

HTA GOVERNANCE STUDY

HTA Board Presentation

Dec. 18, 2024




Place Generation 





PURPOSE OF THE STUDY

To recommend how Hawai'i tourism can be governed to deliver strong outcomes for the State's economy, to manage impacts on communities and natural resources, and for the greater benefit of Hawai'i's people and places.



‘In the context of this report, Governance with Aloha means governing with a willingness to understand various perspectives.

‘It also means governing in ways that are intended to create harmony and positive outcomes, to look beyond the obvious and to seek partnership in the truest sense of the word.’

Governance with Aloha:

A Report and Recommendations for Guiding Destination Stewardship of Hawai‘i

June 2024

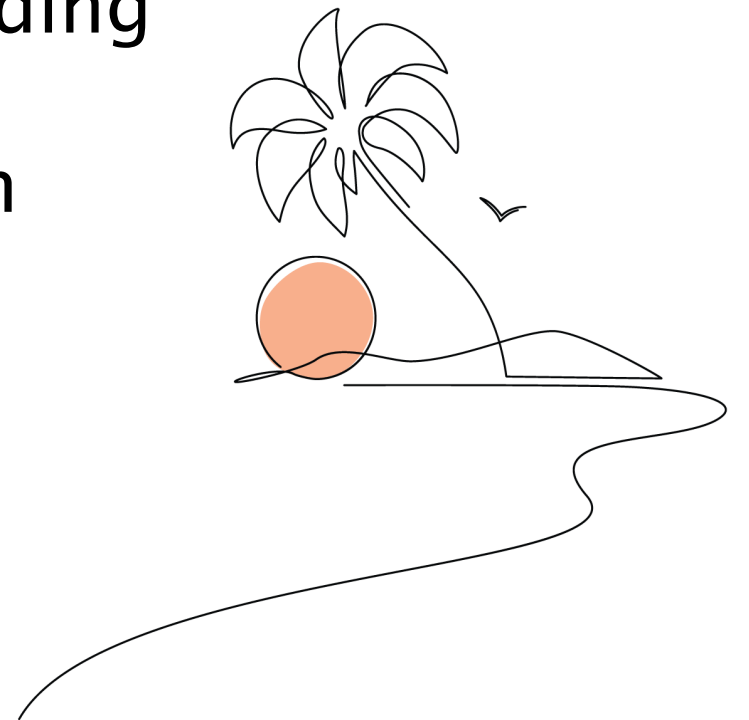


In partnership with



OVERVIEW

- 11 Recommendations
- Alternatives and examples
- Empowerment at the state and island levels
- Three options for predictable funding
- Proposed statutory language
- A two-year path to transformation



SITUATIONAL ANALYSIS

- Extensive Desktop Research
- Benchmark Case Studies
- 69 In-Depth Interviews
- Co-Creation Labs
- Stakeholder Survey findings

Full versions and appendices available on HawaiiTourismGovernance.com under FINDINGS.

Governance with Aloha:
**A Case for Reinventing
Hawai'i Tourism Oversight**

*A Situational Analysis for the
Hawai'i Tourism Authority
Governance Study
May 2024*



