



**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, MEI 1, MA KA HOLA 9:30 AM**  
**THURSDAY, MAY 1, 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/84207656063>

*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 kōu 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: +1 719 359 4580 US**  
**Helu Hālāwai / Webinar ID: 842 0765 6063**

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

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

*E ho'ohui 'ia nā palapala hō'ike mana'o i hiki ma ka pū'olo hālāwai. No nā palapala hō'ike mana'o i hō'ea mai ma hope o ka pa'a o ka pū'olo hālāwai ('elua lā ma mua o ka hālāwai), e kāka'ahi 'ia nā kope i ka papa alaka'i a e mākaukau no ka 'ike 'ia e ke anaina ma ka hālāwai. E leka uila 'ia nā palapala iā Carole Hagihara-Loo ma [carole@gohta.net](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* 9:30 a.m.  
**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 March 25, 2025, Special Board  
Meeting and March 27, 2025 Regular Board Meeting**
6. *Hō'ike A Ka Luna Ho'okele* 9:45 a.m.  
**CEO Report**
7. *Hō'ike A Ka Luna Ho'omalū* 10:05 a.m.  
**Board Chair Report**
8. *Hō'ike A Ka Hui Kūkā 'Aha'olelo* 10:20 a.m.  
**Report and/or Action by the LEGISLATIVE PERMITTED  
INTERACTION GROUP**
9. *Hō'ike A Ke Kōmike Mo'ohelu Kālā, 'Oihana Kālā,* 10:35 a.m.  
*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 Pepeluali 2025*  
**Motion, Presentation, Discussion, and Action on the Hawai'i Tourism  
Authority's (HTA) February 2025 and March 2025 Financial Reports;  
Recommend Approval**

- b. *Noi, Hō'ike'ike, Kūkā, a Ho'oholo i ka Mo'olelo Kālā a me ka Papa Hana Ho'oponopono o ke Kikowaena Hālāwai o Hawai'i no Pepeluali 2025*  
**Motion, Presentation, Discussion, and Action on the Hawai'i Convention Center's (HCC) February 2025 and March 2025 Financial Report and Update on the HCC's 6-Year Repair and Maintenance Plan; Recommend Approval**

10. *Hō'ike A Ke Kōmike Ho'okahua Hawai'i*

10:50 a.m.

**Report and Update by the HO'OKAHUA HAWAI'I STANDING COMMITTEE**

- a. *Hō'ike'ike i ka Papahana LA Rams 2025*  
**Update on the LA Rams 2025 Program**
- b. *Kūkā a Ho'oholo I ke Ka'ina Hāna a Pahu Hopu a Kā HTA Papahana Ho'okele*  
**Discussion and/or Action on the Timeline and Objectives for the Hawai'i Tourism Authority's Strategic Tourism Plan**
- c. *Kūkā a Ho'oholo I ke Ka'ina Hāna a Pahu Hopu a Kā HTA Papahana Mālama 'Āina Ho'okipa*  
**Discussion and/or Action on the Timeline and Objectives for the Hawai'i Tourism Authority's Destination Management Action Plans**

11. *Hō'ike A Ke Kōmike Ho'okele A Hō'ōia Ke'ena*

11:20 a.m.

**Report and Update by the ADMINISTRATIVE AND AUDIT STANDING COMMITTEE**

- a. *Kūkākūkā e Pili Ana i Nā Nīnau a Ka Papa Alaka'i*  
**Discussion on Questions Submitted by Board Members to the Administrative and Audit Standing Committee**
- b. *Kūkākūkā a/a i 'ole Ho'oholo i Ka Loiloi 'Ana i Nā Manakia Hope*  
**Discussion and/or Action on Scheduling Employee Performance Appraisal (HRD 526A) for All Acting Authority Managers**
- c. *Kūkākūkā e Pili Ana I Nā Wahi Limahana Hakahaka a ka Ho'ololi hou 'ia i Nā Palapala Hō'ike Hana*  
**Discussion on Current Hawai'i Tourism Authority Vacant Positions and Updating Position Descriptions**
- d. *Kūkākūkā a/a i 'ole Ho'oholo I Nā Luna o Ka Papa Alaka'i - 'Atikala III*  
**Discussion and/or Action Regarding HTA Board Officers, per Bylaws Article III**

12. *Kūkākūkā E Pili Ana I Ka Palapala Hō'ōia A HTA* 11:35 a.m.  
**Discussion on the Audit of the Hawai'i Tourism Authority's  
Destination Management Action Plans**
13. *Hō'ike Mo'ohelu Kālā FY2026* 11:50 a.m.  
**Presentation on Proposed FY 2026 Budget\*\*\***
14. *Hō'ike A Ke Kōmike Alowelo* 12:35 p.m.  
**Report and Update by the BRANDING STANDING COMMITTEE**  
a. *Hō'ike, Kūkā, a/a i 'ole Ho'oholo i Kā HTA Kuhikuhi  
Ho'ālowelo 2026\*\*\**  
**Presentation, Discussion, and/or Action on the  
2026 Hawai'i Tourism Brand Marketing Directives\*\*\***  
b. *Hō'ike I Ka Hānana Pili Iā lāpana*  
**Update on the following projects:**  
i. *Nā Hana Hokona 'Amelika 2025*  
**U.S. Maui Emergency Marketing Campaign\*\*\***  
ii. *Ka Anamana'o lāpana*  
**Japan Affluent Market Study**  
iii. *Ka 'Oihana Hālāwai a Palapala Holomua*  
**Meetings, Conventions and Incentives Market  
Activity and Pace Report**
15. *Ho'oku'u* 1:30 p.m.  
**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  
March 25, 2025 Special Board Meeting and  
March 27, 2025 Regular Board Meeting**



Ke'ena Kuleana Ho'opipa O Hawai'i  
1801 Kal ā kua Avenue  
Honolulu, Hawai'i 96815  
**kelepona** tel 808 973 2255  
**kelepa'i** fax 808 973 2253  
hawaii tourism authority.org

**SPECIAL BOARD MEETING  
HAWAII TOURISM AUTHORITY  
Tuesday, March 25, 2025, 11:00 a.m.**

**Virtual Meeting**

**MINUTES OF THE SPECIAL BOARD MEETING**

**MEMBERS PRESENT:**

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

**HTA STAFF PRESENT:**

Daniel Nāho'opi'i, Kalani Ka'anā'anā, Isaac Choy, Caroline Anderson, Talon Kishi

**GEUSTS:**

Les Kondo, Ryan Horiuchi, Cory Kubota, Rep. Quinlan

**LEGAL COUNSEL:**

John Cole

**1. Call to Order**

Chair Hannemann called the meeting to order at 11:02 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. Kishi did the roll call, and all the Board members were in attendance. Members who attended via Zoom were by themselves.

**3. Opening Protocol**

Mr. Ka'anā'anā opened the meeting with the Aloha chant.

#### **4. Presentation and Discussion on the FY2024 HTA Independent Financial Report, Issued March 2025**

Chair Hannemann welcomed the inaugural meeting of their interim President and CEO, Ms. Caroline Anderson. He thanked her for taking on the task as called for in the bylaws. He said this meeting had a hard stop at 12:30 p.m. They have a Board meeting on Thursday, and he looked forward to the presentation on the financial audit. He reintroduced Mr. Horiuchi, Mr. Kubota, and Mr. Kondo, the State auditor. Mr. Kondo said he was attending because they contract for the financial audits of State agencies and the annual Comprehensive Financial Report, which is the State of Hawai'i audit. They had contracted with Acuity to do the HTA's audit. Mr. Kubota is the managing partner of Acuity and Mr. Horiuchi is the partner in charge of the audit.

Mr. Kubota said the scope of the presentation would cover the fiscal year June 30, 2024, financial and federal compliance audit, and the special purpose financial statement audit of the HCC. All of the engagements were concluded, and the associated reports were issued. This was a discussion of the results. To summarize, the scope of the audit is to provide an opinion on the fair presentation of the HTA's financial statements, to consider the HTA's internal control over financial reporting in relation to their audit of the financial statements, perform tests of the HTA's compliance with certain provisions of laws, regulations, contracts and agreements with regard to the financial statements, and then to provide an opinion on the HTA's compliance with requirements related to major federal programs in accordance with OMB compliance supplement. Because the HTA receives and expends federal money, it is the driver behind the performance of the financial and compliance audit.

He went over financial highlights for FY2024, starting with the statement of net position. There was a lot of movement year-over-year between FY2024 and FY2023. Cash and investments in the State treasury decreased significantly in FY2024, about \$37.2 million. That is primarily related to the lapsing of unspent federal monies on June 30, 2023. Capital assets increased by approximately \$9.1 million related to planned capital improvement projects at the HCC. Other non-current assets decreased by \$5.5 million, primarily related to payments made from the Convention Center R&M fund used by ASM for capital improvement projects around the center. Vouchers payable or accounts payable increased by about \$14.5 million. That was primarily to increase activity around the HCC during FY2024 and accruals related to ongoing capital projects. The liability due to the State Department of Budget and Finance decreased from about \$35.7 million to zero. That represents the repayment of funds back to the State treasury. The net position or Equity decreased by \$1 million as of June 30, 2024, compared to a \$25 million increase in 2023. That was just an increase in contract expenses during the year.

He spoke about the Statement of Activities/Income Statement. Charges for services increased by \$13 million during FY2024, primarily driven by increased activity at the HCC. Federal grant revenue decreased by \$48.1 million in FY2024, while State appropriations increased by \$70.1 million in FY2024. Between 2020, there was a change in how the HTA received its operating funding, going primarily from being federally funded to receiving State appropriation. Contract expenses increased by \$44.5 million primarily due to increased operations at the HCC and \$4.5 million expended from the Tourism Emergency Special Fund. Transfers from other state departments decreased by \$15 million to zero in FY2024 as the HCC Special Fund received a non-recurring \$15 million transfer in proceeds to assist with capital projects.

He spoke about the required auditor communications, focusing on the results and certain communications the auditors are required to make in accordance with accepted auditing standards. So, in terms of their responsibility under accepted auditing standards, their responsibility is to evaluate and report on the fairness of the HTA's financial statements prepared in accordance with U.S. Accepted accounting principles. Based on the results of the audit procedures, they issued a clean, unmodified opinion on those financial statements for FY2024, June 30.

In terms of their responsibility as an independent auditor under government auditing standards and uniform guidance, because the HTA expended federal monies, part of their audit relates to compliance with the use of those federal monies in accordance with the OMB compliance supplement. They performed that audit and issued a qualified opinion on federal compliance. Two specific findings were reported. In terms of the planned scope of the audit, their scope was outlined in their engagement letter and contract with the State auditor's office dated July 8, 2024. They executed according to that scope. As part of their audit, they evaluated and plan the audit to identify potential misstatements of the financial statements. He showed the slide with the significant risks they identified, planned, and executed - Improper revenue recognition due to potential fraud, management override over controls, and the proper implementation of significant government accounting standards pronouncements and disclosures. They planned their audit to address those potential risks.

Significant accounting policies were disclosed in footnote one of the financial statements. During FY2024, the HCC adopted two new accounting standards, neither of which had a significant impact on the financial statements. But, based on their audit procedures, they believed that the HTA adopted and followed appropriate accounting policies that conform to accepted accounting principles. As part of their audit, they tried to identify significant estimates made by management that would influence the financial statements. They looked at the depreciable lives used by management to depreciate capital assets. They looked at accrued

vacation liabilities and calculated the net pension and other post-employment benefits liability. Based on their audit procedures, those estimates were evaluated and were reasonable.

They looked for potential significant or unusual transactions as part of the audit. None were identified. They are required to report audit adjustments that they identify and propose, which management agrees with. They have a summary of adjustments and reclassification journal entries they proposed during the audit. Those were attached to the management representation letter, which was available for the committee's review. In addition, certain uncorrected misstatements or unadjusted differences were not recorded by management because they agreed with management that they were not material to the financial statements. Those were also attached to the representation letter and are available for review.

If they had encountered any difficult or contentious matters during their audit, they would be required to report that. There were none. If they had concerns about the HTA's ability to continue as a going concern for longer than a year, they would be required to report that and mention that in their report. No such issues arose during the audit.

He pointed out in footnote one to the financial statements the change in how the HTA is funded, and how its operations are funded, which is disclosed as a change and a potential uncertainty.

He spoke about other information containing the audited financial information. The HTA's audited financial statements are included in a submission to the federal government, and they will review them and look at the submission. They would be required to report any disagreements with management. They encountered none. If they had a disagreement on an accounting or audit matter, and management sought the opinion of another firm, they would be required to report that. That is referred to as opinion shopping. There were no such instances.

There were no major issues discussed with management prior to, or as a condition of their retention as an independent auditor, and they did not encounter any significant difficulties in the performance of their audit.

Internal control deficiencies - There were no material weaknesses in internal control over financial reporting. However, they did identify two findings during the federal compliance portion of the audit related to reporting that they considered material weaknesses, which resulted in the qualification of their compliance audit opinion. They included a couple of other comments or observations they identified during the financial statement audit. Housekeeping, in nature, did not rise to the level that requires reporting to the federal government but

warranted communication with management and those charged with governance, and that was included in the internal control and business issues report. They did not identify or encounter any instances of fraud or illegal acts during their audit.

They confirmed that Acuity LLP is independent of the HTA and its related entities within the definition of the code of Professional Conduct of the AICPA. They exchanged the representation letter with management. It is available for anybody's review upon request.

For other matters to report, attached to the financial statements, management included required supplementary information, which included the management discussion, analysis, and budgetary comparison schedules. Those are not part of the core financial statements but supplement those financial statements. They do not opine on those pieces of the report. The schedule of expenditures of federal awards is also attached to the financial and compliance report. They applied certain audit procedures, including reconciling those amounts reported to the underlying financial statement records. They found them to be appropriate.

He opened the floor to questions.

Mr. Arakawa asked about the three categories of findings. Deficiency, material weakness, and significant deficiencies. He asked if Mr. Kubota could go over some of those findings.

Mr. Kubota said the HTA had findings on both extremes of the classification system. They reported two compliance findings that they deemed to be material weaknesses. That would be the most severe finding. That results in the qualification of their opinion over federal compliance specific to reporting. One item was the failure to submit a required report. The second item was related to a standard financial report, which stated that they could not reconcile the actual dollar amounts reported.

Mr. Arakawa asked if that report was eventually submitted. Mr. Kubota said it was. Mr. Arakawa asked if that report cost the HTA money. Mr. Kubota said that, to his knowledge, there was no financial consequence to the HTA, but they are still waiting for the federal oversight agency to accept and comment back to the HTA on the results of their findings.

Mr. Arakawa said they got a federal grant, and he asked for confirmation that the DLNR did the work. Mr. Kubota confirmed that as correct. Mr. Arakawa said when the work was finished, they paid the DLNR, but they failed to report that they paid the DLNR.

Ms. Anderson said her understanding is that the report in question is one they have to report on every year, the projects of the EDA Grant. They were just getting into the contracting period

with the DLNR for that report, so there were not any outcomes or measures to be reported yet. She took responsibility. She did not submit the report because she did not realize that the report had to be done, and she did not have any measures or outcomes to report. Back then, it was still either planned for or procured.

Mr. Arakawa said that is understandable. He said that in the future, the policy or procedure is that if it has to do with DLNR and they have control of the whole project, they should not be applying for the grant because they cannot evaluate it.

Mr. Kubota said there were two reporting items. If the HTA is the prime recipient of a federal grant and then uses a sub-award or a sub-grant, in this case, it was DLNR, when they enter into that sub-grant, there is a federal reporting requirement to communicate the sub-award to the federal government. And they did receive evidence of that reporting.

Mr. Choy said it is a federal form to report that they gave \$7.2 million to the DLNR. He was familiar with that form, but there were no improper payments or financial impact.

Mr. Kubota reiterated that reporting is a federal compliance criterion. It required submitting that report, but it was not done. Number two related to that federal program is the semi-annual. They understood what was done, so reports were filed, but they could not reconcile the actual dollar amounts on the report with the underlying records. It does not question the propriety of the activities. They needed to know the source of the number being reported.

Mr. Kubota said the recommendation to address these two would be for management to be aware of. Anytime a federal sub-recipient or sub-award is going to be made, it is a reporting requirement that needs to be adhered to. The second finding relates to the maintenance of the documentation to support the amount being reported. A reconciliation is needed that supports the amount reported.

Mr. Choy said this is for the drawdowns. They do the drawdowns because they have to call and submit receipts, which they did. They did not realize there was supposed to be a record beyond the federal agencies' approval to give them the drawdowns based on the invoices they turned in. He suggested getting accounting records and a few more procedures.

Dir. Tokioka asked if this had been done before or if it was the first time. Mr. Choy said this was the first time.

Ms. Anderson said that the EDA grant was non-competitive. So, the money went to Gov. Ige, and the Governor provided it to the HTA. It was for outdoor recreation, travel, and tourism to

bring tourism back because of COVID. They entered into a partnership with the DLNR because the DLNR is outdoor recreation, and their visitors use the outdoors and love it. They meet monthly with the DLNR for a status update of what they are doing for their seven projects. Mr. Kishi was also on the monthly call.

Mr. Arakawa said they are not experts in some of the seven projects. The next time the Governor gives them money, and they do not know how to monitor the project, they should give it to the DLNR.

Mr. Kubota said the lesson to learn is that if they take federal money, there are responsibilities associated with taking it. They have to be aware of those responsibilities.

Ms. Agas asked Mr. Choy if there is a resource in the federal government to get assistance when federal grants come into play.

Mr. Choy said he is not aware of any resources in the federal government.

Ms. Agas asked if the auditor had an idea of someone who could assist.

Mr. Kubota recommended that if the authority decides to pursue or take federal money, it downloads the compliance supplement from the federal OMB website, laying out all of the auditable criteria expected from those specific federal programs.

Vice Chair Paishon thanked the auditing team for their work and for providing detailed reports so that they could learn from their past financial statements. She congratulated the HTA team, the entire executive leadership team, and Board members. She said it is significant when a large organization such as the HTA has only two findings. She said that is a good sign. She asked the auditors if they had any guidance relating to financial fiscal health.

Mr. Kubota said there are not any more specific items. Federal money is not free. It always comes with strengths. They need to be prepared to comply upon accepting federal money. There are a lot of compliance requirements.

Chair Hannemann said there is usually someone who tracks federal grants. He asked if there was someone for them. Dir. Tokioka was not aware of anyone at DBEDT. Different people are assigned from the Governor's office on some of the grants, but this grant came from the Ige administration, so he was unsure if they had a connection at that time. He would try to find out.

Mr. Kubota recommended contacting Mark if they decided to pursue more federal monies.

Mr. McCully asked if their external auditor for the AASC would provide them with guidance on whether internal controls had been properly executed. Mr. Kubota said that relative to internal controls over financial reporting, the answer would be yes, but it was related to federal compliance. Because of those two findings, the answer was no.

Mr. McCully said they will have to dive deeper at another meeting. They have to ensure that on their side, internally, their financial statements and reports are prepared and reported accurately in a timely manner. He asked if they achieved that or if there were deficiencies in their reporting. Mr. Kubota said in his presentation that he communicated that the financial statements were appropriately stated based on their audit.

Mr. McCully asked about their code of conduct to ensure financial integrity and no mismanagement of funds. He asked if Mr. Kubota had looked into that. Mr. Kubota said that is not what their audit scope is designed to do, but during their audit procedures, nothing that warranted reporting to the committee came to their attention.

Mr. Pfund said his question was related more to the attachment of adjusting journal entries to the management representation letter. He said there were large amounts, which was unusual. Mr. Kubota said to the extent that they are recurring in nature, and management proposes those adjustments to them as they are closing, he said Mr. Pfund is correct. When they start their audit procedures versus when they conclude the audit, several adjustments do occur. Some of them are proposed by management as they continue to close the books after June 30. Some of them are as a result of their audit procedures. They bring a transaction to management, and they will tell them yes or no, whether or not it impacts the period under audit. It is a combination of both. The objective would be to try to drive the number or volume of those adjustments down.

Mr. Pfund said he was more interested in why the amounts would be there when the accounting system had prior year balances, which they added to for current year activities. He said those are significant amounts. Mr. Kubota said those are mostly accruals.

Mr. Horiuchi said the nature of the reports that management receives is more on a cash basis of accounting. So, in every audit cycle, management needs to do a fair amount of lifting to convert the cash-based information received from DAGS to an accrual method of accounting. So that is the lion's share of the large dollar value adjustments, especially the historical ones.

Mr. Arakawa asked if they would be on the same basis going forward. Mr. Choy said they do not get the figures until the end of the year. Mr. Arakawa said he understands the reason for the large number of people changing over.

Mr. White asked if receiving federal funding for a program comes with a list of required reporting responsibilities. Ms. Anderson said it does.

Mr. White spoke about what Mr. Choy mentioned. Mr. White said that because the federal government's requirements are so broad when they get a grant, does it specify the responsibilities for all the reporting and the time frames and so forth, or do they need to go to the OMB website for compliance for more compliance information.

Mr. Kishi said they receive a standard award, terms and conditions, which is a fairly big package. He did review it. It fell through the cracks, but they have addressed the matter since the auditors pointed it out. He submitted the report since then. There is the compliance supplement. So those are two very good resources they can rely on for the future.

Dir. Tokioka said that, looking at the report, he did not see one of the items on the draft.

Mr. Arakawa said he intended to ask about the internal control and business issues report, which had two items on it. One was a space use, and the other was a prior year unadjusted audit control deficiency. Dir. Tokioka said he would like to know about that as well.

Mr. Kubota said the internal control and business issues report they consider to be a housekeeping report that they identified during their audit is in the package ending June 30, 2024.

Mr. Arakawa said there were two items listed and asked that they go through them.

Mr. Horiuchi said the objective of the financial audit was to render an opinion as to whether the financial statements were presented fairly. As Mr. Kubota mentioned, they are looking at whether revenue has been skewed because of potential fraud. So, as with any part of any audit, financial and performance, there is always a question to management about whether or not management is aware of any fraud. Because that certainly would be a significant issue in terms of the financial review to know whether or not there is any fraud. So, the Vice President of Finance, Mr. Choy, informed him of concerns about unlawful activity. He reported that he received complaints or concerns from other members of the HTA staff about these unlawful activities, concerns that they had about Chair Hanneman's organizations, both Hawai'i Lodging and Tourism Association, and Pacific Century Fellows receiving free complimentary use of the

HCC facility. Mr. Choy felt that was unlawful and referred him to sections of the State ethics code that he believed may be violated. In a different light, he was executive director and general counsel of the State Ethics Commission, so he was familiar with the State Ethics Code. He asked Mr. Choy a number of questions and asked him to provide information that supported what he was describing to Mr. Horiuchi. He asked Mr. Choy for documents relating to the organization's HLTA and Pacific Century Fellows' (PCF) complimentary use of the convention center facility. He asked him for information relating to other organizations that had used the facility, either for free or at a discounted rate. He asked for a list of those organizations from January 1, 2022, through September 12, 2024, the date of his email to Mr. Choy. He asked Mr. Choy for about two and a half years of information, which he provided.

They met, and a binder was provided to Acuity. Acuity and he met with Mr Choy, and they met with the former CEO and President to discuss the issues that Mr. Choy was raising. They also met with Ms. Orton to discuss her concerns that were being raised about the organizations that Chair Hanneman associated with the complimentary or discounted use of the facility. After examining the information and talking to several people, they determined no fraud. They determined that there were uses of the facility, including Chair Hanneman's organizations, that those organizations did not pay to use the facility. So, a few organizations, in addition to Chair Hanneman's organizations, received either complimentary or discounted use of the facility. The use of the facility, complementary and discounted use, was inconsistent with the HTA's process. There are two ways the facility can be used. One is directly through the HTA, the other is through the HCC. So, in terms of where the HTA authorizes use in the facility, there is a form. On the back of the form, on the second page, there are the HTA policies as to what organizations receive complimentary use, and what organizations receive certain kind of discounts. It appeared to them that the organizations that were receiving either complimentary use, like Chair Hanneman's organization and a few others, as well as the discounted use, was not consistent with the policies. That said, the amounts total a few hundred thousand dollars of lost revenue.

As Mr. Kubota mentioned, and as reported in the audit report, the assets for the organization were \$309 million, and in terms of revenues, they were \$114 million for FY2024. In terms of expenditures, it was about \$115,200,000, \$200,000, which is immaterial to the large picture of the organization. It does not mean it is not important. As a former ethics person, he said it is extremely important. This had been referred to the Ethics Commission and the Attorney General's office for further review and consideration.

In terms of the financial audit, it is not their responsibility to assess whether or not there is any violation of the State ethics code or any other laws. They are looking at whether or not the financial statements of the organization are presented fairly. It was their understanding that the process now requires both the Vice President of Finance and the CEO to sign off when the

HTA is discounting the use of the facility. They did not see any policy or procedure that documents. They just saw an email that was sent to the HTA staff reflecting what should be done. He said other organizations have responsibility for that issue and are looking at that. Their responsibility is very different in terms of auditors, and it did not amount to fraud.

Mr. Kubota said their recommendation is clear. Have a look at the policies and procedures and have evidence approvals.

Mr. Horiuchi said that in terms of who approved the request to use the facility, they did inquire with the predecessor, the former CEO, and the president about whether he was involved. He said he was not involved and was unaware of how this was happening and whether or not the HTA was discounting the use of the facility. There are also issues about food and beverage, but again, that is a different organization's issue.

Mr. Kishi acknowledged that Rep. Quinlan and Mr. West joined the meeting virtually.

Vice Chair Paishon thanked everyone for being diligent. She asked the Chair if he could explain some of the items that Mr. Kondo presented. She also asked if Mr. Choy provided the entire list of the documentation when Mr. Kondo asked for the list of organizations that had used the HCC at a complimentary or discounted rate.

Mr. Choy said he gave it to Mr. Kondo, not the full Board. Vice Chair Paishon requested a copy for the full Board.

Chair Hannemann said Mr. Nāho'opi'i was also on the public link since both of them participated in the situation. He said he had been involved in the Pacific Century Fellows organization for many years. It is an emerging leadership group that provides opportunities for people to develop their leadership skills. Alumni have included former Gov. Ige, Sen. Brian Schatz, etc. That said, he had asked Mr. Nāho'opi'i if they could get a briefing, Tourism Day. It is part of what the Fellows do. They get together, they identify the issues that they would like to explore, and more often than not, tourism is one of those issues. So, he had asked Mr. Nāho'opi'i if they could get a briefing from the HTA at a place in Waikīkī that they identified for their Tourism Day. They wanted to look at Waikīkī, delve into regenerative tourism, and perhaps see some of the other things happening. Mr. Nāho'opi'i suggested having it at the HCC, so they did that. He had told Chair Hannemann that he had consulted with the person in charge at the HVCB for O'ahu. They spent three hours for that briefing, and from there they left the HCC and went on the regenerative tourism tour.

In terms of the HLTA, he thought they were referring to the Public Safety Conferences they had. That has been going on for eight years. From the beginning, they have been involved with the HTA. It is a group of stakeholders in Waikīkī, very focused on public safety. Their co-sponsors, in addition to the HTA include HH Visa, Waikīkī Improvement Association, Waikīkī Business Improvement District and Waikīkī and the HLTA. They have had meetings at the HCC prior to when he was mayor, and the HTA was always at the table. Since he has been Board chair they have had two conferences at the HCC, both with sponsorship from the HTA. One happened in 2023, and they paid for the food that was served to them. The second one happened in 2024, where they paid up to \$8,000 for the use of the room and food. For each of those events, the HTA was a co-sponsor. The first one had Mr. Nāho'opi'i as one of the speakers. The second one had Mr. Ka'anā'anā as a panel discussion moderator. The third is that the HLTA had its trade shows at the HCC. The three they had at the HCC, were in sponsorship with the Star Advertiser and the Hawai'i Restaurant Association at one time. This all happened before he was on the Board. Since joining the Board, they have moved to the Blaisdell Center simply because the cost of having that kind of trade show is much cheaper. He said they have always had dialogue with the HTA during that time. The emerging leaders need to know more about tourism.

Vice Chair Paishon thanked Chair Hannemann for explaining it further. She appreciated that Mr. Choy was doing his job ensuring procedures were in place and checking for the abuse of power. She asked Chair Hannemann if he knowingly or unknowingly attempted to abuse his power as the Chair of the HTA to receive the facility at a discount or complimentary.

Chair Hannemann said he did not attempt to abuse his power.

Vice Chair Paishon thanked the Chair of the Administrative Administration and Audit Committee, Mr. McCully because that particular committee had raised the need for a policy for using the HCC. That is the right thing to do. She wanted to ensure that privileges have not been extended to current Board members.

Mr. Arakawa asked if she was interested in the amounts that were comped. Vice Chair Paishon said that it would be helpful to reflect in the reports.

Mr. Kondo said there were twenty-four events and eight different organizations. It is unclear to him whether all of them were comped. Some organizations received comps. The HLTA, Pacific Century Fellows, Alawai Watershed Collaborative, and there were two Hawai'i Tourism Japan events, one with 7-11, and the other with hotel partner/PR partner meetings. Those two events appear to have been comped. Those are the only four organizations, five events that appear not to have paid any money.

Mr. Arakawa asked about the HLTA safety event. Mr. Kondo was unaware of this but was aware that the HLTA had a different event after his timeline, for which he asked Mr. Choy to provide records. That was directly through the HCC. It did not come through the HTA for use of the space. And that is the reason they spoke to Ms. Orton at the HCC. That one is a discounted rate.

Mr. Arakawa asked if they produced forms. Mr. Kondo said it was a space request form.

Mr. Arakawa said he reviewed a few of them. He said it is important for the people to know the process. The HCC prepares that form and sends over the costs.

Mr. Kondo said they were not provided that information. The only thing he was aware of that Mr. Choy provided were the HTA space request forms. Those who do not go to the HCC for their consideration as to the request to use the space for free or in a discounted amount. If there was other accounting involved, they were unaware of any relevant forms.

Mr. Arakawa said that based on the report, it would all be documented. He said they need to have better documentation on those types of requests. He said there is a specific section in the ethics law about space use or fair treatment. Mr. Kondo said that the provision that Mr. Choy raised was unlawful. His question to Mr. Choy immediately was, why did he take it to them? There should be a process in place internally. Mr. Choy had said he was concerned about bringing it to the CEO and President's attention because he felt there was some arrangement or was somehow involved. He had said he had no knowledge of any of these events that Chair Hanneman was describing, where he did have some involvement. There was a provision in the ethics code about unfair treatment. So, it prevents employees, which include all Board members, from misusing their position to get unwarranted benefits. That is an issue for the ethics commission to address, not for the auditors. There are other provisions. The ethics code, which is a standard of conduct, ensures that the public has confidence in state employees and that they think they are doing things for the right reasons. One of the provisions prohibits employees from doing substantial financial transactions with a subordinate. There are many provisions, but that is for ethics to look at and investigate.

Mr. Arakawa asked if he was referring to the president and CEO, Mr. Nāho'opi'i. Mr. Kondo confirmed that it was Mr. Nāho'opi'i. They had asked Mr. Nāho'opi'i about the events but could not recall if he showed the documents.

Mr. Choy said when he discovered the suspicious transactions, it was his understanding that the person who approved all of the statutes was Mr. Nāho'opi'i. He had gone with this information to the Director and was advised to go to the Attorney General and everybody else. He said he was following procedures. He said there had also been procurement and contract violations,

and it is part of his job to look for suspicious transactions to ensure they are reported. He has reported a lot in the past few months. He agreed with Mr. Kondo's statement that the public must have confidence in the transactions involving taxpayer dollars.

Chair Hannemann said it is important to hear from Mr. Nāho'opi'i.

Mr. McCully asked if Mr. Nāho'opi'i had been able to listen to the meeting up until now. Mr. Nāho'opi'i confirmed he had. Mr. McCully said that Chair Hannemann was convinced by Mr. Nāho'opi'i to have his meeting at the HCC. Mr. Nāho'opi'i said that for the briefing of the Pacific Century Fellows, the Chair put in a request to do a briefing, a Tourism Day briefing, which they do for many organizations. In this instance, they worked with OVB to produce what they could do for the day to see tourism on O'ahu. In that planned itinerary, it was suggested that they have a briefing in the morning, and their briefing would involve multiple leaders of the HTA leadership as well as leadership from the HVCB, HTJ, and Ms. Orton. He suggested that the best place to do it would be the HCC, so they would not have to move around. Because it was such a large group, and it was in the morning, it was recommended that they serve food and coffee during their planning meeting. After the meeting, they left to go on the rest of their Fam tour, which was planned by OVB.

Mr. McCully asked if it was fairly common to invite groups to the HCC and not charge them for sitting around and using their rooms.

Mr. Nāho'opi'i said that was correct.

Mr. McCully asked if they normally serve food and refreshments at those meetings.

Mr. Nāho'opi'i said that was very common. Depending on the time of day, there may be some additional refreshments.

Mr. McCully questioned if the events that cost thousands of dollars should be comped. Mr. Nāho'opi'i would not say it was comped. At the time, the agreement with the ASM in the contract for the HCC was that the use of the boardroom should include the availability of refreshments, including food and beverages. Typically, they look at that and see if they should or should not include those kinds of additional refreshments.

Mr. McCully asked if those costs they are bearing as the HTA come up in the report that the auditor reviews. He asked the auditor if he saw a succession of the comped bills for refreshments.

Mr. Kondo said all they got was the list from Mr. Choy. He was not familiar with the events. He said Mr. Nāho'opi'i could be mixing up two different events. One was that the HTA approved it, and the other was that the HCC was discounted because there are two processes to use the HCC. The HCC does not contract with the organization when it comes through the HTA request form. So, they saw two requests, HLTA and Pacific Century Fellows, that came through the HTA request form. No contract with HCC, no insurance requirements. They saw a contract after the date that he had asked Mr. Choy for documents. And that was a September 12, 2024, event that went through the convention center. He saw that Chair Hanneman's organization paid \$100 for using the space. It was discounted from \$880. Talking to Ms. Orton, it sounded like she did not believe it was an unusual discount.

Mr. Nāho'opi'i said the contract he referred to was the contract of the convention center's management. The previous contract did allow the use of Boardroom A and Boardroom B for certain uses, as stated in that space use request form. He agreed with the auditor's finding that the space use request form in the old version bypassed leadership and went directly to the convention center for the request from each. It was a self-assessment by the HTA staff about whether they qualified. It moved forward, and it did not have a review of leadership. He applauded the change in the policy as noted in the audit tourist report.

Mr. Kondo said they are focusing on the fact that the HTA has use policies that were inconsistent with how organizations were given the free or discounted use of the convention center based upon their understanding of the organization's name. In other words, based upon the HTA's own use policies, they should not have been comped. That is the issue that is reported in the comment: the HTA has procedures or controls that were not followed. The policy at the time did not appear to allow the complementary use. That is the comment. What Mr. Nāho'opi'i noted about all the different events is a different issue. So, there is a different control that is missing there. It is a small amount of money, but State resources have been given away. They are all accountable for State resources. Other organizations somehow received complimentary use of the facility.

Mr. McCully said earlier that when he asked the auditor if there was anything that they needed to be concerned about at the AASC or as a Board regarding the HTA's management of public funds and code of conduct, is specifically why he asked the question. It could have been flagged more clearly or given an early notice to the Board itself. Mr. Choy's activities as an employee have to do with his peers and his relationship with the Board, the Chair in particular in this matter. Mr. Kondo said they would have brought it to the Board's attention immediately if there had been fraud.

Mr. McCully said he did not think it needed to rise to the level of a crime or fraud for code of conduct or management of public funds. That is a broader area of concern.

Mr. Kondo said that is not the auditor's responsibility. He said they were identifying a comment about internal controls. It is for the ethics and other organizations to examine whether or not there was a violation of the ethics code.

Mr. McCully pointed out that the Chair shops for value and mentioned Mr. Nāho'opi'i, convincing the Chair to use the HCC because it was good value.

Chair Hannemann said the trade show is in partnership with Star Advertiser, which paid for the usage of the HCC. It was not only a decision made by himself. They are partners in that trade show. So, they suggested they look for a cheaper place, which is why they moved there. He would have loved to have kept it at the HCC, but Star Advertiser paid for it. He stated that they were perfectly willing to have that Tourism Day briefing in Waikīkī, but it was suggested by the President and CEO that they use the HCC. It was not because he was looking for a place to get a free meal.

Mr. White said that Mr. Kondo was given an incomplete list. He asked if it is possible to get a complete list of those organizations that have used the facilities at either a comp level or a discount, because it does not sound like they have a complete list. He was also interested in the letter mentioned in the last paragraph before the recommendation, including lost revenue. There is a certain amount of lost revenue when there is a comp or discount. He questioned whether rent was paid when the Director was housed in boardroom B. It would be important for them to look at the amount of lost revenue in that case.

Dir. Tokioka appreciated the comment. He said DBEDT is the umbrella of the HTA and sixteen other agencies. At the time, the top fifth floor of the Capitol Modern Building was being renovated. So, he had five other agencies stationed at other places in DBEDT throughout downtown and elsewhere. He said they moved somewhere else whenever Ms. Orton needed the room, so he does not see how that revenue was lost. He is part of the Governor's team and everybody in the government knew he was moving to the HCC. The two associations that Chair Hannemann is on are nonprofits, so he could not understand how that could be a comparison to his situation.

Mr. Arakawa said DBEDT is on the first floor of the HCC building.

Mr. White asked if they are charged rent.

Dir. Tokioka said no, but the federal government does pay rent for the labor. He said Chair Hanneman was requesting some information about his stay there. Mr. White said a part of DBEDT is paying rent in the HCC, even though the federal government is paying it.

Dir. Tokioka said that was correct.

Mr. White said he is interested in getting them all a list of non-financial uses to get the whole picture. If this is going to go to the ethics commission, then it is appropriate for them to have a complete list.

Dir. Tokioka said, as Mr. Kondo said, that it was a small financial amount. The AG's office deals with crimes and hundreds of thousands of dollars of theft. So, \$14,000 doesn't rise to the level to get the AG to drop everything and work on it. He asked Mr. Choy why he approached him when he was alerted of this and did not go to Mr. Nāho'opi'i directly. He asked Mr. Choy if he had done anything to protect himself because of what had happened.

Mr. Choy said that when he talked to the AG, he ensured it was under the whistleblower's provisions. He said the conversation was strange because Mr. Nāho'opi'i testified that he was not aware of the transaction. He thought he approved all space use requests. His direct superiors are Mr. Nāho'opi'i, Chair Hannemann, and then Dir. Tokioka, so he went directly to the Director, when he thought two people were in the transaction chain. Dir. Tokioka asked if Mr. Choy was concerned about any retaliation for the information that he had. Mr. Choy said he is always concerned about retaliation.

Dir. Tokioka said he took full responsibility for using the space while they were in the HCC.

Mr. White said Mr. Kondo mentioned an amount between \$200,000 and \$250,000. That figure might have been higher if he had not provided the costs for the various comps and discounts. Mr. Kondo said it was a guestimate and it was just to provide some context in relation to the amount of assets, revenues, and expenditures of the authority during the fiscal year.

