



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

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

**PŌ'AHĀ, 27 PEPELUALI 2025, 9:30 a.m.  
THURSDAY, FEBRUARY 27, 2025 AT 9:30 AM**

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

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

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

Meeting will be live streaming via Zoom.

<https://us06web.zoom.us/j/88341105215>

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

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

**Kelepona / Call In: +1 669 444 9171 US  
Helu Hālāwai / Webinar ID: 883 4110 5215**

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

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

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

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

**PAPA KUMUMANA'O**  
**AGENDA**

1. *Ho'omaka*  
**Call to Order**
2. *Kikolā*  
**Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic**
3. *Wehena*  
**Opening Protocol**
4. *Hō'ike O Nā Hālāwai 'Ae 'Ia*  
**Report of Permitted Interactions at Informational Meetings or Presentations Not Organized by the Board Under HRS section 92-2.5(e)**
5. *'Āpono Mo'olelo Hālāwai*  
**Approval of Meeting Minutes of the January 17, 2025 Special Board Meeting and January 30, 2025 Regular Board Meeting**
6. *Hō'ike A Ka Luna Ho'okele*  
**CEO Report**
7. *Hō'ike A Ka Luna Ho'omalū*  
**Board Chair Report**
8. *Hō'ike, Kūkā A Ho'oholo No Nā Hana Hokona 'Amelika 2025\*\*\**  
**Presentation, Discussion, and Action on a Plan for \$6.3 Million to HTUSA to be Focused on Maui Recovery Efforts\*\*\***
9. *Hō'ike A Ka Hui Kūkā 'Aha'olelo*  
**Report and/or Action by the LEGISLATIVE PERMITTED INTERACTION GROUP**
  - a. *Kūkākūkā a Ho'oholo No Ka Palapala Ho'oholo 2025-01*  
**Discussion, and Action on Board Resolution 2025-01 for the Delegation of Authority to Present Policy Positions**
10. *Hō'ike A Ke Kōmike Alowelo*  
**Report and Update by the BRANDING STANDING COMMITTEE**
  - a. *Hō'ike'ike a Kūkā no ka Nūhou no nā Hālāwai, Kikowaena, Papahana Mākeke, a me nā Hana o ke Kikowaena Hālāwai o Hawai'i a me nā Loa'a Kūloko*  
**Presentation and/or Discussion Regarding an Update on the Meetings, Conventions and Incentives Market Activity and Pace Report, and Hawai'i**

## **Convention Center Activity and Local Sales with Meet Hawai'i**

11. *Hō'ike'ike A Ka Papahana Mālama 'Āina Ho'okipa*  
**Presentation on HTA Destination Stewardship Programs**
12. *Hō'ike'ike Noi'i 'Oihana Ho'okipa*  
**Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets**
13. *Hō'ike A Ke Kōmike Mo'ohelu Kālā, 'Oihana Kālā, A Me Ke Kikowaena Hālāwai*  
**Report and Update by the BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE**
  - a. *Noi, Hō'ike'ike, Kuka, a Ho'oholo i ka Mo'olelo Kālā no Kekemapa 2024*  
**Motion, Presentation, Discussion, and Action on the Hawai'i Tourism Authority's (HTA) January 2025 Financial Report; Recommend Approval**
  - b. *Hō'ike'ike, Noi, Kūkā, a Ho'oholo i ka Mo'olelo Kālā a me ka Papa Hana Ho'oponopono o ke Kikowaena Hālāwai o Hawai'i no Kekemapa 2024*  
**Motion, Presentation, Discussion, and Action on the Hawai'i Convention Center's (HCC) January 2025 Financial Report and Update on the HCC's 6-Year Repair and Maintenance Plan; Recommend Approval**
  - c. *Hō'ike'ike, Noi, Kūkā, a Ho'oholo i ke Kū'ē Lula Mo'ohelu Kālā*  
**Motion, Presentation, Discussion, and Action on Budget Exceptions for Program BED114 (HTA Branding and Marketing)**
  - d. *Nūhou no ke Noi i ka 'Aha'ōlelo i Pili i ka Mo'ohelu Kālā Kū Makahiki 'Elua o ka 2025-2027*  
**Presentation, Discussion, and/or Action on the Status Update on the Fiscal Biennium 2025-2027 Budget Request to the Legislature**
  - e. *Nā Waihona Kālā Lohi: ka Nūhou, Papa Hana, Lawelawe, a Palapala 'ana*  
**Discussion on HTA Past Due Accounts and Procurement Violations**
14. *Hō'ike A Ke Kōmike Ho'okele A Hō'ōia Ke'ena*  
**Report and Update by the ADMINISTRATIVE & AUDIT STANDING COMMITTEE**
  - a. *Kūkākūkā A Ho'oholo No Nā Kānāwai Ke'ena*  
**Discussion and/or Action on Modification of Bylaws of the Hawai'i Tourism Authority**

**15. Noi, Kūkā, a Ho'oholo i Ho'okumu i Hui Noi'i Loiloi Luna Ho'okele  
Motion, Discussion, and Action to Create a CEO Evaluation Permitted Interaction  
Group to Implement the Evaluation for the HTA President and CEO**

- a. **Kūkā a Ho'oholo I Nā Alaka'i E Ho'okuleana 'Ia E Komo I Ka Hui Noi'i Loiloi Luna  
Ho'okele a Koho I Luna Ho'omalua a Luna Ho'omalua Hope  
Discussion and Action on the Assignment of Board Members to the CEO  
Evaluation Permitted Interaction Group and Action to Elect Chair and Vice  
Chair**

**16. Hō'ike Holomua A Ka Hui Noi'i 'Imi Luna Ho'okele\*\*  
Progress Update from the CEO Permitted Interaction Group to Assist in the  
Selection Process for the Position of President and CEO of the Hawai'i Tourism  
Authority\*\***

**17. Ho'oku'u  
Adjournment**

\*\*\* 'Aha Ho'okō: Ua hiki i ka Papa Alaka'i ke mālama i kekahi hālāwai kūhelu i kū i ka Hawai'i Revised Statutes (HRS) § 92-4. E mālama 'ia kēia hālāwai kūhelu nei ma lalo o ka § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) no ka pono o ko ka Papa Alaka'i kūkā a ho'oholo 'ana i nā nīnūnē a nīnau i pili i ko ka Papa Alaka'i kuleana me ko ka Papa Alaka'i loio. He hālāwai kūhelu kēia i 'ole paulele 'ia ka 'ikepili a i mea ho'i e mālama kūpono ai i ko Hawai'i 'ano, he wahi i kipa mau 'ia e nā malihini.

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

*Ma lalo o ka māhele 531.5 o ka Budgetary Control Accounting Manual, Moku'āina 'o Hawai'i, he māhele ka 'aina awakea o ka hālāwai. E mau ana ka hālāwai ma loko nō o ka 'ai 'ana, 'a'ole ho'i ia he wā ho'omalolo.*

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

*Inā he lawelawe a mea like paha e pono ai ke kīnānā, e ho'oka'a'ike aku me Carole Hagihara-Loo ma (808)-973-2289 a ma ka leka uila e like me ka wikiwiki i hiki, 'a'ole ho'i a ma 'ō aku o ka 'ekolu lā ma mua o ka hālāwai. Inā 'ike 'ia he noi i ka lā ma mua o ka hālāwai, e ho'ā'o mākou e 'imi i ka lawelawe a mea like paha, 'a'ole na'e ho'i e hiki ke ho'ohiki 'ia ke kō o ua noi lā. Ua noa pū kēia ho'olaha ma nā kino 'oko'a e like me ka mea pono.*

If you need an auxiliary aid/service or other accommodation due to a disability, contact Carole Hagihara-Loo at (808) 973-2289 or [carole@gohta.net](mailto:carole@gohta.net) as soon as possible, preferably no later than 3 days prior to the meeting. **Requests made as early as possible have a greater likelihood of being fulfilled.** Upon request, this notice is available in **alternative/accessible** formats.

*E like nō me ka 'ōlelo o ke Kānāwai Hawai'i i ho'oholo 'ia māhele 92-32.7, 'a'ole e mālama ana ke Ke'ena Kuleana Ho'okipa o Hawai'i i kekahi wahi ka'awale no ka lehulehu a lālā papa alaka'i e nānā a e komo ai i ka hālāwai ma ka ho'ohana i ka 'enehana komo hālāwai, no ka mea, hiki nō i ka po'e o ka lehulehu a lālā papa alaka'i ke nānā a komo pū ma ka hālāwai hō'ea kino.*

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

# **5**

## **Approval of Minutes of the January 17, 2025 Special Board Meeting and January 30, 2025 Regular Board Meeting**



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

**SPECIAL BOARD MEETING  
HAWAII TOURISM AUTHORITY  
Friday, January 17, 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 SPECIAL BOARD MEETING**

**MEMBERS PRESENT:**

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

**MEMBERS NON-PRESENT:**

Todd Apo, Chris West

**HTA STAFF PRESENT:**

Daniel Nāho'opi'i, Kalani Ka'anā'anā, Isaac Choy, Ilihia Gionson, Iwalani Kūali'i Kaho'ohanohano, Jadie Goo, Carole Hagihara, Amalia Kartika, Kindsday Sanborn

**LEGAL COUNSEL:**

John Cole

**1. Call to Order**

Chair Hannemann called the meeting to order at 9:33 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**

Ms. Kaho'ohanohano did the roll call, and all Board members were in attendance, except for Mr. Apo and Mr. West who were excused. Members who attended via Zoom were by themselves.

### **3. Opening Protocol**

Mr. Ka'anā'anā did the opening cultural protocol.

### **4. Board Chair Report**

Chair Hannemann said the HTA participated in the legislative session through DBEDT in two informational briefings for the House Finance Committee and Ways and Means Committee. It was good to see a lot of the members in attendance. He reported a new member of the HTA. Gov. Green appointed Ms. Lisa Paulson from Maui. She has a long history of working with the Maui Hotel and Lodging Association. She also worked with the hospital and is currently with the Maui Food Bank. He gave the floor to Ms. Paulson. Ms. Paulson said she is honored to be working with everyone. She cares deeply about her community. Food distribution on Maui has increased 65% since the fires.

### **5. Discussion and Action on the Assignment of Board Members to Committees**

### **6. Action to Elect Chair and/or Vice-Chair to the Branding Standing Committee**

Chair Hannemann mentioned bidding farewell to Mr. Miyasato who moved to Las Vegas. He brought up a few assignments for the Board's approval:

- The Branding Standing Committee - there is a vacancy. They proposed adding Ms. Paulson to fill the vacancy. Mr. McCully made a motion, and Mr. White seconded. There was no discussion. Ms. Kaho'ohanohano did the roll call. The motion passed unanimously.
- Selection of the chair for the Branding Standing Committee - Chair Hannemann nominated Mr. Pfund. Ms. Paishon made a motion and Mr. McCully seconded. There was no discussion. Ms. Kaho'ohanohano did the roll call and the motion passed unanimously.
- Nominating a vice-chair of the Branding Standing Committee. Chair Hannemann recommended Ms. Agas as the vice-chair. Mr. McCully made a motion, and Mr. White seconded. Ms. Kaho'ohanohano did the roll call, and the motion passed unanimously.
- Ho'okahua Hawai'i Standing Committee. Chair Hannemann wanted to step down as chair of the committee. He nominated Ms. Paulson to replace him. Ms. Paishon made a motion, and Ms. Iona seconded. Ms. Kaho'ohanohano did the roll call, and the motion passed unanimously.
- Vacancy on the Budget, Finance, Convention Center Standing Committee - Chair



Hannemann recommended appointing Ms. Iona. Mr. Pfund made a motion, and Mr. Paishon seconded. There was no discussion. Ms. Kaho'ohanohano did the roll call, and the motion passed unanimously.

- Chair Hannemann called on Mr. McCully for the Administrative and Audit Standing Committee (AASC). There was a recommendation regarding the vice-chair of the committee. Mr. McCully said the committee met the previous day and recommended Mr. Arakawa as the vice-chair. Mr. White made a motion, and Ms. Paishon seconded. Ms. Kaho'ohanohano did the roll call, and the motion passed unanimously.

## **7. Report by the 2025 Legislative Permitted Interaction Group (PIG) of their Meeting Held on January 16, 2025**

### **a. Motion, Discussion, and Action to Adopt Board Resolution 2025-01 for the Delegation of Authority to Present Policy Positions**

Mr. Apo was excused. Mr. Nāho'opí'i said they had a resolution. The legislative PIG met the previous day and worked on the Board resolution for delegating authority to present policy positions. The recommendation or proposed resolution was circulated and presented on the screen. He asked for a motion to adopt the resolution. Mr. McCully made a motion, and Ms. Paishon seconded.

Mr. Nāho'opí'i said they would go through parts of the resolution. The PIG also instructed the staff to come up with two other position statements that they would introduce, and the motion could be amended at that time. For information purposes, the resolution is required to identify the positions, but it falls under a different requirement than they have for their other research one. He gave the floor to AG Cole.

AG Cole said there are two different kinds of PIGs in the sub-section of the Statute. One is the Investigative PIG, where there is a three-meeting role where the work is done, and then the other reports back to the Board. They then have the third meeting and might take action on the report. This is a separate legislative PIG under that sub-section. That allows a PIG to present, discuss, and negotiate positions that the Board has approved. It is broad, and if more specific things come up, the Board can adjust the policies positions as appropriate.

Mr. Nāho'opí'i went to the fourth paragraph. He explained the resolution. "The first, be it resolved that the Board of Directors hereby authorizes its President/CEO and its designee, its Board chair and its designee, and/or the chair of the legislative PIG to represent the HTA in communications with the executive branches of the state and county government."

This was proposed at the previous day's meeting. Following that would be the various positions that the PIG currently had stated.

Mr. McCully said his first concern was in the sixth sentence about the policy positions decided by the Board. "Decided" is not official and should be replaced by "adopted". He said these positions should be official and identified as such. He said the PIG does not have a place in establishing the policy positions. The question would be - who does? He said there is a gap in the process, and they could either modify the charter of the PIG or use the Administrative and Audit Standing Committee. The charter in the bylaws states that the committee shall also be responsible for matters relating to governmental affairs. That is also why he recommended the previous day that the chair of the AASC would have the same designation of representing the Board to the legislature. The Board needs clarity on how this will be presented so they can take an official position such that the PIG can move forward to the legislature and represent those positions. Mr. Nāho'opi'i said that was discussed in the PIG meeting the previous day. The PIG had recommended that the process would be that the AASC would make recommendations to the full Board for positions as they come up throughout the year, which would be put into the resolution going forward.

Mr. McCully said that when they see the Bills the following week, they need to be able to take positions by February 2025 to act on the critical Bills.

Dir. Tokioka asked Mr. Nāho'opi'i to help him understand the new resolution. He asked what the purpose of the new resolution was. Mr. Nāho'opi'i said they introduce the resolution every year as it forms the purpose and reasoning for establishing a legislative PIG. It has to have positions taken by the Board. Every year they need to authorize the positions. They have been modified over the years. This allows the PIG to work with the staff to craft either legislation or testimony based on the positions. They do this annually; the other expired at the end of 2024.

Chair Hannemann said this resolution was authored by Mr. Apo. Dir. Tokioka said that they could deal with almost every bullet point in the session. Mr. Pfund said they all seem pretty general, but it seems there is something within the goals and policy positions that would be objectionable. He asked if everyone feels that it is something that the Board should be supporting in a legislative type of discussion. From his standpoint, he said that as long as the general goals align with everyone's thoughts, he would favor pushing them forward. Mr. Choy said it was his understanding that AG Cole said when they make a resolution, they must have some policy positions, which is why Mr. Apo made it generic. He could not understand why they needed policy positions at this time. AG Cole said it was because of the statutory language for Legislative PIGs, which are supposed to represent only the positions the Board has adopted. Mr. McCully asked for it to be amended to thematic rather than generic.

Mr. Nāho'opi'i said the staff would like to present two other position statements to be added to the document. Ms. Paishon clarified that they, as the AASC, asked to develop this further. Mr. Nāho'opi'i said the first one concerned Destination Stewardship. Mr. Ka'anā'anā was asked after the legislative PIG to draft a more concise statement that was focused on Destination Stewardship. His recommendation aligned with the first three pillars: Natural Resources, Hawaiian Culture, and Community.

Mr. Nāho'opi'i said the second bullet addresses the fact that the Governance Study was completed the previous year and that there is a Governance Study PIG. They will be working through the issues and recommendations outlined in the reports and the final recommendations. As the Governance PIG comes up with priorities and recommendations, they will present them to the Board to be added to the position. Mr. McCully said this is what they were interested in having included. He asked how the Governance Study will be delivered to the legislature. Mr. Nāho'opi'i said they will have to discuss that at the following week's PIG. Copies of the study are also posted publicly.

Mr. Nāho'opi'i asked for a motion to amend the resolution as presented to include the two additional positions. Mr. McCully said he would like it to include his proposed amendment, with the correct language and wording as mentioned earlier.

Mr. Choy asked what number was at the top. Mr. Nāho'opi'i said it was the resolution number. Mr. McCully made a motion, and Ms. Agas seconded. Ms. Kaho'ohanohano did the roll call, and the motion passed unanimously.

Chair Hannemann said he failed to note another recommendation he wanted to make when they were doing the committee assignments. He wanted to nominate Mr. Chris West as the vice-chair of the committee. Ms. Paishon made a motion, and Mr. McCully seconded. Ms. Kaho'ohanohano did the roll call, and the motion passed unanimously.

Mr. Choy said that the previous day at the meeting, the chair of the AASC committee invited Board members and staff to make suggestions for changes in the HTA bylaws, and if there were any suggestions, they were to forward them to him.

## **8. Adjournment**

The meeting adjourned at 10:07 a.m.

Respectfully submitted,

*Sheillane Reyes*

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Sheillane Reyes  
Recorder



Ke'ena Kuleana Ho'opipa O Hawai'i  
1801 Kalākaua Avenue  
Honolulu, Hawai'i 96815  
**kelepona** tel 808 973 2255  
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hawaii tourismauthority.org

**REGULAR BOARD MEETING  
HAWAII TOURISM AUTHORITY  
Thursday, January 30, 2025, 9:30 a.m.**

**Hybrid In-Person & Virtual Meeting**

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

**MINUTES OF THE REGULAR BOARD MEETING**

**MEMBERS PRESENT:**

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

**MEMBERS NOT PRESENT:**

**HTA STAFF PRESENT:**

Daniel Nāho'opi'i, Kalani Ka'anā'anā, Isaac Choy, Talon Kishi, Caroline Anderson, Jadie Goo, Ilihia Gionson, Iwalani Kūali'i Kaho'ohanohano, Carole Hagihara, Amalia Kartika

**GUESTS:**

Jennifer Chun, Teri Orton, Alison Schaefer, Jeffrey Eslinger, Lei-Ann Field, Kara Imai, Jay Talwar, Carmela Resuma, Kai'ini Arnaydo, Tyler Gomes, Jessica Lani Rich, Mailikapu Heanu, Peter Asing, Darlene Morikawa, Aaron Salā

**LEGAL COUNSEL:**

John Cole

### **1. Call to Order**

Chair Hannemann called the meeting to order at 9:32 a.m.

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

Mr. Gionson did the roll call, and all Board members were in attendance except for Vice Chair Paishon, Ms. Agas, Mr. Apo, Mr. Arakawa, Mr. West, and Mr. Apo attended via Zoom.

### **3. Opening Protocol**

Mr. Gionson 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 December 19, 2024 Regular Board Meeting**

Mr. McCully made the motion to adopt the minutes, and Vice Chair Paishon seconded, and the motion passed unanimously.

### **6. CEO Report**

Mr. Nāho'opi'i acknowledged and welcomed the new Board member, Ms. Paulson.

Mr. Nāho'opi'i reminded Board members that they had been provided with a copy of the Chief Executive Officer's Report, which had also been uploaded to the website. He noted that the monthly report always emphasized the HTA's long-term strategy, as follows:

- For the first year, the focus would be on stabilization and recovery, including rebuilding the international market. These issues would be addressed in the report.
- Over the next two to three years, the strategy would be to continue to manage tourism through island-based destination management, which would enable a better understanding of the impact of the visitor industry on residents of each island at the local level. Mr. Nāho'opi'i noted that this was especially pertinent now that destination management had been defined as part of the *kuleana* of the HTA, along with establishing five new positions at the island level.
- Subsequently, the strategy would be to ensure that transformation was maintained. It was important for the visitor industry to align with visitor expectations and with destination management for sustainability. This would ensure that the regenerative

tourism model would provide benefits for both residents and visitors. This would include the development of more products and better experiences for visitors.

Mr. Nāho'opi'i informed Board members that his report highlighted issues aligned with the five-year plan. A new contract administrative manager, Ms. Amalia Kartika, had been hired, and was present at the Board meeting, having started work in December 2024. Ms. Kartika was responsible for reporting program progress to the Chief Administrative Officer (CAO).

The HTA had recruited and interviewed several candidates for destination manager posts and had either hired staff or made conditional offers to fill all the island positions. Work was in progress to establish offices on each island.

Mr. Nāho'opi'i informed Board members that efforts had been made to stabilize the domestic market and rebuild international markets. The international Expedia campaign that had been presented at the previous month's Branding Standing Committee (BSC) was performing well, and the report outlined some preliminary results. This campaign leveraged federal funds through Brand USA to stimulate short-term international recovery. International travel trade was expected to be improved by developing a multi-language international travel trade portal through Brand USA.

Mr. Nāho'opi'i reminded Board members that many Asia markets had been closed to outbound travel for an extended period, necessitating the training of new travel agents. Many of these new agents had not sold Hawai'i products over the previous two or more years, requiring significant training in the travel trade and use of media. The Brand USA portals would assist Brand USA international representatives and global Hawai'i Tourism teams.

Mr. Nāho'opi'i informed Board members that efforts to establish destination managers on each island were being optimized, with the expectation that all five positions would be filled, and their offices established by March 2025. The HTA was working closely with the Department of Administration and General Services. The two destination managers already in place had been very active, working with the County and island visitor bureaus and other agencies to initiate the planning process for the HTA strategic plan.

Mr. Ka'anā'anā added that the destination managers for O'ahu and Molokai were to begin work on February 3, 2025. The Hawai'i Island destination manager had been given a conditional offer to begin on March 24, 2025.

Mr. Nāho'opi'i explained that Mr. Ka'anā'anā would elaborate on the realization of the regenerative tourism model. Mr. Nāho'opi'i highlighted a success: the first community tourism collaborative for stewardship and regenerative experiences had concluded at the end of 2024. This marked a shift to regenerative tourism by providing extra support and technical assistance to good organizations and businesses, enabling them to become market-ready and influence visitor experiences in the future.

Despite such successes, the current situation still had to be addressed. Economic reports submitted to the State Senate and House, as well as newspaper reports, indicated that the economic recovery of tourism was only 95% compared to pre-pandemic levels, with Japan at 45% and Canada at 80%. Ms. Chun's presentation provided more details and showed that funding was required to develop new strategies to address these issues.

Informational briefings highlighted the overall weakness in the state's recovery, particularly where Maui was concerned. The economist Carl Bonham mentioned the crisis in marketing to Maui and enabling Maui businesses to recover. Employment in Maui was only at 88% of the pre-pandemic level, and many workers had moved away to seek employment. O'ahu's recovery had also suffered from the lag in the recovery of international markets, which had hindered daily cash flow for staff payments for restaurants, shops, activities, and hotels, as well as the small businesses that sustained residents.

Mr. Nāho'opi'i reminded Board members that the Board had created a Maui recovery plan at the end of 2023. Many of the actions in this plan were still applicable, but funding was needed. Collaboration with the County and State was essential, focusing on marketing and infrastructure development for the long-term recovery of visitor experiences.

However, in terms of areas of focus, the outlook remained positive, as shown by the fact that world economic growth indicated positive recovery for all of Hawai'i's major market areas. Given the presence of energy and demand, appropriate campaigns in those markets would attract the right kind of visitors. Additional presentations would illustrate possible actions in the U.S. market and the expected recovery for Japan and Canada during the following months; both markets showed positive economic growth.

Mr. Nāho'opi'i pointed to Hawai'i's need to encourage visitation from these countries as their economies improved. Studies presented over recent years have demonstrated that each dollar spent on advertising generated a \$34 return on investment (ROI) in overall tax revenues for both State and County, and this did not include specific short-term recovery campaigns.

The legislature had heard the HTA's message and had approved a budget providing resources for recovery. The programs proposed included strategic marketing saturations and investment in workforce development to correct the decline in the visitor industry workforce. The budget also allowed flexibility in responding to potential future disasters and economic changes, such as the Los Angeles wildfires.

However, Mr. Nāho'opi'i added that although the current executive budget that had been presented was a good one, it only permitted current actions to be maintained. The budget did not provide for major initiatives nor enable recovery with adjustments to change conditions.

Mr. Nāho'opi'i emphasized that the long-term goal was focused on transforming the visitor industry in Hawai'i into a regenerative tourism model.



Vice Chair Paishon requested a review of the slide showing world economic growth.

Mr. Nāho'opi'i responded that the slide showed year-on-year gross domestic product (GDP) growth in all major source markets where promotions and activities were conducted. The predicted improvement of these economies over the next two years indicated the availability of disposable income, leading to a demand for travel. Some Asian markets had previously experienced negative growth, but the GDP growth implied potential for the Japan market. It was important for Hawai'i to capitalize on this and increase marketing activities before other destinations attracted these travelers.

Mr. Arakawa expressed his surprise that Mr. Nāho'opi'i had not emphasized the final paragraph of the CEO report stating that the HTA was to participate in the hotel charity walk. He also inquired whether Chair Hannemann was aware of the T-shirt contest and pointed out that the Chair had some influence over this contest.

Mr. Nāho'opi'i acknowledged Ms. Anderson's recent international accolade, the J. Desmond Slattery Professional Marketing Award by the Travel and Tourism Association International, which she had received two days previously.

Mr. Apo requested confirmation that the 95% recovery referred to pre-pandemic levels and asked if a specific target for recovery had been set. He inquired whether the goal was to reach 100%, 150%, or 90% recovery, considering that there had been excessive tourism in the past.

Mr. Nāho'opi'i responded that the targets that had been set for the HTA's global marketing partners had been based on expenditure rather than total numbers. The goals for 2025 and 2026 were overall increases in year-on-year spending of 1.4% and 4%, respectively.

Mr. Apo asked whether these targets were relative to pre-pandemic levels, and Mr. Nāho'opi'i confirmed that this was the case, with goals adjusted for inflation.

Referring to the slide relating to Maui's recovery, Mr. Apo mentioned that the recovery was not yet complete since many residents had moved out. He asked whether the fact that many businesses in Lahaina no longer existed and were unlikely to return in the near future had been considered. Mr. Apo inquired about the two-to-three-year post-fire goal.

Mr. Nāho'opi'i replied that the long-term strategy for Maui's economic recovery addressed these concerns, which had also been included in the special study commissioned by the HTA Board. Since Lahaina was a significant part of the visitor experience, the short-term strategy involved promoting experiences in other parts of Maui.

Mr. Apo explained that he was referring to jobs, particularly those in the food service industry, since the buildings that had previously housed restaurants in Lahaina no longer existed. He asked if the goal was to find jobs for those workers elsewhere or to recognize that there would be less employment.

Mr. Nāho'opi'i replied that the intention was to create jobs within existing organizations and businesses in Maui. He added that some people might have to change the type of work they did but would still work in the visitor industry. While properties were not at full capacity, there were already many opportunities in terms of restaurants. He emphasized that rebuilding Lahaina was a long-term process. In the short term, the report identified the need for the County and other Maui organizations to build opportunities for existing businesses to promote themselves and gain more exposure to the visitor industry. Although creating marketplace opportunities for small businesses had been challenging, the HTA had implemented popup markets. The HTA was also working with the County to provide a semi-permanent location to allow businesses formerly in Lahaina to expand back to their previous level.

Mr. Apo thanked Mr. Nāho'opi'i for these responses to his questions.

**a. Presentation of the Hawai'i Tourism Authority 2024 Annual Report**

Ms. Anderson introduced the next agenda item, the presentation of the HTA's 2024 Annual Report, and stated that this report reflected the hard work of the HTA staff and their contractors. She explained that she would give explanations of two key measures and their accomplishments. Ms. Anderson noted that this report was required by statute and had been submitted to the legislature on time last year.

Ms. Anderson directed Board members to the the report dealing with key performance indicators (KPIs), such as expenditure, resident satisfaction, and visitor satisfaction. Economic indicators regarding visitor expenditure per person per day were predicted to be higher than in 2023, given that the target was expected to increase over the previous year. However, there has been a slight decrease in expenditure since the report's publication date. As a result, gains in average daily expenditure had almost offset lower visitor arrivals.

Quality of life indicators showed that most residents felt that tourism had brought more benefits than problems to the islands. Indicators of visitor satisfaction revealed that most visitors hoped to return and were likely to recommend Hawai'i as a vacation destination.

Subsequent pages of the report showed the revenue returns and tax returns on advertising spending. Ms. Anderson informed Board members that she and Ms. Chun had attended a conference in which they learned that their counterparts in other destination marketing organizations (DMOs) used these metrics to measure advertising success. Over the past year, advertising by HT USA and Japan brought in additional revenue of \$658,000, influenced spending of \$3.7 billion, and generated a return on investment (ROI) of \$399 per dollar. Tax return on advertising spending had brought in an additional \$319 million. Ms. Anderson pointed out that every dollar spent on advertising brought in a tax revenue of \$34, above average for both the U.S. and Japan, equating to five times the entire advertising budget. This highlighted the excellent work by Hawai'i Tourism USA (HT USA) and the branding team.

Ms. Anderson outlined destination management action plan (DMAP) actions and the extent of their accomplishment, highlighting the hard work of previous destination managers in DMAP implementation. The Hawai'i culture initiative for 2023/2024 awarded \$1.3 million to applicants, serving 216,000 participants who reported a satisfaction rate of 97%.

Ms. Anderson reported on the Festival of Pacific Arts and Culture (FestPAC) and congratulated Mr. Ka'anā'anā, the DBEDT team, and Dr. Salā and his team for the amazing results. The event attracted 340,000 attendees and generated \$30.2 million in visitor spending. 95% of those who attended stated they would likely recommend the event.

Ms. Anderson stated that the Aloha Aina program had awarded \$1.3 million, serving 211,000 participants who had a satisfaction rate of 98%.

The community enrichment program had been awarded \$1.8 million. Ms. Anderson listed the various categories of projects, such as agriculture, culinary, cultural tourism, education, and voluntourism. Satisfaction measures had not yet been obtained at the time of reporting.

The technical assistance and capacity building program run by Kilohana has been very successful, with a satisfaction rate of 100%. The report listed the number of workshops that had been conducted, the organizations that had been assisted, and the amount of funding awarded. Ms. Anderson extended her congratulations to the Kilohana team.

Ms. Anderson stated that 100 visitor businesses had taken part in the workforce development LEI program, which served 920 high school students.

Seven graduates from the TIM school had been supported through the Ho'olina tourism scholarship program, and the HTA had also provided summer jobs for 53 students on O'ahu and Maui, thus enabling them to learn more about the tourism industry.

Ms. Anderson informed Board members that events held at the Hawai'i Convention Center generated \$380 million in visitor spending and \$45.7 million in tax revenue. Every dollar invested had brought \$15 in revenue in return.

Vice Chair Paishon thanked Ms. Anderson both for her leadership and for the volume of work she and her colleagues have implemented. The Vice Chair appreciated the consolidation of the results in one package, and asked Ms. Anderson what she attributed to the positive results and what further actions were needed for these results to continue to be achieved.

Ms. Anderson acknowledged that these were challenging questions and referred to the importance of staff collaboration to understand the programs' goals and objectives. This pointed to the importance of assessing the resources needed for funding or staffing to ensure program objectives were met.

Mr. Nāho'opi'i added that evaluation, results, and measurements required effort and resources. The current budget request included an increased allocation of \$130,000 for

reporting on brand awareness campaigns to identify the conversion rate from advertising to tax revenue. An additional \$100,000 had been allocated for surveys to study the success of major programs such as signature and sports events and to determine the conversion rate from advertisements to tax revenue. He added that the HTA was committed to showing results and proving that the agency's work added to State revenue while driving satisfaction and addressing residents' concerns. All of this required workforce and resources.

Mr. Ka'anā'anā thanked Vice Chair Paishon for her question and expressed hope that efficiency could be gained in Board meetings at committee, PIG, and full Board levels. He noted that the HTA staff spent much time and effort preparing materials for meetings, which sometimes became somewhat burdensome.

Vice Chair Paishon commented that Mr. Ka'anā'anā seemed to be politely expressing a desire for less bureaucracy, with staff spending more time on actual work. She asked whether the staff member overseeing destination stewardship management programming initiatives, in partnership with Mr. Ka'anā'anā, had sufficient resources for the program moving forward.

Mr. Ka'anā'anā responded that there was a need for additional staffing, which was reflected in the budget request. In the stewardship team, ten people reported directly to him, nine of them managers and the tenth an administrative assistant. The administrative process required the administrative assistant to oversee all payments and paperwork, maintain contract checklists, and manage contract files, and this placed an unrealistic burden on one assistant to manage the contract work for ten managers across all islands. More administrative assistants were needed. Mr. Ka'anā'anā commented that the \$80 million budget recommended by the Board was more reflective of what should be done to fulfill the statutory mandate adopted in the last legislative session.

As Chair of the Ho'okahua Standing Committee, Vice Chair Paishon indicated that she and Vice Chair West would follow up on some of the items Mr. Ka'anā'anā had mentioned.

Vice Chair Paishon's final question inquired which major barriers needed to be removed to make further progress on the strategic goals, knowing that the HTA would undergo an administrative plan.

Mr. Nāho'opi'i responded that this question was connected to Ms. Anderson's presentation about plans, stating that coordination at the State level between State and County agencies and among State agencies on each island represented a significant problem. Hence, achieving major transformation requires first working on the State functional plan for tourism before considering the HTA's strategic plan. Planning and coordination between the agencies that performed the work were crucial.

Ms. Anderson identified time as the biggest problem.

Mr. Nāhoʻopiʻi emphasized the difficulty in identifying the entities that could substantially change how tourism was managed, operated, and governed in the State of Hawaiʻi. Part of the challenge was coordination between agencies to ensure that each fulfilled its responsibilities, along with management of the process and connecting it into the overall legislative budget request process. The HTA could only do so much with its budget and needed to leverage its activities through other agencies to make significant changes. An example was the Maui recovery, where the HTA had coordinated with other programs and agencies.

Ms. Anderson explained the various levels of planning projects set for the year.

- The first plan was the State Tourism Functional Plan from the State Planning Agency, providing a long-term planning guide for Hawaiʻi's future. The Hawaiʻi State Plan called for the development of functional plans in various areas, including agriculture, transportation, health, and tourism. The STFP provided policy guidance for the State, and for State and County entities. The previous year's legislative session had assigned updating the tourism functional plan to the HTA. Although this was an unfunded mandate, the HTA would begin by collecting data. However, the full planning process would be postponed.
- The next plan was the Tourism Strategic Plan, which called for the State to develop a long-term strategic plan, usually spanning five years. The current TSP was to end in the current year, after which the planning process would begin a new cycle.
- The Destination Management Action Plan had been defined by the previous year's legislature, and consisted of a three-year plan for each island. Each DMAP was created by the community and industry and defined how the island wanted to see tourism develop, with each island being different.
- The previous year's legislative session had also set out an annual Strategic Tourism Management Plan, previously known as a Tourism Marketing Plan. The annual STMP could be considered the operational plan and was tied into the budget. It highlighted the programs initiated by the HTA.