Respectfully Submitted by
Better
Destinations LLC

In partnership with

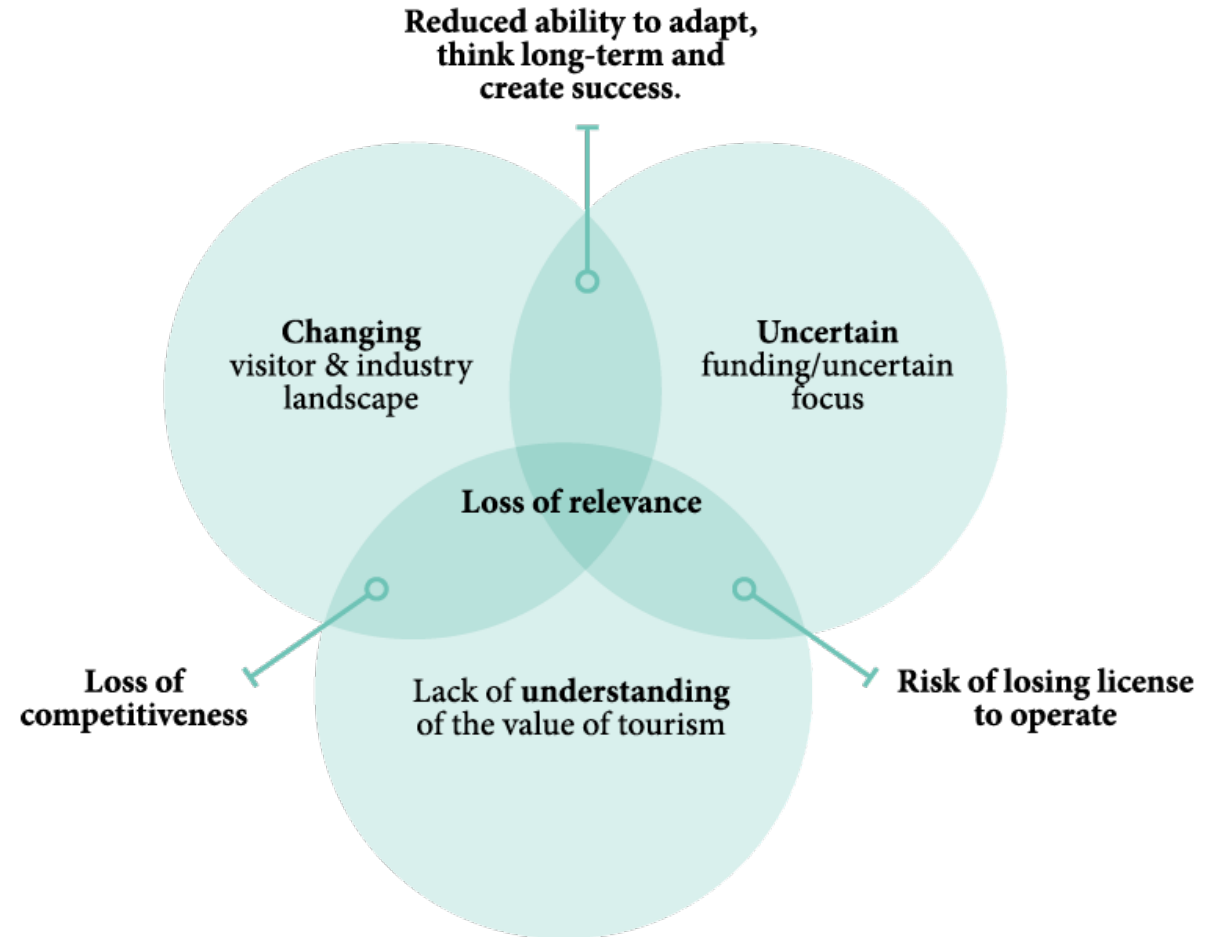
 **Place** Generation


KAREY
KAPU

SMARinsights

'THE HAWAI'I CHALLENGE'

The current challenges for both HTA and Hawai'i cannot be answered successfully with small fixes.



RECOMMENDATION 1

Restructure HTA as a Destination Stewardship Organization.

Advantages of Destination Stewardship

Private Sector Benefits

- Compete on a level playing field
- Receive government support
- Connect with destination needs (CSR)
- Coopetition with other businesses for mutual benefit
- Protected products and investments as destination quality is preserved
- Access to new, innovative or authentic products
- Postive community relations
- Less - or more efficient - regulations
- More resilant supply chains
- Postive customer experiences
- Networking opportunities