Dir. Tokioka said he put it in writing and asked for permission to stay in the HCC, and he received permission. He asked Chair Hannemann if he had put any of the events in writing to be put forward to the Board, the CEO, or Ms. Orton. Chair Hannemann said he did not ask for free use. For the PCF, they were invited to the HCC. On the Public Safety Conference, the HTA has always been a partner. In 2023 and 2025, on those two occasions that they used the HCC for the Visitor Public Safety Conference, he was quoted \$3,000 for the first year in 2023, and they have the documentation. In 2025, they ended up paying \$8,179. They asked about its usage and cost. Everybody who was part of that pitched in to pay for the cost.

Dir. Tokioka asked if anything was in writing for the two items Mr. Kondo discussed. He cannot understand how the interim president and CEO would say he did not approve it, but it went to the HCC. He said Mr. Nāho'opi'i had told the auditor he knew nothing about it, but Chair Hannemann said Mr. Nāho'opi'i gave his permission.

Chair Hannemann said that for the PCF, he went to Mr. Nāho'opi'i, but for the HCC, they approached Ms. Orton, and the cost came to \$3,000 for the one year and \$8,179 (when he was on the Board) for which they paid. There was no free use.

Dir. Tokioka asked Mr. Nāho'opi'i if, at any stage, he considered circulating the information to the Board for permission to use the space, considering the two items were \$14,000.

Mr. Nāho'opi'i said he was not happy that there were skewed events and skewed positions. The list was edited. There were multiple requests from multiple Board members over various periods of time for those kinds of uses. He had requests to do the Okinawan delegation and multiple requests from DBEDT director for use of the room, as well as DBEDT agencies through the Director as well as the Governor. Use of the room happens quite often. They always determine if it is related to what they are doing. As for not knowing, he knew about the events. He had responded to the ethics commission because there was an investigation he did not sign off on, as identified by the auditor. He knew about the Hawaii Green Growth because he is also part of one of the leadership, an HTA sponsored meeting, and when they do briefings. He would not bring it up with the Board because they have multiple similar meetings and use of the room in various situations, which has happened for many years. He recalled that the Board had brought up not just the room use but also the fact that the HCC had been discounting various uses for organizations that come in. There is a policy for nonprofit use, which was brought up in 2023, where some legislators complained that their organization was not given a discount while other organizations were given discount. And that was discussed at the Board. That is why they have been working with the VP of finance to work with the HCC contract so that there is a clearer identification of what qualifies for a discount, what does not qualify for a discount, and who gets to be put into the HCC. He reminded everyone that the HCC is operated for revenue purposes. It is a sales and marketing approach. Sometimes, Ms. Orton has the right to offer a discount or free room if it will result in long-term business or an increase in food and beverage at a certain point. Those are all things that are not very clear in the process. If the issue is that people in control of the HTA should not be utilizing the room, they have to discuss all the examples. He is glad there is a request to look at all of the examples and uses of the room over a period of time and to see who requested, who paid, and who did not pay.

Ms. Iona thanked everyone who participated in the report. She said they did not come across any issues. In the hospitality industry, they have what is called discounted rates, which are comp rates versus retail rates. She questioned the exact cost, which varies according to who and what it is for. She said Mr. Kondo mentioned that the report he was given had no signatures.

Mr. Kondo said the space use request form had no signatures. He wanted to clarify what else he said. He agreed that there was no fraud. He did not say that it is a non-issue. He meant that it is a non-issue for the auditors because of the amount of money. It is an issue, and someone needs to look at it. The other issue is the discounted rate. It is not about the discount. Their issue as auditors is that what they are reporting is that there are internal controls, meaning that there are discounted or complementary use policies the authority and HCC have in place, and it does not appear they were followed.

Ms. Iona said that is an issue for the Board and the VP of Finance. She was the first person to tell him of the concerns they were receiving about inappropriate rentals and inappropriate funds being charged to people and not being charged to some people. That was in her interviews with the legislature. She did not recall getting a copy of the policies to review or approve. She asked Mr. Choy if he had given the Board copies. Mr. Choy said he was unsure of the timeframe she was discussing. She asked if he would distribute it to the Board whenever there were new policies. Mr. Choy said it was approved and voted on. She asked Mr. Choy if he provided information in the report about using the buildings during the wildfires.

Mr. Choy said they were all reported by HCC and billed to HiEMA. Ms. Iona asked if the HCC provided any discounts for those emergencies. Mr. Choy was unsure. He was unfamiliar with the rental arrangements with the Hawai'i Emergency Management but is in charge of the HCC reports. Ms. Iona asked if they had been fully paid. Mr. Choy said not yet.

Dir. Tokioka said they have been fully billed to HiEMA. He said the federal government does not work very fast. None of the spaces were comped, but the government, the state government, and the city government qualify for a 50% room rental discount. He asked Mr. Choy if that was part of the HCC's policy. Mr. Choy confirmed that as correct.

Dir. Tokioka was unsure what HiEMA was charged for, but they were charged. If FEMA were not in the room, they would have lost money because they were paying. Whether they got the check, he is unsure. Mr. Choy said that some of the reimbursements take five years to get.

Ms. Iona asked Mr. Choy about feeling uncomfortable about going to the CEO and asked why he decided to go to the Director. Mr. Choy said the CEO and the Chair were in the transaction

chain, so he went to the Director. Ms. Iona asked why he did not feel comfortable going to his boss and asked if he made it a common practice to go to the director on more occasions than to his boss. Mr. Choy said if somebody is in the transaction chain, his professional standards say to keep going up the chain. Mr. Arakawa said that is a question for the personnel manager and the AG. He said it is a well-known law that if your supervisor may be involved in something that you are reporting, you do not take it to the supervisor. You take it above the chain.

Vice Chair Paishon echoed Ms. Iona's sentiments. She thanked the auditing team and Mr. Kondo. She said it is wonderful to receive reports with no material weakness, no significant deficiencies, and no report of fraud. She thanked Chair Hanneman for explaining the situation that surfaced about the allegation of abuse of power. She said he could enumerate the information and the data that substantiated that he did not receive complimentary use for his request and paid for the HLTA events. She ensured with Chair Hannemann that they agendaize, when appropriate, the requests that have come up in the meeting. One is from Mr. White, an inventory of organizations of all the Board members, organizations, and/or staff members who may have received complimentary or discounted use of the convention center facilities. She requested a copy of Mr. Choy's list, which he had provided to Mr. Kondo. And lastly, the two recommendations that Mr. Arakawa put forward are good recommendations for developing two additional policies. One is that there should be a process to review a grant request that would involve another state department or agency. Secondly, when they are considering receipt of federal funding and support, another policy or procedure must be established again. Her final comment was that she was happy they were able to surface those items in a robust discussion and that there were procedural remedies they were thinking through.

Chair Hannemann said he can foresee other departments also wanting to use space at the HCC. The boardroom is a prime space, whether tourism-related, profit, or nonprofit government agency. There should be value in that, and there should be a policy.

Mr. Arakawa said they are talking about at least \$14,000 in free food, beverage, and drink. He doubts that the HCC gives \$14,000 of free food and drink to DBEDT.

Dir. Tokioka said DBEDT received no free food and drinks.

Chair Hannemann and Mr. Arakawa debated the times the HCC was asked to be used. Mr. Arakawa reiterated the \$14,000 amount. He said it was not DBEDT as it did not get free food and drinks. Chair Hannemann reiterated that he is requesting a policy to be in place.

Dir. Tokioka said they were meeting because the auditor found a discrepancy and put it in the report.

Mr. McCully pointed out to the members of the Board that they do have a policy. It is 100-03 and concerns the code of conduct policy, which Mr. Kondo mentioned earlier. The policy purpose should be reviewed by these members prior to the Thursday meeting. There are a number of provisions that are directly relevant to what they are discussing. It is incumbent upon all of them, but most especially being the Chair of the Board, that he must be acutely aware and sensitive to the nature of a policy violation or a policy transgression.

Mr. White said it would be important for them to look at what discounts are given to other local organizations that have used the facilities for meetings or sporting events because they have to be very clear with the public. He appreciated Mr. Kondo's focus on ethics; they all need to have a strong focus there. Listening to Mr. Kondo's explanations, in his view, there is a rationale for what was done, and they have paid partially. He said before they take any further action, they need the full list of the discounts given by Ms. Orton to other organizations.

Chair Hannemann said to keep in mind that for the Public Safety Conference, the HTA also sponsored that conference. It also needs to be taken into account what they can contribute and bring to the table, and it must be added to the policy.

Mr. Arakawa agreed. He said the Hawai'i Hotel association should be invited too, but they are not invited to those events that the HLTA puts on. If they have a policy about doing industry-wide things, they should invite the largest organization that handles the most hotel rooms. If they are going to give discounts to hotel-related visitors, they must include everybody.

Dir. Tokioka said they could recess the meeting and reconvene it in the Thursday meeting as there are still a lot of comments.

Chair Hannemann agreed.

Dir. Tokioka asked to put that at the front of the agenda.

Dir. Tokioka spoke to Mr. White's comment about people getting freebies. He said they must take note of how many of them were Board members.

Mr. Kondo clarified that he only received documentation reflecting the HTA's approval or payment of costs associated with using the HCC by other private organizations between two and a half years. They have policies, and the HTA has policies, but the internal controls regarding the use of the HCC were not followed. The HTA approved freebies and discounted the use of the HCC. Mr. Hanneman and others were talking about policies relating to other state

agencies. That is not what they looked at. That is not what the internal control report was about.

Chair Hannemann said the Board also wants to see completeness.

Mr. Kondo said the Board also approved HCC's use policies, and one of those policies is no freebies for nonprofits or Hawai'i Kama'Āina organizations.

Dir. Tokioka asked for a motion to go into recess until Thursday.

Dir. Tokioka made a motion for the meeting to be recessed until Thursday at 9:30 a.m., to request the first item on the agenda.

Mr. McCully pointed out that members of the public had questions that would need to be answered at the next meeting.

#### **5. Discussion and/or Action on Personnel Issues\*\*\***

#### **6. Adjournment**

Chair Hanneman adjourned the meeting at 1:06 p.m.

Respectfully submitted,

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

---

Sheillane Reyes  
Recorder



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

**REGULAR BOARD MEETING  
HAWAII TOURISM AUTHORITY  
Thursday, March 27, 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 (Chair) Hannemann, Mahina Paishon (Vice-Chair), Kimberly Agas, Todd Apo, David Arakawa, Stephanie Iona, James McCully, Lisa Paulson, Roy Pfund, James Tokioka (Ex Officio, DBEDT Director), Chris West (Zoom), Mike White

**HTA STAFF PRESENT:**

Caroline Anderson, Kalani Ka'anā'anā, Isaac Choy, Talon Kishi, Jadie Goo, Carole Hagihara, Amalia Kartika, Lindsay Sanborn

**GUESTS:**

Sen. Glenn Wakai, Rep. Lynn DeCoite, Les Kondo, Jennifer Chun, Aaron Salā, Puka Asing, Carmela Resuma, Mailikapu Heanu, Lance Aquino, Randall Tanaka, Tyler Gomes, Lei-Ann Field, Jeffrey Eslinger, Jared Higashi, Laci Goshi, Teri Orton, Darlene Morikawa, Jessica Lani Rich, Krislyn Hashimoto

**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**

Ms. Sanborn conducted the roll call, and members were in attendance except for Mr. West, who was excused. Members who attended via Zoom were by themselves.

### **3. Opening Protocol**

Mr. Ka'anā'anā conducted Oli Aloha for the opening protocol and invited Vice Chair Paishon to share her mana'o. Vice Chair Paishon also acknowledged Ms. Iona's sharing of the pa'akai salt from Ni'ihau. Pa'akai is an important source of inspiration for Hawaiians, especially during times of transition.

### **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 February 21, 2025, Special Board Meeting and February 27, 2025 Regular Board Meeting**

Mr. White proposed a motion to approve the minutes, and Ms. Iona seconded it. The motion passed unanimously.

### **6. CEO Report**

Chair Hannemann introduced the CEO's report, which was to be presented by Ms. Anderson.

Ms. Anderson greeted the Board members and mentioned her appreciation for their dedication to serving the community, the visitor industry, and the HTA staff while fulfilling the mission of the HTA. She stated that the information packet contained the CEO's report but did not intend to go through it in detail because of time constraints. Ms. Anderson thanked the staff for all their hard work in continuing to move the visitor industry forward.

## **7. Board Chair Report**

Chair Hannemann stated that he would mention two items under the Board Chair's report. He recognized Sen. DeCoite, Chair of the Energy, Economic Development, and Tourism Committee in the State Senate, and expressed gratitude for her attendance at the Board meeting.

Firstly, the progress of the current legislative session has been monitored by Mr. Apo, the Chair of the Legislative Permitted Interaction Group (PIG), as well as by Mr. Nāho'opi'i, Ms. Anderson, and Mr. Ka'anā'anā. They had followed up on a series of funding-related issues and were committed to keeping the Board informed. Chair Hannemann emphasized the importance of adequate funding to the mission of the HTA.

Chair Hannemann acknowledged the presence of Mr. West, who had joined the meeting.

Secondly, the Chair stated that Mr. Ka'anā'anā and his team had reached the final phase of negotiations for the L.A. Rams contract, and attorneys representing both parties were reviewing contract terms.

Mr. Arakawa commented that the Vice President of Finance, Mr. Isaac Choy, had also played a significant role in the legislature budget session.

Chair Hannemann highlighted Mr. Apo's contributions as Chair of the Legislative PIG. Mr. Apo and the CEO had represented the HTA before the legislature. Chair Hannemann requested that all information received from the legislature be promptly shared through the CEO or the Chair of the Legislative PIG.

Chair Hannemann concluded by calling for a short break before the meeting would be reconvened as the continuation of the Special Board meeting held on Tuesday, March 25, 2025.

Chair Hannemann reconvened the meeting that had been recessed two days earlier, and requested Vice Chair Paishon introduce the session.

The Vice Chair expressed her gratitude to Chair Hannemann and stated that she believed it was prudent for her to preside, given the nature of the topic under discussion. She invited each Board member to summarize their objectives for the upcoming discussion, requesting that each summary be limited to one minute.

Vice Chair Paishon began by noting that it was only possible for the HTA to effectively fulfill its mission and achieve the goals outlined in its charter, the law, and its current Strategic Plan if the HTA maintained a clean and solid foundation. She stressed that "process" was equally significant as "outcome" and outlined her hopes for the subsequent discussion:

- first, that facts would continue to be presented;

- second, that “tit-for-tat” exchanges would be avoided;
- third, that a high level of decorum would be upheld;
- and fourth, that Board members would remain true to the mission and intent of the HTA, which was to serve the people of Hawai‘i and the ‘āina in accordance with their mandate, State law, and all applicable regulations.

Ms. Iona expressed her hope that the meeting would lead to meaningful outcomes. She reflected on the commitment that she had made when she first agreed to serve on the Board: to act with integrity, truth, and honesty, prioritizing the island of Kaua‘i and Hawai‘i as a whole. Sen. DeCoite and other legislators had inspired this commitment. As the representative of Kaua‘i on the Board, Ms. Iona received guidance from many individuals, and she was determined to do what she believed was right for the HTA and Kaua‘i. Ms. Iona stated that, as a Native Hawaiian woman, she had been saddened by the present situation as she reflected upon her years in the tourism industry and her service on various boards. She urged everyone to search their hearts and commit to doing the right thing.

Ms. Paulson stated that as a junior Board member, she would defer to the more experienced members of the Board, but she echoed Vice Chair Paishon’s emphasis on sticking to facts and maintaining decorum.

Ms. Agas concurred with Vice Chair Paishon and Ms. Paulson, adding that her leadership style was rooted in servant leadership and prioritized doing the right thing. She acknowledged that sometimes, the right decision required stepping aside to enable progress. From her experience leading her resort, Ms. Agas observed that her role could be support or leadership, depending on what was best for the HTA, the State, the industry, and the people. She emphasized that decisions should not focus on individual interests but on the collective good, expressing her hope that the meeting would foster reflection and progress, even when difficult decisions had to be made.

Mr. White agreed with all the previous comments and hoped that all relevant facts could be identified during the meeting. He noted that some critical pieces of information appeared missing, such as whether discounts or complimentary offers had been provided and whether those offers were consistent with how other local organizations had been granted use of the space. Mr. White pointed out discrepancies in the list and requested a comparison between the list given to the auditor and the list provided by the Convention Center staff. He emphasized the importance of determining whether other Board members had used the space, examining the type of use and the charges levied. Mr. White stressed the need for consistent information, a truthful, honest discussion regarding these uses, and the various discounts or complimentary

fees extended. He recalled a statement made by Mr. Kondo, the State Auditor, at the previous meeting, which Mr. White had understood to imply that no discounts should be provided. While he assumed that a Kama'āina discount existed for local organizations, Mr. White questioned whether such discounts should be permitted. He was eager to uncover the truth and additional information during the ensuing discussion.

Mr. McCully remarked that much time could be spent delving into granular details about past actions and individuals involved, which he referred to as “what-about-ism.” He expressed his desire to avoid such an approach. Mr. McCully urged the Board to focus on processing the findings of the State Auditor and aligning themselves with established policies, rules, and laws. He described public perception as the paramount consideration while acknowledging the challenges of interpreting laws and adhering to policies that allowed for varying interpretations. Mr. McCully emphasized the need for the Board to rise above such difficulties. He encouraged members to prioritize mending the relationship of the HTA with the public and the legislature, repeating that appearance was crucial. He stated that an event had occurred, but the mission of the current Board meeting was to move forward and correct the situation.

Mr. Choy reiterated his remarks at previous Board meetings, emphasizing the impact such situations had on employees and staff, who often found themselves caught in the middle. He observed that these individuals worked hard, earned their wages, and sought to return home to their families and friends, yet sometimes the Board overlooked their well-being. He urged Board members to be mindful of employees and staff when commenting.

Mr. West greeted the Board members and apologized for his inability to attend in person. He echoed Mr. McCully's sentiments, stressing that maintaining public confidence was the primary reason for serving on the Board. Mr. West reminded members that his organization served the public daily, and as a union representative, he was held accountable to the highest standards of integrity by its members. He explained that he always reminded other elected officers in his organization that their decisions were not about themselves. He urged the Board to prioritize decisions that benefited everyone, rather than favoring specific individuals or groups. Referring to Mr. McCully's comments, West emphasized the importance of perception and the need for the Board to improve the poor public perception of the HTA.

Mr. Ka'anā'anā requested that Mr. Choy's remarks be entered into the record as his own. He added that clarity was a form of kindness and noted that providing staff with clear guidance on their responsibilities was the most valuable contribution the Board could make. He emphasized that clarity in policies, including amendments to recently adopted procedures, would enable staff to proceed with their work effectively. Mr. Ka'anā'anā agreed with Mr. Choy that staff often became embroiled in issues against their will.

Mr. Arakawa expressed his agreement with the positions of all previous members. As the Vice Chair of the Administrative and Audit Standing Committee (AASC) and a former Audit Chair, he emphasized trust as the most critical issue. He stated that it was essential to focus on the issues outlined in the State Audit report, adding that he had spoken with Chair Hannemann and Vice Chair Paishon about questions similar to those raised earlier. He suggested that such questions should be submitted in writing to the AASC. Mr. Arakawa believed this approach would allow the committee to resolve the questions, identify the appropriate parties to provide information, and ensure that all findings were made public. He stressed that providing answers to these questions would benefit the public, legislators, and the HTA staff. Mr. Arakawa acknowledged that the situation was unlikely to be resolved during the present meeting, as Mr. White had hoped, but he underscored the importance of addressing the audit issue.

Mr. Arakawa highlighted the following concerns:

- government agencies charging other government agencies for emergency use of rooms
- whistle-blowers being required to report to their superiors who were the subjects of complaints
- insinuations that reports had been altered.

Mr. Arakawa noted that Ms. Orton had prepared information at the auditor's request and sent it directly to the auditor through Mr. Choy, a licensed CPA. Mr. Arakawa emphasized the seriousness of making accusations against a licensed professional and hoped that this matter could be resolved during the present meeting. He repeated that Board members would hear confirmation that reports had not been altered and assured them that the AASC would address any questions or comments and follow them up for the public.

Dir. Tokioka agreed with the Board members' previous comments and stated that it was likely that other members had received texts and calls with recommendations. He noted that Tuesday's meeting had gotten out of hand and urged AG Cole to review the content of the agenda item, which was titled "The findings of the financial audit." Dir. Tokioka informed Board members that he had known the State Auditor, Mr. Kondo, for 30 years, during which time they had taken part in a lawsuit involving Kaua'i County, which the county had lost. Dir. Tokioka attested to Mr. Kondo's integrity and expressed his concern about the financial audit findings. He urged Board members to limit their comments on the issue at hand. Dir. Tokioka recalled that upon his arrival at the Department of Business, Economic Development, and Tourism (DBEDT) he had been told that trust in the HTA needed to be reestablished. He reminded Board members that the HTA had been defunded two years previously and the institution of significant changes such as procurement reforms. Dir. Tokioka acknowledged that there had

been complaints about these changes but explained that they had been necessary due to a lack of trust from the legislature and the Governor's office. He cautioned Board members against prolonging the present situation and allowing media coverage to exacerbate it, emphasizing the need to identify remedies and move forward.

Mr. Pfund expressed his agreement with the points raised by other Board members, describing them as solid directions to pursue. He expressed his hope that the Board could work through the issues, identify the right path forward, and determine whether Board policies needed to be re-examined. Mr. Pfund emphasized the importance of looking at the bigger picture, establishing clear policies, and ensuring compliance. Echoing Dir. Tokioka's remarks, he stressed the need to regain the trust of the legislature and the Governor's office and expressed hope that the current discussions would contribute to that goal.

Mr. Apo reminded Board members of the positive overall outcome of the financial audit, aside from two comments and observations. He noted that having served on the Board for only six months, he had expected a worse audit outcome based on stories he had heard. Mr. Apo urged the Board not to overlook the positive aspects of the audit while addressing the issues identified by the auditors. He emphasized the need to move forward and hoped to pose two brief questions during the discussion.

AG Cole stated that his role was to advise the Board and ensure its adherence to meeting rules.

Ms. Anderson emphasized the importance of moving forward, to which she and the staff were committed. She informed Board members that staff were reviewing policies and had already identified some inconsistencies. Ms. Anderson hoped to address these issues either at the next Board meeting or at the next AASC meeting. She stressed the importance of identifying and resolving issues promptly, emphasizing the need to function as humble public servants dedicated to serving the people of Hawai'i and the visitor industry.

Chair Hannemann agreed with all the previous remarks, noting that the discussions had been constructive. He highlighted the positive achievements of the HTA and the contributions of both current and former Board members, despite the challenges faced. He agreed that the overall result of the financial audit had been favorable, although errors had been reported and emphasized. Regarding the controversial issue under discussion, he pointed out that the auditor had stated there was no fraud in the internal controls section of the audit. Chair Hannemann advised that Board members should focus on the recommendations to tighten policies and procedures to address inconsistencies. He emphasized the importance of audits as tools for improvement and noted that, given the scrutiny faced by the HTA, it was crucial to make progress. He referred to the funding situation, stating that whether the budget was \$63 million, \$76 million, or \$80 million, the HTA was no longer starting from zero, as had been the

case during the two years of defunding. He described the existence of a budget as a positive development. The Chair called for truthful and honest discussions based on facts and expressed his appreciation for the diligent work of the staff and Board members. He noted that Board members dedicated considerable time to HTA matters despite holding paid positions elsewhere. He thanked all Board members for their service and contributions, emphasizing their commitment to making Hawai'i a better place.

Vice Chair Paishon thanked Chair Hannemann and the other Board members for their input. She noted that trust had been a recurring theme in the discussions and emphasized that such conversations helped to restore and strengthen trust within the Board.

Chair Hannemann invited acting President/CEO Ms. Anderson to share her views on the recommendations of the financial audit.

Dir. Tokioka praised Chair Hannemann's initial decision to delegate leadership of the discussion to the Vice Chair but expressed regret that Chair Hannemann had resumed the Chair for a discussion about an issue in which he was personally involved.

Chair Hannemann acknowledged this point and stated that he would yield the Chair back to Vice Chair Paishon if necessary.

Ms. Anderson informed the Board that she had been reviewing the space use policy and discussed it with the administrative staff responsible for completing the forms. She noted inconsistencies and emphasized the need for clarity on how staff understood the methods and processes for completing the forms. Ms. Anderson announced her intention to revise policies and establish procedures to ensure that staff clearly understood their responsibilities for signing off on documents. She emphasized that her goal was to build trust among Board members, staff, and stakeholders and to foster a unified team comprising the staff, the Board, the legislature, and the public. Regarding the list mentioned by Mr. White, she clarified that the list provided to the auditor at the previous meeting had been incomplete and stated that she would request a more comprehensive list from the Convention Center.

Chair Hannemann proposed beginning the discussion with comments from the public, as Tuesday's meeting had not reached that point. He suggested that the Board follow with their input and questions, noting that Mr. Arakawa had recommendations to share.

Dir. Tokioka expressed uncertainty about opening the discussion to the public, stating that he believed all necessary facts were available.

Chair Hannemann responded that he had reasons for allowing public input and noted that some individuals had wanted to ask questions during the previous meeting but had not had the opportunity. He saw no reason to exclude their contributions.

Mr. Jared Higashi, Vice President of the Hawai'i Lodging and Tourism Association (HLTA), approached the Board, acknowledging that his organization was involved in the discussion. He distributed a document to Board members. Mr. Higashi explained that during Tuesday's meeting, the President/CEO of HLTA had affirmed that the organization had covered the expenses of their previous visitor publicity conferences. However, it had since come to Mr. Higashi's attention that there was an outstanding balance for the 2023 conference. He apologized for the confusion and clarified that the President/CEO had not knowingly misled the Board regarding this payment.

Mr. Higashi explained that he had served as the point person for the 2023 and January 2025 conferences on behalf of HLTA and the Visitor Public Safety Hub coalition. He had coordinated directly with all the vendors involved, and his name had appeared on the relevant documents, including the Banquet Event Orders (BEOs). Based on the initial quote, he had informed the President/CEO that HLTA owed approximately \$3,049 for the 2023 event. This was an honest oversight on his part, made in good faith based on the information provided to him. After the completion of the 2025 conference, being asked by the President/CEO to reconfirm that all bills for the conference had been settled, Mr. Higashi verified this information and provided documentation confirming that the 2025 conference had been paid in full without issue.

Mr. Higashi explained that the only documentation available on file for the 2023 event was the original event order quoting \$3,049. However, upon following up with the vendor the previous day, he had been informed that the final invoice had been adjusted to \$2,742 due to actual event costs. Mr. Higashi explained that he had not received the adjusted invoice and, upon reviewing his records and correspondence, had found no evidence of any outstanding amounts. He noted that his team operated with a small staff and managed multiple events throughout the year, swiftly transitioning from one event to the next. In instances where vendors followed up with them, such as this case, the outstanding balance would have been paid promptly had an invoice been submitted. Mr. Higashi went further to remark that no unpaid balances for the 2023 event had been mentioned by the vendor during the planning and execution of the 2025 event.

Mr. Higashi stated that the morning he had received a telephone call from Ms. Teri Orton, the General Manager of the Hawai'i Convention Center (HCC), informing him that the actual cost of the 2023 event had been \$10,000. This had been his first knowledge of this discrepancy, and he had immediately brought it to the attention of the President/CEO. Mr. Higashi assured the Board that HLTA would take immediate steps to settle the balance.

Chair Hannemann reiterated that the revised \$10,000 figure had been disclosed only that morning and asked Mr. Higashi to confirm the identity of the person who had made the call.

Mr. Higashi responded that the information had come from Ms. Orton, the General Manager of HCC.

Chair Hannemann also informed members that he had been made aware of an outstanding bill exceeding \$4,000 for Pacific Century Fellows regarding a breakfast held at the Convention Center. He explained that Mr. Nāho'opi'i had invited the organization to the Convention Center and had authorized the breakfast. Chair Hannemann emphasized that \$14,000 had become known only that morning and asked Ms. Orton to approach the Board.

Mr. Arakawa expressed a desire to question Mr. Higashi, noting that Chair Hannemann's subordinate was providing testimony.

Chair Hannemann instructed him to wait, prompting Mr. Arakawa to voice concerns about the Chair's management of this portion of the meeting.

Mr. Arakawa argued that his question was relevant to Mr. Higashi's statement and should not be deferred.

Chair Hannemann clarified that he was not preventing Mr. Arakawa from asking questions but he believed that it was important to hear first from Ms. Orton, given the allegation that HLTA owed a total of \$14,000. He assured Mr. Arakawa that he would have an opportunity to question Mr. Higashi later.

Chair Hannemann asked why HLTA had only been informed that day that they owed \$10,000, stating they had no prior knowledge of this amount.

Ms. Orton explained that the procedure for space requests from the HTA for the past ten years had been the submission of a "HTA Space Request Form." When the HCC team received this form they assumed, following standard procedure, that the request pertained to an HTA meeting. The form outlined specific details about the event, including audiovisual facilities, food and beverage requirements, specific setups, parking arrangements, and hosting responsibilities. The HTA administrative assistants submitted these forms, and the HCC team assumed they originated from a CEO or another leadership figure. The team followed the procedure to book the space, and if food and beverages were required, they forwarded the request to Levy Restaurants. Ms. Orton explained that retail rates were not applied for internal HTA meetings; labor and food and beverage costs were charged at cost, since the events were hosted in their building.

Ms. Orton explained that for non-HTA meetings involving external contractors or entities partnering with the HTA, the space request form included checkboxes indicating the entity to be billed for specific services, such as food and beverages, rental, or complimentary space. The HCC team assumed the events were the HTA meetings unless otherwise specified. For internal

HTA meetings, billing was consolidated at the end of the year, and invoices were reconciled accordingly. In this instance, no invoice had been sent to HLTA because staff had assumed the meetings were HTA events since the HTA Space Request Forms had been submitted.

Chair Hannemann responded that this explained why HLTA had not been notified earlier about the actual \$10,000 cost. He referred to Mr. Higashi's mention of a memorandum from an HTA employee.

Mr. Arakawa commented that the discussion was veering toward a direct cross-examination, and Chair Hannemann replied that, given the information about HLTA's \$14,000 obligation, it was important to clarify why the payment had not been made.

Mr. Higashi clarified that the memorandum from the HTA staff member had stated that HLTA was to cover the food and beverage expenses for the 2023 conference while the HTA, as a partner, would cover the cost of the room.

Chair Hannemann added that the Pacific Century Fellows breakfast had been organized at the invitation of the President/CEO of the HTA, who could provide additional responses. The Chair stated that he would have declined the offer if he had been aware of the \$4,000 cost beforehand—equating to approximately \$166 per person. He questioned why the cost had not been disclosed earlier.

Ms. Orton responded that the cost had not been communicated because of the assumption that the event was an HTA meeting.

Dir. Tokioka stated that no assumptions had been made, as the form explicitly indicated "HTA Space Request."

Chair Hannemann countered that the Pacific Century Fellows had never received the invoice, adding that they would have chosen to pay the amount or forgo participation had they been made aware. He explained that Mr. Nāho'opi'i had given the impression that the HTA was inviting the Pacific Century Fellows and providing breakfast, and thus, the cost had not been disclosed to them.

Mr. Arakawa apologized for interrupting Chair Hannemann's testimony, explaining that the invoice had been seen that morning because Mr. Higashi had called the previous night to request the invoice for payment. He emphasized the importance of ensuring that the public was informed of the facts, noting that it should not appear as though the invoice had been intentionally withheld.

Chair Hannemann asked to be allowed to complete his statement. He clarified that there were two distinct matters: one involving the Pacific Century Fellows (PCF) and the other concerning

HLTA. He noted that Mr. Higashi had contacted the Levy company regarding food and beverage expenses for HLTA. Chair Hannemann stated that Ms. Orton had informed him of the \$4,000 bill for the PCF breakfast, but he had been unaware of the issue until Dir. Tokioka publicly revealed that \$14,000 was owed. He explained that he had sought clarification from Mr. Nāho'opi'i and Ms. Anderson, who had confirmed that the event was not considered an HTA event. Chair Hannemann remarked that had the PCF been aware of the obligation, they would either have agreed to pay or have opted not to attend.

Mr. Arakawa then asked Mr. Higashi about the 2023 public safety conference, specifically whether the Hawai'i Hotels Alliance (HHA), representing the largest hotels in the State, had been invited. Mr. Higashi responded that HHA was not a member of HLTA and that the event had been opened to HLTA members.

Mr. Arakawa remarked that while the HTA had regarded the conference as an industry event, invitations had been extended solely to members of HLTA, with HHA not included. Mr. Higashi clarified that the event was open to members of the sponsoring organizations, including the HLTA, HTA, HVCB, VASH, WIA, and WBID.

Mr. Arakawa pressed the issue, asking whether the organization representing the largest number of hotel rooms in Hawai'i, the HHA, had been invited. Mr. Higashi explained that some HHA members were also members of HLTA or its partner organizations, and invitations had been sent to those affiliated memberships.

Mr. Arakawa noted that HLTA competed with HHA in terms of hotel membership. Mr. Higashi countered that the two organizations served different purposes but acknowledged that they shared many members.

Chair Hannemann emphasized a significant overlap in membership between the two organizations.

Mr. Pfund added that members of his organization held joint memberships in both HLTA and HHA.

Chair Hannemann repeated that HHA had not been specifically invited, but many of its members held joint memberships.

Mr. Arakawa remarked that a recurring issue had arisen in the past regarding HTA-sponsored events. He stated that he had raised the matter three or four times previously, emphasizing that HTA-sponsored industry events should involve the entire industry rather than focusing solely on HLTA members. He advocated for broader inclusion to represent as much of the industry as possible.

AG Cole intervened, pointing out that the discussion had strayed from the agenda item pertaining to the financial report.

Dir. Tokioka proposed a motion requesting the Vice Chair to preside over this portion of the meeting, expressing his view that Chair Hannemann could not conduct the questioning impartially.

Chair Hannemann agreed to yield to the Chair without requiring a vote. He clarified that the outstanding \$14,000 balance had not been reported to HLTA or PCF as organizations. He then handed the meeting leadership over to Vice Chair Paishon.

Vice Chair Paishon stated that Mr. Arakawa retained the floor after taking control of the meeting.

Mr. Arakawa asked Mr. Higashi whether his organization had been aware of the audit findings the previous week. Mr. Higashi responded that he had not been aware of this personally.

Mr. Arakawa remarked that the record indicates when the Board members became aware of the issue. He noted that the audit report had observed a discrepancy in space use and Mr. Higashi assented.

AG Cole pointed out that the discussion was evolving into a trial-like atmosphere and that they might be straying from the agenda item, even though the subject was related. He suggested that if the HTA intended to conduct its own investigation, people were aware of other ongoing issues.

Mr. Arakawa concurred and recommended that these questions be submitted in writing to the AASC committee to prevent the current situation. However, he questioned why Mr. Higashi, if he had been aware of the issue the previous week, had not contacted the HCC or sought information about the amount owed sooner. He suggested saving this question for the AASC.

Mr. Arakawa raised one final question, noting that Ms. Orton had previously testified regarding the process. He recalled that Ms. Orton did not send invoices to anyone upon receiving the HTA Space Use Form but had produced the invoice only after receiving a call from Mr. Higashi.

Vice Chair Paishon inquired whether Mr. Arakawa had concluded his questions.

Mr. Arakawa repeated his conviction that the matter should be addressed by the AASC.

Vice Chair Paishon urged members to speak succinctly to ensure full participation by all.

Ms. Agas observed that she and Ms. Paulson managed resorts and had specific questions regarding forms such as Banquet Event Orders (BEOs). For clarification, she noted that the HTA space request form was used for internal use requests.

Ms. Orton confirmed that this was the case.

Ms. Agas pointed out that the form's bottom section included a "Bill Settlement Type" field, offering options such as billing under HCC/HTA, with approval from an HCC or HTA executive to host the event. She emphasized that this indicated that the HTA was hosting the HLTA Safety Conference while partnering with a third party to pay for it. Ms. Agas asked whether a BEO had been attached.

Ms. Orton explained that if the Space Request Form indicated that food and beverages would be required, the HCC staff directed the event organizer to coordinate with Levy's catering sales team to create a BEO detailing the requested items. Levy would then provide a BEO listing the food and beverages to be supplied.

Ms. Agas asked who had arranged for a sample Space Use Form to be included in the information packet and added that it was important for Board members to know that requests for events required completion of such forms, allowing them to access cost-based discounts. She cited a list from the Hawai'i Revised Statutes (HRS) specifying that special treatment or privileges should not be requested for events not hosted by the HTA.

Ms. Orton responded that Mr. Choy had arranged to add the Space Use Form to the information packet.

Mr. Choy commented that HRS regulations were stated in the access code and explicitly prohibited requests for privileges for State employees, noting that Board members were themselves employees of the State.

Ms. Agas reflected that while the previous Tuesday's discussion had downplayed the issue as insignificant, she was concerned about the impropriety or ethical perception it projected. She highlighted that, although the intent had not been unethical, the situation risked undermining confidence in the HTA. Referring to Mr. West's remarks, Ms. Agas emphasized the importance of perception, noting that it often equated to reality. She concluded that as the HTA moved forward, ensuring the organization's trustworthiness was imperative. She stated that lessons should be learned from the audit to facilitate progress and closure on the matter.

Vice Chair Paishon expressed her gratitude to Ms. Agas for her remarks.

Dir. Tokioka stated that the discussion was missing the point. He commended Mr. Higashi for attending and taking responsibility but clarified that the event Mr. Higashi was addressing was not the one in question. He explained that the event in question had occurred on November 2, 2023, and had remained unpaid since October 2, 2023. While Mr. Higashi might argue that Mr. Kondo had not raised the matter in the audit, Dir. Tokioka noted that Mr. Kondo had asked Mr. Choy specific questions. Although Mr. Kondo had not requested the HTA's space request form,

the information he sought informed him of his decision. Dir. Tokioka remarked that Mr. Kondo had included the situation in the report despite not having all the relevant information, as he had not requested it. He emphasized the importance of adhering to the facts and pointed out that the November 2, 2023, event was not part of the current discussion. He agreed with Ms. Agas's observation that Chair Hannemann had taken the microphone and called on individuals to defend his position. Dir. Tokioka questioned how Mr. Higashi could have been unaware that the event had not been paid for. He also queried how Chair Hannemann could have failed to recognize that Mr. Nāho'opi'i's request to host the meeting at the venue for convenience implied that payment would not be made. He apologized for his directness, noting that the issue had arisen because Mr. Kondo had mentioned it in his audit.

Chair Hannemann clarified that the discussion pertained to a public safety conference held on December 6, 2023.

Mr. Arakawa's remarks were inaudible.

Vice Chair Paishon requested a repetition for clarity, noting that two documents were under consideration.

Dir. Tokioka referred to the October 2, 2023, document that had been questioned by the auditor rather than the other document.