Mr. Arakawa noted that a bill to fund the plan was being heard in the legislature since working on these plans entailed expenditure.

Chair Hannemann mentioned that legislators had asked whether the HTA's strategic plan had been updated. Considering that the HTA was already understaffed, the legislature would need to allocate funds to support the updating process.

Mr. McCully commented that the bill in question was SB11-43, which required the annual submission of an updated tourism functional plan subject to available funding. He promised to review this bill and added that testimony on this bill from the HTA was necessary to ensure that it would not be an unfunded mandate.

Referring to unfunded mandates and staff workload, Mr. McCully noted that Mr. Ka'anā'anā had supported a larger budget to allow for more staffing positions. After a quick review of the August 2024 organization chart, Mr. McCully observed that there were only four administrative assistants for the entire authority. He suggested that more functional staff were needed rather than high-profile idea people. Mr. McCully asked Ms. Anderson how many administrative assistants had been available to support the staff when the HTA had 38 staff and inquired about pre-pandemic staffing levels.

Mr. Nāho'opi'i explained that restructuring had taken place in recent years, with the most meaningful change being the creation of the tourism research branch and its transfer to the Department of Business, Economic Development, and Tourism (DBEDT). Two administrative assistants had been transferred to this new branch, one in finance, one in the front office, and one other vacancy. Mr. Nāho'opi'i added that the staff who were transferred had never been replaced.

Mr. Ka'anā'anā stated that when he was recruited to the HTA in 2016, the ratio had been about one administrative assistant to three managers. After a request for clarification of his earlier statement about one administrative assistant to ten, Mr. Ka'anā'anā explained that he had been referring to the Destination Stewardship Office.

Mr. Nāho'opi'i added that although the new Destination Stewardship branch had been created, no additional support had been added.

Mr. McCully noted that this was an issue that had been ongoing for years. He assumed that, in the past, brand managers and individual account managers had compensated for the lack of administrative assistants by taking on additional tasks themselves.

Mr. Ka'anā'anā acknowledged that this was to some extent true, but pointed out that, based on regulations, there were certain tasks that could only be executed by administrative assistants.

Mr. McCully asked whether these tasks were not being done previously.

Mr. Ka'anā'anā explained that, in the past, managers used to take on more of the preparatory work, and the administrative assistants would continue the process. He added that only administrative assistants were authorized to initiate micropayments.

Mr. McCully inquired whether it would be possible for the work to be done with the existing staff. However, he understood that there would be greater efficiency with more administrative staff.

Mr. Ka'anā'anā agreed with this analysis, adding that some sections had been removed from his department.

Mr. Nāho'opi'i pointed out the issue mainly concerned timing. Paperwork was the responsibility of the administrative assistants, and the lack of these staff members created a bottleneck that slowed down the process.

Mr. McCully noted that between 2022 and 2024 procurement violations or failures to meet contract requirements had taken place, and this had led to questions whether the work was being done, with the danger that the HTA could become liable to contract violations.

Mr. Nāho'opi'i confirmed that the lack of support staff had contributed to the current situation regarding payment of invoices and processing of contracts.

Asked by Mr. McCully whether this situation had occurred in 2022 and 2023, Mr. Nāho'opi'i replied affirmatively.

Mr. McCully responded that this had never been brought to the Board's attention.

Mr. Nāho'opi'i stated that the slowness of the HTA to address payments, invoices, and contract development in a timely manner due to staff shortages had been documented. He added that the HTA had made the case for additional administrative support in budget requests for the current and previous years.

Mr. McCully noted that he did not remember these issues being raised during his period of service on the Budget, Finance, and Convention Center Standing Committee (BFCCSC).

Mr. Arakawa responded that these issues had been on the BFCCSC agenda for over two years, but they were removed from the agenda during periods of budget discussions. This meant that these issues had not been discussed over the previous six months. However, these issues had come to the attention of the State auditors, who perceived that the situation was becoming chronic. It was necessary to investigate whether these payment delays resulted from deficiencies in staffing or lapses in supervision and training. Mr. Arakawa added that these troublesome issues had appeared on the agenda of the recent meeting of the BFCCSC.

**b. Presentation on HTA's Planning Projects as they Relate to the Tourism Functional Plan, HTA Strategic Plan, and Destination Management Action Plans**

Ms. Anderson reviewed the timelines for each plan and noted that staffing changes had occurred after the first presentation, causing the timeline to be pushed back.

- The destination management action plans (DMAPs) were scheduled to be presented to the Board in October and November of the current year. The team worked with the destination managers and working groups for each island to develop the plans and gathered input and feedback from the communities.

- Board approval of the HTA strategic plan had also been postponed to November. Ms. Anderson added that she was happy to announce the recruitment of a planner to assist with the work on the DMAPs and the strategic and functional plans, beginning in March.
- Data collection and collation for the Tourism Functional Plan was to continue, and the advisory group would be convened once the legislature provided funding. This plan was to be presented to the Governor for approval in the first quarter of 2026.

Mr. Nāho'opi'i thanked Ms. Anderson and sadly acknowledged that two staff members, Public Affairs Officer Ilihia Gionson and Senior Brand Manager Iwalani Kaho'ohanohano, were to leave the HTA the following day. Mr. Nāho'opi'i recognized that the HTA was a place for learning and development; he congratulated these individuals on their progress and recommended them for all their excellent work.

Chair Hannemann noted that although he had been on the Board for only a year and a half, he had thoroughly enjoyed working with these two staff members who had epitomized the dedication of the staff. He realized that even when he had unexpectedly heaped work upon them, they had always been cooperative. They would be missed, but they would always be part of the HTA family, and there would be many fond memories. Vice Chair Paishon gave a mele for the departing members.

## **7. Board Chair Report**

Chair Hannemann reminded Board members that Mr. Jay Talwar had been given a farewell ceremony at the recent annual meeting of the Hawai'i Visitor and Convention Bureau (HVCB). The Chair, Mr. Nāho'opi'i, and Mr. Ka'anā'anā had all been present, and Mr. Talwar had been presented with a certificate on behalf of the HTA.

On behalf of the Board, Chair Hannemann expressed how much Mr. Talwar would be missed after over two decades at the HVCB. The Chair noted that their good relationship had begun during his service as Director of DBEDT. It had already been evident at that time that Mr. Talwar was a rising star, and he had helped navigate several crises, including the Gulf War. The Chair recalled that the only agencies concerned with tourism at that time were the HVCB and DBEDT since the HTA had not yet been created.

Chair Hannemann reminded Board members that at the time of the 2009 financial crisis, he was the Mayor of Honolulu, and Mr. John Monahan was the President of the HVCB. Mr. Talwar ran a campaign that solved a major negative situation for Hawai'i.

Mr. Talwar's experience had also been instrumental in creating "the people, the place, the Hawaiian Islands" message and the public/private partnership for the major saturation campaign in Southern California with Governor Green and Mayor Bissen.



Chair Hannemann extended his thanks and best wishes to Mr. and Mrs. Talwar as they moved into the next chapter of their lives.

The Chair commended the General Manager of the Hawai'i Convention Center, Ms. Orton, for her role in encouraging sports tourism at the center. The recent volleyball tournament involved 390 teams —120 from the mainland, the Continent, and Canada, and 170 from the State of Hawai'i. The Chair highlighted this opportunity to bring a major tournament to Hawai'i and the challenge for young people to participate. In the final division of 18 and under, three out of the four finalists were from Hawai'i. The Chair thanked Ms. Orton for making full use of HCC facilities.

Chair Hannemann informed Board members that the previous day, the HTA had joined Visitor Aloha Safety of Hawai'i (VASH), the Hawai'i Lodging and Tourism Association (HLTA), the Council for Native Hawaiian Advancement (CNHA), the Institute of Human Services, and Governor Green's office to participate in a Visitor Public Safety Conference. The Chair emphasized that visitors would not come to a destination whose safety was dubious. He noted that Waikiki was a hotspot, with 75,000 visitors on any given day and approximately 35 residents and 30-35 employees from O'ahu and neighbor islands working there. Over its seven years of existence, the Visitor Public Safety Conference has proposed constructive solutions to issues of safety. The previous day's conference discussed homelessness, emergency preparedness, and management with lessons learned from the Maui wildfires, two barricade situations in Waikiki with active solutions, and drowning.

Chair Hannemann informed Board members that drowning represented a significant crisis and was a leading cause of visitor deaths in Hawai'i. The State ranked second in the nation for resident drownings. Additionally, Hawai'i ranked first in the nation for drowning among individuals aged 1 to 15, with the highest proportion occurring among Native Hawaiians and Pacific Islanders. The Chair applauded Ms. Allison Schaefer and Ms. Jessamy Town Hornor of the Hawai'i Water Safety Coalition for bringing this to their attention. Ms. Schaefer had suffered a major tragedy, losing her daughter to drowning, and despite this tragedy, her drive had created a strategic plan by the legislature. Chair Hannemann emphasized the need to join the coalition, noting the common assumption that everyone growing up in the islands knew how to stay safe in the water. Most conference participants testified by showing their hands that they had learned to swim by being thrown into the water.

The Chair thanked Ms. Orton for the use of the HCC and added that the conference had been attended by almost 200 people, including Mayor Blangiardi and Board member Iona. Mr. Ka'anā'anā had led a panel discussion.

Finally, Chair Hannemann announced his reappointment after his first two-year term to the National Travel and Tourism Advisory Board. He reminded Board members that this 30-member board was the highest-level advisory board and advised the administration on tourism policy

The chair of the national advisory board was Mr. Tony Capuano, the head of the Marriott Corporation and a frequent visitor to the islands, especially Maui. This benefited Hawai'i since Mr. Capuano was familiar with the challenges of the State. The Chair also noted that Mr. Nāho'opi'i was active at the national level.

Chair Hannemann welcomed Director Tokioka, who had joined the meeting.

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

Chair Hannemann introduced Ms. Jennifer Chun.

Ms. Chun explained that Mr. Nāho'opi'i had requested a more detailed end-of-year report for this meeting. She added that the December press release had just been issued.

The first report compared preliminary 2024 data monthly for visitor expenditures and arrivals with 2022 and 2019 data. There had been year-over-year gains in visitor expenditures between July and December. While the number of arrivals was still lower than pre-pandemic levels, it was better than that of 2023, and visitor expenditure was higher.

Ms. Chun stated that 2024 had ended with a total of 9.67 million arrivals, 0.3% higher than 2023, reflecting the recovery Mr. Nāho'opi'i had mentioned, although this was 6.7% lower than the 2019 number. The preliminary figure for spending was \$20.68 billion, about the same as 2023 but a significant 16.7% increase over the 2019 level.

Mr. McCully inquired whether these figures had been adjusted for inflation.

Ms. Chun responded that these were preliminary figures which had not been adjusted. She added that inflation-adjusted numbers were presented once a year after data were finalized, and there was no adjustment for inflation monthly.

Mr. McCully asked whether prior years' numbers were adjusted or raw.

Ms. Chun clarified that, in the interest of comparability, all the numbers were raw, in nominal dollars, as stated in the press release.

The next chart showed market highlights, increasing the U.S. market over 2023 and 2019. The Japan market had lagged in expenditures, although the number of arrivals was slightly higher than that of 2023, but in general, the duration of stay and expenditure had been lower for Japanese visitors.

Ms. Chun noted that the average daily spending was \$237.9 in December 2024, compared to \$247.7 in December 2023. This resulted in a lower total expenditure despite a higher number of visitors.

The island-by-island analysis showed that the Maui recovery had continued compared with the reduced figures of 2023, and there were hopes that efforts from the HTA and other agencies would ensure that recovery would be maintained. Per-person per-day spending (PPPD) in O'ahu had been significantly lower than in December 2023, possibly due to the Japanese market effect. Maui, however, saw a significant increase in PPPD spending.

Ms. Chun outlined hotel performance for December 2024, compared with 2023, 2022, and 2019. She added that hotels were slightly less occupied in December 2024 than in December 2023, with a significant decline from 2019. Overall, revenue per available room (RevPAR) rates were higher than in December 2023. Vacation rentals had lower occupancy but a higher average daily rate (ADR).

Ms. Chun presented transient accommodations tax (TAT) collection details from January 2017 to December 2024. During December 2024, the State had collected \$59.1 million, resulting in a FY2025 total of \$386.7 million between July and December, a reduction of \$16.2 million or 4% compared with the previous year. Ms. Chun also presented projected collections for each county, with the most recent data from the tax department being from September 2024. Ms. Chun added that county TAT collections were estimated tax collections based on county tax base, 3% of which was calculated to present the most recent data. She noted that the taxation department took longer to update this county data, and she had presented the most recently published data.

Ms. Chun presented data from the U.S. Travel Association (USTA) highlighting airport traffic from the previous 12 months, with December the busiest month. Hawai'i traffic had been lower than that of other destinations, even though there had been some improvement. Traffic for Hawai'i airports stood at 98% of the 2019 level, while the performance of other airports had been better.

Load factors for domestic flights stood at 93.1% for December 2024, slightly lower than those of December 2023 at 94.5%. Load factors for international flights stood at 85.9% for December 2024, slightly higher than those for December 2023 at 83.1%.

Ms. Chun stated that overall, there were slightly more seats available on nonstop flights in December 2024 than previously. Comparing 2023 and 2019, there were the same number of flights as in 2023, but due to aircraft capacity changes, there were slightly more seats than in 2023. She noted that in January 2025, there were slightly more domestic seats and fewer international seats. In February 2025, both domestic and international seat numbers were slightly lower. In March 2025, domestic seat numbers were to increase slightly, while international seats were expected to be fewer.

Ms. Chun presented trends and insights highlighting domestic leisure travel. The pace for domestic leisure travel was slightly lower, but consumer sentiment for travel was positive. Domestic business travel trended higher than in the same period the previous year. A graph comparing domestic leisure travel with total domestic travel showed an upward trend.

Ms Chun explained that inflation-adjusted real domestic travel spending was expected to reach 100% of 2019 levels in 2025, but inflation-adjusted real business spending was likely to remain below 2019 levels up to 2028.

The international visitor forecast indicated that recovery was likely to occur in 2025 for most markets, although Asian markets were likely to continue to lag. However, a survey of U.S. travelers and their intentions for leisure trips revealed strong interest, which proved encouraging for the next twelve months. Business travel intentions also increased but were not expected to match 2019 levels until later.

Regarding the hotel forecast, the USTA believed it was likely to become positive, with some increases in supply of approximately 0.9%. Demand was expected to rise by 1.1%, and this situation, with demand exceeding supply, would mean that occupancy would increase. The total Hawai'i hotel forecast was expected the following month.

Ms. Chun presented slides prepared by Tourism Economics, addressing potential policy impacts. Giving insights on inbound and outbound travel, Ms. Chun reminded Board members that when people visited Hawai'i, it was considered an export. When Hawai'i residents traveled abroad, it was considered an import. Americans had been traveling significantly more; thus, the balance was disrupted, with more outbound than inbound travel. However, she noted that inbound travel was recovering and stood at +1% of 2019 levels.

Ms. Chun noted that inbound recovery was increasing, particularly where overseas travelers were concerned. Travel from Asia was still down 25% for the entire US, and this constituted one of Hawai'i's most important markets. India had significantly jumped in inbound visitation, but almost no Indian visitors came to Hawai'i. A request from the Indian Consulate for data for the previous five years had shown minimal visitation.

Board members were reminded that exchange rates were important, and there were significant negatives for the yen and the Brazilian real compared with 2019 levels.

Ms. Chun presented a comparison of inbound growth during the first Trump administration. She noted that, at present, many people are anxious about visas, but she pointed out that specific markets with visa issues, such as Mexico and the Middle East, were not a concern for Hawai'i. Since 2020, there were no direct flights from China, and a travel ban during the pandemic affected seven countries for which data was reported to the Attorney General's office. However, these issues were not likely to affect Hawai'i. The key issues impacting travel are likely to be slower visa processing times, immigration enforcement, a possible issue with China, and possible travel bans. Everyone was worried about rules changes, and waiting and

seeing was necessary. On the other hand, visitors sometimes forgot that Hawai'i was part of the US, which benefited Hawai'i.

Many hotel staff, especially on the mainland, were non-U.S. citizens, and if there were immigration issues, it could have an impact. Ms. Chun informed Board members that 34.3% of the housekeeping staff in the U.S. lodging industry were non-citizens, and there were high numbers of laundry, maintenance, and cooking staff.

Ms. Chun presented the international forecast from Tourism Economics, indexed to 2019, and explained that this forecast, having been revised downwards, envisaged recovery by 2026.

Positive and negative factors were similar to those presented by Mr. Nāho'opi'i and affected domestic leisure, domestic business, and international travel. Negative factors included the dollar's strength, travel restrictions, a possible trade war, visa processing risk, and sentiment.

A graph from the Portrait of American Travelers Hawai'i Edition, available on the HTA website, showed interest in visiting Hawai'i over the next two years by generation, comparing winters 2022, 2023, and 2024. A significant increase for Gen Z was observed, but interest was flat for other age groups. Younger and older boomers showed declining interest in visiting Hawai'i.

Data was presented, separating air travelers by income levels. Those at higher income levels were more interested in visiting, but those with incomes of \$150,000 or more lagged behind the previous survey.

Ms. Chun referred to a survey of people who had considered visiting Hawai'i but changed their minds, in which the price of airfare was identified as the major reason for their decision. 36% of those planning to visit had decided not to come, even though Hawai'i was still desirable, and they still hoped to visit. 28% of those likely to visit Hawai'i in the next two years would book Hawai'i first before other destinations.

The Maui fires were still a crucial factor, though there had been a reduction in concern. 56% of likely Hawai'i visitors were still aware of the Maui fires, but over half said the fires did not impact their likelihood of visiting Hawai'i. However, a considerable number (35%) were still worried about the Maui fires. Member Apo mentioned businesses in Lahaina, and people might be concerned that their favorite restaurant or other favorite venues in Lahaina are no longer available. There was also the feeling of insensitivity, and even though the message had been "please come," some people did not think it seemed right.

Likely Hawai'i visitors were interested in other destinations such as California, Florida, and some showed interest in Colorado and Alaska.

The top destinations for winter 2024 were Maui, Hawai'i Island, Honolulu, Kaua'i, and Lāna'i.

Other destinations of interest were Europe, Canada, and the Caribbean. The most popular Caribbean destinations, comparing winters 2022, 2023, and 2024, were the Bahamas, the U.S.

Virgin Islands, Puerto Rico, and St. Maarten. The most popular Mexican destinations were Cancún and Mexico City, with an increase in Puerto Vallarta and a slightly lower interest in Guadalajara. For Canadian destinations, slightly more people wanted to visit Toronto, fewer wanting to visit Vancouver, and an increase in Whistler.

Ms. Chun explained that the sentiment for winter 2024 travel was focused on spending time with family, getting away, and unplugging. These were key factors for Hawai'i and the vacation experiences available there. Ideas such as participating in a sport were less important. Research showed that the attributes influencing the choice of destination were beautiful scenery, good food and drink, safety, and outdoor/leisure activities.

Ms. Chun shared information presented by Dr. Eugene Tian to the House Finance and Ways and Means Committees. Dr. Tian highlighted the Canada, Japan, and European markets, including the UK, Germany, France, and Australia, whose world economic growth projections were all positive for 2025.

A graph of economic recovery status as a percentage of the real GDP in the fourth quarter of 2019, between the fourth quarter of 2019 and the third quarter of 2024, showed that Hawai'i was second to last, just ahead of North Dakota, in the recovery of the economy from the 2020 COVID recession. A tabulation of the recovery of different industry sectors showed that non-tourism sectors of the economy were recovering faster than tourism sectors, with the highest sectors being real estate, rental, leasing, and professional services, as defined by the North American Industry Classification System (NAICS) code. Ms. Chun reminded Board members that tourism was not defined by a single NAICS code and had been combined with restaurants and hospitality.

Ms. Chun explained that the visitor recovery rate up to November for the U.S. market had been good for the past few years but less so for Japan, Canada, and other markets. Cruise ships were also performing well.

Referring to growth in air-seat capacity during the first six months of 2025, compared with the first six months of 2024, a minor increase in seats for domestic travel was predicted, mostly from the U.S. East, but a decrease in seats was expected for Japan, Canada, and other Asian markets.

Ms. Chun presented a graph showing inflation for Hawai'i and the whole U.S. from January 2019 to November 2024 and noted that consumer inflation had been higher for Hawai'i than the rest of the U.S. since November 2023. However, over the previous few months, there has been a downward trend.

The DBEDT economic forecast projected 9.9 million visitor arrivals in 2025 and \$21.46 billion in visitor expenditures, as shown in a chart depicting visitor arrivals between 2001 and 2027. Ms. Chun noted that spending had already recovered, but the number of arrivals had yet to recover. Another chart differentiated arrivals by market, with a forecast up to 2027. It was noted that

the U.S. West and East were expected to decline slightly, but an increase was predicted for Japan, while all other markets were likely to remain unchanged.

A forecast of spending, differentiated by market, showed an increase for the U.S. West, unchanged for the U.S. East, increasing for Japan and Canada, and unchanged for other markets.

Ms. Chun noted that DBEDT traveler profiles, including the importance of travel factors, were available online and in the documents supplied to Board members. The U.S. market had been segmented into U.S. avid travelers \$100k+, U.S. avid travelers \$150k+, and U.S. long-distance travelers under 55. Favorable factors for Hawai'i were likely to function as negative factors for other U.S. destinations.

Similar data for Canada was presented, including travel factors for Canada avid travelers \$100k+, Canada older avid travelers \$100k+, Canada senior travelers \$100k+, and Canada long-distance air travelers. Value for money was a less crucial factor than for certain other markets. Ms. Chun indicated that more work was needed on factors that were at a lower level for this market.

Japan travel factors were presented for Japan avid travelers, Japan affluent travelers, Japan active senior travelers, and the overall Japan market. Ms. Chun noted that many factors were at a low level for the Japan avid travelers.

Australia travel factors were presented for family travelers, older avid travelers, and Australia couples travelers. The older avid traveler was concerned that Hawai'i did not represent value for money.

South Korea travel factors were presented for South Korea avid travelers at 90 million won or more, South Korea avid travelers at 130 million won or more, and the overall South Korea market, which was stronger for some attributes.

Ms. Chun presented the six-month outlook for all markets based on the Forward Keys destination gateway air booking trends, comparing the current period with that pre-pandemic. She noted that the outlook appeared to be improving as spring approached. Compared with the corresponding pre-pandemic period, the current six-month outlook for the U.S. market was not too bad and was expected to be greater than that pre-pandemic by April and May. However, the six-month outlook for all markets to Maui still lagged considerably, and much work was required for the Maui market. The six-month outlook for Japan was still very low compared with pre-pandemic levels.

Ms. Chun stated that Canada was doing better, especially in April and May, while South Korea was close to pace in February and ahead of pace in March, April, and May. Australia was still behind pre-pandemic levels.

Ms. Chun informed Board members that she could still present additional data, and much more information was available in the packet of documents supplied to Board members.

Chair Hannemann invited questions from Board members.

Mr. McCully thanked Ms. Chun for always being available. He would have preferred a briefer set of graphics and more time to ask questions.

Dir. Tokioka thanked Ms. Chun for the information, noting that it was a large amount of data in a short time period. He added that he often asked Ms. Chun to compare previous forecasts with actual data. He had observed close agreement between these figures and reassured hoteliers making use of this information that, over the past two years, the actual data had compared well with the forecasts. He acknowledged that the quantity of data could sometimes be overwhelming but was necessary.

Mr. McCully clarified that his comment had not been intended as a criticism but as a plea for more time to discuss matters with her.

Vice President of Finance, Mr. Isaac Choy, asked about the sample size for the travel factors for the Japan market.

Ms. Chun replied that the sample size was eight and added that the income range had been restrictive. She hoped that going forward, it could be changed to allow for a better sample size. Even though there had been a large number of samples from Japan overall, the segmentation definitions for the Japan market were very restrictive, and this was the profile they were targeting. Nationally, there were 5,784 responses versus 8 for the target segment, so the survey results had to be taken with a grain of salt, and for these reports to be actionable, the definitions had to be re-examined.

Mr. Nāho'opi'i suggested that the study should be changed instead of adjusting the sample, with this section discredited for international markets and used for the U.S. market. He recommended seeking a different study to support the data. It was important to stick to the desired targets so that Hawai'i would finally obtain the right kind of higher-spending visitors who would participate in the activities aligned with the Hawai'i product.

Ms. Chun responded that this study was custom for Hawai'i markets, and the contract was valid until 2026.

Mr. Nāho'opi'i replied that it was necessary to reconsider and change the research.

The Chair thanked Ms. Chun for her report and called for a brief recess.

## **9. Report and Update by the BRANDING STANDING COMMITTEE**



The Chair asked Mr. Roy Pfund, the Chair of the Branding Standing Committee, to outline Agenda Item #9.

Mr. Pfund thanked the Chair, stating that this was his first Board meeting as chair of the BSC. He noted that he had been privileged to attend the annual membership meeting of the HVCB two days previously. Dr. Salā and his team gave an excellent presentation, which began by honoring Mr. Talwar for his contributions. Mr. Pfund had been impressed by the explanations of their functions given by the HVCB management team and details of their approach to the various distribution channels. This had been a valuable way of demonstrating to the HVCB membership the efforts made by the organization in all the different markets.

As Chair of the BCS, Mr. Pfund hoped to continue to work with the HVCB to develop optimal data and communication, enabling everyone involved in tourism and the public to obtain the best information on the value of what was being done.

Secondly, Mr. Pfund hoped to work with Mr. Arakawa, the Chair of the BFCCSC, to ensure that communication channels were clear, the budget was in place, and contracts were properly defined to make timely progress possible.

Mr. Pfund then introduced Dr. Aron Salā, the President of the HVCB.

Dr. Salā thanked Mr. Pfund for the introduction and the opportunity to address the Board. He thanked Mr. Pfund, Chair Hannemann, Mr. Nāho‘opi‘i, Mr. Ka‘anā‘anā, and Director Tokioka for attending the annual membership meeting of the HVCB. He stated that Mr. Sean Dee, the Chair of the HVCB Board, had asked him to present his regards to the HTA team. Dr. Salā noted that Chair Dee had acknowledged the presence of Chair Hannemann at the beginning of the HVCB meeting.

Dr. Salā presented his team: Mr. Jeffrey Eslinger, Ms. Kara Imai, and Ms. Lee Ann Field. He mentioned that Mr. Talwar would still be part of the HVCB team until the end of February and would provide contributions about market saturations. Dr. Salā also expressed the good wishes of the HVCB for Ms. Kaho‘ohanohano, who had managed many of their contracts, as well as for Mr. Gionson, and offered a cultural chant in their honor.

Dr. Salā stated that his presentation would consider the current market situation, followed by the reasons for conducting market saturations, two case studies, proposed markets for 2025 saturations, and a budget component that the Board could discuss.

Dr. Salā reminded Board members that existing market dynamics demonstrated the importance of Hawai‘i’s relationship with California. Los Angeles was the State’s largest market, followed by San Francisco, and these cities had always been vital to the Hawai‘i tourism industry. These markets were deeply engaged, loyal, and historically reliable, but competition from other destinations and economic fluctuations threatened Hawai‘i’s position.

Many factors contributed to visitors' decision-making processes, and locations such as Costa Rica, Mexico, Florida, and the Caribbean were spending millions of dollars to establish their brands. From Hawai'i's perspective, it was the State's responsibility to maintain the brand of the State, and the HVCB would then create campaigns using that strategy; an example was the work done by Mr. Talwar over the past two decades to develop a travel trade education process to maintain the brand on behalf of the State.

Dr. Salā stated that the Maui fires had demonstrated that visitors were, to an extent, still ignorant that Maui was a separate island distinct from Hawai'i Island, Kaua'i, O'ahu, and other islands. He emphasized that shoring up education about the State was important, and the Maui wildfires had also highlighted a resident sentiment that was averse to visitors coming to Hawai'i. While the tourism industry was often regarded as monolithic, the visitor market would listen to the people of the place because visitors did not come to Hawai'i to disrespect the residents; they came to respect the residents and learn about the place. Visitors would respond to social media voices saying, "Don't come," this created a situation that was different from either the response to COVID or the 2008 economic shutdown.

Dr. Salā stated that there was an economic paradox, and he challenged the Board to examine how the economy was defined on behalf of the State. Visitor spending had increased to record levels in 2023. However, total arrivals were still 7.1% less than the 2019 level, implying that more revenue per traveler was being generated, a favorable situation for Hawai'i—fewer travelers and higher spending— still, it did not necessarily help airlines or hotels. Thus, the visitor volume had not yet fully recovered.

Dr. Salā believed a targeted market saturation campaign was the right tool to address these realities. It allowed Hawai'i to reinforce Hawai'i's desirability, correct misconceptions, and drive visitation in a way that supported both the economy and the communities. He presented the following reasons for his belief:

1. The U.S. market was soft but not dire; however, it was at a watershed moment. If Hawai'i did not maintain brand knowledge and understanding, Mexico and the Caribbean would take sections of the market. These geographically similar but culturally disparate locations would attract visitors who wanted to visit a beautiful beach. The Hawai'i visitor industry was working to help shore up a much softer international market on behalf of the State, shore up and maintain relationships with the West Coast, and bring some much-needed attention to potential first-time visitors from the East Coast. Dr. Salā proposed that 2025 targets should be San Francisco, Los Angeles, and the Pacific Northwest. However, Mr. Nāho'opi'i suggested relaxing the third saturation in favor of a different approach.
2. The competitive travel landscape demanded proactive solutions. It was important for Hawai'i to shape demand rather than simply to react to existing situations. Market

saturation campaigns gave the ability to respond to market challenges and provided a structured, strategic response to evolving travel trends, media narratives, and consumer behaviors. Thus, when Dr. Salā had said in the HVCB meeting two days earlier that Mr. Eslinger and Ms. Chun were in constant communication, it was not a joke. Mr. Eslinger took Ms. Chun's data, sought interpretations, and communicated with airlines and hotels to understand what was happening on the ground, which either substantiated the data or provided a different perspective for analyzing and interpreting the data. The responsibility of the HTA and the HVCB was to protect Hawai'i's brand. The goal was to focus on maintaining a premium position by focusing on high-value messaging and storytelling, to attract a specific traveler at a specific time with a specific price point. Technology-assisted in pinpointing who was wanted in Hawai'i.

3. Market saturation also ensured long-term impact. They were not one-off promotions, but they created cumulative momentum over time, ensuring Hawai'i remained top of mind in the market.

The goal was to take advantage of the base budget allocated to branding and to leverage and amplify it, particularly in strategically planned market saturations.

These campaigns were executed through a three-tiered marketing framework:

- Awareness: Utilizing paid media and public relations to ensure broad visibility.
- Engagement: Leveraging social media and market events to drive interactions.
- Conversion: Coordinating with industry partners to turn interest into bookings by leveraging the current base budget in travel trade and potentially reallocating or replanning the calendar in preparation for market saturation so that by the time the saturation arrived, the market had already been primed.

Industry collaboration was another key benefit of market saturation, since neither partners nor the State were asked to carry the brand burden alone. The HVCB did not sell travel packages but aligned Hawai'i's branding with sales strategies and encouraged partners to align their sales strategies with the Hawai'i brand, helping sustain and enhance capacity. The goal of this public/private partnership was to bring the industry together by investing funds from both the HVCB and the HTA to leverage the industry's power to support the Hawai'i brand. Continuing the garden analogy that had started previously, if all the conditions were right with the perfect nutrients available, then the right flowers would bloom at the right time in the right colors.

Dr. Salā presented two case studies drawn from previous events with reasons for their effectiveness.

A crisis had occurred subsequent to the economic downturn of 2008 and the collapse of Aloha Airlines and American Trans Air (ATA). Air seat capacity had dropped by almost 16%, and consumer confidence had been in free fall. The relationship between Mr. Eslinger and Ms. Chun

was key to the decision-making process concluded by the HVCB on behalf of the HTA. In response to the crisis, five market saturations had been launched in Los Angeles between 2009 and 2011, with the following objectives:

- 1) to generate enough demand to sustain airlift, since airlines were quick to react if they did not see capacity and,
- 2) to increase visitor arrivals from the strongest West Coast markets without devaluing the Hawai'i brand.

The strategy was built on detailed research, which identified the high-potential Hawai'i target traveler, a less price-sensitive segment and more recession-resilient segment. Refined messaging, a tailored media strategy, and sustained outreach were employed.

The results were that the airlift was maintained and expanded, visitor arrivals from core markets increased, and Hawai'i's brand perception remained strong despite the economic turmoil. This was not simply a marketing effort but a strategic investment in Hawai'i's future. Dr. Salā emphasized the importance of the perspective that what was being done was not just branding but the story of Hawai'i in the world being narrated as Hawai'i endeavored to change the world.

The results of the five saturations between 2009 and 2011 were as follows:

- Increase in overall air-seat capacity      20.1%
- Increase in visitor arrivals                      10.2%
- Increase in visitor spending                      22.1%

Increases in air-seat capacity were: Los Angeles 22.7%, the Bay Area 30.4%, and the Chicago area 31.5%.

Market saturation promotions produced sustained, longer-term brand lift in these geo-targeted markets. Based on proprietary marketing effectiveness research by Longwoods International, the top "hot button" that motivated travelers to consider one destination over another was the "excitement" factor, and Hawai'i was identified as being "exciting" during the saturations.

Increased activity on the website was not a primary goal, but there were dramatic increases in website traffic during the saturations. The travel trade had been sensitized, the market had been primed, all the private industry engagements had taken place, and the travel sellers had been brought into saturation. Website traffic then started to engage in an integrated way.

In 2025, website traffic might be a higher-level goal than previously because of the number of methods for potential visitors to engage with Hawai'i. The 2009–2010 campaign had been multi-channel, and Ms. Imai had always emphasized the importance of this aspect. The campaign could not be a one-off event, but it involved bringing together the entire

environment. This was a testament to the power of the team and the work done by Mr. Talwar over the past two decades.

- The results showed a strong campaign reach and recall: 69% of travelers recalled at least one ad or public relations (PR) event/blog, reaching an estimated 5.6 million people.
- An increased intent to visit was observed, and advertisement/PR exposure significantly increased the intent to visit from 53% for unexposed viewers to 65% for exposed viewers.
- A significant economic impact was achieved: 6,300 visitors converted from interest to booking, generating \$58 million in Hawai'i spending with an overall economic contribution of \$41.2 million.
- A high return on investment (ROI) was observed, with the campaign yielding \$25 in additional visitor spending for every \$1 spent on advertising.

This economic impact was based on well-strategized, implemented, and executed work.