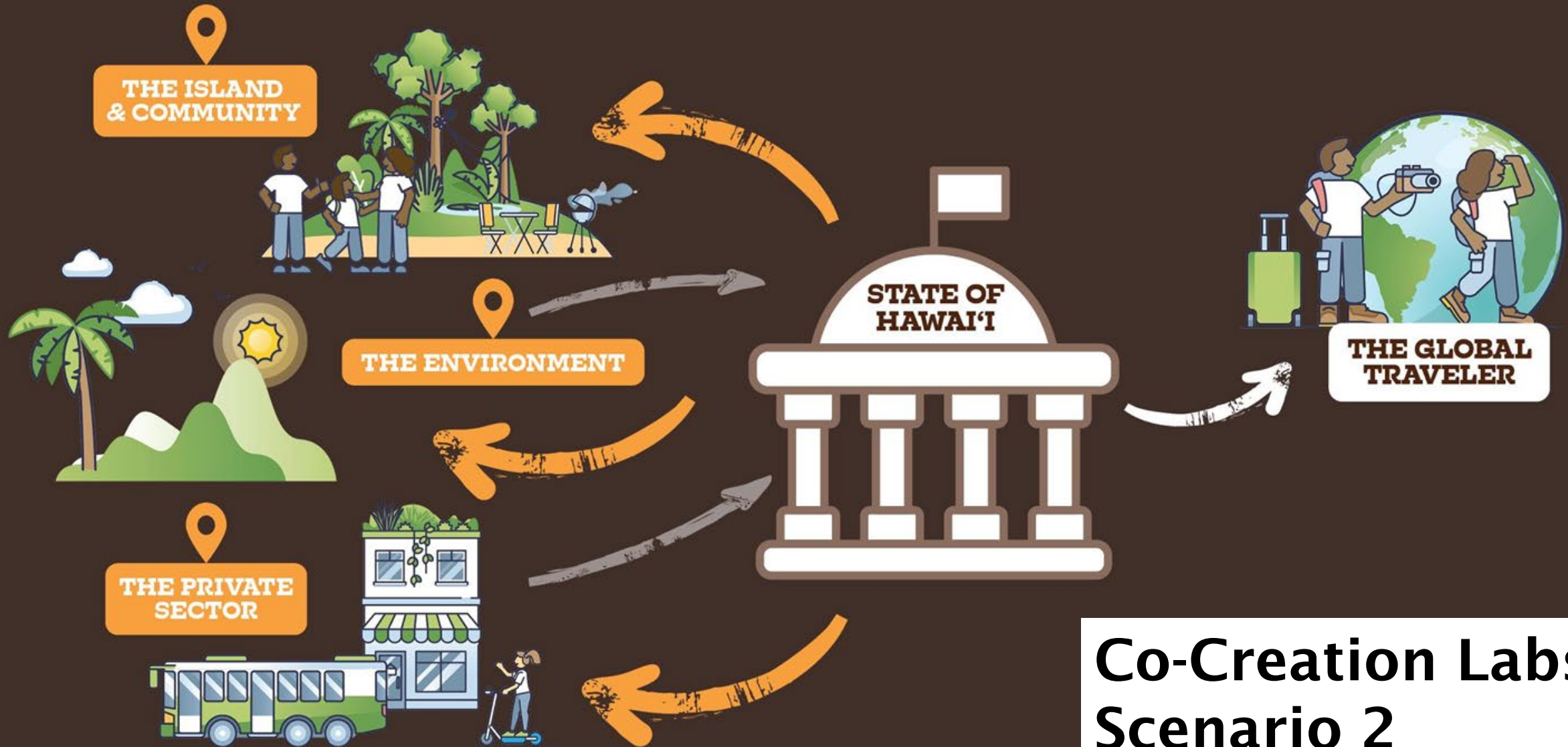
Public Sector Benefits

- A mandate for destination management
- Shared resources/accountability
- Postive community relations
- Private sector sommitment to change
- Backing for investment in new infastructures
- Successful diversification of products and markets
- A more resilient visitor economy
- Enhanced destination image
- Improved liveability