Chair Hannemann stated that Ms. Anderson had indicated that no record of the October 2, 2023, event was available.

Vice Chair Paishon reminded members that Dir. Tokioka retained the floor.

Dir. Tokioka asked Mr. Choy whether other members had access to the documents in question.

Ms. Orton clarified that the December 6, 2023, public safety conference had an outstanding balance and that the request for the event had been submitted on November 2, 2023. She later stated that the request had been made in October.

Dir. Tokioka referred to the January 29, 2025, event and was informed that it had been paid.

Vice Chair Paishon invited Mr. McCully to speak.

Mr. McCully, as Chair of the AASC, stated that the matter fell under the purview of that committee. He requested the Board's discretion to cease the current discussion and to direct the AASC to convene a meeting to fully address the matter under Sunshine Law, with employee-related issues referred to executive session. He proposed a motion to cease discussion of the agenda item.

Vice Chair Paishon called to discuss the motion.

Ms. Iona noted that the discussion pertained to the December 6, 2023, event and asked Chair Hannemann when he had joined the HTA Board. Chair Hannemann responded that he had become a member in September 2023.

Mr. McCully, as a point of order and with due respect to Ms. Iona, stated that he had called for a motion and that her question was not relevant to the motion, as it reverted to the original discussion.

Ms. Iona, as a food and beverage professional, asked where Mr. Higashi's signature was to be found. Ms. Orton repeated that the BEO in question had not been sent to HLTA because it had been submitted on an HTA Space Request Form and had, therefore, been treated as an internal request.

Ms. Iona pointed out that the copy supplied by Mr. Choy for the meeting included a space for the client's signature. Ms. Orton responded that a signature had not been required since the BEO had not been sent to HLTA.

Ms. Iona asked when the client was expected to sign to confirm the agreement with the prices.

Ms. Orton responded that a signature was required when it had been agreed that an external individual or entity would bear the cost. However, under the process in place at the time of the request, this event had been considered an HTA meeting rather than an external one.

Vice Chair Paishon asked Ms. Iona to summarize her comments.

Ms. Iona stated that it was important for the food and beverage agency to know that the client had signed off on the proposed cost. Ms. Orton repeated that the client's signature on the BEO would be required to confirm agreement where external meetings were concerned.

Mr. McCully called for the question.

Vice Chair Paishon asked if there were any further discussions.

Mr. Apo clarified that the motion instructed the AASC to investigate the matter and provide answers. He noted that the motion did not aim to terminate the discussion.

Mr. White agreed that the AASC should oversee the issue but emphasized the need to review the use of HCC space by other Board members. He suggested examining the complete list of uses to identify recipients of discounts and complimentary services, stressing that it was crucial for him to fully understand the situation before taking further action.

Vice Chair Paishon asked Mr. White to confirm that the AASC would compile additional information and requested Mr. McCully to clarify his motion.

Mr. McCully stated that the AASC, at its next meeting (which would be expedited), would continue the discussion that began during the special session and the first hour and a half of the current meeting. The committee would review the auditor's report and all additional relevant information that had become known. All Board members would be invited, and he would ask Ms. Anderson to submit any questions and concerns for the committee's consideration.

Mr. Pfund suggested that the committee develop recommendations for improving the process.

Mr. Arakawa seconded the motion and the proposed friendly amendment.

Vice Chair Paishon called for a roll-call vote.

Ms. Sanborn conducted the roll-call vote, and the motion was carried unanimously.

Vice Chair Paishon expressed her thanks to Board members and stated that the current portion of the meeting could be adjourned.

AG Cole confirmed that this was correct, and Vice Chair Paishon yielded the floor back to Chair Hannemann.

Mr. McCully requested a modification to the agenda and asked AG Cole for guidance on how to proceed.

AG Cole stated that a majority vote could alter the order of agenda items.

Mr. McCully proposed a motion to take Agenda Item 14(b)(ii) out of order and Dir. Tokioka seconded the motion.

Mr. Apo raised a point of order, asking whether the special meeting had been officially adjourned. He noted that to address the agenda item, the special meeting would need to be adjourned or recessed and the regular Board meeting subsequently reconvened.

AG Cole explained that adjournment typically did not require a motion, though many boards opted to vote on it. He added that the meeting could be reconvened after adjournment.

Vice Chair Paishon proposed a motion to terminate the continuation of the special meeting, which Mr. Arakawa seconded. With no opposition, the motion passed, and Vice Chair Paishon yielded the floor back to Chair Hannemann.

Chair Hannemann called for a short recess.

Chair Hannemann reconvened the meeting and announced that the Board had voted to take Agenda Item 14(b) out of order.

Mr. McCully stated that he had proposed that Agenda Item 14(b)(ii), concerning Board officers, should be addressed immediately.

As per Bylaws Article III, Chair Hannemann agreed that the item should be taken out of order, specifically the discussion and action regarding the HTA Board Officers. After careful consideration, the Chair announced his intention to step down as Board Chair. He explained that, upon his initial appointment to the HTA, he had informed the HLTA Board that he would never do anything either to place HLTA in conflict with the HTA or to create a situation that would jeopardize the credibility and integrity of HLTA—an organization with over 75 years of history. However, he observed that such a situation had arisen. Chair Hannemann reflected on his efforts to develop the Pacific Century Fellows Program, which had produced Fellows including the Governor, a U.S. Senator, a former Congressman (Mark Takai, now deceased), Presidents and CEOs of banks, and a leader of the largest union in the community. He found it deeply troubling that these efforts had also been questioned. The Chair stated that he could not effectively present the facts about the situation, his involvement, or what had been presented to him, particularly given the information disclosed as recently as that day regarding an outstanding \$14,000 balance. Furthermore, he noted that his Vice President had been scrutinized for failing to transmit information in 2023.

Chair Hannemann expressed concerns about the ongoing controversy surrounding these issues and the public perception of the HTA. He pointed to the urgency of addressing tourism-related matters, securing funding, and ensuring recognition of HTA staff while questioning why a capable Board seemed unable to resolve these matters. Concluding that stepping down as Chair was the best course of action, he stated that he would consider whether to remain on the Board, given the concerns about the reputations of prominent organizations. He recommended Mr. Apo as the new Chair and announced that his resignation as Board Chair would take effect immediately.

Vice Chair Paishon asked AG Cole whether a vote was required, and AG Cole explained that no vote was necessary for the resignation but that a vote was required to appoint a new Chair.

Mr. McCully reminded Vice Chair Paishon that she controlled the meeting, and a motion was on the floor, while the appointment of Mr. Apo as Chair was not a formal motion but a recommendation by the outgoing Chair.

Vice Chair Paishon thanked Mr. McCully for his reminder and asked AG Cole to clarify the procedure required.

AG Cole advised members that they must first vote to alter the order of agenda items before proceeding with any other motions.

Vice Chair Paishon called for a motion to move up the agenda item to discuss the appointment of a new Board Chair and stated that Mr. McCully had previously proposed a motion on Agenda

Item 14(b)(ii) regarding Discussion and Action on HTA Board Officers, per Bylaws Article III. Vice Chair Paishon seconded the motion and invited discussion on the motion. Seeing none, she called for a roll-call vote.

Ms. Sanborn conducted the roll-call vote, and the motion was carried unanimously.

**14.(b)(ii) Discussion and Action Regarding HTA Board Officers, per Bylaws Article III\*\*\***

Vice Chair Paishon asked whether the Board was required to formally accept Chair Hannemann's resignation as Board Chair, and AG Cole confirmed that a vote was unnecessary.

Vice Chair Paishon noted that Chair Hannemann had recommended Mr. Apo as the new Chair.

Chair Hannemann formally proposed a motion to nominate Mr. Apo as Chair of the HTA Board, and Dir. Tokioka seconded the motion.

Vice Chair Paishon called to discuss the motion.

Mr. McCully expressed his belief that the Board was at a watershed moment, into which he entered with great optimism. He extended his gratitude to Mr. Apo for his willingness to serve.

Ms. Iona voiced her support for Mr. Apo's candidacy for Chair, expressing her hope that he would accept the role. She thanked Mr. Hannemann for his willingness to lead the Board during challenging times, acknowledging that this was a difficult day for some. She expressed her appreciation for Mr. Hannemann's contributions to the HTA.

Mr. Pfund invited comments from Mr. Apo.

Mr. Apo humorously asked if he could vote "No," but expressed his willingness to step in and assist the HTA in moving forward. He thanked Mr. Hannemann for his work and for making the crucial decision to step down for the benefit of the HTA and the other organizations he led. He noted that leadership was challenging, and he recognized the enormity of Mr. Hannemann's decision. Mr. Apo added that the preceding discussions had provided greater clarity regarding the events that had transpired. He reiterated the value of the HLTA and PCF organizations for their contributions to the Hawai'i community. He expressed his intent to collaborate with Mr. McCully and others to acquire a full understanding of the facts and to achieve transparency in the eyes of the public. He referred to the information packet distributed by HLTA, which contained information and proof of payment relating to the January 2025 event on the early pages and details about the 2023 event on its final pages. Mr. Apo stated his readiness to take on the role of Chair if it were the Board's wish, intending to improve the Board, the HTA, the staff, the industry, and the State.

Vice Chair Paishon thanked Mr. Apo for his remarks and invited Mr. Arakawa to speak.

Mr. Arakawa thanked Mr. Hannemann for his service as Chair of the HTA and voiced his support for Mr. Apo. He added that he served as Executive Director of the Land Use Research Foundation of Hawai'i, of which Mr. Apo was the outgoing President.

Vice Chair Paishon called for further discussion.

Dir. Tokioka stated that he shared the sentiments expressed by Mr. Apo and Mr. Arakawa and acknowledged the difficulty of leading any institution, given the difficult decisions to make. He recognized Mr. Hannemann's efforts to guide the organization in what he believed to be the right direction. He expressed his appreciation for the hard work and passion Mr. Hannemann had demonstrated. Dir. Tokioka congratulated and thanked Mr. Apo, noting his extensive experience refereeing sporting events and his ability to find common ground to move groups forward. He expressed his enthusiasm about working with Mr. Apo at the HTA Board or DBEDT. Dir. Tokioka also acknowledged the challenges faced by staff at the HTA and HCC, expressing his appreciation for their dedication and his hopes for a brighter future.

Vice Chair Paishon thanked Dir. Tokioka and echoed the sentiments shared by the other members. She expressed her gratitude to Mr. Hannemann for his continued leadership and for exemplifying the character and values that he brought to his leadership roles. As a fellow Polynesian, she appreciated his leadership grounded in cultural values, which served as an example for emerging leaders. She concluded by stating that all members looked forward to supporting Mr. Apo at the helm of the HTA. She then called for the roll-call vote.

Ms. Sanborn conducted the roll-call vote, and the motion was carried unanimously.

Mr. Hannemann requested that Mr. Apo chair the remainder of the meeting, explaining that he needed to focus on his work with HLTA. Mr. Hannemann took his leave and expressed his anticipation for the next meeting.

Chair Apo remarked that the conduct of the remainder of the meeting should respect the deadlines facing some members.

Mr. McCully pointed out that Agenda Item 14(b)(ii) concerned Board officers in the plural. He noted that while Mr. Hannemann had resigned, the item also included the role of Vice Chair. He proposed a motion to appoint a new Vice Chair.

Chair Apo stated that he would not entertain a motion for a new Vice Chair unless a specific nomination was made. He asked if there were any further motions regarding the agenda item. He concluded that since no further motions had been presented, the Board would move forward with the option to return the item if necessary.

## **8. Report and/or Action by the LEGISLATIVE PERMITTED INTERACTION GROUP**

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

As Chair of the legislative PIG, Chair Apo gave a brief report, stating that no major legislative changes required the Board's attention from a policy standpoint. He mentioned that there had been discussion of pending bills relating to transient accommodations tax (TAT) at the last PIG meeting. Members debated whether the TAT should be allocated to the general fund or the special fund. Chair Apo noted that the use of the special fund would make it easier to follow the distribution of funds, while the use of the general fund would involve more oversight of expenditures by the Governor and the legislature. Members of the PIG acknowledged the advantages and disadvantages of both options and decided not to adopt a specific position but to continue voicing their opinions.

Secondly, Chair Apo emphasized the importance of keeping Ms. Anderson informed about any discussions with legislators during the final weeks of the legislative session. He explained that Ms. Anderson was the staff member responsible for tracking legislation and stressed the need for a centralized clearinghouse for information. He reminded members that the only way to ensure that the Board remained well-informed was to designate one person as the contact for all legislative-related information.

Mr. Choy asked whether meetings with legislators had to be reported, noting that most legislators requested confidentiality for such discussions and inquiring whether the substance of these discussions had to be disclosed.

Chair Apo responded by referring to the Board resolution authorizing specific individuals to speak to the legislature on behalf of the HTA. He stated that he understood Mr. Choy's concern but believed that all Board members and staff should inform Ms. Anderson about the content of their discussions with legislators.

Mr. Choy clarified that the resolution stipulated that only the official positions of the Board should be communicated to the legislature, ensuring that these positions were clearly identified as such. He explained that, as a former legislator, he frequently engaged in discussions unrelated to the HTA, such as tax-related matters. He noted that legislators often requested confidentiality and that, under statute, he was obligated to provide the requested information. He suggested the need for a clear communication policy to address these situations, acknowledging the awkward position he faced as a former legislator who was frequently contacted.

Chair Apo expressed his understanding and appreciation for Mr. Choy's perspective. He emphasized that if the legislature requested specific information, Ms. Anderson needed to be informed. He proposed discussing the matter further with Mr. Choy and Ms. Anderson to establish a clear communication framework.

Mr. Arakawa expressed his appreciation for adherence to the bylaws and resolution and suggested consulting AG Cole and the AASC regarding the nature of communications. He emphasized the importance of maintaining the trust of the public and the legislature and expressed his confidence that a balanced approach could be achieved.

Chair Apo stated his intention to collaborate with staff to develop a specific policy to guide communication with legislators.

Mr. Arakawa inquired whether the Board needed to approve the policy, expressing his belief that it did.

Chair Apo responded that he would review the matter, noting that some policies could be established at the staff level. However, he assured the Board they would be informed of the policy, even if formal approval was not required.

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

Chair Apo introduced the Chair of the Branding Standing Committee (BSC), Mr. Pfund, and pointed out that a vice chair was to be nominated.

### **a. Discussion and Action on the Selection of a Vice Chair for the Branding Standing Committee**

Mr. Pfund stated that at the meeting of the BSC on March 17, 2025, the first item had been for Ms. Agas to step down as Vice Chair and provide a leadership opportunity for Ms. Paulson. The BSC members had voted to recommend Ms. Paulson to the full Board. Mr. Pfund proposed a motion to recommend approval by the full Board of Ms. Paulson as the Vice Chair of the Branding Standing Committee. Ms. Agas seconded the motion.

Chair Apo asked for further discussion or objections, and seeing none, the motion was carried unanimously.

### **b. Update on the Emergency Marketing Campaign \*\*\***

Mr. Pfund requested a move into executive session to discuss details of the campaign. Mr. Arakawa seconded the motion.

Chair Apo asked AG Cole to provide the background for the motion.

AG Cole explained that the Board was to enter an executive session to safeguard confidential information necessary to maintain Hawai'i's competitive advantage in the tourism industry.

Mr. White inquired whether, in the interest of consolidating items, additional issues might require discussion in the executive session.

Chair Apo asked the chairs of the other standing committees whether any other matters needed to be considered in the executive session that day.

Mr. Arakawa stated that he would defer the agenda item pertaining to the Budget, Finance, and Convention Center Standing Committee (BFCCSC).

With respect to the AASC, Mr. McCully noted that an executive session might be required due to personnel matters for Agenda Item 14(b)(i).

Chair Apo responded that Agenda Item 14(b)(i) would not be combined with other matters and clarified that the motion was specifically to enter executive session for Agenda Item 9(b). The Board proceeded to the executive session with no further discussion and no objections.

Mr. Pfund identified staff members who were to remain present during the executive session. The President/CEO of the Hawai'i Visitor and Convention Bureau (HVCB), Dr. Aron Salā, stated that Ms. Darlene Morikawa, Ms. Lei-Ann Field, and Mr. Jeffrey Eslinger would remain from the HVCB. Ms. Anderson confirmed that she and Ms. Jadie Goo would also remain.

Chair Apo instructed Ms. Sanborn to conduct the roll-call vote to enter executive session, and the motion was carried unanimously.

Upon returning from the executive session, Chair Apo reported that two votes had been taken concerning the expenditure of \$6.3 million for the initiatives outlined in the agenda item. He also informed the public that the HVCB Chief Operating Officer Mr. Mullen, had joined the executive session, although he had not been listed among attendees before the session.

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

Chair Apo announced that the Board was now considering Agenda Item 10, but he stated his intention to return to this item later.

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

Chair Apo noted that staff were still returning to the meeting after the executive session, so the item would be delayed until they had all returned.

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

Chair Apo stated that he understood that items 12(a) and 12(b) were to be deferred, and Mr. Arakawa confirmed this.

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

Deferred

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

Deferred

## **13. Report and Update by the HO'OKAHUA HAWAI'I STANDING COMMITTEE**

Chair Apo stated that Agenda Items 13(b), (c), and (d) were to be deferred, and the Chair of the Ho'okahua Hawai'i Standing Committee (HHSC), Vice Chair Paishon, confirmed this.

Ms. Anderson introduced the new planner, Mr. Kendrick Leong, who was to assist with developing the various plans. She characterized Mr. Leong as smart and diligent, pointing out that the HTA was fortunate to have recruited him to the staff.

### **a. Discussion and Action to Update the Ho'okahua Hawai'i Standing Committee Description**

Vice Chair Paishon welcomed Mr. Leong once again and expressed gratitude for his joining the team. She acknowledged that the committee had engaged in a robust discussion during their previous meeting and thanked committee members for their comments. She referred to the information packet in which there was a comparison between the existing description of the committee and the proposed revision. Members had expanded the committee's concern for culture and community well-being and included references to the Hawai'i Revised Statutes, the HTA Strategic Plan, and the Destination Management Action Plans.

Vice Chair Paishon presented the following revised description:

“There is established a Ho’okahua Hawai’i Standing Committee to provide and ensure oversight on matters related to natural resource stewardship, the perpetuation of Hawaiian Culture, and community well-being, in alignment with Hawai’i Revised Statutes, the Hawai’i Tourism Authority’s Strategic Plan, and Destination Management Action Plans (DMAPs). The Committee shall prioritize Hawaiian Cultural values by supporting the ‘Ōlelo Hawai’i (Hawaiian language), traditional practices, and respectful visitor engagement, and shall promote sustainable stewardship by working in conjunction with other committees of the Board to advise on policies that protect Hawai’i’s land and ocean resources and foster community engagement by ensuring that tourism benefits residents and aligns with local priorities. Additionally, the Committee will focus on tourism’s social and economic impacts, ensure compliance with the HTA’s strategic priorities, and recommend policy improvements to enhance sustainable and regenerative tourism.”

Vice Chair Paishon stated that the rationale behind these revisions was to provide the committee with clearer direction and better clarity regarding areas of impact in collaboration with other Board committees. She highlighted their discussion on referring to statutes and internal plans to achieve the organization’s strategic priorities. She also acknowledged ongoing insights provided by resident sentiment surveys compiled by Ms. Chun and her team from DBEDT, along with reminders from Mr. Ka’anā’anā. The revised description aimed to expand the committee’s focus to emphasize regenerative and sustainable tourism while supporting the HTA’s existing strategic pillars.

Vice Chair Paishon called for a motion to approve the proposed revision.

Mr. West proposed a motion to accept the revised description of the Ho’okahua Hawai’i Standing Committee, and Ms. Paulson seconded the motion.

Chair Apo noted that the motion had been moved and seconded. He reminded Board members that, since the motion concerned a bylaw amendment, it would serve as a recommendation to include the revised description in the amended bylaws being developed by the AASC. He invited comments from Board members and remarked that the committee’s discussion on this section had been very constructive. Observing no objections, he declared the motion passed, with the revised description set to become part of the amended bylaws.

#### **b. Update on the L.A. Rams 2025 Program**

Deferred

**c. Discussion and/or Action on the Timeline and Objectives for the Hawai'i Tourism Authority's Strategic Tourism Plan**

Deferred

**d. Discussion and/or Action on the Timeline and Objectives for the Hawai'i Tourism Authority's Destination Management Action Plans**

Deferred

Chair Apo stated that he would defer Agenda Item 10, which involved a presentation on the HTA Destination Stewardship Programs. He thanked the representatives of Kilohana for their attendance and, as a note to interested parties, reminded Board members that applications for Kilohana programs were due by April 1, 2025, ahead of the next Board meeting.

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

Chair Apo recognized the presence of Sen. Wakai and thanked him for attending the meeting. The Chair introduced Ms. Chun of DBEDT, who would give a presentation.

Ms. Chun reminded members that a full set of slides was available, but she would give a brief summary in the interest of time. She referred to the February data and focused on per-person, per-day (pppd) spending and the average daily census, both of which had increased. Visitor expenditure had risen, although the comparison was not straightforward due to the additional day in February of the previous year (a leap year). There had also been an increase in the average daily census. Ms. Chun noted that Maui had seen improvements in pppd spending and average daily census. She noted that lodging occupancy had remained similar overall to the previous year, with vacation rentals showing slightly higher occupancy rates. Hotel demand had exceeded rental demand. Tax collections for January activities amounted to \$74 million, which was less than the previous month's collection in December, which had been a month with very strong tax revenue.

Ms. Chun stated that the load factors for international and domestic flights had improved compared to the previous year. There had been fewer non-stop scheduled seats in February 2025 than in February 2024 due to the shorter month. Statistics for March through May 2025 indicated a reduction in Canadian seats compared with the previous year, although the majority of the decrease occurred in March, followed by smaller reductions in April and May.

Ms. Chun outlined market trends showing that more people intended to visit Hawai'i, with increased interest from Gen X and Young Boomers compared with spring 2024, a trend probably linked to higher income levels. She referred to a quarterly survey showing that approximately 39% of respondents considering visiting Hawai'i later changed their minds, with high airfare and lodging costs the most common reasons cited. Ms. Chun reported that more than half of the respondents indicated that the Maui fires had not affected the likelihood of their visiting Hawai'i. However, nearly 30% stated they would not visit in the next two years, while 11% said they had initially planned to visit but now would not.

Ms. Chun shared the National Travel and Tourism Office (NTTO) forecast for international arrivals, which projected that 2019 levels were unlikely to be reached until 2026. She provided a market-by-market overview of the top twelve countries, highlighting a significant increase in international travelers from India, although few visited Hawai'i. Regarding Hawai'i's recovery timeline, she noted that Canada was expected to recover by 2026, China and Korea by 2028, but Japan was unlikely to recover until 2029.

Chair Apo asked whether the NTTO bar graph could be revised to show the number of Hawai'i visitors per country.

Ms. Chun responded that this was possible, but it would require retrieving the original NTTO data to redraw the graph for Hawai'i-specific visitor data.

Dir. Tokioka referred to the data for India, observing that visitor numbers to Hawai'i remained low, and suggested a similar analysis for other countries.

Ms. Chun assured Board members that she would address this in a future presentation.

Chair Apo asked if there were any other questions.

Ms. Chun presented DBEDT's tourism forecast, stating that visitor spending had recovered to 2019 levels, but visitor arrivals were not expected to recover until after 2028. She presented a bar graph showing visitor numbers by market. Forecasts projected flat trends for the U.S. West compared with the U.S. East, slow growth for Japan, and flat trends for Canada, Europe, and Oceania. A slight increase was forecast for Korea and the remaining global markets.

Ms. Chun reported that higher spending was forecast from the U.S. West, U.S. East, and Japan markets, while Canada, Europe, Oceania, and Korea were expected to remain flat. She referred to fourth-quarter data regarding revenue per available room (RevPAR) and an updated hotel forecast by Smith Travel Research (STR), which showed little change from previous projections. She noted that overall U.S. hotel occupancy was expected to recover only by the end of the year, with slight increases anticipated by 2026. Average daily rate (ADR) and RevPAR had already surpassed 2019 levels, leaving occupancy as the sole metric yet to fully recover.

Ms. Chun presented DBEDT's hotel forecast for Hawai'i, which predicted modest increases in occupancy and ADR compared with 2024, resulting in a 1.6% rise in RevPAR. Monthly charts showed that O'ahu occupancy was forecast to increase by 0.6%, accompanied by slight increases in ADR and RevPAR. Maui County was not expected to see higher occupancy in 2025 than in 2024, though rates were expected to rise slightly, with RevPAR decreasing. Hawai'i Island was predicted to see slight increases in ADR and RevPAR. Kaua'i was expected to experience modest increases in occupancy and RevPAR, along with a slight reduction in ADR.

Ms. Chun presented a graph comparing actual results with the forecast by STR for the State of Hawai'i, and noted that, for the most part, the forecast was fairly accurate. The forecast had been within 0.5% for occupancy, and the differences for ADR and RevPAR were less than 2%, with the forecast tending to be slightly conservative. Ms. Chun also presented a visitor satisfaction study for the fourth quarter of 2024.

Chair Apo asked if there were any questions.

Mr. McCully commented that many of the slides showed relatively flat trends, with a less than 2% change over a two-year period for the average daily census. He suggested that one interpretation was that the tourism industry had reached a stage of maturity. He added that, as part of a mature industry, the issue of whether the carrying capacity had been reached should be considered. He noted that market feedback indicated that visitors were not providing strong word-of-mouth recommendations, citing a mixed messaging approach as a likely reason.

Ms. Chun responded that the occupancy level was not directly related to carrying capacity factors.

Mr. McCully stated his belief that this was a germane issue in the context of a group examining governance in 2025 and considering future statutory reforms.

Ms. Chun reiterated that occupancy was not necessarily indicative of carrying capacity. She observed that, historically, Hawai'i had not built significantly more hotels, although other structures had been developed. She confirmed that hotel availability remained sufficient and that they were not at full capacity. She believed that with increased marketing, Hawai'i could attract more visitors.

Chair Apo asked if there were additional questions. He asked whether the load factor data could include numbers of business and first-class seats versus economy seats. Ms. Chun responded that such information was not currently available.

Chair Apo commented that this inquiry was relevant to discussions about the Asia market.

Ms. Chun stated that she would consult the vendor for the data, explaining that load factor data was derived from airline carrier reports, which only included the total number of passengers and crew. She added that, in a few months' time, access to other databases might provide this information, though it would not be available in time for the next meeting.

Chair Apo asked Ms. Chun to follow up and suggested that airlines might benefit from understanding the value of providing such information to the HTA. He then inquired whether, given reconfigurations of aircraft, it would be possible to determine the number of business and first-class seats available.

Ms. Chun responded that the current seat information did not distinguish between classes, and obtaining such data might incur additional costs. Chair Apo remarked that, based on the discussions that had taken place, the value of this information might be compared with its possible cost. He asked if there were any further questions.

Mr. Leong observed that Ms. Chun had been analyzing numbers for the tourism industry for years. He highlighted a short-term issue related to the digitization of the Agriculture (Ag) Form and its impact on the production of the data that Ms. Chun presented. He explained that during the past month, the Ag Form was digitized in a pilot project and received a positive response. The response rate had increased from approximately 60% with the paper form to 71% with the digital version. Mr. Leong noted that the State had decided to evaluate the success of digitizing the Ag Form without simultaneously incorporating the tourism survey, but it was clear that the next step would be to integrate the tourism survey into the Ag Form. Efforts were underway with software vendors to achieve this, but Mr. Leong identified potential challenges. Travelers checking in 24 hours before their flights might be less motivated to respond to the digital tourism survey compared with the paper form that used to be completed onboard the plane.

Mr. Leong suggested incentivizing survey completion by awarding airline miles to travelers. For instance, travelers might be awarded 100 miles for completing the survey, with the HTA purchasing the miles from airlines. If the cost were estimated at 10 cents per mile, the HTA could spend a quarter or a dime per traveler to encourage participation. He stressed the importance of obtaining data sooner rather than later and acknowledged that steps needed to be taken to improve compliance with the digital format.

Chair Apo thanked Mr. Leong for sharing his insights. He expressed enthusiasm for adding the tourism survey to the digital Ag Form and endorsed the idea of incentivizing survey completion.

Ms. Chun added that since this was a test pilot period, the team was uncertain whether one form per party or one form per person would be more effective. She noted that everyone had their frequent flier number, which posed challenges when a form was completed for a party, as

the frequent flier numbers of other party members might not be known. She explained that the “SafeTravels” program had utilized one form per person, whereas the Ag Form had historically been one form per party. She emphasized that careful consideration was needed if rewards were to be offered for completing the tourism survey.

Chair Apo stated that he would request Ms. Anderson to meet with Ms. Chun and other staff members to develop suggestions and consult with the Senator, the Agriculture Department, and other stakeholders. The Chair asked for their recommendations to be presented for discussion at the next Board meeting.

Mr. Leung highlighted the significant advantage of obtaining better real-time data. He explained that the questions could not be altered once 6,000 paper forms were printed, whereas digital forms allowed for question modifications. He stressed the importance of collaborating with the HVCB to ensure flexibility for real-time question changes, which would provide the HTA Board with valuable insights into the effectiveness of marketing campaigns and identify areas that required improvement.

Chair Apo remarked that the HTA’s core responsibilities extended beyond domestic incoming efforts with the HVCB, including Hawai’i Tourism Japan. He suggested that adjustments might be necessary to tailor information collection from Asia visitors versus domestic visitors.

Ms. Chun reminded the Board that they did not need to wait to implement certain measures, as they had a subscription to daily syndicated surveys covering the U.S., Japan, Korea, Australia, and Canada. She explained that their contract allowed them to quickly add questions, as demonstrated during the Maui fire incident when they had inserted questions about travelers’ changes in plans and alternative destinations. She emphasized that the contract’s capacity to add questions by market meant that the HTA need not wait for the pilot Ag Form scheme to conclude, which was scheduled to end in May.

Chair Apo stated that the Board relied on Ms. Chun and the staff to propose starting points from which they could expand and reach out.

Ms. Chun reflected on how COVID and the Maui fire situation had prompted the team to seek additional information. She cited an example from the pandemic when the Governor had wanted to know how much travelers would pay and whether they would be willing to undergo testing. She noted that these inquiries had been addressed through the survey.

Chair Apo expressed his gratitude to Ms. Chun and Mr. Leong for their attendance.

Chair Apo reminded the Board that they had agreed to defer Agenda Item 12, had already addressed Agenda Item 13(a), and would defer Items 13(b), (c), and (d).

#### **14. ADMINISTRATION AND AUDIT STANDING COMMITTEE**

- a. Discussion and Action on the Assignment of Board Members to the CEO Evaluation Permitted Interaction Group and Action to Elect Chair and Vice Chair**
- b. Presentation, Discussion, and Action on HTA Personnel and Leadership\*\*\***
  - i. Discussion, Evaluation, and Action Relating to the Resignation of Interim President & CEO Mr. Daniel Nāho‘opi‘i and the Proposed Interim President & CEO, Chief Administrative Officer, Ms. Caroline Anderson. As a Result, Other Personnel Discussion and Action May be Required, per Bylaws Article VI, Sec 3 and 201B-2, (7)(f)\*\*\***

The Chair announced that the Board would proceed with Agenda Item 14, noting that Items 14(a) and (b)(i) were to be deferred, while Item 14(b)(ii) had already been resolved.

Chair Apo asked whether there was any other business.

Vice Chair Paishon inquired whether Agenda Item 10 was to be addressed, and Chair Apo confirmed that it had been deferred.

Chair Apo thanked the Board members for their efforts during the meeting and acknowledged the challenges they had faced. He also expressed his appreciation to the staff and the HTA leadership for their support in navigating the meeting. He then called for adjournment.

#### **17. Adjournment**

The meeting adjourned at 1:39 p.m.

Respectfully submitted,



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Sheillane Reyes  
Recorder

# **6**

## **CEO Report**



# REPORT OF THE PRESIDENT & CEO

APRIL 2025



## EXECUTIVE SUMMARY

This report highlights the Hawai'i Tourism Authority's (HTA) activities and actions taken by the staff in the month of March 2025 in support of the organization's overall mission and its strategic plan. At the time this report was put together, February 2025 visitor statistics are available. Our KPIs are total visitor spending and per-person-per-day spending:

- Total Visitor Spending: \$3.62 billion, an increase from the first two months of 2024 (\$3.47 billion, +4.5%)
- Total Per Person Per Day Spending: \$251.5, an increase from the first two months of 2024 (\$241.2, +4.3%)
- State Tax Revenue (direct, indirect, and induced): \$420.1 million, compared to \$404.5 billion (+3.9%) in the first two months of 2024.

Office of the President & CEO: Caroline Anderson assumed the role of Interim President & CEO beginning March 24, 2025 with the departure of Daniel Nahoopii on March 21, 2025. Of the HTA's 30 approved positions there are currently six vacant positions including the CEO and Chief Brand Officer. The Planner and Hawaii Island Destination Manager started in March. Staff 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.

Destination Stewardship: As Spring arrived, our team's growth and impact also increased, and we started the month out strong with our Spring Tourism Week. The Destination Stewardship team participated in every facet of the week's events and capped the week off with a significant public event at Tourism Day at the Capitol. In March, HTA supported numerous Signature and CEP events. Highlights include the Honolulu Festival, Prince Kūhiō Celebrations statewide, and so much more through our various programs. In addition to these events, HTA has advanced its work closely with Kilohana to progress key initiatives, such as the next cycle of 'Umeke RFPs.

Brand and Marketing: In March, following the HTA Spring Tourism Update Internal Meeting with all major contractors, the Brand staff worked on creating a dedicated SharePoint site to share resources and tools across markets, and planned bimonthly meetings to foster more frequent exchange of information and best practices, all with the goal of enhancing collaboration among HTA's major contractors. This month, the staff, together with Hawai'i Tourism Japan, O'ahu Visitors Bureau and Hawai'i Island Visitors Bureau, conducted office visits and met with executives from six leading

Japanese tour and credit card companies (HIS, Rakuten, Jalpak, JTB, NTA, JCB) to discuss current market conditions and opportunities to accelerate the recovery of the Japan market.

Planning and Evaluation: The team focused on putting together the Spring Tourism Update. Request for proposals were drafted for facilitation services and development of the destination management action plans and HTA's tourism strategic plan.

## I. OFFICE OF THE PRESIDENT & CEO

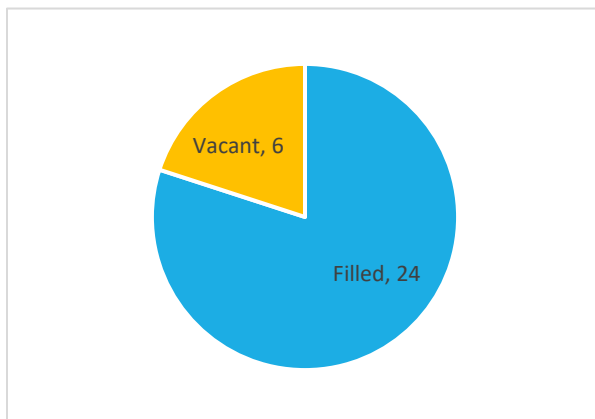
**Functional Statement:** The Office of CEO is responsible for implementing the policies and instructions of HTA's Board of Directors and administering the activities of HTA by planning, organizing, directing, coordinating and reporting its work.

- 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*

- Attend weekly DBEDT Program Managers Meeting with DBEDT Director
- Attended multiple Senate Committee on Economic Develop and Tourism hearings
- Attended multiple House Tourism Committee hearings

### *Staffing and Administrative Issues*



Of the HTA's 30 approved positions there are currently six vacant positions including the CEO and Chief Brand Officer. The following positions are under recruitment: Public Affairs Officer, Account Clerk III, Sr. Brand Manager, and Stewardship Brand Manager. The Planner and Hawaii Island Destination Manager started in March.

Securing office spaces for our Destination Managers continues. We have confirmed locations in Molokai and Lihue. For the Lihue location, we are awaiting the current tenant to vacate the premises. The Molokai location is ready for move-in, pending internet and phone installation. Regarding Maui and the Big Island, DAGS has confirmed that there is no available space within their managed facilities; however, we are continuing to coordinate with them to explore alternative potential locations.

## ***Public Affairs***

### **News Releases/Announcements**

- News Release:
  - 25-02: Nāho‘opi‘i Embarks on New Global Tourism Leadership Role
- E-Blast:
  - 2025 Little Red Book Scam Alert

## **Government Affairs**

The Interim President and CEO provided testimony on various bills throughout the month. The HTA Board's Legislative Permitted Interaction Group convened on March 10, 2025, to review bills and discuss positions. The staff is actively collaborating with the Legislative Permitted Interaction Group to review bills and draft testimonies. Leadership also addressed questions from the Senate Ways and Means (WAM) and Finance (FIN) Committees following the budget informational briefings.

## **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
Downtown Līhu‘e Native Plant Revitalization	Rice Street Business Association	Kaua‘i	\$25,000	<p>Founded in 2017, the Downtown Līhu‘e Native Plant Revitalization project sought to restore native Hawaiian plant species in urban areas of Līhu‘e to enhance ecological health and cultural awareness. Embracing Kaua‘i’s core values of collaboration, commerce, and sustainable growth, the project expanded native plant gardens and engaged the community, enriching visitor experiences by connecting them to Hawai‘i’s indigenous flora and promoting environmental stewardship.</p> <p>Culturally significant plants such as Kou, Hala, and ‘Ilima were revitalized in these spaces, making Līhu‘e more livable, walkable, and sustainable, and encouraging community engagement in a healthier, greener downtown. This improved the overall well-being and environmental health for residents, helped drive local commerce, and drew visitors interested in ecotourism, cultural heritage, and community-led sustainability efforts. The Downtown Līhu‘e Native Plant Revitalization has become a staple on the island of Kaua‘i.</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 485 page views in the month of March.

