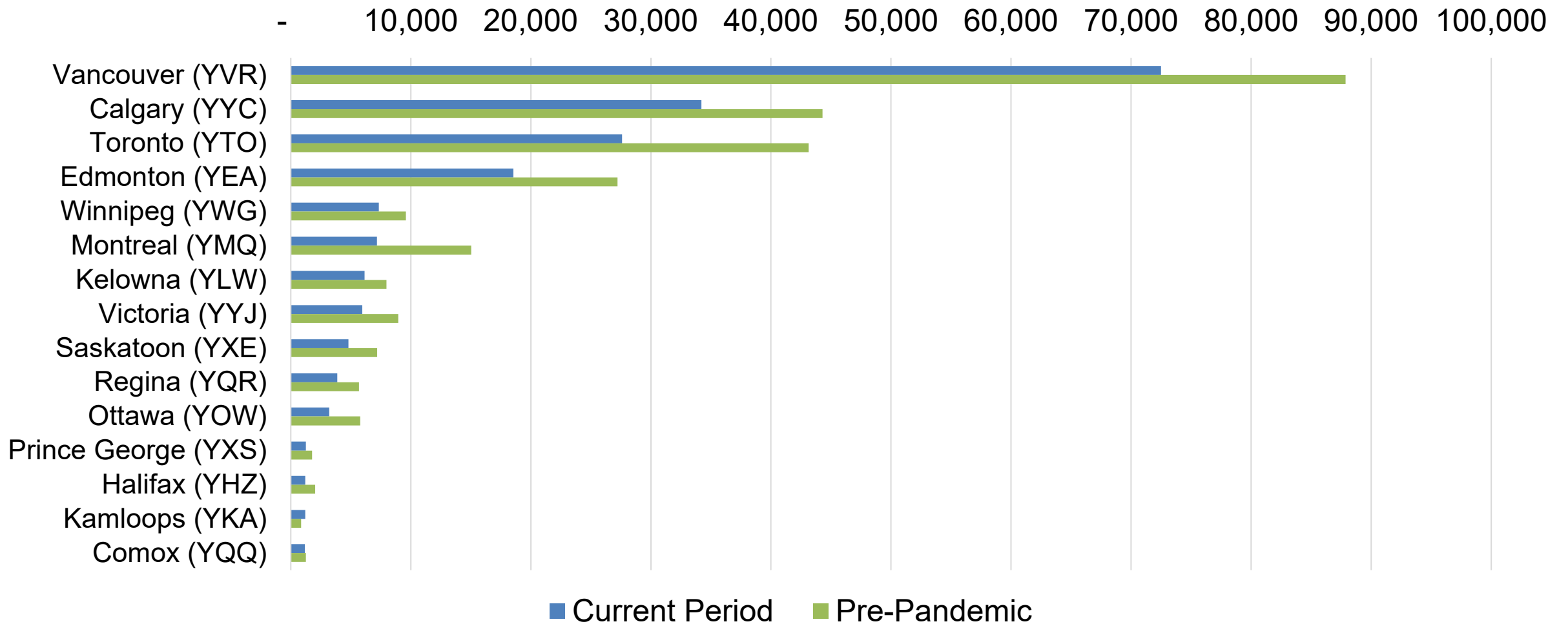
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Six Month Outlook: Canada



Source: ARC/ForwardKeys Destination Gateway

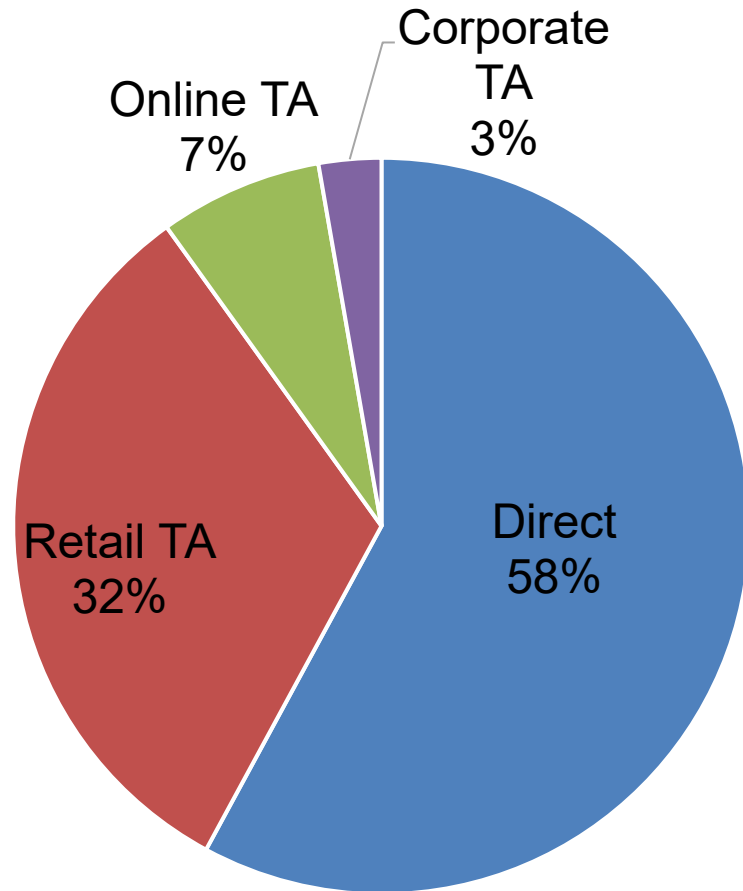
Trip Origins: Canada



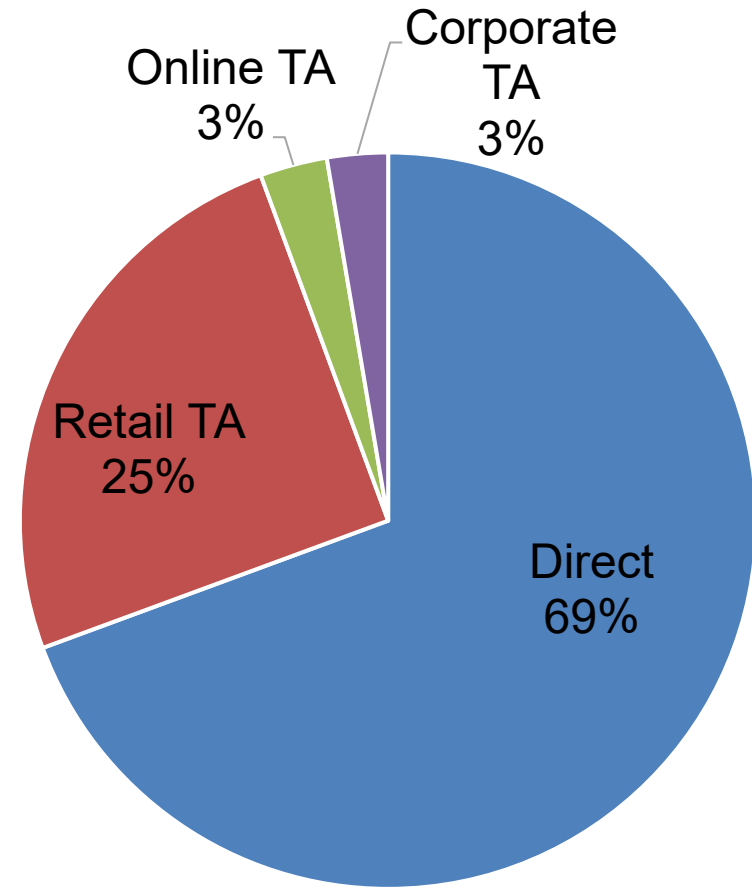
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Distribution Channel: Canada

Pre-Pandemic



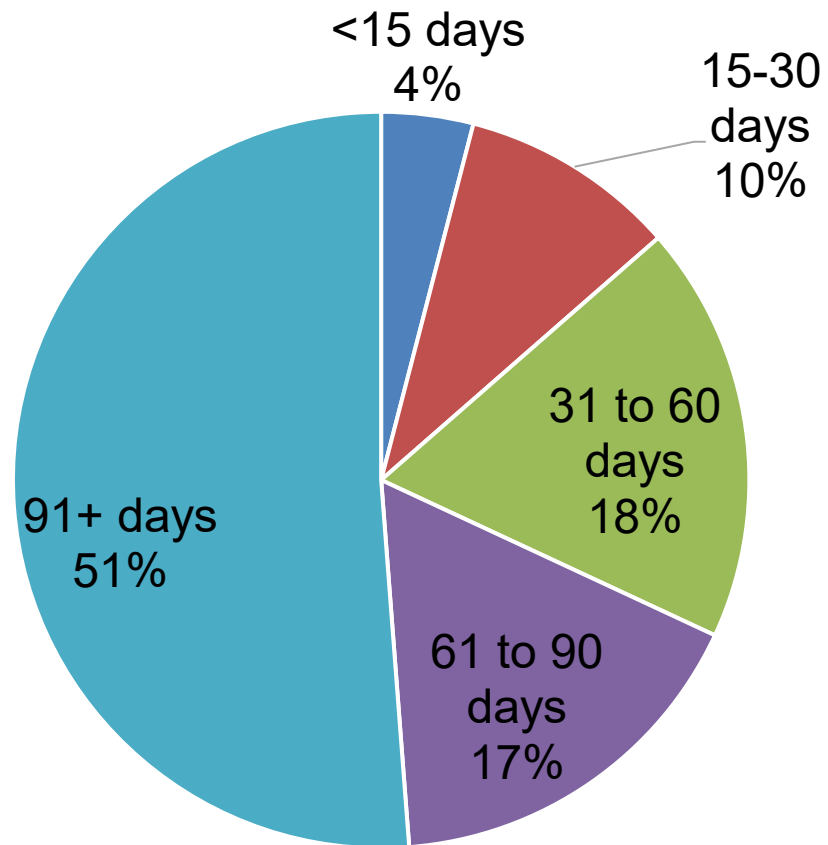
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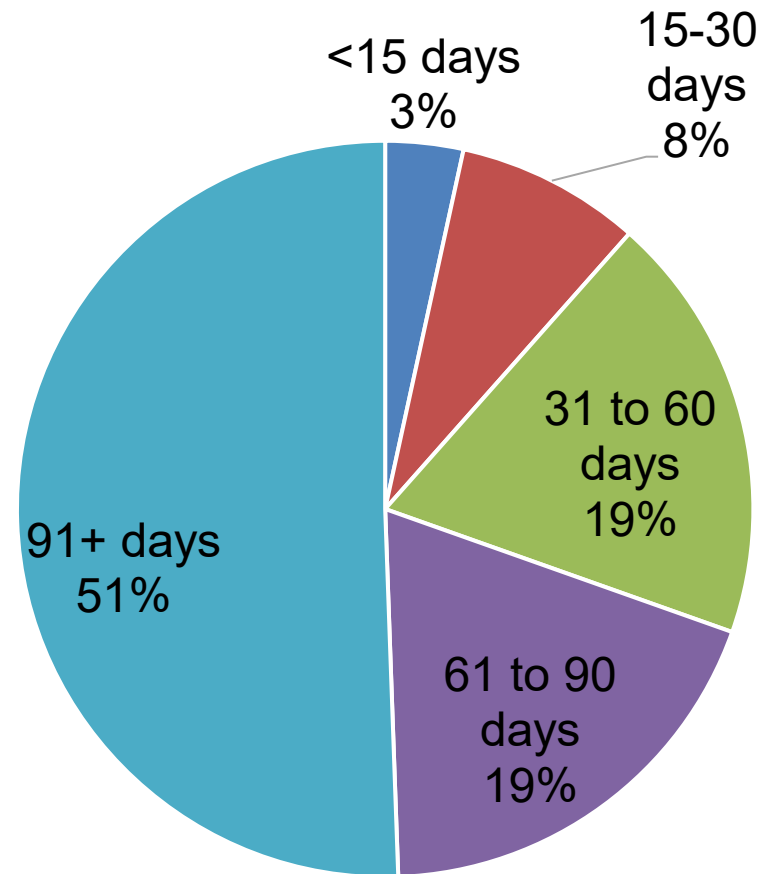
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Lead Time: Canada

Pre-Pandemic

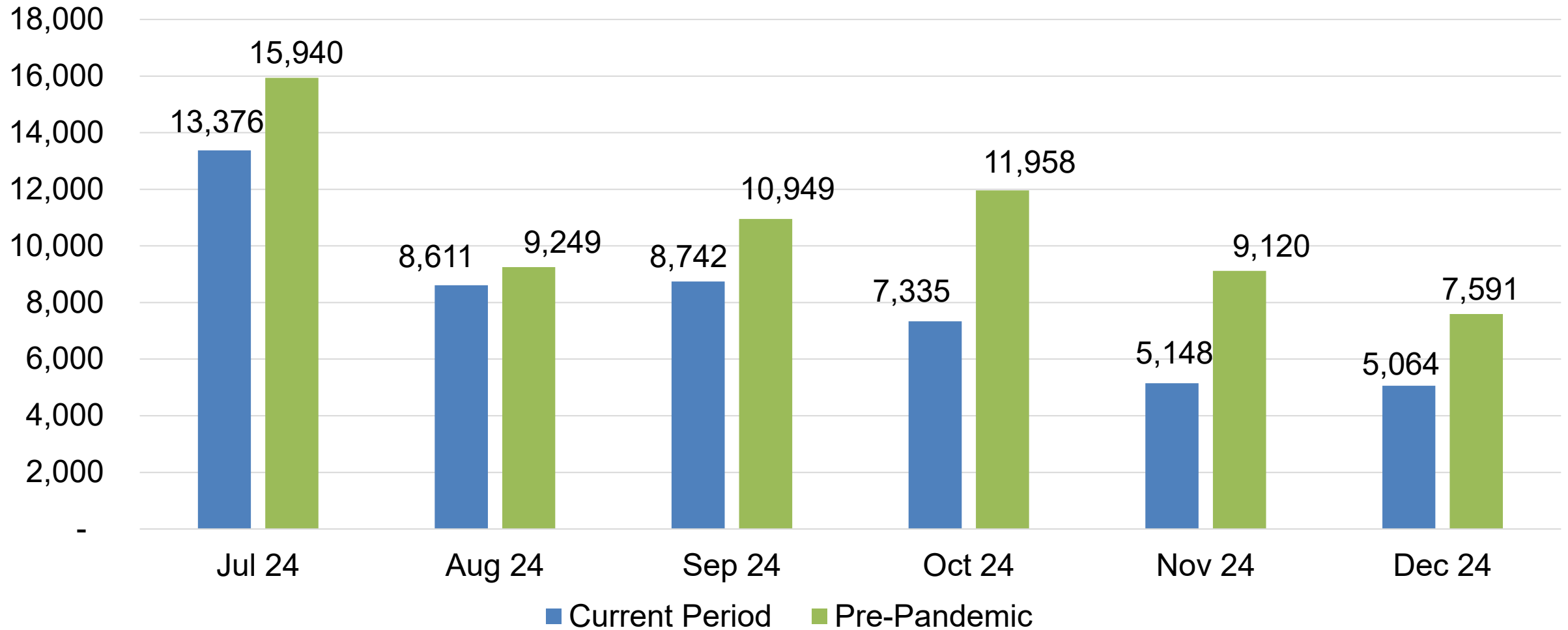


Current Period



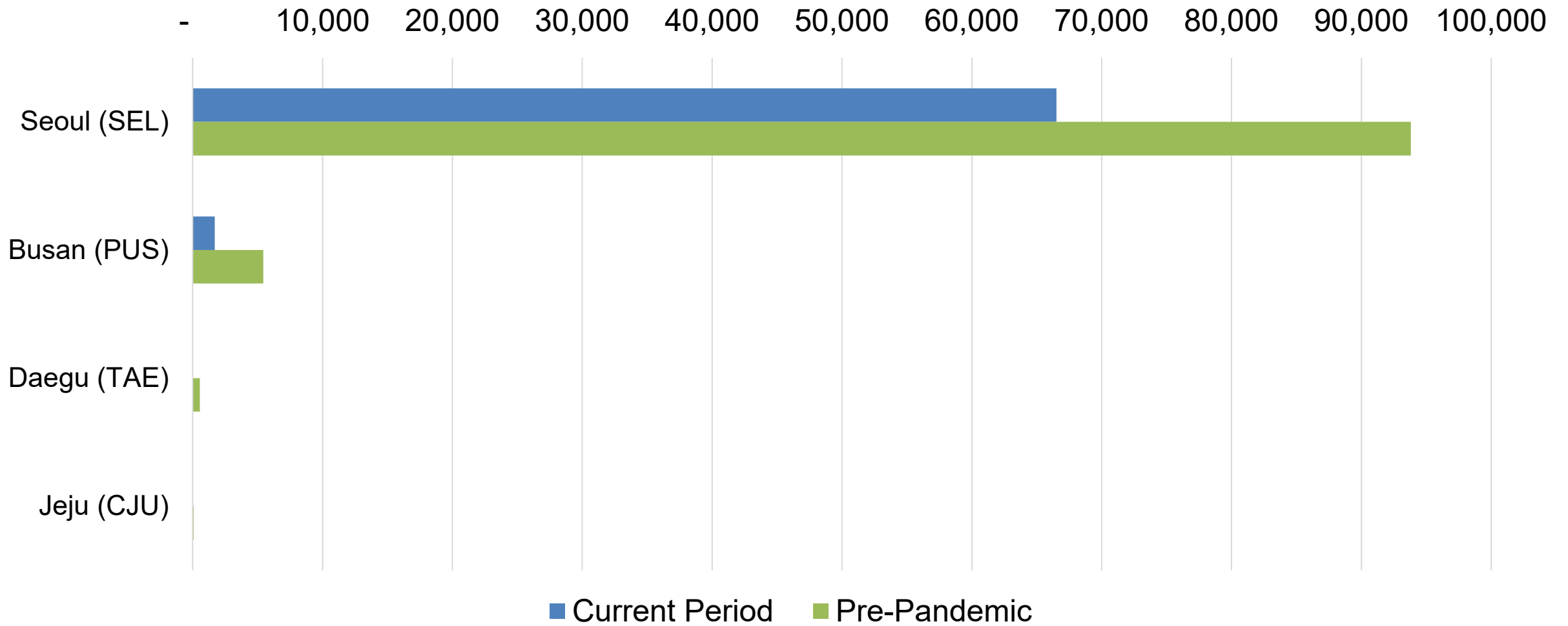
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Six Month Outlook: Korea



Source: ARC/ForwardKeys Destination Gateway

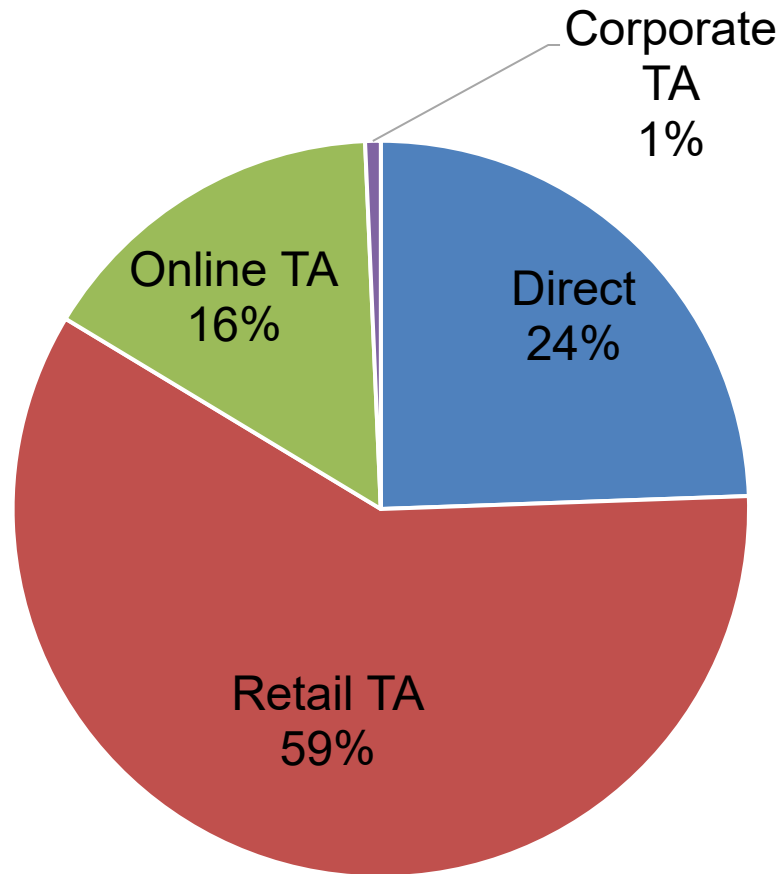
Trip Origins: Korea



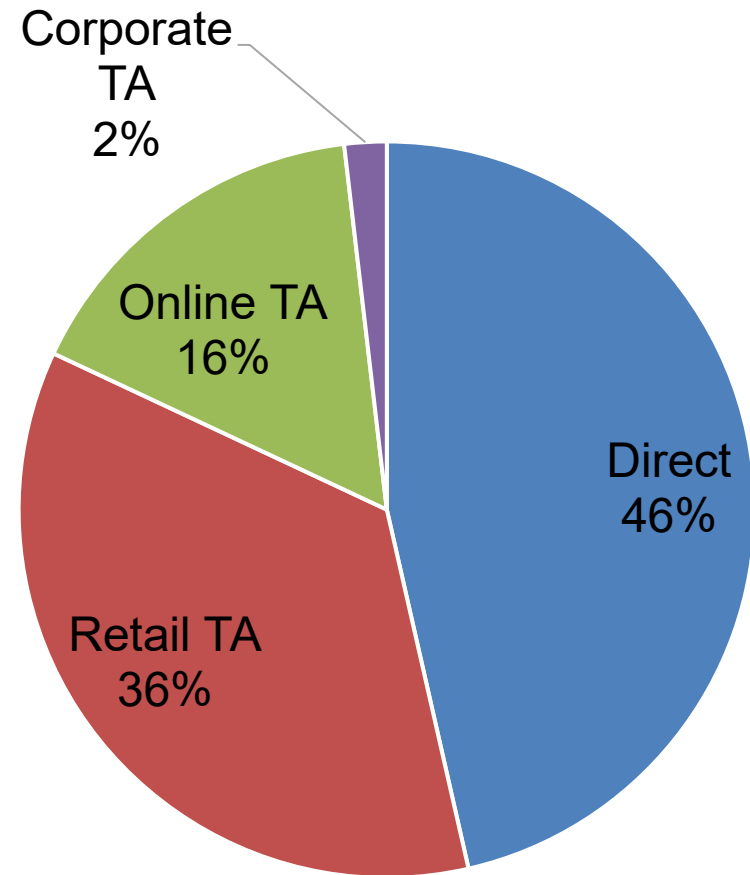
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Distribution Channel: Korea

Pre-Pandemic



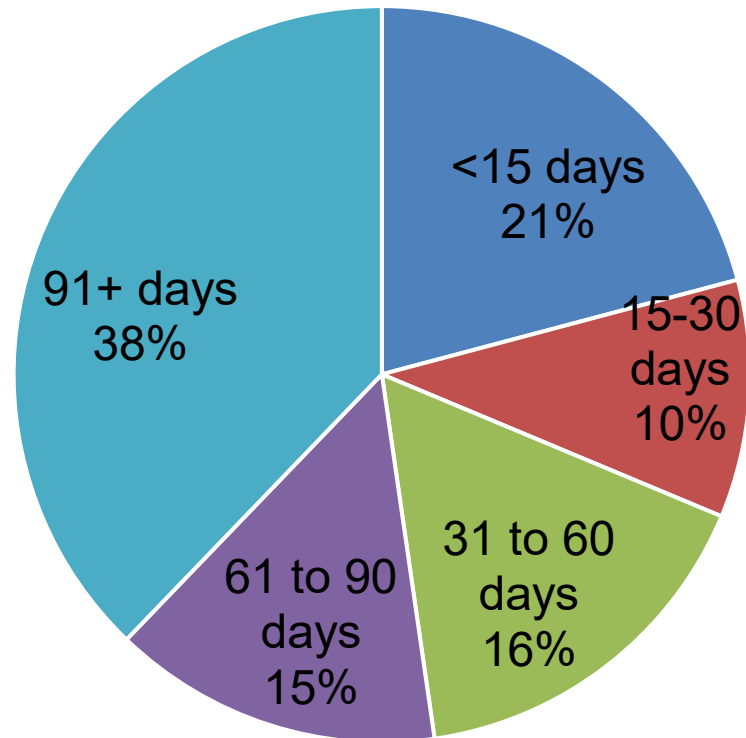
Current Period



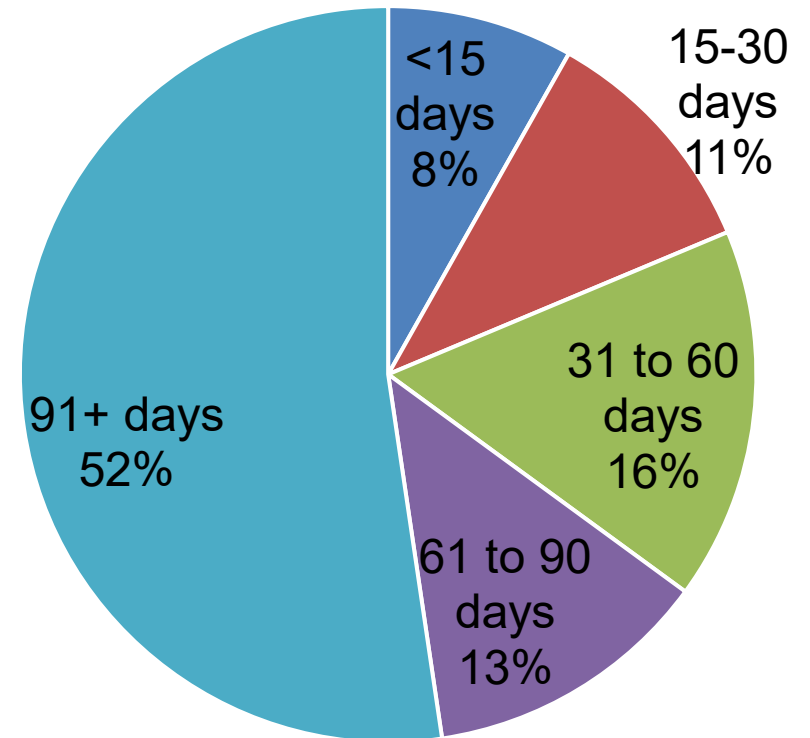
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Lead Time: Korea

Pre-Pandemic

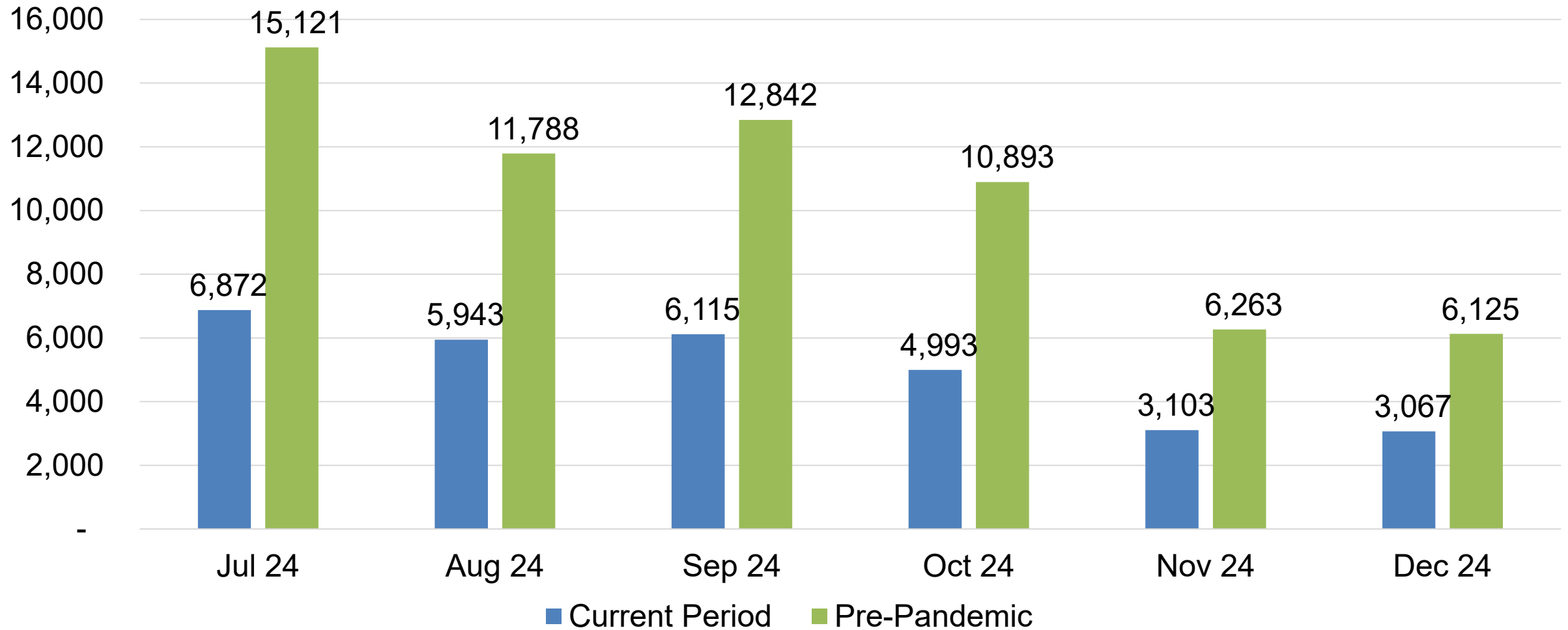


Current Period



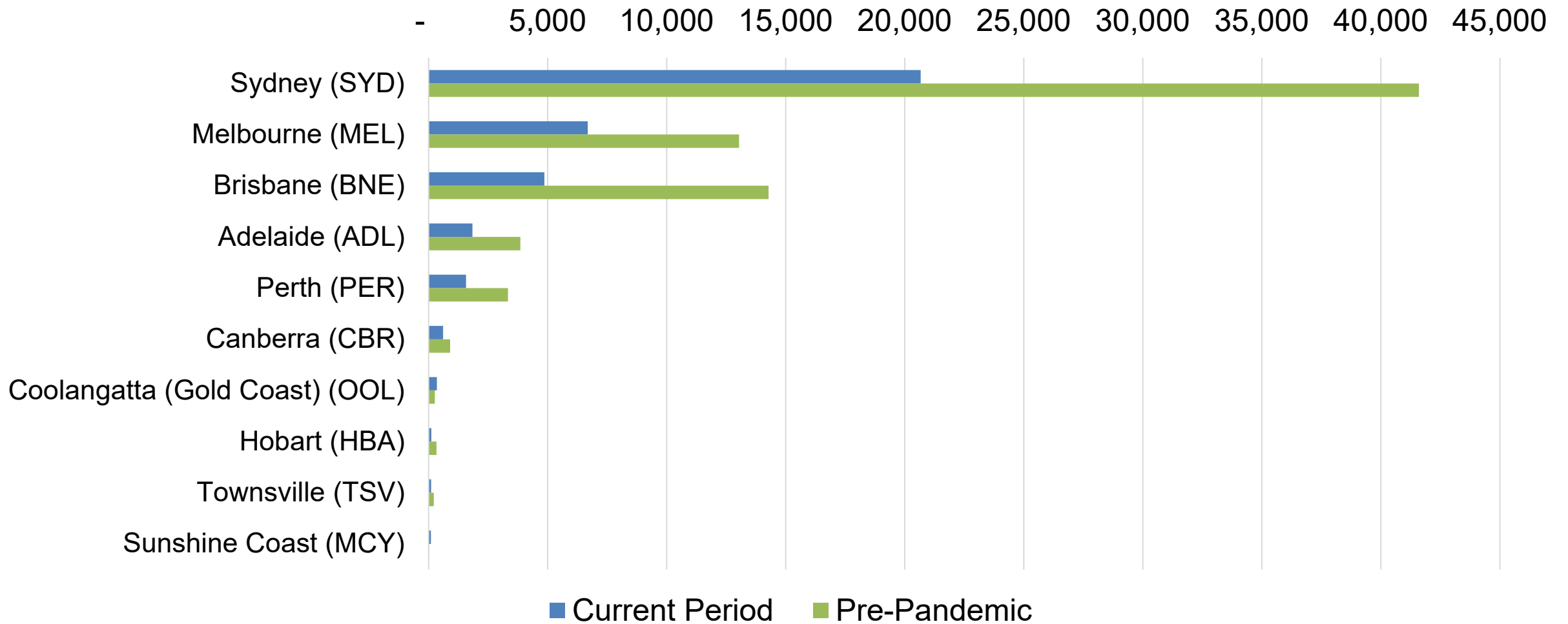
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Six Month Outlook: Australia



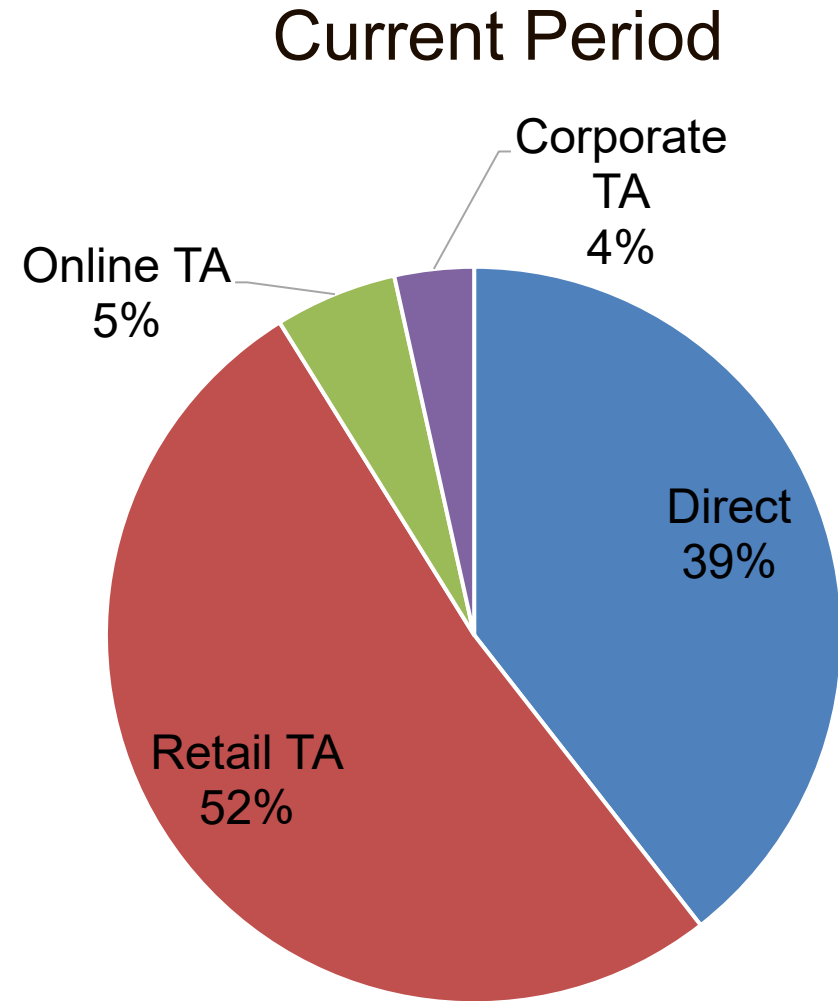
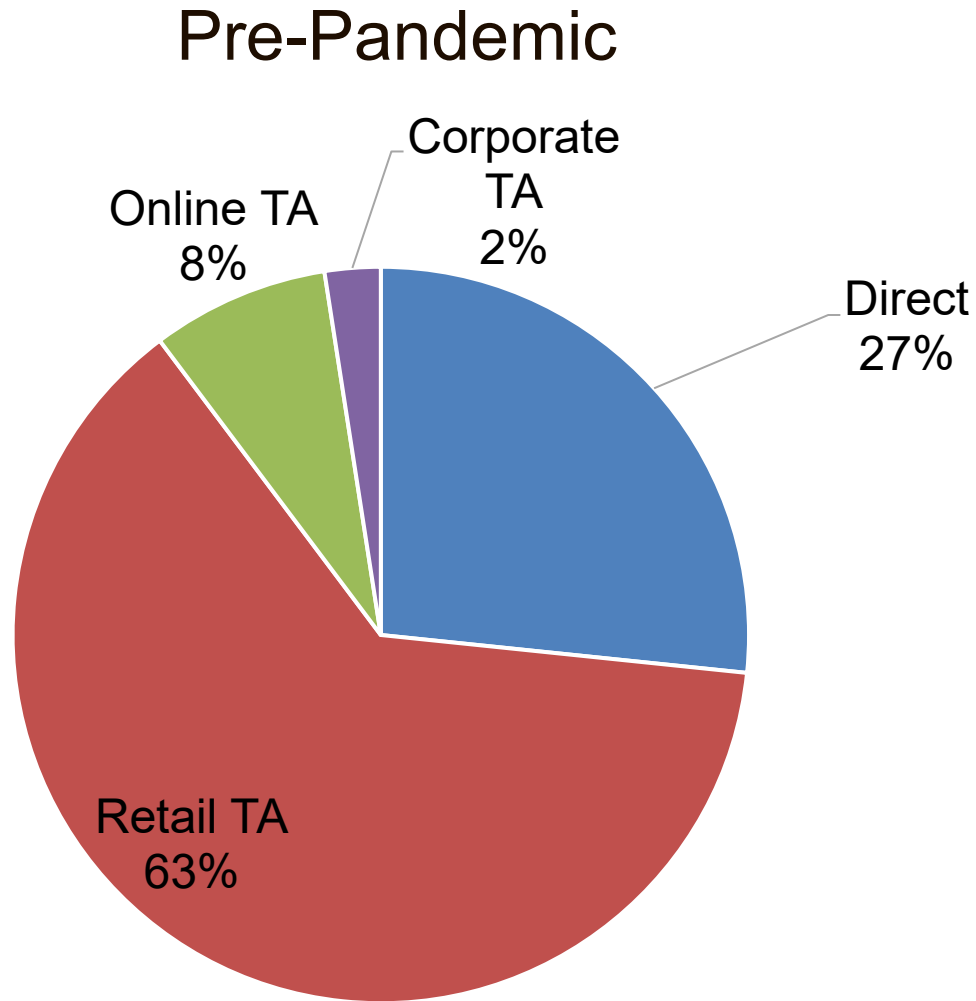
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Trip Origins: Australia



Source: ARC/ForwardKeys Destination Gateway

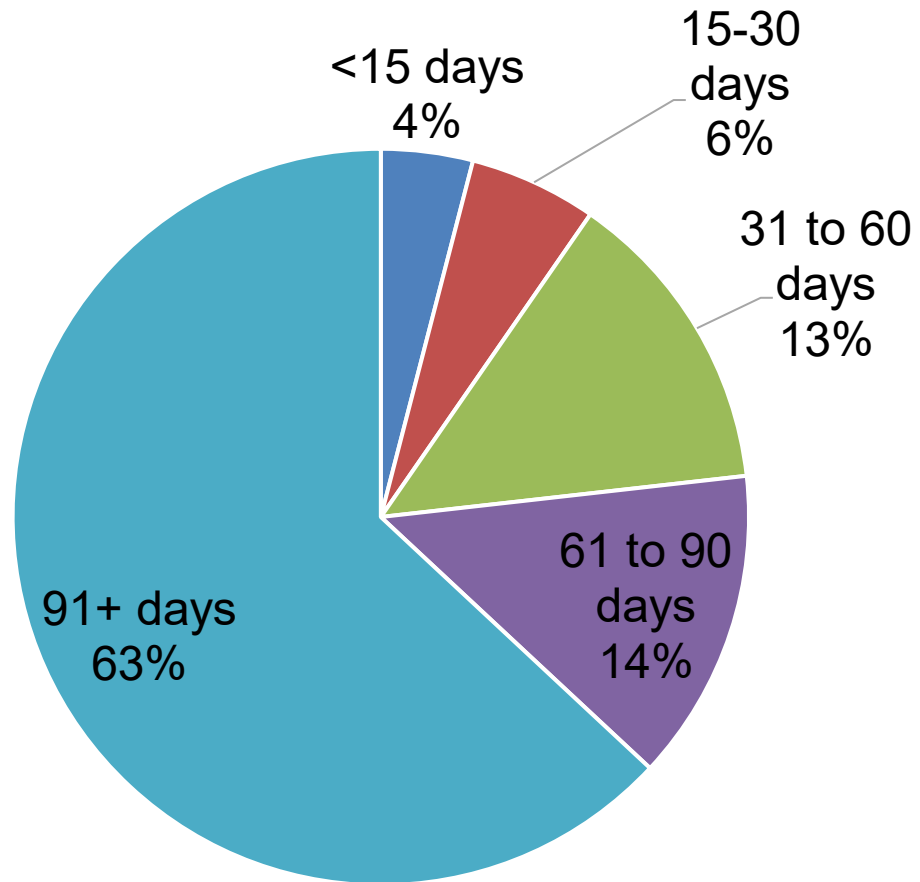
Distribution Channel: Australia



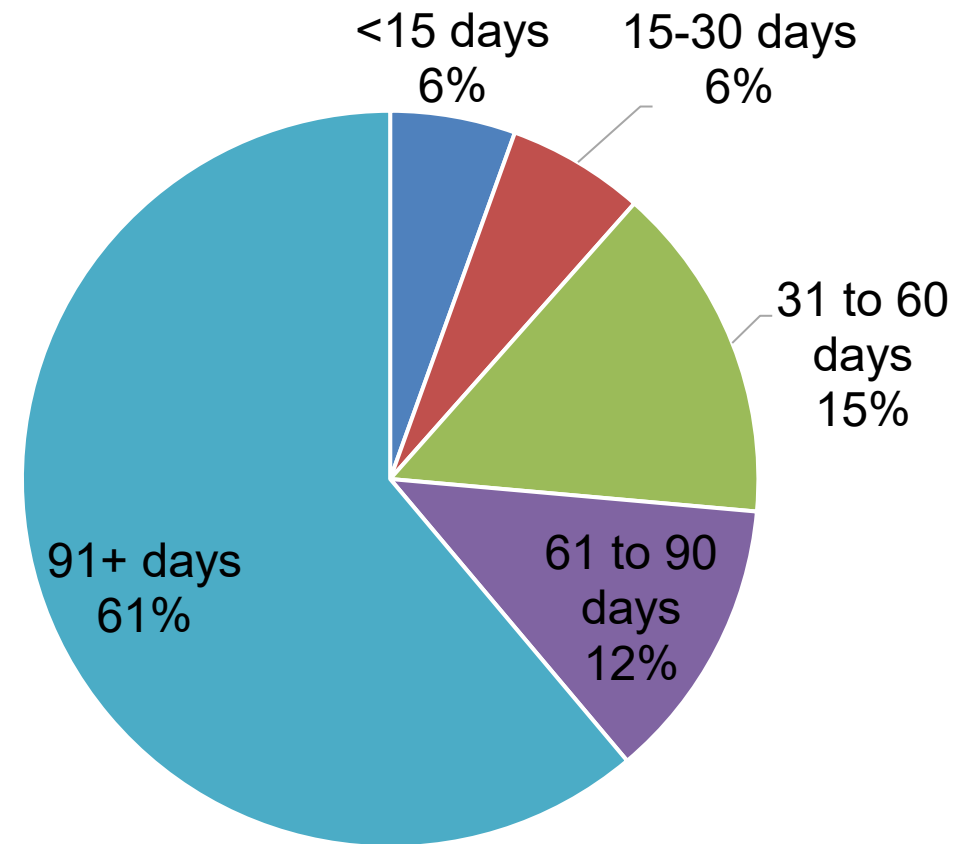
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Lead Time: Australia

Pre-Pandemic

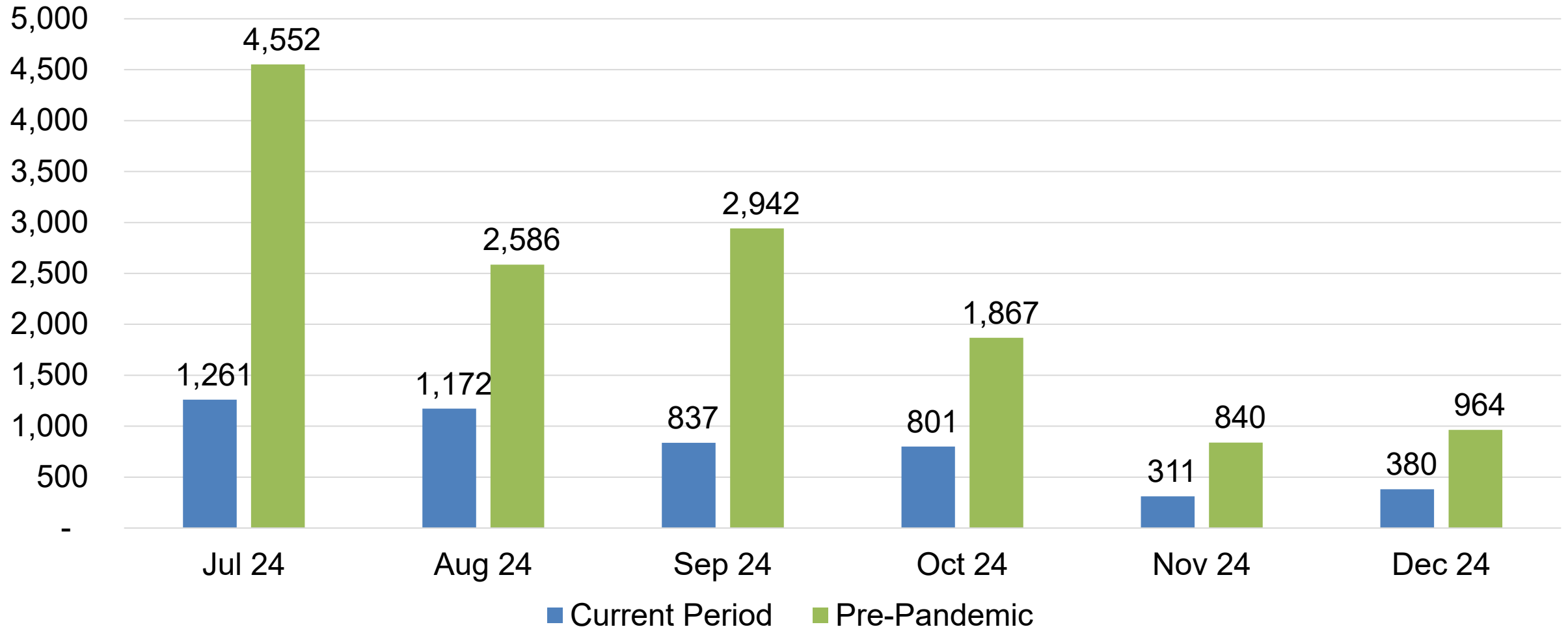


Current Period



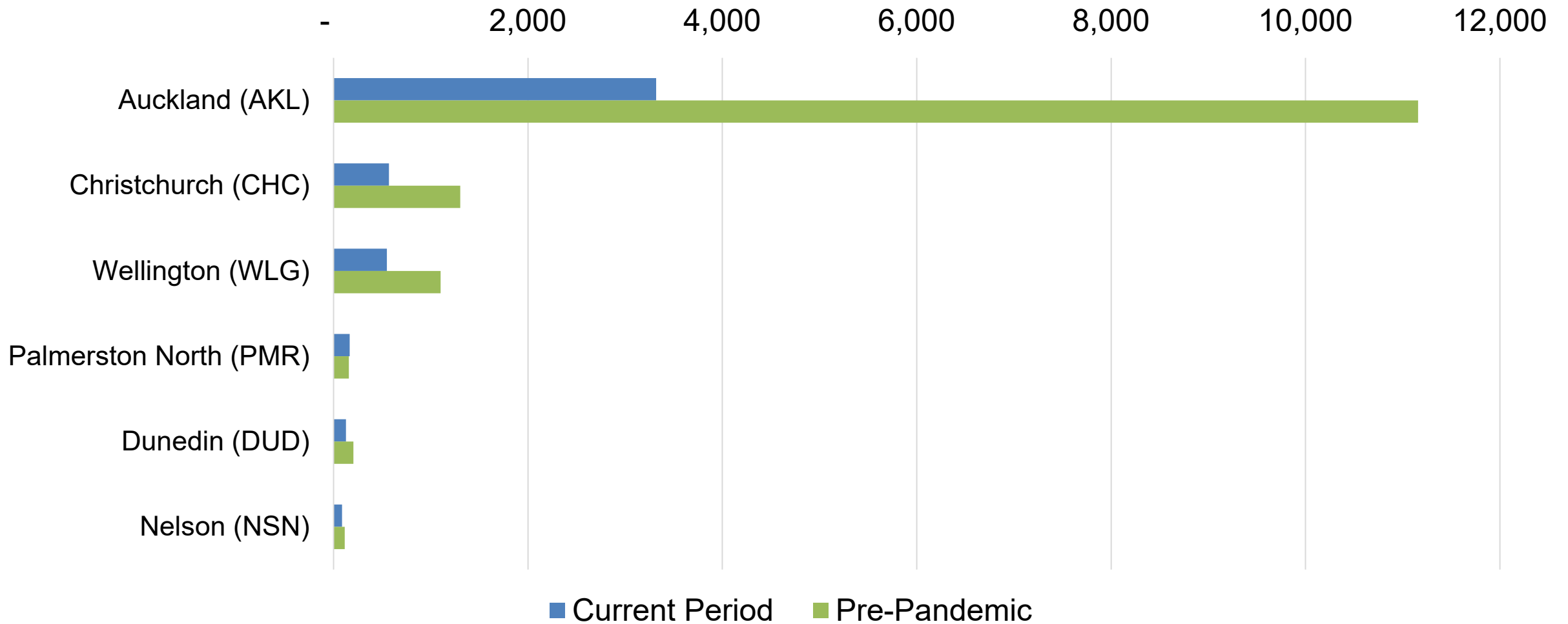
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Six Month Outlook: New Zealand