Dr. Salā recounted and illustrated with a video the New York market focus, noting that this was not Mr. Ka'anā'anā's favorite video. Dr. Salā explained that one of the lessons they had learned from Mr. Talwar was to go to the potential traveler at the place where they were. The video began by showing the retrospective of a three-year engagement with New York. A transformation from beginning to end, transcendence, had been depicted. The story follows an arc, starting from where the traveler was and subtly teaching them so that they learned what was intended by the end. It was not a mistake that the video began with plastic bras and a leaf skirt and ended with Hawaiian culture.

He explained that the perception of Hawai'i had been the challenge with New York. The target had been younger New York travelers, aged 25–34, whose top concerns were safety and price, but who were also concerned about the unique culture, unique cuisine, and soft adventure such as hiking. However, the target audience had not perceived Hawai'i as offering these experiences, and the rankings had been alarmingly low. Hawai'i had engaged in a three-year education campaign using immersive experiences, media storytelling, and influencer partnerships to reshape how New York saw Hawai'i. Control of the narrative had created control of demand.

Dr. Salā explained that in light of conditions in the proposed markets, and based on data from Mr. Eslinger and Ms. Chun, as well as negotiations with industry partners, a Pacific Northwest saturation was suggested, although that would be open for discussion.

- The first saturation was proposed for San Francisco and the Bay Area, the hub of strong cultural ties to Hawai'i and home to a sophisticated travel audience.

- The second saturation would return to Los Angeles, the single largest source market where competitive pressures required Hawai'i to enforce brand leadership.
- The third saturation would be Seattle and Portland in the Pacific Northwest, a high-growth market aligned with Hawai'i's values, especially sustainability and outdoor adventure.

Dr. Salā explained that this plan was within the base budget. He recalled a question from Mr. Arakawa during a budget meeting, "What is it that the HVCB does day to day, and why is this an augmentation of the scope of that work?" Dr. Salā responded that what the HVCB did from day to day was to maintain the brand. Market saturation provided the opportunity to infuse energy and resources to shore up conversion levels. The HVCB was generally positioned higher up on the "funnel" because, at peak times, saturation was not needed; people would come.

However, the situation was economically strange, with the U.S. market soft but not dire, while other international markets were quite dire. The HVCB was working to reduce those differences and to maintain the brand.

These particular markets were chosen because of their geographical proximity and air connectivity. Success in these markets would reestablish demand and shore up support from airlines, ensuring that Hawai'i would maintain seat capacity. These regions shared interests such as outdoor adventure, culture, and sustainability, key drivers aligned with Hawai'i's offerings. Additionally, these regions were where Hawai'i's target travelers lived.

A series of graphs was presented showing historic visitation from 2015 to 2024 for the Los Angeles, San Francisco, and Seattle/Portland areas. In 2021, during the pandemic, values were low. For Los Angeles, 2019 and 2024 numbers were up; San Francisco and Portland were about the same. The market was active.

Mr. Eslinger added that Los Angeles also included but also Riverside, Cupertino, Ontario, Thousand Oaks, and Santa Barbara. Visitation from these areas was also low, but opportunities were lost to bring visitors, especially with the Hawaiian Airlines and Alaska Airlines merger. The A330 and the 787 aircraft used on those routes were now being used for other routes that would not touch the state of Hawai'i. Hawai'i had to be prepared to understand where the market was. It had been relatively flat over time, and they had to be prepared to shore up the brand.

Chair Hannemann stated that this was a key point because travel partners had recently impressed him with the importance of not neglecting Los Angeles just because of the wildfires. It was true that the wildfires had affected Los Angeles, but it was still a market for Hawai'i. It was important to remain active; otherwise, seat capacity would go, and other destinations invested much money.

Mr. Eslinger stated that exposure to the most impacted part of the Los Angeles market was important as it related to the wildfires. Changes were likely seen in bookings from visitors located north of LAX, Santa Barbara, and nearby areas, but loyal Newport Beach and Orange County visitors would maintain their bookings. There were bound to be some variations, and exposure was important.

Dr. Salā stated that the HVCB team was also advised not to turn away efforts from Los Angeles. They might turn to San Francisco and then come back to Los Angeles.

The saturation component would be an event launch with consumer engagement, interactive promotions to drive interest, earned media engagement, leveraged media coverage to amplify messaging, and media and social media campaigns, driving awareness through targeted channels, including out-of-home advertising, depending on budget levels.

For the saturation itself, travel trade education would involve Ms. Robyn Basso and her team at the island chapter, which would be educating travel professionals and rebuilding confidence. In response to Mr. Arakawa's point, Ms. Basso's team would not pivot the existing budget but would either reallocate funds from the base budget or revise her team's calendar to ensure proper preparation for the saturation itself. A digital cooperative program would collaborate with industry partners to extend reach, noting that the HVCB invested private member dollars into the cooperative. Leveraging the HVCB private funds in partnership with industry partner funds would amplify HTA funds to ensure that the garden of beauty was being created.

Dr. Salā stated that this was something that Mr. Nāho'opi'i had challenged them to continue to consider. The HVCB was positioned rather high on the "funnel," knowing that if conditions were right they did not need to drill down at peak time because the visitors would come. But saturations were very effective in situations like the present and drove conversion from interest to booking. Travel trade and Ms. Basso, as part of the base budget, would go into the market and work with travel sellers and travel advisors. Then, the market saturation itself, with cooperative marketing, would drive down conversion. Market saturation would help the team lower the funnel to the point of conversion.

Dr. Salā stated that the expected results included.

- Brand lift would ensure the maintenance of the brand.
- Short-term visitation would increase over the next 24 months.
- Market share would be reestablished in the Southern California market on behalf of the State.

Dr. Salā identified the Hawai'i target traveler as an individual aged 25–55, with a household income of \$150,000 or more, who had conducted any foreign travel or visited Hawai'i over the past three years. Dr. Salā explained that for the baseline budget to optimize engagement and allow them to pinpoint the time and the kinds of media to be used, the optimal budget was

\$9.24 million, reaching approximately 56% of the target audience with a frequency of three times. He added that at the moment, the budget was at \$4.76 million for the 2025 media budget. This would have a dramatically lower impact, implying they would not reach the intended traveler. Travelers might be reached who lack respect for responsible traveling values. Dr. Salā emphasized the need to think about this long-term since there was much interest and pressure on the U.S. market.

Dr. Salā gave the following examples of spending for the U.S. market by other destinations:

Mexico	\$50 million in 2021
Jamaica	\$31 million, including \$6.3 million for new market saturation in New York, Chicago, and Dallas
Dominican Republic	\$100 million (with 54% of total visitation from the U.S. market)
Hawai'i	\$14.4 million in the U.S. in 2025.

Under the auspices of the HTA, the HVCB had seen contract expenditure diminishing but increasing expectations over time. The challenge was to try to do more with lower funds but greater expectations. Dr. Salā believed that, given the available resources, it was important for the HVCB to do as much as possible on behalf of the HTA and the State of Hawai'i.

Mr. Apo asked about the significance of the rising purple line on the graph showing the current versus optimal media budget for the Hawai'i target traveler with three times frequency.

Dr. Salā invited Ms. Imai to clarify this issue.

Ms. Imai explained how the Hawai'i target traveler was identified with the optimal budget defined.

Mr. Apo asked for confirmation that "reach" meant three times frequency.

Dr. Salā stated that the optimal budget existed because any higher investment brought diminishing returns.

Mr. Apo noted that the less affluent budget increased the reach from 40% to 56%.

Mr. McCully asked how the \$100 million spent by the Dominican Republic compared with expenditure by Hawai'i. He noted that the Dominican Republic was the most popular destination in the Caribbean and stated that he had been surprised to see that it was more popular than Puerto Rico. He asked whether Dr. Salā knew what portion of the U.S. market was represented by the \$100 million and how the money was targeted. Mr. McCully inquired whether the Dominican Republic had an analysis group like the HVCB.

Mr. Eslinger responded that 54% of visitors to the Dominican Republic came from the US, and their global annual expenditure was \$100 million, of which 80% was spent in the US.



Dr. Salā accepted that they were comparing a country with a state, but the Dominican Republic was a destination whose geography was similar to that of Hawai‘i, which helped to understand how the market worked.

Mr. McCully replied that this was why he had referred to Puerto Rico, since he did not consider Puerto Rico part of the Caribbean but part of the United States. Responding to Dr. Salā’s analogy about a flower garden, he, as a flower grower, noted something called the “law of the minimum.” A barrel made up of 20 staves could only be filled up to the height of the lowest stave, and all the staves would be at different heights. The law of the minimum would state that this would limit the capacity to grow the crops. Mr. McCully noted that information from industry partners about the market perspective would be required to identify the minimum stave. The HTA was responsible to their State, but their contract with the HVCB was related to markets. The HVCB provided market feedback, but the Board was responsible for making good decisions.

Dr. Salā responded that another aspect of this was how the HTA divided the globe into global marketing teams (GMTs) and major market areas (MMAs). This was the minimum for any given market, so moving the minimum to help shore up markets in dire circumstances was not easy to do in view of the procurement methods and decision-making within organizations. The minimum was challenging to define because it was based on conditions in the world, and Hawai‘i’s challenge was that their market would continue to provide as long as they infused it with energy. He promised to get back to Mr. McCully with a more complete response.

VP Choy apologized for utilizing an accountant’s viewpoint and referred to the slide about the Los Angeles blitz, where the ROI was given as \$25 in additional visitor spending per dollar spent. He noted that earlier information had stated that campaigns were generating \$34 in tax dollars for every advertising dollar spent. He felt the ROI should be at least \$300 for market saturation.

**a. Presentation, Discussion and/or Action on the Plans for 2025 U.S. Market Saturation Activations**

Mr. Choy mentioned in the slide about the L.A. Blitz effectiveness that the high ROI yielded was \$25 in additional visitor spending. A few hours ago, they identified that their campaigns were getting \$34 in tax dollars per advertising dollars. \$25 for every dollar is pretty poor. They want to ensure a good ROI. Mr. Nāho‘opi‘i said the \$200 and \$300 are for visitor spending compared to years ago. Mr. Eslinger said they have to consider the context. It was a global financial crisis. The baseline for return would be different in that situation than today. To get to the desired number, they would not use that period of time as the case study. Mr. Nāho‘opi‘i said the most important thing is that there is a positive return. They did return positive revenue back. Sometimes, they have to stabilize the market without losing money in the process, which leads

to building on additional efforts. They can then move back up on the funnel and be more efficient in the spending. They have to spend more to get the entire industry back stable. They are using the short-term relief, driving more conversion to stabilize the market in general, and where effective use of dollars can be made on branding. Right now, the economic conditions are not very good.

Mr. Eslinger said they need to understand how that was calculated as well. The saturation campaign could have brought people into the state that would have never come. That is a component that has to be factored into the calculation. Mr. Choy said the bottom-line question is, should they budget \$9 million for the campaign? Are they looking at a \$300 return for advertising dollars or closer to \$25? Mr. Eslinger said he does not know if that can be answered in a vacuum because everything sits inside a particular context. Ultimately, they want to provide options to make decisions about whether to spend this money or not. The goal is to look at the potential of market saturation to respond to market conditions at a particular time. The kinds of KPIs they would design in 2025 would look different from the actual numbers of those in 2009 because they will reflect the specific time period.

Dir. Tokioka referred back to the presentation about the L.A. saturation. He had reached out to some of the partners to see what kind of returns they got and if there were codes for saturation. He asked if there were codes set up for the L.A. Blitz. Mr. Talwar said they had done industry co-op programs where they looked to create a common code across industry partners. The hotels did not agree with that. They felt that they wanted to be open to selling how they sell best and to develop ways to upsell once they started engaging with a potential visitor to get the right yield out of them. While Outrigger may have had a free fifth night program, if they had someone there who was going to come for nine nights, if they could not take advantage of two fifth nights, they would work another package to sell them. While instigated by the promotion, that sale was not given credit to the promotion. So, they have to look at the high watermark for the overall industry versus a particular code for one potential sale.

Dir. Tokioka asked Mr. Talwar how they measure the success of what they did. They spent \$1.6 million, and he has not seen a receipt. Mr. Talwar said they could work with the staff to get this. Ms. Iona pointed out the strange economic situation in the presentation. She had asked Ms. Chun if the State of Hawai'i was in an emergency. Ms. Chun explained that it was a civil defense emergency with the fires, and everyone agreed they were in the recovery phase. The HTA plans to recover from that emergency. Defining tourism emergency is different because it has different languages for whether or not the Governor declares a tourism emergency and whether the Governor says the emergency is over. However, they are still lagging, and there is still a lot of recovery. People are working hard from the visitor industry and tourism side, and also for the residents. A lot of work still needs to be done, so it is not a good situation yet.

Ms. Iona said that marketing, if it has the tools, time, and strategy, can be successful. All the strategies have to be blended to ensure visitors know they can visit the state. Destination management is also an important strategy. She mentioned the new branding for the trade show, which has not been upgraded for years. She said they must always look polished. She asked if there was any position that could be filled to move the pendulum and positively keep the partnership.

Mr Pfund said their position is that the state must have a mechanism responsible for overseeing the state's tourism strategy. That sits with the HTA. A private entity cannot do that; a public entity must do that. The most successful mechanism for this work is in a public-private partnership where the public entity goes through procurement, and that procurement leads to a proper trust in the private entity to follow through on the work. This is an investment of the state into the work of the private industry to shore up on its behalf. That is not always perfect, but most of the time, there has always been a win. He said the HTA needs to function so that they can function. He said he would revert post-September and look at a six-month mark and what the return on that investment was. They could come back with better numbers closer to satisfying the ask. He said if there is anything they can do to help the function of the organization they will do that. Mr. Pfund asked how they jointly develop the right measurements KPIs for the different programs. They need to work together to ensure they can all agree upon something.

Dr. Salā said the KPIs have to be derived from brainstorming sessions and internal discussions from data. That data is not science; it is art because they look at a volatile and ambiguous environment that is constantly changing. Dir. Tokioka said they are experts in the marketing and selling Hawai'i, which they have been doing for a long time. Maui needed help, but they had some disagreement on whether it was an emergency or not. It is 19 months later for Maui. They need to be cognizant that Maui is still struggling. Because the Board meets once a month at the end of the month, if additional monies could come up for some particular programs, it would be beneficial to move it along faster.

Dr. Salā said the HVCB is a private non-profit organization. If something aligned with their vision, there is nothing to stop them from putting in an RFP proposal to put that on the portfolio. They can work with many different kinds of clients in their wheelhouse.

Mr. McCully said he reviewed the available reports, and HVCB's total revenues seem to be about how much the HTA allocates. He asked if the HTA is HVCB's 100% client right now. Dr. Salā said yes, aside from the work they do in private membership engagement.

Chair Hannemann mentioned the comment about there being nothing to prevent a non-profit entity to entertain marketing proposal areas. He said they need to recognize that the Governor has the ultimate final say for the dollars that come to them. Mr. Nāho'opī'i said the L.A. saturation report that was presented back in December and November, all those issues brought up were addressed in terms of the details. There have been subsequent back-and-forth emails through the brand manager and finance about what was spent, receipts, etc., for those critical parts of the campaign. He also pointed out that from the beginning the purpose of marketing is to ensure there is a brand of Hawai'i. An important distinction is that the GMTs are responsible for creating the brand of the Hawaiian Islands of Hawai'i as a visitor destination, although it will change as they start to do more regenerative tourism. In the end, their Kuleana as the HTA is as a visitor destination. There may be other people who are selling it in terms of product and other things, but they have to ensure that the brand hits that point about welcoming people.

The last point he made was the statement about emergency. There are different versions, but in statute it defines it as adversely affecting Hawaii's tourism industry by substantially interrupting the state's commerce, business industry, and commerce and adversely affecting the welfare of its people, the jobs, and employment in Maui right now. So, there are some economic issues that they have to deal with to ensure the visitor dollars get down to Maui and continue to employ those people and generate revenue for the businesses there, which will sustain residents getting back to a sustainable way of life, a normal feeling in their life on a day-to-day basis.

Mr. Arakawa mentioned Ms. Iona's point about the booth. The booth was listed not as a high priority by the HTA staff but as a medium priority. When the Governor and BFS looked at the budget, they tried to fund all of the high priority items identified by the HTA staff. If they want to make the booth one of the high priorities and push something else down, maybe they can talk to the Governor about that. They also discussed the possibility of having industry partners help them with that booth, but it is the Board's prerogative. He mentioned that he had been getting texts about shifting budget items from different vendors, budget amounts, etc. so maybe they can discuss that with Dr. Salā, other vendors, the budget committee, and the marketing committee. He said the Governor's budget had been submitted to the legislature. So, if there are any changes to be made, Dr. Salā's presentation talked about needs on the west coast fishing, where the fish are, maybe they could look at that.

Mr. Choy said they received a detailed itemization of the expenses spent. The only thing lacking is a contract to match those numbers. But regarding the numbers and everything he had been given, he was very satisfied with that work.

## **10. Report, Update and/or Action by the LEGISLATIVE PERMITTED INTERACTION GROUP (PIG)**

Mr. Apo said they had a couple of good PIG meetings as they moved into the legislative session. In the last PIG meeting he mentioned three items he wanted to bring up with the Board and get any additional Board feedback on. Overarching all of this is the fact that they recognize that while they have passed an initial resolution regarding their policy coverage, the ultimate decision is for the Board as to what the authority's position will be on bills.

Mr. Apo spoke about TAT and other fees that will affect tourism. Any changes in TAT or increases will affect tourism. As discussed in the PIG, they recognized that tourists are a base potential taxable group. TAT is directly related to tourism. The concern that was raised in the discussion is a lack of nexus between those additional increases and funds. One bill that came up was raising TAT and, for that, money being dedicated towards the Department of Hawaiian Homelands Loan Program. It was a clear non-nexus to the visitor industry. One part of the discussion they got into was about their position as an authority overall. Are they willing to look at it if there is a nexus with the tourism industry, whether for marketing or other pieces of spending that would affect tourism? Are they then willing to have discussions with the legislature and go through the process for potential increases in TAT or other fees? He opened the floor to discussion.

Mr. Pfund said they should push for some consistent funding percentage of the tax or the fee increase that goes to dedicated funding for the HTA to support their mission. Mr Apo said the last point is to confirm that their position will be any increase in TAT or other fees that affect tourism. If there is no nexus, they will stand in the opposition position with that as the starting point and bring it back to the Board for discussion. He touched on SB1536, which is regarding the CEO of the HTA benefits. That bill would exempt the exception regarding the state retirement system. They had discussions at the last Board meeting regarding the maximum salary for their CEO position. It was discussed that they should keep it at or below the lieutenant Governor's salary and ensure that proper benefits existed to hire someone qualified and good for this position. The bill has been introduced by the Senate. It has a double referral. Because it is important to them, and moving forward, he wanted to confirm with the Board supports the bill that would allow the retirement benefits to go to the CEO. The sooner that bill can go through, the sooner they can restart their search for the CEO and get that position locked in. He wanted to see if anyone had any comments about taking that position and moving that forward.

Chair Hannemann said he would ensure that he touched base with the Governor's office, so it would be an opportunity to do exactly what Mr. Apo just stipulated to ensure there were no

misunderstandings. The Governor's office is aware that this is happening and is grateful that the Senate has put forward a bill that they can entertain to see where it goes.

Dir. Tokioka told Mr. Apo that the Governor supports that 100%. The Governor had told Dir. Tokioka that wants that to pass, and he wants to make sure that the benefits afforded to the Lieutenant Governor and all of the directors in state departments that the president and CEO of the HTA would be afforded the same opportunity. There is no question about the Governor's position. The only question is when they will make the effective date of that bill. Upon approval would be the best way to move it as quickly as possible so they can get that person hired.

Mr. Choy mentioned to Mr. Apo that in the meeting, he had brought up the point that they need to redefine the position description for the CEO only because they are losing the fiduciary responsibility that they had prior with sole source funding, with the procurement exemption. All those things are now past them, so they need to know what the new CEO has to do versus the old. To be fair to the new CEO, he said that the position has to be redefined, looking at the new role of the HTA and the new environment they are working in.

Chair Hannemann said that is a point worth taking, but his standpoint is ensuring they have a legislative vehicle to address that. Mr. Nāho'opi'i added that it is a kuleana of the CEO selection PIG. There is a CEO selection PIG, and they can work on that and bring it forward to the Board for approval.

Mr. McCully said he went through Chapter 88 because the exemption from Chapter 88 is where all the bill's power is. Mr. Apo confirmed that as correct. Mr. McCully said Chapter 88 had a lot of callouts. He suggested looking at a proposed amendment to Chapter 88 specific to the HTA. They could propose that at the next committee. Mr. Apo said he would take direction from the staff regarding what might be an appropriate look, specifically in Chapter 88. He said there were some issues, discussion, and good points that came up in their discussion that they cut a little short because they did not feel it met the criteria of what was in front of the PIG, e.g., talking about the job description for the CEO. Mr. Apo moved on to the governance study. This bill looks to implement a part of what was in the governance study regarding potentially creating a non-profit organization to take over the role of the HTA. They have received the governance study, and there is a PIG addressing that. Implementing now is not something that they are ready to do. He said they could provide that information to the committee to address it, but right now, they do not favor what was proposed. He wanted to bring that out in front of the Board and ensure no other comments or desired direction on that bill.

There were no comments or questions. Mr. Apo said that as issues pop up, they need Board approval because they are outside the specifics of the resolution that has already been passed. They will bring those back in front of the Board.

## **11. Presentation on HTA Destination Stewardship Programs**

Mr. Ka'anā'anā gave a few updates. Since the last meeting, sans the special meeting, they have completed their work with the PGA for the opening drive or the Aloha swing, Incredible Events across three islands, and the Sentry Sony Open and then Mitsubishi Electric. He sent out a thank you to everybody on the team. He said many partners from the industry used the word critical to describe the importance of having an event like Sentry at the beginning of the year in January after the festive season. It just speaks to some of the value and the impact of the work of their sports program as they move forward. They also can continue their support for the Polynesian Football Hall of Fame. The All-Star Game was one of the most viewed, but it actually broke the broadcast, and they had to move it to a different network. So, it was an incredibly successful year and a really exciting game. The induction to the Polynesian Football Hall of Fame also included three new inductees, for which Hawai'i presented the College Player of the Year Inductee Award. They were proud to do that in addition to some of the community work. They also had the privilege of being a first-time signature event for the Transpacific Volleyball Tournament. They have supported it in other ways with MFF over the years and continue to provide support in addition to the signature funding. They are waiting for some of the events' reporting because they happened in January. They get 45 days from the last day of the event to produce their report, at which time they will have a better sense of what impact they had and what they hit for peak room nights, which is how they trigger certain incentives for them.

In December, he provided a brief update on Kilohana and the vendor about the statewide reservation system. He let the Board know that he is working with his team to begin drafting the solicitation PPW for the RFI, which will be the first step in that procurement. It is a big undertaking, a large app, and it has many requirements that people were asking for based on the study. They heard a few others reiterated yesterday in the Visitor Industry Safety Conference and looking at things like ensuring it is a one stop shop, making sure that weather alerts, swimming information, and beach conditions are all included and have functionality within the app. There is a lot to consider, and they want to ensure they do it correctly. Chair Hannemann said that due to their sponsorship, the HTA gives an award to the College Football Player of the Year. Mr. Ka'anā'anā congratulated Chair Hannemann for receiving the Kupono Award, which is the Founder's Award, on behalf of the Board of the Polynesian Football Hall of Fame.

Dir. Tokioka said to Mr. Ka'anā'anā that he thought they had already gone out to do the RFI. Mr. Ka'anā'anā said the study was completed in December and then was presented at the December 19 Board meeting. Mr. Ka'anā'anā said they could technically move straight into an RFP, but given the scale of the app, it is best to do an RFI, but he was open to adjusting. Dir. Tokioka said they are often getting questioned by the legislature about the status of the app. He said the RFP would flush out who could do what. Mr. Ka'anā'anā said he would happily follow up with him after the meeting.

Mr. Arnaydo gave the update for the Destination Stewardship Support Services. They will be going over the VEPAM, the FTA CTC program, 'Umeke updates, updates on tour guide certification, and the Qurator program, and then Mr. Ka'anā'anā would give an update for Smart Tourism. For VEPAM they got excited about seeing their TA and CTC program collaborations. VEPAM will be tapping into their cohort members and using them for the VEPAM cohort. The most recent example is the 'Āina Ho'ola Initiative, which will be featured in a future episode for Travel 808, and they will utilize content gathered from the CTC programs. They are starting to do the same by integrating their 'Umeke events into the VEPAM marketing. In Q4 of last year, they exceeded all of their KPIs from digital displays, native ads, and social media posts. Mr. Ka'anā'anā highlighted that integration is important. They heard from cohort members in the CTC about the importance of getting some traction behind them and getting them in front of the media and potential visitors. He said the post-arrival marketing program that Kilohana does for them once visitors are at their destination is an excellent place for them to do that.

He highlighted the festivals and events. They spend around \$7 million in support of these signature events in a given year. They had 158 events in 2024. Those are now incorporated into post-arrival marketing again to drive event attendance. They are doing this in support of the overarching strategy to ensure visitors buy local and support local and that they are attending festivals and events. The communities welcome visitors, and they want to create meaningful experiences that develop visitor interaction.

Mr. Arnaydo moved onto the community tourism collaborative. The CTC programs are really the entry point for the HTA to start interacting with local businesses. They found that many of the cohort members still have a strong need for collaboration with other small businesses. What is exciting about HTA is that this is one of those initiatives that is community-focused, allowing them to empower and uplift their communities so that they can celebrate Hawaii's excellence for their global audience. They found that 18 out of 24 of the cohort members took advantage of the HI Now Dailys, which was the money that the HTA provided these small businesses. This is tangible for the HTA. They started streaming a small group of them early January, and the last business that will be featured for the HI Now Dailys will be towards the



end of February. They will be able to see what the HTA is sponsoring and what these cohorts could get out of this program. And then, even further with these collaborative businesses, they are starting to onboard with their curator program. This is the entry point for the small businesses, and this is how they equip them to be certified on curator and have the capacity to apply for 'Umeke Programs. This is a key indicator of how they are uplifting their community.

They closed out the last round of 'Umeke and executed their contracts by January 31. Moving through the pipeline next month, they are opening up the 'Umeke portal again, getting ready for term one of FY2026. So, starting February 10, the application portal will open, and they will commence on April 1. During that time, February 11, they will be conducting their community info sessions. They have anticipated an award announcement date of June 5. Mr. Ka'anā'anā said they are trying to lock down one final venue for the community information sessions. It's the first time they are going back out in person in over a year to let folks know how to apply, what they are looking for, and their direction. One thing they learned from the process over several years is that they have added two virtual statewide sessions that booked the in-person on-island sessions. They will have an initial virtual session right at the beginning of February 11, and then go across the state in person and then close with a final statewide information session again. The award cycle is for programs that occurred during FY2026. The event, the activity, and the program would start July 1 and need to commence or end by June 30, 2026. They have moved all their contracts to a fiscal year basis. That is why they initially did the six months.

Mr. Ka'anā'anā mentioned the slide with 'Umeke 2025 – 2026. Key dates are subject to the legislature's appropriation for FY2026 biennium dollars. What the legislature does in the next couple of months will depend on what they will be able to do. They have structured the timeline for these awards so that they are meeting as an evaluation committee for award amounts after the middle of May. They will have budget worksheets by the middle of May, and then they can award them based on what they get. He highlighted that they are trying to get ahead and stay on cycle for FY2026, and June 5 is their targeted date. He said Mr. Choy advised them that the HTA may not get its initial tranche of funds until mid-September. So, there's a huge gap between those times. Kilohana cannot make any payments to awardees until October. Timing is really rough in the way that they are structured. He said they are trying to be proactive as staff to have the RFP process go at the time that it should make the awards.

Ms. Paulson asked if they are reimbursable grants or if most are expecting the funds upfront. Mr. Ka'anā'anā said the payment schedule is structured in such a way as to try to provide funds upfront because they know the small organizations cannot float money, and so the payment structure usually falls into two patterns. For festivals and events, for both SEP and signature, they do a 70% first payment and a 30% final with their final report. They do a 50%, 30%, 20% split for yearlong programs. But given the reality of the condition they are in as the HTA and

being generally funded, Kilohana probably will not get a check until October. Mr. Choy clarified that they do not have grant-giving authority. These contracts are purchased for service.

Vice Chair Paishon asked what the long-term remedy is for the situation where there is a funding gap. Mr. Choy said it is something that, contractually, they tell the service vendors about their situation. It is statewide. Every single year, when the budget is passed, it takes about 60 days to get the new budget and the new computers up to date. Every department in the state goes through this.

Mr. Nāho'opi'i added that this is one of the issues they are having in shifting towards this new structure of the state procurement process and the general funds. They are working towards adjusting some of the contract cycles, which means redoing some of the contracts. They could shift the responsibilities to a different time period so that the billables come at a different time. That is a complex issue that they have to work through procurement to understand whether they can do it. Mr. Ka'anā'anā said they must spend the monies in the fiscal year it was awarded. The problem is that they do not get it for 60 days, at least.

Mr. McCully asked if the budget and fiscal year are in sequence. Mr. Ka'anā'anā said they would be. He wanted to stay on a calendar year cycle so that they could issue the RFP right after they knew what they were getting from the legislature. They actually get it in September, they make the awards in December, they start in January, and then they continue the activity. However, the guidance they have been given is to structure the HTA contracts in the fiscal year. So, to split them into multiple fiscal years is what they are not doing anymore. Mr. Choy said that is because the last six months will be unappropriated funds. If they stick to the fiscal year, they know it is 100% appropriated. Mr. Ka'anā'anā said the current programmatic year for vendors that cannot front the money themselves is eight months.

Mr. McCully said this is where the CNHA's multiple entrepreneurial-type funds could come into play. Mr. Ka'anā'anā cautioned against putting that burden on any of the vendors, including the HVCB. The HVCB has a line of credit that they have had to use that has been chewed out over the years from the HVCB because they have to pay interest on that, and that has not been reimbursed to them. Mr. Choy said not to do work for which they did not get funding.

Ms. Iona shared her concerns about organizations such as Honwanji in Hanepepe not receiving the funds until October. Mr. Ka'anā'anā said that the new structure of the HTA being general funded and subject to 103D is the new reality. Vice Chair Paishon raised an additional perspective for all of them to be aware of. The quandary they are in puts undue stress on Kilohana as a representative of the HTA with communities. They are working hard to cultivate and maintain positive relationships with non-profit organizations and small businesses that

provide the fresh product and experiences that the industry demands. They should also be aware that it is just putting undue stress on them because the community members do not know all the procurement and state regulations. She said it would taint the HTA's reputation in the community and in Kilohana.

Mr. Ka'anā'anā added that they must avoid spending too much time on unnecessary things that take up time. Dir. Tokioka said the vice-chair had good points and it is not too late for the Board to advocate for some of the changes to that because when the changes were made at the legislature, it was not that granular in the outcomes. Mr. Ka'anā'anā said if they could get a large enough tranche of money in FY2026 where they could get the money to Kilohana earlier, then that equalizes it out. But it would require the legislature to appropriate more funds in 2026 that were for the next cycle. Mr. Ka'anā'anā said they are targeting to release on February 10.

Mr. Arnydo spoke about the tour guide certification, which got pushed slightly to the right. Their initial course content draft is completed, and they did an initial round of 22 community stakeholder engagement in building the curriculum. But now they will ask them to do another round of vetting so that the created content is again vetted one more time before they have the final draft. The tour guide certification has 12 modules. It is a comprehensive piece of material. Some topics range from Hawaiian Culture, history, and ecosystems to visitor safety and experiences. They want to ensure the stakeholders have a wide range of expertise, from the tourism industry to visitor safety, cultural practitioners, etc.

Mr. Ka'anā'anā said they are not currently under contract to push out, promote, and run the program. The stakeholders review the content, and then it goes to the Board for review and approval to launch. That ask was in tier 2 in the budget request. He does not think it made it to the Governor's review and cut. If they want to use the curriculum, they have to advocate for the funds. Suppose members of the legislature ask what needs to be done to fulfill the mandate for destination management and stewardship. In that case, the tour guide certification is a really important one for residents. Mr. Arnydo confirmed this is an overall tour guide certification.

He moved on to the Curator program. They have 192 organizations registered. 69 of the organizations are certified, and 48 of them are listed on Curator's website. There was a slight delay over the holiday season, so they expect that 69 number to rise slightly. They also encourage the organizations that participated in the community tourism collaborative to join Curator. Then, the Curator Certified businesses will soon be integrated into the GoHawaii website. They are collaborating with the HVCB to have a seamless process of recognizing all of these organizations. They have an ongoing targeted outreach to get more business Curator

certified. Right now, coming through the pipeline in February, they are starting production for a Curator commercial.

Mr. Ka'anā'anā added that they asked for additional funds but did not receive them. As the quality assurance program for the state, it is important to ensure they are doing some marketing with visitor industry businesses. He wanted to give them opportunities to table or give a short presentation to speak about the program, whether it be a chamber lunch or an industry meeting. Mr. Choy asked if these programs are made to be self-sustaining sometimes in the future or if they will require a budget each time. Mr. Ka'anā'anā said it would be on the budget forever. There should be standing budget items that are not intended to make money. They do not charge for the certification and curator. Mr. Choy said they should discuss that some of the programs be self-sustaining in the future so Mr. Ka'anā'anā can get those new ideas and get funding for those. Mr. Nāho'opi'i said they must be cautious that it is not a pay-for-play situation. As a state agency, they had this problem with the GoHawaii website, and they still have this problem with it. One of the reasons why they have these CTCs is that many organizations cannot afford to participate in the visitor industry. Their role as a state government is to support and build capacity for them.

Mr. Ka'anā'anā added that if they want to reach their collective goal of a regenerative tourism model, the CTC's curator tour guide certification is the tangible step along that path that they believe will shift that window of possibility in people's minds and then actual implementation later.

## **12. Report and Update by the BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE**

### **a. Presentation, Motion, Discussion, and Action on the HTA's November and December 2024 Financial Reports**

Mr. Arakawa said the previous month they deferred 12A, so the HTA Board has two reports to approve this month. Last month and earlier this month, the Budget, Finance, and Convention Center Standing Committee voted unanimously to recommend approval of both the HTA's November 2024 and December 2024 financial reports. As the BFCC Committee chair, he motioned to approve the HTA's November 2024 and December 2024 financial reports. Mr. McCully made a second.

Mr. Kishi spoke about the December financials. He spoke about the status of the FY2025 tourism operating budget. To date, they have either paid, encumbered, or restricted \$42,073,000 out of their \$63,000,000 budget. So, that leaves a remaining budget of \$20,926,000. At the last meeting, Chair Arakawa asked him to create a slide for sports and

signature events comparing FY2024 to FY2025. In FY2024, they spent \$5,348,000 on sports and signature events. In FY2025, they are spending \$7,318,000 on sports and signature event events. Mr. Arakawa said there is a difference between sports and signature events, which can be shown at the following meeting. Mr. Kishi showed the pie chart showing the FY 2025 operating budget breakdown. Nothing has changed in the past month. He showed a bar chart comparing their FY2025 operating budget to the FY2024 operating budget. Nothing has changed from last month, either.