### **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.

<b>Event Name</b>	<b>Organization</b>	<b>Island</b>	<b>Award Amount</b>	<b>Summary</b>
<b>Hula Arts at Kilauea 2025</b>	Volcano Arts Center	Hilo	\$20,000	The program's location within Hawai'i Volcanoes National Park immediately distinguishes it, enhancing the authenticity of the Hawaiian arts and culture

				<p>presented. By focusing on authentic Hula Kahiko and related arts and traditions, the program offers both visitors and residents a genuine cultural experience, distinct from commercialized interpretations. Honoring and perpetuating hula's heritage is central to this project. The Hula Kahiko demonstrates a deep respect for this art form, and the dedication to preserving and transmitting cultural knowledge that creates a truly memorable experience. This project serves as a vital bridge, connecting global visitors with the rich cultural heritage of Hawai'i Island. My personal connection to this event, as a hula dancer, is invaluable. Observing Kumu Hula Pele Kaio and his hālau, particularly witnessing the students' final performance before 'ūniki (becoming a teacher), evokes a powerful emotional response and leaves a lasting impression. The lineage of Kumu Pele Kaio's training under Kumu Taupouri Tāngaro further underscores the event's cultural significance. The project's impact is profound, ensuring the continuity of this cultural legacy. This sense of cultural preservation is deeply meaningful and seeing Kahiko dancing come to life offers a visceral understanding of the culture's history.</p>
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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 MARCH 2025:

Date	Island	Event/Project Name	Organization	Award Amount
3/7/25	OAHU	29 <sup>th</sup> Honolulu Festival	Honolulu Festival Foundation	\$90,000

### 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 MARCH 2025:

Date	Island	Event/Project Name	Organization	Award Amount
3/6/2025	HAWAII	Thats Sew Hilo: Fashion Exhibit	Zonata Club of Hilo	\$10,000
3/21/2025	MAUI	Prince Kuhio Maui Hoolaulea	Festivals of Aloha	\$10,000
3/22/2025	MOLOKAI	Molokai Prince Kuhio Celebration 2025	Hoolehua Homesteaders Association	\$20,000
3/28/2025	HAWAII	Beyond the Beaches: an Island Science Lecture Series	Hawaii Keiki Museum	\$10,000
3/29/2025	MOLOKAI	Prince Jonah Kuhio Kalaniana'ole Celebration Event	Kalamaula Homesteaders Association	\$10,000
3/29/2025	OAHU, HAWAII,	2025 Prince Kuhio Parade & Celebration	Association of Hawaiian Civic Clubs	\$20,000

	MAUI, KAUAI, MOLOKAI			
3/29/2025 & 3/30/2025	OAHU	2025 Hawaii Club Volleyball Championship Series	Lanikai Athletic Club dba 7Gen Culture	\$10,000

### 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 expired at the end of March 2025. To secure these services, HTA will re-release a Request for Quotations (RFQ) No. 25-12 for the Visitor Assistance Program (VAP) on April 1, 2025. A Pre-Proposal Conference is scheduled for April 8, 2025. The deadline for submissions will be April 30, 2025.

### **March Stats:**

County	No. of Cases Handled	No. of visitors served	Primary Visitor Market(s) Served	Industry \$\$ Contributions
Hawai'i	15	43	US West & East, Switzerland, Hawai'i	\$7,703.00 (cash) \$5,512.00 (In-Kind)
Honolulu	27	61	US West, US East Japan, Canada, Oceania, Korea, China	\$974.67 (Cash) \$13,681.76 (In-Kind)
Kaua'i	7	19	US West & East	\$80.05 (cash) \$750.00 (In-Kind)
Maui	8	17	US West	\$4,900 (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 on a regular schedule.

Five (5) projects total are ongoing for the period of January 2025 to June 2025. One (1) project is featured below for this MARCH 2025 report:

Event Name	Organization	Island	Award Amount	Summary
Waikiki By Moonlight	Hawaiian Music Perpetuation Society	O'ahu	\$50,000	The "Waikiki by Moonlight" project aims to enhance Waikiki's brand awareness by showcasing its cultural and historical significance. This event, organized by the Hawaiian Music Perpetuation Society (HMPS), will feature traditional mele and hula performances at the Kuhio Beach Hula Mound. By highlighting Waikiki's rich cultural heritage and supporting local artists, the project aligns with HTA's strategic plan to promote sustainable tourism and preserve Hawaiian culture.

### **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 March:

Airport	HNL	OGG	KOA	LIH	ITO
<b>Schedule</b>	3/3 entertainment for Delta's 100 <sup>th</sup> Anniversary 3/27, 3/28, 3/29 entertainment for Spring Break	3/28 entertainment for Spring Break	No special events	3/28 entertainment for Spring Break	No special events
<b>Paid Musicians &amp; Cultural Practitioners</b>	16	4	0	4	0

Due to no funding being appropriated to HTA's budget for FY25, the Harbor greetings have been discontinued as of March 1, 2025. Greetings were provided at harbors as ships arrive.

### 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.

To continue refining Post-Arrival and Visitor Education Marketing, digital display ads that featured 'Umeke funding partnership recipient O'ahu Hawaiian Canoe Racing Association will be adjusted from "OHCRA Race Productions" to "OHCRA Canoe Race." Furthermore, there are new VEPAM digital display ads promoting awareness of Hawai'i's endangered species and attending lū'au as recommended by GoHawaii.com. Travel808 Maui was approved and will soon be available on GoHawaii YouTube. In addition, Hawai'i Tourism Japan is using Travel 808 O'ahu and Maui – without the English lower thirds – to incorporate Japanese subtitles.

### Smart Tourism

In March, HTA staff drafted a Request for Quotation (RFQ) for Procurement Services to develop a Smart Destination Mobile App. The RFQ will be issued to vendors on the NASPO list and seeks to hire a firm to write a Request for Proposal (RFP) for the development of a future Statewide Reservation System and Destination Application.

Destination Stewardship has received valuable assistance from the FINPRO team in preparing the RFQ.

### **Destination Management**

We thank the legislature and the Board for their support in continuing to create the Stewardship team. Our team is growing, and we are pleased to share that our Hawai'i Destination Manager officially started as of March 24, 2025.

Destination Managers attended Tourism Day at the state capitol on Friday March 7, 2025 to share about past DMAP successes and the path forward to create the next DMAP. Information sheets and QR codes were distributed to encourage participation in the next DMAP planning process. Additionally, Destination Managers participated in the Governance Study PIG discussions in the afternoon on the same day.

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

Foundational Technical Assistance (FTA), Community Tourism Collaboratives – Community Stewardship (CTC-CS) and Community Tourism Collaboratives - Regenerative Experiences (CTC-RE) are (3) interconnected programs that made up the Technical Assistance and Capacity Building (TACB) initiative. These programs have made a significant move forward to strengthen Hawai'i's visitor industry.

Exceeding participation KPIs, FTA delivered industry insights to 311 participants across four islands. CTCs infused \$800,000 into 24 organizations across five islands, building a stronger regenerative tourism network. Community Stewardship supported nine 'āina stewardship organizations, while Regenerative Experiences assisted 15 entities in developing impactful visitor interactions. All KPIs were met, demonstrating TACB's effectiveness in capacity building, industry integration, and economic impact. Key recommendations for future growth included expanding technical assistance and financial support, integrating 'āina stewards in decision-making, and refining impact metrics to ensure Hawai'i's continued leadership in responsible tourism.

### **Tour Guide Certification Program**

In collaboration with TripSchool, HTA Staff and Kilohana finalized an eight-module Tour Guide Certification Curriculum, emphasizing Hawaiian culture, history, safety, and customer service. Additional modules covered interpretation, geography, cultural sensitivities, and current issues—shaped by stakeholder input and the University of

Hawaii's TIM report. The program established a tiered certification system to support continued skill development.

In March, the fully developed curriculum—with interactive videos, eBooks, and assessments—was finalized and delivered on the designated platform. All materials underwent rigorous quality checks to ensure clarity, accessibility, and alignment with objectives. Promotional materials were also completed to support outreach and user engagement.

A rollout timeline was agreed upon: community review by late May, HTA Board presentation in June, and final deliverables submitted by June. The program aimed to enhance cultural sensitivity, promote sustainable tourism, elevate customer service, and expand professional pathways for Hawaii's tour guides.

**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.

**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 Hawaii's tourism sector.
- Opportunities for guides to grow and diversify their careers.

### **Qurator Program**

Qurator's outreach efforts to certify new businesses across the Hawaiian Islands remain ongoing. As of the end of March, 200 businesses are in the process of certification. The current count of officially Qurator-certified businesses stands at 73. The Qurator team has been collaborating with the HTA Destination Managers to address islands with a lower number of certified businesses. HTA Staff and Kilohana continue to promote the

program to increase certification rates as Hawai'i transitions its tourism model. This program is fundamental to 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.

HTA Staff has prioritized executing the LA Rams contract following the unanimous Board approval on December 19, 2024, to proceed with the partnership, HTA staff promptly prepared and submitted the initial procurement paperwork to FINPRO by the January 15, 2025, deadline. Vice President Choy provided feedback, to which HTA Stewardship staff responded accordingly. The State Procurement Office approved the exemption on March 12, 2025 (PE25-062SK). HTA staff, in collaboration with FINPRO, is finalizing the contract draft, with a target execution date of no later than April 25<sup>th</sup>, 2025. It is important to note that this plan requires our full legislative appropriation to fund payment 2. If we don't, we will NOT be able to fund the contract fully. This request was in the Board approved budget request in Line #72 "NFL Partnership" Any additional details requested by the Board must be addressed in executive session.

HTA Staff are also in the process of closing out Q4 2024 programs and Q1 2025 programs for sports. Staff are preparing to report outcomes as they become available. If members have questions, please don't hesitate to reach out to Milton Lafitaga or Kalani Ka'anā'anā.

## **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.

### **Department of Education - Hospitality and Tourism Workshop**

In March, HTA hosted a Career and Technical Education Workshop in partnership with the DOE. Teachers were able to join us during our Spring Tourism Update and subsequently participate in a workshop. During the workshop, teachers heard from various speakers representing each sector of Hawai'i's Visitor Industry. HTA's Destination Manager for O'ahu, Blane Andrade, assisted by sharing his operational experience within the industry. Teachers also heard from two members of our Community Tourism Collaborative: Regenerative Experiences program cohort: Iko and Holly from Anelekai Adventures, and Carolyn from Kuilima Farms, who shared their efforts in transitioning their businesses towards a regenerative tourism model.

### **Ho'oilina Scholarship Program 2025 Cohort**

The 2025 Hawai'i Tourism Ho'oilina Scholarship Program is a partnership between the Hawai'i Tourism Authority (HTA), Hawai'i Lodging & Tourism Association (HLTA) and the University of Hawai'i at Mānoa (UHM) Shidler College of Business, School of Travel Industry Management (TIM) to award five (5) four-year scholarships to Hawai'i public school graduates enrolled at UHM and declare a major in TIM. Promotion of the scholarship opportunity has been ongoing. The application deadline was March 1, 2025. On March 24, 2025 the selection committee reviewed applications and made award selections. The 5 students selected have been notified and have until May 5, 2025 to accept the scholarship award. The scholarship will begin in the Fall 2025 semester and continue through Spring 2029.

## **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.

### ***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.

### ***Brand USA x Expedia Hawai'i Promotion***

The co-op promotion spanning Canada, Oceania, and Japan, which launched in November 2024, concluded on March 31, 2025. Key partnership contributions included a 20% cash match from Brand USA, a 40% media value contribution from Expedia, and exclusive offers provided by our industry stakeholders.

#### Promotion Results Tracking Period: 11/27/24 – 3/31/25

Ad Spend	Impressions	Clicks	Revenue	ROAS
\$149,855	7,998,614	7,468	\$19,949,667	133.1

### ***US Major Market Area***

- HTA staff continues to work with HTUSA on tourism's support for Maui's overall recovery following the August 8, 2023 wildfires. HTUSA developed a \$6 million recovery marketing plan to increase visitation to Maui, which was approved by the HTA board in March. Staff is working on the contract and reallocation of funds.
- Summary of Consumer Activity:  
Aloha Season (January-March) – The 2025 integrated golf program with Golf Channel wrapped in March with cable and digital media.

- Paid Media: 30-second golf commercials ran highlighting four PGA TOUR professional players engaged in destination activities on Maui: Tom Kim – cuisine; Adam Schenk – ATV; Vincent Norrman – coffee farm; Seamus Power – estate chocolate.
- Digital Media (January-June, August-October) – The consumer paid media flight continued in March. A national flight of digital media was targeted to reach the Hawai'i Target Traveler (HTT) audience and share the leisure brand message via vetted digital media partners.
  - Advanced Television/OTT media partners: Amazon, Samsung, LG, and YouTube Select to distribute Hawai'i brand campaign videos in 30-second length versions.
  - Digital media partners: Teads, Zeta, and TripAdvisor to distribute Hawai'i brand videos and optimize for video completion metrics, as well as Search.
- Social Media
  - In March, Facebook, Instagram, and YouTube generated over 43.02 million impressions. As for paid media, the Ma Uka to Ma Kai Hero and Snackable series were featured across all social platforms. March content highlights included a Hawai'i Guide focused on town hopping and a spotlight on Bishop Museum, showcasing Hawaiian royalty, including Prince Kūhiō Day and King Kamehameha III.
  - Total post number on Instagram skews a bit higher than anticipated. This is due to publishing 'Pop Quizzes' to the Instagram stories. These IG stories typically range from 6-10 frames, with each frame counting as one post in our data. Example: eight Frames for an Instagram Story Pop Quiz equates to eight posts.
- Summary of HTUSA Travel Trade Activity: Paid Trade Media (February-December) – The trade paid media flight continued in March with a national flight of digital media. Audience-specific media partners were vetted to target travel advisors with an objective to drive them to the Hawai'i Destination Specialist (HDS) training certification program. During the month of March, there were two travel trade events that included two educational sessions reaching 181 advisors and seven partner meetings with 19 partner attendees. There was also a meeting with Northstar. There were 634 online course graduates who completed the Hawai'i Destination Specialist (HDS) and/or Island Specialist educational courses, with 772 new registrants signed up for access to online resources. The overall travel agent database numbers are 142,902 profile records, which includes 107,927 active email contacts.
- The PR team secured a dynamic, multi-platform package with Bon Appétit spanning digital, video, social media, and the August 2025 print issue. The story will spotlight the people and forces shaping Hawai'i's contemporary foodways.
- Contract

- HTA staff has been working with HVCB to resolve payment issues.

### Canada Major Market Area

- We are continuing to closely monitor tariff developments and have received *many* media inquiries. In March there was not a sharp decline by Canadians to Hawai'i specifically, but that could of course change. Economic concerns throughout March. The uncertainty and mixed messaging as to what concessions Canada was being asked to make, contributed significantly to a currency exchange rate that continue to dip throughout the month.
- Hawai'i Tourism Canada attended the Virtuoso on tour event in Calgary, having the opportunity to meet with travel advisors from Alberta representing various travel agencies within the Virtuoso network. Throughout the event, one-on-one meetings were conducted with 40 travel advisors, many of whom expressed concerns about the current reluctance among Canadians to travel to the United States, including Hawai'i. However, there was strong support for Maui from travel advisors, who are actively encouraging their clients to return to the island to support the local economy, following the devastating 2023 wildfires. Advisors are hopeful that these efforts will help drive tourism to the island and support its recovery.
- An article was published in Cayman Marshall Magazine highlighting the importance of visiting Maui in a respectful and mindful way and encouraging Canadians to give back during their next visit. The article was written by Linda Barnard following her September 2024 visit to Maui as part of the HTCAN media fam and was a 4 page spread in print and online and highlights the Mālama Hawai'i program, the importance of respecting Hawaiian culture and the need for visitors to Maui following the wildfires in 2023. Cayman Marshall boasts an impressive audience of high-income readers who are discerning and looking for unique travel destinations, which aligns well with the demographic HTCAN is working to reach.

### Japan Major Market Area

- In March, HTJ launched a new video series on its official YouTube channel, debuting on March 5 with a total of 10 videos and 15 shorts. These releases generated 64,067 views and 3,499.4 watch hours for the main videos. Filming continued throughout the month at hotel suites, pools, and across the neighbor islands. The series includes Why Did You Come to Hawai'i?, which interviews Japanese visitors about their reasons for visiting; Sweet Hawai'i, showcasing suite rooms in hotels and

timeshares; Hawai'i Pool Sanpo, which features hotel pools with a duckie as the guide; and From Island, offering scenic postcard-like visuals of daily life in Hawai'i.

- HIS hosted the "HIS Grand Thanks Festival" in Tokyo on March 8-9, drawing around 10,000 visitors. On March 9, HTJ participated in a Hawai'i information session on the main stage highlighting family-friendly stays on O'ahu and attractions of the neighbor islands. With the support of promotional videos "Yappari Hawai'i" and "Beautiful Hawai'i", the session reached about 350 attendees and received positive feedback. HTJ also distributed 500 guidebooks and 1,000 original stickers, while gaining over 1,000 new LINE followers, helping grow Hawai'i's fan base.
- HTJ participated in the JOTC Webinar on March 3, themed "Latest Information on Hawai'i," where they shared updates on entry procedures and new restaurants and attractions on O'ahu with an audience of approximately 250 viewers. Additionally, on March 14, HTJ presented at an online seminar hosted by the Hawai'i Promotion Committee of Japan (HPCJ), delivering the same themed content to around 95 participants.
- HTJ is actively preparing for the Japan Summit 2025, scheduled for April 18, with 101 participants expected from 97 Japanese travel companies and 3 travel media outlets. Interest from Hawai'i partners is strong, with over 200 registration applications received. FAM tour plans are finalized, including a visit to Maui on April 15–16 by 11 staff members from JTB's Product Development and Group Travel Divisions, along with JTB Hawai'i. On O'ahu, approximately 60 staff from Sales and Product Development will explore Waikīkī, while around 40 staff from the Group and Educational Tour Division will join a volunteer tour at Kunia Country Farm (Nalo Farm), hosted by Volunteer Ally.

### *Oceania Major Market Area*

- HTO hosted a dedicated webinar with Flight Centre Travel Group, attracting 70 engaged attendees from across the network. The session offered destination updates across the Hawaiian Islands, with a focus on new product, experiences, and key selling points for Australian travelers.
- Two outstanding features from last year's "Taste of Aloha" media famil were covered in March: Carla Grossetti's story in International Traveller (reach: 150,000), and her premium placement in Travel + Luxury in The Australian (reach: 713,000). marie claire magazine (reach: 327,000) also published a vibrant piece from the same famil.

- Additional coverage this month included a dedicated feature on Kaua'i by Larry Heath in The AU Review (reach: 1 million) and Ute Junker's beautifully written article on Lāna'i in the Australian Financial Review (reach: 262,000).

### *Korea Major Market Area*

- In collaboration with Hawaiian Airlines, HTK hosted a trade Fam in March to promote mindful and regenerative travel to Hawai'i. Five top travel agents participated in a 7-day itinerary that included cultural and natural experiences on Hawai'i Island and O'ahu. The Fam received an outstanding satisfaction rating of 9.8 out of 10. Following the trip, participating agents began developing new Hawai'i travel products, which will be featured in a dedicated post-Fam promotion running from May to June 2025. These offerings highlight individual islands, cultural experiences, and Mālama Hawai'i initiatives, positioning Hawai'i as a destination where nature, culture, and community are deeply respected.
- HTK is partnering with Asiana Airlines on the "Your One & Only Premium Promotion" to drive ticket sales ahead of Asiana's upcoming daily service to Honolulu, operating from June 1 to October 24. Running from April 8 to May 8, the promotion, through a mix of digital platforms including app and website banners, push notifications, Kakao Friends, Naver Pay, and a dedicated event page, will showcase Hawai'i's top attractions, cuisine, and experiences. Customers who book Honolulu flights during this period will receive access to the Korean-language International Market Place Shopping Passport, with additional giveaways for shoppers spending over \$50 and exclusive benefits through the Asiana Airlines Magic Boarding Pass program.
- HTK is partnering with Hanjin Travel, a subsidiary of Korean Air, to launch a Kona-focused promotion. Running from April to November, the campaign will promote two key themes leisure and golf through seven different Hawai'i Island travel products designed to appeal to a broad audience. Featured itineraries include top attractions such as Hawai'i Volcanoes National Park, Rainbow Falls, Lili'uokalani Gardens, and Big Island Candies. A dedicated golf package is also in development. The promotion will be distributed across Hanjin Travel's special event page, Kakao BizTalk, LMS, app push, social media, and select golf courses.

### *China Major Market Area*

- HTC is finalizing plans for the 2025 China Travel Mission in collaboration with the Macao International Tourism Expo (MITE), set for April 25 - 27 in Macao, China. The

event will gather over 800 international buyers from Mainland China, Hong Kong, Macao, Taiwan, and Southeast Asia. HTC will host a prime-location booth and invited Hawai'i stakeholders to participate, offering a key opportunity to engage with regional buyers and media, strengthen partnerships, and promote the Hawaiian Islands brand. In March, HTC also secured coverage from the Macau Convention & Exhibition Economy Journal, which will publish a preview report and conduct a telephone interview in early April.

- On March 21, HTC participated in the Sweet Journey Roadshow in Xi'an, engaging with approximately 200 travel industry professionals from the region. The event also featured representatives from U.S. destinations such as Los Angeles, Chicago, and Rockefeller Center. HTC promoted Hawai'i's unique appeal by showcasing a wide range of activities through videos and imagery.
- HTC supported MICE agents, including BravoLink, Galaxy, and Jingwei MICE, in their bids to host the 2025 Manulife Group event in Hawai'i this June. The event, set to take place on O'ahu, is expected to bring over 150 attendees from across different regions of China.

### Europe Major Market Area

- The "People. The Place. The Hawaiian Islands." campaign launched its awareness phase in March across the UK, Germany, and Switzerland, running through the end of June. This campaign positions Hawai'i as the ideal destination for mindful travelers seeking a deeper connection with the land, its people, and the environment, with a strong focus on sustainability, wellness, and responsible tourism. Brand partners include Headspace, Happier, and Calm (via Spotify). For the tactical phase, tour operator partners include Kenwood Travel, Travelbag, Freedom Destinations, America Sky, and Kuoni in the UK, as well as CANUSA in Germany and Knecht Reisen in Switzerland.
- On March 27, HTE conducted a training session for 18 Trailfinders UK team members in London, featuring a presentation and an interactive terrarium-making workshop focused on sustainability and mālama. This hands-on experience deepened their understanding of Hawai'i and strengthened Trailfinders' ability to authentically represent and promote the destination, emphasizing responsible tourism. As one of the UK's leading operators, securing this training with Trailfinders is a rare and highly valuable opportunity.

- HTE participated in the Loop Leisure Spring Event from March 15-19, 2025, a premier B2B luxury travel forum in the German-speaking market. Over three days, THE staff held 40 one-on-one training appointments with top agency buyers and tour operators from Germany and Switzerland. The focus was on positioning the Hawaiian Islands as a premium destination, highlighting luxury accommodations, exclusive experiences, and newly launched signature hotels. The meetings also emphasized Hawai'i's rich culture, welcoming people, and commitment to regenerative tourism through the Mālama Hawai'i message. The event was a valuable opportunity to build relationships and promote Hawai'i's values-driven approach to luxury travel, with follow-up planned to nurture these connections.

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

### ***North America***

*According to AMEX Global Business Travel Forecast for 2025, the meetings and events industry is expected to remain stable in 2025 for MCI business, and meeting professionals are optimistic about the health of the industry. The survey found that 66 percent of them anticipate increased budgets. They plan to use this funding to support a broad range of business priorities. Companies will continue to invest in bringing their employees together in person for meetings. In fact, meeting professionals expect internal meetings to be the most frequent meeting type in 2025, though rising costs could mean companies become more selective about holding such events at hotel venues. Prices continue to rise on food and beverage, accommodation, and hospitality labor, creating cost challenges for the attendee experience. Incentive and special events will most likely be impacted by these price increases in 2025. Meeting professionals indicated they would change the destination or lodging or even shift to a virtual format to manage costs if needed.*

### ***Asia & Oceania***

According to AMEX Global Business Travel Forecast for 2025, the APAC meetings and conventions sector poised for notable expansion in 2025, fueled by a clear trend of increased spending. Industry professionals overwhelmingly anticipate higher meeting budgets, with a substantial majority forecasting growth. This surge is attributed to the region's robust economic activity and the rising strategic importance of meetings and events. Leading destinations, including Singapore, Tokyo, Hong Kong, Bangkok, and

Sydney, are positioned to capitalize on this growth, thanks to their strong infrastructure, excellent connectivity, and diverse offerings. Increasingly, factors like sustainability and technological integration are playing a crucial role in destination selection. The overall outlook for the APAC MCI industry in 2025 is one of growth, highlighting a dynamic and competitive market where innovation and strategic planning are paramount for success.

### Sales & Marketing Efforts:

Highlights for the month from the Single Property and Citywide teams:

- Following two months of growth in tentative bookings, March brought new challenges that impacted business conversion efforts. While the Single Property team maintained consistent booking activity, Citywide performance stagnated due to two main factors: the depletion of the Marketing Flexibility Fund availability except for in years 2028 and beyond due to having reached the budget cap, and preparations for the extended closure of the Hawai'i Convention Center in 2027.
  - According to AMEX and March's Northstar Meeting Group's Planner Pulse, planners are increasingly cautious, often delaying site selection or revisiting budgets due to rising costs. Destinations with limited incentive flexibility, like Hawai'i, are at a distinct disadvantage. Meanwhile, competitors have leaned into aggressive incentive offers and fast-track contracting.
- Looking ahead, we are focused on converting high-potential tentative bookings and developing a stronger incentive framework with alternative solutions. With 3–5 year booking windows returning, re-establishing our ability to close future-year business quickly will be key to long-term recovery
- Meet Hawai'i attended The EXCHANGE - Travel Partners Conference 2025 at Wailea Beach Resort from March 4-7, bringing together over 250 of Marriott's national top producers, VIP third-party clients, and corporate and incentive customers, reinforcing that Maui welcomes group and incentive business. Professional events focused on conducting business with aloha and meeting trends, with Meet Hawai'i leading round table discussions on the benefits of leveraging CVB relationships. The conference showcased Maui's local farmers and cuisines, featured high-level entertainment, and included activities such as snorkeling at Molokini, local farm tours, and whale watching. Participants contributed to Maui's reforestation efforts through the "Seeding the Future" initiative by planting seedlings that will be returned to the island's soil.

- The Meet Hawai'i Team Connected with Key Bay Area Clients Through Successful Multi-Island Road Show accompanied by five partners representing each island. In addition to educating and updating key customers through direct customer presentations, the road show offered our partners the opportunity to engage directly with 50+ key meeting and convention customers. The road show featured two exclusive events: a Golden State Warriors game at Chase Center and an 'Aloha Tuesday' brunch at Honor Kitchen in Emeryville, which included a Mana Up shopping experience. Clients also had the opportunity to donate gently used slippers, supporting Maui Slippah Solace in partnership with the Maui Cookie Lady.
- Meet Hawai'i shared aloha with 2025 PCMA GMAC chapter award winners and special customers at the 2025 Hospitality Industry Awards Luncheon on March 18, 2025, at the Marriott Hotel in Chicago. The event, which celebrated the success of 2024 and recognized the chapter's rising stars, welcomed 200 hospitality industry guests. The awards luncheon featured a panel of past winners discussing their industry success and highlighting the power of travel and meetings. Distinguished guests at the Hawai'i table included representatives from Lions Clubs International, Passport Meetings, Prestige Global Meeting Source, American Osteopathic Association, AAPD, American Association of Endodontist, Maritz, and Meet Hawai'i team members.
- In the *Smart Meetings* publication, Meet Hawai'i's own, Lynn Whitehead, received a nomination and recognition as an Industry Innovator in the publication's annual "2025 Smart Women in Meetings" awards.
- **Citywide:**
  - In anticipation of the formal announcement regarding the Hawai'i Convention Center closure, the team spent the latter part of March shifting 2027 tentative bookings into future years where possible. With most interest centered around 2027 and 2028, this required offloading a significant number of potential meetings. We are now resetting our focus on 2028 and beyond.  
On a positive note, the number of tentative leads has doubled year-over-year, with associated room nights up 98 percent. Despite the roadblocks faced in Q1, the team remains committed to driving new opportunities to the convention center and maintaining strong momentum.

- **Single Property:**

- March was highly productive for the Single Property team, with 25 meetings closed, resulting in Q1 definite production exceeding the Same Time Last Year (STLY) by an impressive 14,663 room nights. Key wins include six meetings secured for Maui, contributing 3,920 Total Room Nights (TRNs) and an estimated \$7.8 million in economic impact. Our definite bookings for Q1 2025 demonstrate significant momentum, finishing 136 percent ahead Year-Over-Year (YOY).
- The team is actively building a robust pipeline for future years, distributing 81 tentative leads across all islands. A significant 43 percent of these leads originate from the Continental West Coast, representing a potential \$129.8 million in economic impact, primarily for meetings in 2026 and 2027. While tentative leads are currently 13 percent behind STLY, the Single Property team is strategically adapting to the evolving group booking window for 2025 by intensifying prospecting efforts for all islands spanning 2025 through 2027.
- To further incentivize and support the team in securing valuable 2026 group business, they have launched a targeted Spring incentive program.

- **List of March Sales Activities:**

- **Client promotional events**
  - MPINCC Annual Conference & Experience – Monterey, CA
  - TPC Marriott Client event, Wailea Beach Resort – Maui, HI
- **Educational Events & Trade Shows**
  - Nor Cal Site for the Senses - Napa, CA
  - Prince Kūhiō Celebration at Hilton Waikīkī Beach Resort – Honolulu, HI
- **Sales Blitzes**
  - NorCal Roadshow Sales – CA
- **Site visits and familiarization (FAM)**
  - Farmers Insurance – O‘ahu, HI/Maui, HI
  - Jack in the Box – 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.

Below are highlights of March's activities:

- HTA GMT FAM: Hawai'i Island Mar. 1-3
  - *Island of Hawai'i* Visitors Bureau hosted the GMT FAM prior to the HTA Spring Update. Hosting HTCAN, HTK, HTC, HTJ, HTE, HTO, Global MCI, HTA, Access Cruise, and HVCB participants. The program consisted of check-in and buffet dinner at the Hilo Hawaiian Hotel. Hotel Sales Manager Linda Nako provided information about the hotel at dinner. Day 2 consisted of visits to Imu Mea 'Ai, Volcano Art Center, Tea Hawai'i & Co., Hawai'i Volcanoes National Park, and dinner at Lehua Restaurant at 'Imiloa Astronomy Center. Day 3 consisted of 'Akaka Falls State Park, Hawai'i Tropical Botanical Garden, and ended with lunch at Cafe Pesto in downtown Hilo. Based on the survey results, overall satisfaction was 77.7 percent, 22.2 percent were neutral. Guests were happy with their accommodation, but it was mentioned the Front Desk team could be more friendly. All attractions received a very satisfied or satisfied score. The Volcano Art Center was closed on the Sunday we visited. Not knowing they changed their hours of operation, they received neutral or dissatisfied scores. Hawaii Forest & Trail provided tour guides and transportation. They received outstanding scores for their high level of knowledge, professionalism, and friendliness
- HTK Trade FAM (IHVB and OVB): Mar. 17-19 (Hawai'i Island); Mar. 19-22 (O'ahu)
  - IHVB and OVB provided support, guidance, and collaborated on FAM itinerary development. The Hawai'i Island itinerary consisted of Hawai'i Volcanoes National Park, lunch at Hawaiian Style Café, 'Imiloa Astronomy Center, and a Maunakea star gazing tour. Participants' flight arrived over five hours late on the first day and therefore missed out on visiting Waiānuenue (Rainbow) Falls and Big Island Candies. However, they were able to experience Café Pesto for dinner on their first night. Suggestions for the O'ahu itinerary included Nā Lei Aloha Hula Show, Cirque du Soleil 'Auana, Polynesian Cultural Center, and dinner at Kani Ka Pila Grille. Per the survey, there was an overall 98 percent satisfaction rate for the dual island FAMs. Overall perception of Hawai'i and the two islands improved,

with participants planning to include new products and expand Hawai'i Island/neighbor island options into their offerings. No major areas for improvement except for early wakeup times.

- Multi-Island IVB FAM (OVB and KVB): Mar. 16-19 (O'ahu); Mar. 19-22 (Kaua'i)
  - OVB and KVB collaborated with Apple Leisure Group Vacations (ALGV) to execute a multi-island FAM program, hosting five top-producing travel advisors. ALGV pre-qualified applicants for Island Visitors Bureaus' review. The program featured a welcome reception, in-depth destination training, and immersive experiences. A survey will be distributed, with findings included in the annual wrap-up report.
- Sales Meeting with Hawai'i-based Japanese Tour Operators and Credit Card Company (OVB, IHVB, HTJ): Mar. 20
  - Initiated by OVB and in collaboration with HTJ and IHVB, the team met with executives at HIS, Rakuten Travel, Jalpak, JTB, and JCB (eight executives). The purpose for the meeting was to better understand market changes in Japan, direction being taken to increase Hawai'i travel, share O'ahu and Island of Hawai'i updates, discuss challenges, build relationships, and thank them for their collective support of the destination. Rakuten shared the Japanese market is returning and they have exceeded their 2019 arrivals and revenue. Edu-tourism continues to be important to the tour operators and they are open to FAM opportunities with IVBs/HTJ. Challenges shared were rising travel costs, intra-Asia competition, dynamic packaging with some hotels for some tour operators, inclusion of neighbor island hotel product, and beach park access on O'ahu.
- HTO Multi-Island Individual Media Visit (IHVB and OVB): Mar. 25-30
  - IHVB and OVB supported an HTO generated individual media visit, Catherine McGregor, on assignment for Kia Ora! Magazine (New Zealand Air's inflight publication). Catherine spent the first three nights on Hawai'i Island, followed by two nights on O'ahu. IHVB provided itinerary support including two nights at Royal Kona Resort, a tour at Kona Cloud Forest, an evening manta snorkel with Anelakai Adventures, Greenwell Farms, suggested sites and dining recommendations. OVB provided itinerary support including Yoga Floats Glow SUP Yoga with Fireworks, 'Iolani Place Tour, and lunch at Moku Kitchen, suggested experiences including 'Auana, Cirque du Soleil, and dining suggestions.

## **GMT SUPPORT**

*Kaua'i Visitors Bureau*

	Public Relations	Consumer Direct	Travel Trade
HTUSA	0	0	0
HTJ	0	1	0
HTCAN	0	0	1
HTO	1	0	2
HTK	0	0	1
HTC	0	0	1
HTE	1	0	2
Global MCI	0	0	0

HTE – Provided guidance and connections with partners for upcoming product managers visit from FDM Denmark. Provided amenities and digital resources for Loop Luxury Event.

#### *O'ahu Visitors Bureau*

	Public Relations	Consumer Direct	Travel Trade
HTUSA	0	1	3
HTJ	0	0	0
HTCAN	1	1	1
HTO	1	2	2
HTK	1	1	1
HTC	0	0	0
HTE	2	1	1
Global MCI	0	0	1

HTO – Collaborating with HTO to partner and leverage Qantas' MEL-HNL inaugural flight for an O'ahu media FAM from Australia in May. Successfully advocated for seats with Qantas, and the FAM is now moving forward.

#### *Maui Visitors and Convention Bureau*

	Public Relations	Consumer Direct	Travel Trade
HTUSA	0	1	1
HTJ	1	0	0
HTCAN	1	0	1
HTO	1	0	0
HTK	1	0	0
HTC	0	0	1
HTE	0	0	2
Global MCI	0	0	0

HTE – Itinerary and partner support for Travel Trade Luxury FAM Trip, Sept. 5-8.

HTCAN – Preparing for Spoiled Travel Agents webinar, Apr. 25.

HTO – Itinerary development for Aqua-Aston x HTO Group Media Famil, July.

### *Island of Hawai'i Visitors Bureau*

	Public Relations	Consumer Direct	Travel Trade
HTUSA	0	0	2
HTJ	1	0	0
HTCAN	0	0	0
HTO	1	0	0
HTK	0	0	1
HTC	0	0	0
HTE	0	0	2
Global MCI	0	0	0

HTE – Itinerary development and partner support for Audley Travel FAM.

HTUSA – Wholesale partner FAM program opportunities.

### *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 updating of our 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.

- In March, meetings were held virtually with American (discussion of new service announcements ORD-HNL and DFW-KOA and second DFW-OGG for next winter), Alaska/Hawaiian (general status call), Delta (to communicate suspension of BOS-HNL and start of SLC-KOA), and Southwest (general status call).
- Reviewed the March social calendars for Oceania and Korea, providing feedback to each GMT and helping make any necessary adjustments to ensure the content was culturally appropriate and aligned with the brand.

- Managed ongoing requests in collaboration with Miles Partnership, including the launch of the Qurator program. In partnership with Kilohana, the Qurator seal/logo was added to ensure that updated business members on gohawaii have a presence and are directly linked to their Qurator website profiles, further expanding the program's visibility and reach.

## 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*

HTA welcomed Kendrick Leong, HTA's Planner, on March 10. The Director of Planning and the Planner have been working with the Destination Managers to finalize the selection criteria for the DMAP Advisory Groups, as well as developing the requests for proposals for facilitation services and writing of the DMAPs and HTA Strategic Plan. The Planner has been reviewing HTA's measures of performance and determining how to streamline data input and reporting. The Planner has been working with the program staff to begin the development of their yearly activity plans for FY 2026.

### *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*

Staff continues to engage with DLNR on their EDA projects and continued monthly check-ins with the DLNR team. Projects continue to be executed.