Source: ARC/ForwardKeys Destination Gateway

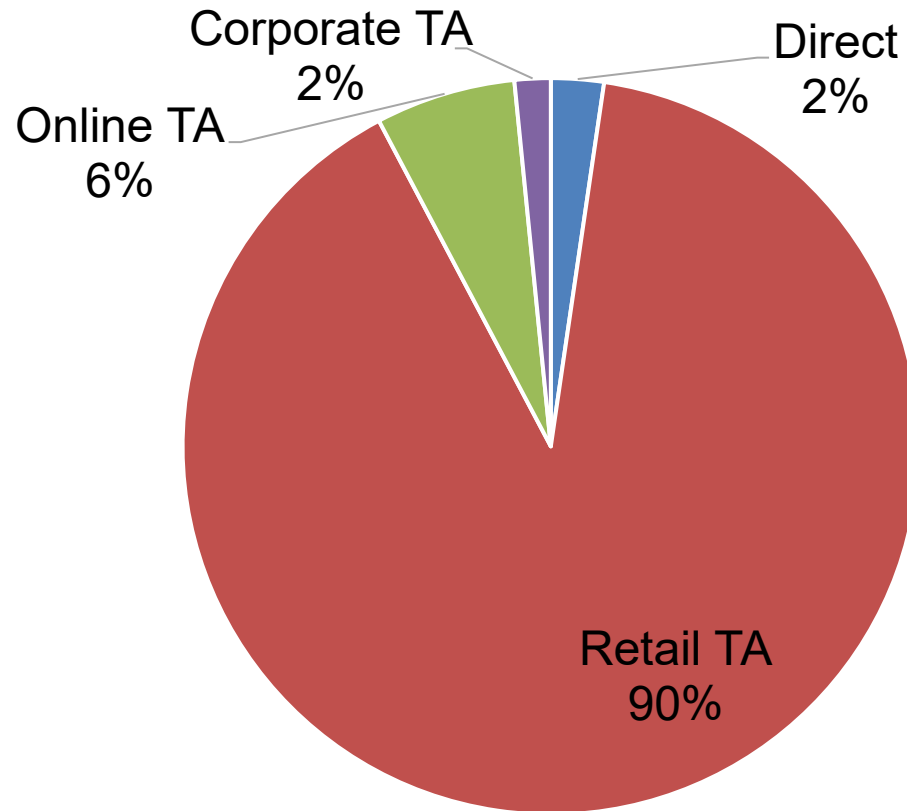
Trip Origins: New Zealand



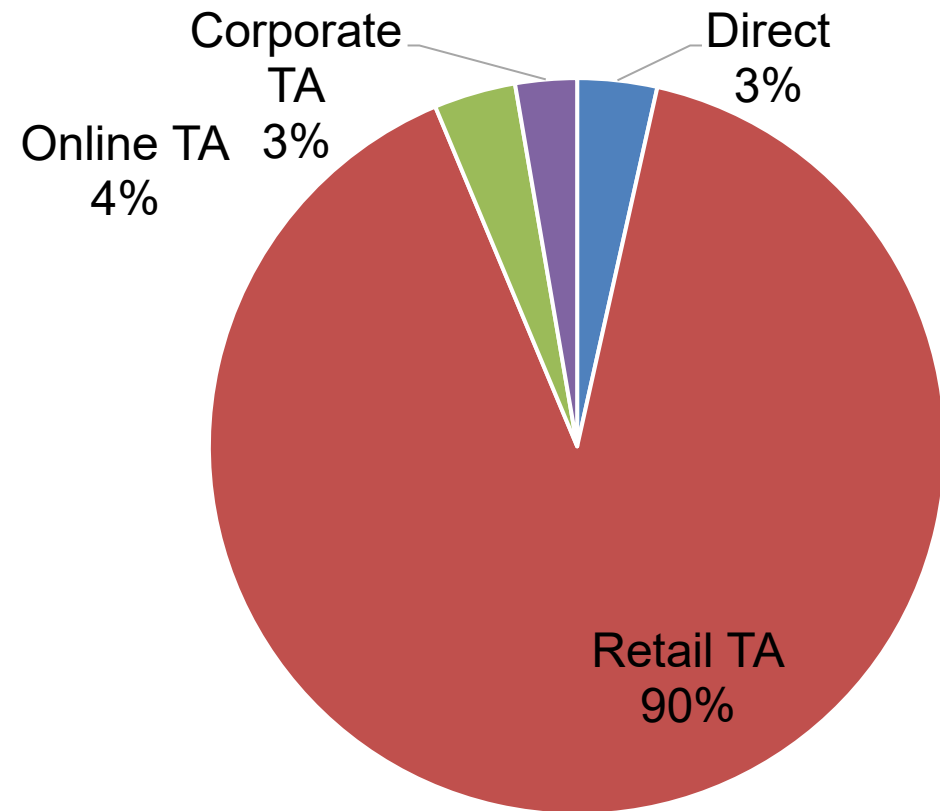
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Distribution Channel: New Zealand

Pre-Pandemic



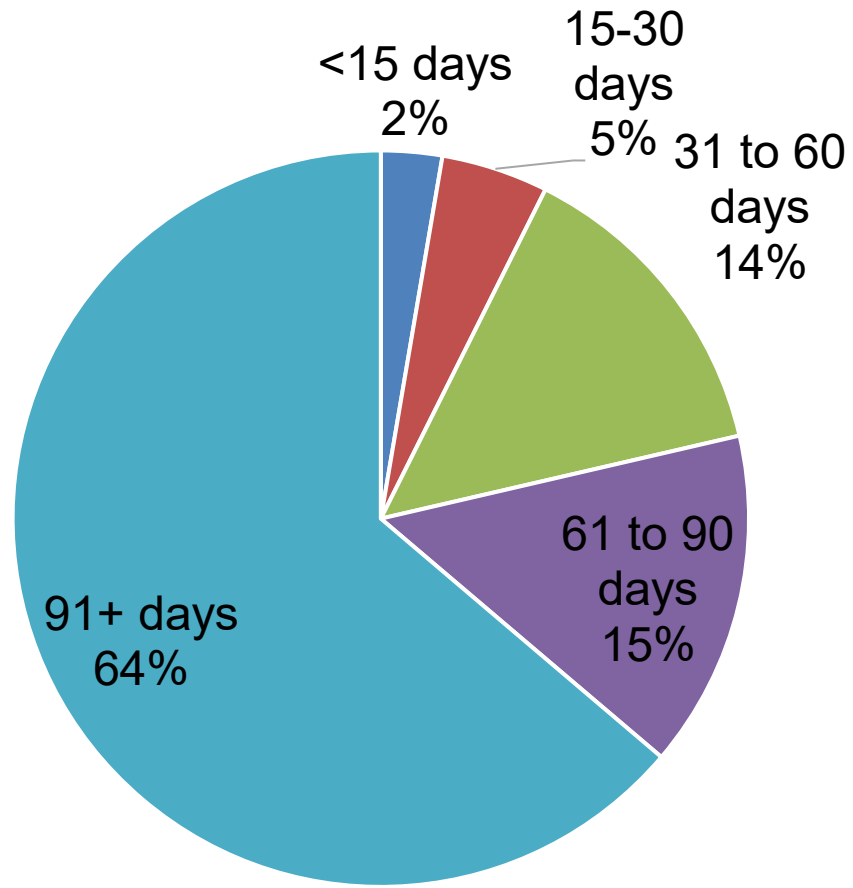
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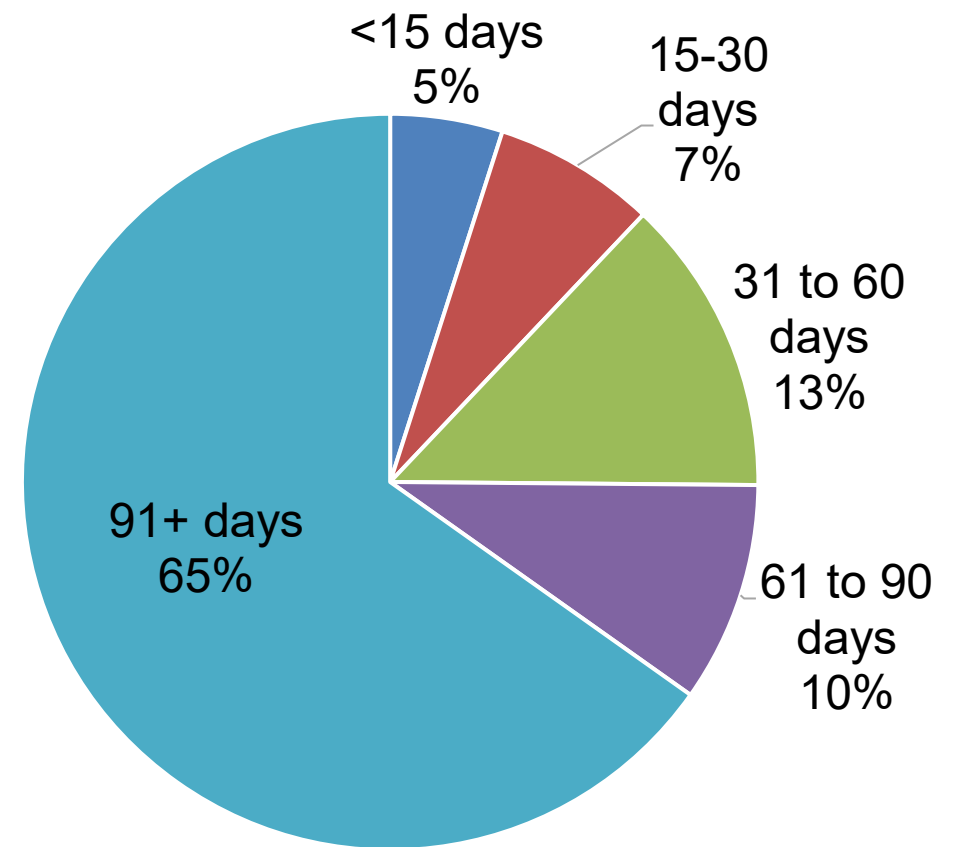
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Lead Time: New Zealand

Pre-Pandemic

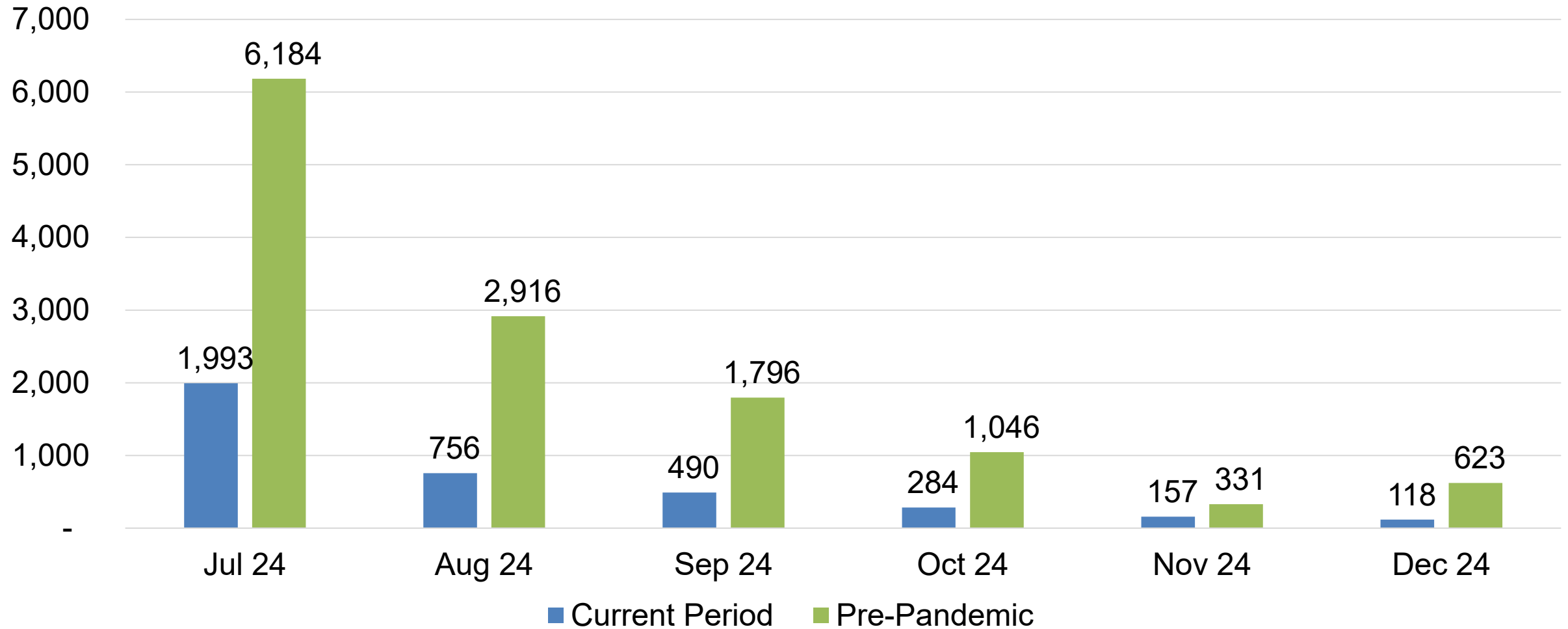


Current Period



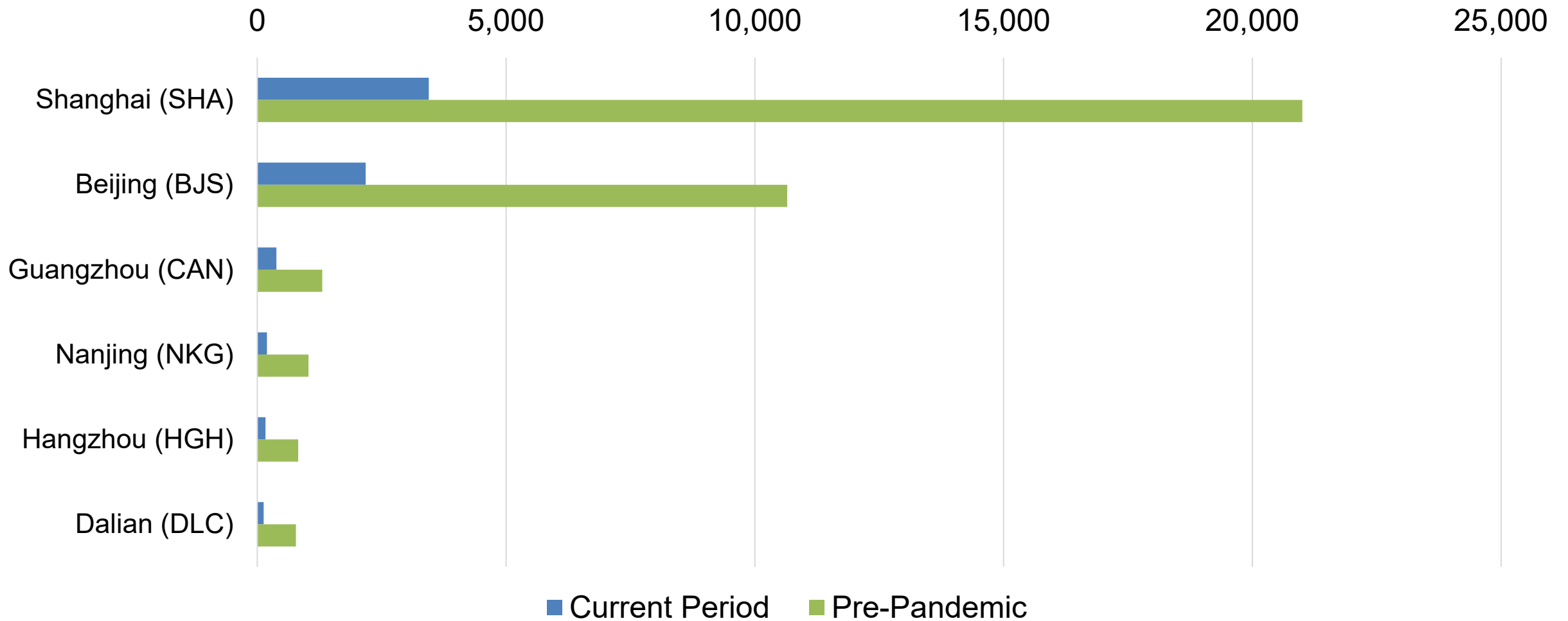
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Six Month Outlook: China



Source: ARC/ForwardKeys Destination Gateway

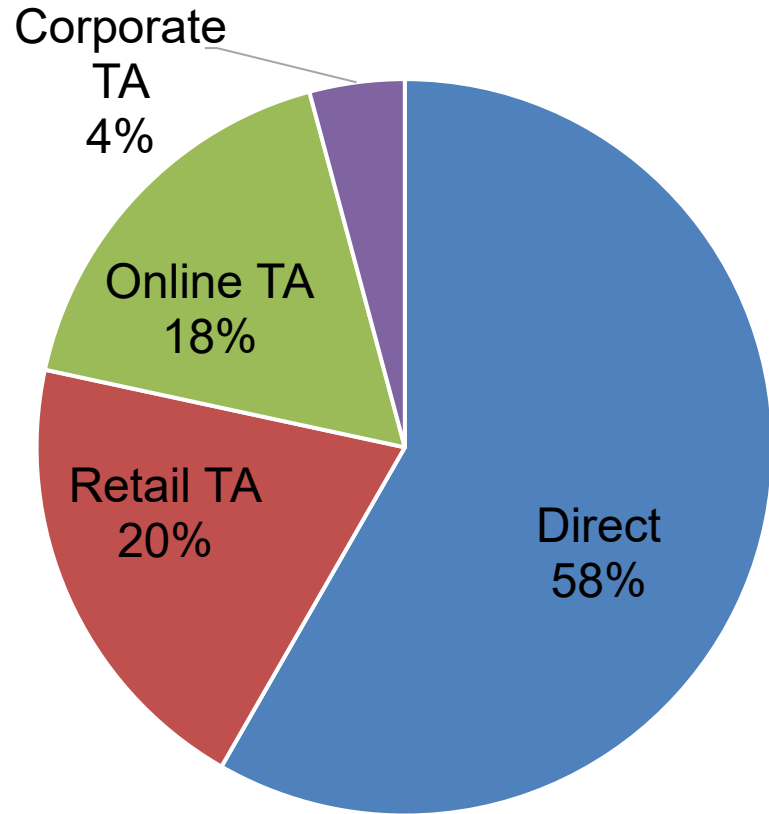
Trip Origins: China



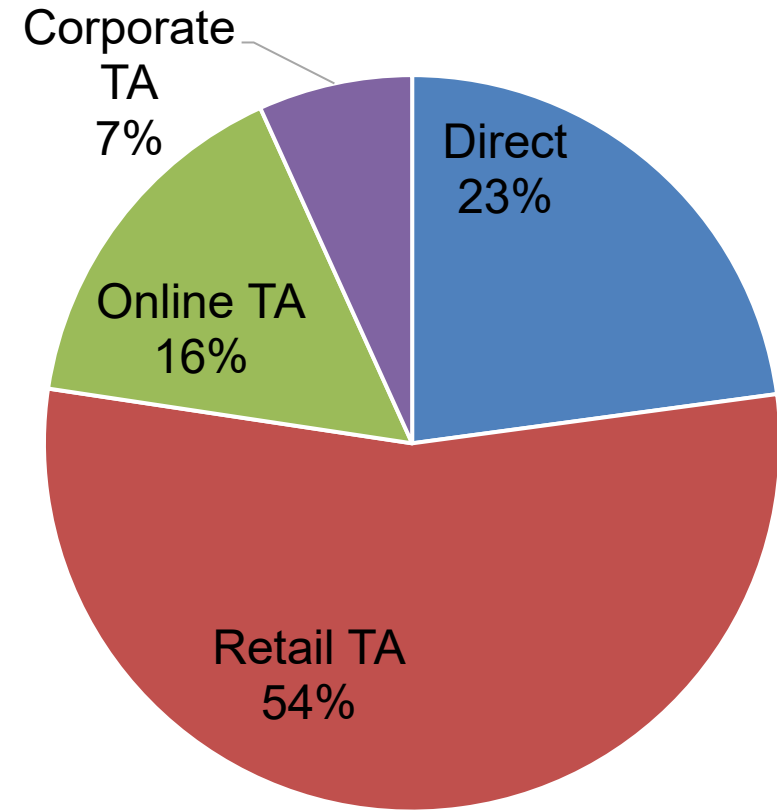
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Distribution Channel: China

Pre-Pandemic



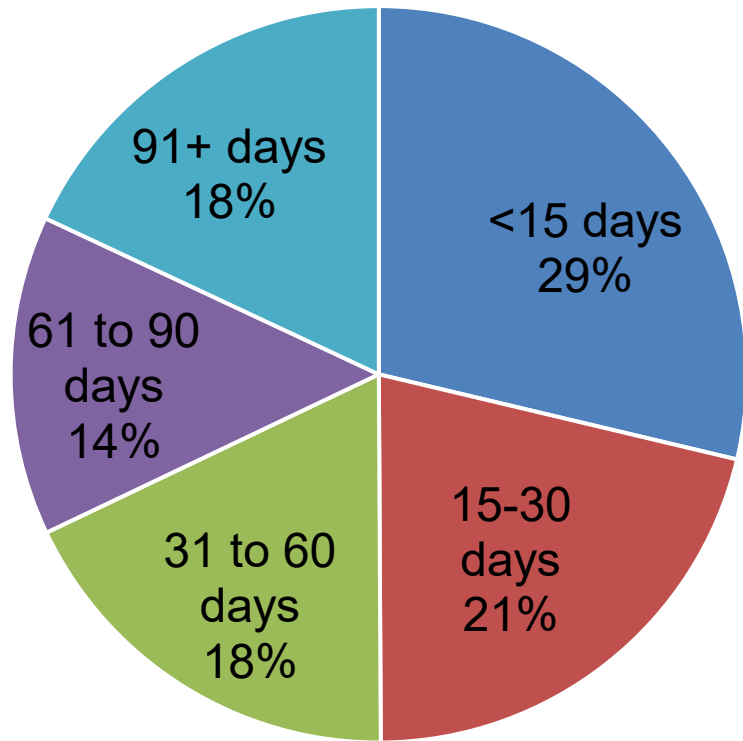
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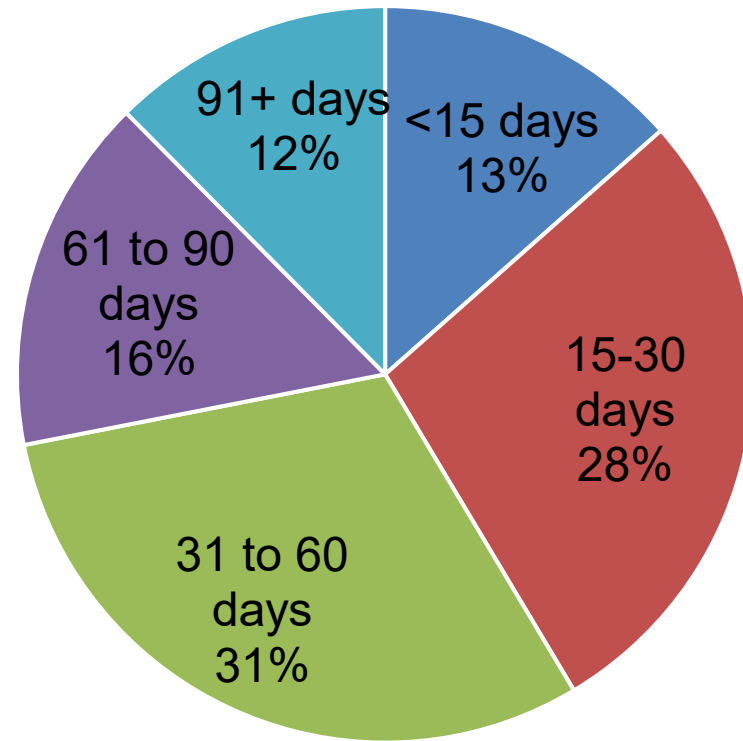
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Lead Time: China

Pre-Pandemic

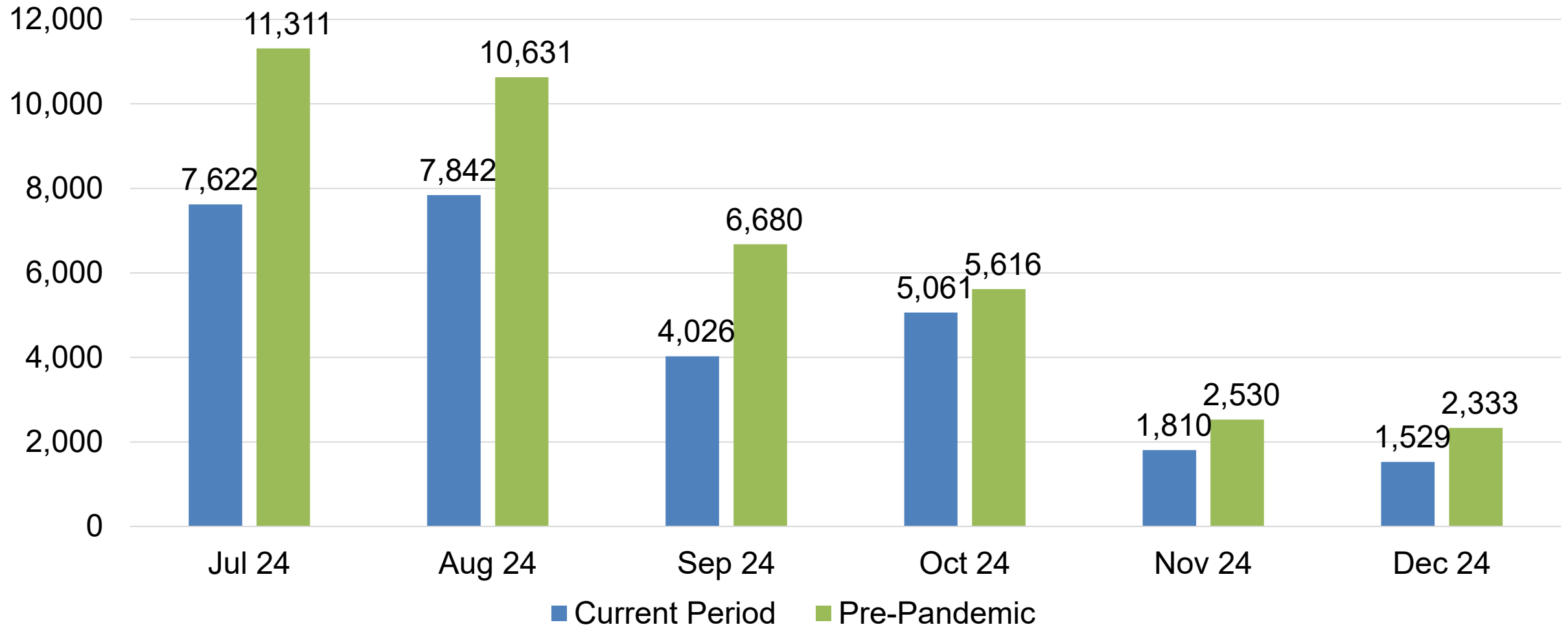


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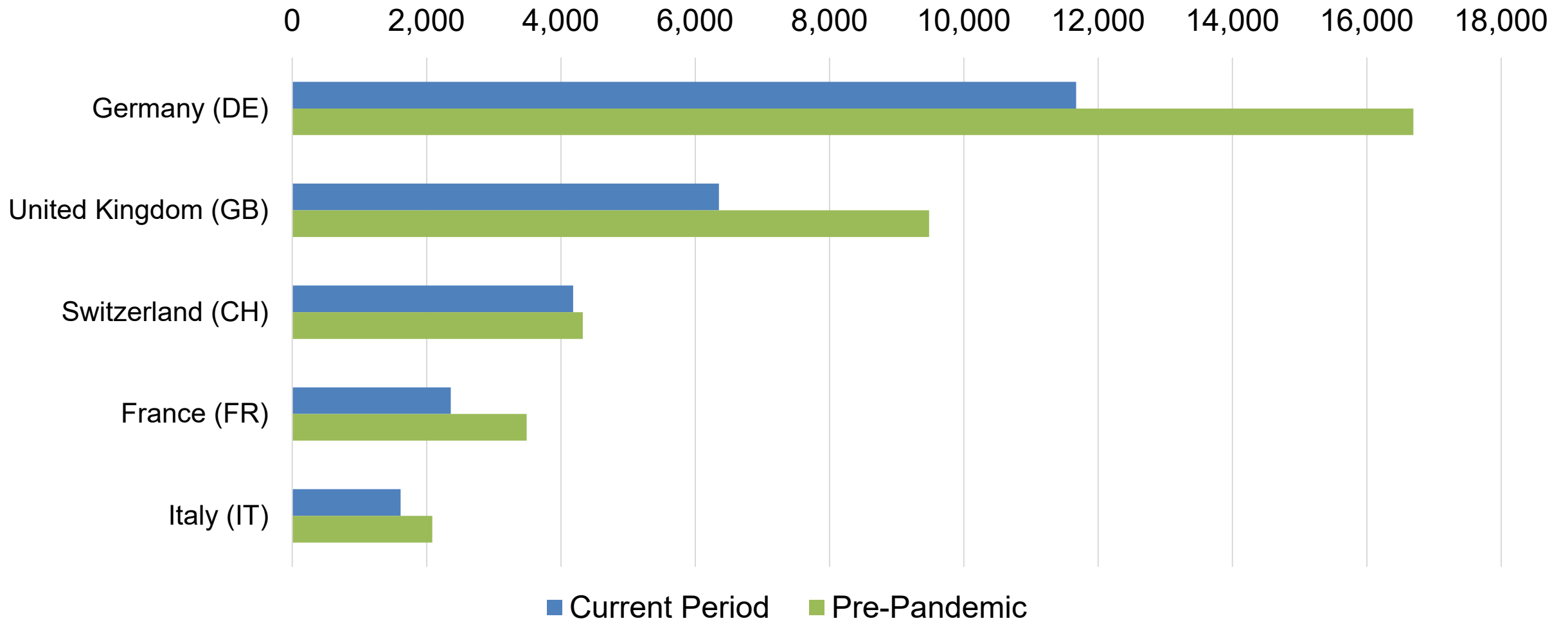
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Six Month Outlook: Europe



Source: ARC/ForwardKeys Destination Gateway

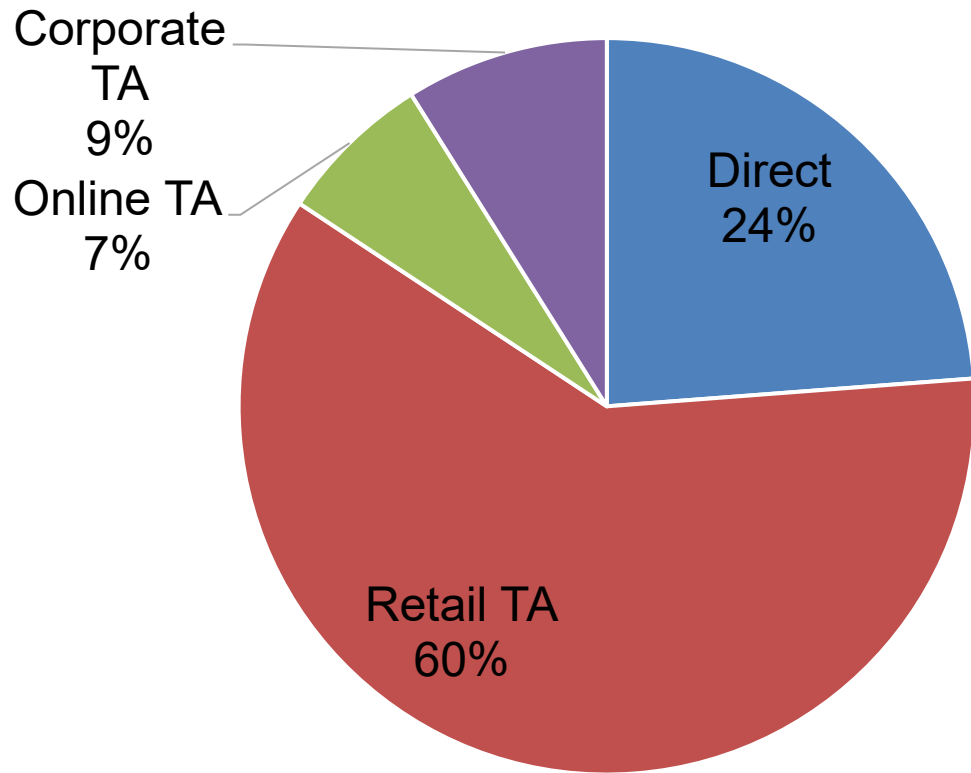
Trip Origins: Europe



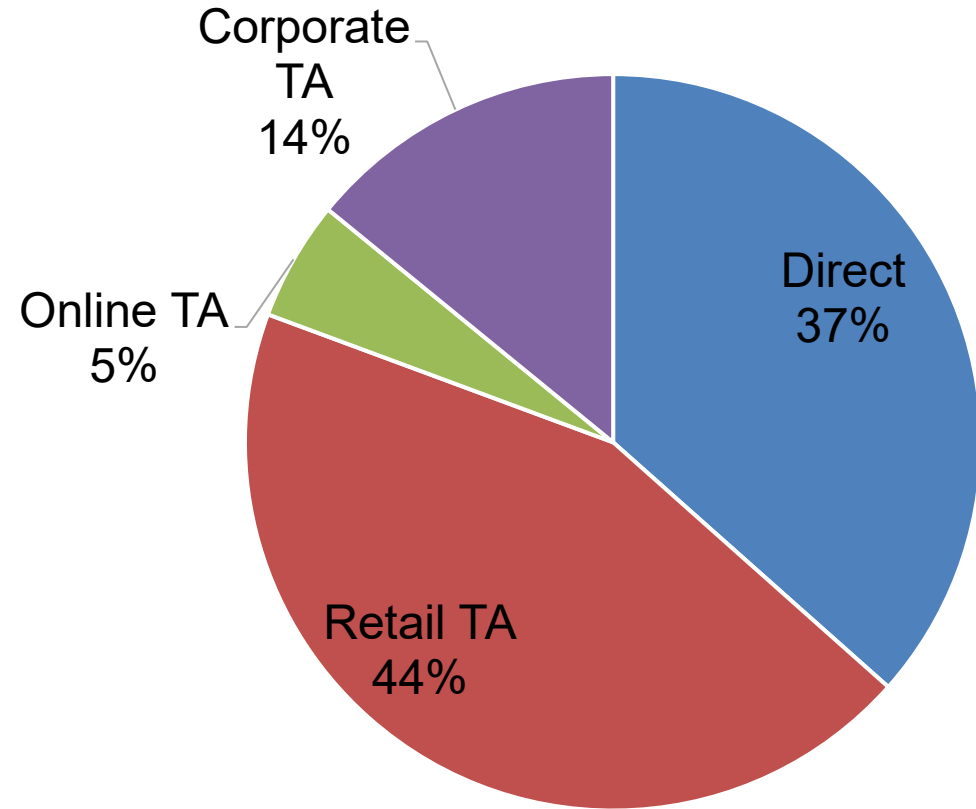
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Distribution Channel: Europe

Pre-Pandemic



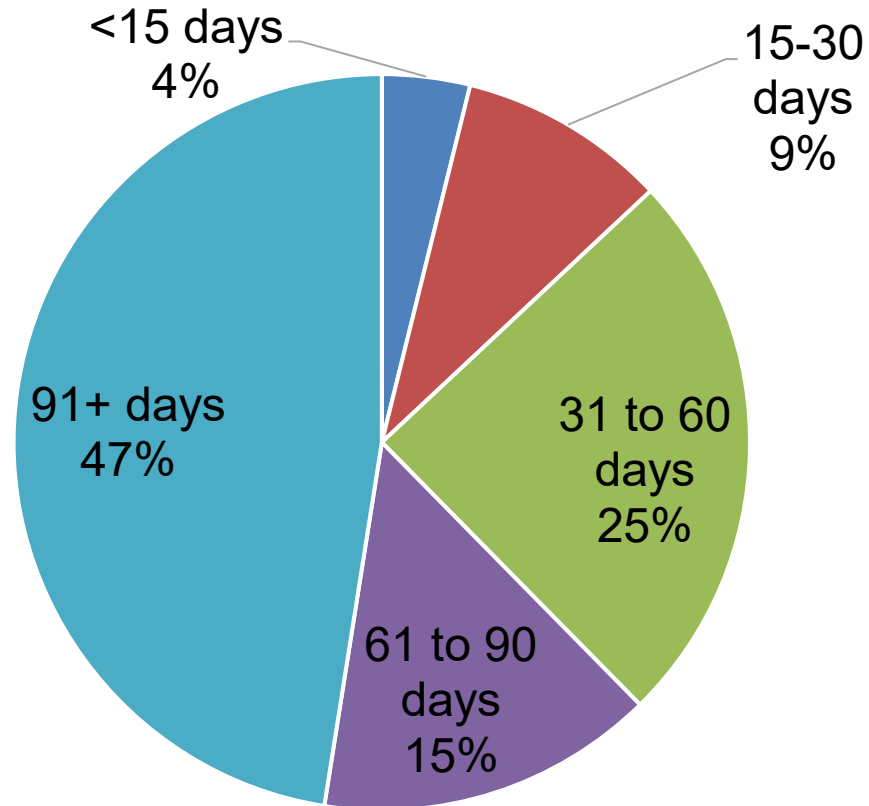
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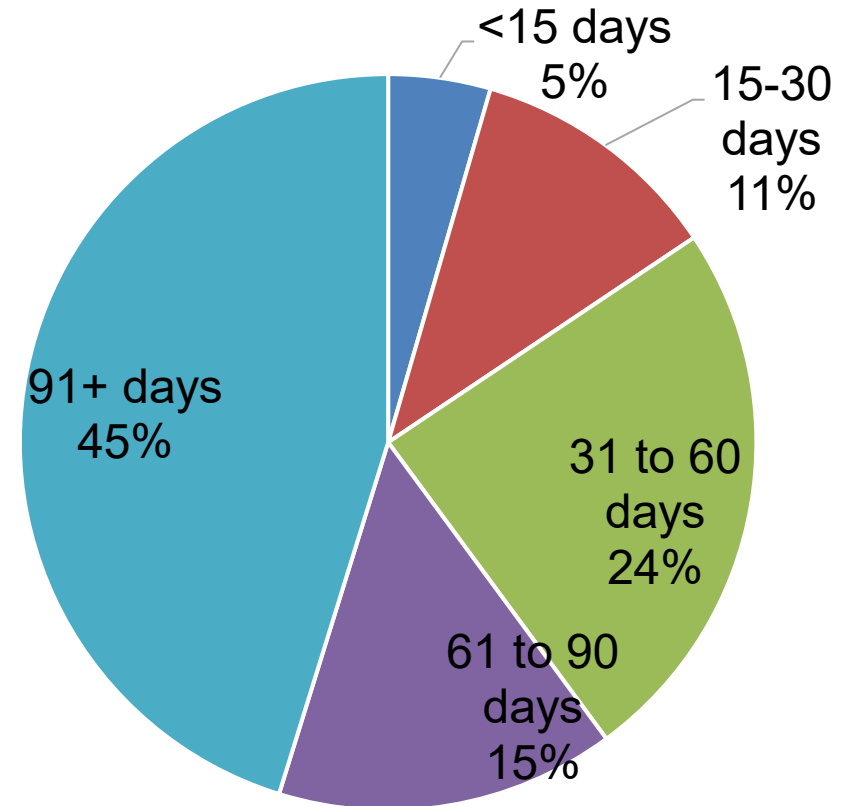
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Lead Time: Europe

Pre-Pandemic

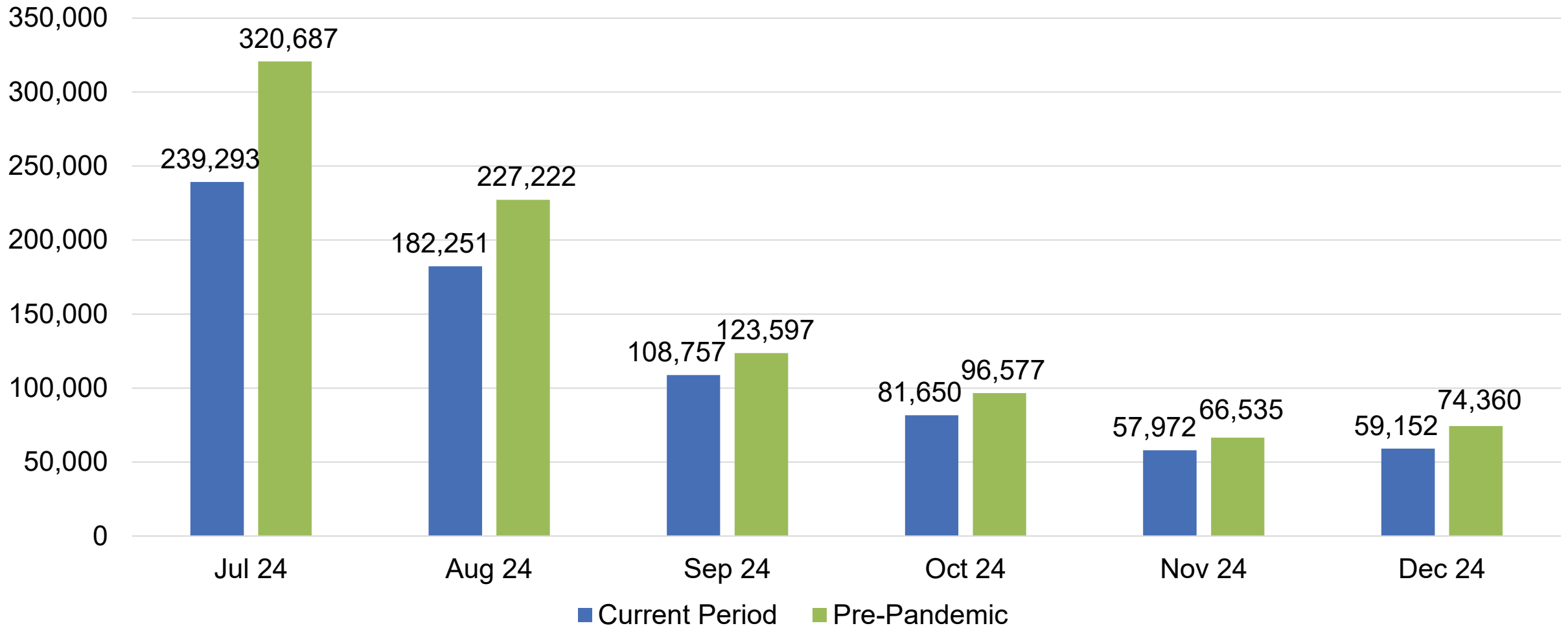


Current Period



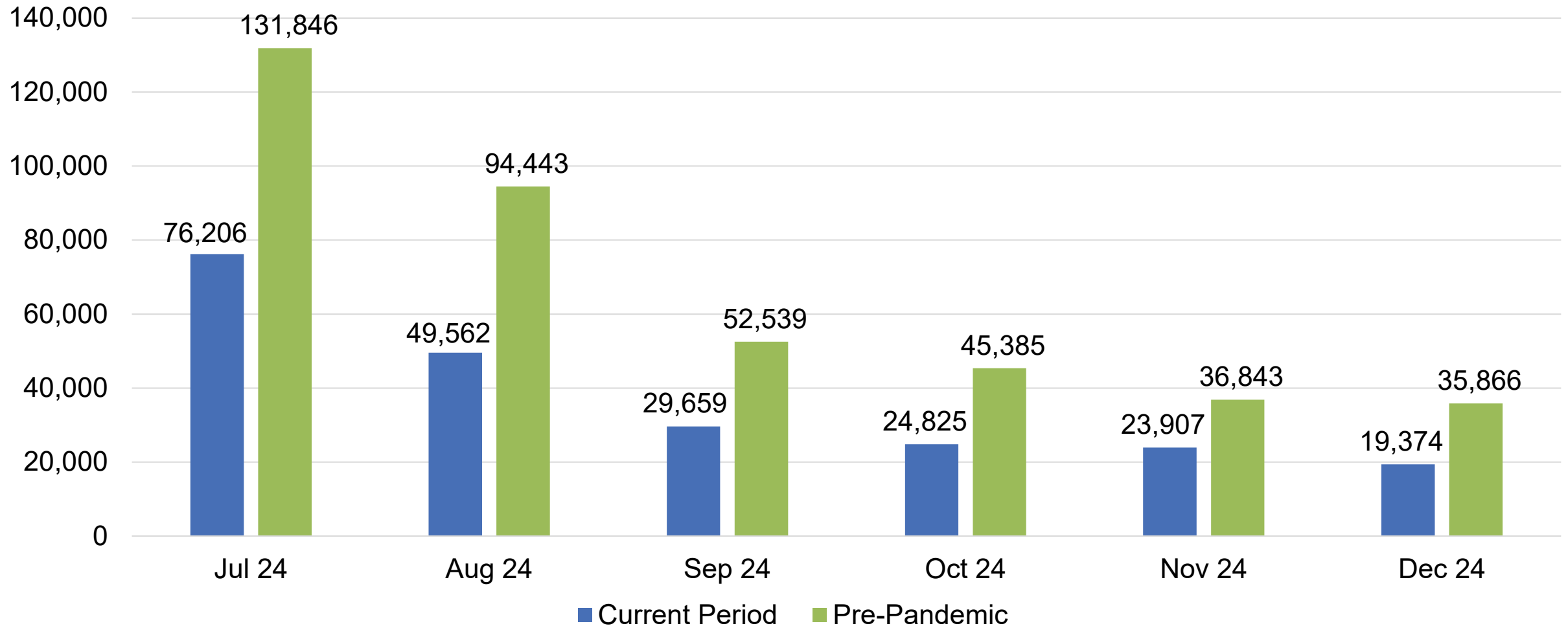
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Six Month Outlook: All Markets to O'ahu



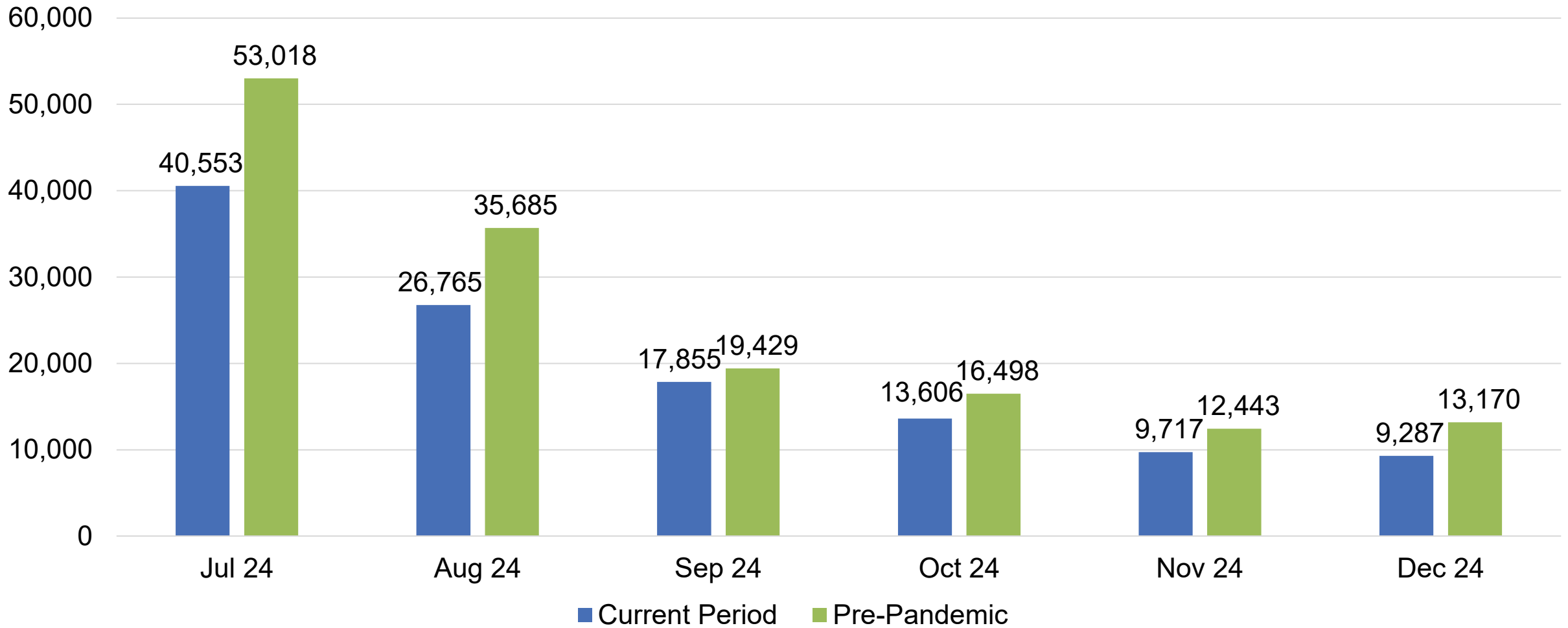
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Six Month Outlook: All Markets to Maui



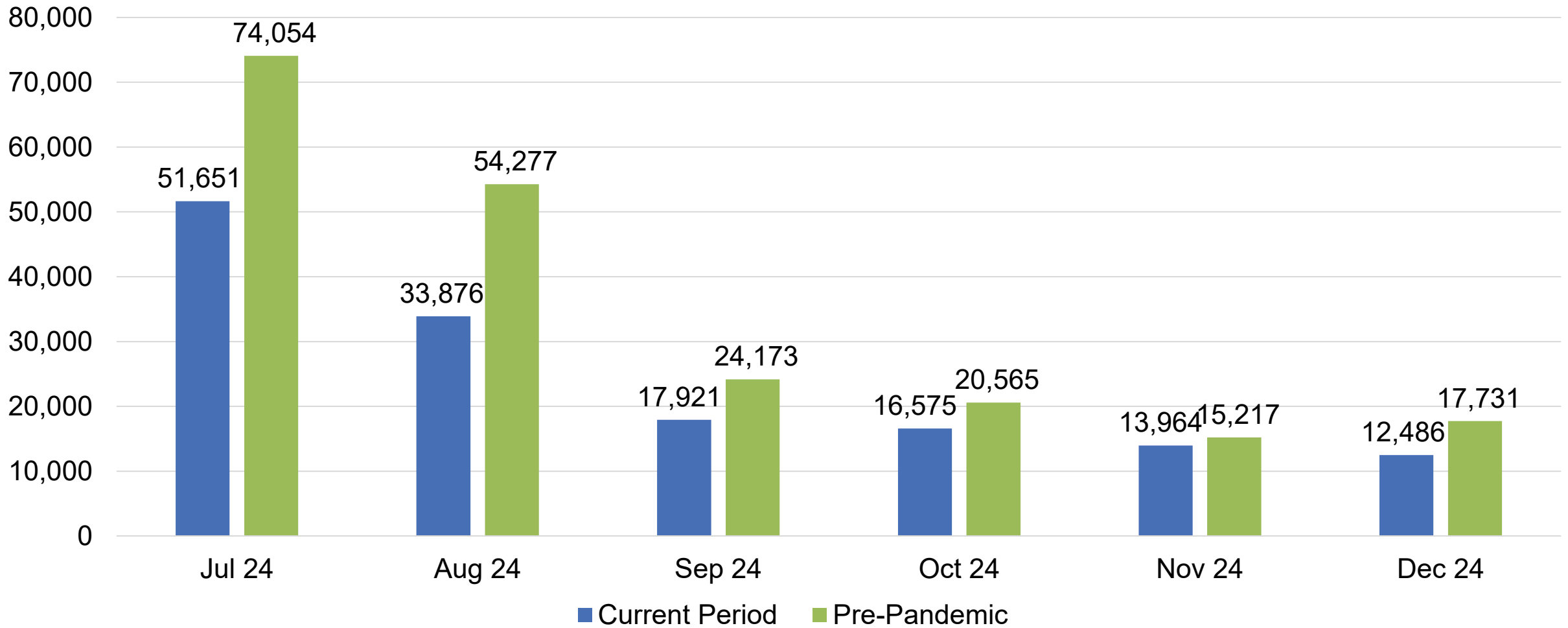
Source: ARC/ForwardKeys Destination Gateway

Six Month Outlook: All Markets to Kaua'i



Source: ARC/ForwardKeys Destination Gateway

Six Month Outlook: All Markets to Hawai'i Island



Source: ARC/ForwardKeys Destination Gateway

MAHALO!