Mr. Nāho'opi'i asked Ms. Anderson to address the EDA funds. Ms. Anderson said they were a little scared regarding the EDA funds because they are temporarily blocked. Right now, they are in conversations with their EDA person daily, and he advises them. They are holding what they are doing for now but are still in discussions with EDA on what will happen with the funding. Mr. Arakawa said the EDA is a federal grant and that scare was a Memo from Washington, D.C. He said they could circulate the memo depending on what they think is important. Ms. Anderson said that, as of now, they are being extra cautious and cannot really advise on whether or not they should stop work. There were no questions or comments. Mr. Gionson did the roll call, and the motion passed unanimously.

Mr. Arakawa asked if Mr. Choy was working on any concerns relating to the financial reports. Mr. Choy said they have been working on administrative issues at the HTA. He reported some procurement violations that will be reported via the proper channel. The first step of the way is going to be through Dir. Tokioka. The previous day, they met with the SPO to go over the violations and make sure that they were valid. Hopefully, they will learn their lessons from these violations and will make improvements in the future. As far as the details are concerned, Mr. Arakawa has been tenacious in putting these items on his agenda, and they have been working through them with Mr. Arakawa and Mr. McCully to ensure these processes improve. It will not be an overnight improvement. Mr. Arakawa mentioned paying vendor invoices. Mr. Choy said his section of the HTA is complaint-driven. As the complaints come in, they take it seriously. Late payments are of issue. And unfortunately, the late payment issue is pervasive. It's not isolated. Mr. Arakawa said he didn't want any of the Board members to say they had not heard about these issues, so he tried to cover them all. He asked Mr. Choy if he is working on contract actions after a contract has expired, like the purchase of equipment after the contract has expired. Mr. Choy said those were procurement violations. Unfortunately, the procurement violations they are looking at are mundane and benign and could have been solved way earlier in the process. He is working on renewing contracts, a chronic problem with the HTA. They will have to put consequences into action. With the help of Mr. McCully, they can get these in order.

**b. Motion, Discussion, and Action on the Hawai'i Convention Center's (HCC's) November and December 2024 Financial Reports and Update on the Hawai'i Convention Center's 6-Year Repair and Maintenance Plan**

Mr. Arakawa said this was deferred last month. Earlier that month, the BFCC voted unanimously to recommend approval of both the HCC's November 2024 and December 2024 financial reports and updates on the HCC six-year repair and maintenance plan. He made a motion to approve the HCC's November 2024 and December 2024: financial reports and updates on the HCC's six-year repair maintenance plan. Vice Chair Paishon seconded.

Ms. Orton thanked Mr. Gionson and Ms. Kaho'ohanohano for all their support, and welcomed Ms. Paulson to the Board. HCC hosted 24 local events and one Citywide event in December. The HCC partnered in December with Paquin Entertainment Group to host their first holiday immersive show, 'Twas the Light Before Christmas. This show saw an estimated 35,000 customers who came to experience the season's joys. This shows grossed revenues of roughly about \$1.4 million. They anticipate breaking even at the HCC on their bottom line for the first show; total revenue for the facility for December was \$2.6 million gross, which exceeded their budget by almost \$1.4 million. This uptick in revenue was primarily due to their immersive show, but with increased revenue comes an increase in expenses. So, they also increased expenses by \$936,000, which was \$230,000 more than they had budgeted. In December, the HCC hosted seven holiday celebrations, three sporting events, and other meetings.

The fiscal year forecast - the HCC is currently projected to end the fiscal year at a net loss of \$2.1 million, which is \$1 million up from their budget, an improvement. Their budget is currently at \$3.2 million. In the end, they are forecasting that the end of the year will be at \$3.5 million, which is negative to their \$4.8 million, which was their budget. So, they are \$1.2 million better to budget at the end of their fiscal year.

They have five more months to the end of the fiscal year and have ten more Citywide's to service. She is confident that the bottom line will get better. She spoke about ROI. As of December, they hosted eight Citywide events and their ROI was \$10.66 for every dollar. Hopefully, with the closing of the year and the ten additional Citywides, they will fall somewhere along where they were for FY202424, which was around \$14 to \$15 for every dollar spent. She reminded everyone that the bureau is on a calendar year. They have a total of 18 Citywides that they will be servicing. There is \$380 million in economic impact for all the businesses that are running through the HCC in the form of Citywide conventions. Then, the total tax generation for the fiscal year is roughly \$44.4 million.

She highlighted recent events - the Aloha Region Christmas Festival tournament, a local tournament. Sony Open Gala dinner and Transpacific Volleyball. Upcoming events include Hawai'i Dental, with 3,000 delegates in the building. The coming weekend, they have another volleyball tournament, which they are moving to another hall due to leaks. The staff is all very busy in the building. She thanked them for funding the repairs. For the next three months, they average one to one-and-a-half Citywide events every month until the end of the fiscal year. She showed some pictures from 'Twas the Light Before Christmas. It was 39 event days. They had multiple events in this show: Toddler Hour, Ugly Sweater Christmas Night, Pajama Parties, Slay the Holidays, and numerous appearances by Santa Claus. And they had one proposal.

Ms. Orton highlighted a new exhibit that they will be installing near the Taiko Drum, which is located on the third floor just outside of Theater 320. It is a new exhibit which the HCC and the HTA have commissioned to carve a complete collection of traditional Hawaiian wood Nalu surfboards representative of surfboards that were used before first contact with Captain James Cook in 1778. Each board will be original, one of a kind, and will be carved from endemic and native woods that were specifically used for the sport of surfing by native Hawaiians in the pre-contact era. This exhibit will be unveiled sometime in March and will be the world's only exhibit of its kind. This exhibit will also show the history of surfing's origins combined with archival materials such as historical drawings, photographs, and film clips that will capture the history of surfing throughout time. The display will introduce the significant role that surfing has played in Hawai'i, Hawaiian Culture, and worldwide. They will do a blessing sometime in March. They are also looking at installing a hula exhibit that is taking place of another exhibit that has expired. They will also tell the story of the timeline of Hula pre-missionary contact to the current day. This will be a rotating exhibit that they hope to have every year of different types of Hula-related material that they will showcase in this art exhibit.

For the Carbon Offset program, to date, they have planted 491 trees. They started a project of excavation work on all the planters around the building, including all of the planters on the grand staircase. All of these planters had full-grown palm trees, which they had to remove because the roots penetrated the waterproofing system. They are in the process of removing all the dirt, waterproofing, and resealing all of these planters. They will not put trees back in them but will put artificial turf back. These planters exacerbated the leaks, hence why the Kalākaua driveway is closed. The planters above the Kalākaua driveway have no dirt, so there is no filtering and slowing of the leak. The water is just going right through, which has collapsed the ceiling on the driveway below it. It will be closed until Monday. Once the planters are addressed, they can address some of the other leaks below them.

LED lighting - a project moving along quicker than they had planned. They are changing all of the lights in the building to LED except for the rooms that fall under the rooftop terrace

because they will hold off on that light installation until after the renovation is done on the rooftop because they will need to access in the ceiling and all of those meeting rooms to address the leaks for the rooftop. The painting project is moving along also ahead of schedule. It is a vast improvement from what they had previously. They are in the process of awarding the contractor for the interior paint project as well. So, once the exterior is finished, they will move right into the interior of our building. They are also starting the main kitchen reef surfacing of the flooring. This is something that the food and beverage team is extremely excited about. They have also installed LED lighting, not just front-of-house, but also in the back house areas. She showed a picture of the new chiller room. They added new LED lights, which makes it much brighter. They are going to resurface the floor in this area because the flooring is unsafe due to some leaks.

Ms. Orton spoke about the projects that are in play, what projects they have finished, and where they are in the procurement phase. She said the meeting packet has a breakdown of every single project they have for the next six years and the estimated costs and completion date. They just awarded their second project management company on site. They have Cummings, and just awarded RLB as their second project management company to assist with all these projects. Mr. Choy congratulated Ms. Orton as they have their 10-year contract in place. Mr. Choy asked the legislators to give them additional monies for the temporary shutdown period. They can do a lot of CIP during that particular period when the HCC shuts down. If they do not do it while the HCC is shut down, the cost will be 20% higher.

Ms. Orton shared her shutdown plans. They are on a modified event schedule. They are still open and will host festivals, sporting events, and some local businesses that can move into the parameters to which they will operate: Friday, Saturday, and Sunday. If they can host their event on a Friday, it has to be after construction hours, which is after five. Some people are willing to move into those dates. They incentivize people to move into those dates to keep the business on the books. And then also evenings, Monday through Friday. They have a slew of other projects that we have lined up for each department to assist with, mainly project-related. So, they will have teams assigned. Ms. Tait has specific projects for which some of the staff will be working with contractors to ensure they are kept busy during our modified event schedule.

Mr. Choy said he is the program manager for the HCC and wanted to inform the Board that a \$3.5 million loss is projected for this year, which is unacceptable to him, which he and Ms. Orton will work out. The other issues that will come up shortly are MCI and MFF for the HCC. Mr. Choy and Ms. Orton are on opposite sides of the issue, and they will be battling that out to make sure that they can come to some reasonable conclusion. The number for MCI is dismal and unacceptable. Ms. Orton said the success of the HCC is a combination of Citywide business, local business, and the mix of businesses they bring into this building. The Citywide business is



key to their success. It is the type of Citywide business that they need to focus a little more on. Corporate always drives more revenue, food and beverage, rent, etc., but it is finding the balance between Citywide and local businesses.

Mr. Arakawa clarified that MCI is meetings, conventions, and incentives, and MFF is the flexibility fund they use as incentives. Mr. Nāho‘opi‘i spoke about the CIP. As a whole, the HTA is requesting the legislature to approve the additional CIP. Right now, the current administrative budget is \$5 million. That was their original approved request. They have already made a point that in their recalculations, looking at the modified schedule in 2026, they want to do additional maintenance work, including increasing the CIP request to \$50 million. They have explained that in the BFCC. This also keeps their employees in a work situation, so they will not have to lay them off because they can redirect some of these projects to keep them employed. Mr. Arakawa does not recall a motion to approve that. Mr. Choy said they would discuss it more in the BFCC.

There were no online questions. Mr. Gionson did the roll call, and the motion passed unanimously.

**c. Motion, Presentation, Discussion, and/or Action on the Status Update on the Fiscal Biennium 2025-2027 Budget Request to the Legislature**

Mr. Arakawa deferred agenda 12C to the next meeting.

Chair Hannemann said an online participant wanted to ask a question during the destination stewardship program.

Mondy said it was a great conversation. She wanted to underscore the statement that funding delays felt by non-profits were a key finding in their prior studies on the health of non-profits and community-supporting organizations. She wanted to underscore that non-profits are already operating on a thin margin, even if they are a larger non-profit organization, especially for their community organizations. When there is a delay of a few months, of course, hopefully, they are always practicing fiscal responsibility, but simply the resources are often not there. So, instead, people are working and shouldering the burden themselves. She wanted to add to the consideration and then implore the legislature to continue to fund the HTA in these line items. Maybe if they can get creative, they may find even better funding mechanisms for the community organizations that deliver on their brand, their people, and the place. She also wanted to give a shout-out to Dir. Tokioka, and wanted to thank those who worked on Kākou effort for EDA and supporting the statewide recognition as an economic development zone.

Dir. Tokioka thanked her and said he would be missed if he did not acknowledge Mary Alice Evans and Lauren from the State Planning Office. They did an incredible job tirelessly working on that.

### **13. Report and Update by the ADMINISTRATIVE & AUDIT STANDING COMMITTEE**

#### **a. Discussion and/or Approval of the Hawai'i Convention Center Space Use Policy #400-02**

Mr. McCully said the A portion concerns the space use policy. The Administrative and Audit Committee debated this policy and moved that the Board approve it. One subject of clarity would be the effective date. This was raised at the committee as to when a policy should be backdated or whether this space use policy should have an effective date at the time of the approval. He asked AG Cole's opinion on that—the effective date of this Policy 101 upon approval.

Dir. Tokioka made a motion, and Vice Chair Paishon seconded. There were no questions or comments. Mr. Gionson did the roll call, and the motion passed unanimously.

The next item for the Administrative Audit Committee to consider was to place a vice-chair or name a vice-chair to the committee. The committee recommended that Mr. Arakawa serve as the vice-chair. Dir. Tokioka made a motion, and Vice Chair Paishon seconded. There were no questions or comments. Mr. Gionson made the roll call, and the motion passed unanimously.

For bylaws, there was a poll that went around, having to do with a Special meeting or an Administrative and Audit Committee meeting scheduled for Friday, February 14. Mr. Choy said the chair allowed them to entertain amendments to the bylaws, allowing all the Board members and the staff to put amendments in or suggestions for amendments to the bylaws. It is due February 10.

Mr. McCully said the bylaws are a scanned five pages and there are only three pages that really get into it as to how they operate. However, they are of immense importance, and they provide a constructive framework for them to operate efficiently as a Board. It is incumbent upon them as Board members, to apply themselves, but also for AG Cole to be at that meeting and to be prepared to advise them on where the line is divided between policy and bylaw. He pointed out that while Mr. Choy and staff would love for everything to be knitted up by February 10, the floor will be open on February 14th.

Chair Hannemann said he appreciated his earnestness in being very candid to the Board concerning issues of those violations that were brought up.

**14. Adjournment**

The meeting adjourned at 2:25 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheillane Reyes".

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Sheillane Reyes  
Recorder

# **6**

## **CEO Report**



# HTA CEO REPORT

FEBRUARY 2025

## EXECUTIVE SUMMARY

The Hawai'i Tourism Authority (HTA) provides this report as a resource to the Board and the public to better understand the activities and actions taken by the team in the month of January 2025 in support of the organization's overall mission, its strategic plan, and the community-led Destination Management Action Plans.

Office of the President & CEO: Of the HTA's 30 approved positions there are currently seven vacant positions including the CEO and Chief Brand Officer. Three new staff joined: Moloka'i Destination Manager Kui Adolpho, O'ahu Destination Manager Blane Andrade, Brand Manager Sports: Milton Lafitaga.

Destination Stewardship: In January, we welcomed the new year along with professional golfers, fans, and enthusiasts for the 2025 Aloha Swing/Opening. As part of our larger Sports program events like the tournaments we host in partnership with the PGA TOUR provided a critical bump for businesses across Maui which continues to be an area of focus for us. In January, the Stewardship team was able to support numerous Signature and CEP events. Highlights include the Polynesian Football Hall of Fame, Trans Pacific Volleyball Tournament, and so much more through our various Signature and Community Enrichment events, all of which engaged residents and visitors. In addition to these events, HTA has advanced its work closely with Kilohana to progress key initiatives, such as the Tour Guide Certification Curriculum and the Curator program.

Brand and Marketing: In January, the Brand and Global Marketing teams reviewed and updated the 2025 Brand Marketing Plans for key markets based on current conditions and trends. The Brand team was also busy preparing for the Spring Tourism Update week, which includes a Hawai'i Island FAM trip, partner meetings for Europe, Oceania, Canada, Korea, and China, a tourism update for the public, an internal meeting with HTA major contractors, and a Tourism Day at the Capitol. This month, the team said a hui hou to Sr. Brand Manager 'Iwalani Kūali'i Kaho'ohanohano.

Planning and Evaluation: Planning activities focused on preparing information for the legislative information briefings and requests, and preparing for DMAP and Strategic Plan update. The Director of Planning, Caroline Anderson, attended Travel & Tourism Research Association's Marketing Outlook Forum, and was also awarded the J Desmond Slattery Professional Marketing Award.

## I. OFFICE OF THE PRESIDENT & CEO

**Functional Statement:** The Office of CEO is responsible for implementing the policies and instructions of HTA's Board of Directors and administering the activities of HTA by planning, organizing, directing, coordinating and reporting its work.

- Leads relationship with Governor, Legislature, Board and state agencies
- Leads relationship with national tourism policy and strategy, Congressional offices, and national and international industry organizations
- Oversees HTA's strategic direction and performance
- Oversees HTA's administration, resource allocation, vision, and culture

### *Duties of the CEO*

- Actively prepared, submitted, and delivered testimony for the 2025 Legislative session
- Meet with ED of The Nature Conservancy to discuss upcoming legislation. Offer support with visitor survey regarding willingness to pay environmental fees
- Attended House Finance Budget Informational Briefing
- Attended WAM-EET Budget Briefing
- Attended reception hosted by Chair Masaji Matsuyama, Japan-Hawaii Legislators Friendship and Consul General Kodama
- Airlines for America 2025 Legislative Check-in
- Attended 2025 Sony Open related events – evaluated program
- Courtesy informational meeting Okinawa Prefecture government officials
- Conducted transitional plan meetings and exit interviews with Senior Brand Manager and Public Affairs Officer
- Meet with Lieutenant Governor to discuss various topics
- Participated in Statewide Coordination Meeting on Severe Weather by HIEMA
- Participated in 2025 Visitor Public Safety Conference as an event sponsor

### *Staffing and Administrative Issues*

Of the HTA's 30 approved positions there are currently seven vacant positions including the CEO and Chief Brand Officer. Three new staff joined: Moloka'i Destination Manager Kui Adolpho, O'ahu Destination Manager Blane Andrade, Brand Manager Sports: Milton Lafitaga. The Planner will start in March. The following positions are still under recruitment: Hawaii Island Destination Manager, Account Clerk III, and Stewardship Brand Manager. Request for personnel action is still in the approval process to fill the Public Affairs Officer and the Senior Brand Manager which were recently vacated.

Continued to work with DAGS and other state agencies to locate and furnish office space for the Destination Managers in Wailuku, Līhu'e, Kaunakakai, and Hilo. Until the physical offices are ready, the DMs have been authorized to telework. Onboarded new staff members, including

Staff continues to focus on tourism's support for Maui's overall recovery following the August 8, 2023 wildfires. Pursuant to HRS §201B-9, a gubernatorially-declared tourism emergency is in effect until February 4, 2025 by order of the 19th Proclamation Relating to Wildfires. Researched and prepared documents to request the replenishment of the Tourism Emergency Special Fund

## ***Public Affairs***

### **News Releases/Reports/Announcements**

- News Release: None for January 2025.
- Report: None for January 2025.
- E-Blast: Visitor Public Safety Conference 2025 (Sent 1/23/25)

### **News Bureau**

- No report provided for this report from outgoing PAO.

### **Community Initiatives and Public Outreach**

- No report provided for this report from outgoing PAO.

### **Crisis/Issues Management**

- No report provided for this report from outgoing PAO.

### **Internal Communications**

- No report provided for this report from outgoing PAO.

### **Administrative**

- Contacted industry partners including airlines, lodging and attractions to assess the impacts of the LA Wildfires on visitor arrivals. Statements were prepared.



## Government Affairs

Leadership responded to WAM and FIN questions following the budget informational briefings. Staff continued to prepare for the budget hearings.

The HTA Board Legislative Permitted Interaction Group was established and met twice in January (1/16/2025, 1/27/2025). The Leg PIG continues to work with staff to review bills, draft testimony and submit legislation.

Resolution No. 2025-01 Delegation of Authority to Present Policy Positions was adopted by the HTA Board on 1/17/2025.

## II. DESTINATION STEWARDSHIP BRANCH

**Functional Statement:** The Destination Stewardship Branch is responsible for implementing projects and programs that seek to balance and meet the economic, environmental, and social/cultural needs of Hawai'i while working in close partnership with the visitor industry and residents.

### *Natural Resources Initiative (Kahu 'Āina)*

**Overview:** Support programs that protect, maintain, and enhance Hawai'i's natural resources and cultural sites to improve the quality of life for all of Hawai'i's residents and to enhance the visitor experience in alignment with the Authority's mission to strategically manage Hawai'i tourism in a sustainable manner consistent with economic goals, cultural values, preservation of natural resources, community desires, and visitor industry needs. The [HTA's Five-Year Strategic Plan 2020-2025](#) lays out the Natural Resources Pillar objectives to "encourage and support sustainable and responsible tourism; engage and encourage active natural and cultural resource management strategies in areas frequented by visitors; and to promote visitor industry alignment with the Aloha+ Challenge, Hawai'i's recognized model to achieve the UN's SDGs, especially for energy and water."

Event Name	Organization	Island	Award Amount	Summary
Waimea Valley Voluntourism	Hiipaka, LLC	O'ahu	\$30,000	<p>This program explores Waimea Valley's inspiring commitment to natural resource management, plant conservation, and water stewardship. Highlighting how these practices reflect core Hawaiian values like <i>mālama 'āina</i> (caring for the land) and <i>aloha 'āina</i> (love of the land). Participants gain a deeper understanding of destination management in Hawai'i and learn how they can contribute to respecting both the culture and the land, enriching their Hawaiian experience. The program also shares the remarkable story of Waimea Valley's preservation. In 2007, the North Shore community partnered with the Trust for Public Land to prevent the valley's development into a resort housing complex, showcasing the community's deep love and dedication to this special place.</p>

### ***Hawaiian Culture Initiative***

**Overview:** Support programs that perpetuate and recognize the uniqueness and integrity of the Hawaiian culture and community and their significance in differentiating the Hawaiian Islands through unique and genuine visitor experiences

#### *Ma'ema'e Program*

- Ma'ema'e Toolkit- Hawai'i Style & Resource Toolkit: This resource is available on the Hawaii Tourism Authority website for those seeking essential information needed to authentically promote Hawai'i. The Ma'ema'e Toolkit includes Hawaiian language tools, a Style and Resources Guide, a list of cultural activities and festivals and other pertinent information about our destination. The toolkit received 398 page views in the month of January.
- Ma'ema'e Hawaiian Culture Database: The project was completed in December 2024 which included the development of a functional database, the development of a comprehensive user guide to accompany the database, and training

provided to the HTA staff to use the database. The database is an internal tool for HTA and HTA contractors to use and is owned and managed by the Hawai'i Tourism Authority with results to be tracked and reported annually.

- Ma'ema'e In-Market Culture Support: There were no in-market culture support activities in the month of January.

Kūkulu Ola Program

The Hawai'i Tourism Authority's Kūkulu Ola Program, consistent with Chapter 201B-7(a) of the Hawai'i Revised Statutes ("HRS") which allows HTA to "enter into agreements that include product development and diversification issues focused on visitors"; and Chapter 201B-7(5), which gives the HTA responsibility for "perpetuating the uniqueness of the native Hawaiian culture and community, and their importance to the quality of the visitor experience, by ensuring that Hawaiian cultural practitioners and cultural sites that give value to Hawai'i's heritage are supported, nurtured, and engaged in sustaining the visitor industry"; and Chapter 201B-3(a)(20) which states that HTA "may coordinate the development of products with the counties and other persons in the public and private sector, including the development of sports, culture, health and wellness, education, technology, agriculture, and nature tourism. In addition, the HTA Five-Year Strategic Plan 2020-2025 lays out HTA's plan to support Hawaiian Culture as stated above.

Event Name	Organization	Island	Award Amount	Summary
In Celebration of Mu'umu'u Month	Kaua'i Historical Society	Kaua'i	\$6,550	This program, "In Celebration of Mu'umu'u Month," honors and showcases the mu'umu'u, Hawai'i's national dress. The event provides a comprehensive look at the mu'umu'u's rich history, encompassing its origins, religious significance, and cultural importance within the Hawaiian and Pacific Islander communities. Known for their vibrant celebrations, these communities beautifully express their connection to the natural world through the mu'umu'u. The program

				also features a fashion show highlighting the evolution of the mu'umu'u through the decades. To ensure all guests can participate fully, lei puihui (full lei) and lei stands are thoughtfully provided for those who arrive without their own.
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***Visitor Experiences Initiative***

**Overview:** The primary objective is to enhance the visitor experience while also preserving and promoting Native Hawaiian culture in addition to Hawai'i's multi-ethnic cultures and communities. This is achieved by fostering genuine, respectful, and accurate visitor activities and programs that connect tourists with the rich heritage of Hawai'i, all while supporting local cultural practitioners, artists, and craftsmen to ensure the preservation and perpetuation of Hawaiian culture and the local culture of Hawai'i.

**Signature Events Program (SEP)**

The HTA's Signature Events program supports major events that have broad appeal and align with Hawai'i's destination's image and brand. These world-class events help Hawai'i to remain competitive, generate media exposure for Hawai'i, increase economic benefits and ensure tourism and communities enrich each other. Signature Events aim to attract attendees and participants from outside the state of Hawai'i with extensive national and international marketing and have a significant economic impact as measured by the number of out-of-state participants. The program seeks to support and strengthen existing events and create new events for both residents and visitors.

The following Signature Events took place in January:

Date	Island	Event/Project Name	Organization	Award Amount
1/17/2025 & 1/18/2025	OAHU	Polynesian Football Hall of Fame & Polynesian Bowl	Polynesian Football Hall of Fame	\$155,000
1/17/2025 through 1/20/2025	OAHU	7th Annual Transpacific Volleyball Championships	Lanikai Athletic Club dba 7Gen Culture	\$75,000

**Community Enrichment Program (CEP)**

The Community Enrichment Program fosters community-based tourism projects that improve and enrich Hawai'i's product offerings. These projects provide unique, authentic, and highly valued visitor experiences and represent activities developed by our community, for our community, and that the community wants to share with our visitors.

The following CEP projects took place in January 2025:

Date	Island	Event/Project Name	Organization	Award Amount
1/11/2025	KAUAI	Downtown Lihue Night Markets (reoccurring event)	Rice Street Business Association	\$10,000
1/17/2025	KAUAI	Aloha Fridays Nights (reoccurring event)	Rice Street Business Association	\$8,500
1/17/2025	MAUI	Celebrating the Visual Arts of Hawaii- Hui Noeau Exhibitions 2025 Annual Juried Exhibition	Hui Noeau	\$12,500
1/24/2025	HAWAII island	Beyond the beaches: An Island Science Lecture Series (reoccurring event)	Hawaii Keiki Musuem	\$10,000
1/24/2025 & 1/25/2025	OAHU	75th Narcissus Festival: Chinese New Years Celebration	Chinese Chamber of Commerce Foundation	\$10,000
1/10/2025	KAUAI	Downtown Lihue Night Markets (reoccurring event)	Rice Street Business Association	\$10,000
1/29/2025	KAUAI	Downtown Lihue Annual Events Lunar Year	Rice Street Business Association	\$25,000

*Visitor Assistance Program (VAP)*

**Overview:** HTA's Visitor Assistance Program (VAP) provides support, resources and guidance to visitors who are victims of crime and other adversities while traveling in Hawai'i. Services include providing phone cards, transportation, meals, hospital visits and moral support, replacing lost IDs, assisting with hotel and airline bookings, and more. Under HRS 237D-6.5(b)(2), HTA, at a minimum, is required to spend 0.5 percent of the Tourism Special Fund on safety and security initiatives.

The Hawaii Tourism Authority (HTA) is seeking a new contractor to provide visitor assistance services for Maui County (Maui, Moloka'i, and Lāna'i). The current contract time of performance with the Maui Visitors Bureau expires at the end of March 2025. To

secure these services, HTA released Request for Quotations (RFQ) No. 25-10 for the Visitor Assistance Program (VAP) on January 31, 2025. The deadline for submissions was February 14, 2025. No submissions were received.

**January Stats:**

County	No. of Cases Handled	No. of visitors served	Primary Visitor Market(s) Served	Industry \$\$ Contributions <sup>7u8</sup>
Hawai'i	15	32	US East & West, Canada, China	\$182.00 (cash) \$8,480.00 (In-Kind)
Honolulu	31	94	US East & West Japan, Canada, Oceania, Korea, China	\$350 (cash) \$8,198 (In-Kind)
Kaua'i	6	38	US West & East	\$0 (cash) \$300.00 (In-Kind)
Maui	8	13	US West	\$2,900 (In-Kind)

*Ho'okipa Malihini Program*

Ho'okipa malihini means to welcome guests and as its name suggests, this program will enhance the visitor experience and resident-visitor interaction. Programming includes cultural programs and entertainment in various resort and visitor areas statewide that support Hawaiian programs and cultural practitioners, craftsmen, musicians, linguists and/or other artists to help preserve and perpetuate Hawaiian culture in a way that is respectful and accurate, inviting, and educational. The program will directly support the Hawaiian community and cultural practitioners by creating opportunities to involve them in the industry with industry partners and visitors. While some resort/hotel areas have cultural directors this program helps to reinforce our collective kuleana to Mālama Hawai'i.

**Ho'okipa Malihini Initiative (formerly RAHCI)**

HTA's Ho'okipa Malihini Initiative (HMI) provides support to cultural practitioners and musicians who present Hawaiian experiences, entertainment, and music in resort areas.

The following four (4) projects have been awarded for the 2025 Term 1 to take place between January – June 2025:

Date	Island	Event/Project Name	Organization	Award Amount
1/9/2025 through 1/30/2025	OAHU	Kuhio Beach Hula 2025	Aloha Festivals	\$50,000

1/19/2025 & 1/26/2025	OAHU	Waikiki By Moonlight (Formerly Nani No o Waikiki)	Hawaiian Music Perpetuation Society Inc.	\$50,000
1/22/2025 & 1/29/2025	OAHU	The Return of Kapaemahu Hula Mound Performances	Na Lei Hulu I Ka Wekiu	\$20,000
1/31/2025	OAHU	Maui Ola: Cultural Practitioner Initiative	Kahuli Leo Lea	\$50,000

**Kāhea Greetings Program (Airports And Harbors)**

Programming includes regularly scheduled, free, year-round entertainment to create a Hawaiian sense of place for the millions of visitors entering Hawai'i through our airports and harbors statewide.

Due to lack of FY25 funding, entertainment at the airports has been reduced to special events only. Below is the greeting/entertainment schedule at each airport for January:

Airport	HNL	OGG	KOA	LIH	ITO
<b>Schedule</b>	1/1 - 1/4: Holiday travel entertainment	1/3 & 1/4: Holiday travel entertainment	1/3 & 1/4: Holiday travel entertainment	1/3 & 1/4: Holiday travel entertainment	1/2 Holiday travel entertainment
<b>Paid Musicians &amp; Cultural Practitioners</b>	16	8	8	8	4

Greetings are provided at harbors as ships arrive. Below is the report on greetings in January:

Harbor/Pier	Hilo	Kona	Nāwiliwili
<b>Ships Greeted</b>	14	N/A	7
<b>Passengers &amp; Crew Greeted</b>	36,138	N/A	18,081
<b>Visitors Served</b>	18,069	N/A	18,081
<b>Paid Musicians &amp; Cultural Practitioners</b>	3	N/A	18

*Post-Arrival Messaging*

All four channels of Visitor Education and Post-Arrival Marketing—Native Ads, Digital Display, Search Engine, and Social Media—continue to perform well, meeting or exceeding the KPIs established under our Destination Stewardship contract. Social

media, in particular, is achieving a higher-than-anticipated click-through rate, signaling strong engagement. Specific KPIs will be reported quarterly.

Current advertisements emphasize the events and festivals supported through 'Umeke community partnerships. HTA staff and Kilohana filmed the initial episodes of Travel 808 on Maui. These episodes are finalized and ready for distribution. These updates reflect HTA's ongoing commitment to fostering responsible and engaging tourism practices while elevating the cultural and environmental awareness of visitors.

### **Smart Tourism**

In January, HTA staff worked to digest the findings of the final report for the future Statewide Reservation System/Destination Application. HTA plans to develop the RFI for the project before the end of March. Destination Stewardship is requesting technical assistance for the RFI and will work with the CAO and FINPRO teams to see what may be feasible.

### **Destination Management**

We thank the legislature and the Board for their support in creating the Stewardship team, and we are making great progress in filling our vacancies. We have made final offers to our candidates for O'ahu and Moloka'i Destination Managers, who will start working with us on February 3, 2025. We have made a final offer for the vacant Destination Manager position on Hawai'i Island, and if offer accepted, start date targeted for March 24, 2025.

Destination Managers continue to collaborate with Planning to lay the groundwork for the next Destination Management Action Plans. This has included identifying dates for future community meetings, outline criteria and stakeholder names for upcoming working groups and continuing to foster community and industry relationships. Currently compiling visitor complaints from 2023 and 2024 to share with the community during the startup discussions, which will help inform action items.

### **Technical Assistance & Capacity Building**

The Hō'ike gathering, held at Entrepreneurs' Sandbox on Tuesday, December 10, 2024, served as the culmination of the Community Stewardship and Regenerative Experience Community Tourism Collaboratives (CTC). Cohort members, consisting of nine (9) 'āina stewardship organizations and fifteen (15) businesses and non-profits working in the



visitor industry across Hawai'i Island, Maui, Moloka'i, O'ahu, and Kaua'i, gathered for an all-day celebration, reflection, and networking opportunity.

Cohort members are now submitting their final reports and utilizing HTA funds for marketing opportunities. Eighteen (18) out of twenty-four (24) cohort members used HTA funds for HI Now Daily segments with Hawai'i News Now.

To date, these organizations have filmed/aired featured segments:

Haleakalā Conservancy – Maui  
Community Stewardship  
Air/Filming Date: 1/9/2025 (3p – 4pm)

Anelakai Adventures – Hawai'i Island (Kona)  
Regenerative Experiences  
Air/Filming Date: 1/13/2025 (3p – 4pm)

East Maui Land Restoration - Maui  
Community Stewardship  
Air/Filming Date: 1/16/2025 (3p – 4pm)

'Āina Ho'ōla Initiative – Hawai'i Island (Hilo)  
Community Stewardship  
Air/Filming Date: 1/22/2025 (3p – 4pm)

Aloha with Touch Kaua'i – Kaua'i  
Regenerative Experiences  
Air/Filming Date: 1/22/2025 (3p – 4pm)

Tea Hawaii – Hawai'i Island (Hilo)  
Regenerative Experiences  
Air/Filming Date: 1/29/2025 (3p – 4pm)

### **Tour Guide Certification Program**

HTA Staff, Kilohana, in collaboration with TripSchool, has finalized an eight-module Tour Guide Certification Curriculum, emphasizing Hawaiian culture, history, customer service, and safety. Additional modules include interpretation skills, geography, sensitivities, and current issues, refined through stakeholder input and the University of Hawai'i's TIM report. The program aims for a tiered certification system to support ongoing skill development and mastery.

Key Objectives:

1. Equip tour guides with essential skills in cultural understanding, safety, and professionalism.
2. Ensure adaptability to diverse sectors (e.g., hotels, airlines, restaurants).
3. Promote sustainable tourism and stewardship of Hawaiian resources.

In January 2025, the Stakeholder Review & Feedback process was conducted, during which the stakeholder list was reviewed and pending final approval, followed by the intake of stakeholder feedback. Subsequently, throughout the latter part of January, the Final Revisions and Delivery phase took place, ensuring that the final curriculum was presented on the designated platform. This curriculum featured interactive videos, e-books, assessments, and promotional materials designed to enhance cultural sensitivity and improve customer service among guides. Furthermore, these efforts contributed to increased sustainability and professionalism within Hawai'i's tourism sector, while also creating new opportunities for guides to expand and diversify their careers.

Budget & Metrics:

- Budget: \$99,600
- Metrics:
  - Engagement with 15 cultural practitioners and 4 operators per island.
  - Utilization of data dashboards for real-time progress tracking.

Expected Impact:

- Enhanced cultural sensitivity and customer service among guides.
- Increased sustainability and professionalism in Hawai'i's tourism sector.
- Opportunities for guides to grow and diversify their careers.