Community Benefits

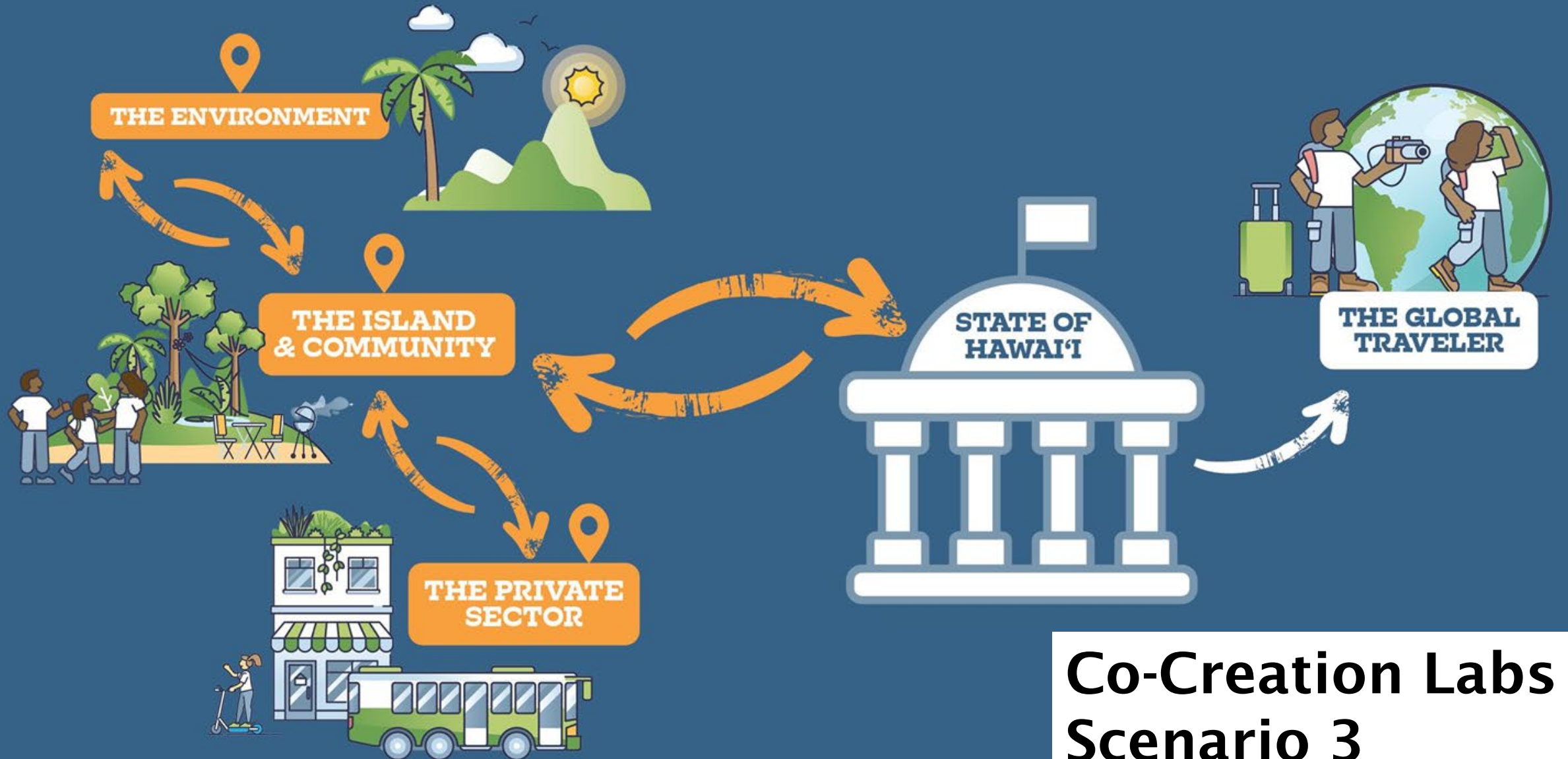
- Strong voice in development processes
- Improved quality of life
- Diverse amenities
- Inclusive opportunities for employment and entrepreneurlism