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AUTHORITY



15

**Report and Update by the
HO‘OKAHUA HAWAI‘I STANDING COMMITTEE of
their Meeting Held on July 24, 2024**

15b

**Presentation of DBEDT's Spring 2024
Resident Sentiment Survey by
Chris Kam of Omnitrak Group**



Resident Sentiment Survey - Spring 2024 Highlights



Prepared for the:
State of Hawai'i
Department of Business, Economic Development & Tourism
June 2024
Fielded: March 5 through April 30, 2024



Davies Pacific Center 1250, 841 Bishop Street, Honolulu, Hawai'i 96813
Telephone: 1-808-528-4050 omnitrak@omnitrakgroup.com

What's the Big Idea?

1

Destination Stewardship measures of Resident Sentiment are rising.

2

As Destination Stewardship initiatives take root:

- Key measures of Hawai'i Resident Sentiment edge upwards.
- The perceived balance of tourism's benefits vs. challenges gains strength.
- Providing residents a voice in tourism development takes on a new level of importance.

3

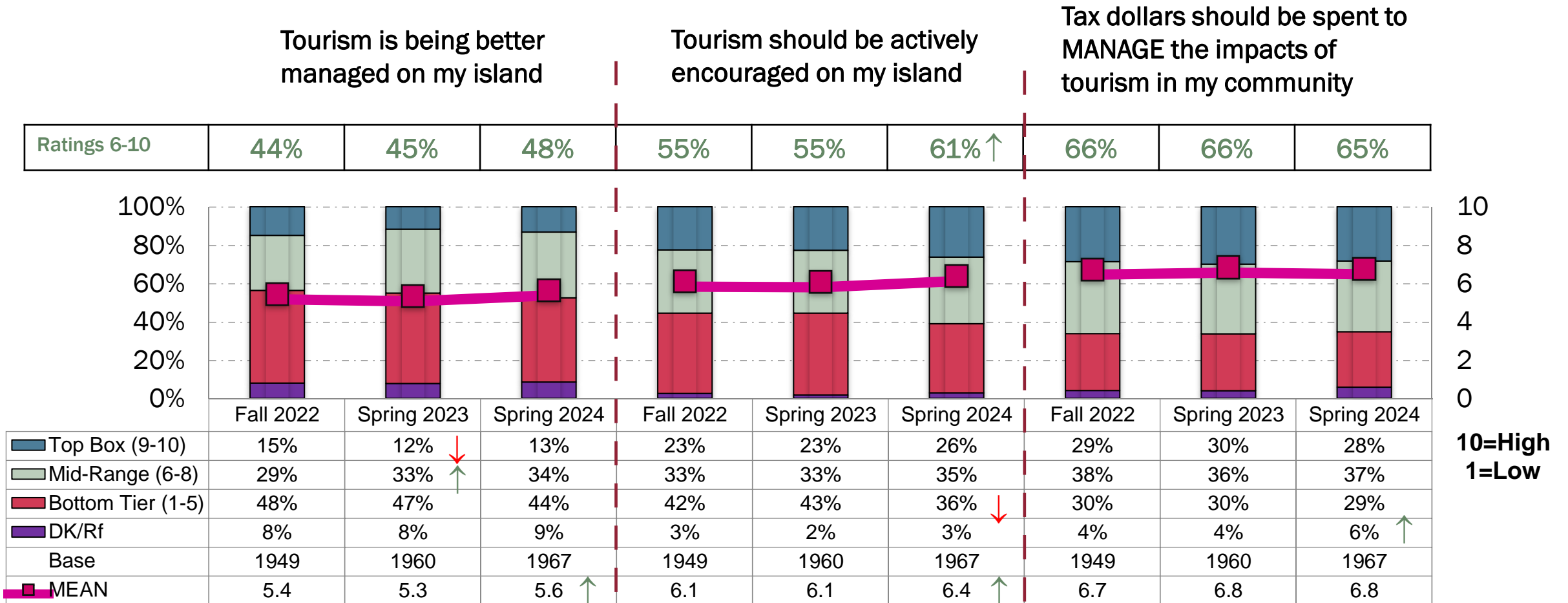
Nonetheless, perceived challenges of tourism remain, and require an integrated effort between multiple public and private sector organizations to address.





Destination stewardship measures of Resident Sentiment are rising

Destination Stewardship Indicators



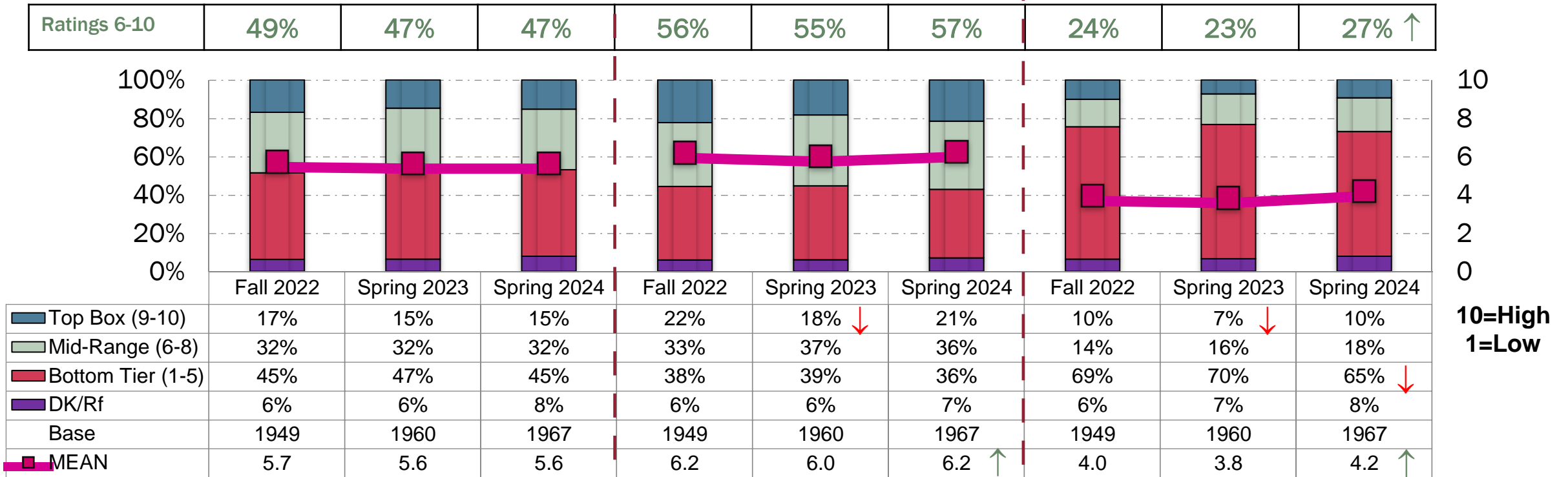
Q.4. I'm going to read you some statements about tourism, and ask you to please tell me how much you agree or disagree with each statement using a scale of 1 to 10 with 10 being Completely Agree and 1 meaning Do Not Agree At All. You can choose any number between 1 and 10.

Destination Stewardship Indicators (Continued)

More effort is being made to balance economic benefits of tourism and quality of life for residents

Tourism helps fund the stewardship of Hawai'i's natural resources, parks & cultural sites

I feel like I have a voice in my island's tourism development decisions

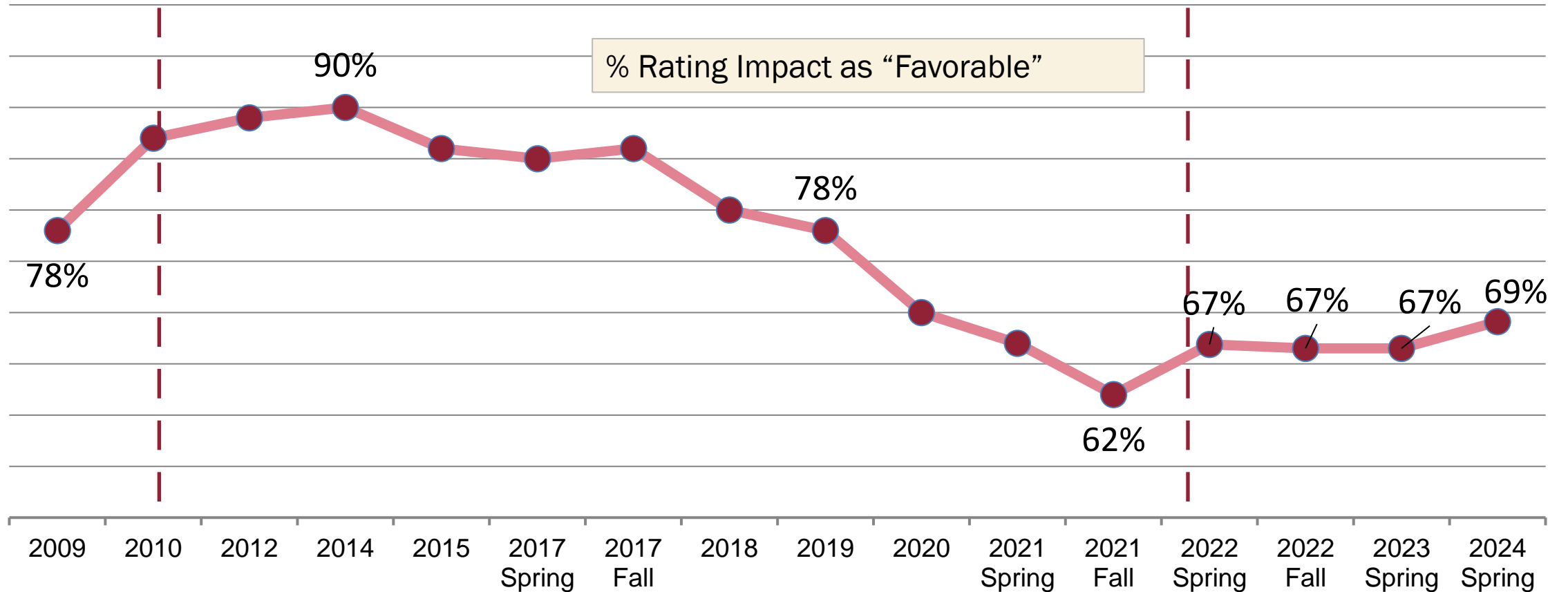


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Key measures of Hawai'i Resident Sentiment edge upwards

Favorable Views of Hawai'i Tourism edging higher

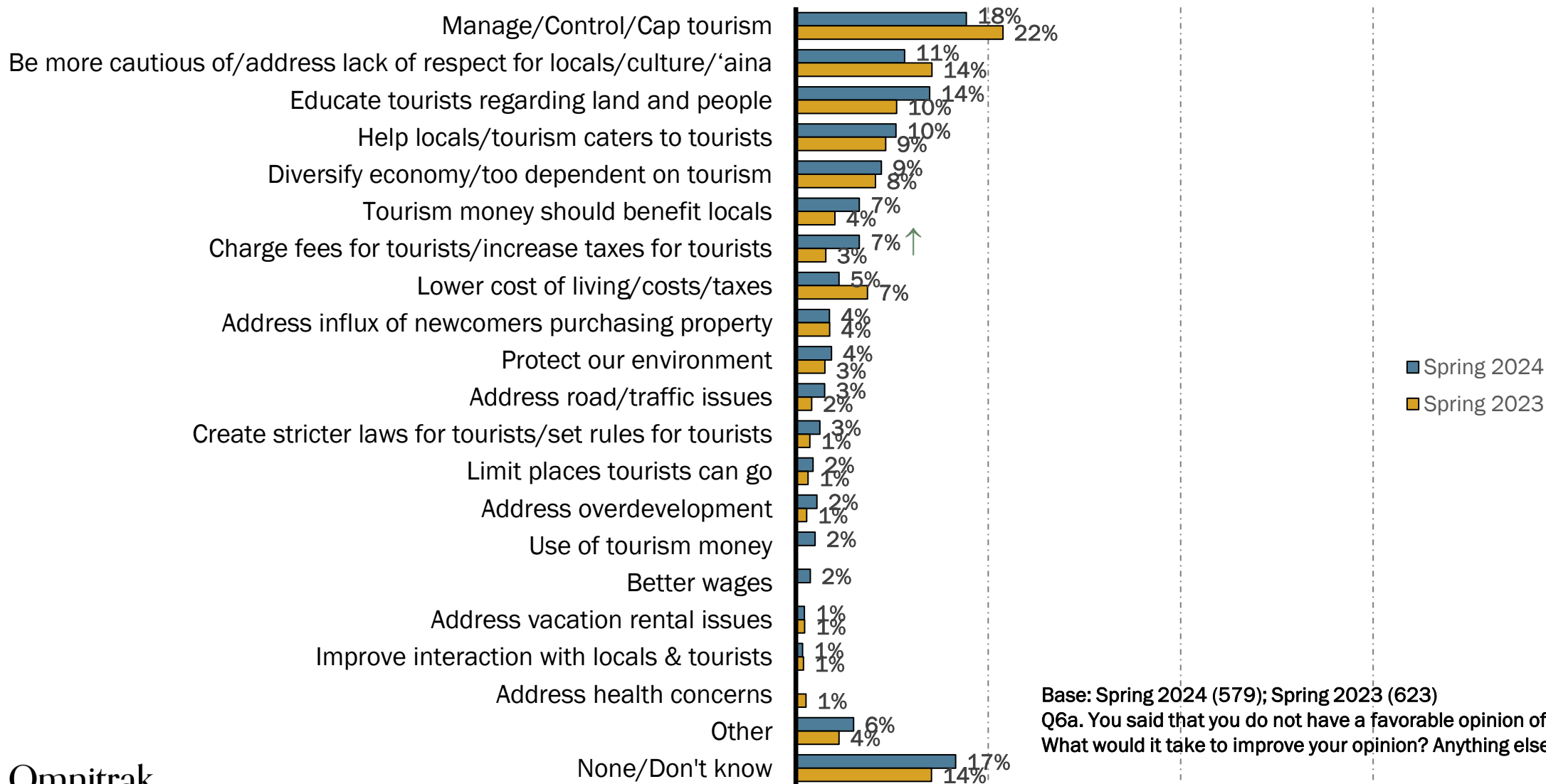


Q1. Using a 10-point scale where 10 means Extremely Favorable and 1 means Not Favorable at All, please give me your opinion of tourism as an industry in Hawai'i.

Note: % with Favorable opinion of tourism defined as Rating of 6 to 10 on 10-point scale.

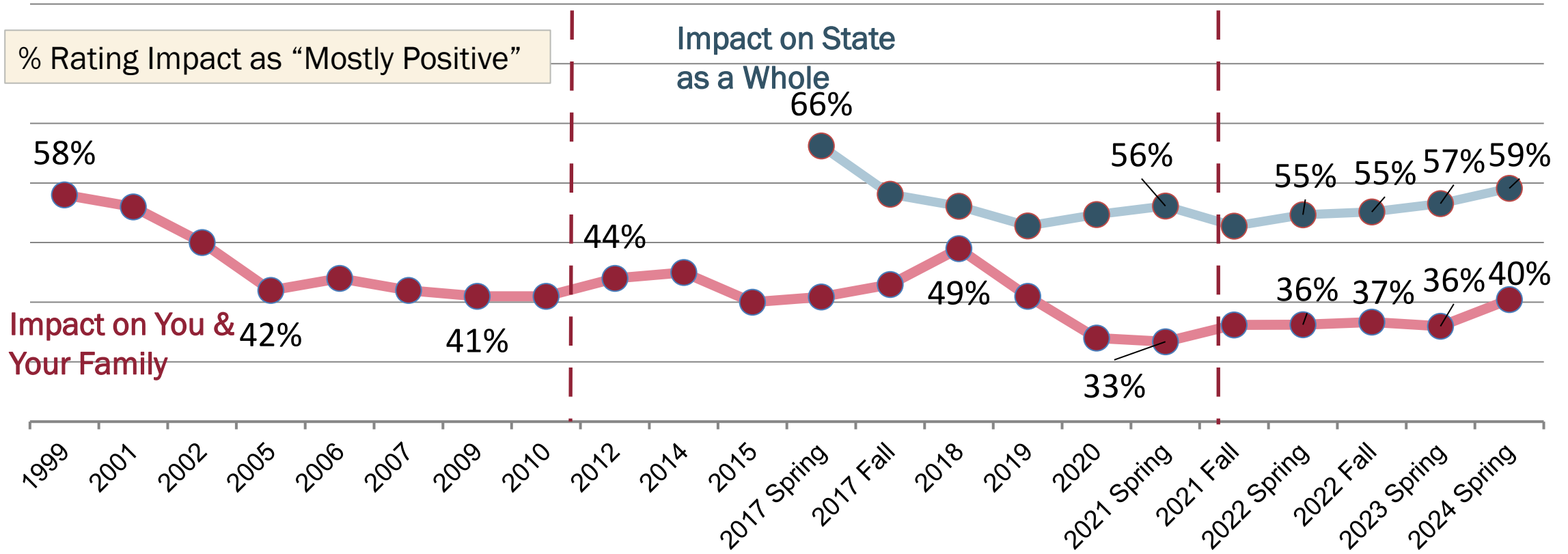
Opportunities for Improving Opinion of Tourism (Spring 2024)

(According to residents **not** favorable toward tourism in Hawai'i)



Base: Spring 2024 (579); Spring 2023 (623)
 Q6a. You said that you do not have a favorable opinion of tourism.
 What would it take to improve your opinion? Anything else?

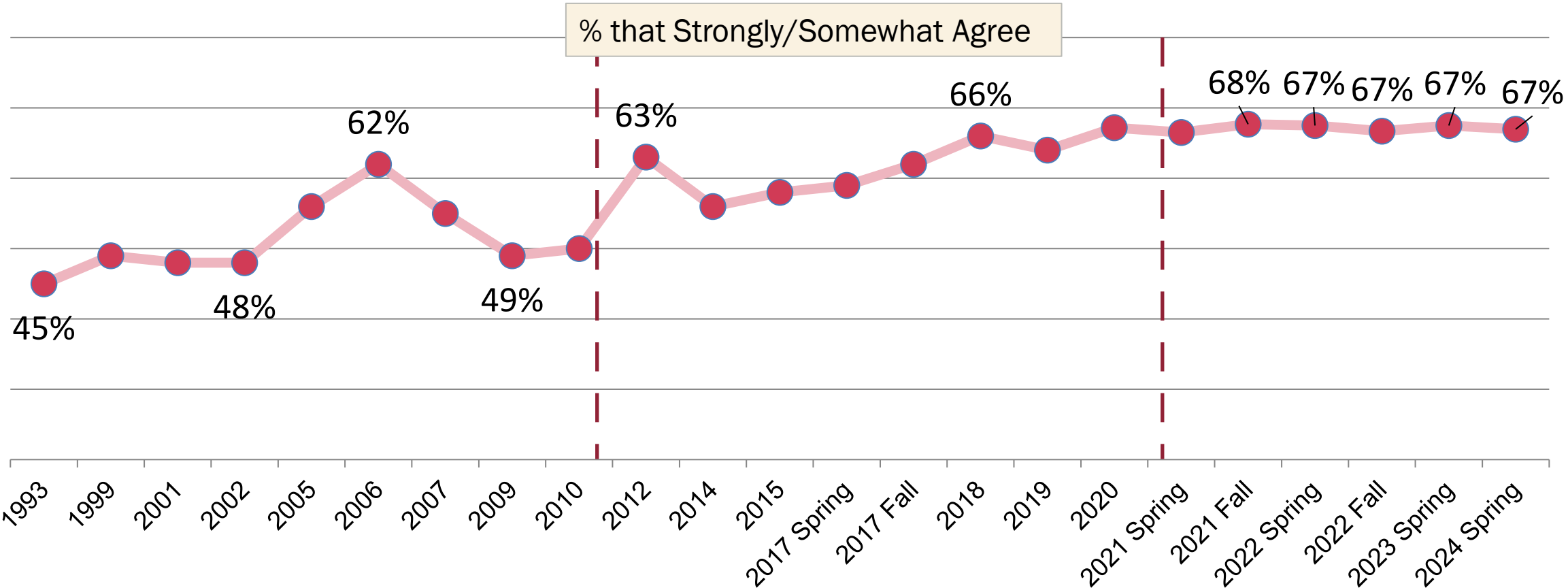
Mostly Positive “Impact of Tourism” sentiment climbing



Q2b. Using a 10-point scale where 10 means Extremely Positive and 1 means Extremely Negative, how would you rate the overall impact tourism has on...the state as a whole/you and your family?

Note: % saying Tourism has been “mostly positive” for you and your family defined as Rating of 7 to 10 on 10-point scale.

“This Island is being run for tourists at the expense of local people” steady

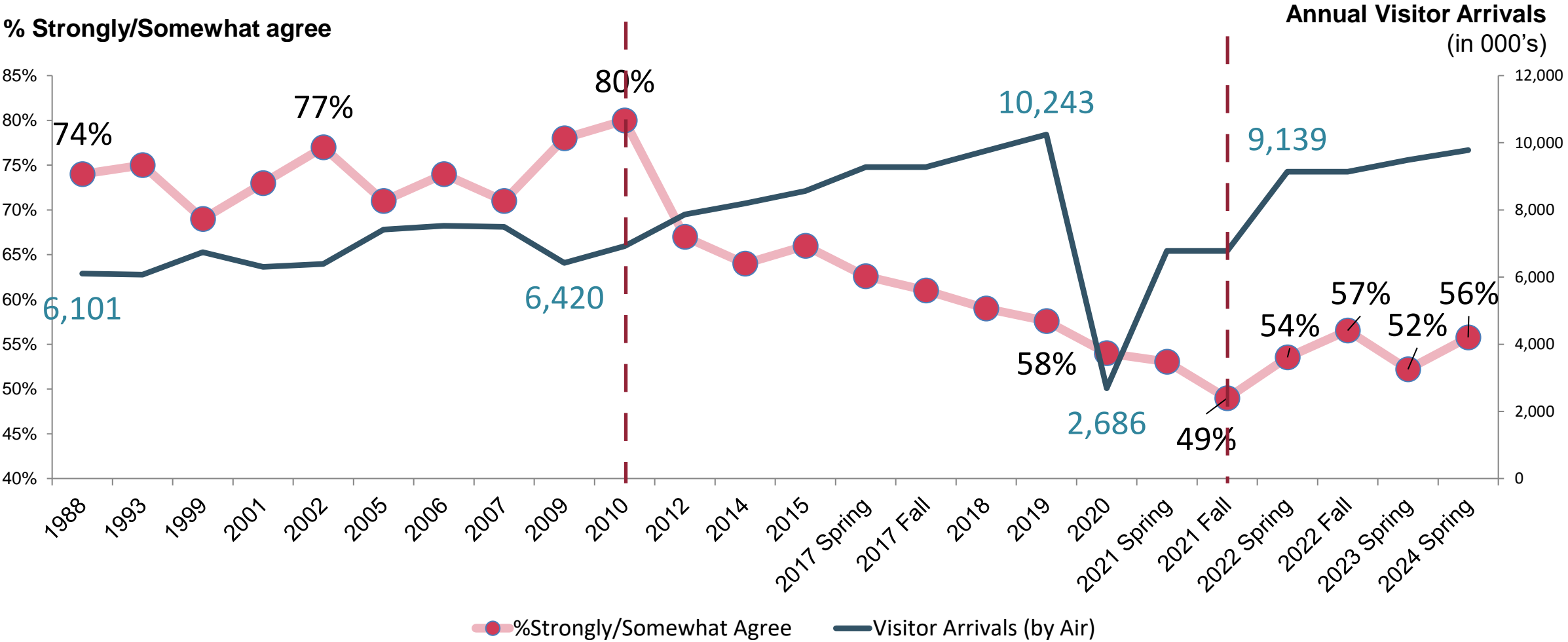


Q4. Using a 10-point scale where 10 means Completely Agree and 1 means Do Not Agree at All, how much do you agree or disagree that...?
 Note: % that Strongly/Somewhat Agree defined as Rating of 6 to 10 on 10-point scale.



The perceived balance of tourism's benefits vs. challenges gains strength

“Tourism has brought more benefits than problems” rises

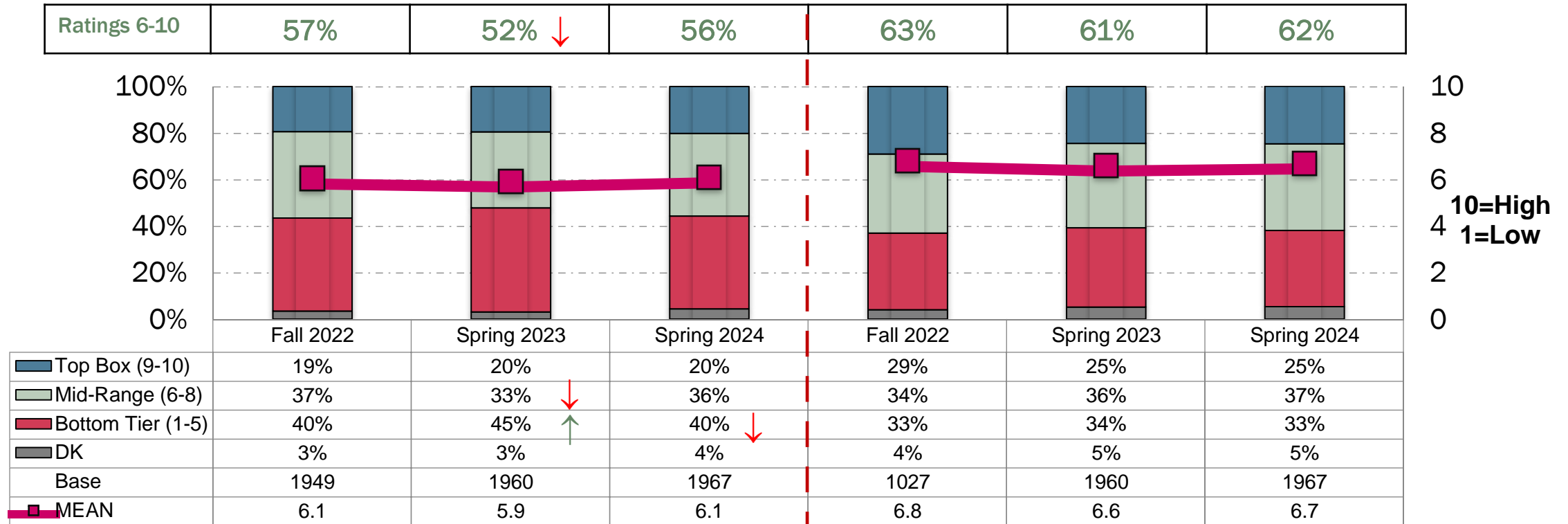


Q.4. How much do you agree or disagree with each statement using a scale of 1 to 10 with 10 being Completely Agree and 1 meaning Do Not Agree At All.
 Note: % that Strongly/Somewhat Agree defined as Rating of 6 to 10 on 10-point scale.

Balance: Benefits vs. Problems, Is Tourism Worth the Issues?

Tourism has brought more benefits than problems

Tourism is worth the issues associated with the industry



Q.4. I'm going to read you some statements about tourism, and ask you to please tell me how much you agree or disagree with each statement using a scale of 1 to 10 with 10 being Completely Agree and 1 meaning Do Not Agree At All. You can choose any number between 1 and 10.

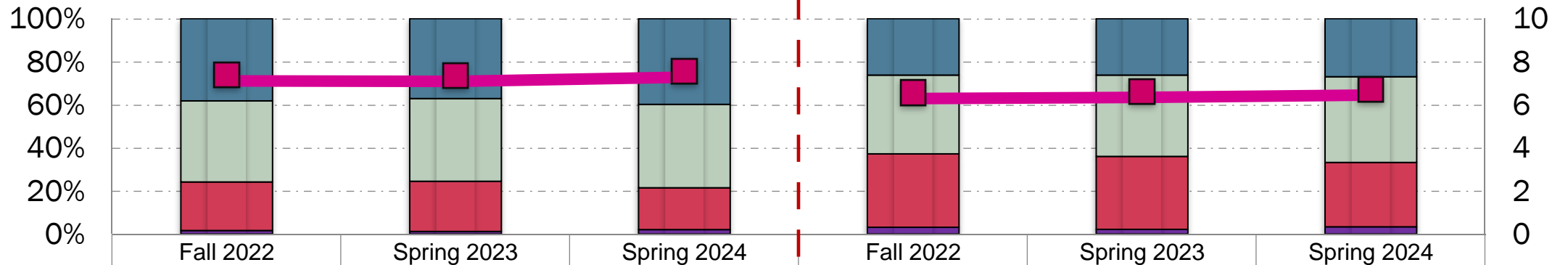
Q.3. In 2023, visitors spent nearly \$21 billion in Hawai'i, which produced \$2 billion in state tax revenues to support local schools, hospitals, and infrastructure. In your opinion, using the scale below, is tourism worth the issues associated with the industry? [Scale of 1 to 10, with 10 being Definitely Worth the Issues and 1 meaning Definitely Not Worth the Issues.]

Balance: Economic Impact Indicators

Creates job opportunities for residents

Creates job opportunities with paths for advancement

Ratings 6-10	76%	75%	79%	63%	64%	67%
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	Fall 2022	Spring 2023	Spring 2024	Fall 2022	Spring 2023	Spring 2024
Top Box (9-10)	38%	37%	40%	26%	26%	27%
Mid-Range (6-8)	38%	38%	39%	37%	38%	40%
Bottom Tier (1-5)	23%	23%	19%	34%	34%	30%
DK/Rf	2%	1%	2%	3%	2%	3%
Base	1949	1960	1967	1949	1960	1967
MEAN	7.4	7.4	7.5	6.6	6.6	6.7

10
8
6
4
2
0
10=High
1=Low

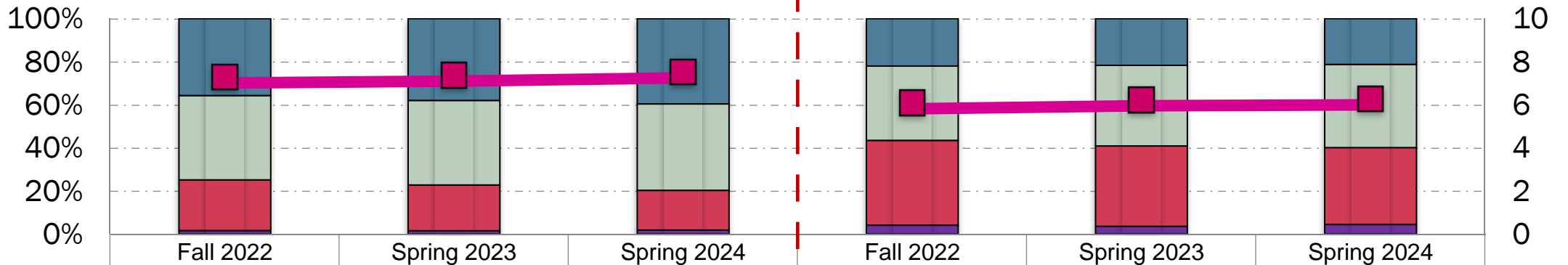
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Balance: Economic Impact Indicators (continued)

Supports our local businesses like retail, dining, etc.

Supports other industries important to residents like agriculture

Ratings 6-10	75%	77%	80%	57%	59%	60%
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	Fall 2022	Spring 2023	Spring 2024	Fall 2022	Spring 2023	Spring 2024
Top Box (9-10)	36%	38%	40%	22%	22%	21%
Mid-Range (6-8)	39%	39%	40%	35%	37%	39%
Bottom Tier (1-5)	24%	21%	18%	39%	37%	36%
DK/Rf	2%	1%	2%	4%	4%	4%
Base	1949	1960	1967	1949	1960	1967
MEAN	7.3	7.4	7.5	6.1	6.2	6.3

10
8
6
4
2
0
10=High
1=Low

Q.4. I'm going to read you some statements about tourism, and ask you to please tell me how much you agree or disagree with each statement using a scale of 1 to 10 with 10 being Completely Agree and 1 meaning Do Not Agree At All. You can choose any number between 1 and 10.

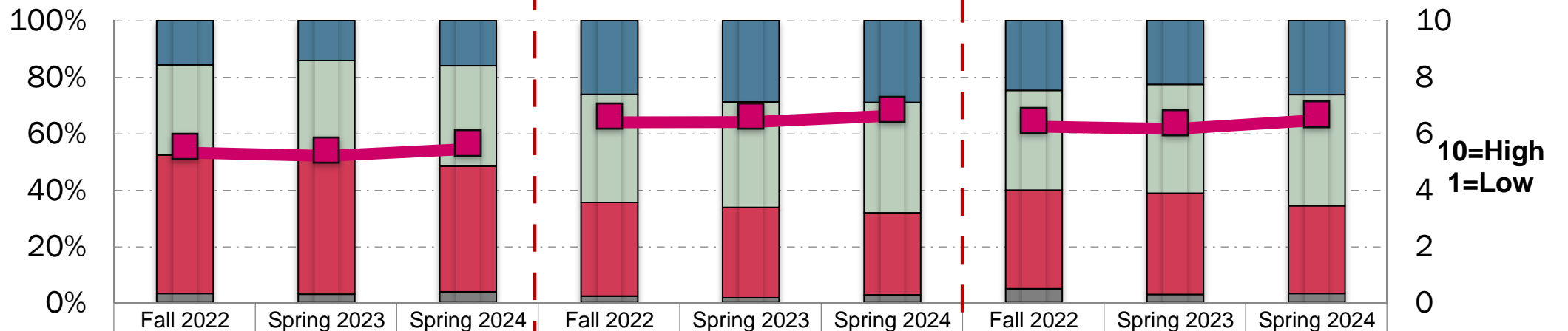
Balance: Quality of Life Indicators

Enhances residents' quality of life

Creates shopping, dining & entertainment opportunities

Supports festivals, activities & sports events for residents and visitors

Ratings 6-10	48%	47%	52%↑	64%	66%	68%	60%	61%	66%↑
--------------	-----	-----	------	-----	-----	-----	-----	-----	------



	Fall 2022	Spring 2023	Spring 2024	Fall 2022	Spring 2023	Spring 2024	Fall 2022	Spring 2023	Spring 2024
Top Box (9-10)	16%	14%	16%	26%	29%	29%	25%	23%	26%
Mid-Range (6-8)	32%	32%	36%	38%	37%	39%	35%	39%	39%
Bottom Tier (1-5)	49%	50%	45%	33%	32%	29%	35%	36%	31%
DK	3%	3%	4%	2%	2%	3%	5%	3%	3%
Base	1949	1960	1967	1949	1960	1967	1949	1960	1967
MEAN	5.5	5.4	5.7	6.6	6.6	6.8	6.5	6.4	6.7

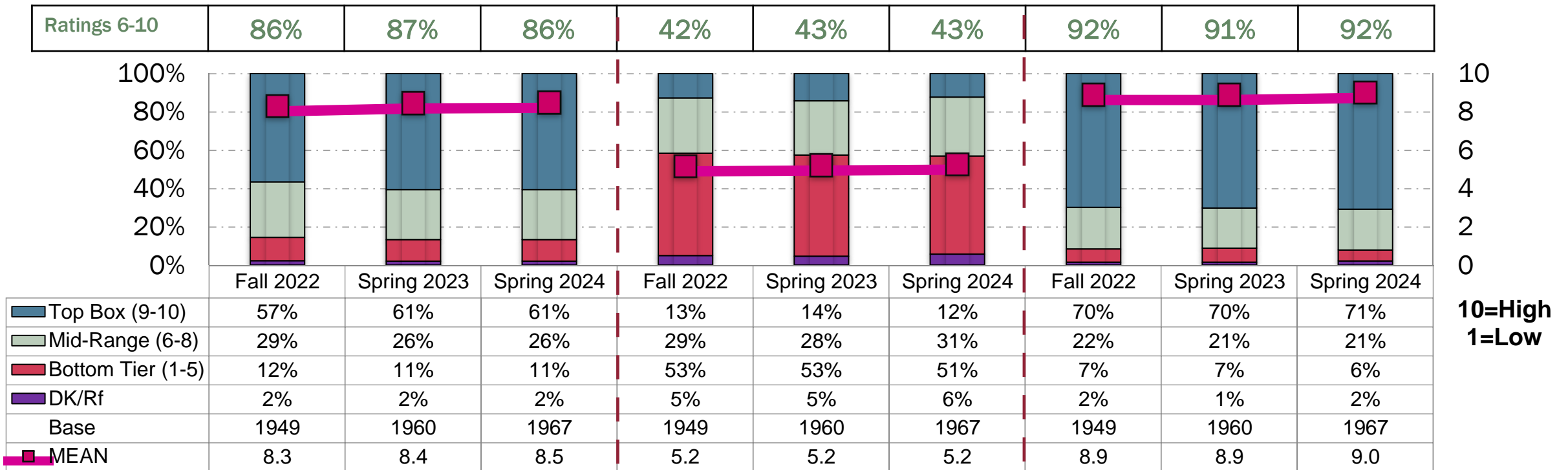
Q.4. I'm going to read you some statements about tourism, and ask you to please tell me how much you agree or disagree with each statement using a scale of 1 to 10 with 10 being Completely Agree and 1 meaning Do Not Agree At All. You can choose any number between 1 and 10.

Balance: Native Hawaiian Cultural & Sustainability Indicators

Authentic presentation of Native Hawaiian language and culture is important

Tourism contributes to the perpetuation of Native Hawaiian culture and language

Visitors need to be educated about protecting Hawai'i's natural environment and cultural resources.



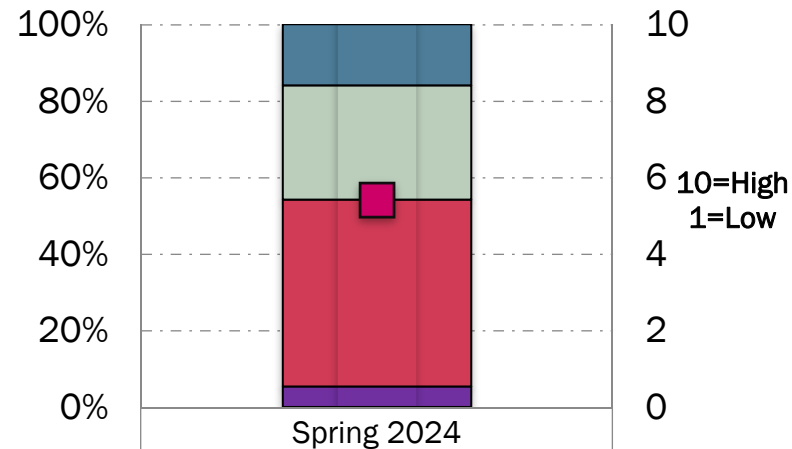
10
8
6
4
2
0
10=High
1=Low

Q.4. I'm going to read you some statements about tourism, and ask you to please tell me how much you agree or disagree with each statement using a scale of 1 to 10 with 10 being Completely Agree and 1 meaning Do Not Agree At All. You can choose any number between 1 and 10.

Balance: Natural Resources & Safety (NEW indicators)

NEW: Tourism contributes to the improvement and maintenance of natural resources in the community

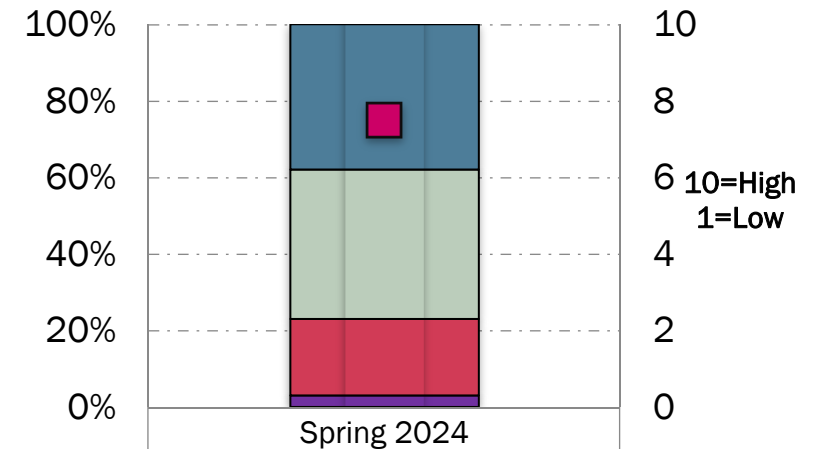
Ratings 6-10: 46%



Top Box (9-10)	16%
Mid-Range (6-8)	30%
Bottom Tier (1-5)	49%
DK/Rf	5%
Base	1967
MEAN	5.4

NEW: I feel safe when I travel to visitor destinations in Hawai'i

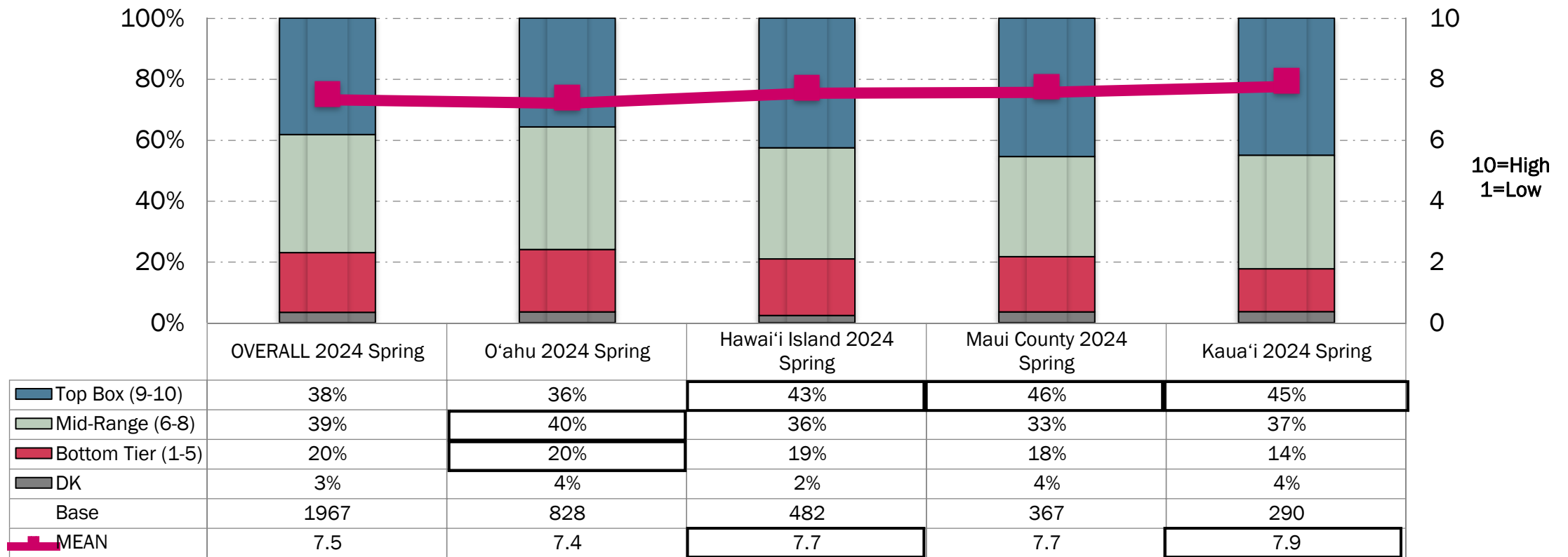
Ratings 6-10: 66%



Top Box (9-10)	38%
Mid-Range (6-8)	39%
Bottom Tier (1-5)	20%
DK/Rf	3%
Base	1967
MEAN	7.5

Q.4. I'm going to read you some statements about tourism, and ask you to please tell me how much you agree or disagree with each statement using a scale of 1 to 10 with 10 being Completely Agree and 1 meaning Do Not Agree At All. You can choose any number between 1 and 10.

NEW “I feel safe when I travel to visitor destinations in Hawai‘i” – *By County*

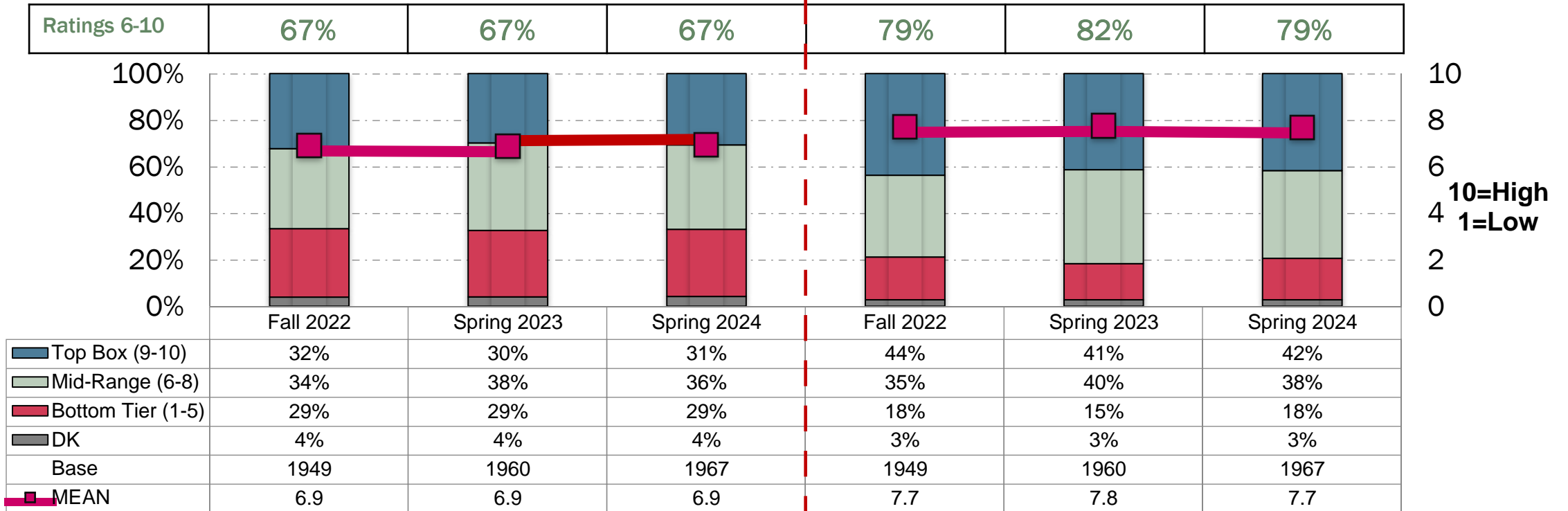


Q3.5. Please tell me how much you agree or disagree with each statement using a scale of 1 to 10 with 10 being Completely Agree and 1 meaning Do Not Agree At All. You can choose any number between 1 and 10.