### **Qurator Program**

Qurator has continued to build upon the momentum since our public launch. As of the end of January, 192 businesses are in the certification process. The count of official Qurator certified businesses is now 70. Qurator continued to receive a steady stream of attention and engagement that further established its reputation as a mark of responsible tourism. HTA Staff and Kilohana continue to promote the program to get more businesses certified as we transition our tourism model in Hawai'i. This program underpins that vision.

### **Sports**

**Overview:** HTA supports amateur, collegiate, and professional sports programs and events, including planning for the LPGA, Big West Conference, LA Clippers, World Surf League (WSL), and PGA. These tournaments, exhibitions, and activities enhance Hawai'i's brand image while attracting visitors to our islands, who, in turn, stimulate our state and local economies. HTA also ensures that all supported sports events and programs include a robust community engagement and benefit component in their proposals. These initiatives may feature youth clinics, coaches clinics, and other programs that provide Hawai'i's youth access to unique resources and mentorship opportunities otherwise unavailable, fostering local talent and promoting community well-being.

The PGA Tour "Opening Drive" kicked off fittingly in January, at two renown golf courses, with the first event "The Sentry" on Maui at the Kapalua Course and the second event "The Sony Open" at the Waialae Country Club. The Opening Drive is an eight event PGA Tour tournament looking to rival Major League Baseball's and many other major sporting ceremonial "Opening Day" games and fanfare around the country. This marketing opportunity evolves our partnership with the PGA TOUR to cement our legacy and lasting tradition of sun, sand and sea with the 'aloha' spirit in Hawai'i.

### III. BRAND BRANCH

**Functional Statement:** The purpose of the Brand Branch is to strengthen tourism's overall contribution to Hawai'i by taking the lead in protecting and enhancing Hawai'i's globally competitive brand in a way that is coordinated, authentic, and market appropriate. This includes the oversight of the implementation of annual brand marketing plans in select major market areas (USA, Japan, Canada, Oceania, Korea, China, and Europe), sales & marketing for single property and city-wide global meetings, conventions and incentives or MCI, Global Support Services which includes management of a digital assets library, social media tools, and the gohawaii.com consumer website, affiliate sites, and application, Island Destination Brand Management & Marketing with representation and expertise provided in each county of Hawai'i, and sports programs.

#### *Campaign Effective Study for USA and Japan*

This research aims to assess the effectiveness of paid advertising in Japan and USA. It is conducted in three waves: two bi-annual waves measure awareness of the advertising, while the third wave evaluates campaign-influenced travel, visitor spending, and tax generation. The second wave research, conducted in December 2024 with

1,515 surveys for Japan and 1,513 surveys for USA, focused on measuring campaign awareness during the second half of 2024.

### Wave 2 Research Insights for Japan Market:

- **The campaign reached 58% of targeted consumers in Japan, nearly 10% more than the advertising in the first half of 2024 (49%).** Consumers report greater advertising recall in second wave research. The creative assets evaluated include items launched throughout 2024. The initial set of advertising garnered higher rates of recall, aiding the overall recall level and demonstrating the creative has begun to wear-in.
- **Consumers of all ages recall the campaign equally.** The last wave marked an asymmetrical shift in awareness with older generations who were more aware, despite stronger Gen Z and Millennial recall in 2023. Given the time for consumers to absorb the advertising, Gen Z and Millennial awareness has increased to match recall reported by Gen X and Boomers+ travelers.
- **The campaign faced challenges in achieving certain message ratings.** Consumers reported the advertising was mediocre in prompting them to support local businesses and participate in voluntourism. Brand health metrics also dipped, including destination ratings and preference. These dips are likely due to seasonal behavior but are nevertheless worth watching.
- **The 24% lift in likelihood to visit suggests strong travel impact and return on investment.** 44% of ad-aware travelers are likely to visit. The difference in likelihood to visit is used as a proxy for future behavior. Compared to 20% of unaware consumers, a lift of 24% suggests a strong impact.

### Wave 2 Research Insights For USA Market:

- **Paid media reached 49% of consumers in all of HTUSA's target markets, with higher recall in Los Angeles.** With new, targeted funding, Q3 & Q4 media recall was higher in the LA market (56%) than in other targeted markets (48%).
- **Recall is highest among the youngest consumers.** Though recall fell slightly among Gen Z and Millennials, they are still the most aware of HTUSA's paid media.
- **HTUSA's creative continues to receive some of the strongest ratings in the industry.** The domestic campaign performs in the top 10% of all DMO creative for most communication and impact attributes. However, with a focus on voluntourism and conservation, consumers continue to say the ads do not show what they want to do on vacation and do not make them want to volunteer or give back.

- **There is strong overlap of HTUSA’s paid media with PR and owned media.** With 20% of consumers aware of all three types of marketing – paid, earned, and owned – much of the influence on likelihood to visit comes from this audience. Exposure to a single form of the campaign generates a small lift in interest in visiting. But it is when consumers are exposed to multiple components that intent jumps considerably.
- **The Maui fires likely continue to impact interest in visiting and preference for Hawai’i.** While there has been a slight rebound in interest in visiting and preference for the state, these metrics have not returned to pre-Lahaina fire levels.

### ***Major Market Destination Brand Management***

**Overview:** This initiative focuses on destination brand marketing for leisure travel in seven major market areas with pre-arrival communications to educate visitors with information about safe, respectful, and mindful travel within the Hawaiian Islands. Another key emphasis of the initiative is to drive visitor spending into Hawai’i-based businesses to support a healthy economy, including supporting local businesses, purchasing Hawai’i-grown agricultural products, and promoting Hawai’i-made products in-market, in partnership with the state’s Department of Business, Economic Development & Tourism (DBEDT) and the private sector.

### ***International Marketing – Brand USA Initiatives***

Brand USA, established by the Travel Promotion Act of 2009, is the official organization promoting the U.S. as a top travel destination to the world. To leverage Brand USA’s matching funds, added media value, and extensive reach, the HTA has partnered with Brand USA for three projects in FY2025. These projects will also reach into developing markets that we currently do not support.

- 1) Website Updates for VisitTheUSA.com.** The project involves updating the Hawai’i section of the Brand USA’s official global consumer website, available in 15 markets and 8 languages to align with HTA’s regenerative tourism goals, refreshing existing pages for O’ahu, Maui, Kaua’i, and creating new pages for Hawai’i Island, Lāna’i, and Moloka’i. This project is expected to be completed by March/April.
- 2) Participation in USA Discovery Program.** Travel trade training plays a key role in the success of our international marketing efforts. By participating in Brand USA’s official learning and travel trade resource program, HTA can connect with global

travel agents in 10 markets, providing them with the necessary knowledge and tools to promote Hawai'i responsibly. The project, which includes creating training materials and providing training incentives, is expected to be completed by June.

- 3) **Brand USA x Expedia Hawai'i Promotion.** This co-op promotion runs from November 27, 2024, to March 31, 2025, covering Canada, Oceania, and Japan. Partnership contributions include Brand USA's 20% cash match, Expedia's 40% media value, and special offers from our Industry stakeholders.

**Promotion Results**

Tracking Period: 11/27/24 – 1/31/25

Ad Spend	Impressions	Clicks	Revenue	ROAS
\$101,694	5,495,943	5,276	\$12,341,092	121.4

*US Major Market Area*

- Aloha Season (January-March) – The 2025 integrated golf program with Golf Channel launched in January with promotional elements throughout the month during the following Hawai'i tournaments: The Sentry, Sony Open in Hawai'i, Mitsubishi Electric Championship at Hualālai.
- Summary of HTUSA Travel Trade Activity: During the month of January there was one travel trade event that included one educational session reaching 15 advisors and eight partner meetings with 21 partner attendees. There were also meetings with Northstar and MVNP to finalize the 2025 trade media plan. There were 459 online course graduates who completed the Hawai'i Destination Specialist (HDS) and/or Island Specialist educational courses, with 556 new registrants signed up for access to online resources. The overall travel agent database numbers are 142,278 profile records, which includes 107,362 active email contacts.
- HTUSA and the Hawai'i Tourism Authority (HTA) partnered with Tourism Cares to launch the Meaningful Travel Map of Hawai'i, highlighting sustainable and community-focused travel experiences across the islands. The map provides travel companies with a new tool to identify sustainable tours and programs, helping travelers and advisors build more responsible itineraries. This collaboration garnered significant media coverage in outlets such as Travel Weekly, TravelPulse, Travel Market Report, and TravelAge West, with articles emphasizing Hawai'i's leadership in promoting regenerative tourism.

- The HTUSA PR team, in collaboration with the Island Chapters, participated in International Media Marketplace (IMM) North America on Jan. 23, the premier travel media networking event, where they collectively completed 142 appointments with journalists, editors, and influencers. These face-to-face meetings provided a critical platform to share updates on Hawai'i, promote sustainable and mindful tourism, and highlight the islands' readiness to welcome visitors. By fostering key media relationships and securing coverage opportunities, the team's presence at IMM plays a vital role in driving thoughtful travel, amplifying Hawai'i's visibility, and supporting media visits for this year.

### Canada Major Market Area

- HTCAN has been closely monitoring tariff developments. So far, we are proceeding as normal, with the exception of only one (1) digital/email advertising partnership due to them putting all U.S. advertising on pause for now. However, working in our favor is that Hawai'i enjoys a physical and psychological separation from the U.S. mainland, so whereas many U.S. advertisers are pulling from spending in the Canadian market, during the present time, we now have less competition for our advertising and promotional exposure within the Canadian tourism space. HTCAN is monitoring sentiment directly within the market.
  - Canadians tend to perceive Hawai'i differently: Native Hawaiian history, unique culture and multi-ethnic makeup of the state.
  - Additionally, Canadians perceive the political sensibilities of Blue State Hawai'i's residents as being more aligned with their own. If U.S. visits were to decrease it does not mean Hawai'i visits will decrease in the same manner. During President Trump's first term in office, with threat of tariffs then as well, there was minimal impact at that time.
  - A survey recently has suggested a potential 21% reduction in Canadian visits to the U.S. overall, but there is still considerable uncertainty as to the potential impact.
- Following the December Travel Agent FAMs to O'ahu and Maui, January travel trade media coverage of the FAMs was significant. In particular, TravelWeek gave the Maui FAM its front cover and extensive content within the printed publication, online presence and within eblasts.

- A direct consumer campaign with the Bank of Montreal Air Miles program continued in January. It included social media, display ads, website presence, e-communications, etc. The results will be available in February.

### Japan Major Market Area

- In January, HTJ continued its advertising efforts for the Yappari Hawai'i campaign across digital, print, and OOH, aiming to promote Hawai'i as a premier overseas travel destination. The campaign garnered over 11.7 million impressions this month, with contributions from YouTube (794,032), Google Web Banner (909,094), Print (3.2 mil), and OOH Ad (6.7mil). Additionally, Yappari Hawai'i video broadcast was continued on JAL's domestic flights reaching an audience of 1.9 million individuals, while ANA's international and domestic flights reached 4.15 million people monthly.
- On January 17, HTJ endorsed the ALOHA Ma 'Ane'i 2025 event in Osaka, showcasing the Yappari Hawai'i campaign video with cultural promotions. The event attracted 5,069 attendees and generated 349,761 SNS impressions. In January, 11 event support applications have been received for 2025, primarily for festivals and hula events. This year, HTJ will focus on enhancing cultural engagement and driving travel demand.
- HTJ is working with the event organizer to finalize details for HAWAII EXPO 2025 in May. The event's visual will highlight Pua Kalaunu, a flower cherished by Queen Lili'uokalani, who dedicated herself to Hawai'i until her final days. Symbolizing the bond between people, this flower has been chosen for this year's event. Through hosting the Hawai'i Expo once again, HTJ aims to strengthen island branding and encourage bookings to Hawai'i in partnership with stakeholders.

### Oceania Major Market Area

- Hawai'i Tourism Oceania was proud to support Duke's Day from January 9-12 in Freshwater Beach, Sydney. Duke's Day is an annual celebration dedicated to the legacy of Duke Kahanamoku, most notably the father of modern surfing, who popularized the sport of surfing in Australia. The four-day festival featured yarning sessions, beach clean-ups, markets, surfing competitions and movie screenings.
- In collaboration with Hawaiian Airlines, HTO participated in the Hunter Travel Group Expo in Newcastle on January 18<sup>th</sup>. The event attracted over 7,000 attendees, providing a valuable opportunity for consumers to book their trips on the spot.



Hawaiian Airlines featured a special AU\$999 fare, alongside exclusive hotel offers, generating strong interest. Throughout the event, HTO engaged in meaningful conversations with both the public and trade, further educating them on the Hawaiian Islands and inspiring future travel.

- Women's Fitness Magazine, with a reach of 259,000, published Laura's four-page feature on O'ahu and 1 Hotel Hanalei Bay on Kaua'i, providing excellent exposure. Coverage from Larry Heath, founder of *The AU Review*, continues to roll in, with three articles so far focusing on O'ahu, Kaua'i, and Cirque du Soleil.

### Korea Major Market Area

- In January, HTK launched a series of "The People. The Place. The Hawaiian Islands" posts across its official social media channels. These posts, shared on HTK's Facebook and Instagram, highlighted various topics such as the 2025 Surfing Competition schedule, the National Tropical Botanical Garden, Āhualoa Family Farms, DECK at Queen Kapi'olani Hotel, Choco Le'a, and Lahaina Honey.
- HTK is collaborating with Hana Tour Zeus to introduce a new premium product promotion aimed at high-end, mindful travelers. This initiative is designed to provide a high-quality Hawai'i travel experience, featuring extended stays and encouraging higher spending. Hana Tour Zeus, the premium division of Hana Tour, specializes in luxury travel, high-end packages, and bespoke experiences.
- HTK is partnering with the producers of the TV show *A Clean Sweep* to facilitate a reward vacation to Hawai'i in February. The sports variety show features Korean baseball legends competing against amateur teams, with Hawai'i chosen as the reward destination. HTK helped arrange a premium experience and welcome gifts. The group consists of 37 participants, including 24 players and 13 crew members.

### China Major Market Area

- On January 1st, a new short video titled "Aloha 2025" was released to welcome the New Year. The video highlights the beauty of multiple Hawaiian Islands, showcasing stunning landscapes, local culture, and diverse activities, capturing the essence of Hawai'i's people and experiences. Additionally, the WeChat Lunar New Year Digital Red Envelope campaign offered 2,000 digital envelopes featuring an image of NāPali Coast State Park, the Hawaiian Islands logo, and a 2025 Year of the Snake

greeting. All envelopes were claimed by HTC's WeChat followers within an hour of release.

- In January, to attract high-value visitors, HTC published two articles promoting golfing in Hawai'i. Part 1 highlighted golf courses on the Island of Hawai'i and Maui, featuring Mauna Kea, Hapuna, Hualālai, Kona Country Club, Kūki'o, Kā'anapali, Kapalua Plantation, Wailea, King Kamehameha, The Dunes at Maui Lani, and Mānele on Lāna'i. Part 2 focused on O'ahu and Kaua'i, covering Wai'alaie Country Club, Ko Olina, Royal Hawaiian, The Arnold Palmer Course at Turtle Bay, Hoakalei on O'ahu, and The Ocean Course at Hōkūala, Kiahuna, Kukuilono Park, Po'ipū Bay, and Puakea on Kaua'i. Official websites for each course were also shared.
- HTC is finalizing plans for the 2025 China Travel Mission in collaboration with the Macao International Tourism Expo (MITE), set to take place in Macao, China, from April 25 - 27. The event will bring together over 800 international buyers from Mainland China, Hong Kong, Macao, Taiwan, and Southeast Asia. HTC will host a booth in a prime location and invites Hawai'i stakeholders to participate. This event offers a valuable opportunity to connect with regional buyers and media, strengthen partnerships, and promote the Hawaiian Islands. By the end of January, 12 Hawai'i stakeholders, including attractions, hotels, and tour operators confirmed their participation.

### *Europe Major Market Area*

- The Mālama Hawai'i Campaign concluded in January, with trade partner contra activity continuing until April 2025. Extended through January 2025 in the UK and DE markets to maximize the peak booking season, the campaign generated 4,326,036 impressions in January alone. Overall, the campaign achieved 13,369,671 impressions, driving 1,356,070 interactions. It also delivered 3,730,725 video views, 2,285,955 video completions (63% completion rate), and 38,529 clicks to microsites and tour operator sites, with a 0.28% arrival rate, more than double the industry benchmark.
- Preparations are ongoing for the first major campaign "The People. The Place. The Hawaiian Islands" of 2025, which is set to launch in February. This campaign will position Hawai'i as the ultimate destination for mindful travelers who are seeking a deeper, more meaningful connection with the islands, its people, culture, and environment. Emphasizing key values such as sustainability, wellness, and

responsible travel, the campaign aims to inspire visitors to engage in experiences that not only enrich their own well-being but also respect and protect the natural beauty and cultural heritage of Hawai'i.

- HTE staff attended the VUSA Island Hopping Event on January 29 in Zurich, Switzerland, which brought together around 200 agents and 33 US operators/destinations. Staff conducted seven rounds of focused 10-minute training sessions with 140 advisors and participated in a free-floating session for networking and in-depth conversations. The event served as an excellent platform for exchanging ideas, sharing insights about Hawai'i's travel offerings, and strengthening connections within the Swiss travel community.

## ***Global Meetings, Conventions & Incentives***

### **Overview:**

The meetings and events landscape in 2025 is undergoing a transformation characterized by limited new venue development, fluctuating room rates, and evolving attendee expectations. New hotel supply remains constrained, with only modest growth in select major markets. The ongoing return-to-office trend is reshaping meeting patterns, with a noticeable shift towards shorter lead times and a greater emphasis on smaller, more frequent gatherings designed to connect and engage remote teams. The strong US dollar is making international destinations particularly attractive for incentive trips and meetings, offering planners more value for their budgets. Content quality and demonstrable event sustainability are now critical factors for driving attendee engagement and ensuring repeat participation. Overall, planners in 2025 must navigate a complex and dynamic environment by prioritizing flexible planning strategies, focusing on cost-effectiveness, and delivering engaging, impactful experiences that meet the evolving needs of attendees and stakeholders. Instant booking platforms are seeing increased corporate use, with bookings often occurring within three months of the event date, primarily for smaller meetings.

### **Asia/Oceania**

The APAC meetings industry is experiencing strong growth, with planners expressing the highest optimism globally for 2025. The majority (56%) anticipate producing more meetings next year, and nearly 45% foresee increased attendance. While Southeast Asia, particularly Singapore and Thailand, remains the top regional destination, European venues are also attracting significant interest.

Despite this positive outlook, APAC planners face several challenges. Rising costs across various sectors, including goods and services, air travel, and accommodation, are major concerns. Budget constraints also play a significant role, forcing planners to be more strategic in their spending. Specifically, accommodation rates are cited as the biggest hotel-related challenge. These cost pressures are reflected in the key factors driving destination selection. Currently, cost and quality are paramount, eclipsing other considerations such as sustainability and CSR initiatives. This suggests that in the current economic climate, value for money and high-quality facilities are the primary drivers for APAC meeting planners.

### Sales & Marketing Efforts:

- In January, seven members of the Meet Hawaii'i team and partners from Hilton Hawaii'i, Hawaii'i Convention Center, Waikiki Beach Marriott, and MC&A attended PCMA Convening Leaders in Houston. As one of the most influential gatherings for the meetings industry, maintaining a strong Hawaii'i presence at this conference is crucial for keeping the destination top-of-mind among key decision-makers. The team hosted a successful reception for 50 key association and corporate customers from across the country, fostering valuable face-to-face connections with planners interested in bringing group business to the Hawaii'i Convention Center and the Hawaiian Islands. The conference serves as a platform for innovation, collaboration, and transformative ideas, setting the tone for the year ahead in the business events landscape.
- HIS x Meet Hawaii'i corporate client events
  - 23 corporate companies (2 staff from each company): 50 people and Suppliers: 19 people participated in the event.
- CVENT profile update and retargeting campaign flighted in January.
- MCI Toolkit initiated to provide assets for the sales team
  
- **Citywide:**
  - While the citywide team did not contract any groups this month, their production of 5 tentative opportunities representing 44K in total room nights is impressive and a great start to the year ahead.
  
- **Single Property:**
  - In January, the Single Property team closed 25 meetings across all islands representing 9,229 TRN's and 9.3M in economic impact for

multiple islands primarily from the Continental West Coast and 3M from Japan. 2025 continues with a strong booking pace at 97%. As the SP Sales team is now fully staffed, all markets are better impacted. New tentative leads were ahead of STLY by 6,996 TRN with potential economic impact of 126.6M. SP team continues to concentrate on prospecting new business for all islands, especially for 2025 and 2026.

- **List of January Sales Activities:**

- **Client promotional events**

- January 21 – HPN Presentation – Kaua‘i
- January 23 – MC&A Partner Event – Honolulu, HI

- **Educational Events & Trade Shows**

- January 12-15 – PCMA Convening Leaders – Houston, TX
- January 26 – HCC Presentation
- January 27 – Hawai‘i-kai Workshop – O‘ahu

- **Sales Blitzes**

- January 27: Sales call in Fukuoka – O‘ahu

- **January site visits and familiarization (FAM)**

- January 28 – HVCB Annual Meeting – Honolulu, HI
- January 26-28 – AANA 2031 Site Visit – O‘ahu, HI

### ***Island Destination Brand Management and Marketing Services***

**Overview:** The Island Destination Brand Management and Marketing Services (IDBMMS) include the support from on-island representatives on behalf of HTA for visitor education, visitor industry engagement, and public relations activities; serving as advisors to HTA on the respective islands and The Hawaiian Islands statewide brand; collaborating with HTA’s Global Marketing Team to develop and implement familiarization trips and press trips to areas that are welcoming visitors; providing island-based visitor education support during promotions, trade shows, and missions in major market areas, and coordinating with city and county government officials and designated organizations during crisis management situations.

- The island visitors bureaus met HTUSA to plan out the 2025 travel trade schedules.
- The island visitors bureaus assisted the various global marketing teams (HTCAN, HTJ, HTK, HTO, HTE) from itinerary planning for upcoming FAMs and media visits to reviewing social assets and posts.

- Kaua'i Visitors Bureau and O'ahu Visitors Bureau worked with HIEMA and their respective island's emergency management agency to plan, coordinate and distribute communications to the industry during the January Kona Low event (January 26-31).
- Continued relationship building and community outreach with their islands' visitor industry to be informed of the latest products and developments.

### ***Global Support Services for Brand Management & Marketing***

**Overview:** The Hawai'i Tourism Global Support Services for Brand Management and Marketing support HTA's comprehensive pre- and post-arrival visitor education and destination management efforts, as well as HTA's Global Marketing Team throughout the U.S., Canada, Japan, Oceania, Korea, China, and Europe. The support services include providing market insights to boost strategy, management and development of creative and digital assets, social media, website management, including GoHawaii.com, application development and maintenance, and maximizing emerging technology to support the updating of our Ma'ema'e Toolkit and Brand Guidelines. The resources are also shared broadly with the public for the community, visitor industry, businesses, media, travel trade, and meetings, conventions and incentives industry representatives to utilize in their respective areas.

- The staff has been working to address the outstanding contractual issues for 2024. These efforts include resolving any discrepancies, ensuring compliance, and finalizing all necessary adjustments via a supplemental contract. In addition, there is a focused push to expedite the execution of another supplemental contract, which will provide funding for the program's continued operation throughout 2025.

## **IV. PLANNING & EVALUATION BRANCH**

**Functional Statement:** The purpose of the Planning & Evaluation Branch is to strategically plan for the near, mid, and long-term health and vitality of our visitor industry and manage destination issues that affect communities and the visitor experience. This includes the development, monitoring, and oversight of various plans for the HTA including but not limited to the Tourism Functional Plan, Strategic Plan, Annual Strategic Tourism Management Plan, the Destination Management Action Plans (DMAPs), and the Tourism Management and Marketing Plan. Other activities include development of policy as it relates to tourism.

### Planning

Staff worked on outlining the planning process and data collection for the tourism strategic plan and destination management action plans. HTA will bring on a planner in March to assist the Director of Planning.

### Workforce Development Program

Pursuant to HRS 201B-3(a)(22) HTA will address the industry’s evolving needs in workforce training by working with educational institutions to make training available for the industry workforce to help enhance overall skills and quality of service. Sustaining tourism’s success also depends on Hawai‘i’s youth helping to carry the industry forward and becoming the next generation of leaders. Encouraging Hawai‘i’s high school and college-age students to choose tourism as their career is another important part of HTA’s workforce development initiative in ensuring that there are career opportunities in the tourism industry for Hawai‘i’s own.

In January, the Planning and Destination Stewardship leadership began discussions on developing a transition plan for the implementation of workforce development projects and programs.

### Product Development

**Overview:** Develop, lead, assess, and optimize the development of new products and experiences. Leverage data and research to identify opportunities and areas for program development.

#### EDA’s Noncompetitive Travel, Tourism & Outdoor Recreation Grant

On January 28, staff was informed of President Trump’s order to pause federal grants and loans. Staff reached out to EDA to determine the status of the EDA funds. Currently, EDA funds are unaffected, and staff remain in contact with EDA. Staff also worked with DLNR to determine what projects would be severely impacted should there be a cut in funds.

## V. FINANCE BRANCH

Contracts List: Pursuant to Hawai‘i Revised Statutes §201B-7 (9), please note the below contracts executed during the month of January 2025.

Contract No.	Contractor	Description	Contract Amount	Total Contract Value	Start Date	End Date
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**REPORT OF THE CEO**

February 27, 2025

Page 27



†25005	PGA Tour, Inc.	PGA Tour Aloha Swing 2025	\$1,996,350.00	\$1,996,350.00	1/1/2025	6/30/2025
24012 S4	Allana Buick & Bers, Inc.	Professional Architectural & Engineering Services for the Hawai'i Convention Center Rooftop Repair	\$461,840.00	\$4,664,051.10	1/6/2025	12/31/2026
22001 S3	Anthology Marketing Group, Inc.	HTA Website Support Services	\$12,500.52	\$117,582.67	1/24/2025	6/30/2025
Contract Type: • Sole Source † Procurement Exemption ⊖ Emergency			\$2,470,690.52			

Other activities related to procurement, contracts, Hawai'i Convention Center, and Legislative Audit will be reported in the Budget, Finance, and Convention Center Standing Committee report at the HTA board meeting.

The Finance Branch has chosen the 2025 HLTA Hotel Charity Walk, during the first Saturday in May, as its community outreach project. Last year, HTA and HCC staff had a lot of fun doing this very worthwhile event and planned to do it again. We invite all board members to participate in or at least do the Charity Walk.



# **5**

## **Report and Update by the BRANDING STANDING COMMITTEE**

## **10a**

**Presentation and/or Discussion Regarding an Update on the Meetings, Conventions and Incentives Market Activity and Pace Report, and Hawai'i Convention Center Activity and Local Sales with Meet Hawai'i**



## **STAFF REPORT TO THE BOARD**

February 27, 2025

**REQUEST:** To review presentation for Agenda Item 10 for Presentation and/or Discussion Regarding an Update on the Meetings, Conventions and Incentives Market Activity and Pace Report and Convention Center Activity and Local Sales with Meet Hawai'i.

**FACTS:**

1. MCI Report on final performance from January - December, 2024
2. MFF (Marketing Flexibility Funds) have decreased since the onset of the contract.
3. These funds are used to incentivize groups to book at the Hawai'i Convention Center in order to be competitive vs. groups booking their events at other locations (ie. San Diego Convention Center, etc.) across the United States as well as globally, for our key markets and for target industry groups (i.e. such as medical, science, technology, etc.) to drive revenue city-wide across the state for hotels, restaurants, retail, tourist activities, etc.

**DISCUSSION:** During the board meeting, discussion on potentially increasing these MFF funds in future years' budgets.

**BUDGET IMPLICATIONS:** None specifically requested at this time, however, impacts consideration for future years' budgets from CY2026 and beyond.

**RECOMMENDATION:** N/A

February 27, 2025



**Hawai'i Tourism Authority  
Brand Standing Committee Meeting  
MCI Update**

February 19, 2025

# Meet Hawai'i

*Meet Hawai'i is a collaboration between Hawai'i Visitors & Convention Bureau (HVCB) and the Hawai'i Convention Center (HCC) to **attract and contract Meetings, Conventions, and Incentive (MCI) business to the state of Hawai'i***

## HVCB – MCI Global Sales & Marketing for State of Hawai'i

---

- **Contracts offshore conventions at HCC**
  - Outside of 13 months of arrival
  - 2+ hotels; significant hotel room nights
- **Contracts hotel meetings** on all islands
- **Services and connects** groups to all partners in the destination

## HCC – Local sales & Operations

---

- Contracts **local groups** within 13 months of arrival
- Includes festivals, marathons, sports groups
- **Services and connects** groups to resources inside the building i.e. F&B, Audio Visual, Telecom, etc.



Center Operations,  
Local Sales &  
Community Events



City-wide Events and  
Single Property  
Meetings

# Global Meet Hawai'i Teams

Driving visitor spending to the state



## Single Property Team

- **Focus:** Contract self-contained group business with 10 or more rooms on a peak night at any MCI Hawai'i hotel, on all islands.
- **KPI's:** Tentative and Contracted total room nights

## Citywide Sales Team

- **Focus:** Contract groups 1K+ attendees, involving 2 or more hotels and the Hawai'i Convention Center (HCC). 13 months out; offshore
- **KPI's:** Tentative and contracted total room nights, # of events.

## Global Sales Team

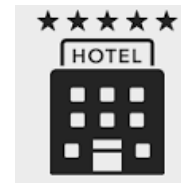
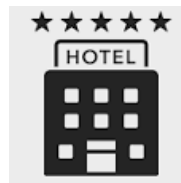
- Handles both Citywide and Single Property business and are deployed in Japan, Oceania, and Korea. Coverage is across Asia Pacific.

## Client Services Team

- **Focus:**
  - Assist contracted clients in developing their program in Hawai'i.
  - Connects clients with vendors and to the community via cultural education and resources.
  - Pre-promotion: Attendance building & PR.
- **KPI's:** Create an experience that turns new business into repeat customers.

# MCI = ECONOMIC IMPACT TO HAWAII

Meet Hawai'i Generates Nearly Half of Total Meeting Attendee Expenditures in the State with an Annual Event Economic Impact (EEI) of \$572.5M



2023 Hawai'i Statistics	Meetings	Conventions	Incentive Meetings	Total
Visitors	20%	53%	27%	401,208
Total Length of Stay	7.6	8.1	7.4	7.6 avg
Per Person Per Day	\$325.8	\$286.4	\$302.8	\$305 avg
Total Spending	21%	58%	21%	\$1,041B

**Total Expenditures** includes additional expenditures spent in Hawai'i on conventions and corporate meetings by out-of-state visitors (i.e., costs on space, equipment rentals, transportation, etc.)

