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**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 Kalākāua 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. Cuypers 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