Balance: Challenges of Tourism Indicators

Island is run for tourists at expense of local people

Island economy is too dependent on tourism



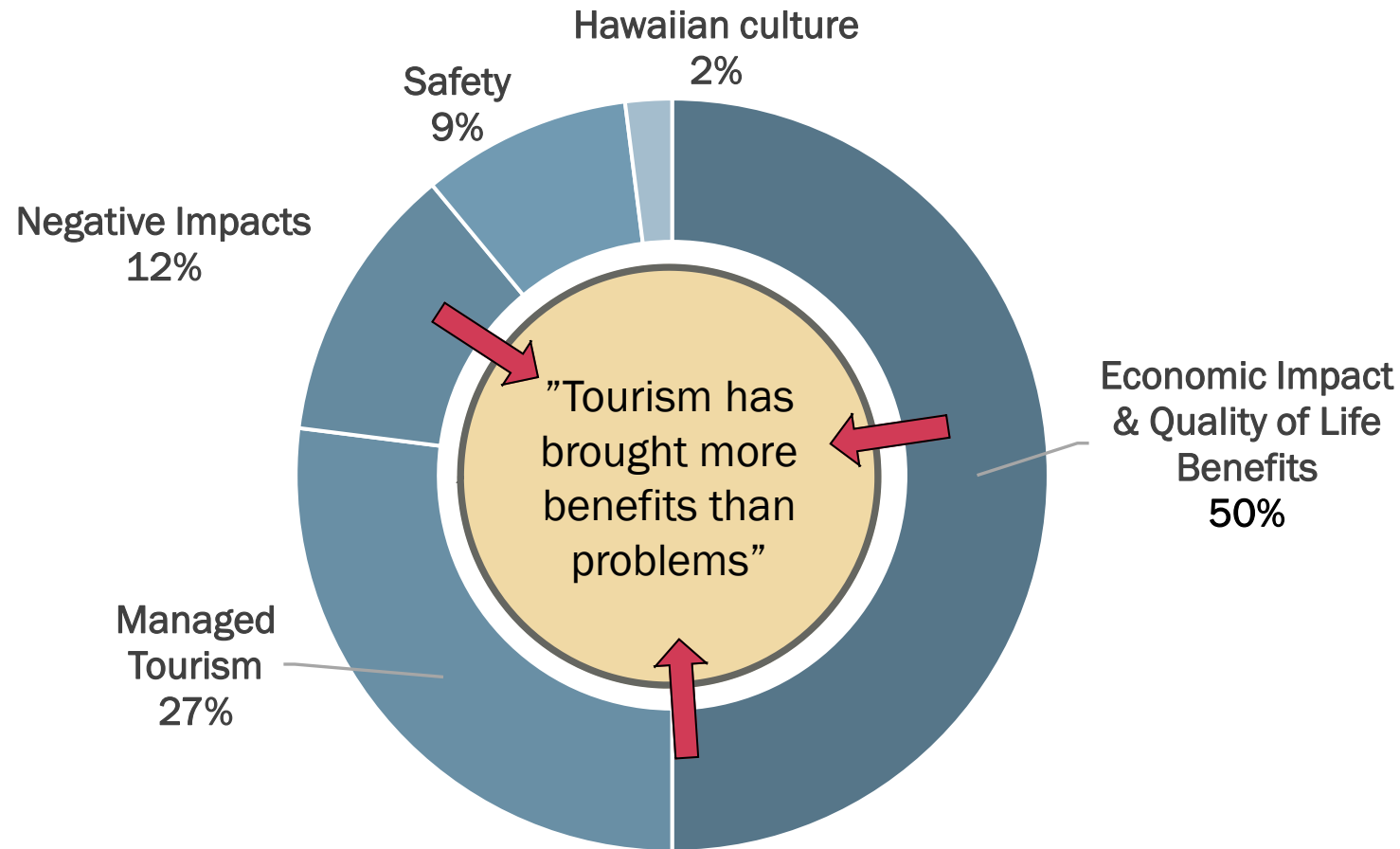
Q.4. I'm going to read you some statements about tourism, and ask you to please tell me how much you agree or disagree with each statement using a scale of 1 to 10 with 10 being Completely Agree and 1 meaning Do Not Agree At All. You can choose any number between 1 and 10.



Providing residents a voice in tourism development takes on a new level of importance

Economic/Quality of Life Benefits + Tourism Management = Resident Sentiment

Drivers of Resident Sentiment – Spring 2024



Providing Residents a Voice in Tourism Development Integral to Managed Tourism

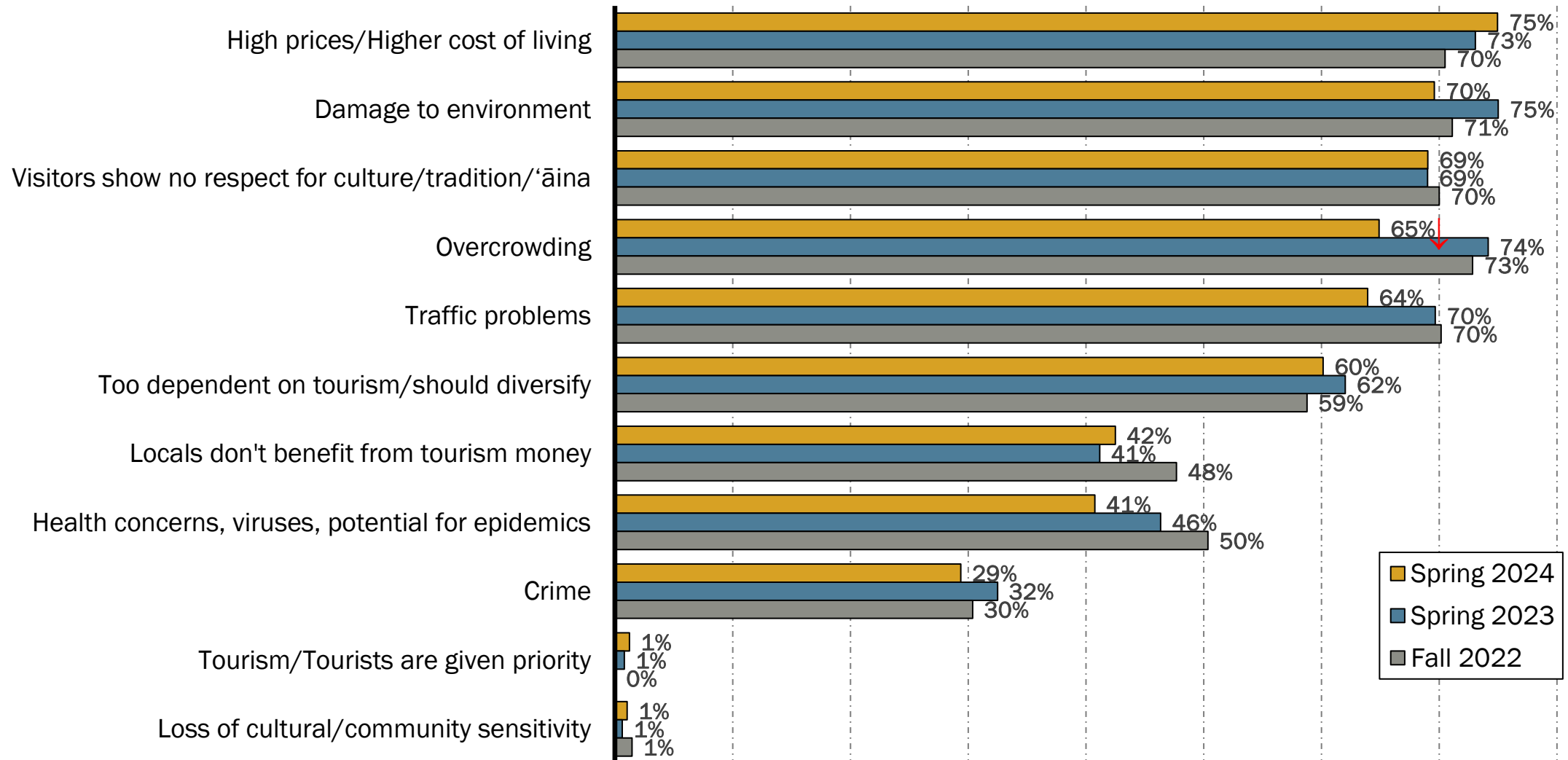
Having a Voice in tourism development decisions has re-emerged as the single, top individual driver of resident sentiment.

Drivers (Driver Weight)	Attribute	Attribute Weights
Economic & Quality of Life Benefits (50%)	Supports local businesses	11%
	Creates job opportunities for residents	11%
	Supports festivals, activities & sports events for residents & visitors	10%
	Creates shopping, restaurants and entertainment opportunities for residents	8%
	Should be actively encouraged on my island	4%
	Is an industry that enhances residents' quality of life	3%
	Creates jobs opportunities with paths for advancement	2%
	Supports other industries like agriculture and technology	1%
Managed Tourism (27%)	I have a voice in my island's tourism development decisions	15%
	Contributes to the perpetuation of Native Hawaiian culture and language	7%
	More effort is being made to balance economic benefits of tourism and quality of life for residents	5%
	Tourism is being better managed on my island	0%
	Contributes to improvement and maintenance of natural resources in my community	0%
Negative Impacts (12%)	My island's economy is too dependent on tourism	7%
	This island is being run for tourists at the expense of local people	5%
Safety (9%)	I feel safe when I travel to visitor destinations in Hawai'i	9%
Hawaii Culture (2%)	Authentic presentation of Native Hawaiian language and culture	1%
	Educate visitors about protecting Hawaii's natural environment & cultural resources	1%



Perceived challenges of tourism remain, and require an integrated effort between multiple public and private sector organizations

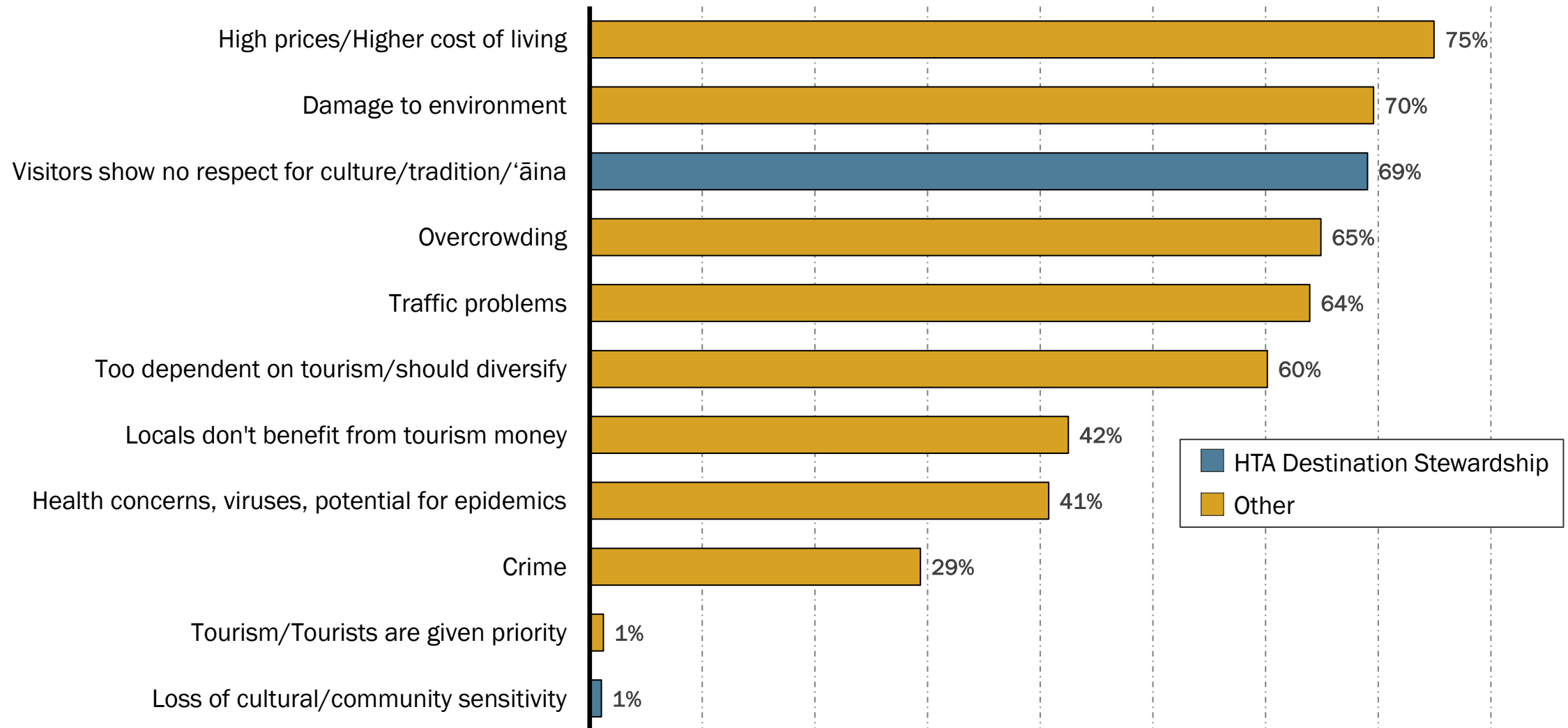
Among residents who say Hawai'i tourism creates more problems than benefits, the perceived problems created by tourism are:



Base: Fall 2022 (871), Spring 2023 (902), Spring 2024 (821)

Q5. In your opinion, what problems do you think tourism has created in Hawai'i? (i.e., According to residents saying Hawai'i tourism creates more problems than benefits).

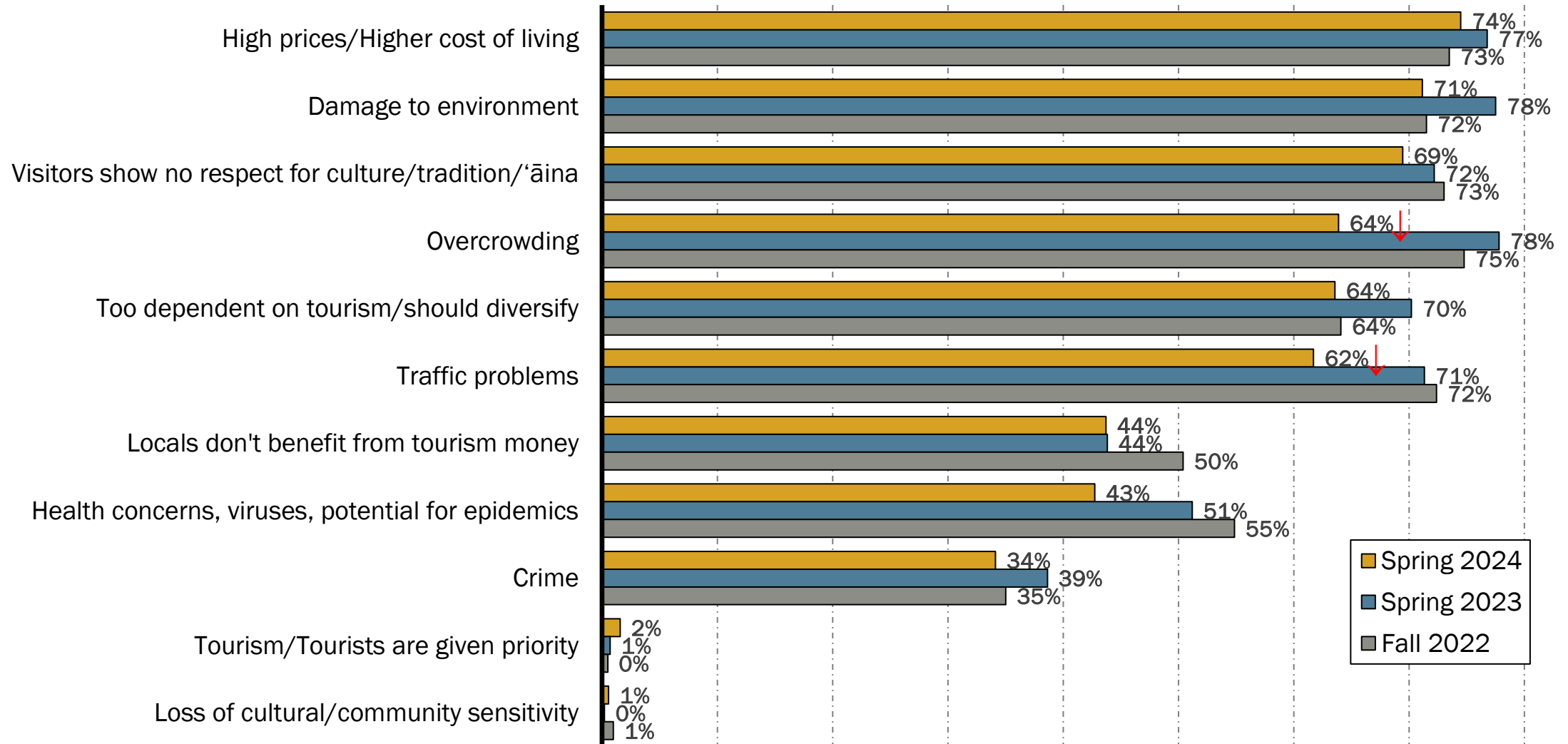
Among residents who say Hawai'i tourism creates more problems than benefits, the perceived problems created by tourism are:



Base: Spring 2024 (821)

Q5. In your opinion, what problems do you think tourism has created in Hawai'i?
(i.e., According to residents saying Hawai'i tourism creates more problems than benefits).

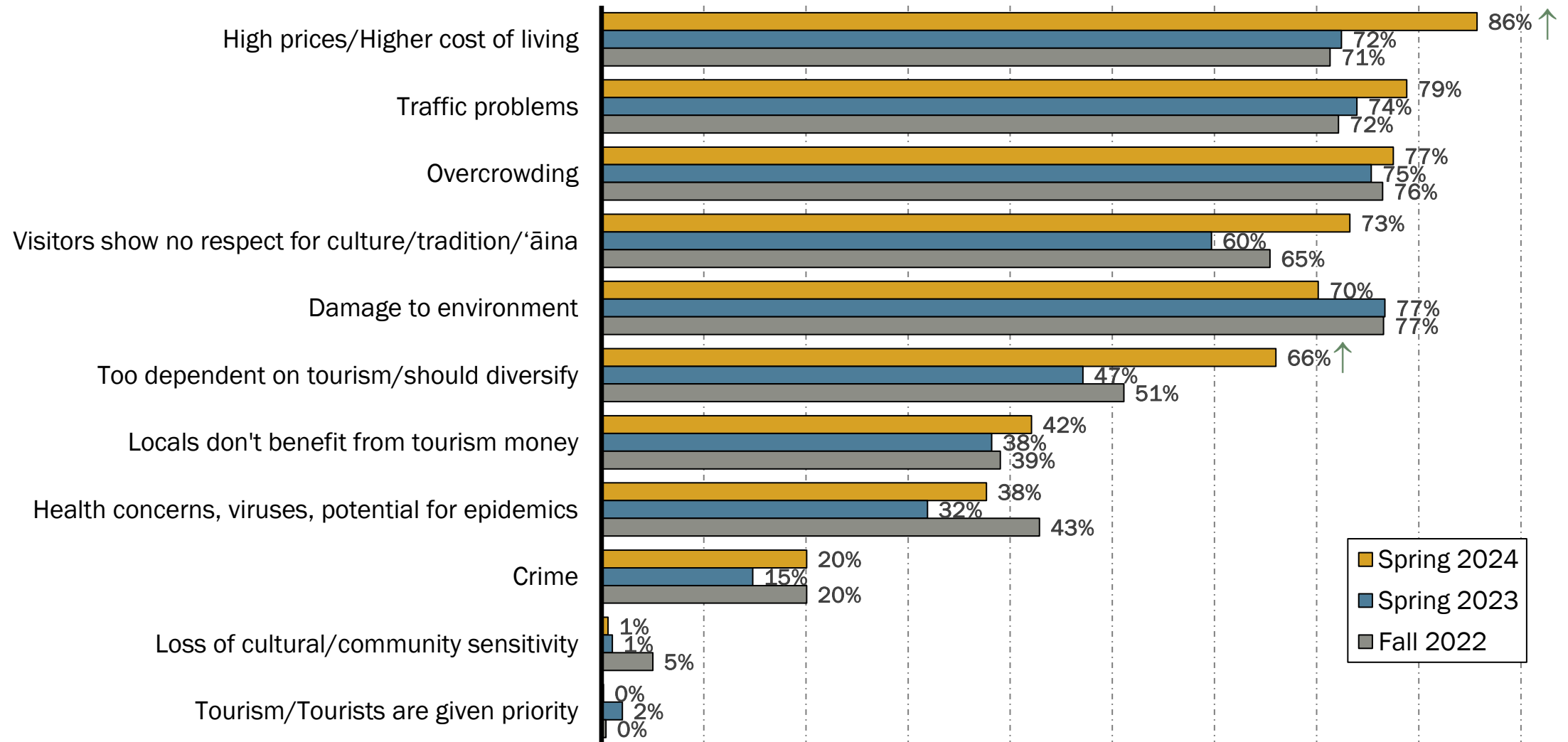
Among O‘ahu residents who say Hawai‘i tourism creates more problems than benefits, the perceived problems created by tourism are:



Base: Fall 2022 (335), Spring 2023 (376), Spring 2024 (328)

Q5. In your opinion, what problems do you think tourism has created in Hawai‘i? (i.e., According to residents saying Hawai‘i tourism creates more problems than benefits).

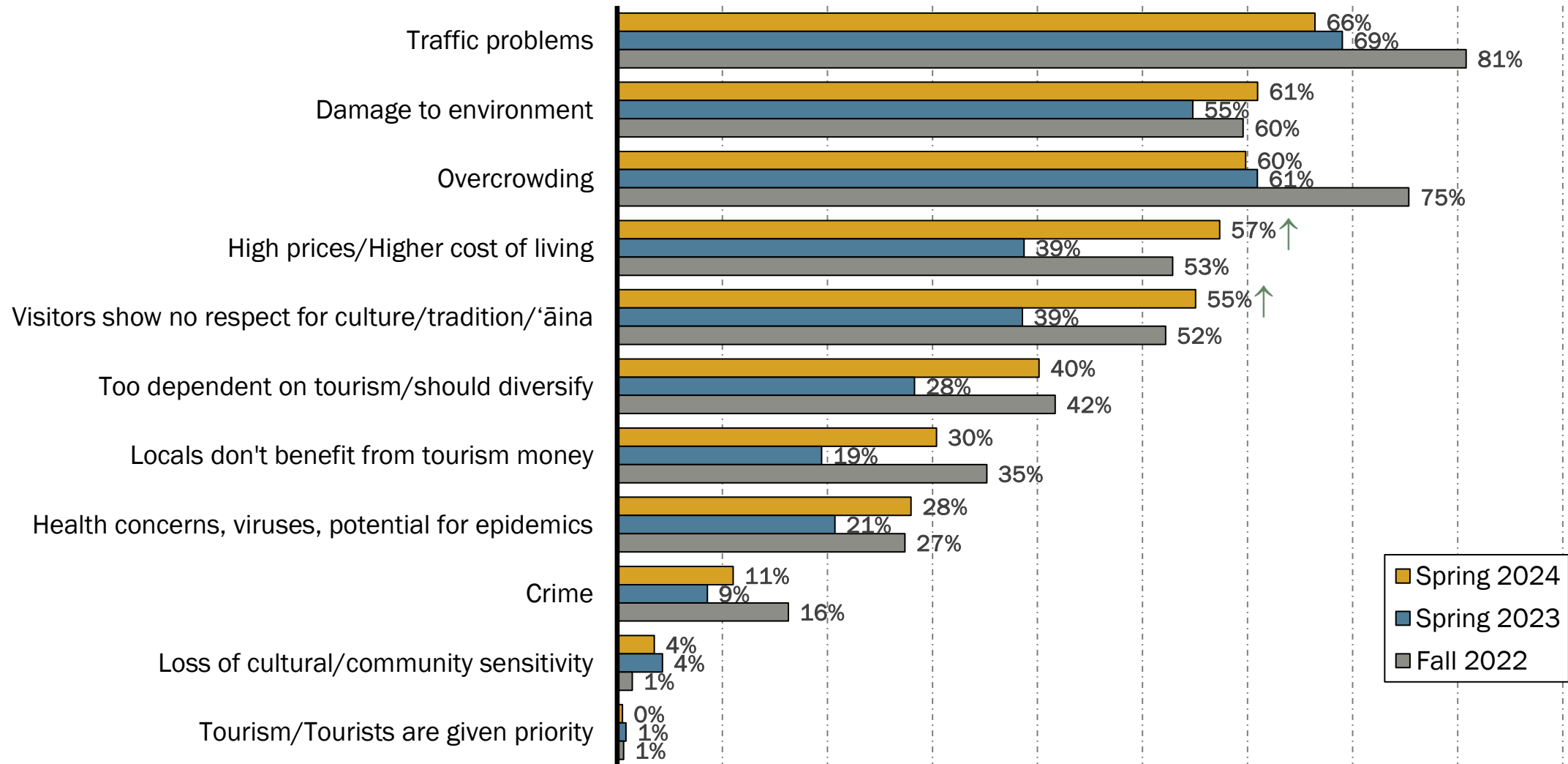
Among Maui County residents who say Hawai'i tourism creates more problems than benefits, the perceived problems created by tourism are:



Base: Fall 2022 (180), Spring 2023 (178), Spring 2024 (170)

Q5. In your opinion, what problems do you think tourism has created in Hawai'i? (i.e., According to residents saying Hawai'i tourism creates more problems than benefits).

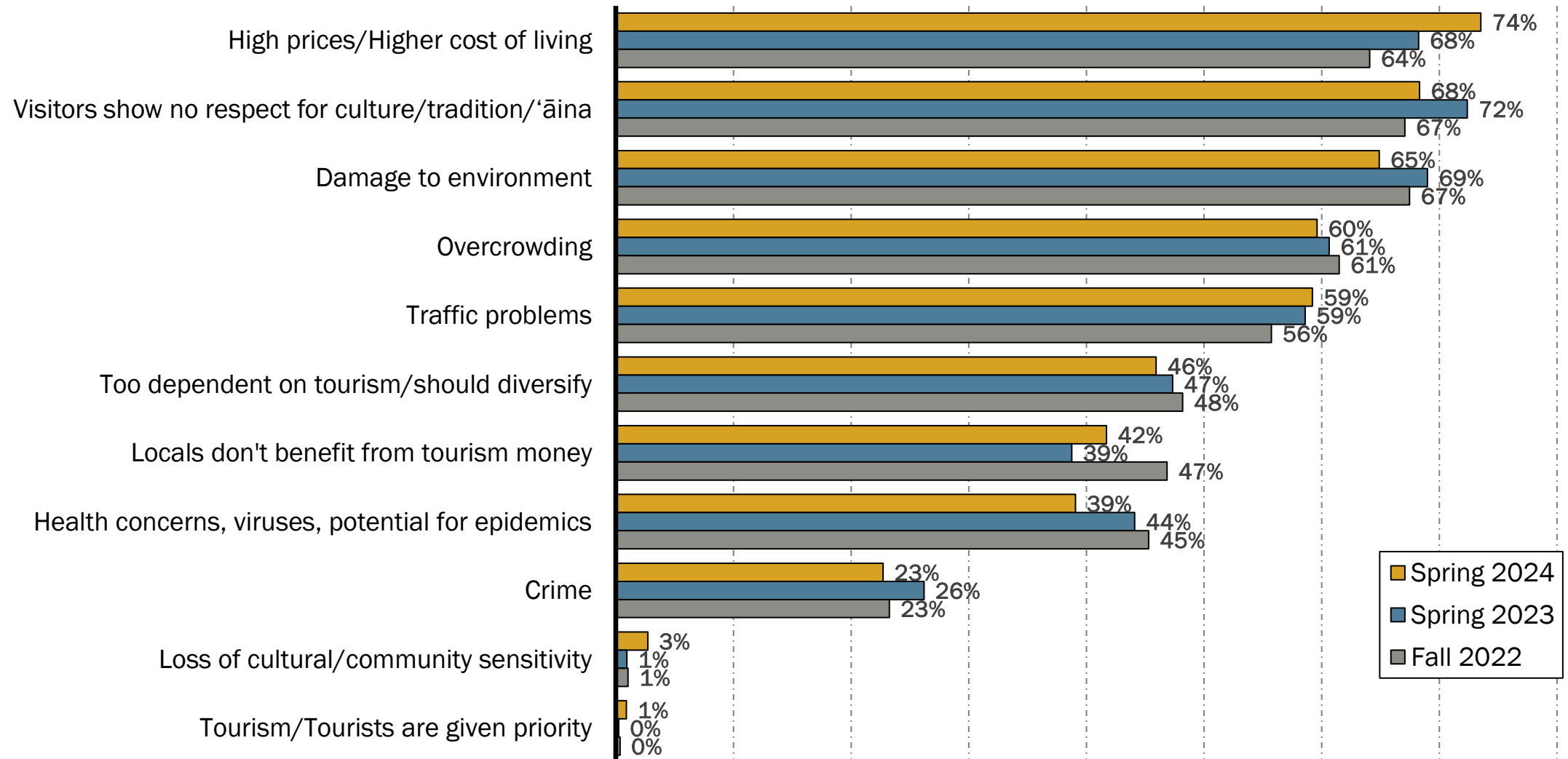
Among Kaua‘i residents who say Hawai‘i tourism creates more problems than benefits, the perceived problems created by tourism are:



Base: Fall 2022 (148), Spring 2023 (132), Spring 2024 (123)

Q5. In your opinion, what problems do you think tourism has created in Hawai‘i? (i.e., According to residents saying Hawai‘i tourism creates more problems than benefits).

Among Hawai'i Island residents who say Hawai'i tourism creates more problems than benefits, the perceived problems created by tourism are:



Base: Fall 2022 (208), Spring 2023 (216), Spring 2024 (200)

Q5. In your opinion, what problems do you think tourism has created in Hawai'i? (i.e., According to residents saying Hawai'i tourism creates more problems than benefits).

Awareness of HTA Destination Stewardship Initiatives

Are you aware that the HTA is working on.....?

		Statewide	O'ahu	Hawai'i Island	Maui County	Kaua'i
<i>Percent of residents aware of at least one HTA Destination Stewardship initiative</i>	Spring 2024	58%	59%	57%	58%	56%
	Spring 2023	59%	60%	54%	61%	52%

Awareness of Destination Stewardship initiatives positively impacts Resident Sentiment

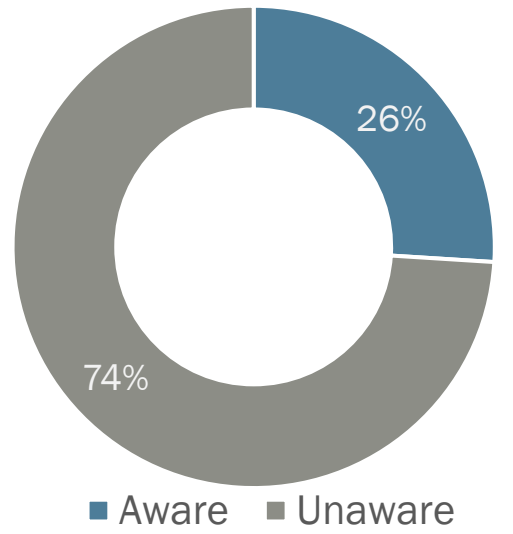
Mean Score	Aware	Unaware
<i>Perceived impact of tourism on you and your family</i>	6.8	5.7
<i>Tourism is being better managed on my island</i>	6.2	4.8
<i>More effort is being made to balance economic benefits of tourism and quality of life for residents</i>	6.1	4.9

Q10A. Are you aware that the HTA is working on.....? Base: Spring 2024 (1967); Spring 2023 (1960)

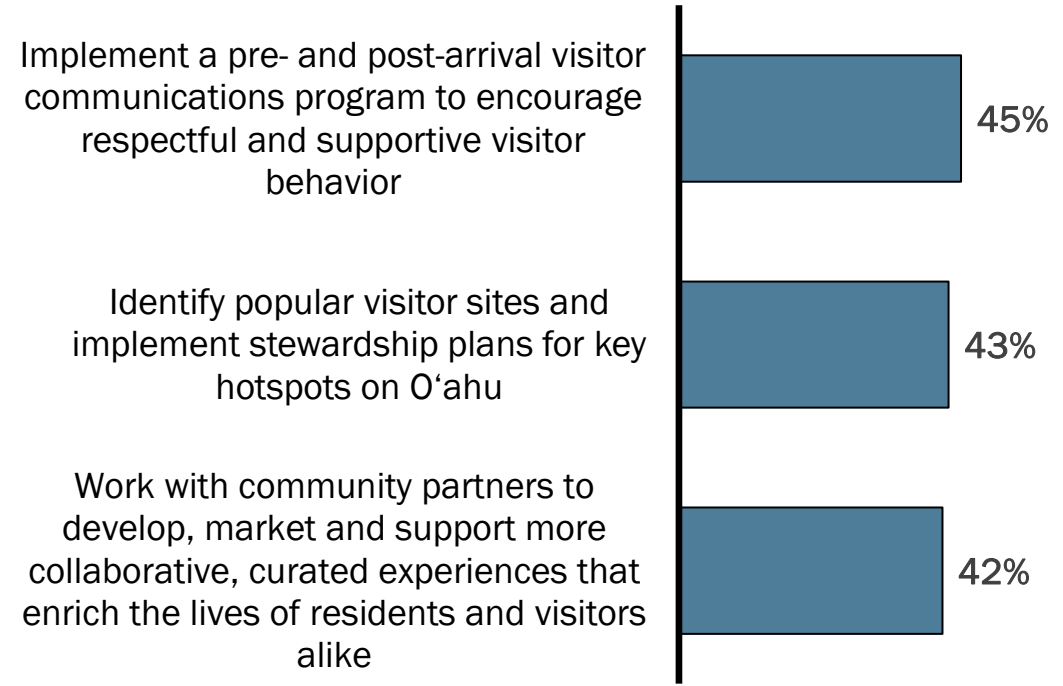
Destination Management Action Plans Awareness: O‘ahu

% Aware of HTA Destination Management Action Plans

▲ 1-point improvement from Spring 2023



ALL O‘ahu residents: 59% are aware of at least one initiative



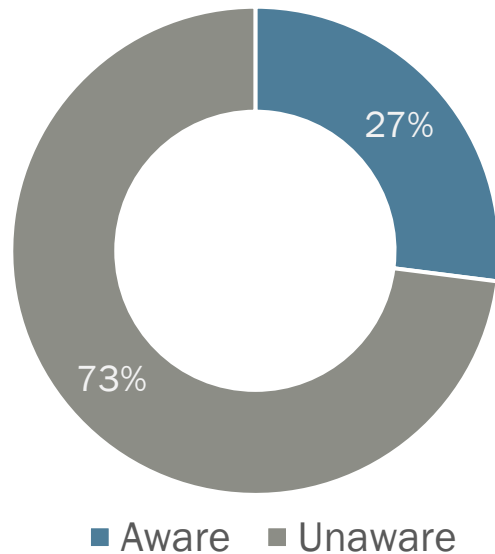
Q10. Have you heard of Hawai‘i’s “Destination Management Action Plans (DMAP),” which are the Hawai‘i Tourism Authority’s efforts to better manage tourism in our state? (Base: 828)

Q10a. I’m going to read you a brief list of actions included in the Hawai‘i Tourism Authority’s Destination Management Action Plan for [INSERT ISLAND]. Are you aware that the HTA is working to: (Base: 828)

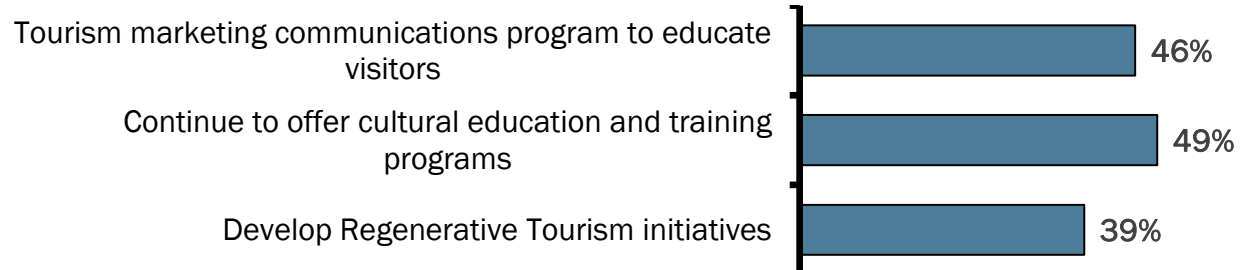
Destination Management Action Plans Awareness: Maui County

% Aware of HTA Destination Management Action Plans

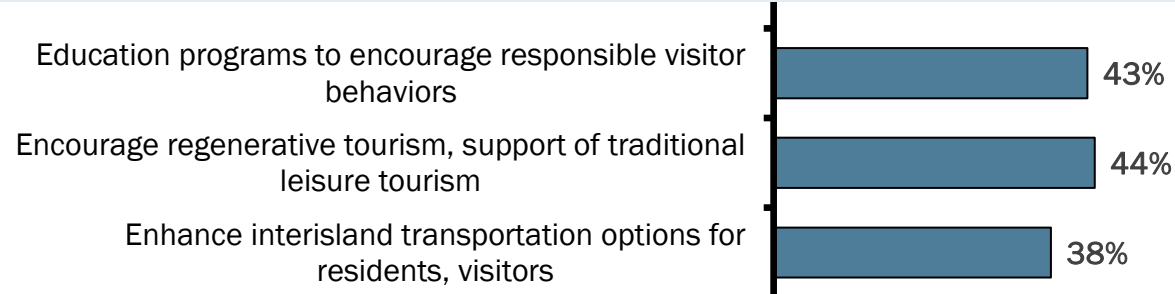
▼ 9-point decline from Spring 2023



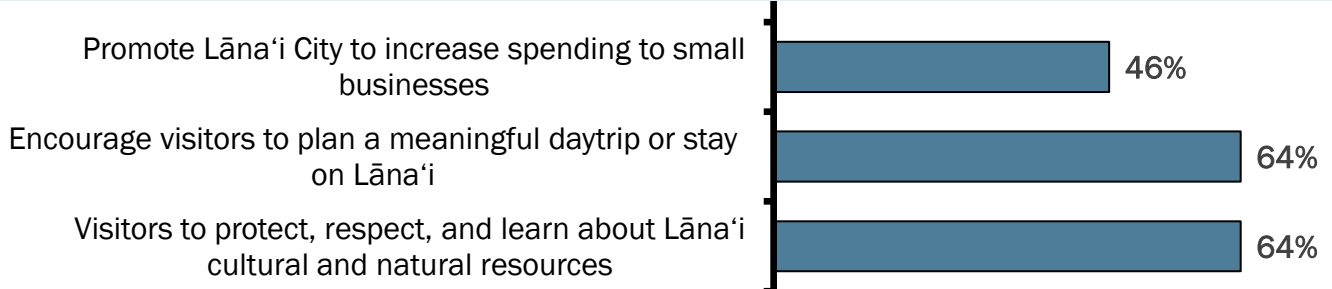
ALL Maui residents: 58% aware of at least one initiative



ALL Moloka'i residents: 48% aware of at least one initiative



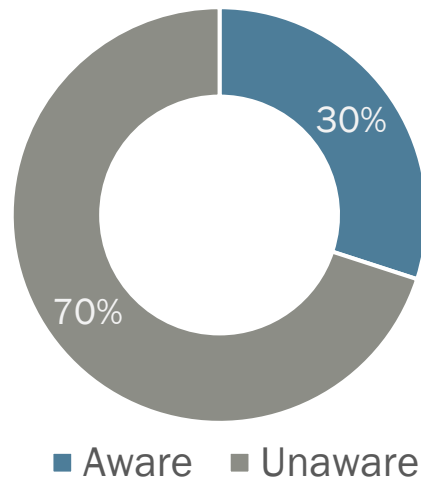
ALL Lāna'i residents: 64% aware of at least one initiative



Destination Management Action Plans Awareness: Kaua'i

% Aware of HTA Destination Management Action Plans

▲ 7-point improvement from Fall 2022



ALL Kaua'i residents: 56% aware of at least one plan

Focus policy efforts on appropriate behavior that will instill value in both visitors and residents for our natural and cultural resources

44%

Focus policies that address overtourism by managing people while on Kaua'i

34%

Develop educational materials for visitors and new residents to have respect for our local cultural values

46%

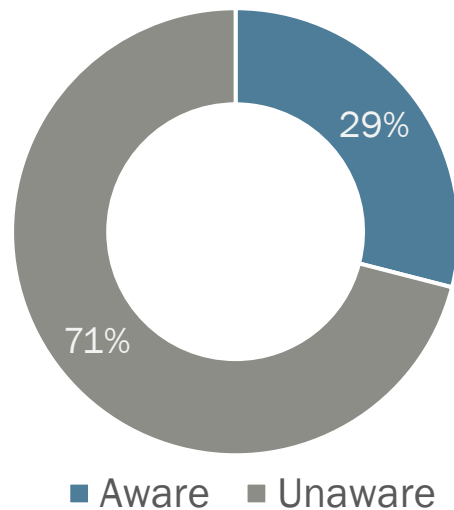
Q10. Have you heard of Hawai'i's "Destination Management Action Plans (DMAP)," which are the Hawai'i Tourism Authority's efforts to better manage tourism in our state? (Base: 290)

Q10a. I'm going to read you a brief list of actions included in the Hawai'i Tourism Authority's Destination Management Action Plan for [INSERT ISLAND]. Are you aware that the HTA is working to: (Base: 290)

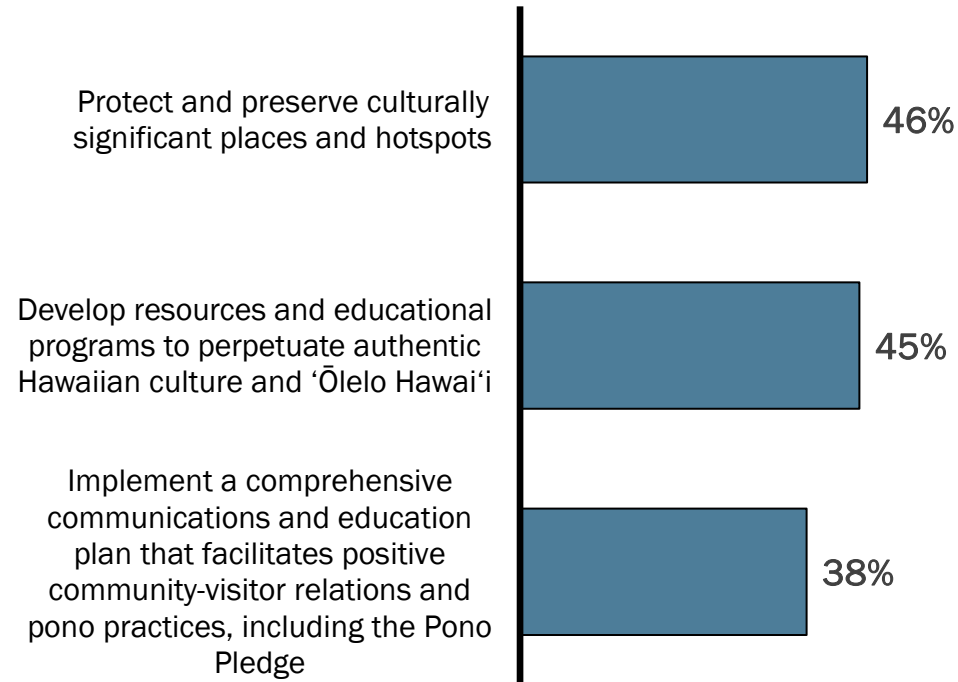
Destination Management Action Plans Awareness: Hawai'i Island

% Aware of HTA Destination Management Action Plans

▲ 4-point improvement from Spring 2023



ALL Hawai'i Island residents: 57% aware of at least one initiative



Q10. Have you heard of Hawai'i's "Destination Management Action Plans (DMAP)," which are the Hawai'i Tourism Authority's efforts to better manage tourism in our state? (Base: 482)

Q10a. I'm going to read you a brief list of actions included in the Hawai'i Tourism Authority's Destination Management Action Plan for [INSERT ISLAND]. Are you aware that the HTA is working to: (Base: 482)



Mahalo from the Omnitrak Group



Appendices

A: Background Information

B: Key Sentiment Indicators

C: Changes in Drivers of Resident Sentiment



Appendix A: Background Information: Research Objectives, Sample Plan & Methodology

Research Objectives

- Resident sentiment toward Hawai'i's visitor industry is vital to maintaining Responsible and Regenerative Growth in the industry and in the state's economy overall.
- The Resident Sentiment Survey (RSS) has been conducted 22 times since 1999, and the current survey was conducted by Omnitrak Group, Inc. The primary objectives of the RSS research are:
 - To track key resident attitudes toward tourism in Hawai'i over time.
 - To identify perceived positive and negative impacts of the visitor industry on local residents.
 - To identify for the visitor industry and HTA, issues or concerns regarding tourism expressed by residents.
 - To explore resident perceptions on ideas to “manage” or mitigate the negative impacts associated with tourism.

Statistical Analysis – Within the reports' graphs and tables, a box or shaded area shows a statistically significant difference across columns (e.g. islands or attributes) in the same year at the 95% level of confidence.

An arrow  or  indicates a statistically significant difference when ratings are compared across years at the 95% confidence level.

Sample Plan and Methodology

Sample Plan

Omnitrak used a region-based stratified sampling for the study, the same approach used in earlier Resident Sentiment Survey efforts conducted by Omnitrak. The sampling plan divided the State into 12 sub-regions with consideration to population proportion, and allocated sufficient sample for each area to achieve an acceptable sampling error. Within each region, data was collected randomly. The resulting sample of residents was weighted proportionately to population distribution per the latest State Census from the State Department of Business, Economic Development & Tourism.