# Production Highlights

	Total Room Nights	% to YTD Goal
<b>CITYWIDE</b>		
Tentatives	514,508	114%
Definites	149,584	90%
# of Events	22	Goal: 28
<b>SINGLE PROPERTY</b>		
Tentatives	593,902	95%
Definites	177,624	85%

## Highlights

- The Citywide sales team was 114% of their tentative goal. Our new sellers hit the ground running. Together our teams were **103% percent of goal** in this area.
- Definite bookings as a whole were down by only 10 percent despite not having a fully staffed team until June. An important achievement, the team **outpaced 2019 in contracted room nights by 10 percent.**
- Booking Pace: By year-end, single property sales are aligned for **2025 and 2026 on pace** with target pacing, while the **citywide team brought 2028 on track.**

## Top of mind:

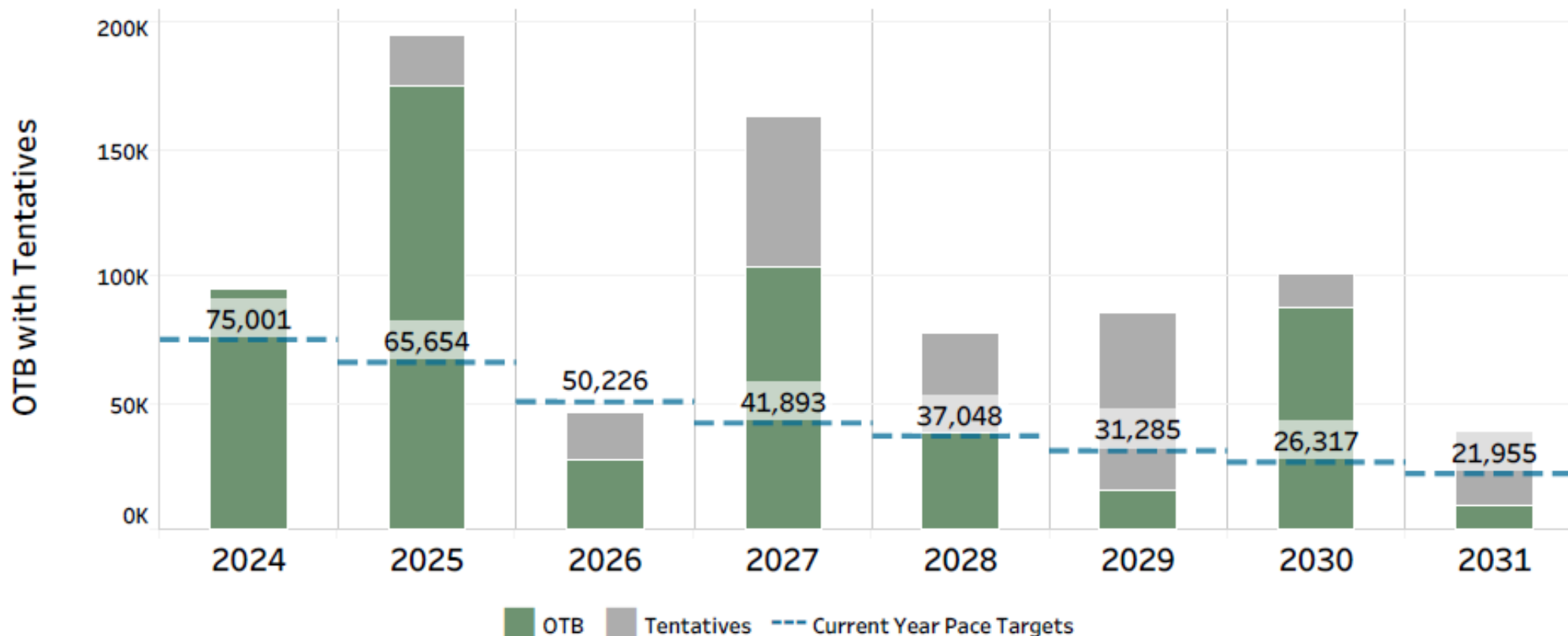
- Incentive Campaign to drive hotel rooms to 2026
- HCC Benchmark Strategy



# Hawai'i 8 Year Future Pace for Citywide

Number of room nights on the books against a 5-year average target. (2017, 2018, 2019, 2022, 2023) Data last refreshed on 1/2/2025

	2024	2025	2026	2027	2028	2029	2030	2031
% to Pace Target	126%	266%	53%	246%	102%	49%	335%	44%



# Event Booking Pace

## Future Pace for Definite Bookings

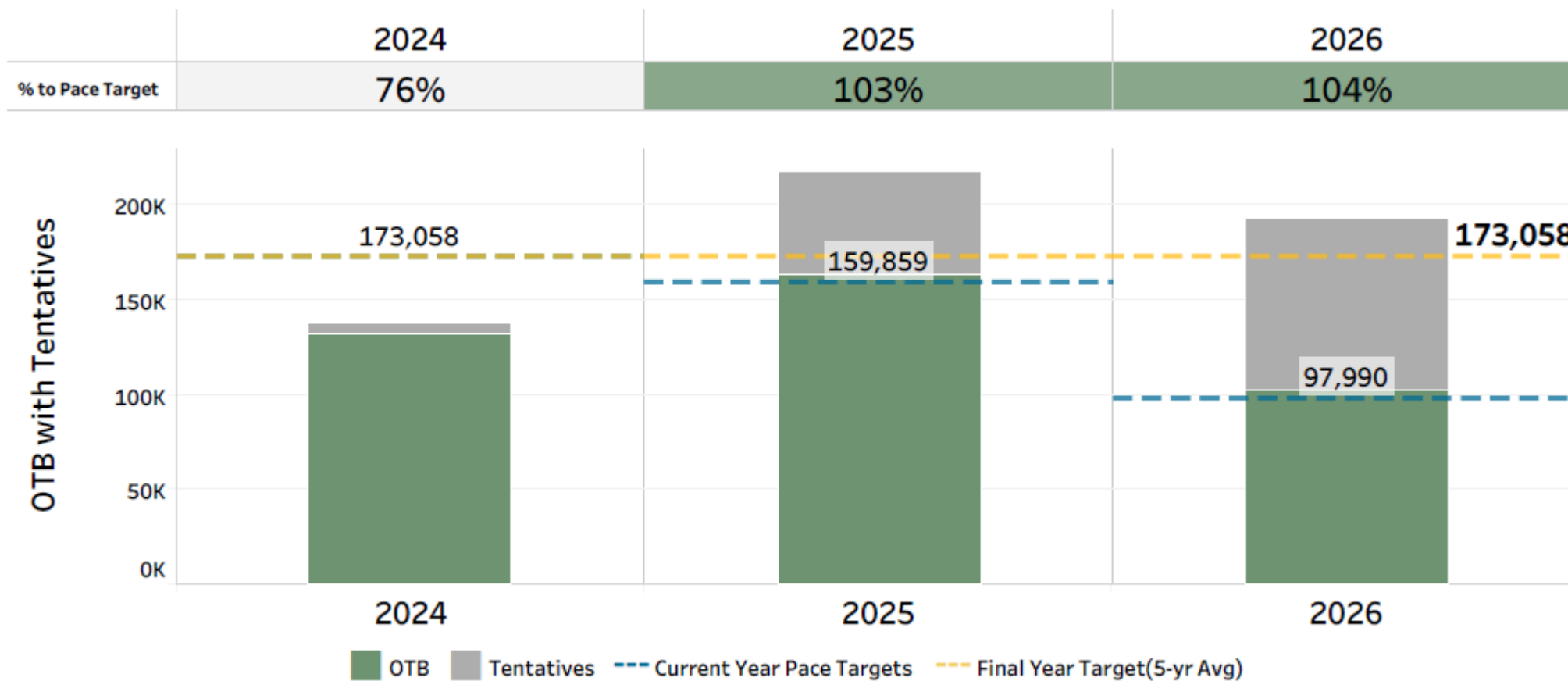
	OTB Bookings	Pace Booking Target	Variance	% Variance	LTB	Tentative Bookings	Booking Pace Goal
2025	21	28	(7)	-25%	7	3	28
2026	4	14	(10)	-71%	24	3	28
2027	11	8	3	38%	17	11	28
2028	6	6	0	0%	22	11	28
2029	3	5	(2)	-40%	25	5	28
2030	5	4	1	25%	23	2	28
2031	1	3	(2)	-67%	27	4	28
2032	0	2	(2)	-100%	28	5	28

# HCC Definite Bookings Calendar (offshore) 2024

Meeting Begin Date	Meeting Name	Show Attendees	Definite Room Nights	Economic Impact
1/15/2024	TransPacific Volleyball Championships 2024	2,000	1,200	\$12.7M
2/18/2024	Hawaiian AAU Grand Prix 2024	4,000	800	\$4.2M
3/9/2024	National Defense Industrial Association (NDIA) - 2024 Pacific Operational Science and Technology Conference	1,700	653	\$5.1M
4/20/2024	AAG Annual Meeting 2024	4,500	6,097	\$47.1M
5/4/2024	Globe Life - AIL Convention 2024	2,500	4,559	\$14.2M
5/10/2024	Capricorn Biennial Convention 2024	700	3,948	\$3.1M
5/17/2024	CHI 2024 Conference	3,500	5,256	\$19.9M
5/23/2024	Global Games - Dance and Cheer 2024	2,500	2,035	\$17.3M
5/26/2024		1,892	2,805	\$7.2M
6/1/2024	2024 NCORE Annual Meeting	6,000	14,738	\$36.2M
6/26/2024	ASPB 2024 Annual Meeting	1,600	3,059	\$8.9M
7/12/2024	2024 International Indoor Air	800	2,760	\$3.8M
8/8/2024	Daito Kentaku 2024	6,000	12,000	\$29.7M
8/19/2024	Pokemon World Championships 2024	10,000	4,909	\$57.4M
9/19/2024	154th American Fisheries Society 2024 Annual Meeting	2,200	5,972	\$11.3M
10/16/2024	PRIME 2024	4,250	13,545	\$31.5M
10/21/2024	SIOP Congress 2024	1,700	6,345	\$8.2M
10/25/2024	2024 AFCEA - TechNet Indo-Pacific	3,200	3,031	\$18.9M
12/17/2024	JALPAK-PRTEC Conference 2024	600	977	\$2.7M
		<b>60,850</b>	<b>108,614</b>	<b>\$355.8 M</b>

# Hawai'i 8 Year Future Pace for Single Property

Number of room nights on the books against a 5-year average target. (2017, 2018, 2019, 2022, 2023) Data last refreshed on 1/2/2025



# SINGLE PROPERTY PRODUCTION BY ISLAND

2024 Final

	Tentative Rooms	Economic Impact	Definite Rooms	Economic Impact
Island of Hawai'i	237,927	\$414.6M	46,259	\$120.4M
Kaua'i	161,296	\$275M	20,651	\$35.3M
Lāna'i	24,294	\$35.5M	0	\$0.0M
Maui	290,323	\$502.7M	48,448	\$82.7M
O'ahu	467,580	\$864.8M	62,266	\$122.7M
Totals	1,181,420	\$2,092.7M	177,624	\$361M

# Meet Hawai'i Final Production – 2024

	Attendees	Definite Room Nights	Economic Impact
<b>Citywide</b>	84,650	149,584	\$454.4M
<b>Single Property</b>	75,538	177,624	\$361M
<b>TOTALS</b>	160,188	327,208	\$815.4M

# Client Services – Connection to on-island businesses

- Expert Destination Knowledge
- Destination Site Inspections
- Pre-promotes – attending meeting year prior to promote destination.
- Mālama & CSR Program Connections

**ECS The Electrochemical Society**  
Advancing solid state & electrochemical science & technology

ABOUT ECS | MEMBERSHIP | PUBLICATIONS | PROGRAMS | MEETINGS

HOME / MEETINGS / THE GENKI ALA WAI PROJECT

### The Genki Ala Wai Project

Join us on Thursday, October 10, from 1330-1430h, to participate in the Genki Ala Wai Project, a groundbreaking bioremediation effort aimed at restoring the Ala Wai Canal. Interested participants should meet at the Center Concourse, 3rd floor, Hawaii Convention Center at 1330h.

**About the event**

**What are Genki balls?**

Genki balls are tennis ball-sized mud balls. They contain a mixture of clay soil, rice bran, molasses, water, and EM-1 solution. For the project, Genki balls are tossed into the Ala Wai canal to digest sludge.

*Aerial view of Ala Wai Canal.*

**Star Advertiser**  
Monday, April 22, 2024 72° Today's Paper

Maui fires | Plant giveaway | UH baseball | Missing kupuna | HART Leadership | Hawaii sports | Back in the Day | Koku

### TOP NEWS

- Man, 34, dies in motorcycle crash on Ala Moana Boulevard  
Last updated 1 p.m. 13
- Israeli strikes on Rafah kill 22 as U.S. advances aid package  
Last updated 3:58 p.m.
- 15 suffer minor injuries at Universal Studios in California  
Last updated 3:37 p.m.
- Tesla cuts U.S. prices for 3 of its electric vehicle models  
Last updated 10:41 a.m. 32

### Regenerative tourism draws groups to Hawaii

Members of the American Association of Geographers, who were in Honolulu for their 2024 annual meeting, volunteered Sunday during an ocean and beach park cleanup at Magic Island where tons of trash were removed from the polluted peninsula and ocean.

**View Today's Paper**  
Subscribe today to read the newspaper online.  
[Subscribe Now](#)

**SUBSCRIBER FAVORITES**

- Police reopen portion of Ohua Avenue in Waikiki after investigation
- 15 suffer minor injuries at Universal Studios in California
- Tesla cuts U.S. prices for 3 of its electric vehicle models
- Man, 34, dies in motorcycle crash on Ala Moana Boulevard
- Woman, 18, dies after being shot at Delaware State University

In 2024 Client Services conducted 55+ sites and 7 pre-promotes

# 'Elele = Ambassador

Community Leaders with ties to national/International organizations who lobby with Meet Hawai'i for mutually beneficial conventions

- Identify Prospects
- Assist in inviting associations to convene in Hawai'i
- Craft Letters of Support – Contributes to our bid and shares how our state aligns with the mission of the organization and how we can create a more thoughtful and impactful conference.
- Leverage Personal Relationships
- Contribute to the program through speakers and development of local host committee.
- In 2024, the 'Elele program facilitated the contracting of 10 meetings, representing 30,700 attendees and \$178M in EI.





# BSC – Meet Hawai‘i Reporting Cadence



## Meet Hawai‘i Brand Standing Committee Updates:

- Quarterly Meetings:
  - May 1
  - July 21
  - November (TBD)
  - January (TBD)
- On Our Radar
  - Sports Market
  - Review KPI's and HCC Offshore Benchmarks for CY 2025
  - Pre/Post – Microsite
  - MFF Discussion

A close-up photograph of a green leaf, showing the intricate network of veins. The veins are a vibrant green color, contrasting with the darker green of the leaf's surface. The veins are arranged in a pinnate pattern, with a central midrib and several secondary veins branching off. The texture of the leaf is visible, with small, fine veins filling the spaces between the larger ones.

*Mahala*

**11**

**Presentation on HTA Destination Stewardship  
Programs**

#11

FEBRUARY 2025

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# DESTINATION STEWARDSHIP SUPPORT SERVICES UPDATE

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**KILOHANA**

**HAWAII TOURISM**  
AUTHORITY

# Table of Contents

- Visitor Education Post Arrival Marketing (VEPAM)
- 'Umeke
- Tour Guide Certification
- Qurator



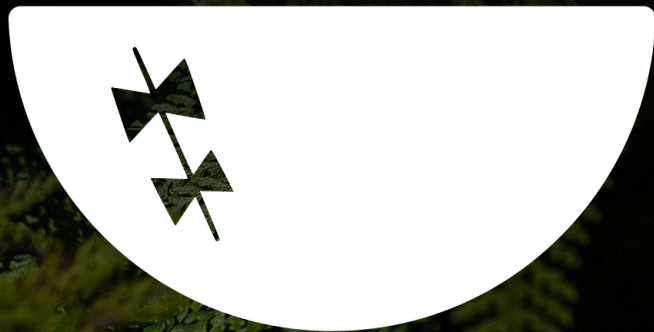
VEPAM

# VEPAM: “Powered by HTA”

- ‘Umeke Events and Festivals Airport Ads updated
- “Powered by Hawai‘i Tourism Authority” replaces “The Hawaiian Islands”
- As requested by Chief Stewardship Officer



# 'Umeke





# ‘UMEKE 2025-2026 - Key Dates

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**Application  
Released**

**February 10th**



**Community Info  
Sessions**

**February 11th-26th  
200+ Participants**



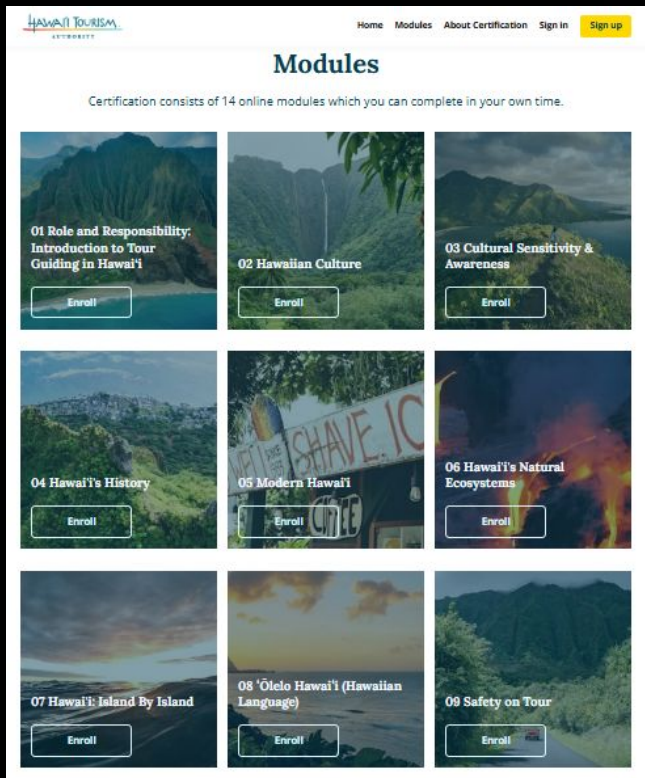
**Application  
Deadline**

**April 1st at  
4:30PM HST**

**Anticipated Award Announcement - June 5th\***  
**First Payment Disbursement for Awardees - October\***

*\*pending funding availability*

# Tour Guide Certification



**HAWAII TOURISM**  
AUTHORITY

Home Modules About Certification Sign in [Sign up](#)

## Modules

Certification consists of 14 online modules which you can complete in your own time.

- 01 Role and Responsibility: Introduction to Tour Guiding in Hawai'i**  
[Enroll](#)
- 02 Hawaiian Culture**  
[Enroll](#)
- 03 Cultural Sensitivity & Awareness**  
[Enroll](#)
- 04 Hawai'i's History**  
[Enroll](#)
- 05 Modern Hawai'i**  
[Enroll](#)
- 06 Hawai'i's Natural Ecosystems**  
[Enroll](#)
- 07 Hawai'i: Island By Island**  
[Enroll](#)
- 08 'Ōlelo Hawai'i (Hawaiian Language)**  
[Enroll](#)
- 09 Safety on Tour**  
[Enroll](#)

## Status Update:

- Course to receive ongoing feedback from stakeholders
- Online course with 14 modules in the review phase
- Stakeholder engagement ongoing

A close-up photograph of vibrant green fern fronds against a dark background. The fronds are illuminated, showing their intricate, feathery structure. The word "CURATOR" is overlaid in the center in a white, serif font.

CURATOR



---

**194**

Organizations Registered

**72**

Organizations Certified

**48**

Organizations live on Qurator's website

- Outreach made on island during 'Umeke information sessions
- Working collaboratively with HVCB to get Qurator certified businesses onto Go Hawai'i
- 1-1 support provided to CTC cohort members as they work towards Qurator certification



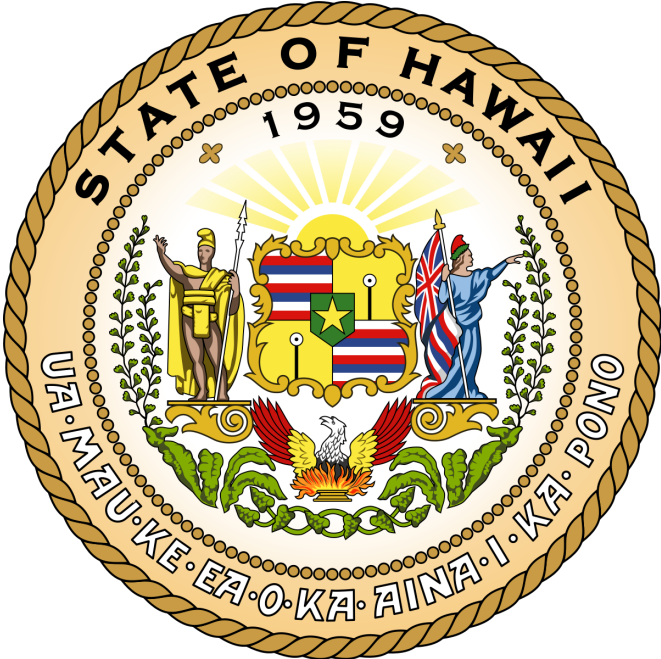
**Mahalo Nui Loa**

# **13**

**Report and Update by the  
BUDGET, FINANCE, AND CONVENTION CENTER  
STANDING COMMITTEE**

## **13a**

**Motion, Presentation, Discussion, and Action  
on the Hawai'i Tourism Authority's (HTA)  
January 2025 Financial Report;  
Recommend Approval**





# Fiscal Year 2025 Tourism Budget

For the Period July 1, 2024 to January 31, 2025

# Fiscal Year 2025 Tourism Budget

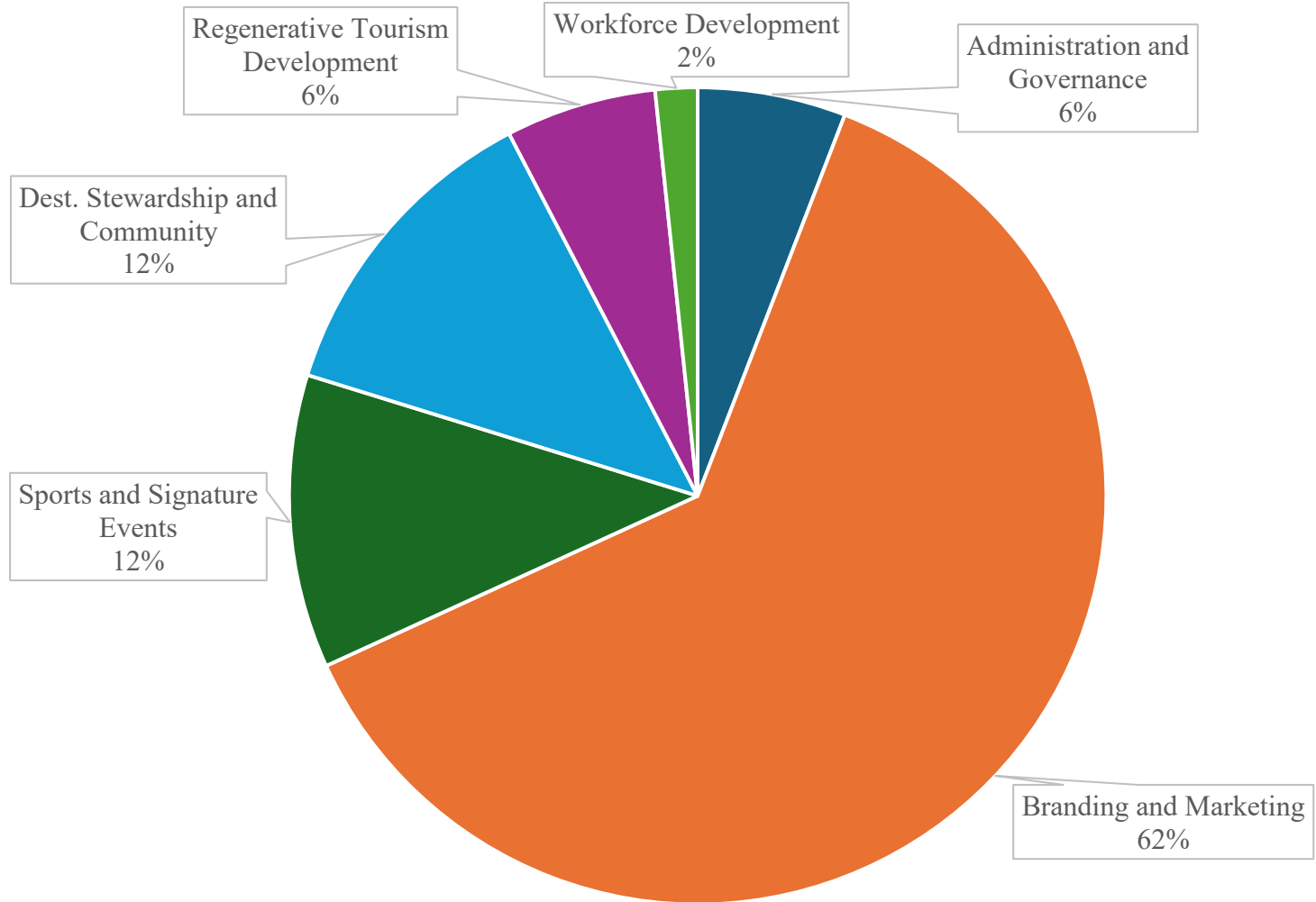
## For the Period July 1, 2024 to January 31, 2025

Program Title and ID	Program ID	Paid To Date	Remaining Encumbrance To Date	Actual (Paid + Encumbrance)	Fiscal Year 2025 Budget	Budget vs. Actual
Administration and Governance	BED113	1,373,458	902,678	2,276,136	3,696,660	1,420,524
Branding and Marketing	BED114	13,453,950	20,406,689	33,860,639	39,249,201	5,388,562
Sports and Signature Events	BED115	775,000	3,253,158	4,028,158	7,318,075	3,289,917
Destination Stewardship and Community	BED116	425,504	1,156,797	1,582,301	7,923,883	6,341,582
Regenerative Tourism Development	BED117	405,710	858,775	1,264,485	3,762,181	2,497,696
Workforce Development	BED118	240,327	525,240	765,567	1,050,000	284,433
<b>Total</b>		16,673,949	27,103,337	43,777,286	63,000,000	19,222,714

# Sports and Signature Events

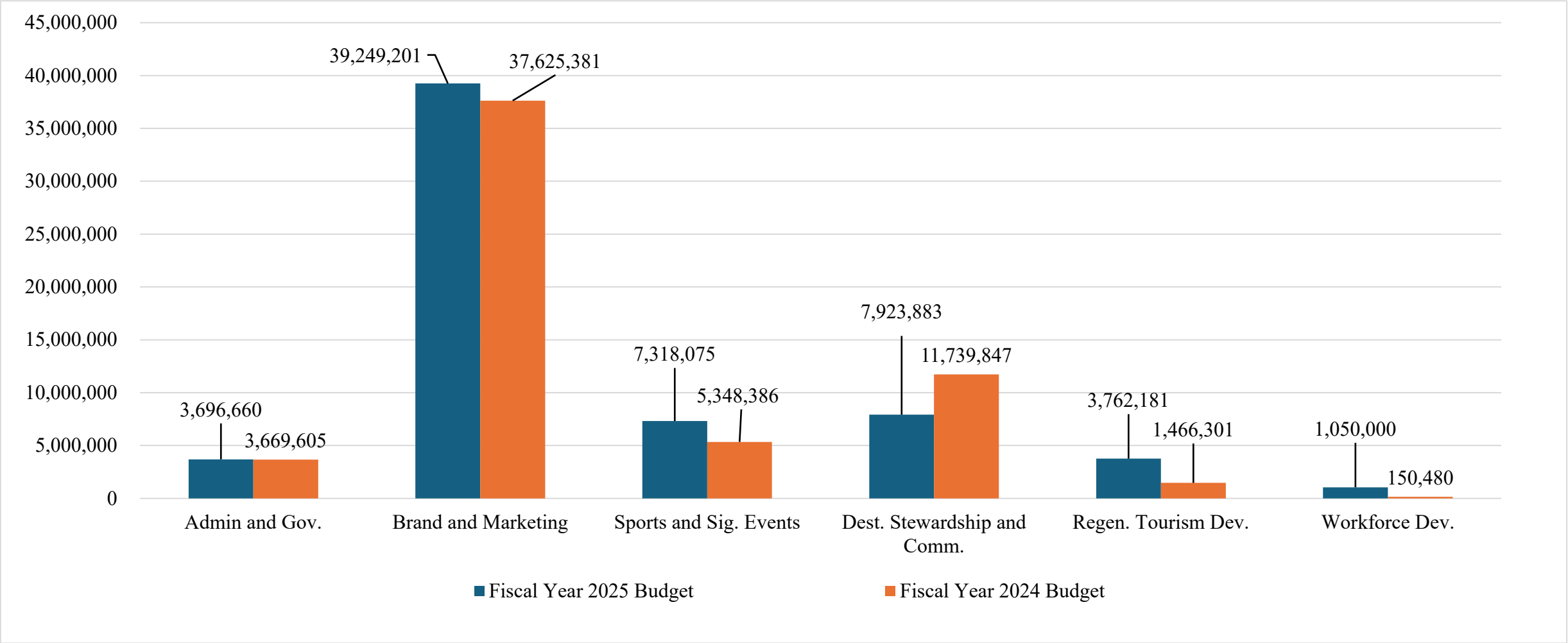
<b>Budget Line Item</b>	<b>Fiscal Year 2024 Budget</b>	<b>Fiscal Year 2025 Budget</b>
Basketball	500,000	750,000
College volleyball	166,000	167,000
Football	-	955,000
Golf	1,947,500	2,246,350
Salaries and overhead	76,934	808,741
Signature events	2,657,952	1,630,766
Sports opportunities - unallocated	-	460,218
Surfing	-	300,000
<b>Total Budget</b>	<b>5,348,386</b>	<b>7,318,075</b>

# Fiscal Year 2025 Tourism Budget



- Administration and Governance
- Branding and Marketing
- Sports and Signature Events
- Dest. Stewardship and Community
- Regenerative Tourism Development
- Workforce Development

# Fiscal Year 2025 vs. Fiscal Year 2024 HTA Operating Budget



# Other Funds

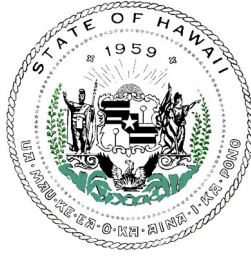
# Tourism Funds

- Fiscal Year 2024 Tourism General Funds
  - Year to Date Expenditures = \$7,860,362
  - Funds = \$364,939
  - Encumbrances = \$364,939
- Tourism Special Fund
  - Year to Date Expenditures = \$92,632
  - Cash balance = \$8,500,752
  - Encumbrances = \$732,662
- Tourism Emergency Special Fund
  - To Date Expenditures (August 2023 to January 2025) = \$4,805,851
  - For more information on emergency fund spending for the Maui tourism recovery response by HTA, see page 15 of the monthly financial statements.
- EDA-ARPA State Tourism Grant
  - Year to Date Expenditures = \$3,130,000
  - Funds = \$8,426,717
  - Encumbrances = \$5,370,345

# Convention Center Funds

- Fiscal Year 2024 Convention Center General Funds
  - Funds = \$2,078,262
  - Encumbrances = \$2,078,262
- Convention Center Enterprise Special Fund
  - Year to Date Revenue = \$13,191,932 (\$11,000,000 TAT; \$1,235,696 HCC Operations; \$956,236 interest income)
  - Cash balance = \$46,101,173
  - \$34,000,000 reserved for Fiscal Year 2025 operations
  - \$11,000,000 reserved for transfer to B&F (for fiscal year 2024 HCC operations)
- Rooftop Repair Project
  - Act 248, SLH 2022 appropriated \$15,000,000 for rooftop temporary repairs.
  - Act 230, SLH 2024 appropriated \$64,000,000 for the rooftop repair project.
  - Year to Expenditures = \$1,968,278
  - Funds = \$76,025,240
  - Encumbrances = \$18,071,250





**The State of Hawai`i**  
**Department of Business, Economic Development, and Tourism**  
**Hawai`i Tourism Authority**  
**Financial Statements**  
**January 31, 2025**

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

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Prepared by: Talon Kishi, CPA  
HTA Budget and Fiscal Officer  
HAWAII TOURISMAUTHORITY

Hawaii Tourism Authority  
January 31, 2025  
Table of Contents

**Financial Statements:**

Balance Sheet	3
Tourism General Fund - Fiscal Year 2025	
Statement of Revenues, Expenditures, Changes in Fund Balance, and Budget vs. Actual	4
Tourism General Fund - Fiscal Year 2024	
Statement of Revenues, Expenditures, Changes in Fund Balance, and Encumbrances	5
Tourism Special Fund - Prior Year Funds	
Statement of Revenues, Expenditures, Changes in Fund Balance, and Encumbrances	6
Convention Center General Fund – Fiscal Year 2024	
Statement of Revenues, Expenditures, Changes in Fund Balance, and Encumbrances	7
Convention Center Enterprise Special Fund	
Statement of Revenues, Expenditures, Changes in Fund Balance, and Encumbrances	8
Hawaii Convention Center Roof Repair Project	
Statement of Revenues, Expenditures, Changes in Fund Balance, and Encumbrances	9
Tourism Emergency Special Fund	
Statement of Revenues, Expenditures, Changes in Fund Balance, and Encumbrances	10
EDA-ARPA State Tourism Grant	
Statement of Revenues, Expenditures, Changes in Fund Balance, and Encumbrances	11
Selected Management Disclosures	12-15

**Supplementary Information:**

Tourism General Fund - Fiscal Year 2025 Budget Statement	17-18
Bank of Hawai'i Statements	19-20

**Hawaii Tourism Authority**  
**Balance Sheet**  
**As of January 31, 2025**

	Tourism Funds	Convention Center Funds	Roof Repair Project and Roof Related Repairs	Tourism Emergency Special Fund	EDA-ARPA State Tourism Grant	Total
<b>Assets</b>						
Fiscal Year (FY) 2025 General Funds	46,326,051	-	-	-	-	46,326,051
FY 2024 General Funds	364,939	2,078,262	-	-	-	2,443,201
Subtotal - General Funds	46,690,990	2,078,262	-	-	-	48,769,252
Special Funds (restricted)	8,500,752	46,101,173	-	-	-	54,601,925
Federal Grants	-	-	-	-	8,426,717	8,426,717
General Obligation Bonds (GOB)	-	-	76,025,240	-	-	76,025,240
Cash and Cash Equivalents	-	-	-	534,937	-	534,937
Total Assets	55,191,742	48,179,435	76,025,240	534,937	8,426,717	188,358,071
<b>Liabilities and Fund Balances</b>						
Liabilities (Special Funds)						
Transfer due to B&F		11,000,000		-	-	11,000,000
Total liabilities	-	11,000,000		-	-	11,000,000
Fund Balances						
FY 2025 Encumbered - General Funds	27,103,337	-	-	-	-	27,103,337
FY 2024 Encumbered - General Funds	364,939	2,078,262	-	-	-	2,443,201
Unencumbered - General Funds	19,222,714	-	-	-	-	19,222,714
Total General Fund Balances	46,690,990	2,078,262	-	-	-	48,769,252
Encumbered - Special Funds	732,662	19,154,553	-	198,610	5,370,345	25,456,170
Unencumbered - Special Funds	7,768,090	15,946,620	-	336,327	3,056,372	27,107,409
Total Special Fund Balances	8,500,752	35,101,173	-	534,937	8,426,717	52,563,579
Encumbered - GOB	-	-	18,071,250	-	-	18,071,250
Unencumbered - GOB	-	-	57,953,990	-	-	57,953,990
Total GOB Fund Balance	-	-	76,025,240	-	-	76,025,240
Total Fund Balances	55,191,742	37,179,435	76,025,240	534,937	8,426,717	177,358,071
Total Liabilities and Fund Balances	55,191,742	48,179,435	76,025,240	534,937	8,426,717	188,358,071

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

**Hawaii Tourism Authority**  
**Tourism General Fund - Fiscal Year 2025**  
**Statement of Revenues, Expenditures, Changes in Fund Balances, and Budget vs. Actual**  
**January 31, 2025**

	Actual				FY 25 Budget	Budget vs. Actual
	Paid Month Ended January 31, 2025	Paid Year to Date	Remaining Encumbrances	Actual to Date (Paid + Encumbrances)		Under (Over) Budget
<b>Expenditures</b>						
Administration and Governance	188,012	1,373,458	902,678	2,276,136	3,696,660	1,420,524
Branding and Marketing	3,291,537	13,453,950	20,406,689	33,860,639	39,249,201	5,388,562
Sports and Signature Events	-	775,000	3,253,158	4,028,158	7,318,075	3,289,917
Dest. Stewardship and Community	324,636	425,504	1,156,797	1,582,301	7,923,883	6,341,582
Regenerative Tourism Development	12,306	405,710	858,775	1,264,485	3,762,181	2,497,696
Workforce Development	23,500	240,327	525,240	765,567	1,050,000	284,433
Total	<u>3,839,991</u>	<u>16,673,949</u>	<u>27,103,337</u>	<u>43,777,286</u>	<u>63,000,000</u>	<u>19,222,714</u>
Change in Fund Balance	(3,839,991)	(16,673,949)				
<b>Fund Balances</b>						
January 1, 2025 / July 1, 2024	<u>50,166,042</u>	<u>63,000,000</u>				
January 31, 2025	<u>46,326,051</u>	<u>46,326,051</u>				

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

**Hawaii Tourism Authority**  
**Tourism General Fund - Fiscal Year 2024**  
**Statement of Revenues, Expenditures, Changes in Fund Balances, and Encumbrances**  
**January 31, 2025**

	<b>Paid Month Ended January 31, 2025</b>	<b>Paid Year to Date</b>	<b>Remaining Encumbrances</b>
<b>Expenditures</b>			
Branding	-	2,306,829	85,285
Destination Management	-	5,210,982	10,289
Governance and Org-Wide*	-	147,200	-
Perpetuating Hawaiian Culture	-	86,000	118,583
Planning & Evaluation	-	14,366	127,531
Resident and Industry Comms	25,362	87,985	6,251
Workforce Development	-	7,000	17,000
Total	25,362	7,860,362	364,939
Change in Fund Balance	(25,362)	(7,860,362)	
Lapsed Funds	-	(1,113,151)	
<b>Fund Balances</b>			
January 1, 2025 / July 1, 2024	390,301	9,338,452	
January 31, 2025	364,939	364,939	

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

**Hawaii Tourism Authority**  
**Tourism Special Fund - Prior Year Funds**  
**Statement of Revenues, Expenditures, Changes in Fund Balances, and Encumbrances**  
**January 31, 2025**

	<b>Paid Month Ended January 31, 2025</b>	<b>Paid Year to Date</b>	<b>Remaining Encumbrances</b>
<b>Revenues</b>			
Interest, Net	83,069	295,011	
Total	83,069	295,011	
<b>Expenditures</b>			
Administration	24,797	35,984	16,218
Branding	-	143,793	400,444
Destination Management	-	-	230,000
Resident and Industry Comms	21,420	22,602	-
Workforce Development	-	-	86,000
Total	46,217	202,379	732,662
Change in Fund Balance	36,852	92,632	
<b>Fund Balances</b>			
January 1, 2025 / July 1, 2024	8,463,900	8,408,120	
January 31, 2025	8,500,752	8,500,752	