## V. FINANCE BRANCH

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

Contract No.	Contractor	Description	Contract Amount	Total Contract Value	Start Date	End Date
23003 S3	Hawaii Visitors and Convention Bureau	Hawaii Tourism Destination Brand Management & Marketing Services for US MMA	(\$2,045,500.00)	\$37,054,500.00	3/3/2025	12/31/2025
25005 S1	PGA Tour Enterprises, LLC	PGA Tour Aloha Swing 2025	\$0.00	\$1,996,350.00	3/14/2025	6/30/2025
Contract Type: • Sole Source † Procurement Exemption Θ Emergency			\$0.00			

## **8**

**Report and/or Action by the LEGISLATIVE  
PERMITTED INTERACTION GROUP**

Hawai'i Tourism Authority  
2025 Legislature Session  
Bill Status as of 4/29/2025

	Measure	Measure/Report Title/Description	PRIORITY 1 - HTA 2 - Tourism	Bucket	POSITION (S) Support (O) Oppose (C) Comments (M) Monitor (R) Remove	Outcome
Governance BILLS						
1	<a href="#">SB1571 SD2 HD3 CD1</a>	<b>RELATING TO TOURISM.</b> Exempts all positions filled by the Hawai'i Tourism Authority within the Department of Business, Economic Development, and Tourism from the state civil service law. Amends the definition of "convention center facility" for purposes of chapter 201B, HRS, to clarify that the facilities must reflect a Hawai'i sense of place. Designates the Hawai'i Tourism Authority Board of Directors (Board) as an advisory board. Removes the Director of Business, Economic Development, and Tourism as a member of the Board. Requires a member of the Board to represent a tourism-impacted entity. Provides that the President of the Senate and Speaker of the House of Representatives each appoints a member of the Board. Makes the President and CEO of the Hawai'i Tourism Authority a position appointed by the Board, with the advice and consent of the Senate. Requires the President and CEO of the Hawai'i Tourism Authority to report to the Governor. Amends the eligibility requirements to serve on the Board. Provides that the President and CEO of the Hawai'i Tourism Authority's length of term of service shall be set by written contract by the Board. (CD1)	1	Governance	C	CONFERENCE COMMITTEES PASSED WITH AMENDMENTS CD1
2	<a href="#">SB1536 SD2 HD2 CD1</a>	<b>RELATING TO THE HAWAII TOURISM AUTHORITY.</b> Repeals the exemption of the President and Chief Executive Officer of the Hawai'i Tourism Authority from the State's Employees' Retirement System. Requires a retirant returning to service as the President and Chief Executive Officer of the Hawai'i Tourism Authority to re-enroll into the Employees' Retirement System. (CD1)	1	Governance	S	CONFERENCE COMMITTEES PASSED WITH AMENDMENTS CD1
3	<a href="#">SB986 SD1</a>	<b>RELATED TO TOURISM.</b> Removes "global economic crisi" as opportunity to request a tourism emergency. Reduces the minimum balance to be maintained in the Tourism Emergency Special Fund (from \$5m to \$3m). Effective 7/1/2050. (SD1)	1	Governance	C	DEAD WAM did not hear bill

Hawai'i Tourism Authority  
2025 Legislature Session  
Bill Status as of 4/29/2025

	Measure	Measure/Report Title/Description	PRIORITY 1 - HTA 2 - Tourism	Bucket	POSITION (S) Support (O) Oppose (C) Comments (M) Monitor (R) Remove	Outcome
TAT BILLS						
15	<a href="#">SB1396 SD3 HD3 CD1</a>	<b>RELATING TO ECONOMIC DEVELOPMENT.</b> Beginning 7/1/2025, requires the Governor to request in the executive budget or supplemental budget that an amount of general funds that approximates the additional Transient Accommodations Tax revenue generated by this Act be expended to advance certain climate change mitigation and tourism projects. Increases the Transient Accommodations Tax rate beginning on 1/1/2026. Assesses the Transient Accommodations Tax on gross rental proceeds derived from cruise fares. Amends the amount of Transient Accommodation Tax that shall be deposited into the Mass Transit Special Fund. Amends the allowable uses of the Special Land and Development Fund and the portion of Transient Accommodations Tax collections that are allocated to the Special Land and Development Fund. Effective 1/1/2026. (CD1)	2	TAT	S/C	CONFERENCE COMMITTEES PASSED WITH AMENDMENTS CD1
16	<a href="#">HB1077 HD2</a>	<b>RELATING TO ECONOMIC DEVELOPMENT.</b> Increases the TAT and allocates a portion of the tax to the general fund for projects that address climate change impacts and advance economic development and revitalization. Effective 7/1/3000. (HD2)	1	TAT	S/C	DEAD
17	<a href="#">HB1076 HD1</a>	<b>RELATING TO STATE FUNDS.</b> Establishes the Climate Mitigation and Resiliency Special Fund. Allows allocation of TAT to Fund, but <u>no TAT rate change</u> . Mandates the allocation of all earned interest from the Emergency and Budget Reserve Fund to the newly established special fund. Appropriates funds. Effective 7/1/3000. (HD1)	2	TAT	C	DEAD
18	<a href="#">SB1395 SD1</a>	<b>RELATING TO STATE FUNDS.</b> Establishes the Climate Mitigation and Resiliency Special Fund. Requires allocation of interest from the Emergency and Budget Reserve and portion of TAT to the Fund. <u>No TAT rate change</u> . Effective 7/1/2050. (SD1)	2	TAT	C	DEAD
19	<a href="#">HB504 HD2 SD2</a>	<b>RELATING TO ENVIRONMENTAL STEWARDSHIP.</b> Amends the transient accommodations tax rate beginning on 1/1/2027. Beginning 1/1/2027, requires collection of a monthly tax of \$20 per passenger per port entry or any commercial passenger vessel at any port facility under the jurisdiction of the department of taxation. Establishes a Transient Accommodation Tax Enforcement Working Group. Requires the transfer of all agricultural leases under the jurisdiction of the Department of Land and Natural Resources to the Department of Agriculture. Appropriates funds to the Department of Land and Natural Resources for certain environmental stewardship projects. Appropriates funds to the Hawai'i Tourism Authority for its operating budget request. Requires reports to the Legislature. Effective 7/1/3000. (SD2)	2	TAT	C	DEAD
20	<a href="#">HB604 HD1</a>	<b>RELATING TO TAX REVENUES.</b> Beginning on 1/1/2026, <u>increases TAT by 1%</u> . Deposits the increased revenues into the Hawaiian Home General Loan Fund. Effective 7/1/3000. (HD1)	2	TAT	C	DEAD
21	<a href="#">SB486</a>	<b>RELATING TO THE POMAIKAI HAWAII FUND.</b> Establishes the Pomaikai Hawaii Fund within the Department of Budget and Finance for administrative purposes.	2	TAT/Visitor Green Fee	C	DEAD

Hawai'i Tourism Authority  
2025 Legislature Session  
Bill Status as of 4/29/2025

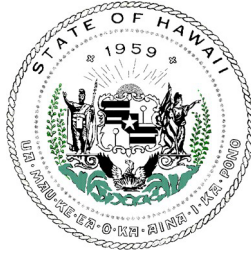
	Measure	Measure/Report Title/Description	PRIORITY 1 - HTA 2 - Tourism	Bucket	POSITION (S) Support (O) Oppose (C) Comments (M) Monitor (R) Remove	Outcome
Other BILLS						
12	<a href="#">SB583 SD2 HD1 CD1</a>	<b>RELATING TO NAMING RIGHTS.</b> Allows the naming rights of the Stadium Facility and Convention Center Facility to be leased to any public or private entity. Requires any revenues derived from advertising or marketing in or on the Stadium Facility or Convention Center Facility to be deposited into the appropriate special fund of the facility. Authorizes the display of the name of any entity that leased the naming rights to a stadium operated by the Stadium Authority on the exterior of the stadium. (CD1)	1	Hawaii Convention Center	C	CONFERENCE COMMITTEES PASSED WITH AMENDMENTS CD1
13	<a href="#">HB448 HD1 SD1</a>	<b>RELATING TO TECHNOLOGY ENABLEMENT.</b> Appropriates funds to the Hawai'i Technology Development Corporation to assist small businesses, including those related to the tourism sector, with technology enablement. Effective 7/1/2050. (SD1)	2	Regenerative Tourism	S	DEAD
14	<a href="#">SB1639 SD1</a>	<b>RELATING TO HAWAII BEACH DAY.</b> Establishes Hawai'i Beach Day. Requires the Hawai'i Tourism Authority, in collaboration with the Department of Land and Natural Resources, to organize and support events and activities to celebrate and observe Hawai'i Beach Day. Requires annual reports to the Legislature. Appropriates funds. Effective 7/1/2050. (SD1)	1	Regenerative Tourism	C	DEAD
15	<a href="#">HB925 HD3 SD1</a>	<b>RELATING TO THE ARTS.</b> Establish a Performing Arts Special Fund to be used for the coordination, planning, promotion, marketing, and execution of performing arts events and to be funded by one per cent of all ticket sales from concerts held at state venues. Effective 7/1/3000. (HD2)	2	Hawaii Convention Center	C	DEAD
16	<a href="#">SB891 SD2</a>	<b>RELATING TO ECONOMIC DEVELOPMENT.</b> Establishes a Tourism and Gaming Working Group within the Department of Business, Economic Development, and Tourism. Requires a report to the Legislature. Effective 7/1/2050. (SD2)	1	Gaming	C	DEAD
17	<a href="#">HB966 HD2</a>	<b>RELATING TO AGRICULTURAL TOURISM.</b> Establishes statewide, uniform standards to promote agricultural tourism activities in the State for all counties that have adopted an agricultural tourism ordinance. Requires agricultural tourism activities to be registered by the county planning department. Requires agricultural tourism activities to coexist with an agricultural activity on a farming operation and requires termination of the agricultural tourism activities upon cessation of the agricultural activity, except under certain circumstances. Makes conforming amendments. Effective 7/1/3000. (HD2)	2	Ag Tourism	C	DEAD

# **9**

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

## **9a**

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



**The State of Hawai`i**  
**Department of Business, Economic Development, and Tourism**  
**Hawai`i Tourism Authority**  
**Financial Statements**  
**February 28, 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  
February 28, 2025  
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**Hawaii Tourism Authority**  
**Balance Sheet**  
**As of February 28, 2025**

	<b>Tourism Funds</b>	<b>Convention Center Funds</b>	<b>Roof Repair Project</b>	<b>Tourism Emergency Special Fund</b>	<b>EDA-ARPA State Tourism Grant</b>	<b>Total</b>
<b>Assets</b>						
Fiscal Year (FY) 2025 General Funds	43,553,091	-	-	-	-	43,553,091
FY 2024 General Funds	350,574	2,078,262	-	-	-	2,428,836
Subtotal - General Funds	43,903,665	2,078,262	-	-	-	45,981,927
Special Funds (restricted)	8,386,067	46,206,295	-	-	-	54,592,362
Federal Grants	-	-	-	-	8,200,717	8,200,717
General Obligation Bonds (GOB)	-	-	75,700,648	-	-	75,700,648
Cash and Cash Equivalents	-	-	-	396,575	-	396,575
Total Assets	52,289,732	48,284,557	75,700,648	396,575	8,200,717	184,872,229
<b>Liabilities and Fund Balances</b>						
<b>Liabilities (Special Funds)</b>						
Transfer due to B&F		11,000,000		-	-	11,000,000
Total liabilities	-	11,000,000		-	-	11,000,000
<b>Fund Balances</b>						
FY 2025 Encumbered - General Funds	28,859,951	-	-	-	-	28,859,951
FY 2024 Encumbered - General Funds	350,574	2,078,262	-	-	-	2,428,836
Unencumbered - General Funds	14,693,140	-	-	-	-	14,693,140
Total General Fund Balances	43,903,665	2,078,262	-	-	-	45,981,927
Encumbered - Special Funds	595,644	19,154,552	-	198,610	5,144,345	25,093,151
Unencumbered - Special Funds	7,790,423	16,051,743	-	197,965	3,056,372	27,096,503
Total Special Fund Balances	8,386,067	35,206,295	-	396,575	8,200,717	52,189,654
Encumbered - GOB	-	-	17,746,657	-	-	17,746,657
Unencumbered - GOB	-	-	57,953,991	-	-	57,953,991
Total GOB Fund Balance	-	-	75,700,648	-	-	75,700,648
Total Fund Balances	52,289,732	37,284,557	75,700,648	396,575	8,200,717	173,872,229
Total Liabilities and Fund Balances	52,289,732	48,284,557	75,700,648	396,575	8,200,717	184,872,229

\* 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**  
**February 28, 2025**

	Actual			Budget vs. Actual	
	Month Ended February 28, 2025	Year to Date	Remaining Encumbrances	FY 25 Budget	Under (Over) Budget
<b>Expenditures</b>					
Administration and Governance	179,962	1,553,420	827,492	3,696,660	1,315,748
Branding and Marketing	278,316	13,732,266	22,211,192	39,249,201	3,305,743
Sports and Signature Events	1,807,080	2,582,080	2,057,164	7,318,075	2,678,831
Dest. Stewardship and Community	31,338	456,842	1,599,107	7,923,883	5,867,934
Regenerative Tourism Development	476,264	881,974	1,554,713	3,762,181	1,325,494
Workforce Development	-	240,327	610,283	1,050,000	199,390
Total	2,772,960	19,446,909	28,859,951	63,000,000	14,693,140
Change in Fund Balance	(2,772,960)	(19,446,909)			
<b>Fund Balances</b>					
February 1, 2025 / July 1, 2024	46,326,051	63,000,000			
February 28, 2025	43,553,091	43,553,091			

\* 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**  
**February 28, 2025**

	<b>Month Ended February 28, 2025</b>	<b>Year to Date</b>	<b>Remaining Encumbrances</b>
<b>Expenditures</b>			
Branding	-	2,306,829	85,286
Destination Management	-	5,210,982	10,289
Governance and Org-Wide*	-	147,200	-
Perpetuating Hawaiian Culture	2,000	88,000	116,583
Planning & Evaluation	12,365	26,731	115,166
Resident and Industry Comms	-	87,985	6,250
Workforce Development	-	7,000	17,000
Total	14,365	7,874,727	350,574
Change in Fund Balance	(14,365)	(7,874,727)	
 Lapsed Funds	-	(1,113,151)	
 <b>Fund Balances</b>			
February 1, 2025 / July 1, 2024	364,939	9,338,452	
February 28, 2025	350,574	350,574	

\* 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**  
**February 28, 2025**

	<b>Month Ended February 28, 2025</b>	<b>Year to Date</b>	<b>Remaining Encumbrances</b>
<b>Revenues</b>			
Interest, Net	22,334	317,345	
Total	<u>22,334</u>	<u>317,345</u>	
<b>Expenditures</b>			
Administration	3,716	39,700	12,503
Branding	133,303	277,096	267,141
Destination Management	-	-	230,000
Resident and Industry Comms	-	22,602	-
Workforce Development	-	-	86,000
Total	<u>137,019</u>	<u>339,398</u>	<u>595,644</u>
Change in Fund Balance	<u>(114,685)</u>	<u>(22,053)</u>	
<b>Fund Balances</b>			
February 1, 2025 / July 1, 2024	8,500,752	8,408,120	
February 28, 2025	<u>8,386,067</u>	<u>8,386,067</u>	

\* 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**  
**February 28, 2025**

	<b>Month Ended February 28, 2025</b>	<b>Year to Date</b>	<b>Remaining Encumbrances</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>			
February 1, 2025 / July 1, 2024	2,078,262	2,078,262	
February 28, 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**  
**February 28, 2025**

	<b>Month Ended February 28, 2025</b>	<b>Year to Date</b>	<b>Remaining Encumbrances</b>
<hr/>			
<b>Revenues</b>			
HCC Operations	-	1,235,696	
Interest	105,122	1,061,358	
TAT	-	11,000,000	
Total	<u>105,122</u>	<u>13,297,054</u>	
<b>Expenditures</b>			
HCC Marketing	-	788,336	814,964
HCC Operations	-	1,066,284	3,216,034
HCC Repairs and Maintenance	-	12,990,828	15,123,554
Total	<u>-</u>	<u>14,845,448</u>	<u>19,154,552</u>
Change in Fund Balance	<u>105,122</u>	<u>(1,548,394)</u>	
<b>Fund Balances</b>			
February 1, 2025 / July 1, 2024	<u>46,101,173</u>	<u>47,754,689</u>	
February 28, 2025	<u>46,206,295</u>	<u>46,206,295</u>	

\* 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**  
**February 28, 2025**

	<b>Month Ended February 28, 2025</b>	<b>Year to Date</b>	<b>Remaining Encumbrances</b>
<hr/>			
<b>Revenues</b>			
Appropriation Transfer	-	63,421,130	
	-	63,421,130	
<hr/>			
<b>Expenditures</b>			
HCC Full Roof Repair	324,592	2,292,870	17,746,657
Total	324,592	2,292,870	17,746,657
Change in Fund Balance	(324,592)	61,128,260	
<hr/>			
<b>Fund Balances</b>			
February 1, 2025 / July 1, 2024	76,025,240	14,572,388	
February 28, 2025	75,700,648	75,700,648	
<hr/>			

\* 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**  
**February 28, 2025**

	<b>Month Ended February 28, 2025</b>	<b>Year to Date</b>	<b>Remaining Encumbrances</b>
<b>Revenues</b>			
Interest, Net	871	3,965	
Total	871	3,965	
<b>Expenditures</b>			
Administration	159	159	-
Branding	10,000	100,000	10,000
Destination Management	127,503	175,000	178,400
Planning & Evaluation	-	25,000	-
Resident and Industry Comms	1,571	79,390	10,210
Total	139,233	379,549	198,610
Change in Fund Balance	(138,362)	(375,584)	
<b>Fund Balances</b>			
February 1, 2025 / July 1, 2024	534,937	772,159	
February 28, 2025	396,575	396,575	

\* 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**  
**February 28, 2025**

	<b>Month Ended February 28, 2025</b>	<b>Year to Date</b>	<b>Remaining Encumbrances</b>
<b>Expenditures</b>			
Administration	-	-	-
Branding	-	2,500,000	-
Destination Management	226,000	856,000	5,144,345
Planning & Evaluation	-	-	-
Salaries and Fringe	-	-	-
Total	<u>226,000</u>	<u>3,356,000</u>	5,144,345
Change in Fund Balance	<u>(226,000)</u>	<u>(3,356,000)</u>	
<b>Fund Balances</b>			
February 1, 2025 / July 1, 2024	<u>8,426,717</u>	<u>11,556,717</u>	
February 28, 2025	<u>8,200,717</u>	<u>8,200,717</u>	

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

Hawaii Tourism Authority  
February 28, 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** – Pursuant to Section 3 of Act 230, SLH 2024, the 2024 Legislature appropriated \$63,000,000 of state general funds for HTA's fiscal year 2025 operating budget. The law divided the \$63,000,000 between six programs 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. Per Executive Memorandum 24-04, *FY 25 Budget Execution Policies and Instructions*, HTA's operating budget is subject to a 10% restriction imposed by the Department of Budget and Finance. The HTA staff and board have discussed the matter and have informed all major vendors to adjust plans and budgets accordingly. On January 24, 2025, the Governor released the \$6,300,000 of restricted funds to support additional branding and marketing efforts due to the anticipated downturn in tourism and the continued slump in Maui hotel occupancy. The Authority is developing a plan to utilize the \$6,300,000. 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

Hawaii Tourism Authority  
February 28, 2025  
Selected Management Disclosures

with a \$34,000,000 expenditure ceiling in Section 3 of Act 230, SLH 2024. The expenditure ceiling will lapse on June 30, 2025.

The 2023 State Legislature did not provide the CCESF with an expenditure ceiling 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, on the condition that HTA will subsequently 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 lapsed 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.

In the sixth emergency proclamation relating to the Maui wildfires, on August 19, 2023, the governor declared a tourism emergency. The Governor extended the tourism emergency in the twentieth emergency proclamation, dated February 4, 2025.

**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

Hawaii Tourism Authority  
February 28, 2025  
Selected Management Disclosures

the Grant Administration Plan (GAP) before the commencement of work. EDA approved the Authority's GAP on March 21, 2023. The Authority will share approximately \$7,200,000 of the grant with the Department of Land and Natural Resources (DLNR) to enhance and develop Hawaii's outdoor recreational assets. All work must be completed by May 31, 2027, and money spent by September 30, 2027.

**Basis of Accounting**

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

**Transient Accommodations Tax (TAT)**

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

**Governance & Org-Wide Expenditures**

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

**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, 2024, management estimated the accrued vacation liability of approximately \$328,000, with a current liability of approximately \$105,000.

**3. Retirement Benefits**

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

At June 30, 2024, management reported a net pension liability of approximately \$6,372,000 for its proportionate share of the State's net pension liability. An actuarial valuation determined the net pension liability as of June 30, 2023.

Hawaii Tourism Authority  
February 28, 2025  
Selected Management Disclosures

For the year ended June 30, 2024, the Authority recognized pension expenses of approximately \$428,000. On June 30, 2024, management estimated the deferred outflows and deferred inflows of resources related to pensions of approximately \$221,000 and (\$293,000), respectively.

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

On June 30, 2024, management estimated the net other post-employment benefits (OPEB) liability of approximately \$4,924,000. An actuarial valuation measured the net OPEB liability as of July 1, 2023.

For the year ended June 30, 2024, the Authority recognized OPEB expenses of approximately \$203,000. On June 30, 2024, management estimated the deferred outflows and deferred inflows of resources related to OPEB of approximately \$77,000 and (\$451,000), respectively.

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

Under sections HRS 201B-9 and 201B-10, the Authority prepared a \$5,000,000 Maui recovery and response plan on December 21, 2023, and then amended the plan on October 3, 2024. Upon completion of plan, the emergency fund will have a cash balance of approximately \$103,000.

The table below summarizes spending to February 28, 2025:

<b>Maui Response and Recovery Total Spending to February 28, 2025</b>			
<b>Program</b>	<b>Budget</b>	<b>Paid to Date</b>	<b>Unspent</b>
Immediate Wildfire Response	247,293	247,293	-
Long-term Housing	25,000	25,000	-
Marketing Promotions for Sports Event	3,400	-	3,400
Maui Resident Communications Campaign	349,307	343,129	6,178
Pop-Up Makeke	25,000	25,000	-
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	100,000	-
VEPAM	300,000	150,000	150,000
<b>Total</b>	<b>5,000,000</b>	<b>4,840,422</b>	<b>159,578</b>

## **Supplementary Information**

**Hawaii Tourism Authority**  
**Supplementary Information**  
**Budget vs. Actual**  
**Tourism General Funds - Fiscal Year 2025**  
**July 1, 2024 to February 28, 2025**

Budget Line Item	BLI Code	Paid to Date	Remaining Encumbrance To Date	Fiscal Year 2025 Budget	Under (Over) Budget
<b>Program - Administration and Governance</b>					
Campaign Effectiveness Study	010	91,776	70,224	162,000	-
Community-Industry Outreach & PR Svcs	101	35,125	51,875	225,000	138,000
Cruise Infrastructure Imprv. and Arrival Experience	004	41,700	38,400	80,100	-
General and Administrative	901	270,634	153,455	641,409	217,321
Governance - Gen Board Others	919	34,882	75,625	117,000	6,493
HawaiiTourismAuthority.org	103	-	-	22,500	22,500
Professional Services	915	97,609	47,391	145,000	-
Program Evaluation	654	-	419	81,000	80,581
Salaries - Admin	930	957,218	-	1,438,985	481,767
Tourism Strategic Plan Update	915	-	-	270,000	270,000
Travel - Admin	998	15,956	7,841	54,000	30,203
Travel - Branding	398	6,281	5,573	45,000	33,146
Travel - Destination Stewardship	898	2,239	7,023	45,000	35,737
Budget Restriction	BR	-	369,666	369,666	-
<b>Subtotal - Administration and Governance</b>		<b>1,553,420</b>	<b>827,492</b>	<b>3,696,660</b>	<b>1,315,748</b>
<b>Program - Branding and Marketing</b>					
Canada	322	352,638	547,362	900,000	-
Convention Center Sales & Marketing	317	1,220,330	2,104,670	6,008,985	2,683,985
Europe	326	361,638	538,362	900,000	-
Global Support Services	350	578,125	637,478	1,237,500	21,897
Island-Destination International Marketing	306	1,200,000	1,680,000	2,880,000	-
Japan	323	2,520,000	3,330,000	5,850,000	-
Korea	324	565,876	243,400	810,000	724
Oceania	325	358,634	590,000	1,161,815	213,180
Salaries - Branding	934	169,732	-	523,981	354,249
Travel - Branding	398	-	-	-	-
USA	321	6,405,293	8,615,000	15,052,001	31,708
Budget Restriction	BR	-	3,924,920	3,924,920	-
<b>Subtotal - Branding and Marketing</b>		<b>13,732,266</b>	<b>22,211,192</b>	<b>39,249,201</b>	<b>3,305,743</b>
<b>Program - Sports and Signature Events</b>					
Basketball	376	600,000	150,000	750,000	-
Community Tourism Collaborative	656	-	-	-	-
Football	384	-	-	955,000	955,000
LPGA	343	175,000	75,000	250,000	-
PGA Tour Contracts	312	1,597,080	399,270	1,996,350	-
Signature Events	700	-	444,087	1,467,689	1,023,602
Sports RFP or Other Procurement	385	-	-	630,989	630,989
Salaries - Sports and SE	937	-	-	69,240	69,240
Surfing	374	210,000	90,000	300,000	-
UH Athletics Branding Partnership	378	-	167,000	167,000	-
Budget Restriction	BR	-	731,807	731,807	-
<b>Subtotal - Sports and Signature Events</b>		<b>2,582,080</b>	<b>2,057,164</b>	<b>7,318,075</b>	<b>2,678,831</b>

**Hawaii Tourism Authority**  
**Supplementary Information**  
**Budget vs. Actual**  
**Tourism General Funds - Fiscal Year 2025**  
**July 1, 2024 to February 28, 2025**

Budget Line Item	BLI Code	Paid to Date	Remaining Encumbrance To Date	Fiscal Year 2025 Budget	Under (Over) Budget
<b>Program - Destination Stewardship and Community</b>					
Community-Based Tourism - Oahu	731	-	-	139,985	139,985
Community-Based Tourism - Maui County	732	-	-	139,985	139,985
Community-Based Tourism - Hawaii Island	733	-	-	139,984	139,984
Community-Based Tourism - Kauai	734	-	-	139,984	139,984
Community Tourism Collaborative	656	-	98,103	98,103	-
Destination Management Application	740	-	-	3,150,000	3,150,000
Kahu Aina	402	-	-	674,057	674,057
Resort Area Hawaiian Cultural Initiative	718	-	-	367,043	367,043
Salaries - Destination Stewardship	938	163,545	-	557,583	394,038
Visitor Assistance Programs	601	261,000	274,950	585,000	49,050
Visitor Education Post Arrival Marketing	014	32,298	433,666	1,139,771	673,808
Budget Restriction	BR	-	792,388	792,388	-
<b>Subtotal - Destination Stewardship and Comm.</b>		<b>456,842</b>	<b>1,599,107</b>	<b>7,923,883</b>	<b>5,867,934</b>
<b>Program - Regenerative Tourism Development</b>					
Community Enrichment Program	701	258,767	392,832	1,134,383	482,784
Community Tourism Collaborative	656	258,767	392,832	1,371,165	719,566
Kukulu Ola: Living Hawaiian Cultural Prog	201	258,767	392,832	674,057	22,458
Salaries - Regenerative Tourism	939	105,672	-	206,357	100,686
Budget Restriction	BR	-	376,218	376,218	-
<b>Subtotal - Regenerative Tourism Development</b>		<b>881,974</b>	<b>1,554,713</b>	<b>3,762,181</b>	<b>1,325,494</b>
<b>Program - Workforce Development</b>					
Future Workforce Development (LEI)	803	-	150,000	151,667	1,667
Hawaiian Culture Initiative	202	-	78,600	208,333	129,733
Hawai'i Tourism Summit	102	197,327	16,443	270,000	56,230
Scholarship Program	805	43,000	260,240	315,000	11,760
Budget Restriction	BR	-	105,000	105,000	-
<b>Subtotal - Workforce Development</b>		<b>240,327</b>	<b>610,283</b>	<b>1,050,000</b>	<b>199,390</b>
<b>Total - Fiscal Year 25 Tourism General Funds</b>		<b>19,446,909</b>	<b>28,859,951</b>	<b>63,000,000</b>	<b>14,693,140</b>



## Statement of Account

Last statement: January 31, 2025  
This statement: February 28, 2025  
Total days in statement period: 28

Page 1 of 1  
Number of Enclosures: (0)

Direct inquiries to:  
888 643-3888



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

BANK OF HAWAII  
111 S KING ST  
HONOLULU HI 96813

**Bank of Hawaii**

**WHEN YOU NEED TO ORDER (OR REORDER) CHECKS OR OTHER BUSINESS ACCESSORIES, CALL BUSINESS SOLUTIONS BY HARLAND CLARKE TOLL-FREE AT 1-800-503-2345 FOR CONVENIENCE, QUALITY AND A FULL RANGE OF CHOICES. NEW BUSINESS CHECK ORDERS ARE ALSO WELCOME.**

### Analyzed Business Checking

Account number	0091-585227	Beginning balance	\$295,164.82
Low balance	\$155,935.63	Total additions	.00
Average balance	\$212,343.70	Total subtractions	139,229.19
		Ending balance	\$155,935.63

### CHECKS

Number	Date	Amount	Number	Date	Amount
1039	02-10	102,502.50	1043	02-25	523.56
1041 *	02-14	10,000.00	1044	02-21	25,000.00
1042	02-13	1,047.12			

\* Skip in check sequence

### DEBITS

Date	Description	Subtractions
02-12	ACH Debit	151.98
	HARLAND CLARKE CHK ORDER 250208 2CM565930327600	
02-26	Account Analysis Fee	4.03
	ANALYSIS ACTIVITY FOR 01/25	

### DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
01-31	295,164.82	02-13	191,463.22	02-25	155,939.66
02-10	192,662.32	02-14	181,463.22	02-26	155,935.63
02-12	192,510.34	02-21	156,463.22		

MEMBER FDIC

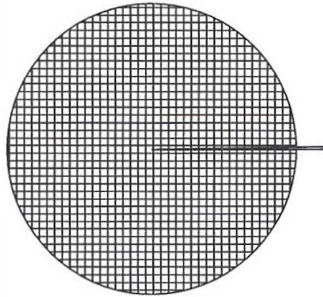
EQUAL HOUSING LENDER

Statement Period  
Account Number

01/01/2025 through 01/31/2025  
BANK OF HAWAII  
AGENT U/A DATED 10/31/2018 FOR  
HAWAII TOURISM AUTHORITY  
-TOURISM EMERGENCY TRUST  
FUND

## Summary Of Investments

### Investment Allocation



0.4% CASH

866.68

99.6% CASH EQUIVALENTS

239,772.40

100.0% TOTAL

240,639.08

### Investment Summary

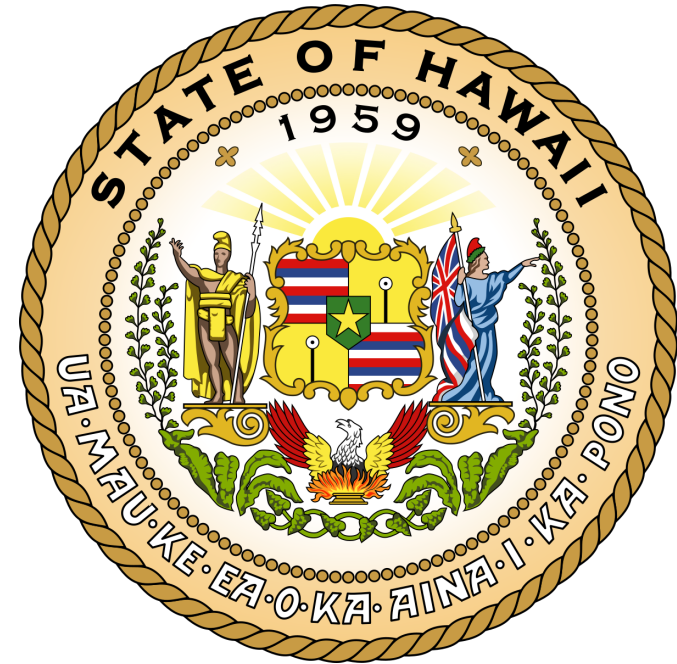
	Market Value	%	Estimated Income	Current Yield
CASH	866.68	0.36	0	0.00
CASH EQUIVALENTS	239,772.40	99.64	10,190	4.25
<b>Total Fund</b>	<b>240,639.08</b>	<b>100.00</b>	<b>10,190</b>	<b>4.23</b>

### Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	866.68	866.68	100.00
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
239,772.4	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	239,772.40	239,772.40	100.00
	<b>Total Fund</b>	<b>240,639.08*</b>	<b>240,639.08*</b>	<b>100.00*</b>



Hawai'i Tourism Authority  
Monthly Financial Report  
March 31, 2025



# Fiscal Year 2025 Budget

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

# Fiscal Year 2025 Tourism Budget

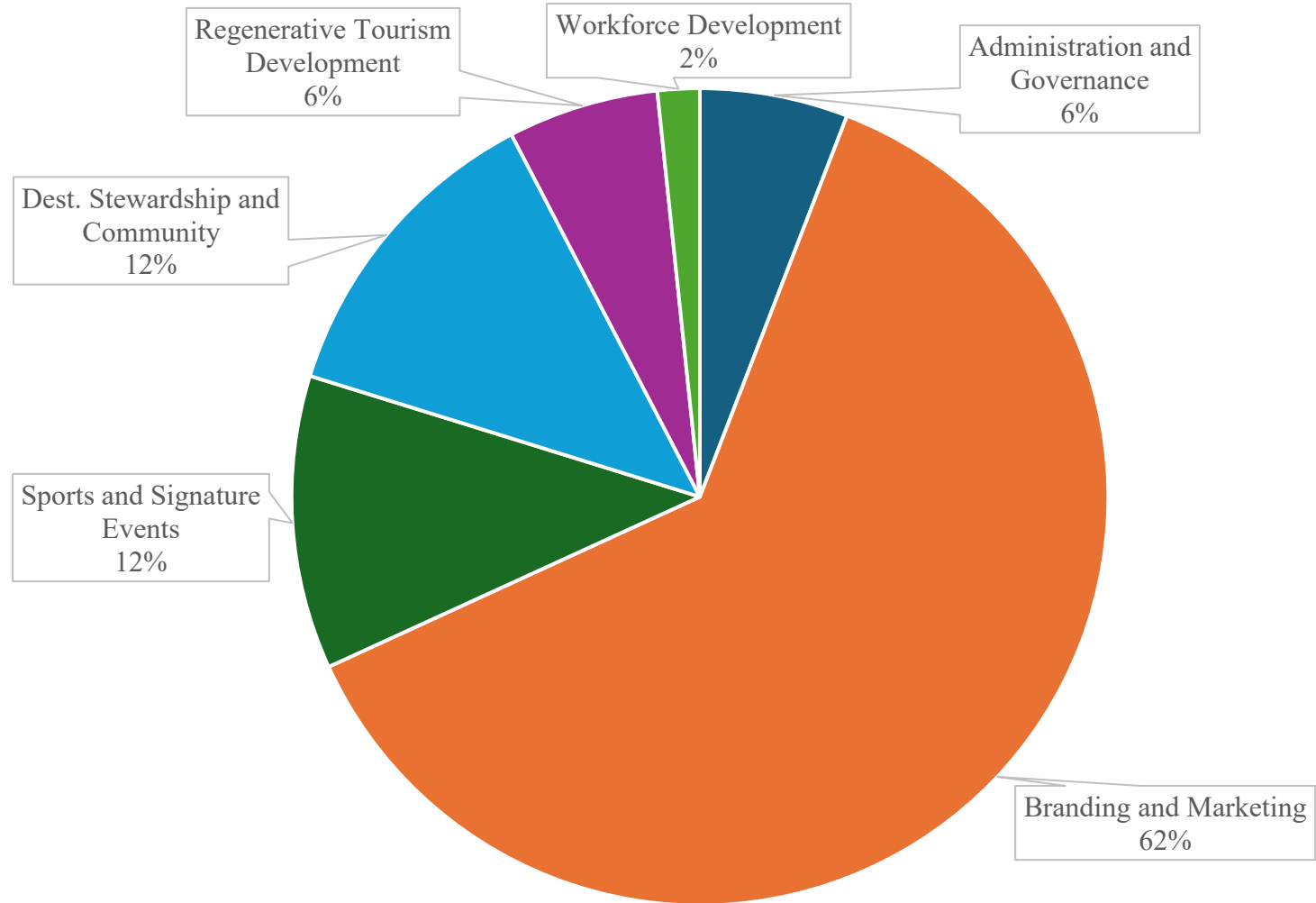
## For the Period July 1, 2024 to March 31, 2025

Program Title and ID	Paid To Date	Encumbrance Balance	Fiscal Year 2025 Budget	Budget vs. Actual
Administration and Governance – BED113	1,791,755	812,863	3,696,660	1,092,042
Branding and Marketing – BED114	16,557,684	19,597,361	39,249,201	3,094,156
Sports and Signature Events – BED115	2,588,491	2,057,164	7,318,075	2,672,420
Destination Stewardship and Community – BED116	870,996	2,764,542	7,923,883	4,288,345
Regenerative Tourism Development – BED117	1,170,048	1,554,713	3,762,181	1,037,420
Workforce Development – BED118	278,008	512,719	1,050,000	259,273
<b>Total</b>	<b>23,256,982</b>	<b>27,299,362</b>	<b>63,000,000</b>	<b>12,443,656</b>

# Sports and Signature Events

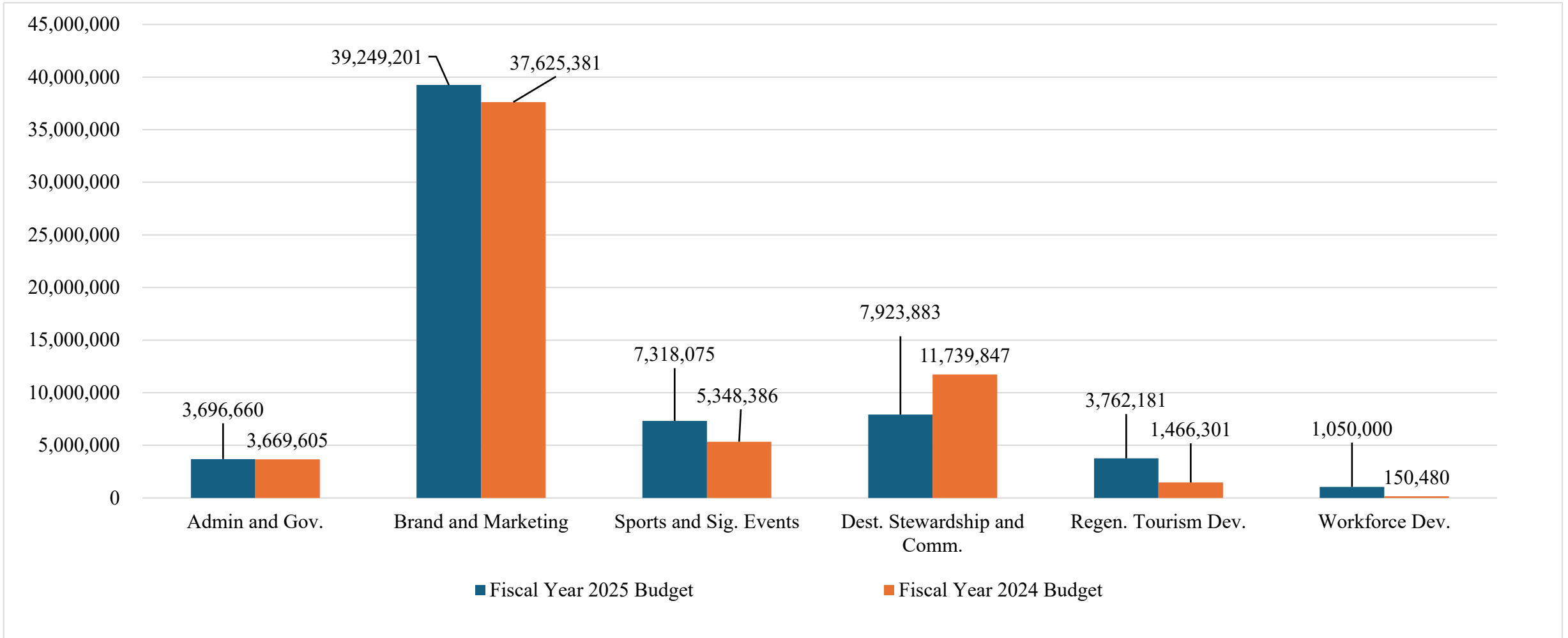
Budget Line Item	Fiscal Year 2024 Budget	Fiscal Year 2025 Budget
Basketball	500,000	750,000
College volleyball	166,000	167,000
Football	-	955,000
Golf	1,947,500	2,246,350
Salaries and overhead	76,934	808,741
Signature events	2,657,952	1,630,766
Sports opportunities - unallocated	-	460,218
Surfing	-	300,000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



# Fiscal Year 2025 Convention Center Budget

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

Program Title and ID	Paid To Date	Encumbrance Balance	Fiscal Year 2025 Budget	Budget vs. Actual
HCC Operations	1,764,585	2,512,733	4,277,318	-
HCC Repairs and Maintenance	28,119,382	-	28,119,382	-
HCC Marketing	1,603,300	-	28,119,382	-
Total	31,487,267	2,512,733	34,000,000	-

# Other Funds

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

# Tourism Funds

- **Fiscal Year 2024 Tourism General Funds**

- Year to Date Expenditures = \$7,883,727
- Fund Balance = \$341,574
- Encumbrance Balance = \$341,574

- **Tourism Special Fund**

- Repealed on 1/1/22 per Act 1 Special Legislative Session 2021.
  - Ended annual Transient Accommodation Tax (TAT).
  - Funds encumbered as of June 30, 2021, are spendable to June 30, 2026. All other funds are restricted and unavailable for spending.
- Year to Date Expenditures = \$362,484
- Year to Date Interest Income = \$317,345
- Cash balance = \$8,362,981
- Encumbrance Balance = \$572,558

# Maui Response and Recovery Plan – Tourism Emergency Special Fund

- Under sections HRS 201B-9 and 201B-10, the Authority prepared a \$5,000,000 Maui tourism recovery plan.
- Upon completion of the plan, the emergency fund will have a cash balance of approximately \$103,000.
- For more information on the emergency fund and Maui tourism recovery plan, refer to the notes of the financial statements.