Statewide sampling produced a total of $n = 1967$ respondents as follows:

- O'ahu: 828
- Hawai'i Island: 482
- Maui Island: 321, Moloka'i: 37, Lāna'i: 9
- Kaua'i: 290

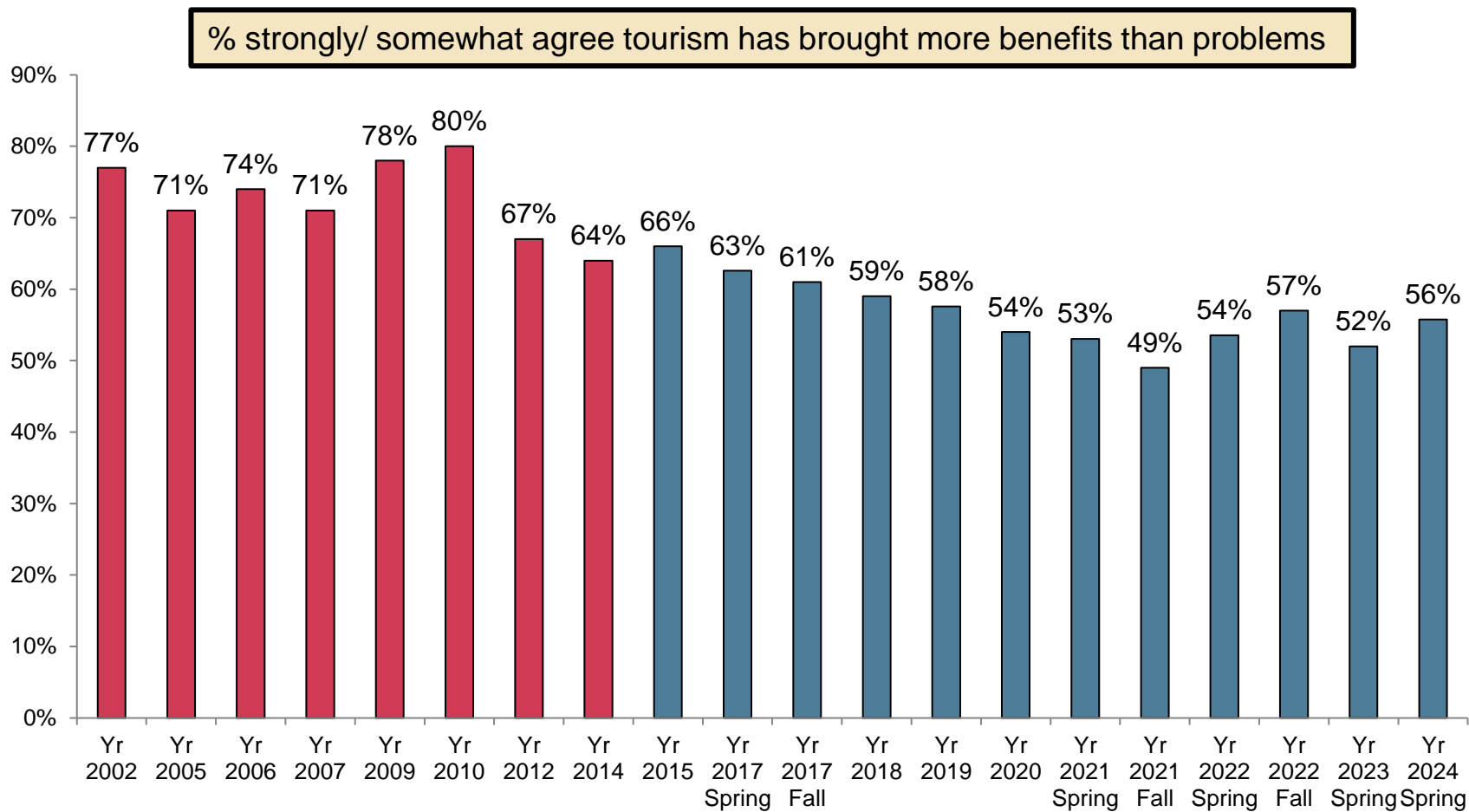
Methodology

- A mixed methodology was used for this survey, including a combination of Computer Assisted Telephone Interview (CATI, 25%) and online surveys (75%).
- All calls were placed from Omnitrak's continuously quality-controlled calling center in the Davies Pacific Center building in Downtown Honolulu.
- Field Dates: March 5 through April 30, 2024



Appendix B: Key Sentiment Indicators

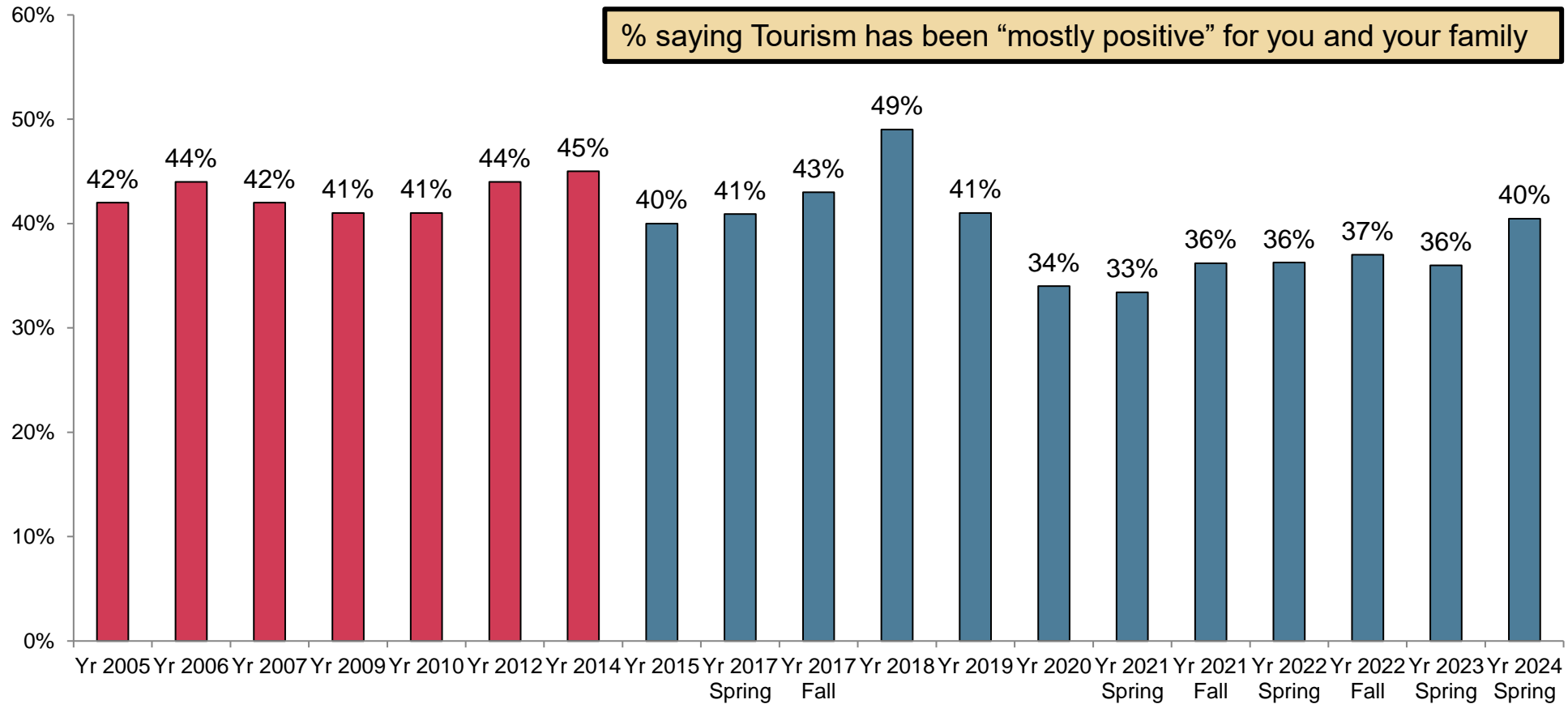
“Tourism has brought more benefits than problems” – *Overall Trend*



In order to track the data (change in rating scale) from 2009, a rating of 6-10 was used to approximate the percent that felt positively about this statement.

Q4.1. Using a 10-point scale where 10 means Completely Agree and 1 means Do Not Agree at All, how much do you agree or disagree that...?

Impact of Tourism on You & Your Family – *Overall Trend*

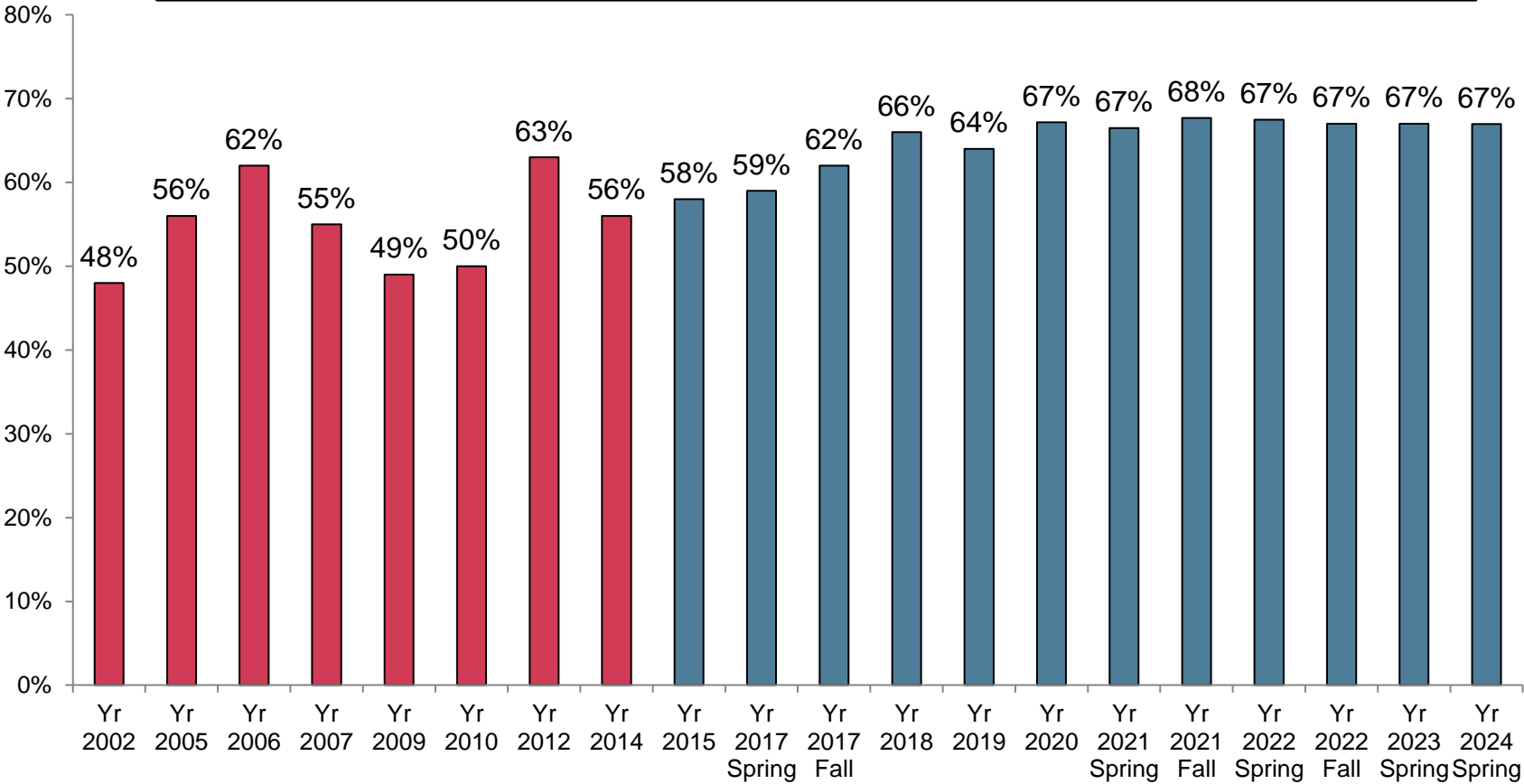


In order to track the data (change in rating scale) from 2009, a rating of 7-10 was used to approximate the percent that felt positively about this statement.

Q2b. Using a 10-point scale where 10 means Extremely Positive and 1 means Extremely Negative, how would you rate the overall impact tourism has on...you and your family?

“This island is being run for tourists at the expense of local people” - Overall

% strongly/ somewhat agree island is being run for tourists at expense of local people



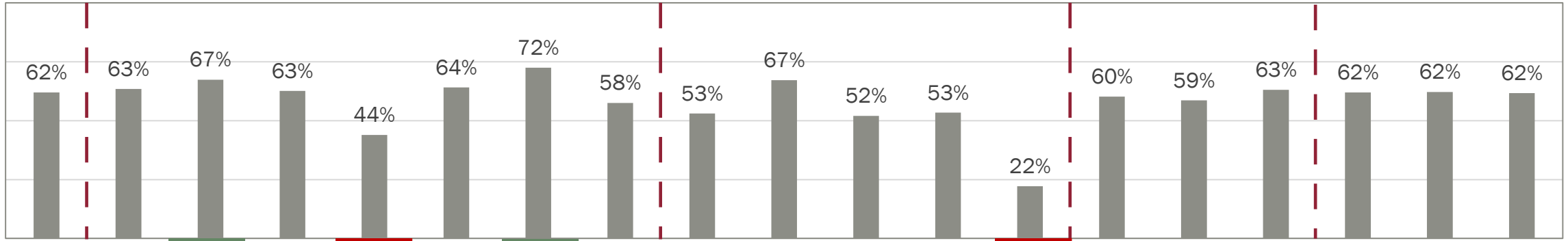
In order to track the data (change in rating scale) from 2009, a rating of 6-10 was used to approximate the percent that felt positively about this statement.

Q4.2. Using a 10-point scale where 10 means Completely Agree and 1 means Do Not Agree at All, how much do you agree or disagree that...?

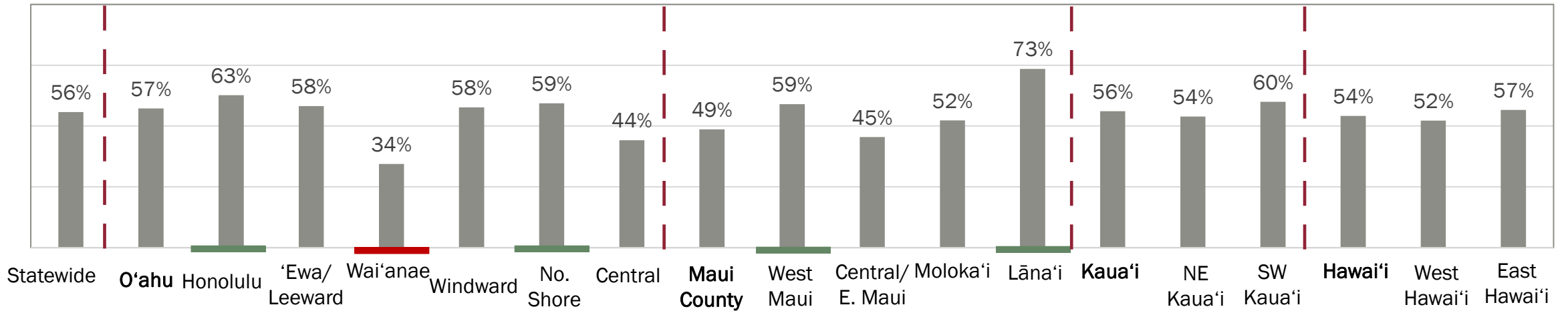
Executive Summary –Tourism is Worth the Issues, Benefits Outweigh Problems by Island/Area

At the community level, residents most critical of *Tourism being worth the issues associated with it* resided in Wai‘anae, while the North Shore of O‘ahu reversed and now shows positive support. On the other hand, Lāna‘i residents now show the weakest support on this particular measure.

“Tourism is worth the issues associated with it” (Rating 6-10)



“Tourism has brought more benefits than problems” (Rating 6-10)



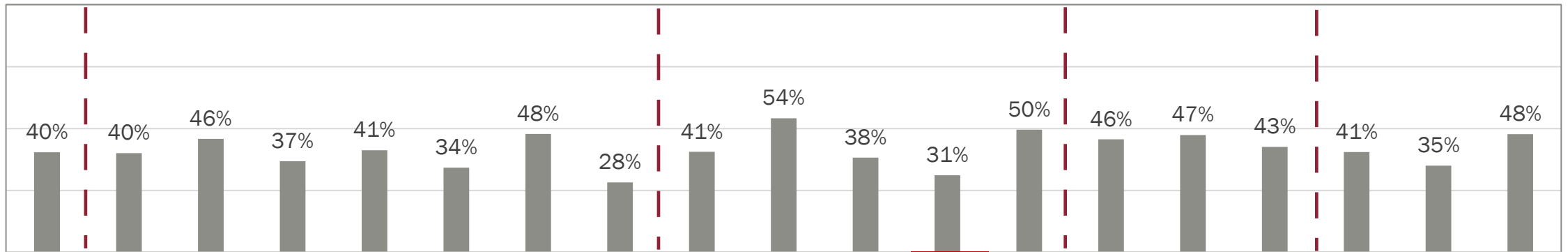
Q3. In 2023, visitors spent nearly \$21 billion in Hawai‘i, which produced more than \$2 billion in state tax revenues to support local schools, hospitals, and infrastructure. Do you think tourism is worth the issues associated with the industry?

Q4. I’m going to read you some statements about tourism, and ask you to please tell me how much you agree or disagree with each statement using a scale of 1 to 10 with 10 being Completely Agree and 1 meaning Do Not Agree At All.

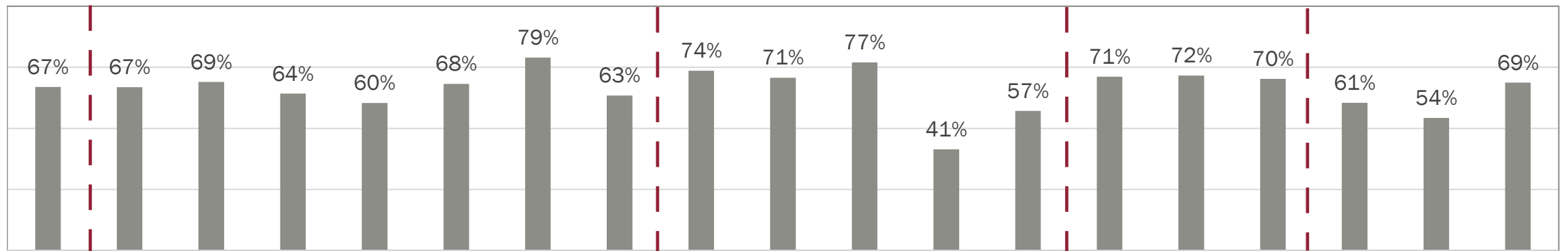
Key Indicators by Island/Area (continued)

At the community level, residents least likely to feel that *Tourism is mostly positive for their family* reside in the Central, Windward, and 'Ewa/Leeward areas of O'ahu and on Moloka'i.

"Tourism has been 'mostly positive' for you and your family" (Rating 7-10)



"This island is being run for tourists at the expense of local people" (Rating 6-10)



Statewide O'ahu Honolulu 'Ewa/Leeward Wai'anae Windward No. Shore Central Maui County West Maui Central/E. Maui Moloka'i Lāna'i Kaua'i NE Kaua'i SW Kaua'i Hawai'i West Hawai'i East Hawai'i

Q2a/b. Using a 10-point scale where 10 means Extremely Positive and 1 means Extremely Negative, how would you rate the overall impact tourism has on...You and Your Family?

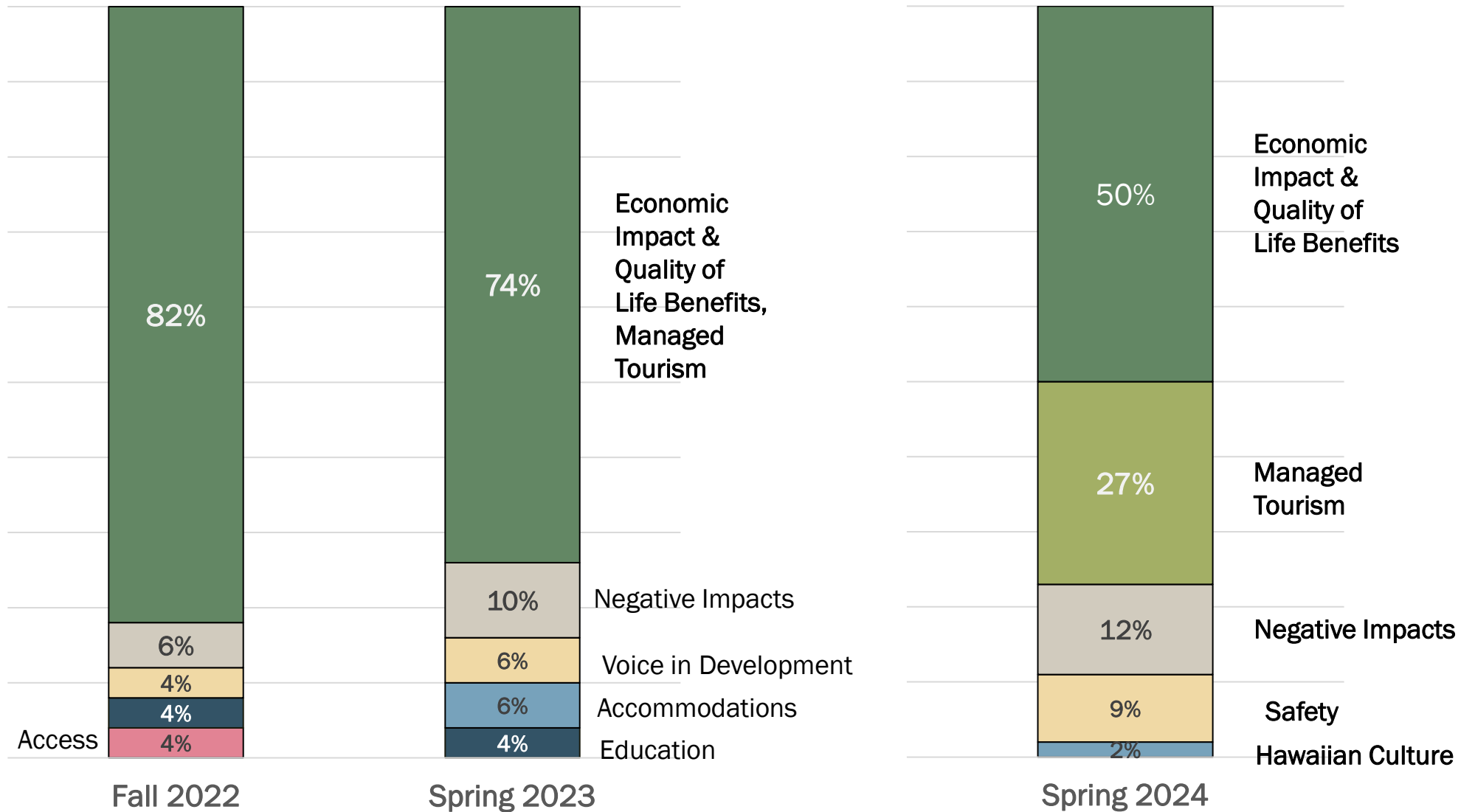
Q.4. I'm going to read you some statements about tourism, and ask you to please tell me how much you agree or disagree with each statement using a scale of 1 to 10 with 10 being Completely Agree and 1 meaning Do Not Agree At All.



Appendix C: Changes in Drivers of Resident Sentiment

Changes in Drivers of Resident Sentiment

Drivers of Resident Sentiment

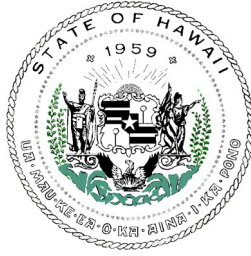


16

**Report and Update by the
BUDGET, FINANCE, AND CONVENTION CENTER
STANDING COMMITTEE of their Meeting Held on
July 16, 2024**

16a

**Motion, Presentation, Discussion, and Action
on HTA's Financial Reports for
April and May 2024**



The State of Hawai`i
Department of Business, Economic Development, and Tourism
Hawai`i Tourism Authority
Financial Statements
April 30, 2024

These financial statements have been prepared by HTA management (unless otherwise noted) for information purposes only. See notes to the financial statements.

Prepared by: Talon Kishi, CPA

Budget and Fiscal Officer

HAWAII TOURISM AUTHORITY

Hawaii Tourism Authority

April 30, 2024

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Selected Management Disclosures	6
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Bank of Hawaii Tourism Emergency Special Fund Trust and Checking Account Bank Statements	11

**Hawaii Tourism Authority
Balance Sheet
As of April 30, 2024**

	Tourism Funds	Convention Center Funds	Roof Project	Roof Repairs	Tourism Emergency Special Fund	Federal Funds	Total Funds
Assets							
General funds	22,011,637	2,269,375	-	-	-	-	24,281,012
Special funds (restricted)	14,303,957	45,241,157	-	-	-	-	59,545,114
Federal grants	-	-	-	-	-	13,574,717	13,574,717
General obligation bonds	-	-	1,247,639	13,601,000	-	-	14,848,639
Cash and cash equivalents	-	-	-	-	925,238	-	925,238
Investments	-	-	-	-	-	-	-
Accounts Receivable*	225,623	-	-	-	-	-	225,623
Total assets	36,541,217	47,510,532	1,247,639	13,601,000	925,238	13,574,717	113,400,343
Liabilities and Fund Balances							
Fund balances							
Encumbered - GOB	-	-	647,639	-	-	-	647,639
Encumbered - General funds	20,541,703	2,269,374	-	-	-	-	22,811,077
Encumbered - Special funds	6,962,048	525,999	-	-	-	9,250,345	16,738,392
Unencumbered	9,037,466	44,715,159	600,000	13,601,000	925,238	4,324,372	73,203,235
Total fund balances	36,541,217	47,510,532	1,247,639	13,601,000	925,238	13,574,717	113,400,343
Total liabilities and fund balances	36,541,217	47,510,532	1,247,639	13,601,000	925,238	13,574,717	113,400,343

Hawaii Tourism Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Month Ended April 30, 2024
Ending Fund Balance as of April 30, 2024

	Tourism Funds	Convention Center Funds	Roof Project	Roof Repairs	Tourism Emergency Special Fund	Federal Funds	Total Funds
Revenues							
Change in fair value	-	-	-	-	-	-	-
HCC operations	-	-	-	-	-	-	-
Interest, net	136,604	297,277	-	-	171	-	434,052
TAT	-	-	-	-	-	-	-
Other*	-	12,000	-	-	-	-	12,000
Total revenues	<u>136,604</u>	<u>309,277</u>	<u>-</u>	<u>-</u>	<u>171</u>	<u>-</u>	<u>446,052</u>
Expenditures							
Administrative	1,839	-	-	-	-	-	1,839
Branding	2,236,738	-	-	-	-	-	2,236,738
Communications	31,194	-	-	-	-	-	31,194
Destination management	222,781	-	-	-	-	-	222,781
Governance and org-wide*	93,911	-	-	-	-	-	93,911
HCC marketing	-	656,470	-	-	-	-	656,470
HCC operations	-	3,063,025	-	-	-	-	3,063,025
HCC repairs and maintenance	-	4,827,248	7,520	-	-	-	4,834,768
Natural resources	-	-	-	-	-	-	-
Perpetuating Hawaiian culture	30,000	-	-	-	-	-	30,000
Planning & evaluation	-	-	-	-	57,226	-	57,226
Resident and Industry Communica	-	-	-	-	-	-	-
Safety & Security	35,000	-	-	-	-	-	35,000
Salaries	151,351	-	-	-	-	-	151,351
Sports	1,558,000	-	-	-	-	-	1,558,000
Workforce	-	-	-	-	-	-	-
Total expenditures	<u>4,360,814</u>	<u>8,546,743</u>	<u>7,520</u>	<u>-</u>	<u>57,226</u>	<u>-</u>	<u>12,972,303</u>
Change in fund balances	<u>(4,224,210)</u>	<u>(8,237,466)</u>	<u>(7,520)</u>	<u>-</u>	<u>(57,055)</u>	<u>-</u>	<u>(12,526,251)</u>
Fund balances							
April 1, 2024	40,765,427	55,747,998	1,255,159	13,601,000	982,293	13,574,717	125,926,594
April 30, 2024	<u>36,541,217</u>	<u>47,510,532</u>	<u>1,247,639</u>	<u>13,601,000</u>	<u>925,238</u>	<u>13,574,717</u>	<u>113,400,343</u>

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances
Year to Date April 30, 2024
Ending Fund Balance as of April 30, 2024

	Convention	Tourism Emergency					
	Tourism Funds	Center Funds	Roof Project	Roof Repairs	Special Fund*	Federal Funds	Total Funds
Revenues							
Change in fair value*	-	-	-	-	52,962	-	52,962
General fund appropriation transfe	60,000,000	11,000,000	-	-	-	-	71,000,000
HCC operations	-	1,223,284	-	-	-	-	1,223,284
Interest, net*	561,365	1,016,303	-	-	72,593	-	1,650,261
Other*	225,623	777,444	-	-	-	-	1,003,067
TAT*	-	11,000,000	-	-	-	-	11,000,000
Total revenues	<u>60,786,988</u>	<u>25,017,031</u>	<u>-</u>	<u>-</u>	<u>125,555</u>	<u>-</u>	<u>85,929,574</u>
Expenditures							
Administrative	220,266	-	-	-	83	-	220,349
Branding	21,659,284	-	-	-	3,950,000	-	25,609,284
Destination management	8,775,238	-	-	-	-	449,655	9,224,893
Governance and org-wide*	321,847	-	-	-	-	-	321,847
HCC marketing	2,787,000	1,223,700	-	-	-	-	4,010,700
HCC operations	-	3,989,726	-	-	-	-	3,989,726
HCC repairs and maintenance	-	6,760,598	22,361	-	-	-	6,782,959
Perpetuating Hawaiian culture	834,497	-	-	-	-	-	834,497
Planning & evaluation	543,054	-	-	-	110,284	-	653,338
Resident and Industry Communica	455,728	-	-	-	-	-	455,728
Safety & Security	380,000	-	-	-	250,693	-	630,693
Salaries	1,828,345	-	-	-	-	-	1,828,345
Sports	2,058,000	-	-	-	-	-	2,058,000
Workforce	46,000	-	-	-	-	-	46,000
Total expenditures	<u>39,909,259</u>	<u>11,974,024</u>	<u>22,361</u>	<u>-</u>	<u>4,311,060</u>	<u>449,655</u>	<u>56,666,359</u>
Transfer to B&F*	-	-	-	-	-	36,833,291	36,833,291
Change in fund balances	<u>20,877,729</u>	<u>13,043,007</u>	<u>(22,361)</u>	<u>-</u>	<u>(4,185,505)</u>	<u>(37,282,946)</u>	<u>(7,570,076)</u>
Fund balances							
July 1, 2023	<u>15,663,488</u>	<u>34,467,525</u>	<u>1,270,000</u>	<u>13,601,000</u>	<u>5,110,743</u>	<u>50,857,663</u>	<u>120,970,419</u>
April 30, 2024	<u>36,541,217</u>	<u>47,510,532</u>	<u>1,247,639</u>	<u>13,601,000</u>	<u>925,238</u>	<u>13,574,717</u>	<u>113,400,343</u>

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
April 30, 2024
Selected Management Disclosures

1. Summary of Significant Accounting Policies

The Hawaii Tourism Authority (HTA or Authority) was established on January 1, 1999, by Act 156, Session Laws of Hawaii 1998. It was placed within the State of Hawaii, Department of Business, Economic Development, and Tourism, for administrative purposes only. The Authority is responsible for developing a strategic tourism marketing plan and developing measures of effectiveness to assess the overall benefits and effectiveness of the marketing plan and progress toward achieving the Authority's strategic plan goals. In addition, effective July 1, 2000, control and management of the Hawaii Convention Center (HCC) were transferred to the Authority from the Convention Center Authority (CCA) by Executive Order No. 3817. Effective July 1, 2002, the Center, by statute, became the responsibility of the Authority. The Center opened to the public in June 1998 and is used for various events, including conventions and trade shows, public shows, and spectator events. The Center offers approximately 350,000 square feet of rentable space, including 51 meeting rooms.

The Authority is governed by a board of directors comprising 12 voting members, including those recommended by the State Legislature. The Governor of the State appoints the 12 voting members.

Funds

The Authority's funds are as follows:

Tourism Funds:

- **Tourism Special Fund (TSF)** –The Tourism Special Fund accounted for functions related to developing and promoting the tourism industry. Effective January 1, 2022, pursuant to Act 1 Special Legislative Session 2021, the TSF was sunset and discontinued the ability to expend any new funds. Funds encumbered as of June 30, 2021, can be spent. The TSF's encumbered fund balance includes \$5,948,568 for the Center for Hawaiian Music and Dance.
- **General Funds** – The 2023 State legislature did not provide HTA an operating budget for fiscal year 2024. As such, the Governor approved the transfer of \$60,000,000 in general funds from Section 5 of Act 164, SLH 2023, to HTA on July 1, 2023. Funds will lapse on June 30, 2024.

Convention Center Funds:

- **Convention Center Enterprise Special Fund (CCESF)** – Under Section 201B-8, the Convention Center Enterprise Special Fund accounts for functions related to the operation and management of the Hawaii Convention Center (HCC). Unencumbered funds are unavailable to spend because the 2023 Hawaii State Legislature did not provide the CCESF an expenditure ceiling to fund the operations of the HCC.
- **General Funds (operations)** – The 2023 State legislature did not provide the HCC an operating budget for fiscal year 2024. As such, the Governor approved the transfer of \$11,000,000 in general funds from Section 5 of Act 164, SLH 2023, for the HCC on July 1, 2023. Funds will lapse on June 30, 2024.
- **General Funds (CIP)** - Pursuant to Act 164, SLH 2023, \$64,000,000 of general funds were provided for long-term repairs of the HCC rooftop terrace deck. Per Executive Memorandum 23-08, dated October 30, 2023, the Department of Budget and Finance (B&F) transferred HTA's

Hawaii Tourism Authority
April 30, 2024
Selected Management Disclosures

\$64,000,000 operating appropriation to B&F for the Maui wildfires. The Legislature may reappropriate the funds as general obligation bonds for fiscal year 2025.

- **General Obligation Bonds** – Under Act 248, SLH 2022, \$15,000,000 of general obligation bond funds were provided for the temporary repairs of the HCC roof repair and other items. The Governor authorized the release of funds on February 22, 2023. The funds will lapse on June 30, 2024. HTA has encumbered \$670,000 to date. Unused funds will lapse on June 30, 2024.

Tourism Emergency Special Fund:

- The Tourism Emergency Special Fund accounts for functions related to maintaining a tourism emergency fund. Per Section 201B-10, revenues prescribed by Section 237D-6.5(b) and all investment earnings are credited to the fund's assets. Funds are currently held at the Bank of Hawaii. Funds must be exclusively used to respond to a tourism emergency per Section 201B-9.

On August 19, 2023, the governor declared a tourism emergency in the sixth emergency proclamation relating to the Maui wildfires. The Governor extended the tourism emergency in the ninth emergency proclamation dated January 5, 2024. The Authority has spent approximately \$4,253,751 on Maui wildfire response efforts. More information can be found in the Other Matters section of these footnotes.

Federal Funds:

- **American Rescue Plan Act (ARPA)** – Official Name: Coronavirus State Fiscal Recovery Fund (CSFRF) Subaward. The former Governor authorized \$106,000,000 of ARPA funds to support HTA's and HCC's fiscal years 2022 and 2023 operations. HTA and HCC received \$95,000,000 and \$11,000,000, respectively. In total, for the two years ended June 30, 2023, \$59,155,512 and \$10,011,197 was spent on HTA and HCC operations, respectively. The Authority returned \$36,833,291 to the Department of Budget and Finance (B&F) on July 31, 2023.
- **Economic Development Administration (EDA) Tourism Grant** – Official Name: ARPA-EDA Tourism Grant (Non-Competitive ARPA State Tourism Grant for the State of Hawaii) – The Authority was awarded \$14,024,372 on December 8, 2021. Grant rules required the approval of the Grant Administration Plan (GAP) before the commencement of work. EDA approved the Authority's GAP on March 21, 2023. The Authority will share approximately \$7,200,000 of the grant with the Department of Land and Natural Resources (DLNR) to enhance and develop Hawaii's outdoor recreational assets. All work must be completed by May 31, 2027, and money spent by September 30, 2027. To date, the Authority has spent \$449,655.

Basis of Accounting

The Governmental Funds' financial statements are reported using the modified-accrual basis of accounting.

Transient Accommodations Tax (TAT)

Under Section 237D-6.5, \$11,000,000 shall be allocated to the Convention Center Enterprise Special Fund annually. The annual \$11,000,000 TAT distribution was completed in December 2023.

Hawaii Tourism Authority
 April 30, 2024
 Selected Management Disclosures

Governance & Org-Wide Expenditures

Governance and organization-wide expenditures include board member inter-island travel, meeting minutes, and audit expenses for the Authority and the HCC.

Investments

The Authority’s investments are reported at fair value.

The TSF and CCESF participate in the State’s investment pool program directed by B&F.

Encumbrances

Generally, encumbrances are obligations in the form of purchase orders, contracts, or other commitments that only become liabilities once the performance of the conditions stated in the commitment is completed.

Per HRS 40-90 (b), “All encumbrances for contracts shall become void after five years from the end of the fiscal year of the original encumbrance; provided that the comptroller may grant an exemption from this subsection if the comptroller finds that there is sufficient justification to extend a contract encumbrance.”

Use of Estimates

Preparing these financial statements required management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

2. Equity in Cash and Cash Equivalents and Investments in the Tourism Emergency Special Fund

The following is a summary of changes in the Tourism Emergency Special Fund during the nine-month period ended March 31, 2024:

	Fair Value July 1, 2023	Interest Income	Change in Fair Value	Expenses	Transfers	Fair Value April 30, 2024
BOH Trust Fund	5,110,743	80,840	52,962	(8,247)	(5,000,000)	236,298
BOH Checking	-	-	-	(4,311,060)	5,000,000	688,940
Total TESH	5,110,743	80,840	52,962	(4,319,307)	-	925,238

3. Accrued Vacation Liability

On June 30, 2023, management estimated the accrued vacation liability of approximately \$339,000, with a current liability of approximately \$132,000.

Hawaii Tourism Authority
 April 30, 2024
 Selected Management Disclosures

4. Retirement Benefits

Employees’ Retirement System of the State of Hawaii (ERS)

At June 30, 2023, management reported a net pension liability of approximately \$6,063,000 for its proportionate share of the State’s net pension liability. An actuarial valuation determined the net pension liability as of June 30, 2022.

For the year ended June 30, 2023, the Authority recognized pension expenses of approximately \$335,000. On June 30, 2023, management estimated the deferred outflows and deferred inflows of resources related to pensions of approximately \$576,000 and (\$571,000), respectively.

Hawaii Employer-Union Health Benefits Trust Fund (EUTF)

On June 30, 2023, management estimated the net other post-employment benefits (OPEB) liability of approximately \$4,808,000. An actuarial valuation measured the net OPEB liability as of July 1, 2022.

For the year ended June 30, 2023, the Authority recognized OPEB expenses of approximately \$18,000. On June 30, 2023, management estimated the deferred outflows and deferred inflows of resources related to OPEB of approximately \$227,000 and (\$536,000), respectively.

5. Other Matters

- a. HTA expects to be reimbursed by the Federal Emergency Management Agency (FEMA) for approximately \$225,623 for expenditures related to the immediate response to the Maui wildfires. All funds reimbursed by FEMA will be returned to the State.
- b. The Hawaii Convention Center earned \$777,445 in other revenue in the current fiscal year, consisting of \$723,445 in employee retention tax credits (ERTC) and \$54,000 in distributed antennae service (DAS) income.
- c. Tourism Emergency Special Fund Spending to Date for the Maui Wildfire:

Maui Recovery - Tourism Emergency Special Fund Spending to April 30, 2024

Program	Budget	Paid to Date	Unspent
USA Recovery Marketing #1	2,600,000	2,600,000	-
USA Recovery Marketing #2	1,350,000	1,350,000	-
Maui Resident Communications Campaign	349,307	110,284	239,023
Visitor Education Post-Arrival Marketing	300,000	-	300,000
Immediate Wildfire Response	250,693	250,693	-
Maui Street Market	100,000	-	100,000
Long-term Housing	50,000	-	50,000
Total	5,000,000	4,310,977	689,023

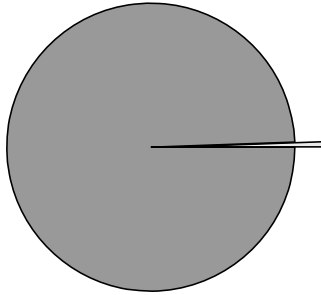
Supplementary Information

Statement Period
Account Number

04/01/2024 through 04/30/2024
135328102
BANK OF HAWAII
AGENT U/A DATED 10/31/2018 FOR
HAWAII TOURISM AUTHORITY -
TOURISM EMERGENCY TRUST FUND

Summary Of Investments

Investment Allocation



0.4%	CASH	1,003.66
99.6%	CASH EQUIVALENTS	235,294.07
100.0%	TOTAL	236,297.73

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	1,003.66	0.42	0	0.00
CASH EQUIVALENTS	235,294.07	99.58	12,188	5.18
Total Fund	236,297.73	100.00	12,188	5.16

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	1,003.66	1,003.66	100.00
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
235,294.07	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	235,294.07	235,294.07	100.00
	Total Fund	236,297.73*	236,297.73*	100.00*



Statement of Account

Last statement: March 31, 2024
This statement: April 30, 2024
Total days in statement period: 30

Account: 0091-585227
Page 1 of 1
Number of Enclosures: (0)



00003634-TDBSAD11400501039429-LETTER02-000000 0
HAWAII TOURISM AUTHORITY
TOURISM EMERGENCY SPECIAL FUND
1801 KALAKAUA AVE 1ST FL
HONOLULU HI 96815

Direct inquiries to:
888 643-3888

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Analyzed Business Checking

Account number	0091-585227	Beginning balance	\$746,166.22
Low balance	\$688,939.67	Total additions	.00
Average balance	\$698,217.80	Total subtractions	57,226.55
		Ending balance	\$688,939.67

CHECKS

Number	Date	Amount	Number	Date	Amount
1013	04-01	39,999.98	1016	04-29	226.57
1015 *	04-17	17,000.00	* Skip in check sequence		

DAILY BALANCES

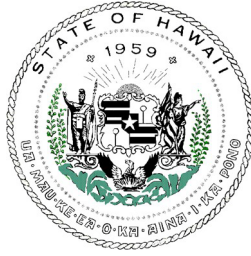
Date	Amount	Date	Amount	Date	Amount
03-31	746,166.22	04-17	689,166.24		
04-01	706,166.24	04-29	688,939.67		



MEMBER FDIC

EQUAL HOUSING LENDER

00003634-001-001



The State of Hawai`i
Department of Business, Economic Development, and Tourism
Hawai`i Tourism Authority
Financial Statements
May 31, 2024

These financial statements have been prepared by HTA management (unless otherwise noted) for information purposes only. See notes to the financial statements.

Prepared by: Talon Kishi, CPA

HTA Budget and Fiscal Officer

HAWAII TOURISM AUTHORITY

Hawaii Tourism Authority
May 31, 2024
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Hawaii Tourism Authority
Balance Sheet
As of May 31, 2024

	Tourism Funds	Convention Center Funds	Roof Project and Roof Related Repairs	EDA Tourism Grant	Tourism Emergency Special Fund	Total
Assets						
General Funds	11,964,419	2,269,375	-	-	-	14,233,794
Special Funds (restricted)	14,360,787	47,543,890	-	-	-	61,904,677
Federal Grants	-	-	-	11,674,717	-	11,674,717
General Obligation Bonds (GOB)	-	-	14,814,650	-	-	14,814,650
Cash and Cash Equivalents	-	-	-	-	636,941	636,941
Accounts Receivable*	-	225,623	-	-	-	225,623
Total Assets	26,325,206	50,038,888	14,814,650	11,674,717	636,941	103,490,402
Liabilities and Fund Balances						
Fund Balances						
Encumbered - General Funds	10,932,562	2,269,375	-	-	-	13,201,937
Unencumbered - General Funds	1,031,857	-	-	-	-	1,031,857
Total General Fund Balances	11,964,419	2,269,375	-	-	-	14,233,794
Encumbered - Special Funds	6,938,082	525,999	-	7,750,345	400,521	15,614,947
Unencumbered - Special Funds	7,422,705	47,243,514	-	3,924,372	236,420	58,827,011
Total Special Fund Balances	14,360,787	47,769,513	-	11,674,717	636,941	74,441,958
Encumbered - GOB	-	-	613,550	-	-	613,550
Unencumbered - GOB	-	-	14,201,100	-	-	14,201,100
Total GOB Fund Balance	-	-	14,814,650	-	-	14,814,650
Total Fund Balances	26,325,206	50,038,888	14,814,650	11,674,717	636,941	103,490,402
Total Liabilities and Fund Balances	26,325,206	50,038,888	14,814,650	11,674,717	636,941	103,490,402

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Tourism General Fund
Statement of Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Actual			FY 24 Budget	Budget vs. Actual
	Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining		Under (Over) Budget
Expenditures					
Administrative	55,914	300,360	7,298	307,658	-
Branding	7,626,796	28,838,124	4,146,392	33,212,917	228,401
Destination Management	441,223	7,896,342	5,442,884	13,525,069	185,843
Governance and Org-Wide*	7,554	269,304	245,589	514,893	-
HCC Marketing	1,175,000	3,962,000	-	3,962,000	-
Perpetuating Hawaiian Culture	236,236	1,096,291	171,283	1,317,765	50,191
Planning & Evaluation	153,253	596,086	175,383	771,469	-
Resident and Industry Comms	56,489	466,236	138,493	604,729	-
Safety & Security	140,000	520,000	-	520,000	-
Salaries	154,753	1,983,098	-	2,500,000	516,902
Sports	-	2,058,000	555,500	2,613,500	-
Workforce	-	49,740	49,740	150,000	50,520
Total	10,047,218	48,035,581	10,932,562	60,000,000	1,031,857
Change in Fund Balance	(10,047,218)	(48,035,581)			
Fund Balances					
May 1, 2024 / July 1, 2023	22,011,637	60,000,000			
May 31, 2024	11,964,419	11,964,419			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Convention Center General Fund
Statement of Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Actual			Budget vs. Actual	
Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining	FY 24 Budget	Under (Over) Budget	
Expenditures					
HCC Marketing	-	1,223,700	-	1,223,700	-
HCC Operations	-	3,761,327	2,269,375	6,030,702	-
HCC Repairs and Maintenance	-	3,745,598	-	3,745,598	-
Total	-	8,730,625	2,269,375	11,000,000	-
Change in Fund Balance	-	(8,730,625)			
Fund Balances					
May 1, 2024 / July 1, 2023	2,269,375	11,000,000			
May 31, 2024	2,269,375	2,269,375			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Roof Project and Roof Related Repairs
Statement of Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Actual			Total	Budget vs. Actual
Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining	Budget	Under (Over) Budget	
Expenditures					
Roof Project PM/CM	34,089	56,450	613,550	670,000	-
Roof Project Architect	-	-	-	517,000	517,000
Ballroom Gutter, Foyer, Lobby Glass	-	-	-	13,411,500	13,411,500
Parapet Roof Repairs	-	-	-	272,600	272,600
Total	34,089	56,450	613,550	14,871,100	14,201,100
Change in Fund Balance	(34,089)	(56,450)			
Fund Balances					
May 1, 2024 / July 1, 2023	14,848,739	14,871,100			
May 31, 2024	14,814,650	14,814,650			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
EDA Tourism Grant
Statement of Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Actual			Grant Budget	Budget vs. Actual
	Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining		Under (Over) Budget
Expenditures					
Administrative	-	-	-	254,907	254,907
Branding	1,500,000	1,500,000	1,750,000	4,000,000	750,000
Destination Management	400,000	849,655	6,000,345	7,950,000	1,100,000
Planning	-	-	-	750,000	750,000
Salaries and Fringe	-	-	-	1,069,465	1,069,465
Total	1,900,000	2,349,655	7,750,345	14,024,372	3,924,372
Change in Fund Balance	(1,900,000)	(2,349,655)			
Fund Balances					
May 1, 2024 / July 1, 2023	13,574,717	14,024,372			
May 31, 2024	11,674,717	11,674,717			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Tourism Emergency Special Fund
Statement of Revenues, Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Actual			Budget vs. Actual	
	Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining	FY 24 Budget	Under (Over) Budget
Revenues					
Change in Fair Value	-	53,273			
Interest, Net	206	72,404			
Total	206	125,677			
Expenditures					
Branding	150,000	4,100,000	150,000	4,250,000	-
Resident and Industry Comms	138,502	248,786	100,521	349,307	-
Planning	-	-	150,000	150,000	-
Safety and Security	-	250,693	-	250,693	-
Total	288,502	4,599,479	400,521	5,000,000	-
Change in Fund Balance	(288,296)	(4,473,802)			
Fund Balances					
May 1, 2024 / July 1, 2023	925,237	5,110,743			
May 31, 2024	636,941	636,941			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Tourism Special Fund
Statement of Revenues, Expenditures, Changes in Fund Balances, and Encumbrances
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining
Revenues			
Interest	80,796	642,161	
Total	80,796	642,161	
Expenditures			
Administrative	-	37,171	82,710
Branding	23,966	471,923	798,202
Destination Management	-	1,320,000	-
Perpetuating Hawaiian Culture	-	-	5,948,568
Planning & Evaluation	-	49,227	-
Resident and Industry Comms	-	20,541	22,602
Workforce	-	46,000	86,000
Total	23,966	1,944,862	6,938,082
Change in Fund Balance	56,830	(1,302,701)	
Fund Balances			
May 1, 2024 / July 1, 2023	14,303,957	15,663,488	
May 31, 2024	14,360,787	14,360,787	

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Convention Center Enterprise Special Fund
Statement of Revenues, Expenditures, Changes in Fund Balances, and Encumbrances
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining
Revenues			
HCC Operations	2,088,915	3,312,199	
Interest	201,818	1,218,122	
TAT	-	11,000,000	
Other*	12,000	1,015,067	
Total	2,302,733	16,545,388	
Expenditures			
HCC Operations	-	110,894	-
HCC Repairs and Maintenance	-	3,132,506	525,999
Total	-	3,243,400	525,999
Change in Fund Balance	2,302,733	13,301,988	
Fund Balances			
May 1, 2024 / July 1, 2023	45,466,780	34,467,525	
May 31, 2024	47,769,513	47,769,513	

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
May 31, 2024
Selected Management Disclosures

1. Summary of Significant Accounting Policies

The Hawaii Tourism Authority (HTA or Authority) was established on January 1, 1999, by Act 156, Session Laws of Hawaii 1998. It was placed within the State of Hawaii, Department of Business, Economic Development, and Tourism, for administrative purposes only. The Authority is responsible for developing a strategic tourism marketing plan and developing measures of effectiveness to assess the overall benefits and effectiveness of the marketing plan and progress toward achieving the Authority's strategic plan goals. In addition, effective July 1, 2000, control and management of the Hawaii Convention Center (HCC) were transferred to the Authority from the Convention Center Authority (CCA) by Executive Order No. 3817. Effective July 1, 2002, the Center, by statute, became the responsibility of the Authority. The Center opened to the public in June 1998 and is used for various events, including conventions and trade shows, public shows, and spectator events. The Center offers approximately 350,000 square feet of rentable space, including 51 meeting rooms.

The Authority is governed by a board of directors comprising 12 voting members, including those recommended by the State Legislature. The Governor of the State appoints the 12 voting members.