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

**Hawaii Tourism Authority**  
**Convention Center General Fund - Fiscal Year 2024**  
**Statement of Revenues, Expenditures, Changes in Fund Balances, and Encumbrances**  
**January 31, 2025**

	<b>Paid</b>	<b>Paid</b>	<b>Remaining</b>
	<b>Month Ended</b>	<b>Year to Date</b>	<b>Encumbrances</b>
	<b>January 31,</b>		
	<b>2025</b>		
<b>Expenditures</b>			
HCC Operations	-	-	2,078,262
HCC Repairs and Maintenance	-	-	-
Total	-	-	2,078,262
Change in Fund Balance	-	-	
<b>Fund Balances</b>			
January 1, 2025 / July 1, 2024	2,078,262	2,078,262	
January 31, 2025	2,078,262	2,078,262	

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

**Hawaii Tourism Authority**  
**Convention Center Enterprise Special Fund**  
**Statement of Revenues, Expenditures, Changes in Fund Balances, and Encumbrances**  
**January 31, 2025**

	<b>Paid</b>	<b>Paid</b>	<b>Remaining</b>
	<b>Month Ended</b>	<b>Year to Date</b>	<b>Encumbrances</b>
	<b>January 31,</b>		
	<b>2025</b>		
<b>Revenues</b>			
HCC Operations	416,633	1,235,696	
Interest	317,861	956,236	
TAT	-	11,000,000	
Total	734,494	13,191,932	
<b>Expenditures</b>			
HCC Marketing	788,336	788,336	814,964
HCC Operations	1,066,284	1,066,284	2,517,734
HCC Repairs and Maintenance	12,990,828	12,990,828	15,821,855
Total	14,845,448	14,845,448	19,154,553
Change in Fund Balance	(14,110,954)	(1,653,516)	
<b>Fund Balances</b>			
January 1, 2025 / July 1, 2024	60,212,127	47,754,689	
January 31, 2025	46,101,173	46,101,173	

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



**Hawaii Tourism Authority**  
**Hawaii Convention Center Roof Repair Project**  
**Statement of Revenues, Expenditures, Changes in Fund Balances, and Encumbrances**  
**January 31, 2025**

	<b>Paid</b>	<b>Paid</b>	<b>Remaining</b>
	<b>Month Ended</b>	<b>Year to Date</b>	<b>Encumbrances</b>
	<b>January 31,</b>		
	<b>2025</b>		
<b>Revenues</b>			
Appropriation Transfer	-	63,421,130	
	-	63,421,130	
<b>Expenditures</b>			
HCC Full Roof Repair	-	1,968,278	18,071,250
Total	-	1,968,278	18,071,250
Change in Fund Balance	-	61,452,852	
<b>Fund Balances</b>			
January 1, 2025 / July 1, 2024	76,025,240	14,572,388	
January 31, 2025	76,025,240	76,025,240	

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

**Hawaii Tourism Authority**  
**Tourism Emergency Special Fund**  
**Statement of Revenues, Expenditures, Changes in Fund Balances, and Encumbrances**  
**January 31, 2025**

	<b>Paid Month Ended January 31, 2025</b>	<b>Paid Year to Date</b>	<b>Remaining Encumbrances</b>
<b>Revenues</b>			
Interest, Net	1,635	5,644	
Total	1,635	5,644	
<b>Expenditures</b>			
Administration	-	2,549	-
Branding	-	137,498	10,000
Destination Management	-	-	178,400
Planning & Evaluation	-	25,000	-
Resident and Industry Comms	-	77,819	10,210
Total	-	242,866	198,610
Change in Fund Balance	1,635	(237,222)	
<b>Fund Balances</b>			
January 1, 2025 / July 1, 2024	533,302	772,159	
January 31, 2025	534,937	534,937	

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

**Hawaii Tourism Authority**  
**EDA-ARPA State Tourism Grant**  
**Statement of Revenues, Expenditures, Changes in Fund Balances, and Encumbrances**  
**January 31, 2025**

	<b>Paid</b>	<b>Paid</b>	<b>Remaining</b>
	<b>Month Ended</b>	<b>Year to Date</b>	<b>Encumbrances</b>
	<b>January 31,</b>		
	<b>2025</b>		
<b>Expenditures</b>			
Administration	-	-	-
Branding	-	2,500,000	-
Destination Management	350,000	630,000	5,370,345
Planning & Evaluation	-	-	-
Salaries and Fringe	-	-	-
Total	350,000	3,130,000	5,370,345
Change in Fund Balance	(350,000)	(3,130,000)	
<b>Fund Balances</b>			
January 1, 2025 / July 1, 2024	8,776,717	11,556,717	
January 31, 2025	8,426,717	8,426,717	

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

Hawaii Tourism Authority  
January 31, 2025  
Selected Management Disclosures

**1. Summary of Significant Accounting Policies**

The Hawaii Tourism Authority (HTA or Authority) was established on January 1, 1999, by Act 156, Session Laws of Hawaii 1998. It was placed within the State of Hawaii, Department of Business, Economic Development, and Tourism (DBEDT), for administrative purposes only. The Authority is subject to administrative control and supervision of DBEDT under HRS 26-35. The Authority is responsible for developing a strategic tourism marketing plan and developing measures of effectiveness to assess the overall benefits and effectiveness of the marketing plan and progress toward achieving the Authority's strategic plan goals. In addition, effective July 1, 2000, control and management of the Hawaii Convention Center (HCC) were transferred to the Authority from the Convention Center Authority (CCA) by Executive Order No. 3817. Effective July 1, 2002, the Center, by statute, became the responsibility of the Authority. The Center opened to the public in June 1998 and is used for various events, including conventions and trade shows, public shows, and spectator events. The Center offers approximately 350,000 square feet of rentable space, including 51 meeting rooms.

The Authority is governed by a board of directors comprising 12 voting members. All 12 members shall be appointed by the Governor.

**Funds**

The Authority's funds are as follows:

**Tourism Funds:**

- **Tourism Special Fund (TSF)** –The TSF accounted for functions related to developing and promoting the tourism industry. Effective January 1, 2022, pursuant to Act 1 Special Legislative Session 2021, the TSF was sunset and discontinued the ability to expend any new funds. Funds encumbered as of June 30, 2021, can be spent until June 30, 2026.
- **Fiscal Year 2024 General Funds** – The 2023 State legislature did not provide HTA with an operating budget for fiscal year 2024. As such, the Governor approved the transfer of \$60,000,000 in general funds from Section 5 of Act 164, SLH 2023, to HTA on July 1, 2023. Funds lapsed on June 30, 2024.
- **Fiscal Year 2025 General Funds** – The 2024 Legislature appropriated \$63,000,000 of general funds for HTA's operating budget in Section 3 of Act 230, SLH 2024. The law allocated the \$63,000,000 budget between six program IDs based on each program's objectives. The six program IDs are Administration and Governance, Branding and Marketing, Destination Stewardship and Community, Regenerative Tourism Development, Sports and Signature Events, and Workforce Development. The law provided the funding via General Funds. As such, Budget and Finance's 10% restriction on all General Fund Appropriations applies, including additional adjustments to allotment and restrictions. The HTA staff and board have discussed the matter and have informed all major vendors to adjust plans and budgets accordingly. Unspent and unencumbered General Funds will lapse on June 30, 2025.

**Convention Center Funds:**

- **Convention Center Enterprise Special Fund (CCESF)** – Under Section 201B-8, the Convention Center Enterprise Special Fund accounts for functions related to the operation and management of the Hawaii Convention Center (HCC). The 2024 Legislature provided the CCESF with a \$34,000,000 expenditure ceiling in Section 3 of Act 230, SLH 2024. The expenditure ceiling will lapse on June 30, 2025.

Hawaii Tourism Authority  
January 31, 2025  
Selected Management Disclosures

The Legislature did not provide the CCESF with an expenditure ceiling in fiscal year 2024 for HCC operations. As such, the Department of Budget and Finance (B&F) agreed to provide \$11,000,000 in general funds from Section 5 of Act 164, SLH 2023, to HTA for fiscal year 2024 HCC operations, on the condition that HTA will transfer \$11,000,000 from the CCESF to B&F. HTA expects to complete the transfer in fiscal year 2026.

- **Fiscal Year 2024 General Funds (operations)** – The 2023 State legislature did not provide the HCC with an operating budget for fiscal year 2024. As such, the Governor approved the transfer of \$11,000,000 in general funds from Section 5 of Act 164, SLH 2023, for the HCC on July 1, 2023. Funds lapsed on June 30, 2024. Funds encumbered as of June 30, 2024, can be spent until June 30, 2029.
- **General Funds (CIP)** - Pursuant to Act 164, SLH 2023, \$64,000,000 of general funds were provided for long-term repairs of the HCC rooftop terrace deck. Per Executive Memorandum 23-08, dated October 30, 2023, B&F transferred HTA’s \$64,000,000 operating appropriation to B&F for the Maui wildfires.
- **General Obligation Bonds** – Under Act 248, SLH 2022, \$15,000,000 of general obligation bond funds were provided for the temporary repairs of the HCC roof repair and other items. The Governor authorized the release of funds on February 22, 2023. Unused funds will lapse on June 30, 2024.

The 2024 Legislature appropriated \$64,000,000 of General Obligation Bonds for the HCC Roof Repair Project in Section 3 of Act 230, SLH 2024. Funds will lapse on June 30, 2027.

**Tourism Emergency Special Fund:**

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

On August 19, 2023, the governor declared a tourism emergency in the sixth emergency proclamation relating to the Maui wildfires. The Governor extended the tourism emergency in the eighteenth emergency proclamation dated October 8, 2024.

**Federal Funds:**

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

Hawaii Tourism Authority  
January 31, 2025  
Selected Management Disclosures

Hawaii's outdoor recreational assets. All work must be completed by May 31, 2027, and money spent by September 30, 2027.

**Basis of Accounting**

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

**Transient Accommodations Tax (TAT)**

Under Section 237D-6.5, \$11,000,000 shall be allocated to the Convention Center Enterprise Special Fund annually.

**Governance & Org-Wide Expenditures**

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

**Investments**

The Authority's investments are reported at fair value.

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

**Encumbrances**

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

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

**Use of Estimates**

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

**2. Accrued Vacation Liability**

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

**3. Retirement Benefits**

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

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

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

Hawaii Tourism Authority  
January 31, 2025  
Selected Management Disclosures

**Hawaii Employer-Union Health Benefits Trust Fund (EUTF)**

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

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

**4. Maui Response and Recovery - Tourism Emergency Special Fund**

Under sections HRS 201B-9 and 201B-10, the Authority prepared two response plans for Maui tourism recovery on December 21, 2023, and October 3, 2024. The plans include spending up to \$5,000,000 on marketing campaigns and other destination management projects to stimulate the Maui tourism economy. The table below summarizes spending to January 31, 2025:

<b>Maui Response and Recovery Total Spending to January 31, 2025</b>			
<b>Program</b>	<b>Budget</b>	<b>Paid to Date</b>	<b>Unspent</b>
USA Recovery Marketing Program #1	2,600,000	2,600,000	-
USA Recovery Marketing Program #2	1,350,000	1,350,000	-
USA Recovery Marketing Program #3	100,000	90,000	10,000
Maui Resident Communications Campaign	349,307	341,558	7,749
Visitor Education Post-Arrival Marketing	300,000	150,000	150,000
Immediate Wildfire Response	249,293	249,293	-
Long-term Housing	25,000	25,000	-
Pop-Up Makeke	23,000	-	23,000
Marketing Promotion for Sports Events	3,400	-	3,400
<b>Total</b>	<b>5,000,000</b>	<b>4,805,851</b>	<b>194,149</b>

## **Supplementary Information**



**Hawaii Tourism Authority**  
**Supplementary Information**  
**Budget vs. Actual**  
**Tourism General Funds - Fiscal Year 2025**  
**July 1, 2024 to January 31, 2025**

Budget Line Item	Paid to Date	Remaining Encumbrance To Date	Actual To Date (Paid + Encumbrance)	Fiscal Year 2025 Budget	Under (Over) Budget
<b>Program - Administration and Governance</b>					
Campaign Effectiveness Study	45,888	116,112	162,000	162,000	-
Community-Industry Outreach & PR Svcs	35,125	51,875	87,000	225,000	138,000
Cruise Infrastructure Imprv. and Arrival Experience	41,700	38,400	80,100	80,100	-
General and Administrative	263,266	155,629	418,896	544,507	125,611
Governance - Gen Board Others	32,471	79,391	111,862	182,000	70,138
HawaiiTourismAuthority.org	-	-	-	22,500	22,500
Professional Services	72,501	72,499	145,000	145,000	-
Program Evaluation	-	-	-	81,000	81,000
Salaries - Admin	862,199	-	862,199	1,470,887	608,688
Tourism Strategic Plan Update	-	-	-	270,000	270,000
Travel - Admin	14,406	7,634	22,040	54,000	31,960
Travel - Branding	5,778	6,177	11,955	45,000	33,045
Travel - Destination Stewardship	124	5,295	5,419	45,000	39,581
Budget Restriction	-	369,666	369,666	369,666	-
<b>Subtotal - Administration and Governance</b>	<b>1,373,458</b>	<b>902,678</b>	<b>2,276,136</b>	<b>3,696,660</b>	<b>1,420,524</b>
<b>Program - Branding and Marketing</b>					
Canada	352,638	547,362	900,000	900,000	-
Convention Center Sales & Marketing	1,220,330	29,670	1,250,000	6,008,985	4,758,985
Europe	361,638	538,362	900,000	900,000	-
Global Support Services	578,125	659,375	1,237,500	1,237,500	-
Island-Destination International Marketing	1,200,000	1,680,000	2,880,000	2,880,000	-
Japan	2,520,000	3,330,000	5,850,000	5,850,000	-
Korea	317,276	492,000	809,276	810,000	724
Oceania	358,634	590,000	948,634	1,161,815	213,180
Salaries - Branding	140,016	-	140,016	523,981	383,965
Travel - Branding	-	-	-	-	-
USA	6,405,293	8,615,000	15,020,293	15,052,001	31,708
Budget Restriction	-	3,924,920	3,924,920	3,924,920	-
<b>Subtotal - Branding and Marketing</b>	<b>13,453,950</b>	<b>20,406,689</b>	<b>33,860,639</b>	<b>39,249,201</b>	<b>5,388,562</b>
<b>Program - Sports and Signature Events</b>					
Basketball	600,000	150,000	750,000	750,000	-
Football	-	-	-	955,000	955,000
LPGA	175,000	75,000	250,000	250,000	-
PGA Tour Contracts	-	1,996,350	1,996,350	1,996,350	-
Signature Events	-	-	-	1,467,689	1,467,689
Sports RFP or Other Procurement	-	-	-	630,988	630,988
Salaries - Sports and SE	-	-	-	69,241	69,241
Surfing	-	300,000	300,000	300,000	-
UH Athletics Branding Partnership	-	-	-	167,000	167,000
Budget Restriction	-	731,807	731,807	731,807	-
<b>Subtotal - Sports and Signature Events</b>	<b>775,000</b>	<b>3,253,157</b>	<b>4,028,157</b>	<b>7,318,075</b>	<b>3,289,918</b>

**Hawaii Tourism Authority  
Supplementary Information  
Budget vs. Actual  
Tourism General Funds - Fiscal Year 2025  
July 1, 2024 to January 31, 2025**

Budget Line Item	Paid to Date	Remaining Encumbrance To Date	Actual To Date (Paid + Encumbrance)	Fiscal Year 2025 Budget	Under (Over) Budget
<b>Program - Destination Stewardship and Community</b>					
Community-Based Tourism - Oahu	-	-	-	139,985	139,985
Community-Based Tourism - Maui County	-	-	-	139,985	139,985
Community-Based Tourism - Hawaii Island	-	-	-	139,984	139,984
Community-Based Tourism - Kauai	-	-	-	139,984	139,984
Destination Management Application	-	-	-	3,150,000	3,150,000
Kahu Aina	-	-	-	705,620	705,620
Resort Area Hawaiian Cultural Initiative	-	-	-	705,620	705,620
Salaries - Destination Stewardship	132,207	-	132,207	557,583	425,377
Visitor Assistance Programs	261,000	274,000	535,000	585,000	50,000
Visitor Education Post Arrival Marketing	32,298	90,409	122,706	867,733	745,027
Budget Restriction	-	792,388	792,388	792,388	-
<b>Subtotal - Destination Stewardship and Comm.</b>	<b>425,504</b>	<b>1,156,797</b>	<b>1,582,301</b>	<b>7,923,883</b>	<b>6,341,582</b>
<b>Program - Regenerative Tourism Development</b>					
Community Enrichment Program	-	-	-	959,643	959,643
Community Tourism Collaborative	312,344	482,557	794,901	1,514,343	719,441
Kukulu Ola: Living Hawaiian Cultural Prog	-	-	-	705,620	705,620
Salaries - Regenerative Tourism	93,366	-	93,366	206,357	112,991
Budget Restriction	-	376,218	376,218	376,218	-
<b>Subtotal - Regenerative Tourism Development</b>	<b>405,710</b>	<b>858,775</b>	<b>1,264,485</b>	<b>3,762,181</b>	<b>2,497,696</b>
<b>Program - Workforce Development</b>					
Future Workforce Development (LEI)	-	150,000	150,000	151,667	1,667
Hawaiian Culture Initiative	-	-	-	208,333	208,333
Hawai'i Tourism Summit	197,327	10,000	207,327	270,000	62,673
Scholarship Program	43,000	260,240	303,240	315,000	11,760
Budget Restriction	-	105,000	105,000	105,000	-
<b>Subtotal - Workforce Development</b>	<b>240,327</b>	<b>525,240</b>	<b>765,567</b>	<b>1,050,000</b>	<b>284,433</b>
<b>Total - Fiscal Year 25 Tourism General Funds</b>	<b>16,673,950</b>	<b>27,103,336</b>	<b>43,777,286</b>	<b>63,000,000</b>	<b>19,222,714</b>



Statement of Account

Last statement: December 31, 2024  
This statement: January 31, 2025  
Total days in statement period: 31

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



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

Direct inquiries to:  
888 643-3888  
BANK OF HAWAII  
111 S KING ST  
HONOLULU HI 96813

**Bank of Hawaii**

**HAPPY NEW YEAR FROM BANK OF HAWAII! WE APPRECIATE YOUR BUSINESS AND HOPE THAT YOU AND YOUR FAMILY HAD A JOYOUS HOLIDAY SEASON! MEMBER FDIC.**

**Analyzed Business Checking**

Account number	0091-585227	Beginning balance	\$295,168.16
Low balance	\$295,164.82	Total additions	.00
Average balance	\$295,167.73	Total subtractions	3.34
		Ending balance	<u>\$295,164.82</u>

**DEBITS**

Date	Description	Subtractions
01-28	Account Analysis Fee ANALYSIS ACTIVITY FOR 12/24	3.34

**DAILY BALANCES**

Date	Amount	Date	Amount	Date	Amount
12-31	<u>295,168.16</u>	01-28	<u>295,164.82</u>		



MEMBER FDIC

EQUAL HOUSING LENDER

## ACCOUNT SUMMARY STATEMENT

JANUARY 01, 2025 TO JANUARY 31, 2025

ACCOUNT NAME: HAWAII TOURISM AUTHORITY AGENCY  
TOURISM EMERGENCY TRUST FUND

ACCOUNT NUMBER: 72204123



HAWAII TOURISM AUTHORITY  
1801 KALAKAUA AVE  
HONOLULU, HI 96815

ACCOUNT NAME: HAWAII TOURISM AUTHORITY AGENCY  
TOURISM EMERGENCY TRUST FUND

ACCOUNT NUMBER: 72204123

ADMINISTRATIVE OFFICER: MS. RUBY FERNANDEZ  
808-694-4003  
Rubymay.Fernandez@boh.com

## ACCOUNT SUMMARY

	CURRENT PERIOD	
	CASH	INVESTMENTS
<b>BEGINNING BALANCE</b>	0.00	238,926.83
<b>RECEIPTS</b>		
DIVIDENDS	895.35	0.00
<b>TOTAL RECEIPTS</b>	895.35	0.00
<b>DISBURSEMENTS</b>		
TRUSTEE FEES	49.78-	0.00
<b>TOTAL DISBURSEMENTS</b>	49.78-	0.00
<b>NET CASH MANAGEMENT</b>	845.57-	845.57
<b>ENDING BALANCE</b>	0.00	239,772.40

## ACCOUNT ACTIVITY

DATE	QUANTITY	DESCRIPTION	CASH	INVESTMENTS
01/01/25		<b>BEGINNING BALANCE</b>	0.00	238,926.83
		<b>RECEIPTS</b>		
		DIVIDENDS		
01/02/25		DIVIDEND ON DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND PAYABLE 01/02/2025 EFFECTIVE 12/31/2024	895.35	0.00
		TOTAL DIVIDENDS	895.35	0.00
		<b>TOTAL RECEIPTS</b>	895.35	0.00
		<b>DISBURSEMENTS</b>		
		TRUSTEE FEES		

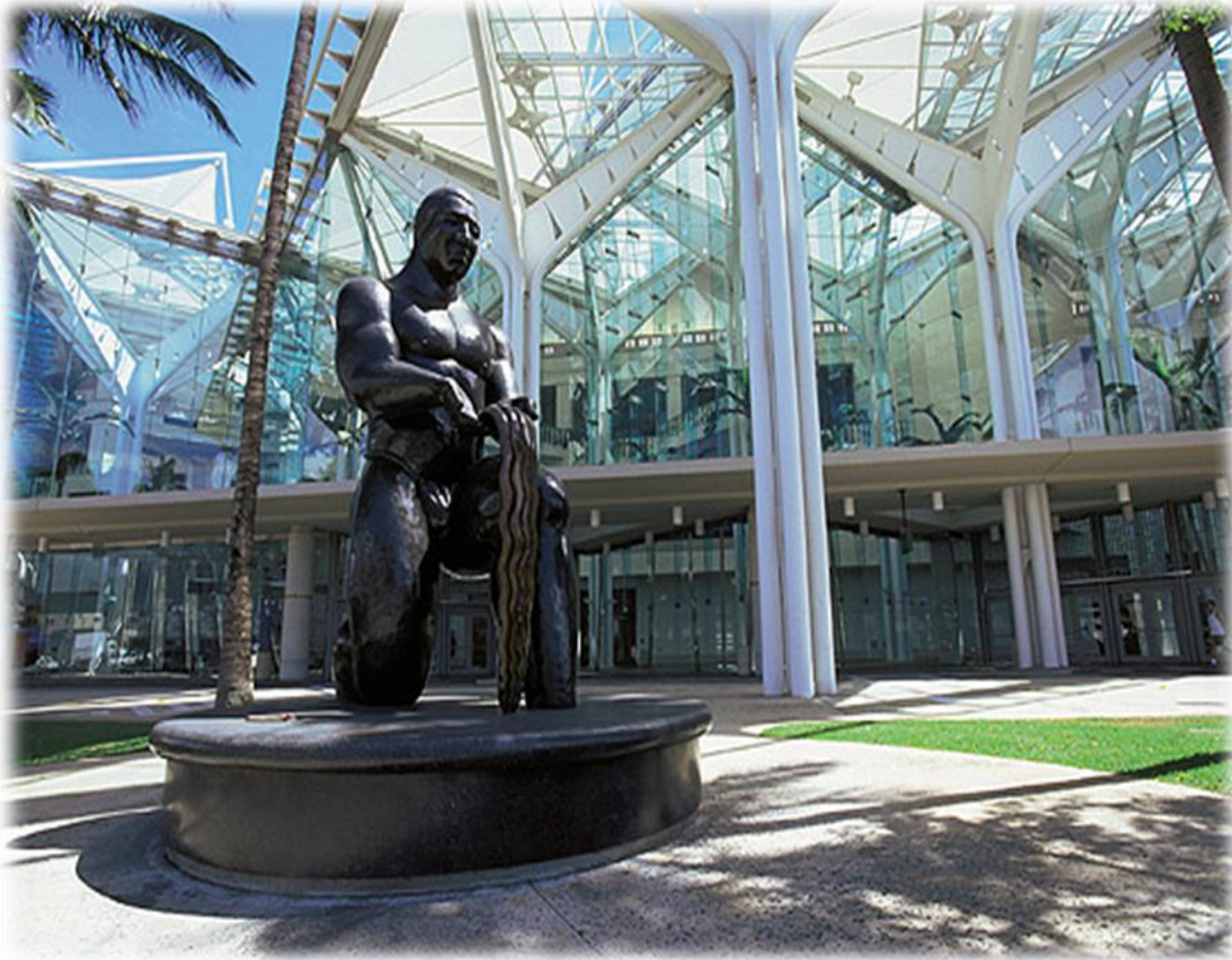
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## **13b**

**Motion, Presentation, Discussion, and Action  
on the Hawai'i Convention Center's (HCC)  
January 2025 Financial Report and Update on  
the HCC's 6-Year Repair and Maintenance  
Plan; Recommend Approval**

# *Hawai'i Convention Center HTA Board Meeting Update*



*Update for  
January 2025  
For  
(February 2025 meeting)*

# Financial Update FY25

	Jan-25 Actual	FY 2025 Rereforecast	FY 2025 Budget	Variance	FY 2024 Actual	FY 2023 Actual
Facility Number of Events	18	240	237	3	262	273
Facility Operating Revenue	\$1,295,400	\$24,980,600	\$22,619,600	\$2,361,000	\$27,278,800	\$14,310,800
Facility Other Income	\$108,300	\$1,555,800	\$1,548,800	\$7,000	\$1,616,200	\$135,700
Facility Total Revenue	<b>\$1,403,700</b>	<b>\$26,536,400</b>	<b>\$24,168,400</b>	<b>\$2,368,000</b>	<b>\$28,895,000</b>	<b>\$14,446,500</b>
Facility Operating Expenses	-\$1,672,800	-\$28,554,600	-\$27,410,400	-\$1,144,200	-\$25,495,600	-\$18,412,200
Facility Net Income/(Subsidy)	<b>-\$269,100</b>	<b>-\$2,018,200</b>	<b>-\$3,242,000</b>	<b>\$1,223,800</b>	<b>\$3,399,400</b>	<b>-\$3,965,700</b>
Local S&M Operating Expenses	-\$96,800	-\$1,089,100	-\$1,603,300	\$514,200	-\$1,036,600	-\$959,400
HCC Net Income/(Subsidy)	<b>-\$365,900</b>	<b>-\$3,107,300</b>	<b>-\$4,845,300</b>	<b>\$1,738,000</b>	<b>\$2,362,800</b>	<b>-\$4,925,100</b>

# ROI January 2025 FYTD

HCC Revenue + State Revenue  
 +Tax Revenue  
 = \$207.6 M

HCC Expense + HVCB MCI  
 Expense = \$20.1 M

***ROI = For every dollar spent,  
 \$10.33 returned to the State***

<u>FYTD 2025</u>	<u>ROI</u>	<u>CW's FYTD</u>
07.24	\$2.36	(1)
08.24	\$17.43	(3)
09.24	\$13.71	(4)
10.24	\$16.67	(7)
11.24	\$13.82	(7)
12.24	\$10.66	(8)
01.25	\$10.33	(9)

FY 2024 ROI  
 07.23-06.24 \$14.64 (21)

FY 2023 ROI  
 07.22-06.23 \$4.19 (7)





# FY 2025 (July 2024 – June 2025) Citywide Events

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

Created By: Test User  
Created On: 01/01/2025

Fiscal Year: Contract Room Block Begin	Total Bookings	Total Contract Rooms	Total Attendees	Total EEI Value	Tax Generation
2025	18	113089	67050	\$379,574,197.62	\$44,410,181.12
2026	13	126413	47550	\$328,515,397.12	\$38,436,301.46
2027	8	88034	47700	\$285,030,767.47	\$33,348,599.79
2028	9	53989	29100	\$174,235,818.42	\$20,385,590.76
2029	3	18274	11200	\$81,287,236.19	\$9,510,606.63
2030	3	18710	11100	\$75,345,457.60	\$8,815,418.54
2031	5	86542	27700	\$171,336,614.82	\$20,046,383.93
2033	1	19550	6500	\$41,075,194.39	\$4,805,797.74
2036	1	40829	7000	\$53,244,980.15	\$6,229,662.68
<b>Grand Totals</b>	<b>61</b>	<b>565430</b>	<b>254900</b>	<b>\$1,589,645,663.78</b>	<b>\$185,988,542.66</b>

FY 25	
<b>Total Bookings</b>	<b>18</b>
<b>Total Contract Rooms</b>	<b>111,434</b>
<b>Total Attendees</b>	<b>67,050</b>
<b>Total EEI Value</b>	<b>\$379,574,197.62</b>
<b>Total Tax Generation</b>	<b>\$44,410,181.12</b>

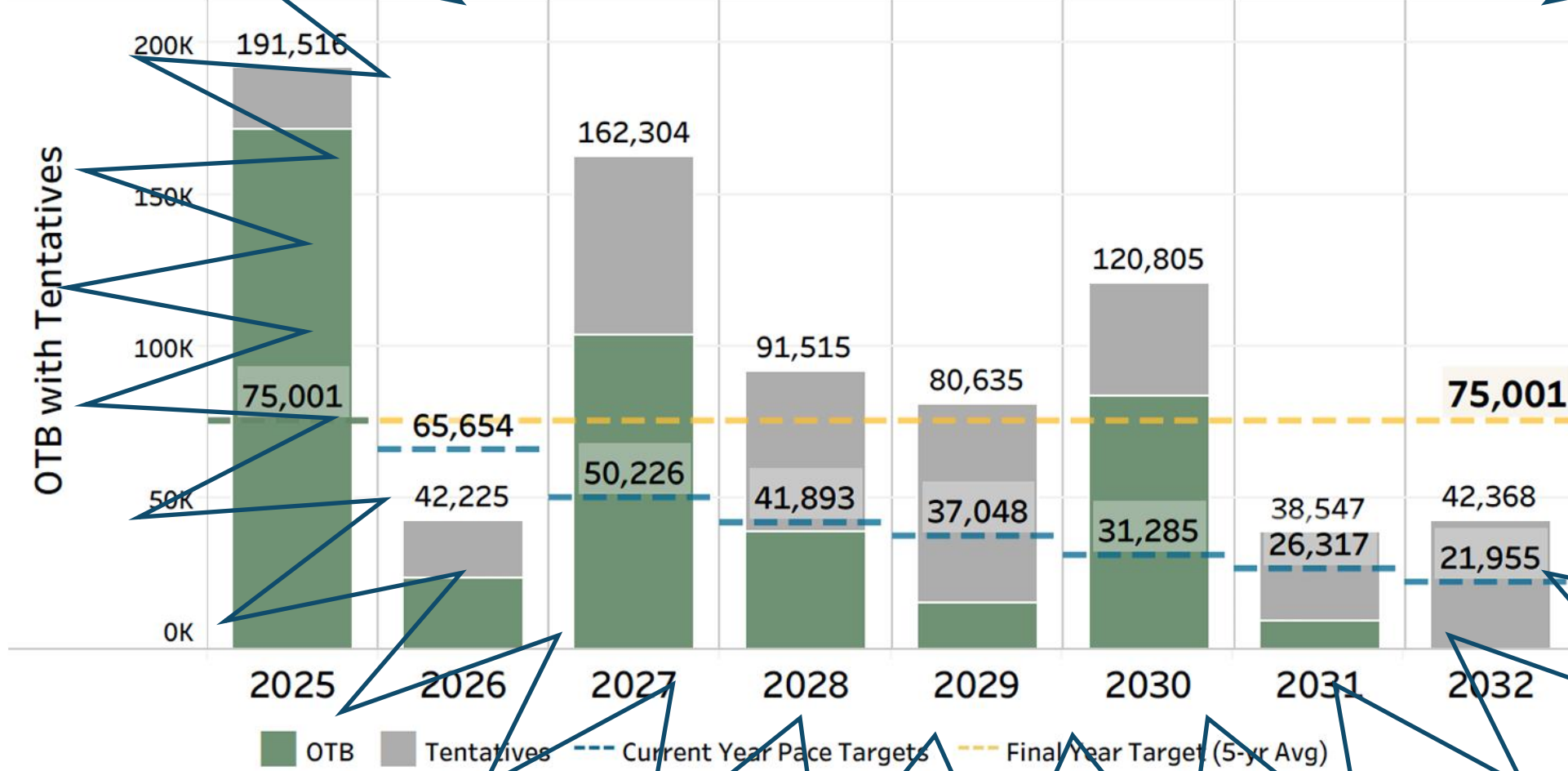


Source: January 2025 Meet Hawai'i Pace "Definites on the Books FY" Report

# CONSUMPTION

Table 1: FuturePace Report: Convention Center 8-year Pace (citywide only)

	2025	2026	2027	2028	2029	2030	2031	2032
% to Pace Target	229%	36%	206%	93%	42%	267%	37%	0%



# Citywide Business OTB's

## Future Pace for Definite Bookings

	OTB Bookings	Pace Booking Target	Variance	% Variance	LTB	Tentative Bookings	Booking Pace Goal
2025	21	28	(7)	-25%	7	3	28
2026	4	14	(10)	-71%	24	3	28
2027	11	8	3	38%	17	11	28
2028	6	6	0	0%	22	11	28
2029	3	5	(2)	-40%	25	5	28
2030	5	4	1	25%	23	2	28
2031	1	3	(2)	-67%	27	4	28
2032	0	2	(2)	-100%	28	5	28

# Recent Events @ Hawai'i Convention Center

- Hawaii Dental Association Convention 2025, Jan 30-31, 2,457 attendees
- Aloha Region President's Tournament 2025, Feb 1-2, 1,012 attendees
- 2025 Tandem Meetings | Transplantation & Cellular Therapy Meetings of ASTCT and CIBMTR, Feb 8-16, estimated 4,500 attendees(CW)



# Upcoming Local/Citywide Events

- NDIA 2025 Pacific Operational Science and Technology Conference, March 3-6, estimated 1,700 attendees (CW)
- Honolulu Festival 2025, March 7-9, estimated 15,000 attendees
- Kawaii Kon 2025, March 14-16, estimated 20,000 attendees (CW)



# Definite Local/CW Bookings for next 3 months

Month	Total # of Local Events	Total # of Citywides
February 2025	17	1
March 2025	21	3
April 2025	18	1



**Pacific Water Conference**  
 AWWA/HWEA 12th Annual Joint Conference – February 4, 2025 to February 6, 2025

**TANDEM MEETINGS**  
 Transplantation & Cellular Therapy Meetings  
 of ASTCT® and CIBMTR®  
 February 12-15, 2025 | Hawai'i Convention Center, Honolulu, HI

 **Entrepreneurs' Organization**

**kawaii kon**  
 カワイイコン

**SUBMISSION**  
 BATTLEGROUND  
 ★★★★★

**NDIA** | **2025 Pacific Operational Science & Technology (POST) Conference**  
 March 3 – 7, 2025 | Honolulu, HI

 **PAS**  
 Pediatric Academic Societies

 **KING'S RUNNER TOK**  
 HE POKI' I NO MAKOA



# New Art Exhibit in 2025: The Journey of Hula



This exhibit is a collaboration between Kumu Hulu Nui Rick San Nicolas, Kumu Hula Chinky Mahoe, and Kumu Hula Kauila Kawelu Barber.