Maui Response and Recovery to Date Spending – August 2023 to March 31, 2025			
Program	Paid to Date	Encumbrance Balance	Budget
Immediate Wildfire Response	247,293	-	247,293
Long-term Housing	25,000	-	25,000
Marketing Promotions for Sports Event	3,400	-	3,400
Maui Resident Comms. Campaign	343,129	6,178	349,307
Pop-Up Makeke	25,000	-	25,000
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	-	100,000
VEPAM	240,000	60,000	300,000
<b>Total</b>	<b>4,933,422</b>	<b>66,178</b>	<b>5,000,000</b>

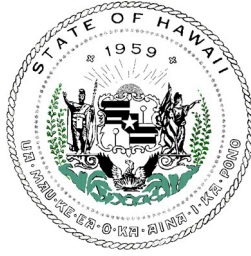
# EDA State Tourism Grant

- On December 8, 2021 , the U.S. Department of Commerce’s Economic Development Administration (EDA) awarded the Authority a \$14,024,372, State Tourism Grant under the American Rescue Plan Act (ARPA).
- The grant period ends on May 31, 2027. Final payments must be completed before September 30, 2027.
- Sub-award with DLNR for \$7,200,000.
- Fund Balance = \$8,200,717
- For more information on the grant, refer to the notes of the financial statements.

EDA-ARPA State Tourism Grant Total Spending – July 2023 to March 31, 2025			
Program	Paid to Date	Encumbrance Balance	Budget
DLNR - Statewide Trail Capacity Study	136,495	963,505	1,100,000
DLNR - DOCARE Equipment and Ed. Materials	100,000	300,000	400,000
DLNR - Day-Use Mooring Buoy (DMB) Program	172,160	227,840	400,000
DLNR - O‘ahu Snorkel Trail	150,000	600,000	750,000
DLNR - Ala Kahakai Interpretive Plan	75,000	225,000	300,000
DLNR - Nāpu‘u Recreation Plan	300,000	100,000	400,000
DLNR - Nā Manu ‘Elele: Land Steward Program	890,000	2,960,000	3,850,000
USA MMA Leisure	3,250,000	-	3,250,000
USA MMA Co-op	750,000	-	750,000
Urban Trails	-	-	750,000
Tourism Collabs	-	-	750,000
Overhead	-	-	1,324,372
<b>Total</b>	<b>5,823,655</b>	<b>5,376,345</b>	<b>14,024,372</b>

# Convention Center Funds

- **Fiscal Year 2024 Convention Center General Funds**
  - Fund Balance = \$2,078,262
  - Encumbrance Balance = \$2,078,262
- **Convention Center Enterprise Special Fund**
  - Year to Date Revenue = \$14,486,139
    - \$11,000,000 TAT
    - \$2,424,781 HCC Operations
    - \$1,061,358 interest income
  - Cash balance = \$30,753,561
  - \$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 for Professional Services = \$2,292,870
  - Lapsed Funds = \$12,761,100 (from Act 248, SLH 2022)
  - Fund Balance = \$62,939,548
  - Encumbrance Balance = \$4,985,557



**The State of Hawai`i**  
**Department of Business, Economic Development, and Tourism**  
**Hawai`i Tourism Authority**  
**Financial Statements**  
**March 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**  
**March 31, 2025**  
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**Hawaii Tourism Authority**  
**All Funds**  
**Balance Sheet**  
**As of March 31, 2025**

	<b>Tourism Funds</b>	<b>Convention Center Funds</b>	<b>Roof Repair Project</b>	<b>Tourism Emergency Special Fund</b>	<b>EDA State Tourism Grant</b>	<b>Total</b>
<b>Assets</b>						
Fiscal Year (FY) 2025 General Funds	39,743,018	-	-	-	-	39,743,018
FY 2024 General Funds	341,574	2,078,262	-	-	-	2,419,836
Subtotal - General Funds	40,084,592	2,078,262	-	-	-	42,162,854
Special Funds	8,362,981	30,753,561	-	-	-	39,116,542
Federal Grants	-	-	-	-	8,200,717	8,200,717
General Obligation Bonds (GOB)	-	-	62,939,548	-	-	62,939,548
Cash and Cash Equivalents	-	-	-	303,888	-	303,888
Total Assets	48,447,573	32,831,823	62,939,548	303,888	8,200,717	152,723,549
<b>Liabilities and Fund Balances</b>						
<b>Liabilities (Special Funds)</b>						
Transfer due to B&F		11,000,000		132,362	-	11,132,362
Total liabilities	-	11,000,000		132,362	-	11,132,362
<b>Fund Balances</b>						
FY 2025 Encumbered - General Funds	27,299,362	-	-	-	-	27,299,362
FY 2024 Encumbered - General Funds	341,574	2,078,262	-	-	-	2,419,836
Unencumbered - General Funds	12,443,656	-	-	-	-	12,443,656
Total General Fund Balances	40,084,592	2,078,262	-	-	-	42,162,854
Encumbered - Special Funds	572,558	2,512,733	-	10,210	5,376,345	8,471,846
Unencumbered - Special Funds	7,790,423	17,240,828	-	161,316	2,824,372	28,016,939
Total Special Fund Balances	8,362,981	19,753,561	-	171,526	8,200,717	36,488,785
Encumbered - GOB	-	-	4,985,557	-	-	4,985,557
Unencumbered - GOB	-	-	57,953,991	-	-	57,953,991
Total GOB Fund Balance	-	-	62,939,548	-	-	62,939,548
Total Fund Balances	48,447,573	21,831,823	62,939,548	171,526	8,200,717	141,591,187
Total Liabilities and Fund Balances	48,447,573	32,831,823	62,939,548	303,888	8,200,717	152,723,549

\* 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**  
**March 31, 2025**

	Actual			Budget vs. Actual	
	Month Ended March 31, 2025	Paid to Date	Encumbrance Balance	FY 25 Budget	Under (Over) Budget
<b>Expenditures</b>					
Administration and Governance	238,336	1,791,755	812,863	3,696,660	1,092,042
Branding and Marketing	2,825,418	16,557,684	19,597,361	39,249,201	3,094,156
Sports and Signature Events	6,411	2,588,491	2,057,164	7,318,075	2,672,420
Dest. Stewardship and Community	414,154	870,996	2,764,542	7,923,883	4,288,345
Regenerative Tourism Development	288,073	1,170,048	1,554,713	3,762,181	1,037,420
Workforce Development	37,681	278,008	512,719	1,050,000	259,273
Total	3,810,073	23,256,982	27,299,362	63,000,000	12,443,656
Change in Fund Balance	(3,810,073)	(23,256,982)			
<b>Fund Balances</b>					
March 1, 2025 / July 1, 2024	43,553,091	63,000,000			
March 31, 2025	39,743,018	39,743,018			

\* 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**  
**March 31, 2025**

	<b>Month Ended March 31, 2025</b>	<b>Year to Date</b>	<b>Encumbrance Balance</b>
<b>Expenditures</b>			
Branding	-	2,306,829	85,286
Destination Management	-	5,210,982	10,289
Governance and Org-Wide*	-	147,200	-
Perpetuating Hawaiian Culture	4,000	92,000	112,583
Planning & Evaluation	-	26,731	115,166
Resident and Industry Comms	-	87,985	6,250
Workforce Development	5,000	12,000	12,000
Total	9,000	7,883,727	341,574
Change in Fund Balance	(9,000)	(7,883,727)	
 Lapsed Funds	-	(1,113,151)	
 <b>Fund Balances</b>			
March 1, 2025 / July 1, 2024	350,574	9,338,452	
March 31, 2025	341,574	341,574	

\* 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**  
**March 31, 2025**

	<b>Month Ended March 31, 2025</b>	<b>Year to Date</b>	<b>Encumbrance Balance</b>
<b>Revenues</b>			
Interest, Net	-	317,345	
Total	-	317,345	
<b>Expenditures</b>			
Administration	-	39,700	12,503
Branding	23,086	300,182	244,055
Destination Management	-	-	230,000
Resident and Industry Comms	-	22,602	-
Workforce Development	-	-	86,000
Total	23,086	362,484	572,558
Change in Fund Balance	(23,086)	(45,139)	
<b>Fund Balances</b>			
March 1, 2025 / July 1, 2024	8,386,067	8,408,120	
March 31, 2025	8,362,981	8,362,981	

\* 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**  
**March 31, 2025**

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

	<b>Month Ended March 31, 2025</b>	<b>Year to Date</b>	<b>Encumbrance Balance</b>
<hr/>			
<b>Revenues</b>			
HCC Operations	1,189,085	2,424,781	
Interest	-	1,061,358	
TAT	-	11,000,000	
Total	<u>1,189,085</u>	<u>14,486,139</u>	
<b>Expenditures</b>			
HCC Marketing	814,964	1,603,300	-
HCC Operations	698,301	1,764,585	2,512,733
HCC Repairs and Maintenance	15,128,554	28,119,382	-
Total	<u>16,641,819</u>	<u>31,487,267</u>	<u>2,512,733</u>
Change in Fund Balance	<u>(15,452,734)</u>	<u>(17,001,128)</u>	
<b>Fund Balances</b>			
March 1, 2025 / July 1, 2024	<u>46,206,295</u>	<u>47,754,689</u>	
March 31, 2025	<u>30,753,561</u>	<u>30,753,561</u>	

\* 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**  
**March 31, 2025**

	<b>Month Ended March 31, 2025</b>	<b>Year to Date</b>	<b>Encumbrance Balance</b>
<b>Revenues</b>			
Appropriation Transfer	-	64,000,000	
	-	64,000,000	
<b>Expenditures</b>			
Construction Services	-	-	-
Professional Services	-	2,292,870	4,985,557
Total	-	2,292,870	4,985,557
Change in Fund Balance	-	61,707,130	
Inter-Departmental Transfer*	-	(578,870)	
Lapsed Funds	(12,761,100)	(12,761,100)	
<b>Fund Balances</b>			
March 1, 2025 / July 1, 2024	75,700,648	14,572,388	
March 31, 2025	62,939,548	62,939,548	

\* 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**  
**March 31, 2025**

	<b>Month Ended March 31, 2025</b>	<b>Year to Date</b>	<b>Encumbrance Balance</b>
<b>Revenues</b>			
Interest, Net	732	4,697	
Total	732	4,697	
<b>Expenditures</b>			
Administration	19	178	-
Branding	-	100,000	-
Destination Management	93,400	268,400	-
Planning & Evaluation	-	25,000	-
Resident and Industry Comms	-	79,390	10,210
Total	93,419	472,968	10,210
Change in Fund Balance	(92,687)	(468,271)	
<b>Fund Balances</b>			
March 1, 2025 / July 1, 2024	396,575	772,159	
March 31, 2025	303,888	303,888	

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

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

	<b>Month Ended March 31, 2025</b>	<b>Year to Date</b>	<b>Encumbrance Balance</b>
<b>Expenditures</b>			
Branding	-	2,500,000	-
Destination Management	-	856,000	5,376,345
Total	-	3,356,000	5,376,345
Change in Fund Balance	-	(3,356,000)	
<b>Fund Balances</b>			
March 1, 2025 / July 1, 2024	8,200,717	11,556,717	
March 31, 2025	8,200,717	8,200,717	

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

**Hawaii Tourism Authority**  
**March 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** – Pursuant to Section 3 of Act 230, SLH 2024, the 2024 Legislature appropriated \$63,000,000 of state general funds for HTA's fiscal year 2025 operating budget. The law divided the \$63,000,000 between six programs 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. Per Executive Memorandum 24-04, *FY 25 Budget Execution Policies and Instructions*, HTA's operating budget is subject to a 10% restriction imposed by the Department of Budget and Finance. The HTA staff and board have discussed the matter and have informed all major vendors to adjust plans and budgets accordingly.

On January 24, 2025, the Governor released the \$6,300,000 of restricted funds to support additional branding and marketing efforts due to the anticipated downturn in tourism and the continued slump in Maui hotel occupancy. The Authority is developing a plan to utilize the \$6,300,000. Unspent and unencumbered General Funds will lapse on June 30, 2025.

**Hawaii Tourism Authority**  
**March 31, 2025**  
**Selected Management Disclosures**

**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.

The 2023 State Legislature did not provide the CCESF with an expenditure ceiling 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, on the condition that HTA will subsequently 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. See more information at footnote 5.
- **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 lapsed on June 30, 2024. Subsequently, \$12,761,100 lapsed. See more information at footnote 5.

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.

Per Section 103-8.5, 1% of CIP appropriation classified as the construction cost element for the construction or renovation of State buildings must be transferred to the State Foundation of Culture and Arts Works of Art Special Fund. HTA transferred \$578,870 to the fund in fiscal year 2025.

**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.

The governor declared a tourism emergency in the sixth emergency proclamation relating to the Maui wildfires, dated August 19, 2023. The Governor extended the tourism emergency in the twentieth emergency proclamation, dated February 4, 2025. See more information at footnote 4.

**Hawaii Tourism Authority**  
**March 31, 2025**  
**Selected Management Disclosures**

Per Section 36-30, special funds are subject to an assessment for departmental administrative expenses. As of March 31, 2025, management estimates the assessment will cost approximately \$132,362.

**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) State 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 subaward with the Department of Land and Natural Resources (DLNR) for \$7,200,000 to enhance and develop Hawaii's outdoor recreational assets. All work must be completed by May 31, 2027, and money spent by September 30, 2027. See more information at footnote 6.

**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, audit expenses for the Authority and the HCC, and other board meeting expenses.

**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."

**Hawaii Tourism Authority**  
**March 31, 2025**  
**Selected Management Disclosures**

**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, 2024, management estimated the accrued vacation liability of approximately \$328,000, with a current liability of approximately \$105,000.

**3. Retirement Benefits**

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

At June 30, 2024, management reported a net pension liability of approximately \$6,372,000 for its proportionate share of the State's net pension liability. An actuarial valuation determined the net pension liability as of June 30, 2023.

For the year ended June 30, 2024, the Authority recognized pension expenses of approximately \$428,000. On June 30, 2024, management estimated the deferred outflows and deferred inflows of resources related to pensions of approximately \$221,000 and (\$293,000), respectively.

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

On June 30, 2024, management estimated the net other post-employment benefits (OPEB) liability of approximately \$4,924,000. An actuarial valuation measured the net OPEB liability as of July 1, 2023.

For the year ended June 30, 2024, the Authority recognized OPEB expenses of approximately \$203,000. On June 30, 2024, management estimated the deferred outflows and deferred inflows of resources related to OPEB of approximately \$77,000 and (\$451,000), respectively.

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

Under sections HRS 201B-9 and 201B-10, the Authority prepared a \$5,000,000 Maui response and recovery plan on December 21, 2023, and amended it on October 3, 2024. Upon completion of the plan, the emergency fund will have a cash balance of approximately \$103,000.

The table below summarizes spending to March 31, 2025:

<b>Maui Response and Recovery Total Spending to Date – August 2023 to March 31, 2025</b>			
<b>Program</b>	<b>Paid to Date</b>	<b>Encumbrance Balance</b>	<b>Budget</b>
Immediate Wildfire Response	247,293	-	247,293
Long-term Housing	25,000	-	25,000
Marketing Promotions for Sports Event	3,400	-	3,400
Maui Resident Comms. Campaign	343,129	6,178	349,307
Pop-Up Makeke	25,000	-	25,000
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	-	100,000
VEPAM	240,000	60,000	300,000
<b>Total</b>	<b>4,933,422</b>	<b>66,178</b>	<b>5,000,000</b>

**Hawaii Tourism Authority**  
**March 31, 2025**  
**Selected Management Disclosures**

**5. Roof Repair Project**

<b>Roof Repair Project Total Spending to Date – July 2023 March 31, 2025</b>			
<b>Program</b>	<b>Paid to Date</b>	<b>Encumbrance Balance</b>	<b>Budget</b>
Construction Services	-	-	61,481,868
Professional Services	2,442,624	4,985,557	7,428,181
<b>Total</b>	<b>2,442,624</b>	<b>4,985,557</b>	<b>68,910,049</b>

**6. EDA State Tourism Grant**

<b>EDA State Tourism Grant Total Spending to Date – July 2023 to March 31, 2025</b>			
<b>Program</b>	<b>Paid to Date</b>	<b>Encumbrance Balance</b>	<b>Budget</b>
Statewide Trail Capacity Study	136,495	963,505	1,100,000
DOCARE Equipment and Ed. Materials	100,000	300,000	400,000
Day-Use Mooring Buoy Program	172,160	227,840	400,000
O‘ahu Snorkel Trail	150,000	600,000	750,000
Ala Kahakai Interpretive Plan	75,000	225,000	300,000
Nāpu‘u Recreation Plan	300,000	100,000	400,000
Nā Manu ‘Elele: Land Steward Program	890,000	2,960,000	3,850,000
USA MMA Leisure	3,250,000	-	3,250,000
USA MMA Co-op	750,000	-	750,000
Urban Trails	-	-	750,000
Tourism Collabs	-	-	750,000
Overhead	-	-	1,324,372
<b>Total</b>	<b>5,823,655</b>	<b>5,376,345</b>	<b>14,024,372</b>

## **Supplementary Information**

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

		Actual		Budget vs. Actual	
Budget Line Item	BLI Code	Paid to Date	Encumbrance Balance	Fiscal Year 2025 Budget	Under (Over) Budget
<b>Program - Administration and Governance</b>					
Campaign Effectiveness Study	010	91,776	70,224	162,000	-
Community-Industry Outreach & PR Svcs	101	50,432	25,081	225,000	149,487
Cruise Infrastructure Imprv. and Arrival Experience	004	48,100	32,000	80,100	-
General and Administrative	901	284,601	161,874	641,409	194,934
Governance - Gen Board Others	919	40,191	71,144	117,000	5,665
Hawaiiitourismauthority.org	103	-	12,501	22,500	9,999
Professional Services	915	97,609	47,391	145,000	-
Program Evaluation	654	-	419	81,000	80,581
Salaries - Admin	930	1,155,152	-	1,438,985	283,833
Tourism Strategic Plan Update	915	-	-	270,000	270,000
Travel - Admin	998	15,273	9,177	54,000	29,550
Travel - Branding	398	6,281	5,438	45,000	33,281
Travel - Destination Stewardship	898	2,340	7,948	45,000	34,712
Budget Restriction	BR	-	369,666	369,666	-
<b>Subtotal - Administration and Governance</b>		<b>1,791,755</b>	<b>812,863</b>	<b>3,696,660</b>	<b>1,092,042</b>
<b>Program - Branding and Marketing</b>					
Canada	322	352,638	547,362	900,000	-
Convention Center Sales & Marketing	317	1,220,330	2,104,670	6,008,985	2,683,985
Europe	326	638,183	261,817	900,000	-
Global Support Services	350	1,068,033	147,570	1,237,500	21,897
Island-Destination International Marketing	306	1,200,000	1,680,000	2,880,000	-
Japan	323	4,486,407	1,363,593	5,850,000	-
Korea	324	565,876	243,400	810,000	724
Oceania	325	430,634	677,322	1,161,815	53,859
Salaries - Branding	934	190,290	-	523,981	333,691
Travel - Branding	398	-	-	-	-
USA	321	6,405,293	8,646,707	15,052,000	-
Budget Restriction	BR	-	3,924,920	3,924,920	-
<b>Subtotal - Branding and Marketing</b>		<b>16,557,684</b>	<b>19,597,361</b>	<b>39,249,201</b>	<b>3,094,156</b>
<b>Program - Sports and Signature Events</b>					
Basketball	376	600,000	150,000	750,000	-
Community Tourism Collaborative	656	-	-	-	-
Football	384	-	-	955,000	955,000
LPGA	343	175,000	75,000	250,000	-
PGA Tour Contracts	312	1,597,080	399,270	1,996,350	-
Signature Events	700	-	444,087	1,467,689	1,023,602
Sports RFP or Other Procurement	385	-	-	630,989	630,989
Salaries - Sports and SE	937	6,411	-	69,240	62,829
Surfing	374	210,000	90,000	300,000	-
UH Athletics Branding Partnership	378	-	167,000	167,000	-
Budget Restriction	BR	-	731,807	731,807	-
<b>Subtotal - Sports and Signature Events</b>		<b>2,588,491</b>	<b>2,057,164</b>	<b>7,318,075</b>	<b>2,672,420</b>

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

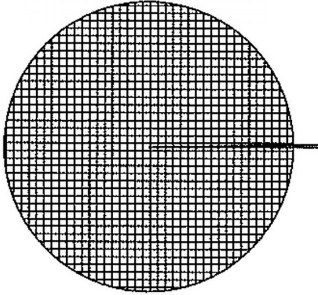
		Actual		Budget vs. Actual	
Budget Line Item	BLI Code	Paid to Date	Encumbrance Balance	Fiscal Year 2025 Budget	Under (Over) Budget
<b>Program - Destination Stewardship and Community</b>					
Community-Based Tourism - Oahu	731	-	-	139,985	139,985
Community-Based Tourism - Maui County	732	-	-	139,985	139,985
Community-Based Tourism - Hawaii Island	733	-	-	139,984	139,984
Community-Based Tourism - Kauai	734	-	-	139,984	139,984
Community Tourism Collaborative	656	-	-	98,103	98,103
Destination Management Application	740	-	-	3,150,000	3,150,000
Kahu Aina	402	-	674,057	674,057	-
Resort Area Hawaiian Cultural Initiative	718	-	367,043	367,043	-
Salaries - Destination Stewardship	938	207,705	-	557,583	349,878
Visitor Assistance Programs	601	310,450	225,500	585,000	49,050
Visitor Education Post Arrival Marketing	014	352,841	705,554	1,139,771	81,376
Budget Restriction	BR	-	792,388	792,388	-
<b>Subtotal - Destination Stewardship and Comm.</b>		<b>870,996</b>	<b>2,764,542</b>	<b>7,923,883</b>	<b>4,288,345</b>
<b>Program - Regenerative Tourism Development</b>					
Community Enrichment Program	701	350,690	608,953	959,643	-
Community Tourism Collaborative	656	350,690	214,612	1,514,343	949,041
Kukulu Ola: Living Hawaiian Cultural Prog	201	350,690	354,930	705,620	-
Salaries - Regenerative Tourism	939	117,978	-	206,357	88,379
Budget Restriction	BR	-	376,218	376,218	-
<b>Subtotal - Regenerative Tourism Development</b>		<b>1,170,048</b>	<b>1,554,713</b>	<b>3,762,181</b>	<b>1,037,420</b>
<b>Program - Workforce Development</b>					
Future Workforce Development (LEI)	803	25,000	125,000	151,667	1,667
Hawaiian Culture Initiative	202	-	-	208,333	208,333
Hawai'i Tourism Summit	102	208,398	22,361	270,000	39,241
Scholarship Program	805	44,610	260,358	315,000	10,032
Budget Restriction	BR	-	105,000	105,000	-
<b>Subtotal - Workforce Development</b>		<b>278,008</b>	<b>512,719</b>	<b>1,050,000</b>	<b>259,273</b>
<b>Total - Fiscal Year 25 Tourism General Funds</b>		<b>23,256,982</b>	<b>27,299,362</b>	<b>63,000,000</b>	<b>12,443,656</b>



Statement Period  
Account Number

02/01/2025 through 02/28/2025  
BANK OF HAWAII  
AGENT U/A DATED 10/31/2018 FOR  
HAWAII TOURISM AUTHORITY  
-TOURISM EMERGENCY TRUST  
FUND

## Summary Of Investments

### Investment Allocation



0.3%		CASH	782.17
99.7%		CASH EQUIVALENTS	240,589.13
100.0%		TOTAL	241,371.30

### Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	782.17	0.32	0	0.00
CASH EQUIVALENTS	240,589.13	99.68	10,201	4.24
Total Fund	241,371.30	100.00	10,201	4.23

## Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	782.17	782.17	100.00
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
240,589.13	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	240,589.13	240,589.13	100.00
	Total Fund	241,371.30*	241,371.30*	100.00*





## Statement of Account

Last statement: February 28, 2025  
This statement: March 31, 2025  
Total days in statement period: 31

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

Direct inquiries to: 888  
643-3888



00001674-TDBSAD11400401058133-LETTER02-010000 0  
HAWAII TOURISM AUTHORITY  
TOURISM EMERGENCY SPECIAL FUND  
1801 KALAKAUA AVE 1ST FL  
HONOLULU HI 96815

BANK OF HAWAII  
111 S KING ST  
HONOLULU HI 96813

**Bank of Hawaii**

**WHEN YOU NEED TO ORDER (OR REORDER) CHECKS OR OTHER BUSINESS ACCESSORIES, CALL BUSINESS SOLUTIONS BY HARLAND CLARKE TOLL-FREE AT 1-800-503-2345 FOR CONVENIENCE, QUALITY AND A FULL RANGE OF CHOICES. NEW BUSINESS CHECK ORDERS ARE ALSO WELCOME.**

### Analyzed Business Checking

Account number	0091-585227	Beginning balance	\$155,935.63
Low balance	\$62,516.64	Total additions	.00
Average balance	\$83,241.63	Total subtractions	93,418.99
		Ending balance	\$62,516.64

### CHECKS

Number	Date	Amount	Number	Date	Amount
1037	03-07	90,000.00	* Skip in check sequence		
1040 *	03-31	3,400.00			

### DEBITS

Date	Description	Subtractions
03-26	Account Analysis Fee ANALYSIS ACTIVITY FOR 02/25	18.99

### DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
02-28	155,935.63	03-26	65,916.64		
03-07	65,935.63	03-31	62,516.64		

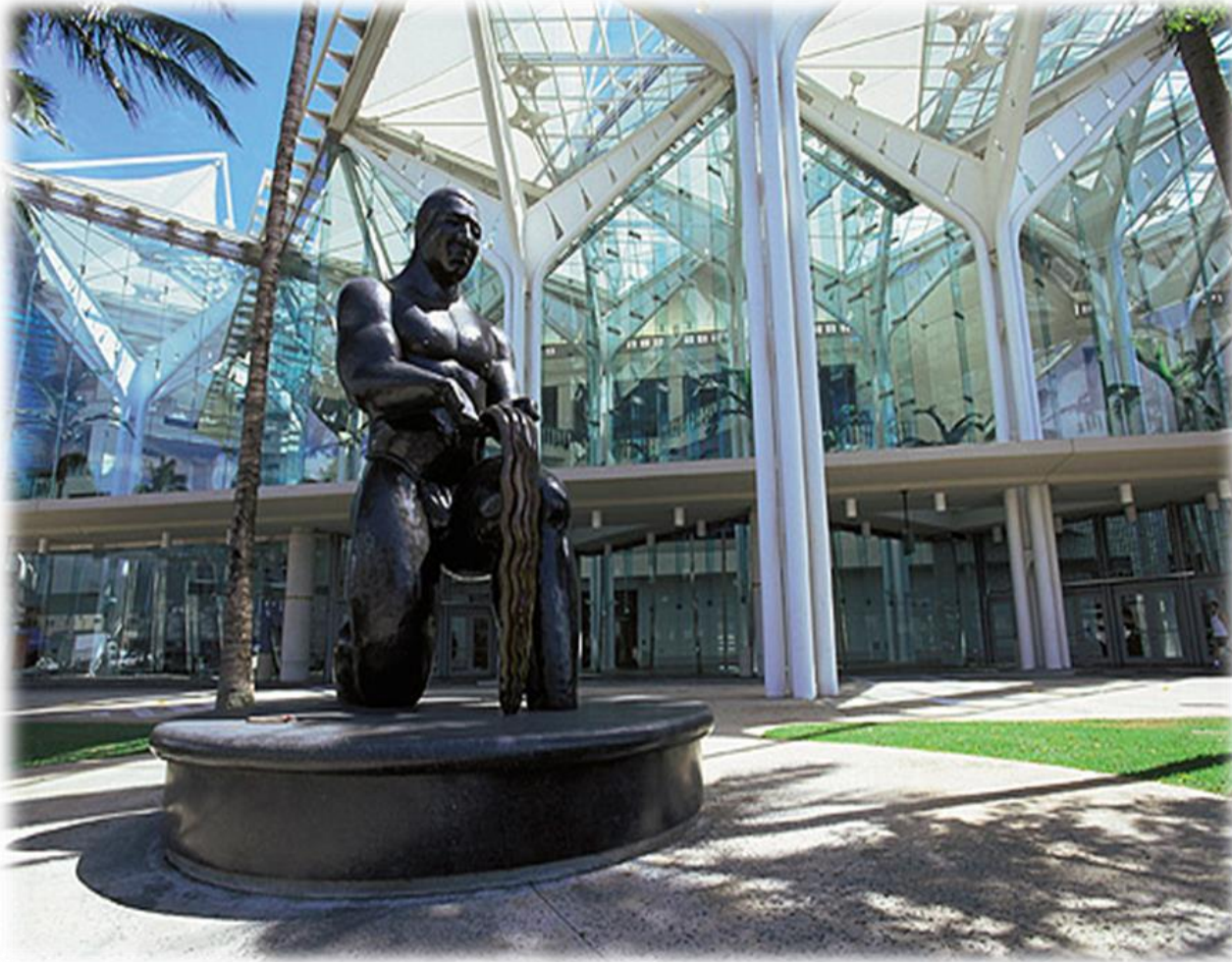
MEMBER FDIC

EQUAL HOUSING LENDER

## **9b**

**Motion, Presentation, Discussion, and Action  
on the Hawai'i Convention Center's (HCC)  
February 2025 and March 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  
February 2025  
For  
(March 2025 meeting)***

# Financial Update FY25

	Feb-25 Actual	FY 2025 Reforecast	FY 2025 Budget	Variance	FY 2024 Actual	FY 2023 Actual
Facility Number of Events	14	246	237	9	262	273
Facility Operating Revenue	\$2,650,500	\$25,182,200	\$22,619,600	\$2,562,600	\$27,278,800	\$14,310,800
Facility Other Income	\$129,200	\$1,609,600	\$1,548,800	\$60,800	\$1,616,200	\$135,700
Facility Total Revenue	<b>\$2,779,700</b>	<b>\$26,791,800</b>	<b>\$24,168,400</b>	<b>\$2,623,400</b>	<b>\$28,895,000</b>	<b>\$14,446,500</b>
Facility Operating Expenses	-\$2,215,900	-\$28,651,500	-\$27,410,400	-\$1,241,100	-\$25,495,600	-\$18,412,200
Facility Net Income/(Subsidy)	<b>\$563,800</b>	<b>-\$1,859,700</b>	<b>-\$3,242,000</b>	<b>\$1,382,300</b>	<b>\$3,399,400</b>	<b>-\$3,965,700</b>
Local S&M Operating Expenses	-\$59,500	-\$1,085,000	-\$1,603,300	\$518,300	-\$1,036,600	-\$959,400
HCC Net Income/(Subsidy)	<b>\$504,300</b>	<b>-\$2,944,700</b>	<b>-\$4,845,300</b>	<b>\$1,900,600</b>	<b>\$2,362,800</b>	<b>-\$4,925,100</b>

# ROI February 2025 FYTD

HCC Revenue + State Revenue  
+Tax Revenue  
= \$259.0 M

HCC Expense + HVCB MCI  
Expense = \$22.8 M

***ROI = For every dollar spent,  
\$11.34 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)
02.25	\$11.34	(10)

## 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

Created By: Test User  
Created On: 02/01/2025

Fiscal Year: Contract Room Block Begin	Total Bookings	Total Contract Rooms	Total Attendees	Total EEI Value	Tax Generation
2025	18	109824	67050	\$388,228,866.23	\$45,422,777.35
2026	12	123141	43050	\$301,489,386.23	\$35,274,258.19
2027	8	88034	47700	\$285,030,767.47	\$33,348,599.79
2028	9	55428	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	82167	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
Grand Totals	60	555957	250400	\$1,571,274,321.50	\$183,839,095.62

FY 25	
Total Bookings	18
Total Contract Rooms	109,824
Total Attendees	67,050
Total EEI Value	\$388,228,866.23
Total Tax Generation	\$45,422,777.35

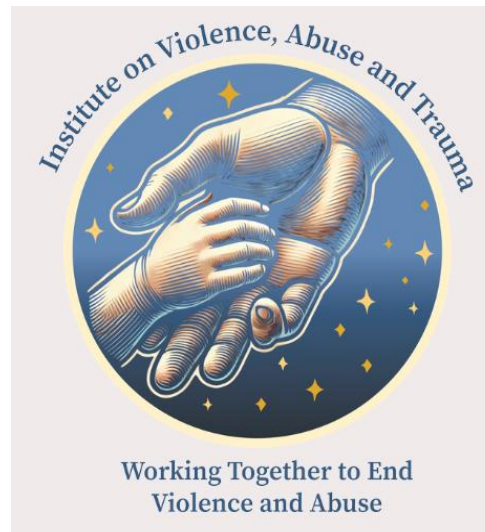
# Recent Events @ Hawai'i Convention Center

- NDIA 2025 Pacific Operational Science and Technology Conference, March 3-6, 2,453 attendees (CW)
- Honolulu Festival 2025, March 7-9, 15,080 attendees
- Kawaii Kon 2025, March 14-16, estimated 20,000 attendees (CW)



# Upcoming Local/Citywide Events

- Entrepreneurs' Organization - 2025 Global Leadership Conference, March 31-April 5, estimated 1,500 attendees (CW)
- 22nd International Hawaii Summit on Preventing, Assessing & Treating Trauma Across the Lifespan (IVAT), April 4-10, estimated 1,400 attendees
- Honolulu Open 2025 (Pickleball), April 10-13, estimated 750 attendees



# Definite Local/CW Bookings for next 3 months

Month	Total # of Local Events	Total # of Citywides
March 2025	19	3
April 2025	22	1
May 2025	20	3



**2025 Pacific Operational Science & Technology (POST) Conference**

March 3 – 7, 2025 | Honolulu, HI



Entrepreneurs' Organization



**ISMRM & ISMRT**  
ANNUAL MEETING & EXHIBITION

*Honolulu, Hawai'i, USA* 10-15 MAY 2025

**CALL FOR LATE-BREAKING ABSTRACTS**

CATEGORIES: **SUSTAINABILITY & UNMET NEEDS**

Submission Deadline: 19 March 2025 at 23:59 UTC



**IMMUNOLOGY2025™**

THE ANNUAL MEETING OF THE AMERICAN ASSOCIATION OF IMMUNOLOGISTS

HONOLULU, HAWAII, USA • MAY 3 – 7, 2025



# 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:
  - 2025 Sony Open Gala (11 trees)
  - 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)
  - CHEST 2023 (42 trees)
  - 2023 International Conference on Machine Learning (36 trees)



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

# New Papaheenalu Exhibit



To prepare for new museum cases for the new Surfboard exhibit, the Green Rabbit Island painting was relocated to a prominent location in the Lobby, front of Exhibit Hall 2.



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



Scaffolding was erected over the Parking entrance ramp for safety and to facilitate work on the Kalakaua planters.



# LED Lighting Project



Installation and commissioning continues at night for the Lobby and public restrooms.

# Exterior Building Painting



Painters are flexible in moving to locations around the Center that do not impact event activity.