THE 'DESTINATION' FOCUSED TOURISM SCENARIO



**Co-Creation Labs
Scenario 2**

THE 'COMMUNITY' FOCUSED TOURISM SCENARIO





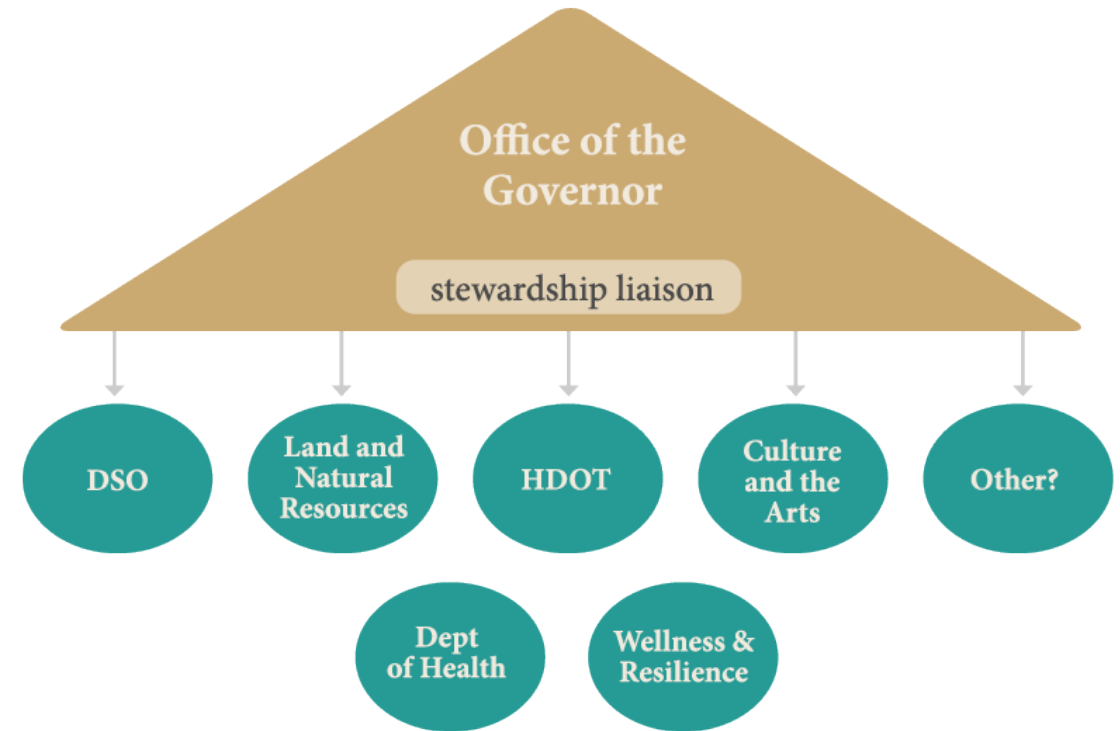
THE DIFFERENCE THIS WOULD MAKE

- **HTA can be relaunched as an exemplary State agency**, thoroughly aligned with priorities expressed by stakeholders and legislative overseers.
- This new focus is **highly consistent with the direction of SB3364**: for HTA to ‘follow destination management practices and integrate regenerative tourism.’
- **Hawai‘i would be restored as a global leader**: the first U.S. state tourism agency to integrate the collaborative practices of destination stewardship into every aspect of its mission.

RECOMMENDATION 2

A NEW STATE ROLE: STEWARDSHIP LIAISON

- Many have looked to HTA to solve a multitude of problems, including some beyond the means of a single agency to address.
- High-level oversight from the Governor's Office will provide leadership to drive multi-agency solutions for a multitude of complex issues.



RECOMMENDATION 3

OPTIONS FOR ORGANIZING

- Reorganize the DSO either as a nonprofit (RECOMMENDED OPTION) or as a cabinet-level agency to place it at the highest level of state government.
- The state's largest industry appears deprioritized in state government today.
- The three best-funded state-level tourism agencies in the U.S. are all nonprofits.





RECOMMENDATION 5

STRATEGIC OVERSIGHT: HAWAI‘I DESTINATION STEWARDSHIP COUNCIL

Broadening the scope:

- **From a focus on ONE organization’s strategy** (and internal operations) to strategically overseeing a whole tourism system.
- **Guiding strategy and policy making**, monitoring implementation of the DMAPs.
- **Advocating for stewardship** among their own constituencies + addressing needs.

Inviting more voices to the table

- **ADDING:** Nonprofits, four legislators.
- **HORIZONTAL COLLABORATORS:** Non-voting, ex-officio members include leaders of state agencies with missions intersecting the health of the tourism economy — DLNR, DBEDT, arts & culture, agriculture, transportation + the Stewardship Liaison.
- **VERTICAL COLLABORATORS:** Chairs of Island Destination Stewardship Councils