Visitors embark on a visual journey through the evolution of hula, from the sacred dances of the Royal Court to its modern expressions and competitive stage.

# Carbon Offset Program

- This is a first-of-its-kind Carbon Offset Program that provides meeting organizers with the opportunity to offset the carbon footprint of their meeting.
- Participating events include:
  - 2024 Honolulu Marathon (10 trees)
  - 2024 & 2023 Okinawan Festival (11 trees/year)
  - 2024 Pokémon World Championships (51 trees)
  - 2024 Made in Hawaii Festival (17 trees)
  - Indoor Air 2024 (10 trees)
  - 2024 Honolulu Festival (17 trees)
  - 2024 Sony Open Gala Dinner (9 trees)
  - CHEST 2023 (42 trees)
  - 2023 International Conference on Machine Learning (36 trees)



As of December 2024

**492**

HCC CARBON  
OFFSET  
PROGRAM LEGACY TREES



**12.43**

MTCO<sub>2e</sub>

NEW CARBON  
OFFSET



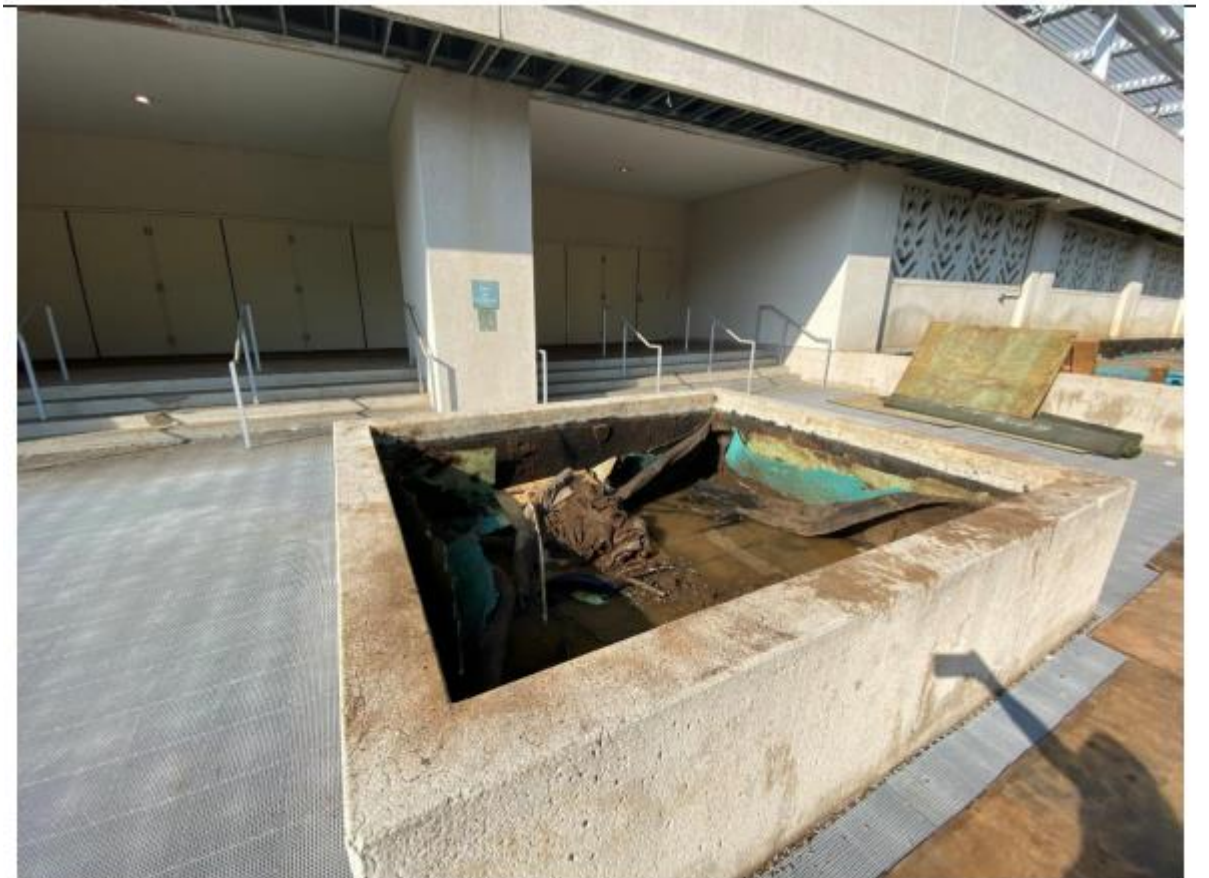
**ICML**  
International Conference  
On Machine Learning





# **Repair, Maintenance and Replacement Projects Update**

# 3<sup>rd</sup> Fl and Exterior Planter Project



Excavation work continues on the Ala Wai Patio.

# LED Lighting Project



Installation and commissioning completed in XHall I and II.  
New ipad controls facilitate programming and changes.

# Exterior Building Painting



Painting continues on the Ala Wai Promenade side.



# CURRENT PROJECTS

## ***IMPROVE GUEST EXPERIENCE***

- New Speakers and Equipment to upgrade sound in meeting rooms
- Upgrade Screens and add Surround Sound in Theatres
- Replace all 12 Escalators
- Repair Meeting Room Air Walls
- New Wheelchair Lift in Theatre 320
- New Facilities Equipment
- New Retractable Bleacher Seating
- New Carpet for all meeting spaces, including Ballroom
- Address ADA Compliance Issues
- Replace Common Area Furniture Upholstery
- IT Network Cabling and Switch Upgrade
- Digital Signage Upgrade

## ***IMPROVE OUR BUILDING***

- Paint Entire Building Exterior and Interior
- Repair Leaks
  - Kalākaua Kitchen
  - Ballroom and other Parapet Roofs
  - Lobby and Ballroom Foyer Ceiling
  - Planters – 3<sup>rd</sup> floor, Grand Staircase, Intermediate level
- Install new Fire Alarm System
- Replace Green Slate Tile – 3<sup>rd</sup> floor and Ala Wai Patio
- Upgrade all Lighting to LED lights
- Install Solar PV panels for Energy Savings
- Seal Parking Garage floor and repainting
- Replace Exterior Exit Doors that have rusted
- Replace Main Kitchen Flooring

## ***IMPROVE DEPARTMENT EFFICIENCY – New Equipment***

- New Boilers in Kalākaua Kitchen
- New Parking System and Equipment
- Internal Phone System Upgrade to VOIP

# Repair, Maintenance and Replacement Projects

## Update of Major Projects

### LED Lighting Upgrade

- New LED lighting has enhanced ambiance in the meeting spaces for events
- Controls are more accessible, making it easier for Event Managers to manage scenes for events
- Completed 70% of meeting rooms, Ballrooms and Exhibit Halls
- Ma kai meeting rooms will be completed after the Rooftop Terrace Repair project

### Exterior Building Painting

- Contractors working in different areas, to work around busy event schedule
- Will be working on the Ala Wai Canal side and finishing the Front Entrance
- HCC has received many favorable comments from returning clients

### 3rd Floor and Other Exterior Planters

- Challenged with inclement weather and discovery of unforeseen conditions
- Working with contractor to expedite repair designs to complete work and close-up planter

### Chiller Replacement

- New chillers were put into operation in October 2024
- Have completed several punch list items in January
- Tracking energy savings; challenging with multiple variables

# Repair, Maintenance and Replacement Projects

## 6-Year Plan (page 1)

Project Number	Project Title	Estimated Project Cost	Est Complete	GOB/ CIP/OC	Prior Expenses Dec 2024	FY25	FY26	FY27	FY28	FY29	FY30	Total
003	Kalākaua Kitchen and Atkinson Drywell Renovation	\$ 7,245,452	CY 26	CIP	\$ 345,023	\$ 1,000,148	\$ 4,000,000	\$ 1,900,281				\$ 7,245,452
007	Kitchen Hood Control Panel Replacement	\$ 454,028	Q1 25	CIP	\$ 454,029							\$ 454,029
009	Slate Tile Repair	\$ 722,691	CY 26	CIP	\$ 214,309	\$ 55,217	\$ 453,165					\$ 722,691
010	Chiller Replacement	\$ 6,154,288	Q1 25	CIP	\$ 6,029,184	\$ 125,103						\$ 6,154,287
011	Ballroom Gutter, Foyer Transom Glass Roof Repair and Soffit R	\$ 21,564,945	CY 26	CIP	\$ 211,971	\$ 5,975,667	\$ 7,805,259	\$ 7,572,048				\$ 21,564,945
012	Parapet Roof Repairs	\$ 2,374,257	Q2 25	CIP	\$ 81,523	\$ 2,292,734						\$ 2,374,257
013	Ballroom Roof Repairs	\$ 1,575,688	Q2 25	CIP	\$ 236,421	\$ 1,339,267						\$ 1,575,688
014	Lobby Water Feature	\$ 1,086,810	FY 28	CIP	\$ 3,932				\$ 1,082,878			\$ 1,086,810
015	House Sound Audio System Upgrade	\$ 5,665,068	CY 26	OC	\$ 92,896	\$ 2,465,765		\$ 3,106,407				\$ 5,665,068
023	Air Wall Repairs	\$ 282,058	Q1 25	CIP	\$ 156,890	\$ 125,167						\$ 282,057
024	Roll-up Door Replacement	\$ 225,000	CY 26	CIP	\$ 23,656		\$ 201,344					\$ 225,000
026	IT Network Upgrades	\$ 300,000	Q2 25	OC	\$ -		\$ 300,000					\$ 300,000
027	Ice Machines Replacement	\$ 500,000	Q2 25	OC	\$ -	\$ 250,000	\$ 250,000					\$ 500,000
028	Theatre 310 and 320 Furnishings Upgrade	\$ 750,000	FY 28	OC	\$ -				\$ 375,000	\$ 375,000		\$ 750,000
029	Theatre 310 and 320 Seating Upgrade	\$ 500,000	FY 28	CIP	\$ 155				\$ 249,845	\$ 250,000		\$ 500,000
030	FB China and Equipment Upgrade - #2	\$ 6,094,591	Q1 25	OC	\$ 4,459,631	\$ 1,634,960						\$ 6,094,591
031	Ala Wai Waterfall Repair	\$ 1,081,501	FY 28	CIP	\$ 1,985				\$ 1,079,516			\$ 1,081,501
041	Exterior Building Door Replacement	\$ 170,152	Q1 25	OC	\$ -	\$ 170,152						\$ 170,152
044	Fire Sprinkler Line Refurbishment	\$ 353,394	Q3 25	CIP	\$ 25,984	\$ 199,016	\$ 128,394					\$ 353,394
045	Escalator Modernization	\$ 7,927,869	CY 26	CIP	\$ 64,143	\$ 3,570,520	\$ 2,520,000	\$ 1,773,205				\$ 7,927,868
046	LED Light Upgrade	\$ 6,510,416	CY 26	CIP	\$ 3,737,561	\$ 1,378,834		\$ 1,394,020				\$ 6,510,415
048	Electrical Harmonics Testing	\$ 100,000	FY 28	CIP	\$ -				\$ 100,000			\$ 100,000
050	Main Kitchen Flooring Replacement	\$ 648,881	Q1 25	CIP	\$ 202,936	\$ 445,945						\$ 648,881
051	Phone System Replacement	\$ 30,000	Q2 25	OC	\$ -	\$ 30,000						\$ 30,000
054	Boardroom Upgrade	\$ 1,099,549	CY 26	OC	\$ 115,802	\$ -	\$ 983,747					\$ 1,099,549
055	Elevator #2 Upgrade	\$ 250,000	FY 28	CIP	\$ -				\$ 250,000			\$ 250,000
058	Kitchen Hood Fire Suppression System Replacement	\$ 374,430	Q1 25	CIP	\$ 332,902	\$ 41,528						\$ 374,430
060	Lobby Sail Repair and Maintenance	\$ 179,000	Q3 25	CIP	\$ 41,196		\$ 137,804					\$ 179,000

# Repair, Maintenance and Replacement Projects

Project Number	Project Title	Estimated Project Cost	Est Complete	GOB/ CIP/OC	Prior Expenses						Total
					Dec 2024	FY25	FY26	FY27	FY28	FY29	
061	ADA Lift (#320) Replacement	\$ 165,000	Q1 25	CIP	\$ 91,515	\$ 73,485					\$ 165,000
064	F&B Equipment - #1	\$ 1,364,759	Q1 25	OC	\$ 1,273,141	\$ 91,618					\$ 1,364,759
066	Kalākaua Kitchen Boiler Replacement	\$ 330,000	Q2 25	OC	\$ 16,817	\$ 313,183					\$ 330,000
068	3rd Floor Planter Repair and Exterior Planter Repair	\$ 12,402,236	Q2 26	CIP	\$ 975,165	\$ 2,189,916	\$ 9,237,155				\$ 12,402,236
069	Parking System Equipment Upgrade	\$ 1,083,753	Q2 25	CIP	\$ 70,569	\$ 30,000	\$ 983,184				\$ 1,083,753
070	Parking Garage Floor Sealing	\$ 5,285,230	Q2 25	CIP	\$ -	\$ 1,000,000	\$ 4,285,230				\$ 5,285,230
071	Access Control Upgrade	\$ 2,000,000	Q1 26	CIP	\$ -	\$ 1,000,000	\$ 1,000,000				\$ 2,000,000
073	Common Area Furniture Refirbishment	\$ 133,510	Q1 25	OC	\$ 89	\$ 133,421					\$ 133,510
074	Ice Rink and Equipment	\$ 1,000,000	Q2 25	CIP	\$ -	\$ 1,000,000					\$ 1,000,000
075	Exterior Building Painting	\$ 2,659,418	Q2 26	CIP	\$ 782,421	\$ 1,000,000	\$ 876,997				\$ 2,659,418
077	Interior Building Painting	\$ 3,872,039	CY 26	CIP	\$ 56,824	\$ 500,000	\$ 3,315,215				\$ 3,872,039
079	Digital Signage Upgrade	\$ 6,150,000	CY 26	CIP	\$ 20,390	\$ 3,000,000	\$ 3,129,610				\$ 6,150,000
081	Facility Equipment Replacement	\$ 1,000,000	Q2 25	OC	\$ 47,637	\$ 500,000	\$ 452,363				\$ 1,000,000
082	Escalator and Elevator Repairs	\$ 1,000,000	CY 26	CIP	\$ 430,737	\$ 237,033	\$ 332,230				\$ 1,000,000
083	Café 808 Renovation	\$ 3,000,000	Q2 25	CIP	\$ -	\$ 3,000,000					\$ 3,000,000
084	Frictionlist Concession	\$ 1,500,000	Q2 26	CIP	\$ -		\$ 1,500,000				\$ 1,500,000
085	1801 Renovation	\$ 2,000,000	Q2 25	CIP	\$ -	\$ 2,000,000					\$ 2,000,000
086	Water Remediation - Misc Repairs/Equipment	\$ 500,000	Q2 26	CIP	\$ 73,260	\$ 176,740	\$ 250,000				\$ 500,000
089	Cabling Infrastructure Upgrade	\$ 850,000	Q2 25	CIP	\$ 218,737		\$ 631,263				\$ 850,000
091	Loading Dock Supply Fans	\$ 225,000	Q2 25	OC	\$ -	\$ 225,000					\$ 225,000
093	ADA Compliance	\$ 1,500,000	Q2 25	CIP	\$ 6,902	\$ 100,000	\$ 1,393,098				\$ 1,500,000
094	Solar Photovoltaic System	\$ 7,089,400	Q2 26	CIP	\$ 30,552	\$ 3,479,948	\$ 3,578,900				\$ 7,089,400
097	Carpet Replacement	\$ 4,000,000	CY 26	CIP	\$ -		\$ 4,000,000				\$ 4,000,000
098	Sketch-up Revisions	\$ 30,000	Q1 25	OC	\$ 14,500	\$ 15,500					\$ 30,000
099	Fire Alarm System	\$ 1,500,000	Q2 25	CIP	\$ -	\$ 50,000	\$ 1,450,000				\$ 1,500,000
100	Retractable Seating	\$ 1,500,000	Q2 25	CIP	\$ 89	\$ 500,000	\$ 999,911				\$ 1,500,000
101	Lobby Door Replacement	\$ 500,000	Q3 25	CIP	\$ -	\$ 500,000					\$ 500,000
	Legal Retainer	\$ 251,094	on-going	CIP	\$ 162,337	\$ 20,000	\$ 68,757				\$ 251,094
	<b>GRAND TOTAL (not including Rooftop Terrace Deck)</b>	<b>\$137,111,507</b>			<b>\$21,103,811</b>	<b>\$42,235,867</b>	<b>\$ 54,263,626</b>	<b>\$15,745,961</b>	<b>\$ 3,137,239</b>	<b>\$ 625,000</b>	<b>\$ -</b>

Key to Color Codes	
Current project	
Cumming-managed project	
HCC-managed project	
RLB-managed project	





# Repair, Maintenance and Replacement Projects

## CUMMING GROUP Priority Projects

- *Slate Tile Repair*
- *Ballroom Roof Repairs*
- *House Sound Audio Upgrade*
- *Ballroom Gutter, Foyer Transom Glass and Soffit Repair*
- *3<sup>rd</sup> floor and Exterior Planters Repair*
- *LED Lighting Upgrade*
- *Main Kitchen Flooring Replacement*
- *Kalākaua Kitchen Wall Repair and Atkinson Drywell Replacement*
- *Exterior Building Painting*
- *Interior Building Painting*
- *Parking Garage Equipment Upgrade and Floor Sealing*
- *Fire Sprinkler Line Refurbishment*
- *Escalator Modernization*
- *Kalākaua Kitchen Boiler Replacement*
- *Exterior Door Replacement*
- *Solar Photovoltaic System*

# Repair, Maintenance and Replacement Projects Completed (since 2020)

## COMPLETED 2020

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

## COMPLETED 2021

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

## COMPLETED 2022

- Leak Repairs – 12/21-1/22; \$396k
- Chiller Repairs; \$69.3k
- Trellis Renovation; \$4.7M
- Lobby Glass Replacement; \$25k
- New Security Camera, Access Control; \$1.56M
- Kitchen AC Compressor Replacement; \$16.5k

## COMPLETED 2023

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

## COMPLETED 2024

- Water Intrusion Remediation; \$400k
- Ballroom Wallcovering; \$200k
- Exterior Security Camera; \$225k
- Transformer Replacement; \$131k
- #348 Walk-in Refrigerator Replacement, \$123k
- Lobby Glass Repair, Vandalism, \$26k
- Ride-on Sweeper Replacement, \$50k
- Main Kitchen Dishwasher Replacement, \$425k
- Pot Wash and Glass Wash Machine Replacement, \$212k
- Chill Water Pipe Reinsulation, \$1.2M
- Sump Pump Replacement, \$58k
- Ride-on Scrubber Replacement, \$86k
- Pickleball Equipment, \$486k
- Immersive Experience Equipment, \$926k
- Holiday Light Displays, \$616k
- Kitchen Hood Control Panel Replacement, \$454k
- Kitchen Hood Fire Suppression System Replacement, \$374k
- Food and Beverage Equipment Upgrade #1, \$1.4M



# Mahalo Nui Loa

## **13c**

**Motion, Presentation, Discussion, and Action  
on Budget Exceptions for Program BED114  
(HTA Branding and Marketing)**



## **STAFF REPORT TO THE BOARD**

February 25, 2025

**REQUEST:** To define the use of BED 114 and the budgeted line item – Oceania.

**FACTS:**

1. The U.S. Travel Association's (USTA) IPW 2025, the largest international travel trade show in the U.S., will be held June 14-18 in Chicago.
2. It is the largest event of its kind in the U.S. and offers a unique, appointment-based platform for building connections and conducting business.
3. IPW 2025 is a critical tradeshow for HTOceania and its stakeholders, serving as a vital in-person opportunity to strengthen relationships and foster collaboration on a global scale.
4. Oceania stakeholders stated that showcasing the latest Hawai'i has to offer to key wholesalers and operators would best aid in the market recovery.
5. By supporting Oceania, we in turn support the other international markets.
6. Each year HTA, the island visitors bureaus, and the international marketing contractors from our Global Marketing Team (GMT) attend IPW.
7. Oceania MMA funds will cover: facility and participation costs for three HTA staff, including four booths for HTOceania and our international marketing teams, island chapters and cultural practitioners; Media Marketplace registration fees; cultural practitioners to support the event with music and visitor education; shipping; tradeshow décor and furnishings; and other tradeshow expenses.
8. Caroline Anderson, Director of Planning, and Trishia Mendonza, Administrative Assistant—Branding, will manage this project and pay IPW 2025 expenses directly.
9. On February 19, 2025, the HTA Board's Budget, Finance, and Convention Center Standing Committee approved using the funds for activities for IPW 2025.

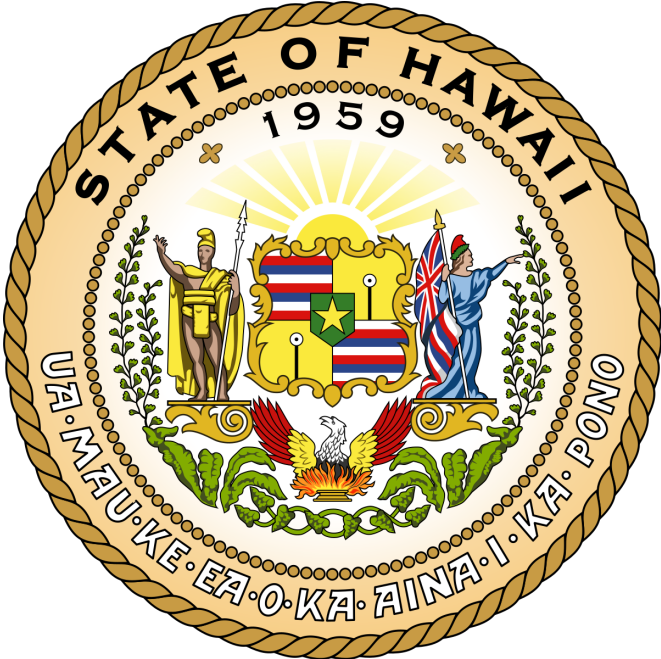
**BUDGET IMPLICATIONS:** \$90,000.00 from BED 114 and the budgeted line item – Oceania – to support registration fees and the execution of activities at USTA's IPW 2025.

**RECOMMENDATION:** Staff recommends the Budget, Finance and Convention Center Committee approve \$90,000 towards activities for IPW 2025.

## **13d**

**Presentation, Discussion, and/or Action on  
the Status Update on the Fiscal Biennium  
2025-2027 Budget Request to the Legislature**

Hawai'i Tourism Authority  
Fiscal Biennium 2025-2027 Budget Update  
February 19, 2025



# Topics

- The Governor's Priorities
- HTA's Requests vs. The Governor's Decision
- Budget Variances for HTA's Fiscal Year 2026 Operating Budget
- CIP Request



# The Governor's Priorities

- **Per the Office of the Governor's news release posted on December 16, 2024:**

- “The budget reflects our values as a state. It prioritizes reducing the high cost of living, improving education, building affordable housing for working families, sheltering and caring for vulnerable Hawai‘i residents, and making large investments in health care, biosecurity, wildfire mitigation and infrastructure across our state,” said Governor Green.
- “We engaged in a collaborative process this year, engaging our Senate Ways and Means Chair Donovan Dela Cruz and House Finance Chair Kyle Yamashita early, to understand their priorities so that we could develop a budget that tackles our largest economic and social challenges, expands education opportunities for our keiki, protects our natural resources, promotes energy independence and strengthens our response to the adverse impacts of climate change,” the Governor said.
- “Total requests for general funds amount to \$10.4 billion in fiscal year 2026 and \$10.5 billion in fiscal year 2027, which represents an increase of \$620 million (6.3%) in the first year and \$664 million (6.7%) in the second year.”
- The preparation for this Executive Biennium Budget included a deep look into long-standing vacancies across departments in the state. Department of Budget and Finance Director Luis Salaveria conducted a systematic review of positions that have been vacant for more than four years. This was to ensure that public resources are allocated effectively. Considerations for any new position were analyzed against existing vacancies as some these long-standing vacancies could be repurposed to meet new and emerging needs in the departments.

# The Governor's Priorities, Continued

- Budget items are “prioritized,” consistent with the requests and advice provided by B&F, DBEDT, Tourism Committee Chairs, and the HTA BFCC. The Governor’s Budget Proposal for HTA is consistent with the requests, advice, and directions given to the HTA Board & Staff by B&F, DBEDT, Tourism Committee Chairs, and the HTA BFCC.
- The Governor’s \$69,397,189 operating budget for HTA is consistent with the “Highest Priorities” budget items identified by HTA Staff, the BFCC, and DBEDT.
- The Governor’s proposed operating budget for HTA is consistent with State law, rules, policies, procedures, and memorandums issued by the Governor and State departments.

# Biennium Budget Totals

## **HTA's Requests:**

- HTA Fiscal Year 2026 Operating Budget Request = \$80,000,000, 27% increase from FY 2025
- HTA Fiscal Year 2027 Operating Budget Request = \$87,000,000, 38% increase from FY 2025
- HTA Fiscal Year 2026 Capital Improvement Request (for HCC R&M) = \$13,928,314
- HTA Fiscal Year 2027 Capital Improvement Request (for HCC R&M) = \$6,056,878

## **The Governor's Decision:**

- The Governor's Decision provides HTA with a recurring operating budget of \$69,397,189 for fiscal years 2026 and 2027, representing a 10% increase for both fiscal years.
- The Governor's Decision provides HTA with a capital improvement budget of \$5,000,000 for fiscal years 2026 and 2027.

# HTA's Fiscal Year 2026 Operating Budget Request vs. the Governor's Decision

Program Title	Program ID	FY 2025 Budget	FY 2026 BFCC Draft Budget*	FY 2026 Budget Approved by HTA Board**	FY 2026 Budget (Governor's Decision)
Administration and Governance	BED113	3,696,660	4,131,736	4,150,997	3,363,945
Branding and Marketing	BED114	39,249,201	42,887,626	49,309,914	42,022,877
Sports and Signature Events	BED115	7,318,075	-	-	-
Destination Stewardship and Community	BED116	7,923,883	22,953,850	26,539,089	24,010,367
Regenerative Tourism Development	BED117	3,762,181	-	-	-
Workforce Development	BED118	1,050,000	-	-	-
<b>Total</b>		<b>63,000,000</b>	<b>69,973,212</b>	<b>80,000,000</b>	<b>69,397,189</b>

\*Pursuant to the request and advice of the B&F Director, DBEDT Director, and Tourism Committee Chairs, the BFCC requested that the HTA staff “prioritize” the HTA budget requests into 3 categories: “Highest Priority,” “Medium Priority,” and “Lowest Priority.” The HTA staff then presented “prioritized” budget information to the BFCC that identified cost items that were “Highest Priority” (\$69,973,211), “Medium Priority” (\$9,949,747), and “Lowest Priority” (\$4,350,618). The proposed “HTA budget package” that was unanimously approved by the BFCC included all Highest Priority budget items identified by HTA staff, totaling \$69,973,211. Additionally, the BFCC approved Supplement #1 for \$9,949,747 for Medium Priority budget items and Supplement #2 for \$4,350,618 for Lowest Priority budget items. The BFCC unanimously approved sending the entire “HTA Budget Package” of Highest, Medium, and Lowest Priorities to DBEDT, B&F, the Governor, and the Legislature.

\*\* The proposed \$80,000,000 operating budget request that was eventually approved by a majority of the Board for submittal. Submitted to DBEDT on Form A.

# HTA's Fiscal Year 2027 Operating Budget Request vs. the Governor's Decision

Program Title	Program ID	FY 2025 Budget	FY 2027 BFCC Draft Budget*	FY 2027 Budget Approved by HTA Board**	FY 2027 Budget (Governor's Decision)
Administration and Governance	BED113	3,696,660	5,415,015	5,435,239	3,363,945
Branding and Marketing	BED114	39,249,201	47,520,535	53,283,649	42,022,877
Sports and Signature Events	BED115	7,318,075	-	-	-
Destination Stewardship and Community	BED116	7,923,883	24,384,945	28,281,112	24,010,367
Regenerative Tourism Development	BED117	3,762,181	-	-	-
Workforce Development	BED118	1,050,000	-	-	-
<b>Total</b>		<b>63,000,000</b>	<b>77,320,494</b>	<b>87,000,000</b>	<b>69,397,189</b>

\*Pursuant to the request and advice of the B&F Director, DBEDT Director, and Tourism Committee Chairs, the BFCC requested that the HTA staff “prioritize” the HTA budget requests into 3 categories: “Highest Priority,” “Medium Priority,” and “Lowest Priority.” The HTA Staff then presented “prioritized” budget information to the BFCC that identified cost items that were “Highest Priority” (\$77,320,494), “Medium Priority” (\$9,430,456), and “Lowest Priority” (\$6,284,815). The proposed “HTA budget package” that was unanimously approved by the BFCC included all Highest Priority budget items identified by HTA staff, totaling \$77,320,494. Additionally, the BFCC approved Supplement #1 for \$9,430,456 for Medium Priority budget items and Supplement #2 for \$6,284,815 for Lowest Priority budget items. The BFCC unanimously approved sending the entire “HTA Budget Package” of Highest, Medium, and Lowest Priorities to DBEDT, B&F, the Governor, and the Legislature.

\*\* The proposed \$87,000,000 operating budget request that was eventually approved by a majority of the Board for submittal. Submitted to DBEDT on Form A.

# Sports and Signature Events Budget

	Fiscal Year 2024 Budget	Fiscal Year 2025 Budget	Fiscal Year 2026 HTA Budget Request	Fiscal Year 2026 Governor Budget Request
Basketball	500,000	750,000	800,000	800,000
College Sports	166,000	167,000	217,000	217,000
Football (TBD)	-	955,000	1,000,000	-
Golf*	1,947,500	2,246,350	2,350,000	2,350,000
Salaries	76,934	76,934	79,696	79,696
Signature Events	2,657,952	1,630,766	2,300,000	2,750,000
Sports Opportunities	-	460,218	1,896,715	100,000
Surfing	-	300,000	350,000	350,000
B&F allotment restriction**	-	731,808	999,268	738,522
<b>Total Budget</b>	<b>5,348,386</b>	<b>7,318,075</b>	<b>9,992,679</b>	<b>7,385,218</b>

- \*This budget line includes both LPGA and PGA events. The FY 2024 budget is for PGA events only. The FY 2025 budget includes \$250,000 for LPGA and \$1,996,350 for PGA. The FY 2026 budget includes \$300,000 for LPGA and \$2,050,000 for PGA.
- \*\*This line item accounts for the Department of Budget and Finance’s 10% allotment restriction on general fund appropriations.

# Consolidation of Programs into Destination Stewardship and Community

- HTA's request to consolidate the Sports and Signature Events (BED115), Regenerative Tourism Development (BED117), and Workforce Development (BED118) programs into Destination Stewardship and Community (BED116) was approved by the Governor.
- As a result, \$12,130,256 was transferred from the former programs into Destination Stewardship and Community. This amount is based on the fiscal year 2025 operating budget.
- The request transferred three program managers from Regenerative Tourism Development and one sports manager from Signature Events and Sports to Destination Stewardship and Community.

# Budget Variances – Fiscal Year 2026 Operating Budget (HTA's \$80,000,000 Budget vs. Governor's Decision)

- **Administration and Governance:**
  - Communications: Reduced from \$444,444 by \$319,444 to \$125,000.
  - Travel: Reduced from \$124,444 by \$30,555 to \$93,889.
  - Request for an Executive Office Administrative Assistant position was denied.
  - Request for a Finance Internal Auditor position was denied.
- **Branding and Marketing:**
  - Global MCI: Reduced from \$7,281,683 by \$775,299 to \$6,506,384.
  - USA MMA: Reduced from \$22,300,558 by \$4,444,444 reduced to \$17,856,114.
  - Japan MMA: Reduced from \$7,983,333 by \$722,222 to \$7,261,111.
  - Global Support Services: Reduced from \$1,722,223 by \$555,556 reduced to \$1,166,667.
  - Tradeshow support for \$555,556 reduced to \$0.
  - Request for an additional Brand Manager position was denied.



# Budget Variances – Fiscal Year 2026 Operating Budget (HTA's \$80,000,000 Budget vs. Governor's Decision)

- **Destination Stewardship:**
  - Signature Events: Increased from \$2,555,556 by \$500,000 to \$3,055,556.
  - Kahea Greetings: Increased from \$444,444 to \$888,889.
  - Sports Opp. Fund for Sponsorships, Sports, and Signature Events: \$1,996,350 reduced to \$0.
  - NFL Partnership: \$1,111,111 reduced to \$0.
  - Industry Sector Partnership Support for Workforce Development: \$33,333 reduced to \$0.
  - Request for an Administrative Assistant was denied.
  - Request for a Senior Destination Manager was denied.

# CIP Cash Flow Forecast, Current Funding, Fiscal Years 2025 to 2027

<b>CIP Cash Flow Forecast, Current Funding Fiscal Years 2025 to 2027 (N1)</b>			
	<b>FY25</b>	<b>FY26</b>	<b>FY27</b>
Beginning CIP Cash Balance	21,105,719	9,641,828	(33,828,454)
Add:			
Convention Center Special Fund	28,811,261	7,018,344	5,000,000
CIP Legislative Budget Request	-	5,000,000	5,000,000
Available CIP Funds	49,916,980	21,660,172	(23,828,454)
Less:			
CIP Expenditures	(40,275,152)	(55,488,626)	(16,745,961)
<b>Ending CIP Cash Balance</b>	<b><u>9,641,828</u></b>	<b><u>(33,828,454)</u></b>	<b><u>(40,574,415)</u> N1</b>

**N1** This is the cash flow forecast which includes CIP funding provided by the executive budget request for the 2025-2027 fiscal biennium. If approved, HTA would be short \$40,574,415.

# CIP Cash Flow Forecast, Full Funding, Fiscal Years 2025 to 2027

CIP Cash Flow Forecast, Full Funding Fiscal Years 2025 to 2027 (N1)			
	FY25	FY26	FY27
Beginning CIP Cash Balance	21,105,719	9,641,828	18,171,546
Add:			
Convention Center Special Fund	28,811,261	12,018,344	-
CIP Legislative Budget Request	-	52,000,000	-
Available CIP Funds	49,916,980	73,660,172	18,171,546
Less:			
CIP Expenditures	(40,275,152)	(55,488,626)	(16,745,961)
<b>Ending CIP Cash Balance</b>	<b>9,641,828</b>	<b>18,171,546</b>	<b>1,425,585 N2</b>

	<b>N1</b>	This is the cash flow forecast that includes the required funding for the 2025-2027 fiscal biennium to complete all R&M projects during calendar 2026, while the HCC is on a modified operating schedule for the roof repair project.
	<b>N2</b>	The \$52,000,000 request includes a \$1,425,484 buffer for possible change orders.

**Mahalo!**