# 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

### Parapet Roof Repairs

- To start restoration on parapet roof surfaces on various levels of the building
- Includes the Porte Cochere Roof, stairwell and elevator shaft roofs and Ballroom storeroom roof

### LED Lighting Upgrade

- New LED lighting has enhanced ambiance in the meeting spaces for events
- Completed 75% of meeting and public area space; including all Exhibit Halls
- Ma kai meeting rooms will be completed after the Rooftop Terrace Repair project
- HCC continues training for all staff to become familiar with lighting controls and scene management

### Exterior Building Painting

- Contractors working in different areas, to work around busy event schedule
- Painting trim of 4th floor Rooftop areas and Ala Wai Canal side
- To continue on upper areas of Kalakaua Ave side of building

### 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

# Repair, Maintenance and Replacement Projects

## 6-Year Plan (page 1)

Project Number	Project Title	Estimated Project Cost	Est Complete	GOB/ CIP/OC	Prior Expenses Jan 2025	FY25	FY26	FY27	FY28	FY29	FY30	Total
003	Kalākaua Kitchen and Atkinson Drywell Renovation	\$ 7,517,494	CY 26	CIP	\$ 347,572	\$ 997,600	\$ 4,272,042	\$ 1,900,281				\$ 7,517,495
007	Kitchen Hood Control Panel Replacement	\$ 454,028	Q1 25	CIP	\$ 454,029							\$ 454,029
009	Slate Tile Repair	\$ 722,691	CY 26	CIP	\$ 222,062	\$ 47,464	\$ 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	\$ 21,873,845	CY 26	CIP	\$ 218,836	\$ 6,277,702	\$ 7,805,259	\$ 7,572,048				\$ 21,873,845
012	Parapet Roof Repairs	\$ 2,374,257	Q2 25	CIP	\$ 90,165	\$ 2,284,092						\$ 2,374,257
013	Ballroom Roof Repairs	\$ 1,575,688	Q3 25	CIP	\$ 247,579	\$ 1,328,109						\$ 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	\$ 95,903	\$ 2,462,758		\$ 3,106,407				\$ 5,665,068
023	Air Wall Repairs	\$ 282,058	Q3 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	Q3 25	OC	\$ -		\$ 300,000					\$ 300,000
027	Ice Machines Replacement	\$ 500,000	Q3 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	Q2 25	OC	\$ 5,140,507	\$ 954,083						\$ 6,094,590
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	Q3 25	OC	\$ -	\$ 170,152						\$ 170,152
044	Fire Sprinkler Line Refurbishment	\$ 353,394	Q3 25	CIP	\$ 31,867	\$ 193,133	\$ 128,394					\$ 353,394
045	Escalator Modernization	\$ 7,927,869	CY 26	CIP	\$ 71,240	\$ 3,563,424	\$ 2,520,000	\$ 1,773,205				\$ 7,927,869
046	LED Light Upgrade	\$ 6,510,416	CY 26	CIP	\$ 4,105,589	\$ 1,010,806		\$ 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	Q2 25	CIP	\$ 209,288	\$ 439,593						\$ 648,881
051	Phone System Replacement	\$ 30,000	Q3 25	OC	\$ -	\$ 30,000						\$ 30,000
054	Boardroom Upgrade	\$ 1,099,549	CY 26	OC	\$ 118,134	\$ -	\$ 981,414					\$ 1,099,548
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	\$ 333,045	\$ 41,385						\$ 374,430
060	Lobby Sail Repair and Maintenance	\$ 179,000	CY 26	CIP	\$ 41,196		\$ 137,804					\$ 179,000

# Repair, Maintenance and Replacement Projects

## 6-Year Plan (page 2)

Project Number	Project Title	Estimated Project Cost	Est Complete	GOB/ CIP/OC	Prior Expenses Jan 2025	FY25	FY26	FY27	FY28	FY29	FY30	Total
061	ADA Lift (#320) Replacement	\$ 165,000	Q2 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	Q3 25	OC	\$ 22,433	\$ 307,567						\$ 330,000
068	3rd Floor Planter Repair and Exterior Planter Repair	\$ 12,402,236	Q2 26	CIP	\$ 1,343,357	\$ 1,821,724	\$ 9,237,155					\$ 12,402,236
069	Parking System Equipment Upgrade	\$ 1,083,753	Q4 25	CIP	\$ 75,731	\$ 24,838	\$ 983,184					\$ 1,083,753
070	Parking Garage Floor Sealing	\$ 5,285,230	Q4 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	Q2 25	OC	\$ 89	\$ 133,421						\$ 133,510
074	Ice Rink and Equipment	\$ 1,000,000	Q4 25	CIP	\$ -	\$ 1,000,000						\$ 1,000,000
075	Exterior Building Painting	\$ 2,659,418	Q2 26	CIP	\$ 1,018,966	\$ 763,455	\$ 876,997					\$ 2,659,418
077	Interior Building Painting	\$ 3,872,039	CY 26	CIP	\$ 61,775	\$ 495,049	\$ 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	Q4 25	OC	\$ 47,637	\$ 500,000	\$ 452,363					\$ 1,000,000
082	Escalator and Elevator Repairs	\$ 1,000,000	CY 26	CIP	\$ 476,282	\$ 191,488	\$ 332,230					\$ 1,000,000
083	Café 808 Renovation	\$ 3,000,000	CY 26	CIP	\$ -	\$ 3,000,000						\$ 3,000,000
084	Frictionlist Concession	\$ 1,500,000	CY 26	CIP	\$ -		\$ 1,500,000					\$ 1,500,000
085	1801 Renovation	\$ 2,000,000	CY 26	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	Q4 25	CIP	\$ 218,737		\$ 631,263					\$ 850,000
091	Loading Dock Supply Fans	\$ 225,000	Q4 25	OC	\$ -	\$ 225,000						\$ 225,000
093	ADA Compliance	\$ 1,500,000	CY 26	CIP	\$ 6,902	\$ 100,000	\$ 1,393,098					\$ 1,500,000
094	Solar Photovoltaic System	\$ 7,089,400	Q2 26	CIP	\$ 37,681	\$ 3,472,819	\$ 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	Q3 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>\$137,692,449</b>			<b>\$22,887,636</b>	<b>\$40,763,275</b>	<b>\$ 54,533,335</b>	<b>\$15,745,961</b>	<b>\$ 3,137,239</b>	<b>\$ 625,000</b>	<b>\$ -</b>	

Current project  
Cumming-managed project  
HCC-managed project  
RLB-managed project

# 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

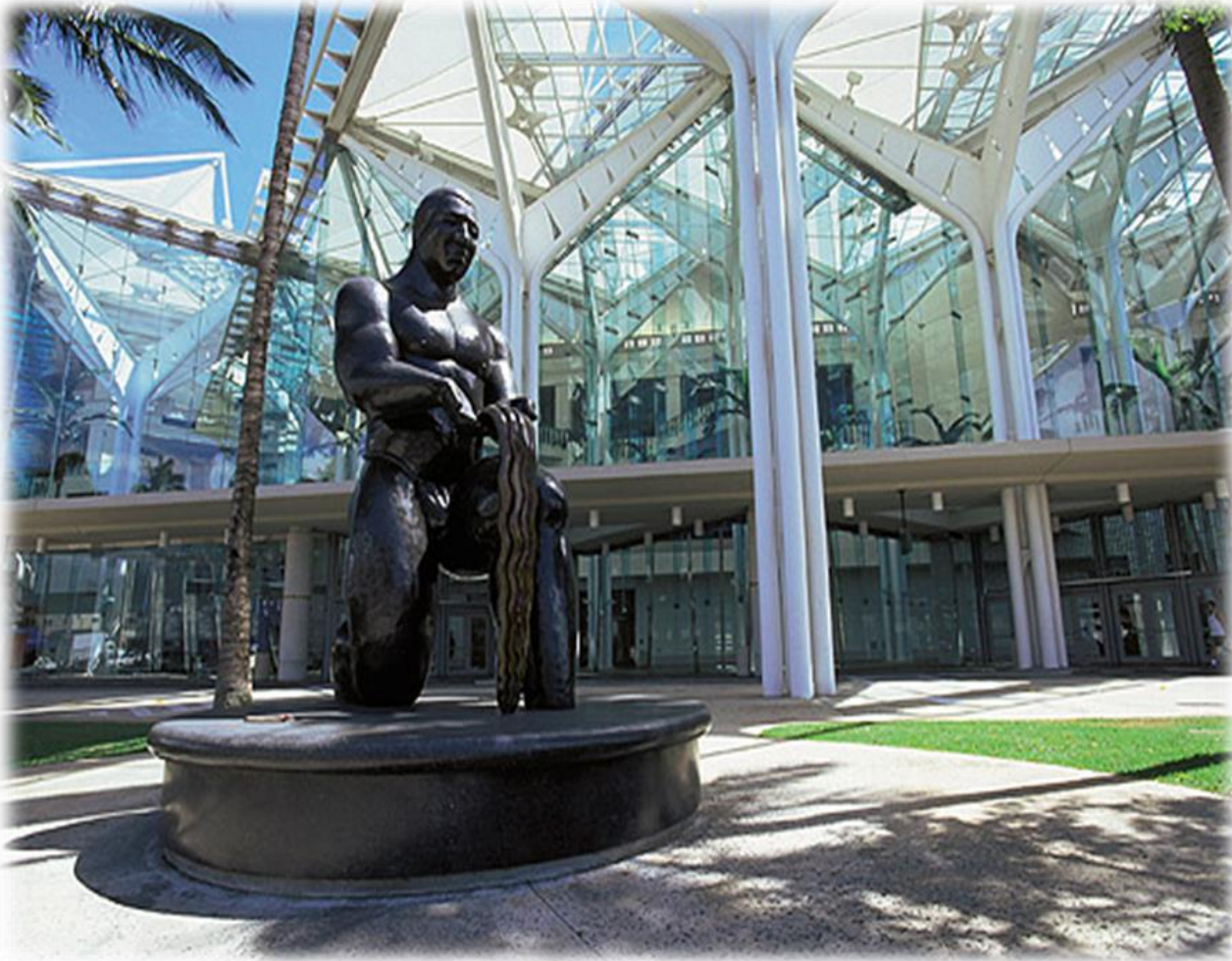
## COMPLETED 2024

- 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

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



***Update for  
March 2025  
For  
(April 2025 meeting)***

# Financial Update FY25

	Mar-25 Actual	FY 2025 Reforecast	FY 2025 Budget	Variance	FY 2024 Actual	FY 2023 Actual
Facility Number of Events	25	245	237	8	262	273
Facility Operating Revenue	\$2,415,400	\$25,617,900	\$22,619,600	\$2,998,300	\$27,278,800	\$14,310,800
Facility Other Income	\$139,100	\$1,717,400	\$1,548,800	\$168,600	\$1,616,200	\$135,700
Facility Total Revenue	<b>\$2,554,500</b>	<b>\$27,335,300</b>	<b>\$24,168,400</b>	<b>\$3,166,900</b>	<b>\$28,895,000</b>	<b>\$14,446,500</b>
Facility Operating Expenses	-\$2,237,300	-\$28,629,800	-\$27,410,400	-\$1,219,400	-\$25,495,600	-\$18,412,200
Facility Net Income/(Subsidy)	<b>\$317,200</b>	<b>-\$1,294,500</b>	<b>-\$3,242,000</b>	<b>\$1,947,500</b>	<b>\$3,399,400</b>	<b>-\$3,965,700</b>
Local S&M Operating Expenses	-\$60,900	-\$1,063,400	-\$1,603,300	\$539,900	-\$1,036,600	-\$959,400
HCC Net Income/(Subsidy)	<b>\$256,300</b>	<b>-\$2,357,900</b>	<b>-\$4,845,300</b>	<b>\$2,487,400</b>	<b>\$2,362,800</b>	<b>-\$4,925,100</b>

# ROI March 2025 FYTD

HCC Revenue + State Revenue  
+Tax Revenue

= \$290.4 M

HCC Expense + HVCB MCI

Expense = \$25.6 M

***ROI = For every dollar spent,  
\$11.36 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)
02.25	\$11.34	(10)
03.25	\$11.36	(12)
<u>FY 2024 ROI</u>		
07.23-06.24	\$14.64	(21)
<u>FY 2023 ROI</u>		
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: 03/01/2025

Fiscal Year: Contract Room Block Begin	Total Bookings	Total Contract Rooms	Total Attendees	Total EEI Value	Tax Generation
2025	18	109964	67050	\$388,228,866.23	\$45,422,777.35
2026	12	125097	43050	\$301,489,386.23	\$35,274,258.19
2027	8	88034	47700	\$285,030,767.47	\$33,348,599.79
2028	10	56021	31300	\$187,094,420.37	\$21,890,047.18
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	82167	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>558646</b>	<b>252600</b>	<b>\$1,584,132,923.45</b>	<b>\$185,343,552.04</b>

FY 25

**Total Bookings**

**18**

**Total Contract Rooms**

**109,964**

**Total Attendees**

**67,050**

**Total EEI Value**

**\$388,228,866.23**

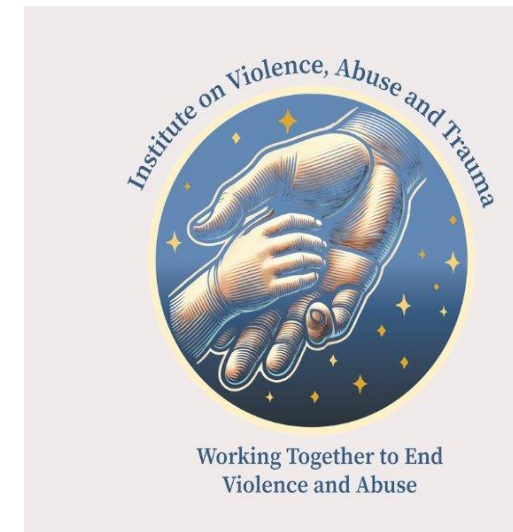
**Total Tax Generation**

**\$45,422,777.35**



# Recent Events @ Hawai'i Convention Center

- Entrepreneurs' Organization - 2025 Global Leadership Conference, March 31-April 5, 1,676 attendees (CW)
- 22nd International Hawaii Summit on Preventing, Assessing & Treating Trauma Across the Lifespan (IVAT), April 4-10, estimated 1,400 attendees
- Honolulu Open 2025 (Pickleball), April 10-13, estimated 750 attendees



# Upcoming Local/Citywide Events

- 2025 Pediatric Academic Societies (PAS) Annual Meeting, April 25-30, estimated 7,000 attendees (CW)
- IMMUNOLOGY 2025 TM, May 1-7, estimated 3,300 attendees (CW)
- ISMRM 2025 Scientific Meeting and Exhibition, May 10-15 estimated 6,500 attendees (CW)



# Definite Local/CW Bookings for next 3 months

Month	Total # of Local Events	Total # of Citywides
April 2025	26	2
May 2025	23	3
June 2025	15	1



# 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:
  - 2025 Sony Open Gala (11 trees)
  - 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)
  - CHEST 2023 (42 trees)
  - 2023 International Conference on Machine Learning (36 trees)



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

# Rooftop Terrace Deck



HTA received a good turnout for the site visit for the Rooftop Terrace Deck Repair RFP. Staff and Subcontractors from potential bidders listen attentively to VP Finance Isaac Choy explain the details and requirements of the proposals.

# New Papaheenalu Exhibit



New mahogany museum cases have been custom designed to display 13 surfboards which will depict the history of surfing in Hawaii. A 16' replica of Duke Kahanamoku's surfboard that he used at the Paris Olympics will be featured separately across from these cabinets.

# ADA Lift Installation in Theatre 320



The long-awaited new ADA lift from Canada was installed in Theatre 320; benefits are upgraded technology and flexibility in servicing.

# Exterior Building Painting



Painters working on the curve around Theatre 310. The Parking deck provides easy access using the boom lifts. Other areas are challenging requiring scaffolding and swing stages.

# 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 and replace covering
- New Wheelchair Lift in Theatre 320
- New Facilities Equipment – tables, lifts, carts
- 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**

### **Escalator Modernization**

- HCC is finalizing contract with Schindler Elevator.
- Plan completed for phasing of unit replacement and logistics, storage and barricade layouts.

### **Ballroom Gutter, Foyer and Lobby Transom Glass and Soffit Repair**

- Working with WCIT Architect on proposals for improvement of Ballroom foyer roof system.
- Incorporated repair of hardware of Lobby sails as wear is also causing leaks.
- Planning impact of construction on modified event schedule, especially in Lobby.

### **Slate Tile Repair**

- HCC issued RFP for replacement of tile on Ala Wai Patio, 3rd floor and various areas on all levels.
- Wiss, Janney, Elstner completed design specifications for improved waterproofing and substrate.
- HCC procured and received new slate tile to complete project and provide adequate back-up stock.

### **3rd Floor and Other Exterior Planters**

- Working with LDA Architects on designs for improvement of planters on all levels.
- Planter repairs include replacing corroded studs, damaged efas and improved waterproofing.

# Repair, Maintenance and Replacement Projects

## 6-Year Plan (page 1)

Project Number	Project Title	Estimated Project Cost	Est Complete	GOB/ CIP/OC	Prior Expenses Feb 2025	FY25	FY26	FY27	FY28	FY29	FY30	Total
003	Kalākaua Kitchen and Atkinson Drywell Renovation	\$ 7,517,494	CY 26-27	CIP	\$ 348,327	\$ 997,600	\$ 4,272,042	\$ 1,899,526				\$ 7,517,495
007	Kitchen Hood Control Panel Replacement	\$ 374,430	Q2 25	CIP	\$ 333,045	\$ 41,385						\$ 374,430
009	Slate Tile Repair	\$ 722,691	Q2 26	CIP	\$ 222,278	\$ 47,464	\$ 452,950					\$ 722,692
010	Chiller Replacement	\$ 6,460,366	Q1 25	CIP	\$ 5,837,381	\$ 622,985						\$ 6,460,366
011	Ballroom Gutter, Foyer Transom Glass Roof Repair and Soffit R	\$ 21,873,845	CY 26-27	CIP	\$ 222,114	\$ 6,274,424	\$ 7,805,259	\$ 7,572,048				\$ 21,873,845
012	Parapet Roof Repairs	\$ 2,202,052	Q2 25	CIP	\$ 100,473	\$ 2,101,579						\$ 2,202,052
013	Ballroom Roof Repairs	\$ 1,575,688	Q4 25	CIP	\$ 252,088	\$ 1,323,601						\$ 1,575,689
014	Lobby Water Feature	\$ 1,086,810	FY 28	CIP	\$ 3,932				\$ 1,082,878			\$ 1,086,810
015	House Sound Audio System Upgrade	\$ 5,069,943	CY 26-27	CIP	\$ 98,692	\$ 2,462,758		\$ 2,508,493				\$ 5,069,943
023	Air Wall Repairs	\$ 1,720,058	Q1 26	CIP	\$ 156,890	\$ 1,563,167						\$ 1,720,057
024	Roll-up Door Replacement	\$ 225,000	--	CIP	\$ 23,656		\$ 201,344					\$ 225,000
026	IT Network Upgrades	\$ 300,000	Q2 26	OC	\$ -		\$ 300,000					\$ 300,000
027	Ice Machines Replacement	\$ 500,000	Q3 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	Q3 25	OC	\$ 5,261,615	\$ 832,976						\$ 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	Q3 25	OC	\$ -	\$ 170,152						\$ 170,152
044	Fire Sprinkler Line Refurbishment	\$ 183,394	Q3 25	CIP	\$ 32,277	\$ 151,117						\$ 183,394
045	Escalator Modernization	\$ 7,927,869	CY 26-27	CIP	\$ 76,458	\$ 3,563,424	\$ 2,520,000	\$ 1,767,986				\$ 7,927,868
046	LED Light Upgrade	\$ 6,510,416	CY 26-27	CIP	\$ 4,674,967	\$ 1,010,806		\$ 824,643				\$ 6,510,416
048	Electrical Harmonics Testing	\$ 100,000	FY 28	CIP	\$ -				\$ 100,000			\$ 100,000
050	Main Kitchen Flooring Replacement	\$ 648,881	Q2 25	CIP	\$ 219,695	\$ 429,186						\$ 648,881
051	Phone System Replacement	\$ 30,000	Q3 25	OC	\$ -	\$ 30,000						\$ 30,000
054	Boardroom Upgrade	\$ 1,309,415	CY 26	OC	\$ 121,803	\$ -	\$ 1,187,612					\$ 1,309,415
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	\$ 333,045	\$ 41,385						\$ 374,430
060	Lobby Sail Repair and Maintenance	\$ 179,000	CY 26	CIP	\$ 41,196		\$ 137,804					\$ 179,000

# Repair, Maintenance and Replacement Projects

## 6-Year Plan (page 2)

Project Number	Project Title	Estimated Project Cost	Est Complete	GOB/ CIP/OC	Prior Expenses Feb 2025	FY25	FY26	FY27	FY28	FY29	FY30	Total
061	ADA Lift (#320) Replacement	\$ 165,000	Q2 25	CIP	\$ 91,127	\$ 73,873						\$ 165,000
064	F&B Equipment - #1	\$ 1,390,900	Q1 25	OC	\$ 1,390,900							\$ 1,390,900
066	Kalākaua Kitchen Boiler Replacement	\$ 330,000	Q3 25	OC	\$ 23,867	\$ 306,133						\$ 330,000
068	3rd Floor Planter Repair and Exterior Planter Repair	\$ 14,253,591	Q2 26	CIP	\$ 1,379,141	\$ 3,673,079	\$ 9,201,371					\$ 14,253,591
069	Parking System Equipment Upgrade	\$ 1,083,753	Q1 27	CIP	\$ 76,360	\$ 24,838	\$ 982,556					\$ 1,083,754
070	Parking Garage Floor Sealing	\$ 5,285,230	Q3 26	CIP	\$ 3,427	\$ 1,000,000	\$ 4,281,803					\$ 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	Q3 25	OC	\$ 89	\$ 133,421						\$ 133,510
074	Ice Rink and Equipment	\$ 1,000,000	Q4 25	CIP	\$ -	\$ 1,000,000						\$ 1,000,000
075	Exterior Building Painting	\$ 2,659,418	Q2 26	CIP	\$ 1,256,206	\$ 763,455	\$ 639,757					\$ 2,659,418
077	Interior Building Painting	\$ 3,728,337	Q4 26	CIP	\$ 65,053	\$ 495,049	\$ 3,168,235					\$ 3,728,337
079	Digital Signage Upgrade	\$ 6,150,000	Q4 26	CIP	\$ 20,390	\$ 3,000,000	\$ 3,129,610					\$ 6,150,000
081	Facility Equipment Replacement	\$ 1,000,000	Q4 25	OC	\$ 47,637	\$ 500,000	\$ 452,363					\$ 1,000,000
082	Escalator and Elevator Repairs	\$ 1,000,000	CY 26	CIP	\$ 481,774	\$ 185,986	\$ 332,230					\$ 999,990
083	Café 808 Renovation	\$ 3,000,000	CY 26	CIP	\$ -	\$ 3,000,000						\$ 3,000,000
084	Frictionlist Concession	\$ 1,500,000	CY 26	CIP	\$ -		\$ 1,500,000					\$ 1,500,000
085	1801 Renovation	\$ 2,000,000	CY 26	CIP	\$ -	\$ 2,000,000						\$ 2,000,000
086	Water Remediation - Misc Repairs/Equipment	\$ 500,000	Q2 26	CIP	\$ 169,564	\$ 80,436	\$ 250,000					\$ 500,000
089	Cabling Infrastructure Upgrade	\$ 850,000	Q4 25	CIP	\$ 218,737		\$ 631,263					\$ 850,000
091	Loading Dock Supply Fans	\$ 225,000	Q4 25	OC	\$ -	\$ 225,000						\$ 225,000
093	ADA Compliance	\$ 1,500,000	CY 26	CIP	\$ 6,902	\$ 100,000	\$ 1,393,098					\$ 1,500,000
094	Solar Photovoltaic System	\$ 5,682,200	Q2 26	CIP	\$ 45,059	\$ 2,065,619	\$ 3,571,523					\$ 5,682,201
097	Carpet Replacement	\$ 4,000,000	CY 27	CIP	\$ -	\$ 4,000,000						\$ 4,000,000
099	Fire Alarm System	\$ 1,500,000	CY 26	CIP	\$ -	\$ 50,000	\$ 1,450,000					\$ 1,500,000
100	Retractable Seating	\$ 1,777,130	Q3 25	CIP	\$ 89	\$ 777,130	\$ 999,911					\$ 1,777,130
101	Lobby Door Replacement	\$ 500,000	Q3 25	CIP	\$ -	\$ 500,000						\$ 500,000
102	Xorel Wall Covering Replacement	\$ 300,000	CY 26	CIP	\$ -	\$ -	\$ 300,000					\$ 300,000
	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>\$139,503,189</b>			<b>\$23,800,731</b>	<b>\$46,888,028</b>	<b>\$ 50,479,488</b>	<b>\$14,572,696</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 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

# **10**

**Report and Update by the  
HO'OKAHUA HAWAI'I STANDING COMMITTEE**

## **10b**

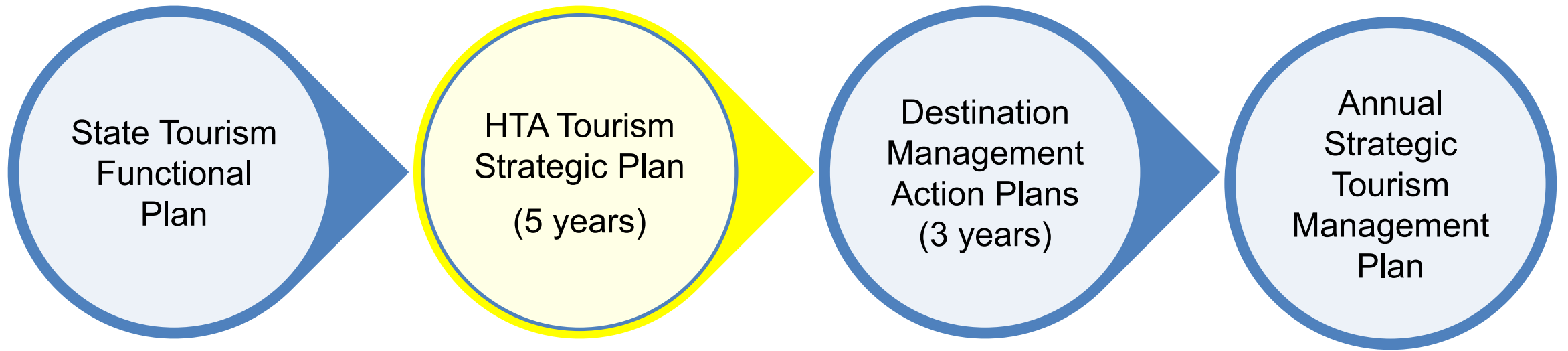
**Discussion and/or Action on the Timeline and  
Objectives for the Hawai'i Tourism Authority's  
Strategic Tourism Plan**

# DISCUSSION AND/OR ACTION ON THE TIMELINE AND OBJECTIVES FOR THE HAWAII TOURISM AUTHORITY'S STRATEGIC TOURISM PLAN

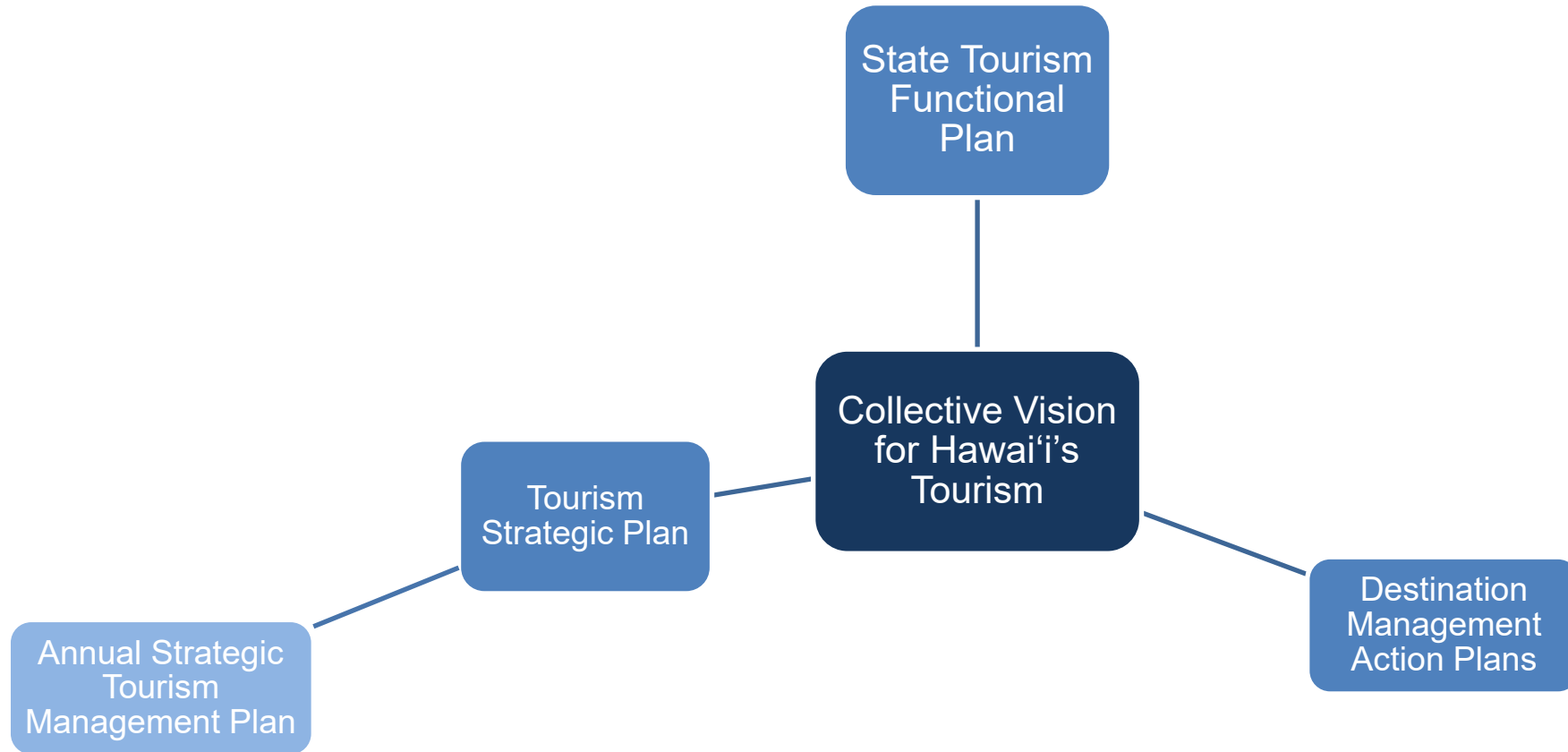
Presented by  
Caroline Anderson  
Director of Planning  
March 27, 2025

**§201B-7 (B)(1) HTA SHALL BE RESPONSIBLE FOR  
“ CREATING A VISION AND DEVELOPING A LONG-RANGE  
STRATEGIC PLAN FOR TOURISM IN HAWAI‘I.”**

# Our Plans



# Need For a Collective Vision for Tourism



# HTA Strategic Plan Components:

- A situation analysis to put our mission and values in context with current tourism trends and statistics
- Identification of goals, objectives, and strategic choices
- Data-driven guidance to invest in assets and programs benefiting residents, local workforce, and visitors
- Collective Vision
- Identification of Key Performance Indicators
- Targets and Milestones



# We Will Examine:

- Our mission
- Vision for Hawai'i's tourism
- Progress on objectives that further our vision for destination branding, regenerative tourism and destination management
- Programmatic actions aligned to our mission and their progress
- Partnership and coordination needs in service of the objectives and actions
- Consider HTA Governance Study Recommendations
- Positioning of The Hawaiian Islands in the Globally Competitive Market
  - Leisure vs Meetings Conventions, & Incentives
- Alignment with destination management and regenerative tourism best practices

## **10c**

**Discussion and/or Action on the Timeline and  
Objectives for the Hawai'i Tourism Authority's  
Destination Management Action Plans**

# DISCUSSION AND/OR ACTION ON THE TIMELINE AND OBJECTIVES FOR THE DESTINATION MANAGEMENT ACTION PLANS

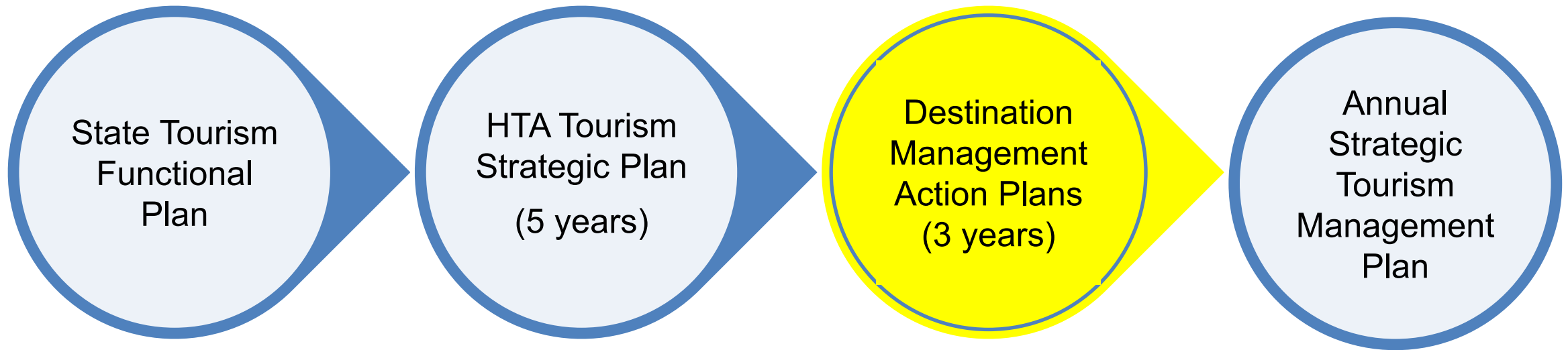
Presented by  
Caroline Anderson  
Director of Planning  
March 27, 2025

**[§201b-6.4] Destination management action plans; counties; objectives; execution.** To meet the destination management objectives for each county, the authority shall perform the actions specified in each of the following plans:

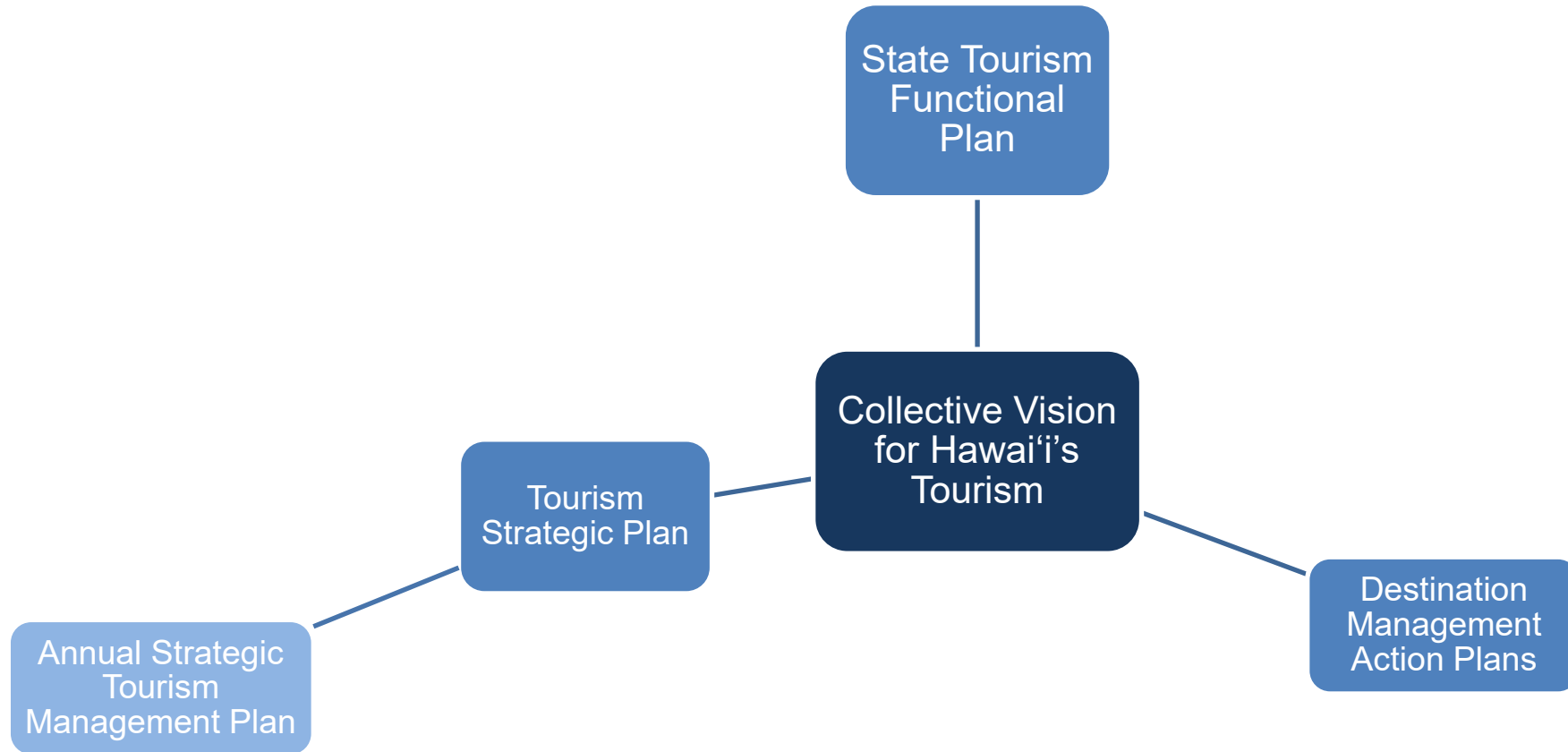
- (1) oahu destination management action plan;
- (2) maui nui destination management action plan;
- (3) hawaii island destination management action plan; and
- (4) kauai destination management action plan,

during the specified phases; provided that the execution of each destination management action plan shall be dependent on the cooperation and participation of the applicable state or county agency or an advisory group established pursuant to section 201B-13. [L 2024, c 225, §1]

# Our Plans



# Need For a Collective Vision for Tourism



# HTA DMAP Components:

- A situation analysis in context with current tourism trends, statistics, and destination management issues
- Identification of goals, objectives, responsible entity(s) and actions
- Data-driven guidance to invest in assets and projects benefiting residents, local workforce, community-based organizations, and visitors
- Identification of Key Performance Indicators
- Targets and Milestones



# We Will Assess:

- Past DMAP efforts related to destination management
- Current Hotspots List
- Current Destination Stewardship efforts
- Inter-agency partnership and coordination needs in service of the objectives and actions
- Alignment with destination management and regenerative tourism best practices
- Opportunities for integration of ‘Ōlelo Hawai‘i support in facilitation and/or other deliverables

## **12**

### **Discussion on the Audit of the Hawai'i Tourism Authority's Destination Management Action Plans**



## **STAFF REPORT TO THE BOARD**

April 29, 2025

**REQUEST:** To discuss the State Auditor's Audit of the Hawai'i Tourism Authority's Destination Management Action Plans.

### **FACTS:**

1. On Wednesday, April 16, 2025, the Office of the Auditor provided a copy of the draft Audit of the Hawai'i Tourism Authority to the Interim President & CEO.
2. On Wednesday, April 23, 2025, HTA staff met with the Office of the State Auditor to review auditor's findings.
  - a. The Auditor staff included State Auditor, Les Kondo, and his staff (John Hassler, the project supervisor; Sean Hao, the analyst-in-charge; Chuck Narikiyo, and Dave Choo, the editor).
  - b. The HTA staff included Caroline Anderson, Interim President and CEO; Isaac Choy, Acting Chief Administrative Officer; Kalani Kaanaana, Chief Stewardship Officer; Kendrick Leong, Planner; all the Destination Managers (Patti Ornellas, Blane Andrade, Meagan DeGaia, Kui Adolpho, and Matt Sueda); Dede Howa, Brand Manager - Stewardship; Milton Lafitaga, Brand Manager - Sports; and Talon Kishi, Budget and Fiscal Officer.
3. The Office of the State Auditor for the State of Hawai'i released Report No. 25-07, Audit of the Hawai'i Tourism Authority on April 28, 2025.
4. Attached is the Auditor's Summary of the Audit of the Hawai'i Tourism Authority.
5. The Audit provided 15 recommendations in the report.
6. Staff reviewed the findings and recommendations.

### **DISCUSSION:**

1. The Destination Management Action Plans (DMAPs) 2021-2023 set precedent for an island-level approach to identifying issue areas related to tourism; engaging industry, government, and community stakeholders; and assessing implementation opportunities.

April 29, 2025

2. Organizing our efforts through HRS §201B-6(a)(4), HTA took this opportunity from the initial DMAPs to lay the foundations for our leadership in the statewide shift towards destination management.
3. We also recognize the need to strengthen how we report outcomes and clarify their distinction from project outputs, especially in complex areas like destination stewardship where success must be measured in more than just dollars, visitor counts, and sentiment surveys.
4. To that end, the DMAPs 2026-2028 will be a time to build; measurability will be at the core of every data collection, analysis, and implementation effort in our engagements in all four counties, supported by ongoing organizational reforms and reinvigorated staff resources.
5. Seizing this opportunity to utilize this year's DMAPs as a second measurement in an ongoing, longitudinal effort, preparations are already underway to establish feasibility criteria for tourism-related actions on each island, clarify methodologies for Advisory Group composition, and most importantly, clearly communicate the pathways between outcomes anchored to achievable and specific upstream metrics, aligned with ongoing and prospective programs, and their associated downstream effects.
6. Newly resourced staff capacity in dashboarding and data communication, qualitative analysis, and consensus-building is already positioned to narrow the gap between the quantitative program evaluation and tourism metrics we already monitor and the community voices we hold ourselves accountable to.
7. A preliminary data inventory completed in mid-April has identified opportunities to standardize measurements, automate reporting, and aggregate impact aligned to key downstream indicators of resident sentiment and their upstream actionable drivers.
8. The successes from the previous DMAPs include collaboration with stewards at Pololū on natural and cultural interpretation, formalizing community partnerships in East Maui through Mālama Maui Hikina, mitigating surge for hikers at Koko Head Crater, providing informational signage at Waipi'o Valley Lookout, and addressing hotspots at Ka'ū, Punalu'u and Kealahou Bay through Hawai'i Island's Community-Based Action Stewardship Program.