RECOMMENDATION 6

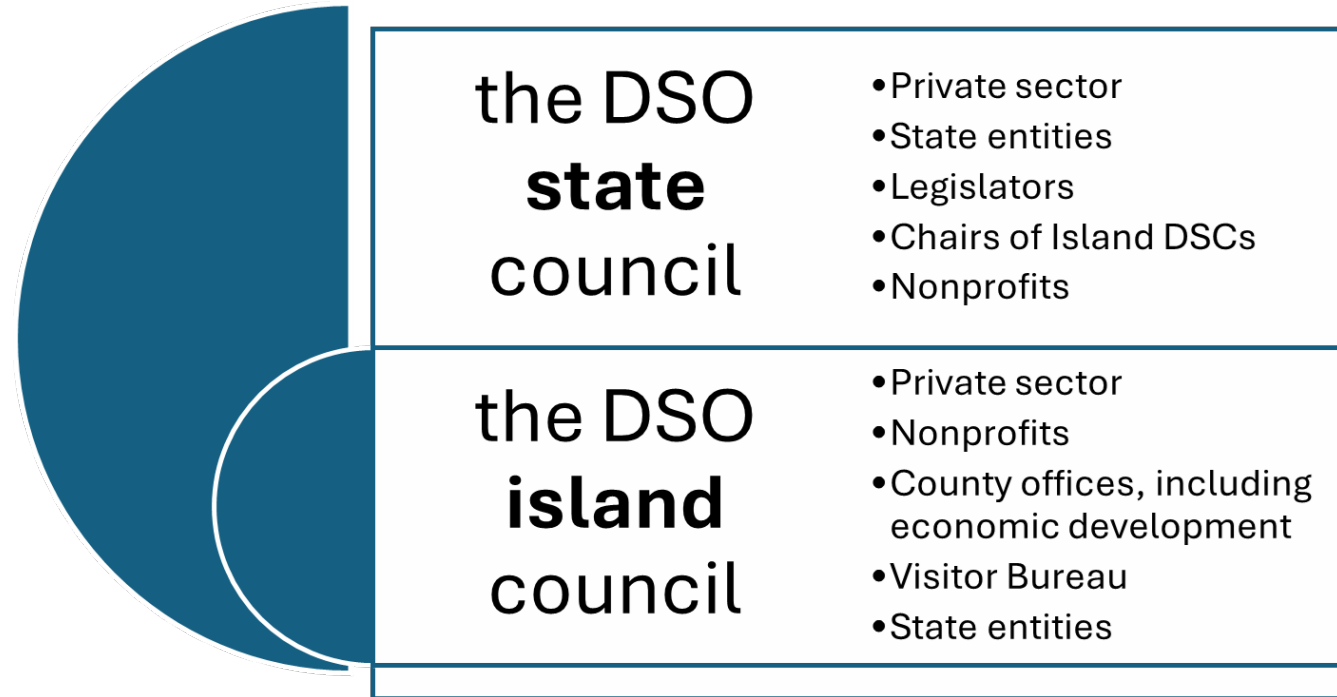
STRATEGIC OVERSIGHT: ISLAND DESTINATION STEWARDSHIP COUNCILS

Recognizing island voices

A mirrored structure for the DSO's local counterparts + mutual representation.

The DMAPs are empowered by:

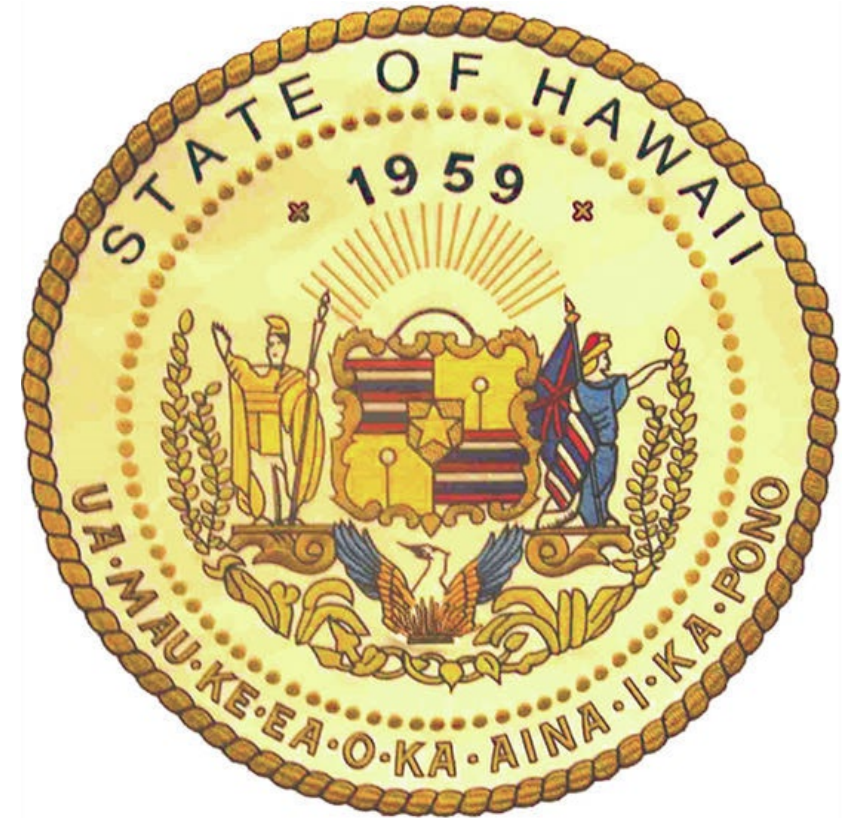
- A DSO Stewardship Manager.
- Ongoing guidance from Councils at both the state and local level.
- Multi-year grants (or contracts) to implement top priorities identified in an annual plan.