Funds

The Authority's funds are as follows:

Tourism Funds:

- **Tourism Special Fund (TSF)** – The TSF accounted for functions related to developing and promoting the tourism industry. Effective January 1, 2022, pursuant to Act 1 Special Legislative Session 2021, the TSF was sunset and discontinued the ability to expend any new funds. Funds encumbered as of June 30, 2021, can be spent. The TSF's encumbered fund balance includes \$5,948,568 for the Center for Hawaiian Music and Dance.
- **General Funds** – The 2023 State legislature did not provide HTA with an operating budget for fiscal year 2024. As such, the Governor approved the transfer of \$60,000,000 in general funds from Section 5 of Act 164, SLH 2023, to HTA on July 1, 2023. The funds will lapse on June 30, 2024.

Convention Center Funds:

- **Convention Center Enterprise Special Fund (CCESF)** – Under Section 201B-8, the Convention Center Enterprise Special Fund accounts for functions related to the operation and management of the Hawaii Convention Center (HCC). Unencumbered funds are unavailable to spend because the 2023 Hawaii State Legislature did not provide the CCESF with an expenditure ceiling to fund the operations of the HCC.
- **General Funds (operations)** – The 2023 State legislature did not provide the HCC with an operating budget for fiscal year 2024. As such, the Governor approved the transfer of \$11,000,000 in general funds from Section 5 of Act 164, SLH 2023, for the HCC on July 1, 2023. Funds will lapse on June 30, 2024.
- **General Funds (CIP)** - Pursuant to Act 164, SLH 2023, \$64,000,000 of general funds were provided for long-term repairs of the HCC rooftop terrace deck. Per Executive Memorandum 23-08, dated October 30, 2023, the Department of Budget and Finance (B&F) transferred HTA's \$64,000,000 operating appropriation to B&F for the Maui wildfires. The Legislature reappropriated the funds as general obligation bonds for fiscal year 2025.

Hawaii Tourism Authority
May 31, 2024
Selected Management Disclosures

- **General Obligation Bonds** – Under Act 248, SLH 2022, \$15,000,000 of general obligation bond funds were provided for the temporary repairs of the HCC roof repair and other items. The Governor authorized the release of funds on February 22, 2023. Unused funds will lapse on June 30, 2024.

Tourism Emergency Special Fund:

- The Tourism Emergency Special Fund accounts for functions related to maintaining a tourism emergency fund. Per Section 201B-10, revenues prescribed by Section 237D-6.5(b) and all investment earnings are credited to the fund’s assets. Funds are currently held at the Bank of Hawaii. Funds must be exclusively used to respond to a tourism emergency per Section 201B-9.

On August 19, 2023, the governor declared a tourism emergency in the sixth emergency proclamation relating to the Maui wildfires. The Governor extended the tourism emergency in the eleventh emergency proclamation dated May 3, 2024.

Federal Funds:

- **American Rescue Plan Act (ARPA)** – Official Name: Coronavirus State Fiscal Recovery Fund (CSFRF) Subaward. The former Governor authorized \$106,000,000 of ARPA funds to support HTA’s and HCC’s fiscal years 2022 and 2023 operations. HTA and HCC received \$95,000,000 and \$11,000,000, respectively. In total, for the two years ending June 30, 2023, \$59,155,512 and \$10,011,197 were spent on HTA and HCC operations, respectively. The Authority returned \$36,833,291 to the Department of Budget and Finance (B&F) on July 31, 2023.
- **Economic Development Administration (EDA) Tourism Grant** – Official Name: ARPA-EDA Tourism Grant (Non-Competitive ARPA State Tourism Grant for the State of Hawaii) – The Authority was awarded \$14,024,372 on December 8, 2021. Grant rules required the approval of the Grant Administration Plan (GAP) before the commencement of work. EDA approved the Authority’s GAP on March 21, 2023. The Authority will share approximately \$7,200,000 of the grant with the Department of Land and Natural Resources (DLNR) to enhance and develop Hawaii’s outdoor recreational assets. All work must be completed by May 31, 2027, and money spent by September 30, 2027.

Basis of Accounting

The Governmental Funds’ financial statements are reported using the modified-accrual basis of accounting.

Transient Accommodations Tax (TAT)

Under Section 237D-6.5, \$11,000,000 shall be allocated to the Convention Center Enterprise Special Fund annually. The annual \$11,000,000 TAT distribution was completed in December 2023.

Governance & Org-Wide Expenditures

Governance and organization-wide expenditures include board member inter-island travel, meeting minutes, insurance premiums, and audit expenses for the Authority and the HCC.

Investments

The Authority’s investments are reported at fair value.

The TSF and CCESF participate in the State’s investment pool program directed by B&F.

Hawaii Tourism Authority
May 31, 2024
Selected Management Disclosures

Encumbrances

Encumbrances are obligations in the form of purchase orders, contracts, or other commitments that only become liabilities once the performance of the conditions stated in the commitment is completed.

Per HRS 40-90 (b), "All encumbrances for contracts shall become void after five years from the end of the fiscal year of the original encumbrance, provided that the comptroller may grant an exemption from this subsection if the comptroller finds that there is sufficient justification to extend a contract encumbrance."

Use of Estimates

Preparing these financial statements required management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

2. Accrued Vacation Liability

On June 30, 2023, management estimated the accrued vacation liability of approximately \$339,000, with a current liability of approximately \$132,000.

3. Retirement Benefits

Employees' Retirement System of the State of Hawaii (ERS)

At June 30, 2023, management reported a net pension liability of approximately \$6,063,000 for its proportionate share of the State's net pension liability. An actuarial valuation determined the net pension liability as of June 30, 2022.

For the year ended June 30, 2023, the Authority recognized pension expenses of approximately \$335,000. On June 30, 2023, management estimated the deferred outflows and deferred inflows of resources related to pensions of approximately \$576,000 and (\$571,000), respectively.

Hawaii Employer-Union Health Benefits Trust Fund (EUTF)

On June 30, 2023, management estimated the net other post-employment benefits (OPEB) liability of approximately \$4,808,000. An actuarial valuation measured the net OPEB liability as of July 1, 2022.

For the year ended June 30, 2023, the Authority recognized OPEB expenses of approximately \$18,000. On June 30, 2023, management estimated the deferred outflows and deferred inflows of resources related to OPEB of approximately \$227,000 and (\$536,000), respectively.

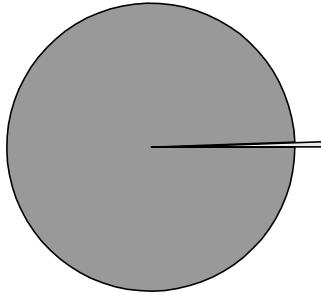
4. Other Matters

- a. The Hawaii Convention Center earned \$1,015,067 in other revenue in the current fiscal year, consisting of \$723,445 in employee retention tax credits (ERTC) and \$66,000 in distributed antennae service (DAS) income, and a receivable of \$225,623 for an estimated reimbursement from the Federal Emergency Management Agency (FEMA) for Maui Wildfire Response Expenditures. All federal reimbursements for the Maui Wildfire must be deposited into a trust account administered by the Hawaii Emergency Management Agency for Maui recovery efforts under SB582.

Supplementary Information

Summary Of Investments

Investment Allocation



0.4%	CASH	1,038.18
99.6%	CASH EQUIVALENTS	235,464.40
100.0%	TOTAL	236,502.58

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	1,038.18	0.44	0	0.00
CASH EQUIVALENTS	235,464.40	99.56	12,197	5.18
Total Fund	236,502.58	100.00	12,197	5.16

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	1,038.18	1,038.18	100.00
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
235,464.4	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	235,464.40	235,464.40	100.00
	Total Fund	236,502.58*	236,502.58*	100.00*

h Bank of Hawaii

Statement of Account

Last statement: April 30, 2024
 This statement: May 31, 2024
 Total days in statement period: 31

Account:
 Page 1 of 1
 Number of Enclosures: (0)



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 HAWAII TOURISM AUTHORITY
 TOURISM EMERGENCY SPECIAL FUND
 1801 KALAKAUA AVE 1ST FL
 HONOLULU HI 96815

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 888 643-3888
 BANK OF HAWAII
 111 S KING ST
 HONOLULU HI 96813

Bank of Hawaii

BANKING BY APPOINTMENT IS AN EASY AND CONVENIENT WAY FOR YOU TO TAKE CARE OF YOUR BANKING NEEDS. GET FINANCIAL GUIDANCE, OPEN A NEW ACCOUNT, DISCUSS YOUR EXISTING ACCOUNT AND MORE WITH ONE OF OUR KNOWLEDGABLE TEAM MEMBERS. CHOOSE FROM IN-PERSON OR PHONE APPOINTMENTS - WE OFFER BOTH! BANK OF HAWAI'I IS DEDICATED TO SIMPLIFYING YOUR LIFE AND FINANCES. BOOK AN APPOINTMENT IN YOUR MOBILE APP OR AT BOH.COM/APPOINTMENT.

Analyzed Business Checking

Account number	0091-585227	Beginning balance	\$688,939.67
Low balance	\$550,437.92	Total additions	.00
Average balance	\$596,526.72	Total subtractions	138,501.75
		Ending balance	\$550,437.92

CHECKS

Number	Date	Amount	Number	Date	Amount
1014	05-02	50,993.91	1022	05-16	5,235.60
1017 *	05-07	2,654.45	1023	05-20	15,094.23
1018	05-07	2,910.99	1024	05-30	22,450.26
1019	05-07	26,256.54	1025	05-24	5,471.20
1020	05-07	3,141.36			
1021	05-07	4,293.21			

* Skip in check sequence

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
04-30	688,939.67	05-16	593,453.61	05-30	550,437.92
05-02	637,945.76	05-20	578,359.38		
05-07	598,689.21	05-24	572,888.18		

MEMBER FDIC

EQUAL HOUSING LENDER

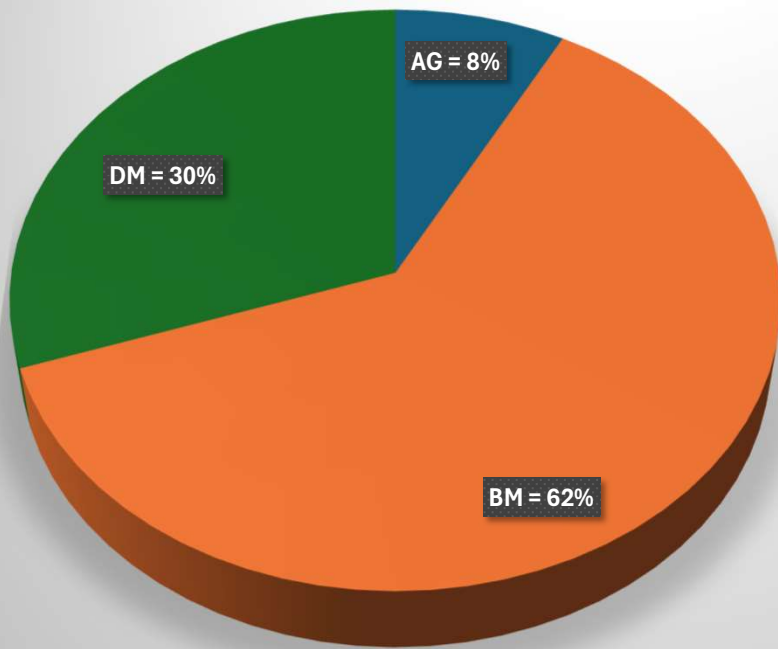
16b

Motion, Presentation, Discussion, and Action on Fiscal Year 2024 Budget Allocations

HTA FY 24 Operating Budget Reallocation Summary

Program	FY 2024 Board Approved Budget (11/23)	Proposed Budget Reallocations	FY 2024 Operating Budget After Reallocations
Administration	300,000	7,658	307,658
Branding	32,254,722	958,195	33,212,917
Destination Management	12,997,500	527,569	13,525,069
Governance & Org-Wide	575,000	(60,107)	514,893
HCC Marketing	3,175,000	787,000	3,962,000
Perpetuating Hawaiian Culture	1,951,500	(633,735)	1,317,765
Planning and Evaluation	1,870,278	(1,098,809)	771,469
Res. and Industry Comms & Outreach	1,040,000	(435,271)	604,729
Safety & Security	520,000	-	520,000
Salaries	2,500,000	-	2,500,000
Sports	2,666,000	(52,500)	2,613,500
Workforce Development	150,000	-	150,000
Totals	60,000,000	-	60,000,000

FY 2024 HTA Operating Budget After Budget Reallocations



■ Administration and Governance (AG) - includes Administration, Governance & Org-Wide, Planning and Evaluation, Resident and Industry Comms & Outreach, and Salaries = \$4,698,749

■ Branding and Marketing (BM) - includes Branding and HCC Marketing = \$37,174,917

■ Destination Management (DM) - Includes Destination Management, Perpetuating Hawaiian Culture, Sports, and Workforce Development = \$18,126,334

**Hawaii Tourism Authority
Fiscal Year 2024
Operating Budget Reallocations**

BLI Code	BLI Title	FY 2024 Board Approved Budget (11/23)	Proposed Budget Reallocations	FY 2024 Operating Budget After Reallocations	Justification
Administration					
901	General and Administrative	250,000	7,658	257,658	Budget reallocations are immaterial.
998	Travel - Admin	50,000	-	50,000	
Subtotal	Administration	300,000	7,658	307,658	
Branding					
306	Island-Based International Marketing	670,000	(170,000)	500,000	Branding needs an additional \$958,195 to cover the final payments for the previous USA Major Market Area (MMA) contract. The last contract ended on June 30, 2023. These costs were initially approved in the fiscal year 2022 and 2023 budget funded with American Rescue Plan Act (ARPA) funds, but due to the timing of services and submission of contract deliverables, were not ready for payment as of June 30, 2023.* These costs were not included in the fiscal year 2024 budget. The budget reallocation will help support branding services through June 30, 2024.
318	gohawaii.com (formerly Online Website Coordination)	62,000	-	62,000	
320	Island Chapters Staffing and Admin	2,400,000	19,074	2,419,074	
321	US (formerly North America)	14,125,000	1,081,927	15,206,927	
322	Canada	1,858,180	(20,994)	1,837,186	
323	Japan	8,370,002	-	8,370,002	
324	Korea	1,159,360	-	1,159,360	
325	Oceania	1,080,000	41,820	1,121,820	
326	Europe	518,180	-	518,180	
339	Global Digital Marketing Strategy	20,000	63,150	83,150	
350	Global Mkt Shared Resources	1,718,000	(63,150)	1,654,850	
380	Marketing Opportunity Fund	74,000	6,368	80,368	
398	Travel - Branding	50,000	-	50,000	
397	Memberships and Dues - Branding	150,000	-	150,000	
Subtotal	Branding	32,254,722	958,195	33,212,917	
Destination Management					
014	Pono Travel Education Program	1,100,000	234,513	1,334,513	(1) Destination Management needs an additional \$527,569 to cover calendar year 2023 services. These costs were initially approved in the fiscal year 2023 budget funded with ARPA funds, but due to the timing of services and submission of contract deliverables, were not ready for payment as of June 30, 2023.* These costs were not included in the FY 2024 budget approved by the Board. The budget reallocation will pay for Community Enrichment, Destination Management Action Plan, Kukulua Ola, Kahu Aina, and Signature Event calendar year 2023 services. (2) Budget line items (BLI) and encumbrances used at the beginning of the year were placeholders for the Kilohana contract with CNHA. The budget adjustments within the Destination Management program are to realign the budget with actual projects and objectives.
201	Kukulua Ola	1,200,000	460,000	1,660,000	
218	Hawaiian Culture Festivals and Events	600,000	(490,000)	110,000	
219	Hookipa Malihini Initiative	1,010,000	(1,010,000)	-	
402	Kahu 'āina	1,200,000	460,000	1,660,000	
409	Tour Guide Certification Licensure	-	99,600	99,600	
653	Hotspot Mitigation	1,541,000	(1,400,000)	141,000	
655	Community Engagement	160,000	(160,000)	-	
656	Community Tourism Collaborative	1,256,500	692,188	1,948,688	
657	Tourism Excellence Accreditation	360,000	(86,000)	274,000	
700	Signature Events	1,385,000	1,175,000	2,560,000	
701	Community Enrichment Program	1,185,000	1,217,081	2,402,081	
702	Community Product Capacity Building	450,000	(450,000)	-	
705	Community Programs - Unallocated	950,000	(950,000)	-	
718	Resort Area Hawaiian Cultural Initiative	250,000	960,000	1,210,000	
722	Resort Area Programs	-	-	-	
738	Smart Tourism Initiative	-	125,187	125,187	
802	Current Workforce Development (Industry	350,000	(350,000)	-	
Subtotal	Destination Management	12,997,500	527,569	13,525,069	
Governance & Org-Wide					
915	Organization-Wide	425,000	19,983	444,983	Budget reallocations are immaterial.
919	Governance - Gen Board/Others	150,000	(80,090)	69,910	
Subtotal	Governance & Org-Wide	575,000	(60,107)	514,893	
Hawai'i Convention Center Marketing					
317	Convention Center Sales & Marketing - City Wide	1,825,000	244,444	2,069,444	HCC Marketing needs an additional \$787,000 to cover calendar year 2023 services. These costs were initially approved in the fiscal year 2023 budget funded with ARPA funds, but due to timing of services and submission of deliverables, were not ready for payment as of June 30, 2023.* These costs were initially not included in the FY 2024 budget approved by the Board. The budget reallocation will help pay for HCC marketing services through June 30, 2024.
319	MCI MFF	200,000	87,000	287,000	
331	Meetings, Convention & Incentives	1,150,000	455,556	1,605,556	
Subtotal	Hawai'i Convention Center Marketing	3,175,000	787,000	3,962,000	

**Hawaii Tourism Authority
Fiscal Year 2024
Operating Budget Reallocations**

BLI Code	BLI Title	FY 2024 Board Approved Budget (11/23)	Proposed Budget Reallocations	FY 2024 Operating Budget After Reallocations	Justification
Perpetuating Hawaiian Culture					
202	Hawaiian Culture Initiative	450,000	(400,000)	50,000	(1) Hawaiian Culture projects were not identified to utilize the full funding. (2) The unused funds from these projects will be reallocated to Branding, Destination Management, and HCC Marketing.
203	Ma'ema'e HTA	25,000	5,020	30,020	
204	Market Support	50,000	(29,535)	20,465	
206	Kahea Program - Harbor Greetings	191,500	15,830	207,330	
207	Kahea Program - Airport Greetings	700,000	-	700,000	
214	Legacy Award Program	50,000	-	50,000	
216	Olelo Hawaii	425,000	(225,000)	200,000	
298	Travel - Hawaiian Culture	10,000	(50)	9,950	
374	Surfing	50,000	-	50,000	
406	Visitor Impact Program	-	-	-	
Subtotal	Perpetuating Hawaiian Culture	1,951,500	(633,735)	1,317,765	
Planning and Evaluation					
004	Cruise Infrastructure Improvements and Arrival Experience	100,000	11,000	111,000	(1) Funds for the Governance Study were originally assigned to BLI 509. The study should be reassigned to Governance & Org-Wide. (2) The DMAPs experienced significant delays due to the Maui Wildfire. As such, DMAP planning and implementation was postponed. Instead, an evaluation of each DMAP will be conducted. Evaluation results will be used to determine the extent to which the DMAP actions were accomplished and to plan for the next iteration of the DMAPs. (3) Unused Planning funds will be reallocated to Branding, Destination Management, and HCC Marketing.
005	Route Development Program (PAUSE)	-	-	-	
010	HTUS/HTJ Campaign Effectiveness Study	260,000	(47,000)	213,000	
506	Infrastructure Research (Accommodations and Air seats)	62,351	-	62,351	
509	Tourism Strategic Plan Update	300,000	(200,340)	99,660	
652	Planning Tools and Assessments	45,166	1,469	46,635	
654	Program Evaluation	162,148	-	162,148	
698	Travel - Planning	30,000	-	30,000	
731	Community-Based Tourism - Oahu	429,363	(382,688)	46,675	
732	Community-Based Tourism - Maui County	268,750	(268,750)	-	
733	Community-Based Tourism - Hawaii Island	106,250	(106,250)	-	
734	Community-Based Tourism - Kauai	106,250	(106,250)	-	
737	Maui Recovery	-	-	-	
Subtotal	Planning and Evaluation	1,870,278	(1,098,809)	771,469	
Resident and Industry Communication & Outreach					
101	Community-Industry Outreach & Public Relations Svcs	640,000	(247,779)	392,221	(1) The Spring Tourism Update was a stream-only event. Final costs for the event came under budget. (2) Communication contracts are being evaluated for greater efficiency and effectiveness. (3) The unused funds from Communications will be reallocated to Branding, Destination Management, and HCC Marketing.
102	Hawai'i Tourism Summit	250,000	(81,484)	168,516	
103	hawaiiitourismauthority.org (formerly HTA web/Global Social)	150,000	(106,008)	43,992	
Subtotal	Resident and Industry Communication & Outreach	1,040,000	(435,271)	604,729	
Safety					
601	Visitor Assistance Programs	520,000	-	520,000	No budget reallocations.
Subtotal	Safety & Security	520,000	-	520,000	
Salaries					
930/934	State Employee Salaries - Admin & Branding	2,500,000	-	2,500,000	No budget reallocations.
Subtotal	Salaries	2,500,000	-	2,500,000	
Sports					
312	PGA Tour Contracts	2,000,000	(52,500)	1,947,500	(1) Final costs for the PGA contract came under budget. (2) Unused Sports funds will be reallocated to Branding, Destination Management, and HCC Marketing.
343	LPGA	-	-	-	
346	Sport Opportunity Fund	500,000	-	500,000	
378	UH Athletics Branding Partnership	166,000	-	166,000	
Subtotal	Sports	2,666,000	(52,500)	2,613,500	
Workforce Development					
803	Future Workforce Development (LEI)	150,000	-	150,000	No budget reallocations.
Subtotal	Workforce Development	150,000	-	150,000	
Total	Tourism Funds	60,000,000	-	60,000,000	

**Hawaii Tourism Authority
Fiscal Year 2024
Operating Budget Reallocations**

BLI Code	BLI Title	FY 2024 Board Approved Budget (11/23)	Proposed Budget Reallocations	FY 2024 Operating Budget After Reallocations	Justification
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* In exchange for a transfer of \$60,000,000 from the Governor's Appropriation in Act 164 SLH 2023, any unspent ARPA funds as of June 30, 2023, were returned to the Department of Budget and Finance. At the time, HTA had numerous active contracts for calendar year 2023 services that were scheduled to be paid with ARPA funds up to December 31, 2023. With B&F clawing back unspent ARPA Funds on July 1, 2023, HTA was forced to reserve a significant portion of the fiscal year 2024 budget for calendar year 2023 services that would've been paid with ARPA funds. Some contracts that should've been included in the fiscal year 2024 budget were excluded. Despite the exclusions, these calendar year 2023 services have since been paid or encumbered from the fiscal year 2024 budget. Funds

16c

**Motion, Presentation, Discussion, and Action
on the Hawai'i Convention Center's
April, May, and June Financial Report
and Update on the Hawai'i Convention
Center's 6-Year Repair and Maintenance Plan**

Hawaii Convention Center Updates for April 2024 (May BFCC Meeting)

We are in the process of closing the financials for the month ended April 2024.

The financial reforecast presented at last month's BFCC meeting projected gross revenues of \$26 million, which includes \$1.5 million of interest income, and net income of \$923,000 vs budgeted gross revenues \$18.5 million and a net loss of \$5.3 million for the fiscal year ending June 30, 2024. This will be our highest in gross revenues since HCC opened. On this trend we are forecasting to save the State \$6.3M in subsidy including Local Sales and Marketing operations for the fiscal year ending June 30, 2024.

Contributing to this record fiscal year is a strong number and market mix of city-wide bookings. By the fiscal year ending June 30, 2024, we are forecasted to host 21 city-wide events that will generate \$390M in economic impact and \$45 M in tax revenue.

In April 2024 we hosted 33 licensed events including 1 city-wide event, American Association of Geographers and in May 2024 we are servicing 27 events including 5 city-wide events. We expect further improvements in gross revenues and bottom line with these very busy two months.

April/May Events:

- Paradise Tournament Series: The Shave Ice Cup, April 6-7, 1,500 attendees (Sports)
- Hapalua Marathon Registration, April 11-13, 7,000 attendees
- American Association of Geographers, April 13-20, 8,500 attendees (CW)
- Chopsticks & Wine, April 25, 1,000 attendees
- Jam On It Aloha Challenge 2024, April 26-28, 1,200 attendees
- 2024 AIL (American Income Life) Annual Convention,
 - April 28-May 5, 3,000 attendees (CW)
- Jump Hawai'i 2024, May 10-12, 1,500 attendees

Repair, Maintenance and Replacement Projects Update:

Rooftop Terrace Deck Repair

- Finalizing schematic design with architect, design team and CM/PM

Chiller Replacement

- Project on schedule, 50% completed, final two units to replace in mid-May

LED Lighting Upgrade

- Final fixtures and intensities approved. Working on installation schedule.

Exterior Building Painting:

- Finalizing color selection, target to start after FestPac event, mid-June

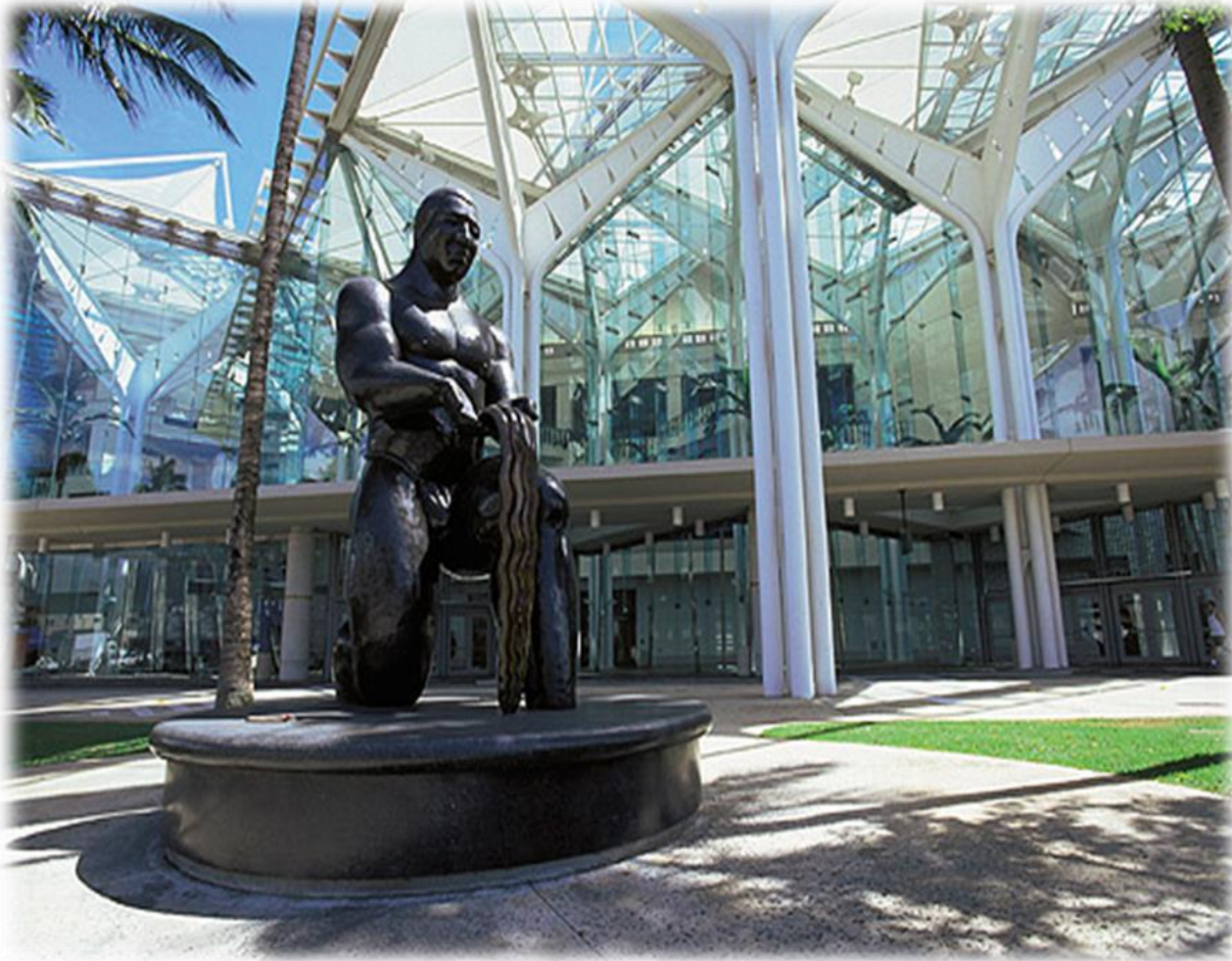
Escalator Modernization

- Working with short list bidders on final questions. Award will be made soon

Ballroom Roof Repair AND Ballroom Gutter, Foyer and Lobby Transom Glass Repair

- Issued RFP's for general contractor.

Hawai'i Convention Center HTA Board Meeting Update



*Update for
May 2024
For
(June 2024 meeting)*

Financial Update

	May-24 Actual	May-24 FYTD Actual	FY 2024 Reforecast	FY 2024 Budget	Variance	FY 2023 Actual	FY 2022 Actual
Facility Number of Events	27	255	261	225	36	273	213
Facility Operating Revenue	\$3,983,100	\$24,187,800	\$27,265,800	\$18,354,500	\$8,911,300	\$14,310,800	\$7,178,200
Facility Other Income	\$151,200	\$1,456,200	\$1,600,000	\$125,700	\$1,474,300	\$135,700	\$78,500
Facility Total Revenue	\$4,134,300	\$25,644,000	\$28,865,800	\$18,480,200	\$10,385,600	\$14,446,500	\$7,256,700
Facility Operating Expenses	-\$2,945,200	-\$22,561,500	-\$25,757,100	-\$23,812,600	-\$1,944,500	-\$18,412,200	-\$11,842,500
Facility Net Income/(Subsidy)	\$1,189,100	\$3,082,500	\$3,108,700	-\$5,332,400	\$8,441,100	-\$3,965,700	-\$4,585,800
Local S&M Operating Expenses	-\$138,200	-\$881,600	-\$1,045,700	-\$1,223,700	\$178,000	-\$959,400	-\$522,600
HCC Net Income/(Subsidy)	\$1,050,900	\$2,200,900	\$2,063,000	-\$6,556,100	\$8,619,100	-\$4,925,100	-\$5,108,400

ROI May 2024 FYTD

	<u>FYTD 2024</u>	<u>ROI</u>	<u>CW's FYTD</u>
HCC Revenue + State Revenue	07.23-05.24	\$16.04	(20)
+Tax Revenue	07.23-04.24	\$13.97	(14)
	07.23-03.24	\$12.87	(13)
= \$452.4 M	07.23-02.24	\$13.94	(12)
	07.23-01.24	\$15.33	(11)
HCC Expense + HVCB MCI	07.23-12.23	\$17.79	(10)
Expense = \$28.2 M	07.23-11.23	\$20.63	(10)
	07.23-10.23	\$23.16	(8)
	07.23-09.23	\$18.62	(6)
	07.23-08.23	\$25.91	(5)
	07.23	\$30.74	(4)
	<u>FY 2023 ROI</u>		
	07.22-06.23	\$4.19	(7)

***ROI = For every dollar spent,
\$16.04 returned to the State***

FY 2024 (July 2023 – June 2024) Citywide Events

REPORT - PACE - CW - DEFINITES ON THE BOOKS - FY

Created By: Test User
Created On: 06/01/2024

Fiscal Year: Contract Room Block Begin	Total Bookings	Total Contract Rooms	Total Attendees	Total EEI Value	Tax Generation
2024	21	116650	56500	\$390,944,353.03	\$45,740,489.30
2025	17	109834	60350	\$355,606,685.23	\$41,605,982.17
2026	11	125878	46800	\$322,029,359.56	\$37,677,435.07
2027	6	60534	28200	\$205,714,043.53	\$24,068,543.09
2028	4	18122	12700	\$76,611,872.74	\$8,963,589.11
2029	1	3031	3200	\$18,913,205.09	\$2,212,845.00
2030	2	14274	8500	\$59,868,034.80	\$7,004,560.07
2031	4	79385	23000	\$155,305,245.80	\$18,170,713.76
2033	1	19550	6500	\$41,075,194.39	\$4,805,797.74
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Grand Totals	68	588087	252750	\$1,679,312,974.32	\$196,479,618.00

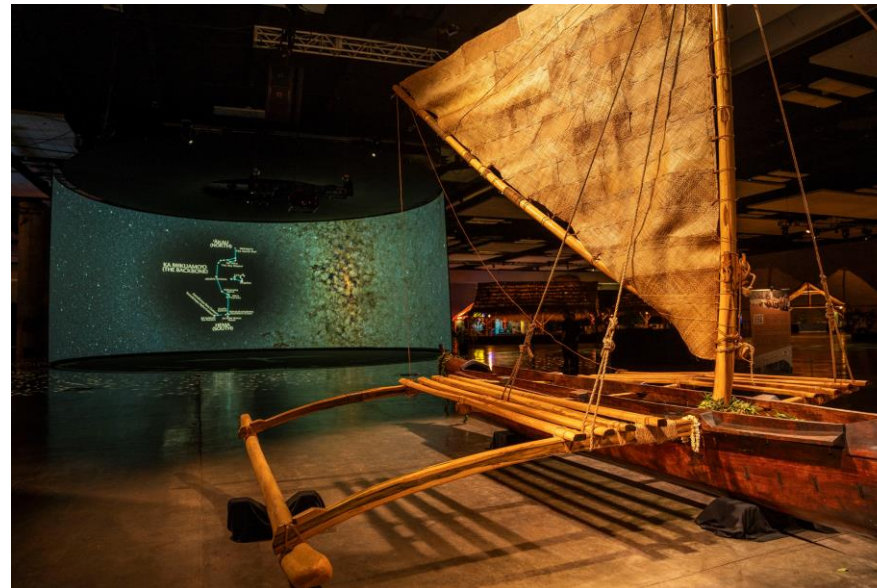
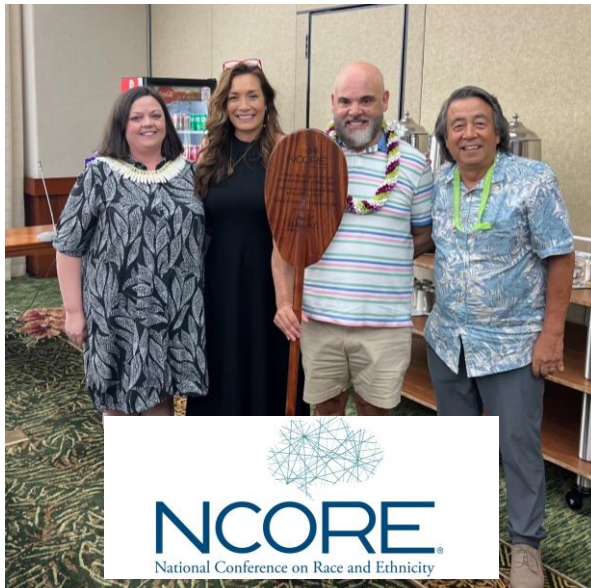
FY 24	
Total Bookings	21
Total Contract Rooms	116,350
Total Attendees	56,500
Total EEI Value	\$390,944,353.05
Total Tax Generation	\$45,740,489.30



Source: June 2024 Meet Hawai'i Pace "Definites on the Books FY" Report

Recent Events @ Hawai'i Convention Center

- 2024 National Conference on Race & Ethnicity in Higher Education (“NCORE”) Annual Meeting, May 28-June 1, 5,000 attendees (CW)
- Festival of the Pacific Arts & Culture (FESTPAC), June 6-14, 60,000 attendees
- 2024 ASPB Annual Meeting, June 22-26, 1,600 attendees (CW)



Upcoming Local/Citywide Events

- Indoor Air Institute, July 6-11, 500 attendees (CW)
- Na Hoku Hanohano Awards, Aug 3, 1,000 attendees
- Pokemon World Championship, Aug 16-18, Est. 50K+ attendees(CW)
- Made in Hawai'i Festival, Aug 23, 60,000 attendees



Definite Local/CW Bookings for next 3 months

Month	Total # of Local Events	Total # of Citywides
June 2024	5	1
July 2024	18	1
August 2024	11	2



Carbon Offset Program

- This is a first-of-its-kind Carbon Offset Program that provides meeting organizers with the opportunity to offset the carbon footprint of their meeting.
- Participating events include:
 - 2024 Honolulu Festival (17 trees)
 - 2024 Transpacific Volleyball Championship (10 trees)
 - 2024 Sony Open Gala Dinner (9 trees)
 - CHEST 2023 (42 trees)
 - 2023 International Conference on Machine Learning (36 trees)
 - 2023 Okinawan Festival (11 trees)



Repair, Maintenance and Replacement Projects Update

Rooftop Terrace Deck – Site Visit



Inspection of proposed pedestal tile pavers for Rooftop project with PM, Rider Levett Bucknall
At the Waikīkī Marriott pool and event deck

New F&B Equipment



New Main Kitchen Dishwasher, Portable Warmers, Pan Racks and Tabletop Refrigerators

Chiller Repair – 2nd Crane Lift



Second crane lift to remove and install remaining two chillers

Chill Water Pipe Reinsulation

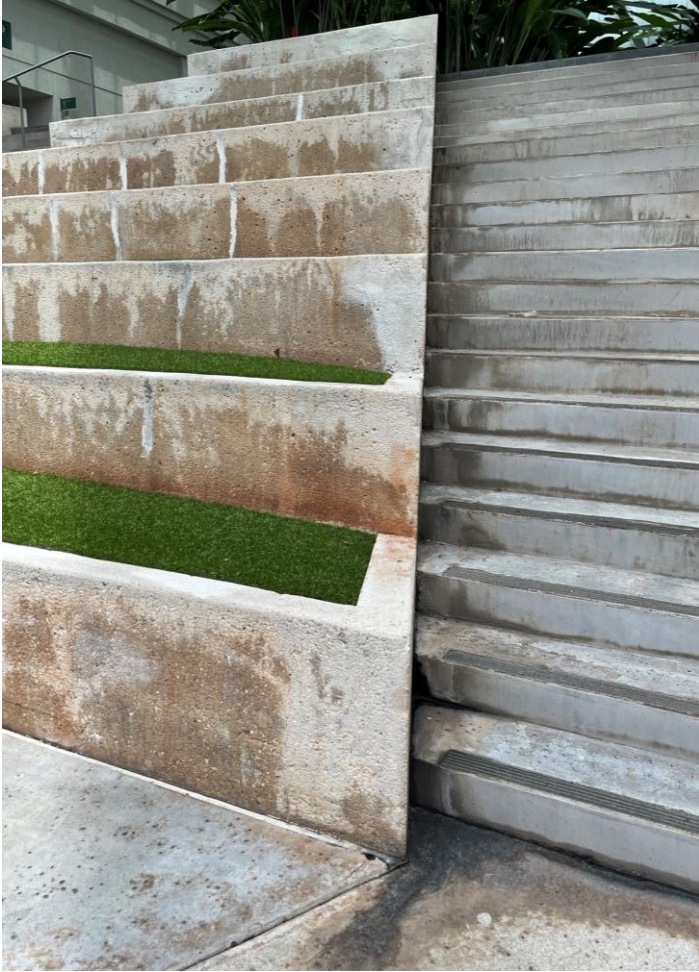


Reinsulating chill water pipes throughout building. Breaks in insulation is causing leaks in the Intermediate level service corridor, Main Kitchen and Parking level.

New Cheerleading Floors



Grand Staircase Planter Painting



Before



After



Parking Helix Cleaning



Before



After



CURRENT PROJECTS

IMPROVE GUEST EXPERIENCE

- New F&B China, Banquet Displays, Service Equipment
- New Speakers and Equipment to upgrade sound in meeting rooms
- Upgrade Screens and add Surround Sound in Theatres
- New Video Wall Screen in Boardroom
- Replace Escalators - start with Esc 1, 2 and 3
- Repair Meeting Room Air Walls
- New Wheelchair Lift in Theatre 320
- New Facilities Equipment

IMPROVE OUR BUILDING

- Paint Entire Building Exterior and Interior
- Repair Leaks
 - Kalākaua Kitchen
 - Ballroom Roof
 - Lobby and Ballroom Foyer Ceiling
 - Planters – 3rd floor, Grand Staircase, Intermediate level
- New Air Conditioning Chillers
- Replace Green Slate Tile – 3rd floor and Ala Wai Patio
- Upgrade all Lighting to LED lights
- Install Solar panels for Energy Savings

IMPROVE DEPARTMENT EFFICIENCY – New Equipment

- New Pot Wash and Glass Wash Machines
- New Boilers in Kalākaua Kitchen
- New Parking System and Equipment
- New Housekeeping Scrubber machines

Repair, Maintenance and Replacement Projects

Major Project Update

Rooftop Terrace Deck Repair

- Completed Schematic Design to begin Design Development with architect, design team and CM/PM.

Chiller Replacement

- Project on schedule, 75% completed, final two units replaced in May.

LED Lighting Upgrade

- Final fixtures and intensities approved. Working on installation schedule.

Exterior Building Painting

- To start next week, on Kahakai Dr. side of building.

Escalator Modernization

- Working with short list bidders on final questions. Award will be made soon.

Ballroom Roof Repair and Ballroom Gutter, Foyer and Lobby Transom Glass Repair

- Issued RFP's for general contractor.

Repair, Maintenance and Replacement Projects

6-Year Plan (page 1)

Project Number	Project Title	Estimated Project Cost	Priority	Tentative Completion	Prior Expenses to April '24	FY24	FY25	FY26	FY27	FY28	FY29	Total
001	Rooftop Terrace Deck Full Repair	\$ 64,000,000	1	Q1 2027	\$ -	\$ -	\$ 30,000,000	\$ 30,000,000	\$ 4,000,000			\$ 64,000,000
011	Ballroom Gutter, Foyer Transom Glass Roof Repair and Soffit Repair	\$ 11,002,524	1	Q2 2026	\$ 73,479	\$ 220,000	\$ 3,000,000	\$ 7,709,044				\$ 11,002,523
013	Ballroom Roof Repairs	\$ 1,363,143	1	12/2024	\$ 45,315	\$ 110,812	\$ 1,207,017					\$ 1,363,144
012	Parapet Roof Repairs	\$ 2,374,257	1	12/2024	\$ 39,748	\$ 63,995	\$ 2,270,514					\$ 2,374,257
003	Kalākaua Kitchen and Atkinson Drywell Renovation	\$ 2,871,047	1	Q2 2026	\$ 334,849	\$ 10,000	\$ 1,000,000	\$ 1,526,199				\$ 2,871,048
007	Kitchen Hood Control Panel Replacement	\$ 448,043	1	9/2024	\$ 162,384	\$ 200,000	\$ 85,660					\$ 448,044
009	Slate Tile Repair	\$ 712,135	1	12/2024	\$ 171,242	\$ 36,681	\$ 504,212					\$ 712,135
010	Chiller Replacement	\$ 6,168,875	1	8/2024	\$ 3,132,937	\$ 564,983	\$ 2,470,955					\$ 6,168,875
014	Lobby Water Feature	\$ 1,086,810	3	--	\$ 3,932				\$ 1,082,878			\$ 1,086,810
015	House Sound Audio System Upgrade	\$ 5,665,068	1	Q2 2025	\$ 63,048	\$ 2,495,613	\$ 3,106,407					\$ 5,665,068
022	Chill Water Pipe Reinsulation	\$ 1,227,894	1	8/2024	\$ 307,520	\$ 370,374	\$ 550,000					\$ 1,227,894
023	Air Wall Repairs	\$ 282,058	1	12/2024	\$ 89,061		\$ 192,996					\$ 282,057
024	Roll-up Door Replacement	\$ 225,000	2	--	\$ 23,656		\$ 201,344					\$ 225,000
026	IT Network Upgrades	\$ 300,000	3	12/2024	\$ -		\$ 300,000					\$ 300,000
027	Ice Machines Replacement	\$ 500,000	1	12/2024	\$ -		\$ 500,000					\$ 500,000
028	Theatre 310 and 320 Furnishings Upgrade	\$ 750,000	3	--	\$ -			\$ 375,000	\$ 375,000			\$ 750,000
029	Theatre 310 and 320 Seating Upgrade	\$ 500,000	3	--	\$ 155			\$ 249,845	\$ 250,000			\$ 500,000
030	FB China and Equipment Upgrade #2	\$ 6,489,000	1	8/2024	\$ 3,029,442	\$ 170,558	\$ 3,289,000					\$ 6,489,000
031	Ala Wai Waterfall Repair	\$ 1,081,501	3	--	\$ 1,985				\$ 1,079,516			\$ 1,081,501
041	Exterior Building Door Replacement	\$ 50,000	1	9/2024	\$ -		\$ 50,000					\$ 50,000
043	Air Handler Unit 9 and 10 Replacement - revised to Repair Only	\$ 416,382	2	completed	\$ 10,707	\$ -			\$ 405,675			\$ 416,382
044	Fire Sprinkler Line Refurbishment	\$ 353,394	1	12/2024	\$ 398		\$ 352,996					\$ 353,394
045	Escalator Modernization	\$ 11,507,869	1	2027	\$ 34,548	\$ 116	\$ 3,600,000	\$ 2,520,000	\$ 5,353,205			\$ 11,507,869
046	LED Light Upgrade	\$ 6,446,361	1	12/2025	\$ 95,149	\$ 1,985,947	\$ 4,000,000	\$ 365,265				\$ 6,446,361
047	Pickleball Courts	\$ 558,697	1	9/2024	\$ -	\$ 250,000	\$ 308,697					\$ 558,697

Repair, Maintenance and Replacement Projects

6-Year Plan (page 2)

Project Number	Project Title	Estimated Project Cost	Priority	Tentative Completion	Prior Expenses to April '24	FY24	FY25	FY26	FY27	FY28	FY29	Total
048	Electrical Harmonics Testing	\$ 100,000	3	--	\$ -				\$ 100,000			\$ 100,000
049	Main Kitchen Dishwasher Replacement	\$ 464,456	1	completed	\$ 445,368	\$ 19,089						\$ 464,457
050	Main Kitchen Flooring Replacement	\$ 648,881	1/3	12/2024	\$ 128,806	\$ 6,222	\$ 513,853					\$ 648,881
051	Phone System Replacement	\$ 30,000	1	10/2024	\$ -		\$ 30,000					\$ 30,000
054	Boardroom Upgrade	\$ 1,099,549	3	2026	\$ 113,802	\$ 2,168		\$ 983,579				\$ 1,099,549
055	Elevator #2 Upgrade	\$ 250,000	3	--	\$ -				\$ 250,000			\$ 250,000
058	Kitchen Hood Fire Suppression System Replacement	\$ 374,430	1	9/2024	\$ 36,540	\$ 337,891						\$ 374,431
060	Lobby Sail Repair and Maintenance	\$ 179,000	1	12/2024	\$ 41,196	\$ -	\$ 61,021		\$ 76,783			\$ 179,000
061	ADA Lift (#320) Replacement	\$ 165,000	1	10/2024	\$ 86,818		\$ 78,182					\$ 165,000
064	FB Equipment #1	\$ 1,412,556	1	8/2024	\$ 556,402	\$ 800,000	\$ 56,154					\$ 1,412,556
066	Kalākaua Kitchen Boiler Replacement	\$ 135,602	1	10/2024	\$ 3,620	\$ 6,380	\$ 125,602					\$ 135,602
068	3rd Floor Planter Repair and Exterior Planter Repair	\$ 12,399,209	1	Q2 2026	\$ 57,577	\$ 107,504	\$ 6,000,000	\$ 6,234,128				\$ 12,399,209
069	Parking System Equipment Upgrade	\$ 583,753	1	12/2024	\$ 37,128	\$ 4,445	\$ 542,180					\$ 583,753
070	Parking Garage Floor Sealing	\$ 2,444,244	1	12/2024	\$ -	\$ 5,000	\$ 2,439,244					\$ 2,444,244
071	Access Control Upgrade	\$ 2,000,000	3	--	\$ -				\$ 1,000,000	\$ 1,000,000		\$ 2,000,000
072	Ride-on Scrubber Replacement	\$ 85,959	1	11/2024	\$ 101		\$ 85,858					\$ 85,959
073	Common Area Furniture Upgrade	\$ 265,000	1	12/2024	\$ -		\$ 265,000					\$ 265,000
074	Ice Rink and Equipment	\$ 825,000	1	Q2 2025	\$ -		\$ 825,000					\$ 825,000
075	Exterior Building Painting	\$ 2,496,056	1	Q2 2026	\$ 20,488	\$ 315,940	\$ 1,959,628	\$ 200,000				\$ 2,496,056
077	Interior Building Painting	\$ 5,139,686	1	Q4 2026	\$ -	\$ 20,000	\$ 40,000	\$ 1,250,000	\$ 3,829,686			\$ 5,139,686
078	Pot Wash Machine Replacement	\$ 212,670	1	7/2024	\$ 104,366	\$ 8,304	\$ 100,000					\$ 212,670
079	Digital Signage Upgrade	\$ 6,150,000	1	Q2 2027	\$ 20,390			\$ 3,000,000	\$ 3,129,610			\$ 6,150,000
081	Facility Equipment Replacement	\$ 1,000,000	1	Q2 2025	\$ -		\$ 1,000,000					\$ 1,000,000
082	Escalator and Elevator Repairs	\$ 1,000,000	1	Q2 2026	\$ 225,873	\$ 81,335	\$ 300,000	\$ 392,792				\$ 1,000,000