RECOMMENDATION 7

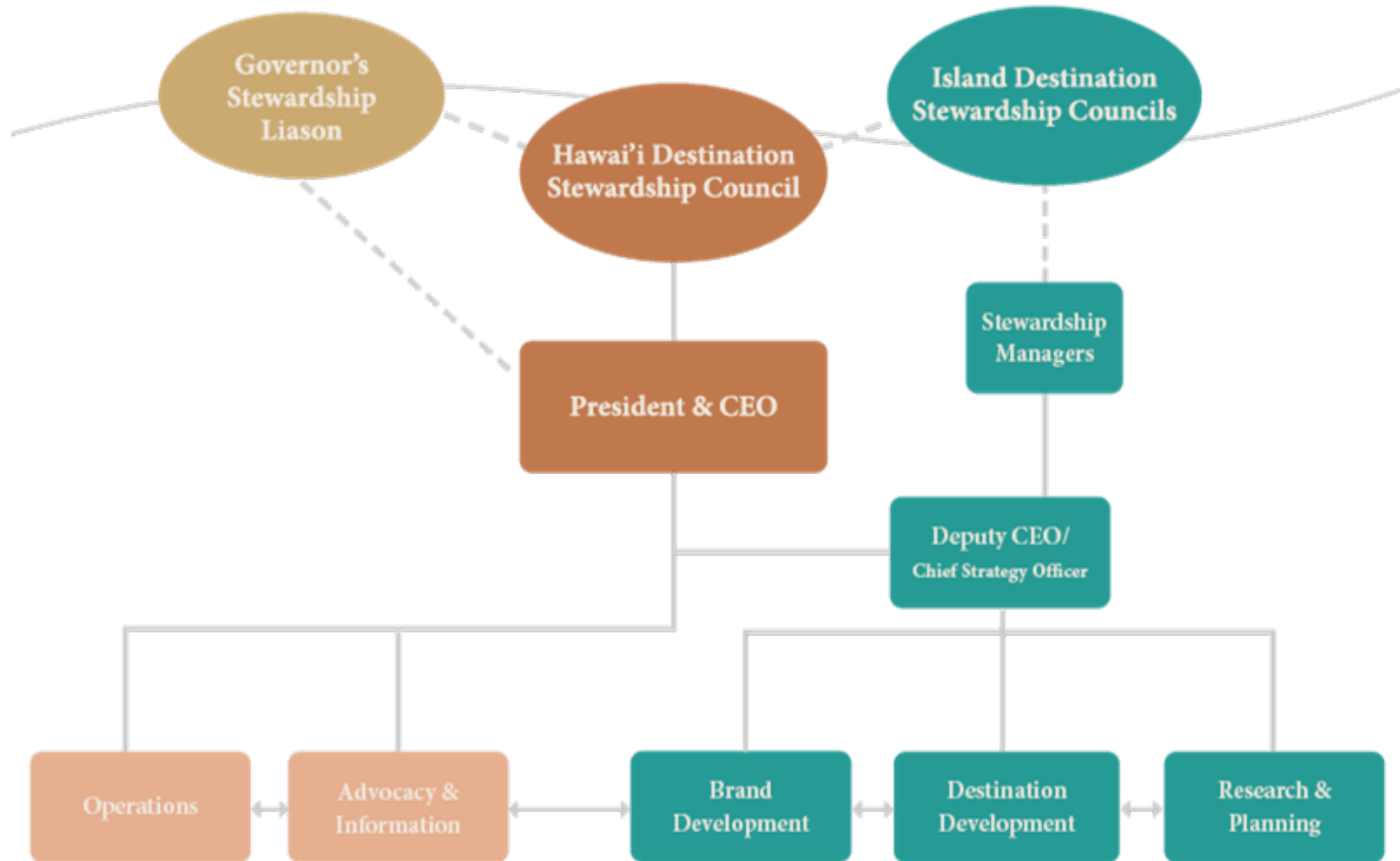
A PREDICTABLE SOURCE OF REVENUE

- Three funding options.
- All start from HTA's baseline FY2024 budget of \$60 million.
- All provide opportunities for the budget to grow over time.
- Funding for a nonprofit is proposed to be housed within the Governor's budget.



RECOMMENDATION 8

DESTINATION STEWARDSHIP GOVERNANCE



RECOMMENDATION 9

A NEEDED POLICY

- Create more transparency around the Transient Accommodations Tax.
- The viability of a tourism economy is at risk when residents do not experience or understand the value of tourism.
- If people see only the impacts of tourism and not the benefits, it is only natural for them to protest.



RECOMMENDATION 10

EMPOWER HTA TO LEAD

- Grant HTA a broad mandate:
‘The purpose of the HTA is to deliver a thriving tourism economy that addresses local priorities, creates opportunities, and improves Hawai‘i’s unique assets through ongoing collaboration.’
- Address checks and balances in the statute.
- Draft of proposed language is attached as Appendix I.



RECOMMENDATION 11

MAKING THE TRANSITION

A BLUE RIBBON COMMISSION

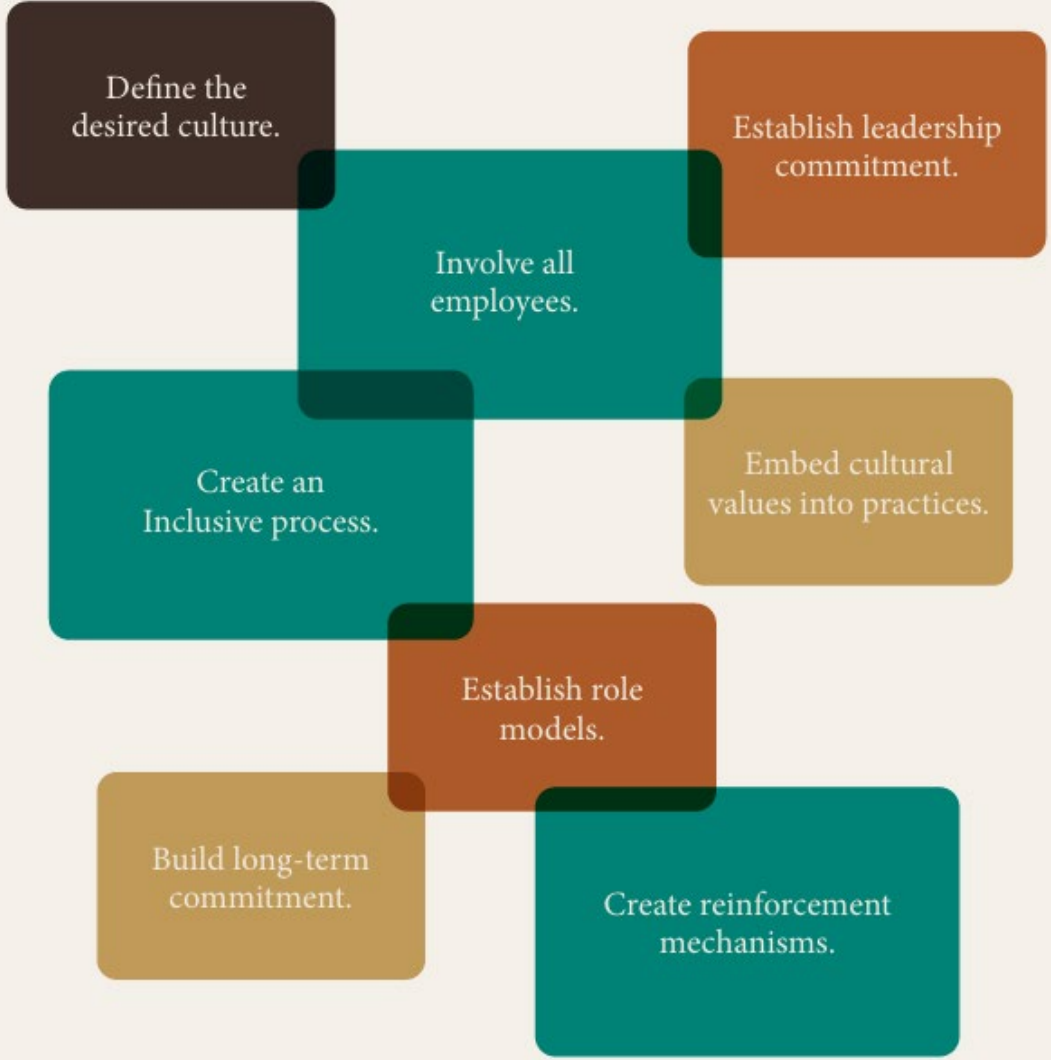
- To create a productive forum for further discussion.
- It likely will take years — a minimum of two years — to fully implement the recommendations.
- Before moving ahead, it will be important to test support for the recommendations.
- Though beyond the scope of this assignment, a cost analysis of various actions will be important to drive decision-making.





CREATING CULTURE

THE ESSENTIAL BUILDING BLOCKS



CULTURE CHANGE

‘Culture eats strategy for breakfast’ — Peter Drucker

A successful transition will require a new culture. This is a task for everyone, but especially for:

- The Hawai‘i DS Council
- The President and CEO



**MAHALO
AND ALOHA**