Repair, Maintenance and Replacement Projects

6-Year Plan (page 3)

Project Number	Project Title	Estimated Project Cost	Priority	Tentative Completion	Prior Expenses to April '24	FY24	FY25	FY26	FY27	FY28	FY29	Total
083	Café 808 Renovation	\$ 3,000,000	2	--	\$ -			\$ 3,000,000				\$ 3,000,000
084	Frictionlist Concession	\$ 1,500,000	1	--	\$ -		\$ 1,500,000					\$ 1,500,000
085	1801 Renovation	\$ 1,500,000	1	--	\$ -		\$ 1,500,000					\$ 1,500,000
086	Water Remediation - Misc Repairs	\$ 500,000	1	Q2 2025	\$ 1,758	\$ 248,242	\$ 250,000					\$ 500,000
089	Cabling Infrastructure Upgrade	\$ 850,000	1	Q2 2025	\$ -	\$ 400,000	\$ 450,000					\$ 850,000
090	Architect Procurement	\$ 17,801	1	completed	\$ -	\$ 17,801						\$ 17,801
091	Children's Courtyard and 4th Fl Railing Repair	\$ 2,627,471	1	Q1 2027	\$ -		\$ 1,000,000	\$ 1,627,471				\$ 2,627,471
092	Sump Pump Replacement	\$ 61,905	1	7/2024	\$ 9,672	\$ 32,233	\$ 20,000					\$ 61,905
093	Stairwell 5/6 - Temporary Repair	\$ 500,000	1	12/2024	\$ -		\$ 500,000					\$ 500,000
094	Solar Panel Installation	\$ 7,088,900	1	Q3 2025	\$ 1,775	\$ 8,226	\$ 3,500,000	\$ 3,578,900				\$ 7,088,901
095	Immersive Experience Equipment	\$ 1,000,000	1	10/2024	\$ -	\$ 500,000	\$ 500,000					\$ 1,000,000
---	Legal Retainer	\$ 251,094		on-going	\$ 161,637	\$ 1,547	\$ 87,910					\$ 251,094
GRAND TOTAL		\$ 120,738,280			\$ 9,672,872	\$ 9,401,406	\$ 50,719,430	\$ 33,012,223	\$ 16,932,353	\$ 1,000,000	\$ -	

Current project
Cumming-managed project
HCC-managed project
CM/PM - to be assigned

Repair, Maintenance and Replacement Projects

CUMMING GROUP Priority Projects

- *Kitchen Hood Control Panel and Fire Suppression Upgrade*
- *Slate Tile Repair*
- *Chiller Replacement*
- *Ballroom Roof Repairs*
- *House Sound Audio Upgrade*
- *Ballroom Gutter, Foyer Transom Glass and Soffit Repair*
- *3rd floor and Exterior Planters Repair*
- *LED Lighting Upgrade*
- *Main Kitchen Flooring Replacement*
- *Exterior Building Painting*
- *Kalākaua Kitchen Wall Repair and Atkinson Drywell Replacement*
- *Interior Building Painting*
- *Pot Wash Machine Replacement*
- *Glass Wash Machine Replacement*
- *Parking Garage Equipment Upgrade and Floor Sealing*
- *Fire Sprinkler Line Refurbishment*
- *Escalator Modernization*
- *Kalākaua Kitchen Boiler Replacement*
- *Exterior Door Replacement*
- *Solar Panel Installation*

Repair, Maintenance and Replacement Projects Completed (since 2020)

COMPLETED 2020

- *Gutter Trough, Roof Repairs; \$8.3M*
- *Boiler Replacement; \$585k*
- *Ala Wai Waterfall Repairs; \$185k*
- *Chiller 4 Repairs; \$55k*
- *#320 Roof Repairs; \$1.4M*
- *Banquet Chairs/Tables Upgrade; \$2.25M*

COMPLETED 2021

- *Cooling Tower Replacement; \$3.2M*
- *Theatre LED Lighting Upgrade; \$77k*
- *Roof Overflow Drain Repairs; \$16k*
- *Jockey Chiller Repairs; \$28k*
- *ADA Lift Replacement; \$71.5k*
- *Emergency Generator Repairs; \$32k*
- *Window Repairs – Vandalism; \$177k*

COMPLETED 2022

- *Leak Repairs – 12/21-1/22; \$396k*
- *Chiller Repairs; \$69.3k*
- *Trellis Renovation; \$4.7M*

COMPLETED 2022

- *Lobby Glass Replacement; \$25k*
- *New Security Camera, Access Control; \$1.56M*
- *Kitchen AC Compressor Replacement; \$16.5k*

COMPLETED 2023

- *Event Stage ADA Ramp; \$41k*
- *Escalator #1 Handrail Replacement; \$64k*
- *Exterior Sign Refurbishment; \$50k*
- *Leak Repair Remediation; \$168k*
- *Forklift Replacement; \$175k*

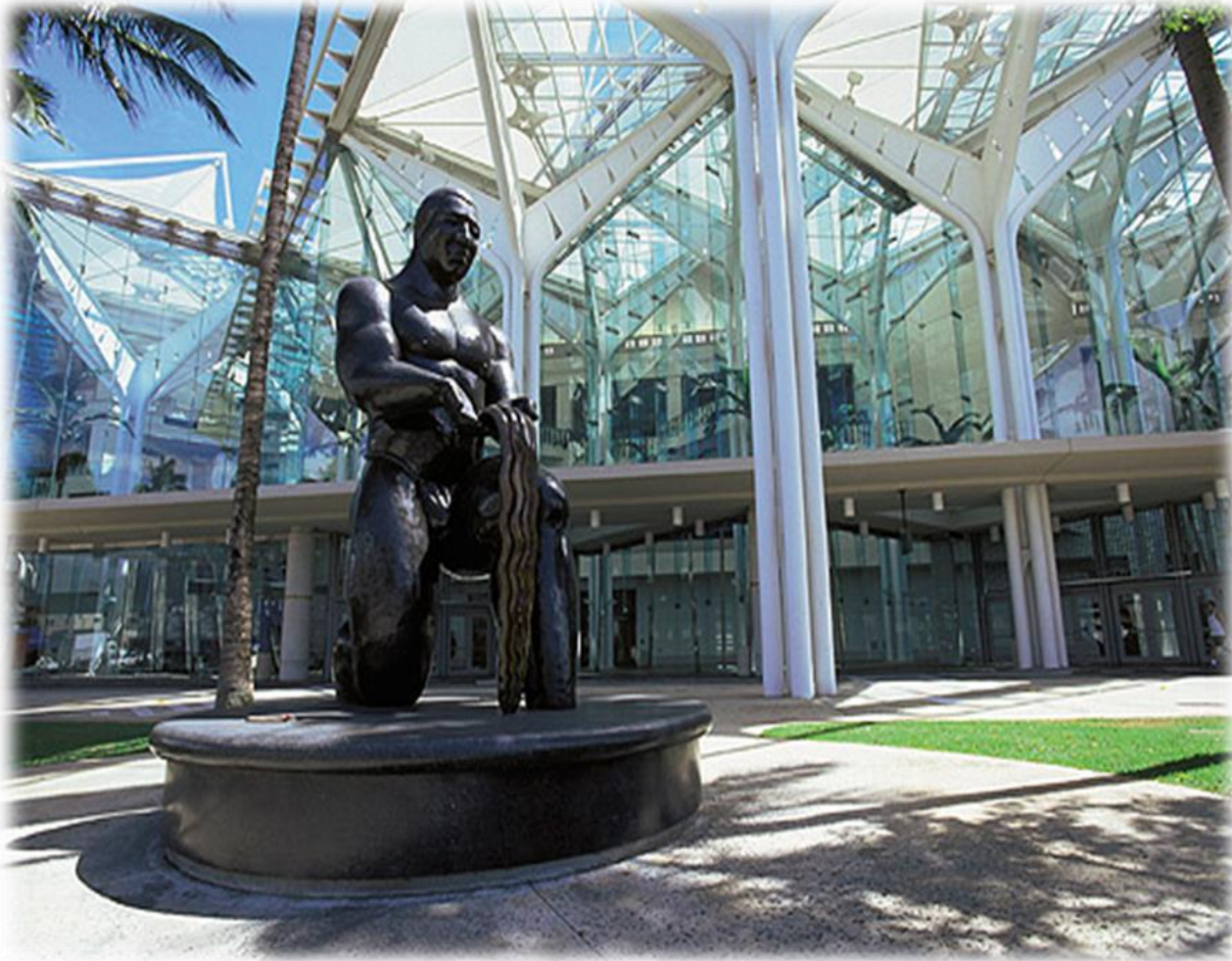
COMPLETED 2024

- *Water Intrusion Remediation; \$400k*
- *Ballroom Wallcovering; \$200k*
- *Exterior Security Camera; \$225k*
- *Transformer Replacement; \$131k*
- *#348 Walk-in Refrigerator Replacement, \$123k*
- *Lobby Glass Repair, Vandalism, \$26k*
- *Ride-on Sweeper Replacement, \$50k*
- *Main Kitchen Dishwasher Replacement, \$425k*



Mahalo Nui Loa

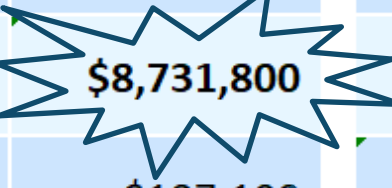
Hawai'i Convention Center HTA Board Meeting Update



*Update for
June 2024
For
(July 2024 meeting)*

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Facility Net Income/(Subsidy)	\$316,800	\$3,399,400	-\$5,332,400	\$8,731,800	-\$3,965,700	-\$4,585,800
Local S&M Operating Expenses	-\$155,000	-\$1,036,600	-\$1,223,700	\$187,100	-\$959,400	-\$522,600
HCC Net Income/(Subsidy)	\$161,800	\$2,362,800	-\$6,556,100	\$8,918,900	\$4,925,100	-\$5,108,400



ROI June 2024 FYTD

HCC Revenue + State Revenue
 +Tax Revenue
 = \$464.5 M

HCC Expense + HVCB MCI
 Expense = \$31.7 M

***ROI = For every dollar spent,
 \$14.64 returned to the State***

<u>FYTD 2024</u>	<u>ROI</u>	<u>CW's FYTD</u>
07.23-06.24	\$14.64	(21)
07.23-05.24	\$16.04	(20)
07.23-04.24	\$13.97	(14)
07.23-03.24	\$12.87	(13)
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<u>FY 2023 ROI</u>		
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FY 2024 (July 2023 – June 2024) Citywide Events

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FY 24	
Total Bookings	21
Total Contract Rooms	116,350
Total Attendees	56,500
Total EEI Value	\$390,944,353.05
Total Tax Generation	\$45,740,489.30



Source: June 2024 Meet Hawai'i Pace "Definites on the Books FY" Report

Recent Events @ Hawai'i Convention Center

- 2024 ASPB Annual Meeting, June 22-26, 1,600 attendees (CW)
- Honolulu Board of REALTORS General Membership Meeting, June 28, 600 attendees
- Indoor Air Institute, July 6-11, 500 attendees (CW)
- HFD Firefighter Recruit Test, July 20, 2,500 attendees



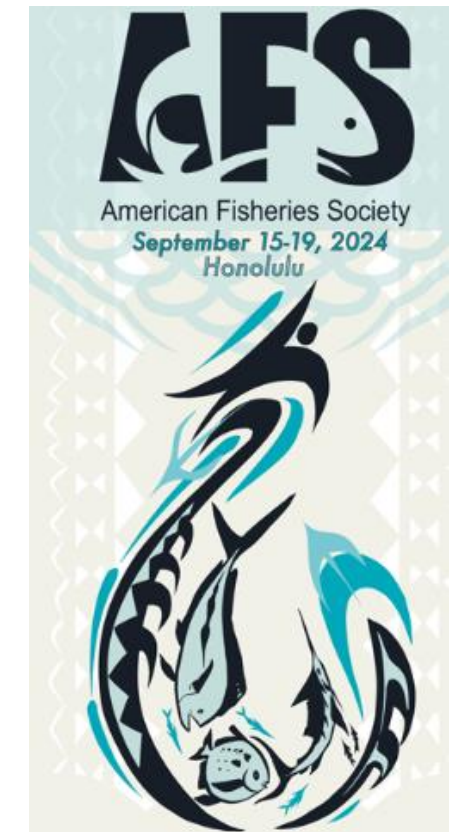
Upcoming Local/Citywide Events

- Na Hoku Hanohano Awards, Aug 3, 1,000 attendees
- Pokemon World Championship, Aug 16-18, Est. 50K+ attendees(CW)
- Made in Hawai'i Festival, Aug 23, 60,000 attendees



Definite Local/CW Bookings for next 3 months

Month	Total # of Local Events	Total # of Citywides
July 2024	20	1
August 2024	11	2
September 2024	9	1



HCC RECEIVES HAWAI'I GREEN BUSINESS AWARD



HCC was among the 40 businesses, venues and events to receive the Hawaii Green Business Program awards for undertaking energy efficiency and sustainable business practices that will help their bottom line while advancing Hawaii's clean energy and sustainability goals.

Carbon Offset Program

- This is a first-of-its-kind Carbon Offset Program that provides meeting organizers with the opportunity to offset the carbon footprint of their meeting.

- Participating events include:

- 2024 Honolulu Festival (17 trees)
- 2024 Transpacific Volleyball Championship (10 trees)
- Delta Sigma Theta Sorority, Inc – Farwest Regional Conf (10 trees)
- 2024 Sony Open Gala Dinner (9 trees)
- NDIA 2024 Pacific Operational Science and Technology Conference (7 trees)
- CHEST 2023 (42 trees)
- 2023 International Conference on Machine Learning (36 trees)
- 2023 Okinawan Festival (11 trees)



ICML
International Conference
On Machine Learning



Repair, Maintenance and Replacement Projects Update

Building Exterior Painting



Work has started on the painting of the Convention Center. In addition to a brighter base coat on the exterior walls, there will be accent colors to highlight the tapa designs and roof trim. Accent green was selected to coordinate with the Ballroom roof.

Building Exterior Painting



Advance work to prepare for the building painting project. Surfaces are pressure washed. Swing stages are set to facilitate access to the building.

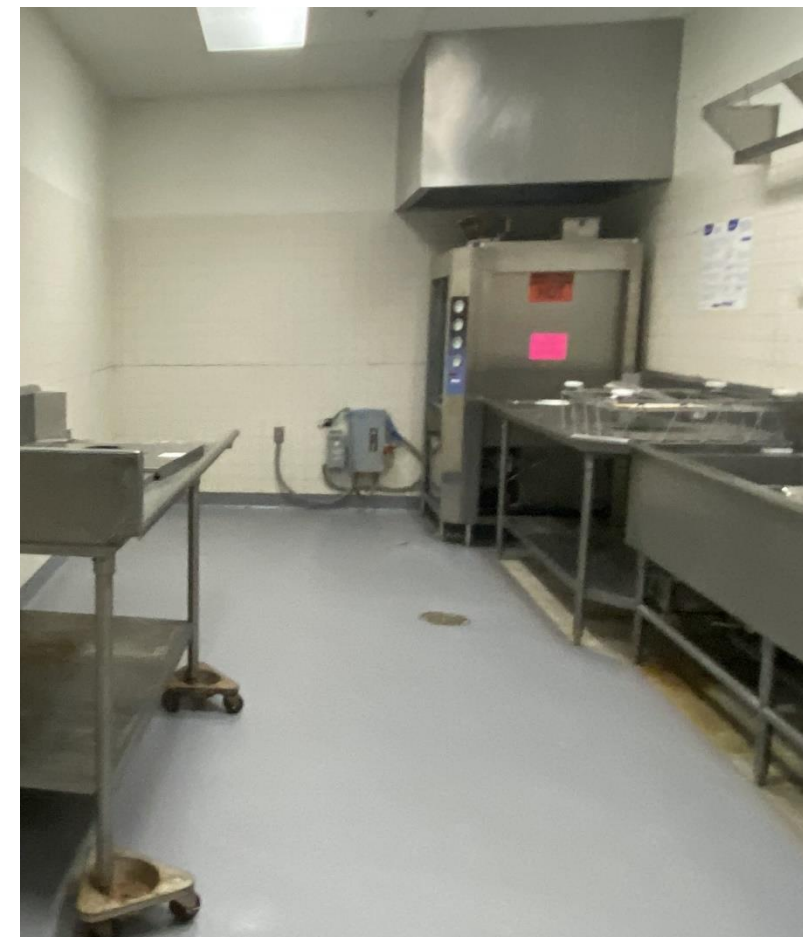


Chill Water Pipe Reinsulation



Reinsulating chill water pipes continue throughout the building. Breaks in insulation is causing leaks in the Intermediate level service corridor, Main Kitchen and Parking level.

Pot Wash and Glass Wash Machines Replacement



Replacement of original washing and sanitization equipment for pots and glassware were completed. Photos also show new flooring recently installed in certain areas of the Main Kitchen.

CURRENT PROJECTS

IMPROVE GUEST EXPERIENCE

- New F&B China, Banquet Displays, Service Equipment
- New Speakers and Equipment to upgrade sound in meeting rooms
- Upgrade Screens and add Surround Sound in Theatres
- New Video Wall Screen in Boardroom
- Replace Escalators - start with Esc 1, 2 and 3
- Repair Meeting Room Air Walls
- New Wheelchair Lift in Theatre 320
- New Facilities Equipment

IMPROVE OUR BUILDING

- Paint Entire Building Exterior and Interior
- Repair Leaks
 - Kalākaua Kitchen
 - Ballroom Roof
 - Lobby and Ballroom Foyer Ceiling
 - Planters – 3rd floor, Grand Staircase, Intermediate level
- New Air Conditioning Chillers
- Replace Green Slate Tile – 3rd floor and Ala Wai Patio
- Upgrade all Lighting to LED lights
- Install Solar panels for Energy Savings

IMPROVE DEPARTMENT EFFICIENCY – New Equipment

- New Pot Wash and Glass Wash Machines
- New Boilers in Kalākaua Kitchen
- New Parking System and Equipment
- New Housekeeping Scrubber machines

Repair, Maintenance and Replacement Projects

Major Project Update

Rooftop Terrace Deck Repair

- Design Development kick-off meeting held with architect, design team and CM/PM

Chiller Replacement

- Project on schedule, 85% completed, final two units replaced in May.

LED Lighting Upgrade

- New light fixture installation to start mid-August. It is challenging to work around our busy event schedule.

Exterior Building Painting

- Work has started on the Atkinson Dr and Kahakai Dr corner of the building.

Escalator Modernization

- Working with short list bidders on final questions. Award will be made soon.

House Sound Audio System Upgrade

- Finalized base scope of project. Awarding contract to AVCO.

Repair, Maintenance and Replacement Projects

6-Year Plan (page 1)

Project Number	Project Title	Estimated Project Cost	Priority	Tentative Completion	Prior Expenses to April '24	FY24	FY25	FY26	FY27	FY28	FY29	Total
001	Rooftop Terrace Deck Full Repair	\$ 64,000,000	1	Q1 2027	\$ -	\$ -	\$ 30,000,000	\$ 30,000,000	\$ 4,000,000			\$ 64,000,000
011	Ballroom Gutter, Foyer Transom Glass Roof Repair and Soffit Repair	\$ 11,002,524	1	Q2 2026	\$ 73,479	\$ 220,000	\$ 3,000,000	\$ 7,709,044				\$ 11,002,523
013	Ballroom Roof Repairs	\$ 1,363,143	1	12/2024	\$ 45,315	\$ 110,812	\$ 1,207,017					\$ 1,363,144
012	Parapet Roof Repairs	\$ 2,374,257	1	12/2024	\$ 39,748	\$ 63,995	\$ 2,270,514					\$ 2,374,257
003	Kalākaua Kitchen and Atkinson Drywell Renovation	\$ 2,871,047	1	Q2 2026	\$ 334,849	\$ 10,000	\$ 1,000,000	\$ 1,526,199				\$ 2,871,048
007	Kitchen Hood Control Panel Replacement	\$ 448,043	1	9/2024	\$ 162,384	\$ 200,000	\$ 85,660					\$ 448,044
009	Slate Tile Repair	\$ 712,135	1	12/2024	\$ 171,242	\$ 36,681	\$ 504,212					\$ 712,135
010	Chiller Replacement	\$ 6,168,875	1	8/2024	\$ 3,132,937	\$ 564,983	\$ 2,470,955					\$ 6,168,875
014	Lobby Water Feature	\$ 1,086,810	3	--	\$ 3,932				\$ 1,082,878			\$ 1,086,810
015	House Sound Audio System Upgrade	\$ 5,665,068	1	Q2 2025	\$ 63,048	\$ 2,495,613	\$ 3,106,407					\$ 5,665,068
022	Chill Water Pipe Reinsulation	\$ 1,227,894	1	8/2024	\$ 307,520	\$ 370,374	\$ 550,000					\$ 1,227,894
023	Air Wall Repairs	\$ 282,058	1	12/2024	\$ 89,061		\$ 192,996					\$ 282,057
024	Roll-up Door Replacement	\$ 225,000	2	--	\$ 23,656		\$ 201,344					\$ 225,000
026	IT Network Upgrades	\$ 300,000	3	12/2024	\$ -		\$ 300,000					\$ 300,000
027	Ice Machines Replacement	\$ 500,000	1	12/2024	\$ -		\$ 500,000					\$ 500,000
028	Theatre 310 and 320 Furnishings Upgrade	\$ 750,000	3	--	\$ -			\$ 375,000	\$ 375,000			\$ 750,000
029	Theatre 310 and 320 Seating Upgrade	\$ 500,000	3	--	\$ 155			\$ 249,845	\$ 250,000			\$ 500,000
030	FB China and Equipment Upgrade #2	\$ 6,489,000	1	8/2024	\$ 3,029,442	\$ 170,558	\$ 3,289,000					\$ 6,489,000
031	Ala Wai Waterfall Repair	\$ 1,081,501	3	--	\$ 1,985				\$ 1,079,516			\$ 1,081,501
041	Exterior Building Door Replacement	\$ 50,000	1	9/2024	\$ -		\$ 50,000					\$ 50,000
043	Air Handler Unit 9 and 10 Replacement - revised to Repair Only	\$ 416,382	2	completed	\$ 10,707	\$ -			\$ 405,675			\$ 416,382
044	Fire Sprinkler Line Refurbishment	\$ 353,394	1	12/2024	\$ 398		\$ 352,996					\$ 353,394
045	Escalator Modernization	\$ 11,507,869	1	2027	\$ 34,548	\$ 116	\$ 3,600,000	\$ 2,520,000	\$ 5,353,205			\$ 11,507,869
046	LED Light Upgrade	\$ 6,446,361	1	12/2025	\$ 95,149	\$ 1,985,947	\$ 4,000,000	\$ 365,265				\$ 6,446,361
047	Pickleball Courts	\$ 558,697	1	9/2024	\$ -	\$ 250,000	\$ 308,697					\$ 558,697

Repair, Maintenance and Replacement Projects

6-Year Plan (page 2)

Project Number	Project Title	Estimated Project Cost	Priority	Tentative Completion	Prior Expenses to April '24	FY24	FY25	FY26	FY27	FY28	FY29	Total
048	Electrical Harmonics Testing	\$ 100,000	3	--	\$ -				\$ 100,000			\$ 100,000
049	Main Kitchen Dishwasher Replacement	\$ 464,456	1	completed	\$ 445,368	\$ 19,089						\$ 464,457
050	Main Kitchen Flooring Replacement	\$ 648,881	1/3	12/2024	\$ 128,806	\$ 6,222	\$ 513,853					\$ 648,881
051	Phone System Replacement	\$ 30,000	1	10/2024	\$ -		\$ 30,000					\$ 30,000
054	Boardroom Upgrade	\$ 1,099,549	3	2026	\$ 113,802	\$ 2,168		\$ 983,579				\$ 1,099,549
055	Elevator #2 Upgrade	\$ 250,000	3	--	\$ -				\$ 250,000			\$ 250,000
058	Kitchen Hood Fire Suppression System Replacement	\$ 374,430	1	9/2024	\$ 36,540	\$ 337,891						\$ 374,431
060	Lobby Sail Repair and Maintenance	\$ 179,000	1	12/2024	\$ 41,196	\$ -	\$ 61,021		\$ 76,783			\$ 179,000
061	ADA Lift (#320) Replacement	\$ 165,000	1	10/2024	\$ 86,818		\$ 78,182					\$ 165,000
064	FB Equipment #1	\$ 1,412,556	1	8/2024	\$ 556,402	\$ 800,000	\$ 56,154					\$ 1,412,556
066	Kalākaua Kitchen Boiler Replacement	\$ 135,602	1	10/2024	\$ 3,620	\$ 6,380	\$ 125,602					\$ 135,602
068	3rd Floor Planter Repair and Exterior Planter Repair	\$ 12,399,209	1	Q2 2026	\$ 57,577	\$ 107,504	\$ 6,000,000	\$ 6,234,128				\$ 12,399,209
069	Parking System Equipment Upgrade	\$ 583,753	1	12/2024	\$ 37,128	\$ 4,445	\$ 542,180					\$ 583,753
070	Parking Garage Floor Sealing	\$ 2,444,244	1	12/2024	\$ -	\$ 5,000	\$ 2,439,244					\$ 2,444,244
071	Access Control Upgrade	\$ 2,000,000	3	--	\$ -				\$ 1,000,000	\$ 1,000,000		\$ 2,000,000
072	Ride-on Scrubber Replacement	\$ 85,959	1	11/2024	\$ 101		\$ 85,858					\$ 85,959
073	Common Area Furniture Upgrade	\$ 265,000	1	12/2024	\$ -		\$ 265,000					\$ 265,000
074	Ice Rink and Equipment	\$ 825,000	1	Q2 2025	\$ -		\$ 825,000					\$ 825,000
075	Exterior Building Painting	\$ 2,496,056	1	Q2 2026	\$ 20,488	\$ 315,940	\$ 1,959,628	\$ 200,000				\$ 2,496,056
077	Interior Building Painting	\$ 5,139,686	1	Q4 2026	\$ -	\$ 20,000	\$ 40,000	\$ 1,250,000	\$ 3,829,686			\$ 5,139,686
078	Pot Wash Machine Replacement	\$ 212,670	1	7/2024	\$ 104,366	\$ 8,304	\$ 100,000					\$ 212,670
079	Digital Signage Upgrade	\$ 6,150,000	1	Q2 2027	\$ 20,390			\$ 3,000,000	\$ 3,129,610			\$ 6,150,000
081	Facility Equipment Replacement	\$ 1,000,000	1	Q2 2025	\$ -		\$ 1,000,000					\$ 1,000,000
082	Escalator and Elevator Repairs	\$ 1,000,000	1	Q2 2026	\$ 225,873	\$ 81,335	\$ 300,000	\$ 392,792				\$ 1,000,000

Repair, Maintenance and Replacement Projects

6-Year Plan (page 3)

Project Number	Project Title	Estimated Project Cost	Priority	Tentative Completion	Prior Expenses to April '24	FY24	FY25	FY26	FY27	FY28	FY29	Total
083	Café 808 Renovation	\$ 3,000,000	2	--	\$ -			\$ 3,000,000				\$ 3,000,000
084	Frictionlist Concession	\$ 1,500,000	1	--	\$ -		\$ 1,500,000					\$ 1,500,000
085	1801 Renovation	\$ 1,500,000	1	--	\$ -		\$ 1,500,000					\$ 1,500,000
086	Water Remediation - Misc Repairs	\$ 500,000	1	Q2 2025	\$ 1,758	\$ 248,242	\$ 250,000					\$ 500,000
089	Cabling Infrastructure Upgrade	\$ 850,000	1	Q2 2025	\$ -	\$ 400,000	\$ 450,000					\$ 850,000
090	Architect Procurement	\$ 17,801	1	completed	\$ -	\$ 17,801						\$ 17,801
091	Children's Courtyard and 4th Fl Railing Repair	\$ 2,627,471	1	Q1 2027	\$ -		\$ 1,000,000	\$ 1,627,471				\$ 2,627,471
092	Sump Pump Replacement	\$ 61,905	1	7/2024	\$ 9,672	\$ 32,233	\$ 20,000					\$ 61,905
093	Stairwell 5/6 - Temporary Repair	\$ 500,000	1	12/2024	\$ -		\$ 500,000					\$ 500,000
094	Solar Panel Installation	\$ 7,088,900	1	Q3 2025	\$ 1,775	\$ 8,226	\$ 3,500,000	\$ 3,578,900				\$ 7,088,901
095	Immersive Experience Equipment	\$ 1,000,000	1	10/2024	\$ -	\$ 500,000	\$ 500,000					\$ 1,000,000
---	Legal Retainer	\$ 251,094		on-going	\$ 161,637	\$ 1,547	\$ 87,910					\$ 251,094
GRAND TOTAL		\$ 120,738,280			\$ 9,672,872	\$ 9,401,406	\$ 50,719,430	\$ 33,012,223	\$ 16,932,353	\$ 1,000,000	\$ -	

Current project
Cumming-managed project
HCC-managed project
CM/PM - to be assigned

Repair, Maintenance and Replacement Projects

CUMMING GROUP Priority Projects

- *Kitchen Hood Control Panel and Fire Suppression Upgrade*
- *Slate Tile Repair*
- *Chiller Replacement*
- *Ballroom Roof Repairs*
- *House Sound Audio Upgrade*
- *Ballroom Gutter, Foyer Transom Glass and Soffit Repair*
- *3rd floor and Exterior Planters Repair*
- *LED Lighting Upgrade*
- *Main Kitchen Flooring Replacement*
- *Exterior Building Painting*
- *Kalākaua Kitchen Wall Repair and Atkinson Drywell Replacement*
- *Interior Building Painting*
- *Pot Wash Machine Replacement*
- *Glass Wash Machine Replacement*
- *Parking Garage Equipment Upgrade and Floor Sealing*
- *Fire Sprinkler Line Refurbishment*
- *Escalator Modernization*
- *Kalākaua Kitchen Boiler Replacement*
- *Exterior Door Replacement*
- *Solar Panel Installation*

Repair, Maintenance and Replacement Projects Completed (since 2020)

COMPLETED 2020

- *Gutter Trough, Roof Repairs; \$8.3M*
- *Boiler Replacement; \$585k*
- *Ala Wai Waterfall Repairs; \$185k*
- *Chiller 4 Repairs; \$55k*
- *#320 Roof Repairs; \$1.4M*
- *Banquet Chairs/Tables Upgrade; \$2.25M*

COMPLETED 2021

- *Cooling Tower Replacement; \$3.2M*
- *Theatre LED Lighting Upgrade; \$77k*
- *Roof Overflow Drain Repairs; \$16k*
- *Jockey Chiller Repairs; \$28k*
- *ADA Lift Replacement; \$71.5k*
- *Emergency Generator Repairs; \$32k*
- *Window Repairs – Vandalism; \$177k*

COMPLETED 2022

- *Leak Repairs – 12/21-1/22; \$396k*
- *Chiller Repairs; \$69.3k*
- *Trellis Renovation; \$4.7M*

COMPLETED 2022

- *Lobby Glass Replacement; \$25k*
- *New Security Camera, Access Control; \$1.56M*
- *Kitchen AC Compressor Replacement; \$16.5k*

COMPLETED 2023

- *Event Stage ADA Ramp; \$41k*
- *Escalator #1 Handrail Replacement; \$64k*
- *Exterior Sign Refurbishment; \$50k*
- *Leak Repair Remediation; \$168k*
- *Forklift Replacement; \$175k*

COMPLETED 2024

- *Water Intrusion Remediation; \$400k*
- *Ballroom Wallcovering; \$200k*
- *Exterior Security Camera; \$225k*
- *Transformer Replacement; \$131k*
- *#348 Walk-in Refrigerator Replacement, \$123k*
- *Lobby Glass Repair, Vandalism, \$26k*
- *Ride-on Sweeper Replacement, \$50k*
- *Main Kitchen Dishwasher Replacement, \$425k*
- *Pot Wash and Glass Wash Machine Replacement, \$212k*



Mahalo Nui Loa

16d

**Motion, Presentation, Discussion, and Action
on Fiscal Year 2025 Hawai'i Tourism Authority
Operating Budget**

HTA Operating Budget Fiscal Year 2025

Hawaii Tourism Authority

Regular Board Meeting

July 25, 2024

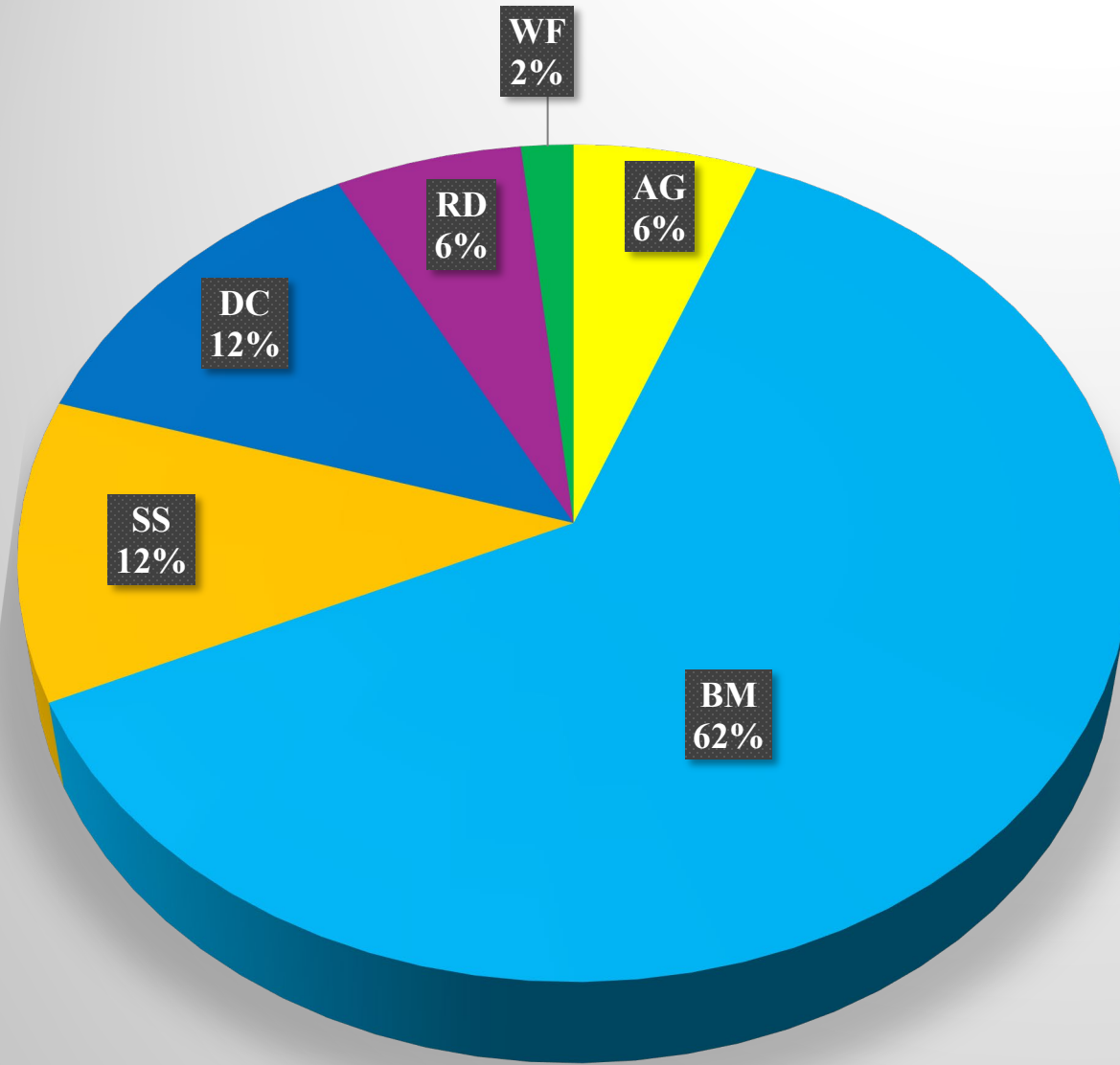
B&F 10% Budget Restriction Explained

- 5% hard restriction – B&F will reduce HTA’s budget by \$3,150,000.
- 5% contingency restriction – B&F will reduce HTA’s budget by another \$3,150,000 but may allot the funds in fiscal year 2025 Q4.
 - Historically, B&F has not returned the 5% contingency restriction to departments and agencies since fiscal year 2019.
 - Programs should develop “trigger plans” in the event B&F returns the funds to HTA.
- B&F will allot HTA up to \$56.7M at the start of the fiscal year.
- Each budget line item in the budget will be reduced by 10%.

HTA Fiscal Year 2025 Budget Summary

Description	FY 2025 Budget	B&F 10% Restriction	Budget After 10% Restriction
BED113 Administrative & Governance	3,696,660	(369,666)	3,326,994
BED114 Branding	39,249,201	(3,924,920)	35,324,281
BED115 Sports and Signature Events	7,318,075	(731,808)	6,586,268
BED116 Destination Stewardship and Community	7,923,883	(792,388)	7,131,495
BED117 Regenerative Tourism Development	3,762,181	(376,218)	3,385,963
BED118 Workforce Development	1,050,000	(105,000)	945,000
Total	63,000,000	(6,300,000)	56,700,000

HTA Fiscal Year 2025 Budget (\$63M)



- BED113 Administrative & Governance (AG)
\$3.7M
- BED114 Branding and Marketing (BM)
\$39.2M
- BED115 Sports and Signature Events (SS)
\$7.3M
- BED116 Dest. Stewardship and Community (DC)
\$7.9M
- BED117 Regenerative Tourism Development (RD)
\$3.8M
- BED118 Workforce Development (WD)
\$1.1M

BED113 - Administrative & Governance Fiscal Year 2025 Budget

BLI	BLI Title	Description	FY 2025 Budget	B&F 10% Restriction	Budget After 10% Restriction
004	Cruise Infrastructure Improvements and Arrival Experience	Planning - Hawai'i Cruise Industry Consultant Services	89,000	(8,900)	80,100
010	HTUS/HTJ Campaign Effectiveness Study	Planning - Evaluations and Campaign Effectiveness	180,000	(18,000)	162,000
101	Community-Industry Outreach & Public Relations Svcs	Communication & Outreach - Public Relations, Communications, and Outreach Services	250,000	(25,000)	225,000
103	hawaiitourismauthority.org	Communication & Outreach - HTA Web Support	25,000	(2,500)	22,500
654	Program Evaluation	Planning - Program Evaluation	90,000	(9,000)	81,000
901	General and Administrative	Overhead costs such as office supplies, membership dues for industry associations and databases, and registration fees for conventions and meetings, etc.	844,278	(84,428)	759,850
915	Organization-Wide	Planning - Tourism Strategic Plan Update	300,000	(30,000)	270,000
915	Organization-Wide	Financial audit services	125,000	(12,500)	112,500
998	Travel - Admin	Travel for all HTA Programs and board mem	190,000	(19,000)	171,000
930	Administrative Salaries	Salaries for 14 positions - CEO, CAO, VPF, DOP, CCO, EA, BUFO, AS, PM, PS, CM, PS, AA, PL	1,603,382	(160,338)	1,443,044
BED113 Administrative & Governance Subtotal			3,696,660	(369,666)	3,326,994

BED114 - Branding & Marketing Fiscal Year 2025 Budget

BLI	BLI Title	Description	FY 2025 Budget	B&F 10% Restriction	Budget After 10% Restriction
306 320	Island-Based International Marketing Island Chapters Staffing and Admin	Island Destination Brand Management & Marketing	3,200,000	(320,000)	2,880,000
318 339 350	gohawaii.com Global Digital Marketing Strategy Global Market Shared Resources	Global Support Services	1,375,000	(137,500)	1,237,500
321	US (formerly North America)	USA MMA	13,538,324	(1,353,832)	12,184,492
321	US (formerly North America)	USA Incremental Fall Activation	1,666,667	(166,667)	1,500,000
322	Canada	Canada MMA	1,000,000	(100,000)	900,000
323	Japan	Japan MMA	5,905,556	(590,556)	5,315,000
323	Japan	Japan Incremental Budget	594,444	(59,444)	535,000
324	Korea	Korea MMA	894,444	(89,444)	805,000
324	Korea	Korea RFP Transition	5,556	(556)	5,000
325	Oceania	Oceania MMA	1,290,905	(129,091)	1,161,815
326	Europe	Europe MMA	1,000,000	(100,000)	900,000
380	Market Opportunity Fund	USA MMA, MCI, and Other Markets	2,696,815	(269,682)	2,427,134
317 319 331	Convention Center Sales & Marketing - City	Global MCI	5,500,000	(550,000)	4,950,000
934	Branding Salaries	Salaries for 5 positions - CBO, BM x3, AA	581,490	(58,149)	523,341
		BED114 Branding Subtotal	39,249,201	(3,924,920)	35,324,281

BED115 - Sports and Signature Events Fiscal Year 2025 Budget

BLI	BLI Title	Description	FY 2025 Budget	B&F 10% Restriction	Budget After 10% Restriction
312	PGA Tour Contracts	PGA	2,038,850	(203,885)	1,834,965
343	LPGA	LPGA	250,000	(25,000)	225,000
UAC	Unassigned Account Code (UAC)	Sports Opportunities	1,654,525	(165,453)	1,489,073
UAC	Unassigned Account Code (UAC)	Opportunity Fund - Sponsorships, Sports & Signature Events	1,500,000	(150,000)	1,350,000
378	UH Athletics Branding Partnership	Big West Conference	167,000	(16,700)	150,300
700	Signature Events	Signature Events	1,630,766	(163,077)	1,467,689
937	Sports Salaries	Salaries for 1 position - BM	76,934	(7,693)	69,241
		BED115 Sports and Signature Events Subtotal	7,318,075	(731,808)	6,586,268

BED116 - Destination Stewardship and Community Fiscal Year 2025 Budget					
BLI	BLI Title	Description	FY 2025 Budget	B&F 10% Restriction	Budget After 10% Restriction
014	Pono Travel Education Program	Visitor Education Post Arrival Marketing	964,148	(96,415)	867,733
402	Kahu 'āina	Kahu 'āina	784,022	(78,402)	705,620
601	Visitor Assistance Programs (VAP)	VAP for O'ahu, Maui, Kaua'i, Hawai'i	650,000	(65,000)	585,000
739	Destination Management Application	Destination Management App	1,500,000	(150,000)	1,350,000
739	Destination Management Application	Recovery and Stabilization through Smart Tourism - DM App	450,000	(45,000)	405,000
718	Resort Area Hawaiian Cultural Initiative	Resort Area Hawaiian Cultural Initiative	784,022	(78,402)	705,620
731	Community-Based Tourism - Oahu	Destination Management - DMAP Implementation			
732	Community-Based Tourism - Maui County				
733	Community-Based Tourism - Hawaii Island				
734	Community-Based Tourism - Kauai		500,000	(50,000)	450,000
731	Community-Based Tourism - Oahu	Destination Management Implementation			
732	Community-Based Tourism - Maui County				
733	Community-Based Tourism - Hawaii Island				
734	Community-Based Tourism - Kauai		122,154	(12,215)	109,939
739	Destination Management Application	Smart Tourism - Destination Management App	1,550,000	(155,000)	1,395,000
938	Destination Management and Community Salaries	Salaries for 7 positions - CSO, DM x 5, AA	619,537	(61,954)	557,583
		BED116 Destination Stewardship and Community Subtotal	7,923,883	(792,388)	7,131,495

BED117 - Regenerative Tourism Development Fiscal Year 2025 Budget					
BLI	BLI Title	Description	FY 2025 Budget	B&F 10% Restriction	Budget After 10% Restriction
201	Kukulu Ola	Kūkulu Ola	784,022	(78,402)	705,620
656	Community Tourism Collaborative	Technical Assistance and Quality Assurance	1,682,603	(168,260)	1,514,343
701	Community Enrichment Program	Community Enrichment Program	1,066,270	(106,627)	959,643
939	Regenerative Tourism Development Salaries	Salaries for 3 positions - BM x3	229,286	(22,929)	206,357
		BED117 Regenerative Tourism Development Subtotal	3,762,181	(376,218)	3,385,963

BED118 - Workforce Development Fiscal Year 2025 Budget

BLI	BLI Title	Description	FY 2025 Budget	B&F 10% Restriction	Budget After 10% Restriction
102	Hawai'i Tourism Summit	Tourism Fall Education Conference & Spring Update	300,000	(30,000)	270,000
202	Hawaiian Culture Initiative	Hawaiian Culture Initiative Program - Native Hawaiian cultural education and training program for the visitor industry workforce	250,000	(25,000)	225,000
803	Future Workforce Development (LEI)	Future Workforce - Highschool program	150,000	(15,000)	135,000
805	Scholarship Program	Future Workforce — Ho‘oilina Scholarship Program and Current Workforce Trainings	350,000	(35,000)	315,000
		BED118 Workforce Development Subtotal	1,050,000	(105,000)	945,000

HCC Fiscal Year 2025 Budget Highlights

- Convention Center Budget
 - \$64M appropriated in CIP funds for the HCC Roof Repair Project
 - \$34M expenditure ceiling for the Convention Center Enterprise Special Fund
 - \$5,660,000 for operations
 - \$1,591,836 for sales and marketing
 - \$26,748,164 for repairs and maintenance (\$20,000,000 is non-recurring)
 - \$700,000 for insurance.

16e

Motion, Discussion, and Action Regarding the Fiscal Year 2025 Hawai'i Convention Center (HCC) Operating and Sales and Marketing Budgets



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ASM
HAWAI'I CONVENTION CENTER
FACILITY BUDGET
FY25

July 15, 2024

Hawai'i Convention Center

Facility Budget

FY25

July 15, 2024

Four years post the COVID-19 pandemic, the Hawaii Convention Center (HCC) is exceeding pre-pandemic event count levels, however, there is a disparity in where the business and revenue are coming from. Pre-pandemic citywide events played the majority role in revenue generation; however, the local market is currently leading in revenue generation.

Revenue

During FY25 we are budgeting for 237 events, including 17 citywide and 220 local events. The 17 citywide events include associations, corporate and sporting events. These 17 citywide events are budgeted to generate revenues of \$10.1M, \$1.6M more than what was budgeted for FY24 and \$1.9M higher than the pre-pandemic level of \$8.2M in 2019. It should also be noted that the FY25 budget includes 2 international events. The international market continues to remain soft since the pandemic however we are seeing more inquiries from Japan from wholesaler partners JTB and HIS. We continue to work with the Hawaii Visitors Convention Bureau, Hawaii Tourism Authority and partners to assist in increasing growth in all markets.

Local sales include small local meetings, banquets, concerts, festivals, tradeshow, and sporting events. In FY25, the 220 local events are slated to generate \$12.5M, \$2.6M more than what was budgeted for FY24 and \$4.M higher than the pre-pandemic level of \$8.5M in 2019.

Total gross revenues budgeted for FY25 is \$24.1M compared to the FY24 actual of \$28.8M and the FY24 budget of \$18.5M.

Expenses

Total gross expenses budgeted for FY25 amounts to \$27.4M compared to the FY24 actual of \$25.5M and the FY24 budget of \$23.8M.

The increase in expenses is primarily due to the following:

1. Facility Salaries & Wages. The positions included in the budget are necessary to maintain service standards. As we have done historically, we will only hire new staff as warranted by business needs.
 - a. FTE count increases by 18.71 to 98.82 in the FY25 budget.
 - 2 FTE's, Maintenance Mechanics, necessary due to aging facility and CIP project support
 - 1 FTE, Housekeeping Supervisor
 - 6 FTE's, Security Officers (currently using staffing agency to fill)
 - 1.22 FTE's, Event Security Officers, based upon the needs of event requirements.
 - 1 FTE, Events Operations Manager, as assistance needed to oversee new Event Managers and events.

- 6 FTE's, Facilities Cooperators-(currently using staffing agency to fill)
 - 0.5 FTE, Facilities Receiving Specialist
- b. Salary adjustments for managers in Landscaping (1), Events (4) and Facility (1) to market rates, for employee retention and increases in event activity over long hours.
 - c. Wage adjustments for hourly Housekeeping (11), Landscaping (5), Facilities (8) staff adjusting supervisors to \$45k annually and their staff to \$40k annually commensurate to market rates and for employee retention.
 - d. 4% merit increase for all staff.
2. Increases commensurate with increase in event needs, rate increases, inflation, aging facility:
 - a. General & Administrative
 - a. Increase in credit card discounts expense as more businesses are paying via CC post COVID.
 - b. Increase in employee relations activities elevating to pre COVID activities and amount.
 - b. Repairs and Maintenance
 - a. Includes additional \$100k for standby elevator escalator services during citywide/large events. Escalators have been going off-line during events due to age of units exceeding their useful life, repairs and maintenance is constant. We need standby labor to ensure units are operational during large movements for the success of their programs.
 - b. Includes annual rate increases from vendors under contracts (elevator/escalator, HVAC, housekeeping equipment, software agreements)
 - c. Utilities increases based upon historical information, event needs and rate increases.
 3. F&B Overhead.
 - a. F&B FTE count increases by 2.5 to 18.5 in the FY25 budget.
 - 1 FTE, Assistant General Manager F&B, necessary to support F&B Operations
 - 1 FTE, F&B Operations Supervisor, necessary due to increase in event activity.
 - 0.5 FTE, Receiving Specialist, necessary due to increase in event activity.
 - b. 4% merit increase for all staff.
 - c. Increases in operational supplies for F&B commensurate with increase in events, rate increases, inflation.

Net Loss

The net loss for FY25 amounts to \$3.2M compared to the FY24 actual net income of \$3.4M and the net loss budgeted in FY24 of \$5.3M. While the increase in event count levels is positive, it is the citywide events and market mix of events that drive stronger financial results for both the State and HCC. In FY25 we have had 4 less city-wide events, including 3 less corporate events, which is contributing to the softer year over year gross revenue and bottom-line numbers in FY25.

HAWAII CONVENTION CENTER
 JULY 1, 2024 TO JUNE 30, 2025
 Lead Income Statement

	Total
Event Income	
Direct Event Income	
Rental Income	4,022,600
Service Income	1,859,900
Service Expenses	<u>(2,776,400)</u>
Total Direct Event Income	<u>3,106,100</u>
Ancillary Income	
Gross F&B Revenue	14,739,500
Direct F&B Expenses	(5,854,700)
Gross Parking	1,292,000
Parking Expense	(235,900)
Electrical Service	111,200
A/V Service	502,900
Internet Service	43,000
Rigging Service	48,500
Total Ancillary Income	<u>10,646,501</u>
Total Event Income	<u>13,752,600</u>
Other Income	
Parking, Non-Event	6,000
Interest	1,464,000
Miscellaneous Income	78,800
Total Other Income	<u>1,548,800</u>
Adjusted Gross Income	<u>15,301,400</u>
Operating Expenses	
Facility Salaries & Wages	6,293,200
Benefits	2,231,000
Less: Event Labor Allocations	<u>(900,600)</u>
Net Employee Wages & Benefit	7,623,600
Contracted Services	2,319,500
General & Administrative	413,700
Operations	137,100
Repair & Maintenance	1,403,300
Supplies	539,500
Insurance	354,400
Utilities	3,525,500
Other	47,400
Management Fees	476,000
F&B Overhead Expense	3,265,400
Less: Expenses Allocated	<u>(1,875,800)</u>
Total Operating Expenses	<u>18,229,600</u>
Net Income (Loss) From Operation:	<u>(2,928,200)</u>
Other Income (Expenses)	<u>(13,800)</u>
Net Income After Other Income (E)	<u>(2,942,000)</u>
Fixed Asset Purchases	<u>(300,000)</u>
Net Income (Loss) after Fixed Asse	<u>(3,242,000)</u>
Gross Building Revenues	9,428,900
Gross Building Expenses	<u>18,290,300</u>
Building Net Income (Loss)	<u>(8,861,400)</u>
Gross F&B Revenues	14,739,500
Gross F&B Expenses	<u>9,120,100</u>
F&B Net Income (Loss)	<u>5,619,400</u>
Facility Net Cash Flow	<u>(3,242,000)</u>
Total Gross Revenues	24,168,400
Total Gross Expenses	<u>27,410,400</u>
Total Facility Net Cash Flow	<u>(3,242,000)</u>

HAWAII CONVENTION CENTER
 JULY 1, 2024 TO JUNE 30, 2025
 Lead Income Statement - Comparison

	FY 2024 Actual				FY 2024 Budget		
	Prior Year	Variance More / (Less)	Percentage Change Increase (Decrease)	Prior Year	Variance More / (Less)	Percentage Change Increase (Decrease)	
Total							
Event Income							
Direct Event Income							
Rental Income	4,022,600	4,682,908	(660,309)	-14%	3,921,900	100,700	3%
Service Income	1,859,900	1,942,994	(83,094)	-4%	993,600	866,300	87%
Service Expenses	(2,776,400)	(3,392,722)	616,322	-18%	(2,514,270)	(262,130)	10%
Total Direct Event Income	3,106,100	3,233,180	(127,080)	-4%	2,401,230	704,870	29%
Ancillary Income							
Gross F&B Revenue	14,739,500	17,855,872	(3,116,372)	-17%	11,501,500	3,238,000	28%
Direct F&B Expenses	(5,854,700)	(6,825,744)	971,044	-14%	(5,452,200)	(402,500)	7%
Gross Parking	1,292,000	1,420,238	(128,238)	-9%	1,337,300	(45,300)	-3%
Parking Expense	(235,900)	(177,854)	(58,046)	33%	(210,400)	(25,500)	12%
Electrical Service	111,200	198,363	(87,163)	-44%	131,800	(20,600)	-16%
A/V Service	502,900	997,589	(494,689)	-50%	415,300	87,600	21%
Internet Service	43,000	67,996	(24,996)	-37%	10,100	32,900	326%
Rigging Service	48,500	112,812	(64,312)	-57%	43,000	5,500	13%
Total Ancillary Income	10,646,501	13,649,272	(3,002,772)	-22%	7,776,400	2,870,101	37%
Total Event Income	13,752,600	16,882,452	(3,129,852)	-19%	10,177,630	3,574,970	35%
Other Income							
Parking, Non-Event	6,000	5,455	545	10%	5,200	800	15%
Interest	1,464,000	1,530,445	(66,445)	-4%	60,000	1,404,000	2340%
Miscellaneous Income	78,800	80,286	(1,486)	-2%	60,500	18,300	30%
Total Other Income	1,548,800	1,616,186	(67,386)	-4%	125,700	1,423,100	1132%
Adjusted Gross Income	15,301,400	18,498,638	(3,197,238)	-17%	10,303,330	4,998,070	49%
Operating Expenses							
Facility Salaries & Wages	6,293,200	4,872,490	1,420,710	29%	5,242,700	1,050,500	20%
Benefits	2,231,000	1,651,771	579,229	35%	1,643,300	587,700	36%
Less: Event Labor Allocations	(900,600)	(1,020,821)	120,221	-12%	(735,300)	(165,300)	22%
Net Employee Wages & Benefit	7,623,600	5,503,440	2,120,160	39%	6,150,700	1,472,900	24%
Contracted Services	2,319,500	3,032,504	(713,004)	-24%	2,197,550	121,950	6%
General & Administrative	413,700	410,840	2,860	1%	312,500	101,200	32%
Operations	137,100	151,573	(14,473)	-10%	120,900	16,200	13%
Repair & Maintenance	1,403,300	1,005,692	397,608	40%	1,259,550	143,750	11%
Supplies	539,500	408,172	131,328	32%	507,900	31,600	6%
Insurance	354,400	240,184	114,216	48%	244,800	109,600	45%
Utilities	3,525,500	3,194,189	331,311	10%	3,161,300	364,200	12%
Other	47,400	16,336	31,064	190%	47,400	-	0%
Management Fees	476,000	466,400	9,600	2%	466,400	9,600	2%
F&B Overhead Expense	3,265,400	2,798,954	466,446	17%	2,635,900	629,500	24%
Less: Expenses Allocated	(1,875,800)	(2,459,753)	583,953	-24%	(1,778,970)	(96,830)	5%
Total Operating Expenses	18,229,600	14,768,531	3,461,070	23%	15,325,930	2,903,671	19%
Net Income (Loss) From Operation:	(2,928,200)	3,730,107	6,658,307	179%	(5,022,600)	(2,094,400)	42%
Other Income (Expenses)	(13,800)	(116,021)	(102,221)	88%	(9,800)	4,000	-41%
Net Income After Other Income (E)	(2,942,000)	3,614,086	6,556,086	181%	(5,032,400)	(2,090,400)	42%
Fixed Asset Purchases	(300,000)	(214,728)	85,272	40%	(300,000)	-	0%
Net Income (Loss) after Fixed Asse	(3,242,000)	3,399,358	6,641,358	195%	(5,332,400)	(2,090,400)	39%
Gross Building Revenues	9,428,900	11,039,086	(1,610,187)	-15%	6,978,700	2,450,200	35%
Gross Building Expenses	18,290,300	15,870,902	2,419,398	15%	15,724,500	2,565,800	16%
Building Net Income (Loss)	(8,861,400)	(4,831,816)	4,029,584	83%	(8,745,800)	115,600	1%
Gross F&B Revenues	14,739,500	17,855,872	(3,116,372)	-17%	11,501,500	3,238,000	28%
Gross F&B Expenses	9,120,100	9,624,698	(504,598)	-5%	8,088,100	1,032,000	13%
F&B Net Income (Loss)	5,619,400	8,231,174	(2,611,774)	-32%	3,413,400	2,206,000	65%
Facility Net Cash Flow	(3,242,000)	3,399,358	6,641,358	195%	(5,332,400)	(2,090,400)	39%
Total Gross Revenues	24,168,400	28,894,958	(4,726,558)	-16%	18,480,200	5,688,200	31%
Total Gross Expenses	27,410,400	25,495,600	1,914,800	8%	23,812,600	3,597,800	15%
Total Facility Net Cash Flow	(3,242,000)	3,399,358	6,641,358	195%	(5,332,400)	(2,090,400)	39%

HAWAII CONVENTION CENTER
JULY 1, 2024 TO JUNE 30, 2025

Lead Income Statement - Comparison

	Two Years				Three Years		
	Total	FY 2023 Actual	Variance More / (Less)	Percentage Change Increase (Decrease)	Prior FY 2022 Actual	Variance More / (Less)	Percentage Change Increase (Decrease)
Event Income							
Direct Event Income							
Rental Income	4,022,600	3,055,819	966,781	32%	2,365,179	1,657,421	70%
Service Income	1,859,900	1,389,908	469,992	34%	1,232,534	627,366	51%
Service Expenses	(2,776,400)	(2,257,324)	519,076	-23%	(1,684,541)	1,091,859	-65%
Total Direct Event Income	3,106,100	2,188,403	917,697	42%	1,913,172	1,192,928	62%
Ancillary Income							
Gross F&B Revenue	14,739,500	7,901,374	6,838,126	87%	2,399,123	12,340,377	514%
Direct F&B Expenses	(5,854,700)	(3,542,586)	2,312,114	-65%	(1,184,338)	4,670,362	-394%
Gross Parking	1,292,000	1,275,005	16,995	1%	832,652	459,348	55%
Parking Expense	(235,900)	(174,271)	61,629	-35%	(109,774)	126,126	-115%
Electrical Service	111,200	58,772	52,428	89%	38,968	72,232	185%
A/V Service	502,900	550,713	(47,813)	-9%	157,293	345,607	220%
Internet Service	43,000	1,831	41,169	2248%	-	43,000	0%
Rigging Service	48,500	77,339	(28,839)	-37%	152,502	(104,002)	-68%
Total Ancillary Income	10,646,501	6,148,177	4,498,324	73%	2,286,426	8,360,075	366%
Total Event Income	13,752,600	8,336,580	5,416,020	65%	4,199,598	9,553,002	227%
Other Income							
Parking, Non-Event	6,000	4,098	1,902	46%	6,508	(508)	-8%
Interest	1,464,000	62,235	1,401,765	2252%	6,438	1,457,562	22640%
Miscellaneous Income	78,800	69,389	9,411	14%	65,508	13,292	20%
Total Other Income	1,548,800	135,722	1,413,078	1041%	78,454	1,470,346	1874%
Adjusted Gross Income	15,301,400	8,472,302	6,829,098	81%	4,278,052	11,023,348	258%
Operating Expenses							
Facility Salaries & Wages	6,293,200	3,479,244	2,813,956	81%	2,949,071	3,344,129	113%
Benefits	2,231,000	1,318,016	912,984	69%	1,136,638	1,094,362	96%
Less: Event Labor Allocations	(900,600)	(629,115)	(271,485)	43%	(735,466)	(165,134)	22%
Net Employee Wages & Benefit	7,623,600	4,168,145	3,455,455	83%	3,350,243	4,273,357	128%
Contracted Services	2,319,500	2,420,464	(100,964)	-4%	1,326,367	993,133	75%
General & Administrative	413,700	233,420	180,280	77%	106,691	307,009	288%
Operations	137,100	121,681	15,419	13%	99,481	37,619	38%
Repair & Maintenance	1,403,300	1,151,901	251,399	22%	828,083	575,217	69%
Supplies	539,500	373,367	166,133	44%	274,322	265,178	97%
Insurance	354,400	190,368	164,032	86%	145,374	209,026	144%
Utilities	3,525,500	2,899,320	626,180	22%	2,241,194	1,284,306	57%
Other	47,400	6,941	40,459	583%	9,106	38,294	421%
Management Fees	476,000	456,800	19,200	4%	335,400	140,600	42%
F&B Overhead Expense	3,265,400	1,896,657	1,368,743	72%	1,102,279	2,163,121	196%
Less: Expenses Allocated	(1,875,800)	(1,795,557)	(80,243)	4%	(1,064,109)	(811,691)	76%
Total Operating Expenses	18,229,600	12,123,507	6,106,094	50%	8,754,431	9,475,170	108%
Net Income (Loss) From Operation:	(2,928,200)	(3,651,205)	(723,005)	20%	(4,476,379)	(1,548,179)	35%
Other Income (Expenses)	(13,800)	(87,928)	(74,128)	84%	(39,910)	(26,110)	65%
Net Income After Other Income (E)	(2,942,000)	(3,739,133)	(797,133)	21%	(4,516,289)	(1,574,289)	35%
Fixed Asset Purchases	(300,000)	(226,541)	73,459	32%	(69,557)	230,443	331%
Net Income (Loss) after Fixed Asse	(3,242,000)	(3,965,674)	(723,674)	-18%	(4,585,846)	(1,343,846)	29%
Gross Building Revenues							
Gross Building Revenues	9,428,900	6,545,109	2,883,791	44%	4,857,582	4,571,318	94%
Gross Building Expenses	18,290,300	12,972,914	5,317,386	41%	9,555,934	8,734,366	91%
Building Net Income (Loss)	(8,861,400)	(6,427,805)	2,433,595	38%	(4,698,352)	4,163,048	89%
Gross F&B Revenues							
Gross F&B Revenues	14,739,500	7,901,374	6,838,126	87%	2,399,123	12,340,377	514%
Gross F&B Expenses	9,120,100	5,439,243	3,680,857	68%	2,286,617	6,833,483	299%
F&B Net Income (Loss)	5,619,400	2,462,131	3,157,269	128%	112,506	5,506,894	4895%
Facility Net Cash Flow	(3,242,000)	(3,965,674)	(723,674)	18%	(4,585,846)	(1,343,846)	29%
Total Gross Revenues	24,168,400	14,446,483	9,721,917	67%	7,256,705	16,911,695	233%
Total Gross Expenses	27,410,400	18,412,157	8,998,243	49%	11,842,551	15,567,849	131%
Total Facility Net Cash Flow	(3,242,000)	(3,965,674)	(723,674)	18%	(4,585,846)	(1,343,846)	29%



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ASM
HAWAII' I CONVENTION CENTER
LOCAL SALES & MARKETING BUDGET
FY25

July 15, 2024

Hawai'i Convention Center

Local Sales and Marketing Budget

FY25

July 15, 2024

Four years post the COVID-19 pandemic, the Hawaii Convention Center (HCC) is exceeding pre-pandemic event count levels. However, there remains a disparity in where the business is coming from. The market financially sustaining HCC since the pandemic has been the short-term local market. Local sales include small local meetings, banquets, concerts, festivals, tradeshow, and sporting events. In FY25, 220 local market events are slated to generate \$12.5M, \$2.6M (28%) more than what was budgeted for FY24 and \$3.9M (46%) higher than the pre-pandemic level of \$8.5M in 2019. The additional staffing in local sales is to help us drive local events and pick up in revenue YOY and to support short term sales efforts which are necessary at this time to build up for upcoming softer city-wide event year starting in FY26 and due to rooftop construction.

Pre-pandemic the citywide events played the majority role in revenue generation. In FY25, we are encouraged by 17 citywide events on the books. These 17 citywide events are budgeted to generate revenues of \$10.1M, \$1.9M (23%) more than what was budgeted for FY24 and \$1.9M (23%) higher than the pre-pandemic level of \$8.2M in 2019. It should also be noted that the FY25 budget includes 2 international events. The international market continues to remain soft since the pandemic however we are seeing more inquiries from Japan from wholesale partners JTB and HIS. We continue to work collaboratively with the Hawaii Visitors Convention Bureau, Hawai'i Tourism Authority and partners to assist HCC in increasing growth in all markets.

Our FY25 local sales and marketing budget is \$1,603,300 which is \$570,900 (55%) more than the FY24 and \$379,600 (31%) more than the FY24 budget of \$1,223,700. The year over year increase in the budget is primarily due to the following:

1. Salaries, Wages, Bonuses, and related Benefits is \$267,409 (41%) more than FY24 and \$237,600 (35%) over the FY24 budget.
 - a. Local sales and marketing FTE count increases by 1 to 6.75 with the addition of the position of Director of Local Sales, \$163k impact. With the increase in local market revenue generation since the pandemic, as well as the soft outlook of citywide business in the near future, see current pace reports, this position is deemed important to sustain the future of HCC operations. It will only be filled as deemed necessary by the General Manager.
 - b. 4% merit increase, \$73k impact.

2. Marketing is \$293,988 (143%) more than FY24 and \$140,300 (39%) over the FY24 budget.
 - a. \$20,000 increase for photography to create a new promotional sizzle video.
 - b. \$120,000 increase in promotions for funding another HCC new business promotion/special event bringing the HCC special events count in FY25 to 3 including the Holiday Immersive Experience (12/24) and two other HCC curated events.

HAWAII CONVENTION CENTER
LOCAL SALES & MARKETING
JULY 1, 2024 TO JUNE 30, 2025
Lead Income Statement

Budget

Operating Expenses	
Employee Salaries and Wages	757,800
Benefits	<u>164,800</u>
Net Employee Wages and Benefits	922,600
Marketing	499,500
Advertising	25,000
Maintenance Agreements	89,600
General and Administrative	36,000
Meetings & Conventions	22,700
Utilities	5,400
Other	<u>2,500</u>
Total Operating Expenses	1,603,300

HAWAII CONVENTION CENTER
 LOCAL SALES & MARKETING
 JULY 1, 2024 TO JUNE 30, 2025
 Lead Income Statement - Comparison

	Budget	One Year Prior FY 2024 Actual	Variance More / (Less)	Percentage Change Increase (Decrease)	One Year Prior FY 2024 Budget	Variance More / (Less)	Percentage Change Increase (Decrease)	Two Years Prior FY 2023 Actual	Variance More / (Less)	Percentage Change Increase (Decrease)
Operating Expenses										
Employee Salaries and Wages	757,800	516,766	241,034	47%	543,600	214,200	39%	389,612	368,188	95%
Benefits	164,800	138,425	26,375	19%	141,400	23,400	17%	93,674	71,126	76%
Net Employee Wages and Benefits	922,600	655,191	267,409	41%	685,000	237,600	35%	483,286	439,314	91%
Marketing	499,500	205,512	293,988	143%	359,200	140,300	39%	340,376	159,124	47%
Advertising	25,000	31,371	(6,371)	-20%	25,000	-	0%	26,588	(1,588)	-6%
Maintenance Agreements	89,600	88,342	1,258	1%	89,600	-	0%	82,815	6,785	8%
General & Administrative	36,000	36,495	(495)	-1%	35,500	500	1%	13,131	22,869	174%
Meetings & Conventions	22,700	8,631	14,069	163%	22,700	-	0%	8,049	14,651	182%
Utilities	5,400	6,175	(775)	-13%	3,600	1,800	50%	5,046	354	7%
Other	2,500	680	1,820	268%	3,100	(600)	-19%	82	2,418	2949%
Total Operating Expenses	1,603,300	1,032,397	570,903	55%	1,223,700	379,600	31%	959,373	643,927	67%

HAWAII CONVENTION CENTER
 LOCAL SALES & MARKETING
 JULY 1, 2024 TO JUNE 30, 2025
 Lead Income Statement - Comparison

	Budget	Three Years	Variance	Percentage	Five Years	Variance	Percentage
		Prior FY 2022 Actual	More / (Less)	Change Increase (Decrease)	Prior CY 2020 Actual	More / (Less)	Change Increase (Decrease)
Operating Expenses							
Employee Salaries and Wages	757,800	269,126	488,674	182%	270,487	487,313	180%
Benefits	164,800	84,387	80,413	95%	87,279	77,521	89%
Net Employee Wages and Benefits	922,600	353,513	569,087	161%	357,766	564,834	158%
Marketing	499,500	34,182	465,318	1361%	66,085	433,415	656%
Advertising	25,000	31,561	(6,561)	-21%	3,047	21,953	720%
Maintenance Agreements	89,600	67,708	21,892	32%	69,107	20,493	30%
General & Administrative	36,000	26,482	9,518	36%	5,110	30,890	605%
Meetings & Conventions	22,700	3,609	19,091	529%	(4,824)	27,524	-571%
Utilities	5,400	3,772	1,628	43%	3,970	1,430	36%
Other	2,500	1,568	932	59%	-	2,500	0%
Total Operating Expenses	1,603,300	522,395	1,080,905	207%	500,261	1,103,039	220%

HAWAII CONVENTION CENTER
 LOCAL SALES & MARKETING
 JULY 1, 2024 TO JUNE 30, 2025

Acct#	Account Title	Itemized Amounts / Descriptions	Budget
70005	Salaries-Exempt	See Facility Salary Detail \$ 625,100	\$ 625,100
70006	Wages-Nonexempt	See Facility Salary Detail \$ 23,200	\$ 23,200
70205	Bonus-Performance	See Facility Salary Detail \$ 109,500	\$ 109,500
71005	Payroll Taxes	See Facility Salary Detail \$ 65,200	\$ 65,200
71105	Benefits	See Facility Salary Detail \$ 64,800	\$ 64,800
71205	401 (k)	See Facility Salary Detail \$ 12,100	\$ 12,100
71505	Workers Compensation	See Facility Salary Detail \$ 22,700	\$ 22,700
73010	Professional Fees-Legal	Contract Related Legal Fees \$ 1,000	\$ 1,000
73015	Professional Fees-Other	Hawaiian Cultural Services \$ 12,500	\$ 12,500
73050	Payroll Fees	ADP Payroll Processing (ASM) \$ 1,100 Workday (ASM) \$ 1,500	\$ 2,600
73055	Meals & Entertainment	\$500/mo \$ 6,000	\$ 6,000
73060	Meetings & Conventions	IAVM-July \$ 2,000 ASAE-Aug \$ 3,300 IMEX-Oct \$ 4,000 IAEE-Dec \$ 3,300 PCMA-Jan \$ 4,100	\$ 16,700
73065	Dues & Subscriptions	Exec Women Intl (1) \$ 300 HI Japanese Chamber Of Commerce \$ 400 IAEE \$ 900 Local Memberships (3) \$ 500	\$ 2,100
73095	Rental Office Equipment	Toshiba Copier Usage @ \$250/month \$ 3,000	\$ 3,000
73100	Office Supplies	Office Supplies \$ 1,000	\$ 1,000
73105	Printing & Stationary	Posters/Signage \$ 3,000 Business Cards \$ 2,000 Keyboard Calendar \$ 800 Other \$ 1,000	\$ 6,800
73125	Photography	TBD Sizzle video \$ 25,000 Event Photography (5 events @ \$600/fee) \$ 3,000 Food Photography \$ 2,000 Headshots for staff \$ 1,000 Shutterstock - stock photos \$ 300 Other \$ 2,300	\$ 33,600
73130	Advertising & Marketing	Local Advertising & Marketing \$ 25,000	\$ 25,000
73140	Web Development & Maintenance	MeetHawaii.com (HCC portion of website) \$ 12,000 HCC Microsite - Asian \$ 3,800 HCC Microsite - Event Calendar \$ 300	\$ 22,700

HAWAII CONVENTION CENTER
 LOCAL SALES & MARKETING
 JULY 1, 2024 TO JUNE 30, 2025

Acct#	Account Title	Itemized Amounts / Descriptions	Budget
		Holiday e-Card \$ 2,600	
		DropBox Business \$ 1,100	
		Sketch-Up license \$ 600	
		Adobe Software \$ 600	
		SSL Wildcard Certificate \$ 500	
		HCC Blog Site and Website Domain Renewal \$ 400	
		Flipbook Software \$25/mo \$ 300	
		ZOOM Pro license \$ 300	
		Vimeo subscription \$ 100	
		Blog Spam Blocker-Akismet @ \$10/mo \$ 100	
73215	Promotional	Sponsorships \$ 419,200	\$ 419,200
		May Day \$ 2,500	
		Na Hoku Gala \$ 2,500	
		Joy of Sake \$ 1,000	
		Hawaii Food & Wine Festival \$ 20,000	
		Chopsticks & Wine Festival \$ 2,500	
		LEI Project Sponsorship \$ 1,600	
		Amenities @ \$175/mo \$ 2,100	
		Carbon Offset Promotion \$ 2,000	
		Client Mahalo/New Business Reception \$ 25,000	
		New Business - HCC Curated Event \$ 120,000	
		New Business Promos-Immersive Experience, 12/24 \$ 120,000	
		New Business - HCC Curated Event, 6/25 \$ 120,000	
73275	Computer Expense	Computer Exepnses \$ 1,000	\$ 1,000
73295	Employee Training	USI Training \$ 2,000	\$ 6,000
		Sales Team Workshop (AS Training) \$ 4,000	
75105	Maintenance Agreements	Concept 3D On-line map hosting fee \$ 41,200	\$ 89,600
		Concept 3D Panoramic hosting fee \$ 1,500	
		USI Software License, Hosting, Maintence and Packages \$ 30,700	
		ASM Global Insights \$ 8,200	
		Regional Corporate Marketing Support \$ 4,900	
		Microsoft License (ASM) @\$625/user, 5 users \$ 3,100	
78205	Telephone	Cell / iPad Service, AT&T @ \$450/mo \$ 5,400	\$ 5,400
79005	Community Relations	Limtiaco @ \$2,000/mo \$ 24,000	\$ 24,000
79905	Miscellaneous Expenses	Miscelleneous Expenses \$ 1,500	\$ 1,500
90090	FF & E Expense	FF & E \$ 1,000	\$ 1,000
550		JULY 1, 2024 TO JUNE 30, 2025	\$ 1,603,300

HAWAII CONVENTION CENTER
 LOCAL SALES & MARKETING
 JULY 1, 2024 TO JUNE 30, 2025

Acct#	Account Title	Budget
70005	Salaries-Exempt	\$ 625,100
70006	Wages-Nonexempt	\$ 23,200
70205	Bonus-Performance	\$ 109,500
71005	Payroll Taxes	\$ 65,200
71105	Benefits	\$ 64,800
71205	401 (k)	\$ 12,100
71505	Workers Compensation	\$ 22,700
71705	Vacation Expense	\$ -
73010	Professional Fees-Legal	\$ 1,000
73015	Professional Fees-Other	\$ 12,500
73050	Payroll Fees	\$ 2,600
73055	Meals & Entertainment	\$ 6,000
73060	Meetings & Conventions	\$ 16,700
73065	Dues & Subscriptions	\$ 2,100
73070	Postage	\$ -
73095	Rental Office Equipment	\$ 3,000
73100	Office Supplies	\$ 1,000
73105	Printing & Stationary	\$ 6,800
73125	Photography	\$ 33,600
73130	Advertising & Marketing	\$ 25,000
73140	Web Development & Maintenance	\$ 22,700
73215	Promotional	\$ 419,200
73255	Sales & Use Tax	\$ -
73275	Computer Expense	\$ 1,000
73290	Employee Relations	\$ -
73295	Employee Training	\$ 6,000
75105	Maintenance Agreements	\$ 89,600
78205	Telephone	\$ 5,400
79005	Community Relations	\$ 24,000
79905	Miscellaneous Expenses	\$ 1,500
90090	FF & E Expense	\$ 1,000

Total	\$ 1,603,300
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One Year Prior FY 2024 Actual	Variance More / (Less)	Percentage Change Increase (Decrease)
460,220	164,880	36%
7,614	15,586	205%
48,932	60,568	124%
52,961	12,239	23%
52,351	12,449	24%
11,294	806	7%
21,386	1,314	6%
433	(433)	-100%
942	58	6%
3,756	8,744	233%
570	2,030	356%
3,373	2,627	78%
5,258	11,442	218%
3,621	(1,521)	-42%
-	-	-
223	2,777	1245%
130	870	669%
13,581	(6,781)	-50%
13,979	19,621	140%
31,371	(6,371)	-20%
11,286	11,414	101%
161,395	257,805	160%
4,530	(4,530)	-100%
366	634	173%
25	(25)	-100%
8,751	(2,751)	-31%
88,342	1,258	1%
6,175	(775)	-13%
18,852	5,148	27%
-	1,500	-
680	320	47%

\$ 1,032,397	\$ 570,903	55%
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One Year Prior FY 2024 Budget	Variance More / (Less)	Percentage Change Increase (Decrease)
464,700	160,400	35%
11,800	11,400	97%
67,100	42,400	63%
50,900	14,300	28%
66,700	(1,900)	-3%
11,700	400	3%
12,100	10,600	88%
-	-	-
1,200	(200)	-17%
12,500	-	-
2,600	-	-
6,000	-	-
16,700	-	-
2,100	-	-
-	-	-
3,000	-	-
1,000	-	-
6,800	-	-
13,600	20,000	147%
25,000	-	-
22,400	300	1%
299,200	120,000	40%
-	-	-
1,000	-	-
-	-	-
5,300	700	13%
89,600	-	-
3,600	1,800	50%
24,000	-	-
2,100	(600)	-29%
1,000	-	-

\$ 1,223,700	\$ 379,600	31%
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Two Years Prior FY 2023 Actual	Variance More / (Less)	Percentage Change Increase (Decrease)
362,893	262,207	72%
-	23,200	-
26,719	82,781	310%
39,040	26,160	67%
31,966	32,834	103%
6,565	5,535	84%
15,881	6,819	43%
222	(222)	-100%
-	1,000	-
(1,255)	13,755	-1096%
1,958	642	33%
2,291	3,709	162%
5,758	10,942	190%
1,498	602	40%
367	(367)	-100%
2,668	332	12%
-	1,000	-
4,607	2,193	48%
6,050	27,550	455%
26,588	(1,588)	-6%
11,803	10,897	92%
309,958	109,242	35%
1,668	(1,668)	-100%
393	607	154%
207	(207)	-100%
1,020	4,980	488%
82,815	6,785	8%
5,046	354	7%
12,565	11,435	91%
82	1,418	1729%
-	1,000	-

\$ 959,373	\$ 643,927	67%
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HAWAII CONVENTION CENTER
 LOCAL SALES & MARKETING
 JULY 1, 2024 TO JUNE 30, 2025

Acct#	Account Title	Budget
70005	Salaries-Exempt	\$ 625,100
70006	Wages-Nonexempt	\$ 23,200
70205	Bonus-Performance	\$ 109,500
71005	Payroll Taxes	\$ 65,200
71105	Benefits	\$ 64,800
71205	401 (k)	\$ 12,100
71505	Workers Compensation	\$ 22,700
71705	Vacation Expense	\$ -
73010	Professional Fees-Legal	\$ 1,000
73015	Professional Fees-Other	\$ 12,500
73050	Payroll Fees	\$ 2,600
73055	Meals & Entertainment	\$ 6,000
73060	Meetings & Conventions	\$ 16,700
73065	Dues & Subscriptions	\$ 2,100
73070	Postage	\$ -
73095	Rental Office Equipment	\$ 3,000
73100	Office Supplies	\$ 1,000
73105	Printing & Stationary	\$ 6,800
73125	Photography	\$ 33,600
73130	Advertising & Marketing	\$ 25,000
73140	Web Development & Maintenance	\$ 22,700
73215	Promotional	\$ 419,200
73255	Sales & Use Tax	\$ -
73275	Computer Expense	\$ 1,000
73290	Employee Relations	\$ -
73295	Employee Training	\$ 6,000
75105	Maintenance Agreements	\$ 89,600
78205	Telephone	\$ 5,400
79005	Community Relations	\$ 24,000
79905	Miscellaneous Expenses	\$ 1,500
90090	FF & E Expense	\$ 1,000

Three Years Prior FY 2022 Actual	Variance More / (Less)	Percentage Change Increase (Decrease)
255,126	369,974	145%
-	23,200	-
14,000	95,500	682%
25,901	39,299	152%
32,051	32,749	102%
4,888	7,212	148%
9,984	12,716	127%
11,563	(11,563)	-100%
-	1,000	-
863	11,637	1348%
276	2,324	842%
69	5,931	8596%
3,540	13,160	372%
570	1,530	268%
-	-	-
1,895	1,105	58%
24	976	4067%
18,535	(11,735)	-63%
3,188	30,412	954%
31,561	(6,561)	-21%
9,238	13,462	146%
8,876	410,324	4623%
3,877	(3,877)	-100%
442	558	126%
-	-	-
-	6,000	-
67,708	21,892	32%
3,772	1,628	43%
12,880	11,120	86%
-	1,500	-
1,568	(568)	-36%

Five Years Prior CY 2020 Actual	Variance More / (Less)	Percentage Change Increase (Decrease)
265,890	359,210	135%
4,106	19,094	465%
473	109,027	23050%
12,482	52,718	422%
45,524	19,276	42%
6,900	5,200	75%
9,813	12,887	131%
12,560	(12,560)	-100%
209	791	378%
18	12,482	69344%
765	1,835	240%
326	5,674	1740%
(5,150)	21,850	-424%
(32)	2,132	-6663%
17	(17)	-100%
3,000	-	-
41	959	2339%
237	6,563	2769%
18,877	14,723	78%
3,047	21,953	720%
31,909	(9,209)	-29%
(927)	420,127	-45321%
855	(855)	-100%
-	1,000	-
-	-	-
-	6,000	-
69,107	20,493	30%
3,970	1,430	36%
16,754	7,246	43%
-	1,500	-
-	1,000	-

Total	\$ 1,603,300
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\$ 522,395	\$ 1,080,905	207%
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\$ 500,261	\$ 1,103,039	220%
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17

**Report and Update by the BRANDING STANDING
COMMITTEE of their Meeting Held on
July 23, 2024**

17a

Presentation and/or Discussion on Global Support Services for Brand Management and Marketing



Hawai'i Tourism Authority Branding Standing Committee Meeting Global Support Services Update

July 23, 2024

HTA
Global
Support
Services
Team



Jeffrey Eslinger
Sr. Director
Market Insights & CRM



Kara Imai
Sr. Director
Digital Marketing



Lei Field
Sr. Director
PR & Communications



Kainoa Daines
Sr. Director
Destination Education



Susie Kim
Director
Content Development



Marisa Wong
Director
Social Media



Keenan Chung
Manager
Social Media



Roxanne Relles
Manager
CRM / Sharing Aloha

MARKET INSIGHTS

MARKET INSIGHTS

Core Areas of Focus

- **Tracking Visitor Trends**
 - Regularly monitor visitation patterns across different markets (U.S., international, etc.)
 - Track activity preferences, intent to visit, accommodation usage, and other crucial visitor behavior
- **Market Profiling and Segmentation**
 - Segment visitor markets based on demographics, interests, and travel purpose (leisure, MCI, business, etc.) allowing the tailoring of marketing efforts for the right audience at the right time.
- **Data Driven Decision Making**
 - Analyze data from various sources including HTA and DBEDT resources (Phocuswright, MMGY, Vision Insights), resident sentiment surveys, and industry reports (Symphony Dashboards, ARC/Forward Keys, etc.)
- **Delivering Actionable Insights**
 - Create monthly market conditions presentation deck that contain pertinent insights and key takeaways for internal and external stakeholders
- **Responsive Data Support**
 - GSS team will promptly respond to ad hoc data requests from various stakeholders: HTA, GMTs, Island Visitor Bureaus, counties, legislative, travel industry partners (airlines, hotels, wholesalers, attractions, etc.)
- **Sharing Knowledge: Presentations**
 - GSS team will present insights at conferences and meetings across all islands as well as participating at national and international conferences.

MARKET INSIGHTS

To bridge the gap between data and actionable insights, we're launching Tourism Insights. This series will deliver bite-sized, research-based snapshots focusing on HTA's key markets, segments, and air service.

- **Market Awareness and Intent:** Track consumer awareness of Hawai'i, travel intentions,
- and key market indicators.
- **Brand Perception and Performance:** Analyze perceptions of Hawai'i compared to competitors, measuring brand health.
- **Visitor Experience and Competitive Edge:** Evaluate visitor experiences, assess our competitive position on key offerings, and identify growth opportunities.
- **Motivational Drivers and Barriers:** Uncover the factors influencing travel decisions to Hawai'i, pinpointing what motivates and deters potential visitors.

Example mockups of Tourism Insight reports and snapshots:



AIRLINE ROUTE DEVELOPMENT

AIRLINE ROUTE DEVELOPMENT

The Air Route Development team plays a vital role in optimizing airlift to Hawai'i. Here's how we achieve this:

Comprehensive Reporting:

- Maintain and distribute key reports on a regular basis:
 - **Air Service Grid (Monthly):** Tracks current flight patterns across airlines and routes (updated monthly).
 - **Airfare Grid (Quarterly):** Provides insights into airfare trends (updated quarterly).
 - **Seven-Day Moving Average of Air Passengers (Weekly):** Offers real-time passenger volume data (updated weekly).
 - **Daily Seats into Hawaii by Origin Country (Weekly):** Tracks seat availability from specific countries (updated weekly).

Airline Collaboration:

- Continue to foster strong relationships with airlines through regular meetings with their network planning, revenue, marketing, and international development teams.

Industry Engagement:

- Actively participate in industry events like World Routes and Routes Americas to stay updated on industry trends and connect with potential airline partners.

By providing these critical reports and fostering industry relationships, our Air Route Development team ensures informed decision-making for attracting new air routes and optimizing existing ones.

AIRLINE ROUTE DEVELOPMENT

Areas of strategic focus

Maui Recovery – Maui’s importance to the North American visitor market cannot be overstated. It simply must recover to support the economic needs of its residents and visitor industry.

Long-Haul Markets – The Hawai‘i long-haul market had seen robust expansion before the pandemic. New routes and airlines were added across the Pacific region and North America. Since long-distance visitors tend to stay longer and spend more, renewed long-haul emphasis should be a cornerstone of Hawai‘i’s future air service development strategy. Since the pandemic, the international air service market has changed. Visitors from the Asian markets have been slow to return due to exchange rates, fuel surcharges, and increased competition. Recruiting more long- haul service will help to diversify the visitor mix and provide more lucrative opportunities for the people of Hawai‘i.

Hawaiian Airlines/Alaska Airlines Merger – For most of commercial aviation’s history, Hawai‘i has had the distinction of having its own “flag carrier.” Having a local airline that shared similar goals has been a significant advantage for the state. . Alaska Airlines’ proposed purchase of Hawaiian is undoubtedly not the worst- case scenario for the state, but it will have a wide-ranging impact. Understanding those impacts is critical to developing a strategy and action plan that accentuates the benefits and mitigates the challenges of the merger.

KNOWLEDGE BANK

KNOWLEDGE BANK

Asset hub for still photos, b-roll clips, logos and the brand guideline.

Two Platforms

- Internal - HTA, GMTs, ICs, advertising/social/PR agencies <https://hawaii.team.barberstock.com/>
- External - partners, travel trade, MCI and media <https://hawaii.barberstock.com/>

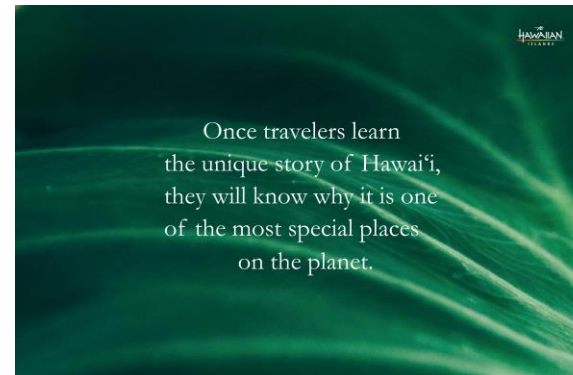
Asset shoot scheduled for Q3 2024



THE HAWAIIAN ISLAND BRAND GUIDELINES

BRAND GUIDELINES

- **The Hawaiian Islands Brand Guidelines**
 - Sensitive Destinations/Activities
- **The Hawaiian Islands Social Media Brand Guidelines**
- **Ma'ema'e Hawai'i style & resource toolkit**
Provide support to HTA team



AUTHENTIC CULTURE



ORTHOGRAPHY - LANGUAGE AND SPELLING

Hawaiian and English are official languages of the state.

Proper use of the Hawaiian language includes the use of the letter 'h' which represents a glottal stop - a moment and the 'h' is necessary to the Hawaiian language.

The 'h' and the letter 'l' distinguish many words, and without this orthographic word definition change.

Examples:
- 'h' is 'h' in 'Hawaii' from 'two (hawaii) islands' (two islands from this [one])
- 'h' is 'h' in 'Hawaii' from 'two (hawaii) islands' (two islands from this [one])
- 'h' is 'h' in 'Hawaii' from 'two (hawaii) islands' (two islands from this [one])
- 'h' is 'h' in 'Hawaii' from 'two (hawaii) islands' (two islands from this [one])

Abbreviation of Hawaiian Words
Hawaiian words should not be abbreviated. For example, in Kamehameha Day, use Kame Day, not 'Kame' and 'Hawaii' use 'Hawaii'.

Dictionary

We use the Hawaiian Dictionary, Hawaiian-English, English-Hawaiian, Revised and Expanded Edition by Mary Kawena Pukui and Samuel H. Elbert as standard reference, supplemented by Honolulu Kaua'i & Molokai Hawaiian Dictionary for contemporary vocabulary. These resources can be accessed through <http://hilo.hawaii.edu/lehua>.

Markings

'Hawaiian' is pronounced 'hah-wai-ee' and the 'h' is shown as a single open quote 'h', not an apostrophe 'h'.

Hawaiian as an Adjective
Hawaiian is an adjectival word and does not use an 'h'. When referring to people, 'Hawaiian' only refers to people of Native Hawaiian ancestry. Residents of the state do not refer to themselves as 'Hawaiian' unless they are, on the face of Hawaiian descent. People of other racial ancestries who live in Hawaii are referred to as Hawaii's residents, locals or natives.

Hawaiian Words in English Copy

In general, use Hawaiian words except for proper place names to indicate to distinguish them from English U.S. The names were given with a 'h'.

Place Names
Place names are unique to the Hawaiian Islands, and are a key to the present in the past. Hawaiian place names are preferred over their English counterparts and should be displayed as 'Lāhale (Diamond Head)'.
Words in Hawaiian Language
English place names are not used for Hawaiian words. For example, the place 'Lāhale' is not 'Lāhale' but 'Lāhale'.

Placements
When using a Hawaiian word placement, the word goes in the middle. For example, 'Hawai'i, and O'ahu'.

Proper Names of Businesses
Language proper Hawaiian language orthography over if the business or other organization do not use them in their own materials or logo. However, please maintain trademarks.

SOCIAL MEDIA SUPPORT SERVICES

SOCIAL MEDIA

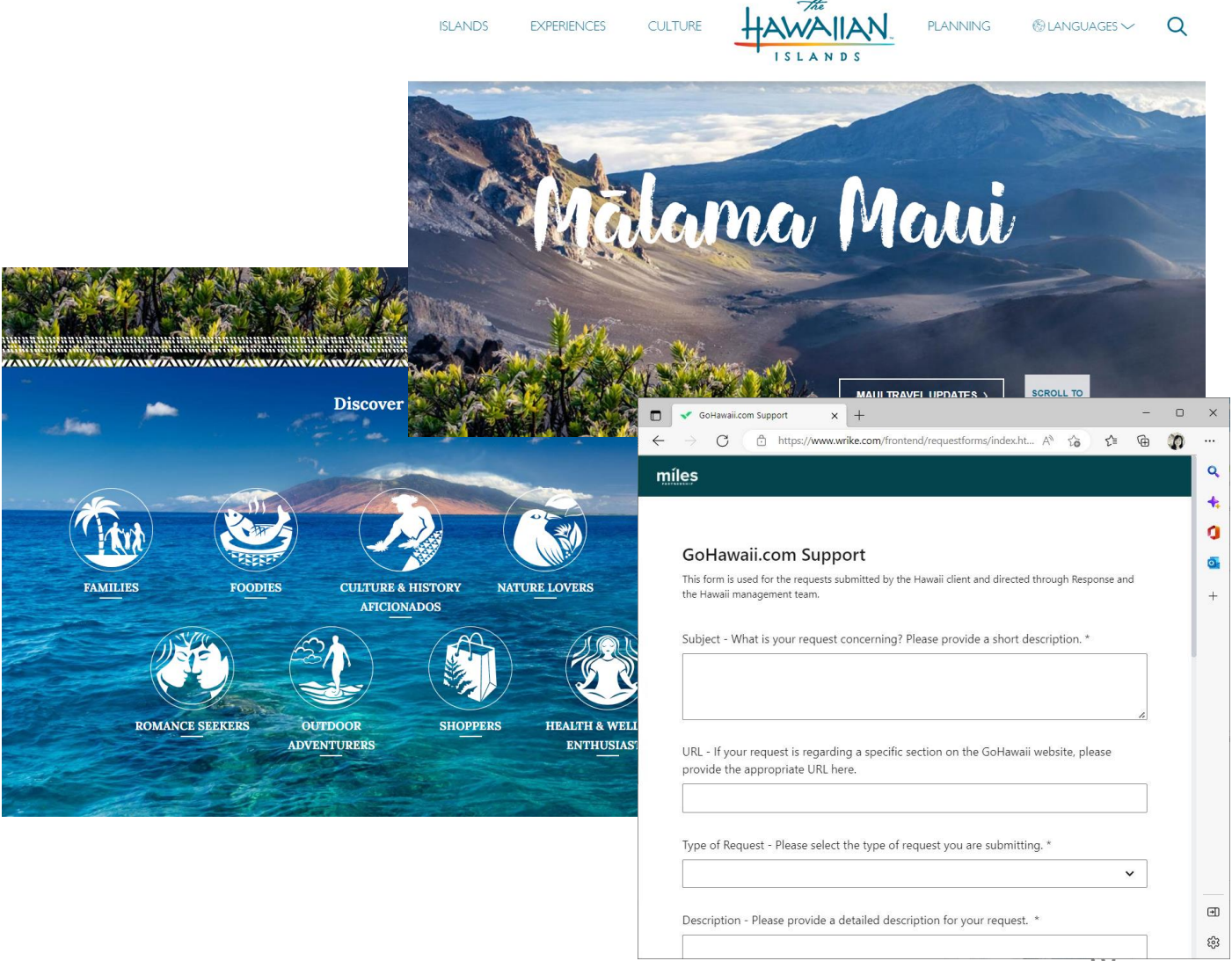
- *The Hawaiian Islands Social Media Brand Guidelines*
- HTA social tools support and training
 - Podio – HTA social communication hub
 - Sprout Social – social asset management
 - TINT – UGC management
- Social content asset sharing
- GMT monthly content calendar review



WEBSITES & GOHAWAII APP

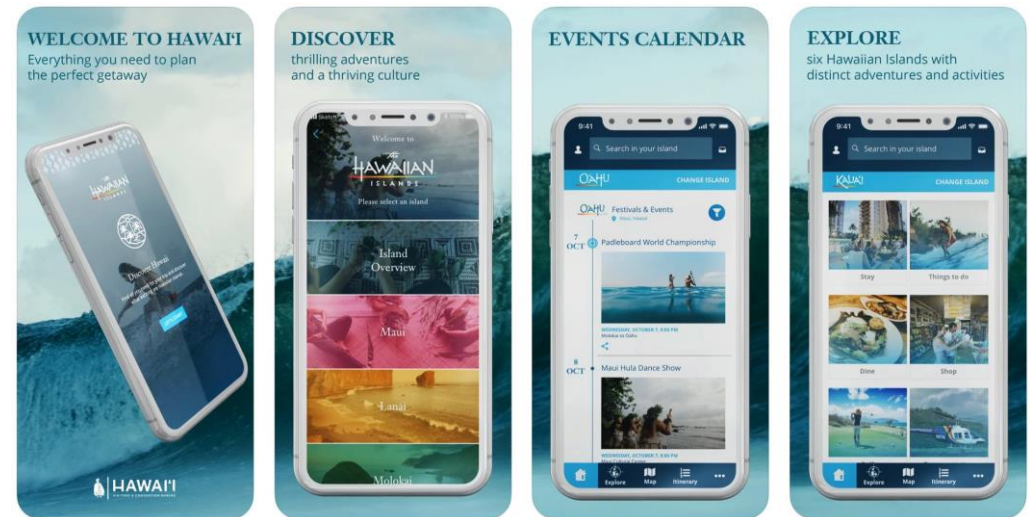
GOHAWAII.COM

- Miles Partnership manages and hosts gohawaii.com. CMS training is available.
- GMTs have access to make minor updates on their MMA version of gohawaii.com
- Wrike system to request major updates



GOHAWAII APP

- Hawai'i's official mobile app for residents and visitors promoted at the airports and travel planner guides
- Supports the DMAPs of all islands by providing information on reservation systems, cultural events, reef-safe sunscreen and exhibits, performances, markets, festivals, and cultural experiences.
- Includes travel tips to educate visitors
- Features accommodations, community events, things to do, dining, shopping, golf



MAHALO!