These achievements prompt us to reflect on our progress in coordinating across islands with our Destination Managers, State and County government partners, and community and industry stakeholders. Additionally, this is an opportunity to refine how we quantify and

relate project milestones that influence different drivers of resident sentiment and visitor experience on varied time scales.

9. Ongoing consideration of program evaluation frameworks, applicable to government service delivery, public works, or social change, will augment a sharper DMAP process this year, further distinguishing HTA from comparable agencies and organizations by how we measure and communicate first- and second-order fiscal and social impacts.
10. HTA exists not to manage tourists but to steward tourism. We will continue to listen to our local stakeholders, build partnerships, and ensure tourism benefits everyone – both through the metrics we track as well as the improvements communities feel, but above all, by making abundantly clear the connection between the two.

**BUDGET IMPLICATIONS:** None

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# Auditor's Summary

## Audit of the Hawai'i Tourism Authority

Report No. 25-07



PHOTO: ISTOCK.COM

**IN 2020**, as it entered its third decade, the Hawai'i Tourism Authority (HTA or the Authority) concluded that a continuous drive to increase visitor numbers had taken a toll on Hawai'i's natural environment and people. What was needed was a “re-balancing” of priorities, and for that reason, “destination management” would be the Authority's main focus and at the heart of the new strategic plan.

In its 2020 – 2025 Strategic Plan (its current plan), HTA defined destination management as: “attracting and educating responsible visitors; advocating for solutions to overcrowded attractions, overtaxed infrastructure, and other tourism-related problems; and working with other responsible agencies to improve natural and cultural assets valued by both Hawai'i residents and visitors.” The plan also explained that destination concerns, such as attention to community benefits, Native Hawaiian culture, and workforce training, had always been a part of the Authority's strategic plans; however, this time, HTA would be putting a greater emphasis on and devoting additional resources to that effort.

As part of its “greater emphasis” on destination management, and with a goal of rebuilding, redefining, and resetting the direction of tourism over a three-year period, HTA developed three-year Destination Management Action Plans (DMAPs) for six islands, all of which terminated in 2024. Actions and sub-actions vary in the individual

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**Since 2009, Hawai'i has seen increases in visitor arrivals with corresponding decreases in resident support for tourism.**

DMAPs, such as protecting and preserving culturally significant places and tourist “hotspots”; increasing communication, engagement and outreach efforts with the community, visitor industry, and other sectors; increasing enforcement and active management of sites and trails; advocating/creating more funding sources to improve infrastructure; and developing regenerative tourism initiatives.

## What We Found

In Report No. 25-07, *Audit of the Hawai'i Tourism Authority*, we assessed HTA's achievement of its 2016 and 2020 – 2025 strategic plans' destination management goals. We also evaluated the effectiveness of the agency's DMAPs. We found that HTA's new emphasis on destination management is not materially different from its prior efforts. Although not referred to as “destination management,” a large part of HTA's previous strategic plan had outlined – and highlighted – the same goals as its current strategic plan. We concluded that HTA's destination management effort is largely a reshuffling of past and continuing programs, done without changes in policies and procedures or proposed organizational adjustments. In addition, HTA's self-described refocusing doesn't seem to have involved any increased financial commitment; overall spending on destination management efforts remained generally level.

What didn't change from previous audit findings was HTA's inability or disinterest in reporting on its own performance against its strategic plan goals. HTA's last three annual reports to the Legislature lacked analysis or reporting of the Authority's own Key Performance Indicators and its progress toward achieving its destination management goals. In our review, we found that performance against two of these Key Performance Indicators, when adjusted for inflation, has not improved since 2019, calling into question whether the Authority's destination management efforts were effective.

We also found that HTA's DMAP effort was largely ineffective. Most of the plans' actions and sub-actions did not address hotspots, were underway or already completed, or were impractical. HTA funded many actions and sub-actions that seem unrelated to destination management, which HTA defines, generally, to mean attracting and educating responsible visitors and advocating for solutions to overcrowded attractions, overtaxed infrastructure, and other tourism-related problems. Moreover, we found that HTA's tracking of the progress towards advancement of the hotspot-related sub-actions involved little more than filling out a to-do list. And, in the last year of the DMAPs, the Authority stopped tracking all DMAP actions and sub-actions altogether.

## Why Did These Problems Occur?

HTA rushed its DMAP effort without a clear idea of what they were intended to achieve and how their actions would be prioritized. The Authority had no process or criteria for choosing who was on each steering committee. Similarly, HTA did not systematically choose how the DMAP

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actions and sub-actions would be implemented. There was also no criteria or process for choosing which projects would be funded to advance the DMAP goals. And, the Authority delegated much of the creation, management, and assessment of the DMAPs to third-party contractors, the community, and the island steering committees. Instead of leading this important aspect of tourism planning, HTA deferred to others. In the end, all proposed projects were accepted.

More generally, HTA management is not held accountable by its board to meaningfully achieve the goals and objectives of HTA's strategic plan. HTA lacks meaningful milestones and measures to track its progress against its strategic initiatives. HTA's Key Performance Indicators, which it uses to track performance, are the same broad metrics that HTA used to measure its success *before* it adopted the current strategic plan with its "emphasis" on destination management. Those indicators are not meaningful in measuring, for instance, the impacts of tourism on infrastructure and natural resources. And, none of the Key Performance Indicators seem designed to gauge progress in addressing resident concerns about visitor impacts, generally, and about hot spots, specifically.

## Why Do These Problems Matter?

Without adequate HTA leadership and oversight, the DMAP actions and sub-actions were efforts that were dubious or impractical, little more than elaborate tourism to-do lists and rosters of various, unconnected actions. For instance, "hotspots," determined by the various island steering committees, are locations where visitors and residents compete for access, and where mitigating congestion and overcrowding could increase resident support for tourism. HTA did not adequately identify or vet hot spots or the community concerns about them. As a result, relatively few of the resultant actions and sub-actions addressed hot spots and their perceived issues.

However, HTA's most persistent issue may be its most concerning. The Authority's continued inability or reluctance to demonstrate its overall effectiveness for meeting its tourism goals undermines its credibility with the public and policymakers, as well as its ability to effectively make evidence-driven decisions and allocate resources to its destination management efforts.



[Link to the complete report:](https://files.hawaii.gov/auditor/Reports/2025/25-07.pdf)

**Audit of the Hawai'i Tourism Authority**

<https://files.hawaii.gov/auditor/Reports/2025/25-07.pdf>

**14**

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

## **14a**

**Presentation, Discussion, and/or Action on  
the 2026 Hawai'i Tourism Brand Marketing  
Directives\*\*\***



## **STAFF REPORT TO THE BOARD**

April 21, 2025

**REQUEST:** To review HTA's next phase of the 2026 Marketing Plan Development: 2026 Hawai'i Tourism Brand Marketing Directives

### **FACTS:**

The purpose of the 2026 Hawai'i Tourism Brand Marketing Directives is to provide strategic direction to HTA's global marketing contractors in developing their 2026 Annual Brand Marketing Plan (BMP). This document consists of the following sections:

- HTA's Brand Marketing Objectives
- Snapshot of the Industry
- Budget Allocation
- Guiding Principles
- Target Markets (Major Market Areas)
- Target Segments
- Core Focus Areas
- Tracking Our Success (Measures of Performance & KPIs)

In June, HTA will issue this document along with the board-approved market budget allocations to the global marketing contractors. Each contractor will then develop a BMP customized for their respective market.

In August, HTA will review and approve all BMPs, and compile relevant sections into a unified 2026 Tourism Marketing Plan, which will be shared publicly to inform stakeholders and support alignment across the industry.

**DISCUSSION:** To review and refine the draft 2026 Hawai'i Tourism Brand Marketing Directives.

**BUDGET:** Pending outcome of 2025 Legislature Session.

**RECOMMENDATION:** BSC approval of the draft 2026 Hawai'i Tourism Brand Marketing Directives.

**14b.i**

**U.S. Maui Emergency Marketing  
Campaign\*\*\***



## **STAFF REPORT TO THE BOARD**

April 29, 2025

**REQUEST:** To provide an update on the U.S. Maui Emergency Marketing Campaign.

**FACTS:**

1. February 27, 2025: Hawaii Tourism Authority's (HTA) Board of Directors approved \$6.3 million for HTUSA to develop and implement a U.S. Maui Emergency Marketing Campaign that is in alignment with the Governor's intent to address Maui's recovery as follows:

Component	Budget Allocation
1. Wholesaler Program	\$4,000,000
2. Other Direct Booking Programs	\$500,000
3. Brand Efforts for Maui Recovery	\$800,000
4. Admin Fee + Brand Study	\$1,000,000
<b>Total</b>	<b>\$6,300,000</b>

2. February 27, 2025: HTUSA was directed to submit a revised proposal with a budget allocation in alignment with the HTA board motion. The proposal would then be provided to the DBEDT Director for Governor's approval.
3. March 1, 2025: Interim President & CEO, Daniel Nahoopii, submitted the revised proposal to DBEDT Director Jimmy Tokioka. March 5, a revised version with more details on the HVCB administrative activities was provided.
4. March 7, 2025: DBEDT Director Jimmy Tokioka advised Mr. Nahoopii to move ahead with drafting the contract.
5. March 12, 2025: As of March 12, 2025, program staff has submitted all internal documents and a draft contract to the procurement team.
6. March 27, 2025: The board amended its previous motion of approving \$6.3 million for a U.S. Maui Emergency Marketing Campaign to take into account \$300,000 to be moved towards the Japan market recovery. As such, the U.S. Maui Emergency Marketing Campaign budget is as follows:

April 29, 2025

Component	Budget Allocation
1. Wholesaler Program	\$4,000,000
2. Other Direct Booking Programs	\$200,000
3. Brand Efforts for Maui Recovery	\$800,000
4. Admin Fee + Brand Study	\$1,000,000
<b>Total</b>	<b>\$6,000,000</b>

7. April 20, 2025: The Department of Budget & Finance informed HTA that it is not allowed to transfer and reallocate funds from other program ID's into BED114 based on the emergency proclamation.
8. HTA staff determined that \$3,866,711 is available in BED114 for the U.S. Maui Emergency Marketing Campaign. HTUSA is revising its plan to reduce activities and adjust its timeline.

**BUDGET IMPLICATIONS:** The original \$6.3 million U.S. Maui Emergency Marketing Campaign is reduced to \$3,866,711.

**RECOMMENDATION:** Recommend the board approve the revised plan for the U.S. Maui Emergency Marketing Campaign in the amount of \$3,866,711.

**14b.ii**

**Japan Affluent Market Study**

An aerial photograph of a lush green golf course situated on a hillside. The course features several fairways, green fairways, and sand traps. To the right of the golf course, the land meets the ocean, with waves crashing against a rocky shore. In the background, a large, dark mountain rises above the horizon under a blue sky with scattered white clouds. The overall scene is vibrant and scenic, showcasing the natural beauty of Hawaii.

HAWAII TOURISM

JAPAN

# JAPAN MARKET ADDITIONAL FUNDING INITIATIVE



# OBJECTIVE

- Increase expenditures by targeting affluent market
- Develop the database of affluent visitors
- Target affluent visitors to encourage Maui travel
- Program target during soft season
- Continue to develop value-added programs

# TARGET



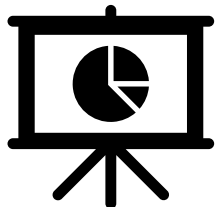
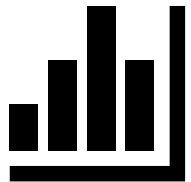
- Affluent individuals who have achieved a business milestone and now enjoy more leisure time
- Focuses on nurturing the younger generation
- Prioritize family time and their enjoyment over luxury
- Seek for unique activities with family

# PROJECT IMPLEMENTATION FLOW

## STEP 1

- Data collection
- Data analysis
- Clarification of target profile

\$300,000



## STEP 2

- Build framework
- Develop ad-value programs
- System development
- Executing promotions

Estimation TBD



# STEP1 OVERVIEW

**Period : September – December 2025**

**Contents : Pre-Project Research and Analysis**

## **STEP1-1 Data Strategy**

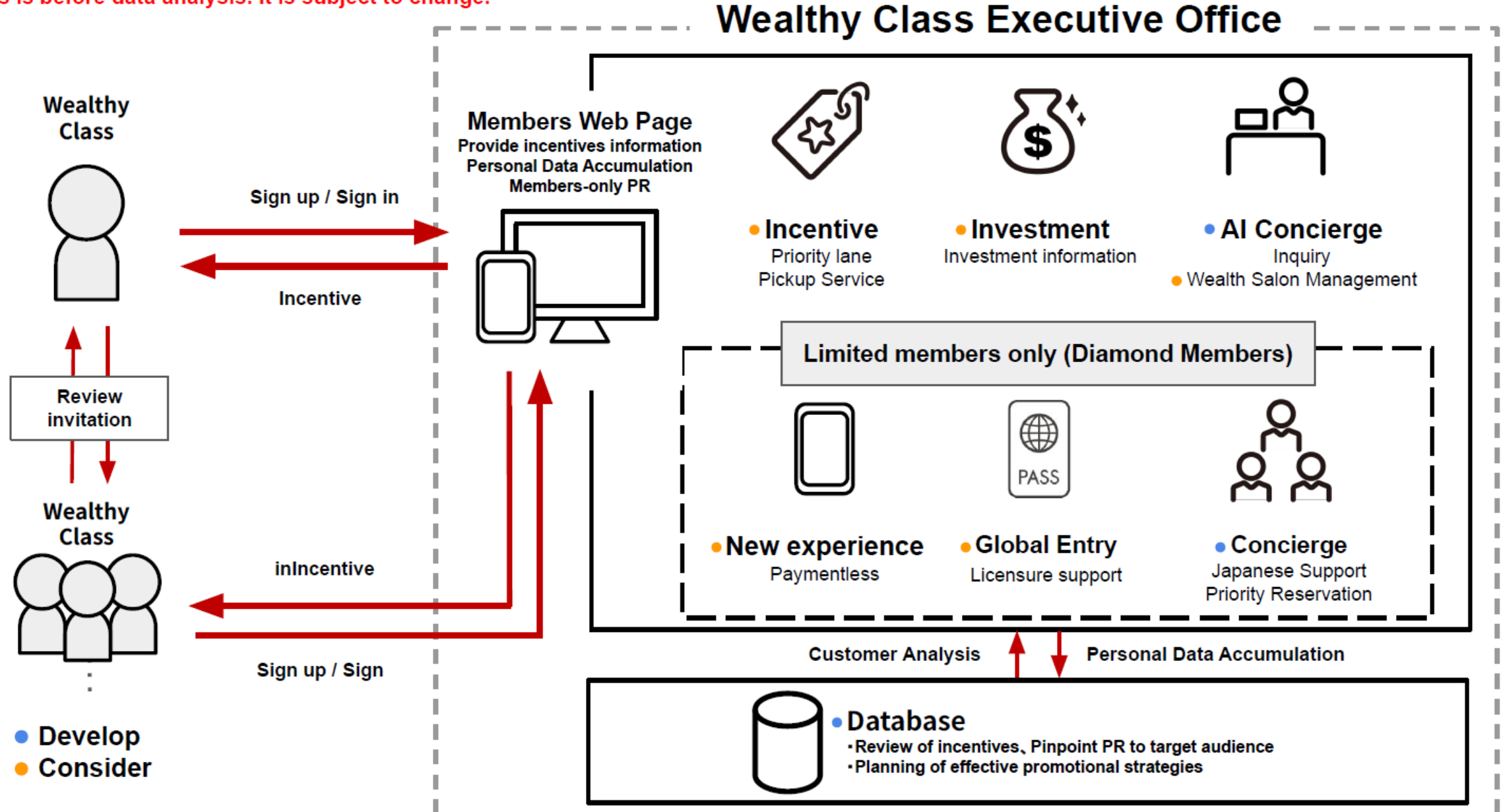
- Data Collection on Wealthy Class
  - Secondary Research
  - Data Acquisition from Information Providers
- Data Analysis
  - Refining Profiles of Wealthy Class Travelers
  - Targeting
  - Ideation for Incentives and Investment Opportunities

## **STEP1-2 Partner Strategy**

- Assessment of Areas Requiring Collaboration
  - Data analysis leads to overall measures.
  - Identification of Potential Partner Companies for Each Collaboration Area
- Selection of Administrative Office management partners
  - Selection of Potential Partner Companies
  - Creation of RFP

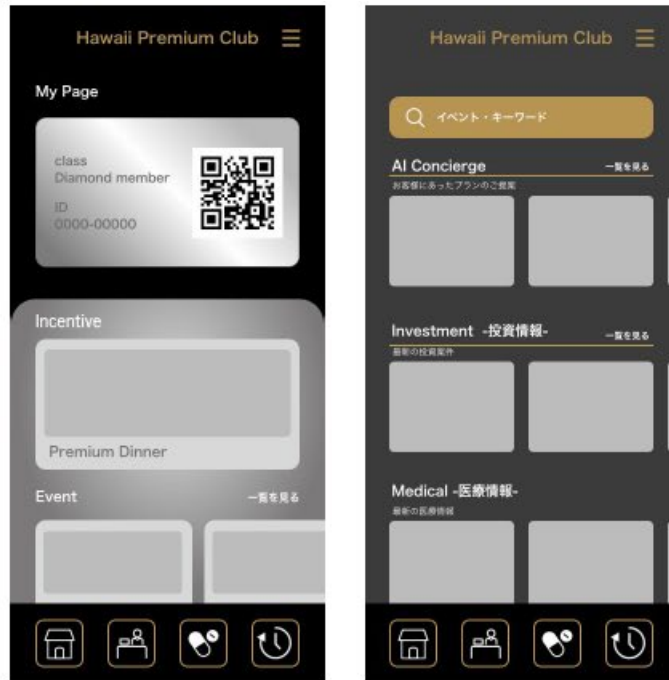
# DIGITAL PLATFORMS

This is before data analysis. It is subject to change.

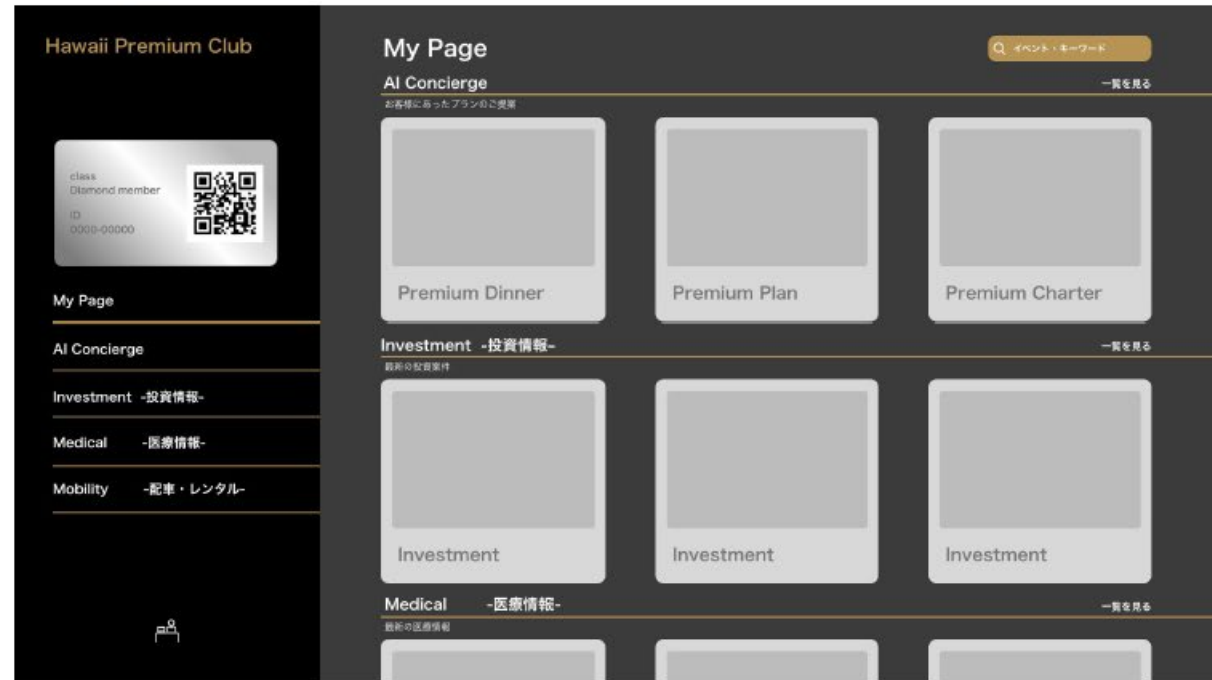


# DIGITAL PLATFORM

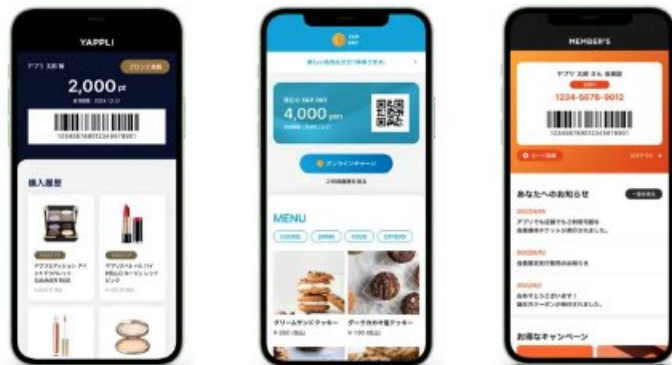
## SP Version



## WEB Version



## Reference



# IDEAS OF ATTRACTING TRAVELERS



## Events for Attracting Wealthy Class Travelers

### Objective: Attracting and Analyzing Wealthy Travelers

The following are preliminary ideas:

- **Events Originating in Hawai'i**  
Develop new programs and events based on Hawai'i's traditions and folklore.
- **Aloha Stadium Events**  
Plan events featuring prominent figures, such as baseball star Shohei Ohtani
- **Exclusive Annual Event**  
Host a special event once a year exclusively for members



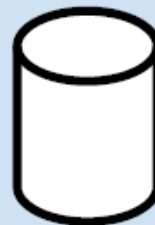
## Incentives for Members

- Priority access to the app
- Access to priority lanes and shuttle services
- Exclusive Visa program offerings
- Payment-free experiences
- Priority reservation rights for various activities
- Invitations to members-only tours and salons
- Japanese-speaking concierge desk
- VIP-exclusive night lounge



## Introduction to Investment and Experience Opportunities

- Introduction to priority investment opportunities
- Real estate investment linked to residency visa issuance
- Improvements to investment visa options
- Public facility contributions and special privileges
- Business startup support and special benefits
- Sustainability investments
- Shared jet services
- Study abroad and education-related opportunities



## Database of Wealthy Class Travelers

- Strengthening incentives
- Targeted PR for specific audiences
- Developing effective promotional strategies
- Creating personalized services (storing customer information)
- Personalized experiences and recommendations

MAHALO



## **14b.iii**

### **Meetings, Conventions and Incentives Market Activity and Pace Report**



# Hawai'i Tourism Authority Branding Standing Committee Meeting MCI Update

April 21, 2025

A scenic view of a waterfall cascading over a rocky cliff, surrounded by lush green foliage. The waterfall is the central focus, with water falling from a high point on the left side of the frame. The surrounding area is covered in dense, vibrant green plants and trees, creating a sense of a tropical or forest environment. The lighting is natural, highlighting the textures of the rocks and the movement of the water.

# Agenda

- Meet Hawai'i: MCI Overview
- Strategic Landscape
- Resetting Strategy
- Major Initiatives



## Meet Hawai'i: MCI Overview

- Our Role on Behalf of the State
- Team Structure: Citywide, Single Property, Client Services
- Key Definitions: Booking Cycle, Pace, Goals Benchmarks

# 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

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- **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

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- 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.
- **KPIs:** 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
- **KPIs:** 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.
- **KPIs:** Create an experience that turns new business into repeat customers.

# Key Definitions

## Booking or Event Cycle:

- **Definition:** Timeline between initial client engagement and event execution (Lead Date to Definite Date)
- Citywide conventions: 3–5 years out
- Single property groups: 6–18 months out

## Pace: (Future Pace)

- **Definition:** Real-time tracking of room nights and # of events booked for future years
- Indicates whether sales are ahead or behind targets based on past year averages.

## Establishing Pace Targets/Benchmarks: (Future Arrival Years)

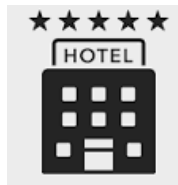
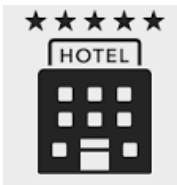
- **Definition:** Historical averages
- Example: Where should we be today for 2028, 2029, 2030...
- Helps evaluate pipeline health (tentatives) and future year bookings
- **Targets are guideposts** of where the team should be to achieve TRN and # of events in the arrival year.

## Production Goals:

- **Definition:** room night and # of event produced in the year for future years. (tentative and definite)

# 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.)



# Strategic Landscape

- 2024 Production Highlights
- Booking Cycle Differences (Citywide vs. Single Property)
- Shaping Strategy in a Changing Landscape

# Production Highlights – CY 2024

	Total Room Nights	% to YTD Goal
CITYWIDE		
Tentatives	514,508	114%
Definites	149,584	90%
# of Events	22	Goal: 28
SINGLE PROPERTY		
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 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 Single Property vs. Citywide Booking Trends

## Single Property (Hotel-Only Bookings)

**Booking Window:** Typically, 6 to 18 months from lead to arrival

**Trend:** Short and increasingly compressed; many bookings are **in-the-year-for-the-year (ITYFTY)**

**Drivers:** Corporate incentives, **smaller** association meetings, and short-term bookings

**Flexibility:** High; hotels can often shift space and rates quickly based on demand

**Conversion Speed:** Fast — planners often move to contract within weeks of sourcing

## Citywide Bookings (Hawai'i Convention Center)

**Booking Window:** Typically, 2 to 5 years out, occasionally longer for major associations

**Trend:** Compressed post-pandemic; many 2027 bookings were secured in 2023-2024

**Drivers:** Association rotations, international meetings, corporate events

**Flexibility:** Lower due to space hold patterns and multi-partner coordination

**Conversion Speed:** Moderate to slow – depends on funding approval, space management and client board processes. While conversion speed can be slow, destination response times are key to maintain momentum and win the business

# Booking Cycles – National Comparison

## 2synergize Reporting

- A specialized consulting agency focused on the destination marketing industry
- Categorizes DMOs (*Destination Marketing Organizations*) based on convention center size.
- Category C includes 48 destinations 100K-499K GSF of exhibit space
- Hawai'i Convention Center (204K GSF) falls into this mid-sized category
- While the destination comparison is defined by the convention center, the data includes both hotel and convention center leads for that category



# Category C vs. Hawai'i (2024)

## Industry Benchmark

- +12.8% increase in lead volume vs. 2019
- +22% increase in lead room nights vs. 2019
- Over 5,000 hotel leads, and 169 convention center leads were booked ITYFTY (*in the year, for the year*) or one year out
- Short-term booking cycle remained in 2024

## Hawai'i Convention Center

- Most of our bookings for 2027 were sourced in 2023 and early 2024
- Nearly all tentative citywide leads were within 3–4 years of arrival
- Very few long-lead bookings (5–10 years out) in our historic pace pattern
- Our pace was ahead of industry benchmark for 2027 prior to disruption

**Takeaway: Hawai'i's pace aligns with national Category C trends — shorter booking window, but with strong conversion and demand**

# Pivoting Strategy After 2027 Disruption

## Tentative Business has Value

- Tentatives signal serious interest and allow us to forecast economic impact
- Each tentative group represents potential visitors spending, even before conversion
- Current combined tentatives represent \$1.8B in potential economic impact
- Conversion efforts are ongoing; disruption affects both stages of the sales funnel

## 2026 – 2027 Closure Disruption

- Closure extension removed a strong 2027 pipeline from conversion path
- 2027:
  - **Definites: (12 Events)**
    - \$339M Economic Impact
    - 60K Attendees | 103K TRN
    - \$262K HCC Rental
    - \$3M in committed F&B revenue
  - **Tentatives: (11 Events)**
    - \$343M Economic Impact
    - 54K Attendees | 76K TRN
- Preserving business by shifting to future dates or keeping in Hawai'i.
- Shifting strategy to leverage single property and short-term opportunities

## Pressure from Other Destinations

- 95% of competitive destinations use incentives to close business
- Hawai'i's incentive fund reduced from \$1.2M pre-pandemic to \$500K today
- Additional support needed to compete in cost-driven MCI landscape

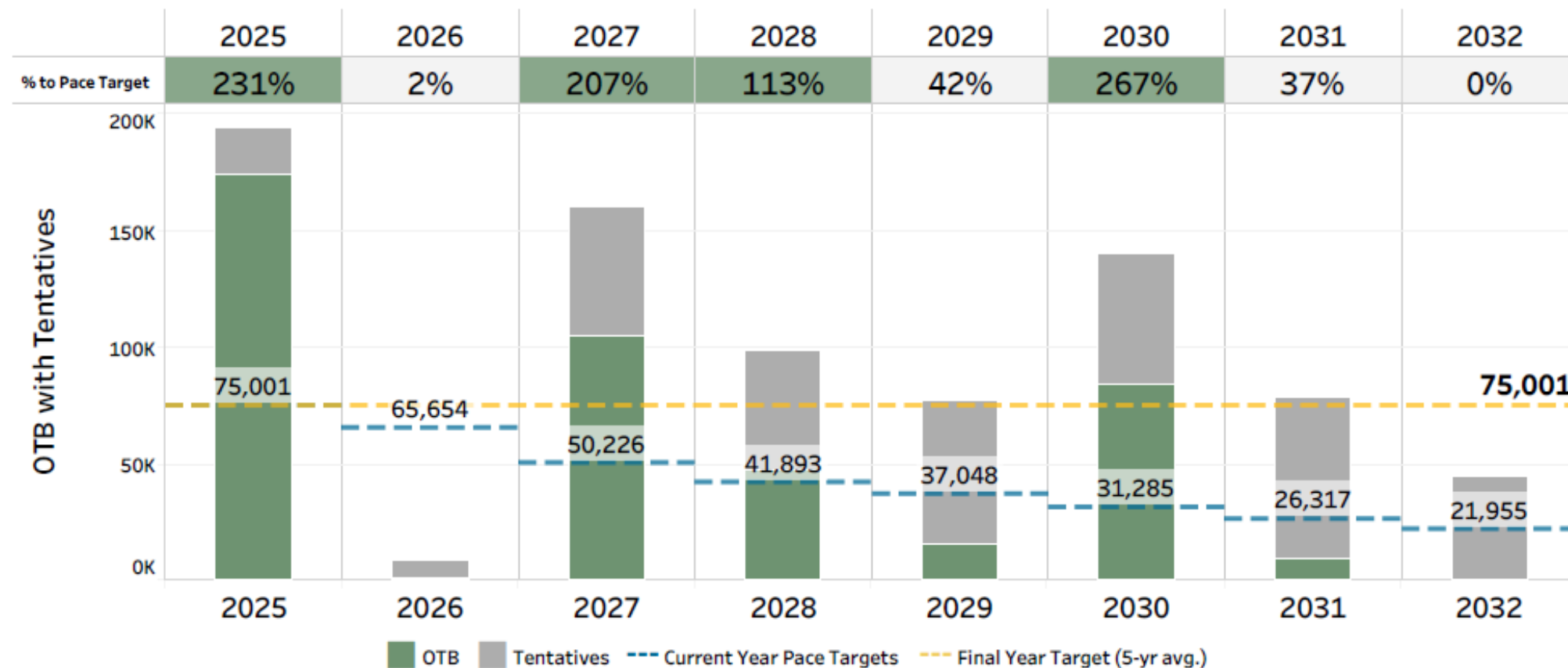


# Resetting Strategy

- Current Pace
  - January 2, 2025 vs. April 1, 2025
    - Total Room Nights
    - Number of Events
- Production
- Maximizing All Teams to Maintain Momentum

# Hawai'i 8 Year Future Pace for Citywide – Room Nights

Number of room nights on the books against a 5-year average target. (2017, 2018, 2019, 2022, 2023) Data last refreshed on 4/1/2025



*Insight – Citywide pacing strong in 2028, drop off in 2026 reflects HCC closure. 2029 need year.*

# Event Booking Pace

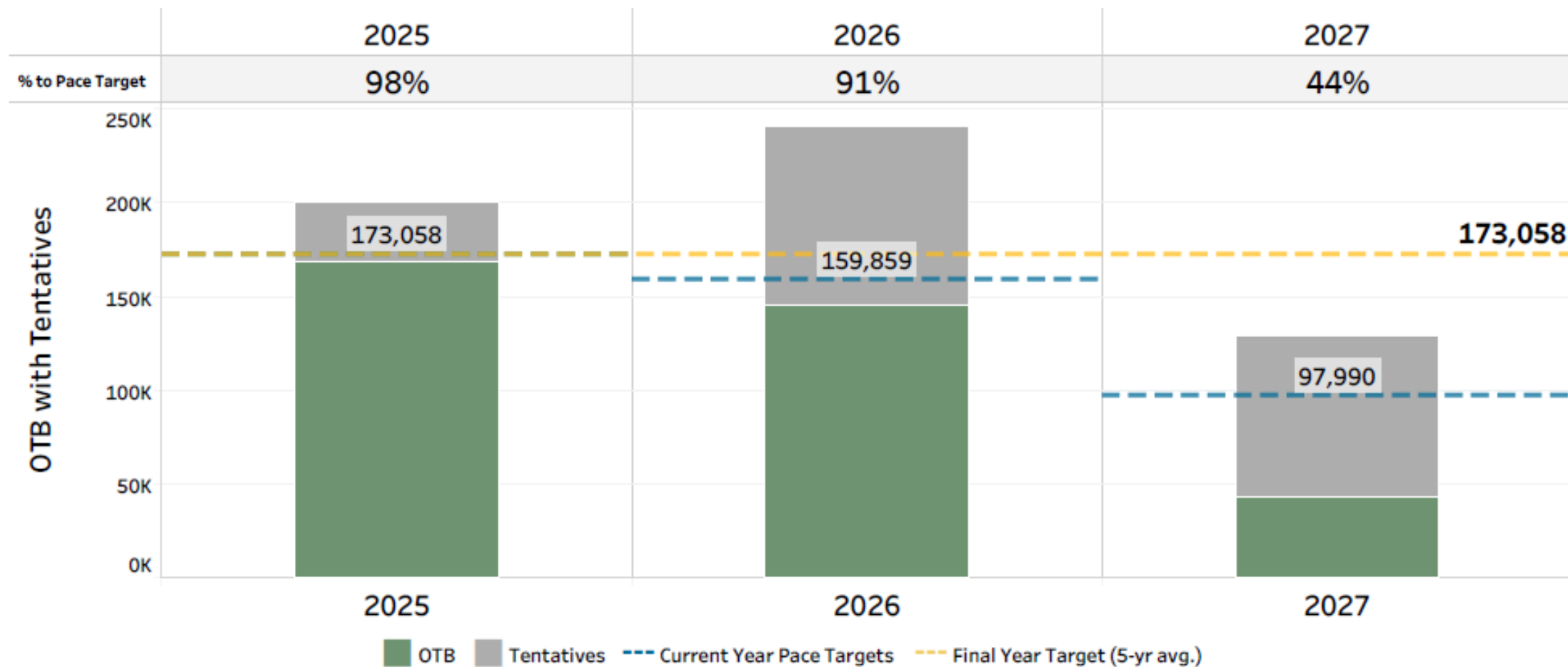
March 2025 YTD

## 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	1	14	(13)	-93%	27	2	28
2027	12	8	4	50%	16	7	28
2028	7	6	1	17%	21	11	28
2029	3	5	(2)	-40%	25	4	28
2030	5	4	1	25%	23	4	28
2031	1	3	(2)	-67%	27	5	28
2032	0	2	(2)	-100%	28	6	28

# 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 4/1/2025



*Insight – Single Property pacing remains on track for 2025. 2026 incentive launched in March. A 2027 campaign is under discussion to attract larger meetings and drive compression across the state.*

# Single Property Definite Production by Island

March 2025 YTD

	Tentative Rooms	Economic Impact	Definite Rooms	Economic Impact
Island of Hawai'i	82,278	\$134.1M	3,656	\$4.9M
Kaua'i	53,527	\$78.0M	7,085	\$8.3M
Lāna'i	14,504	\$23.8M	0	\$0.0M
Maui	124,243	\$197.3M	14,400	\$20.1M
O'ahu	154,285	\$304.7M	6,911	\$14.9M
Totals	428,837	\$433.2M	32,052	\$48.2M

# Meet Hawai'i – Tentative Production (pipeline)

March 2025 YTD

	Attendees	Tentative Room Nights	Economic Impact
Citywide	104,700	172,788	\$654.8M
Single Property	67,940	179,453	\$331.2M
TOTALS	172,640	352,241	\$986.0M

# Meet Hawai'i – Definite Production

March 2025 YTD

	Attendees	Definite Room Nights	Economic Impact
Citywide	2,200	826	\$12.9M
Single Property	9,130	25,426	\$41.8M
TOTALS	11,330	26,252	\$54.7M

# Reset Strategy – Maximizing Our Teams

## Citywide Team:

- Focused on rebooking impacted 2027 events into future years
- Protecting relationships with long-lead, high-impact clients
- Targeting 2028–2030 booking cycles
- Launching grassroots marketing campaign July 2025 when construction company is secured and day by day schedule in place

## Single Property Team:

- Actively filling compression in 2026–2027 across all islands
- Capitalizing on short-term booking window flexibility
- Leveraging customized hotel incentives and relationships

**Despite the disruption, our teams are aligned and focused – retaining business, rebuilding pace, and protecting long-term economic value for Hawai'i**

A vibrant rainbow arches over a dense, misty forest on a mountain slope. The foreground is filled with tall, green grass. The text "Major Initiatives 2025" is centered in the middle of the image.

# Major Initiatives 2025

# U.S. Citywide & Single Property

## Major Programs:

- PCMA's - Convening Leaders - Houston
- Varied activations in key markets through MPI
- Northern California Roadshow
- Business Events Industry Week (DC)
- Sports Events and Tourism Association (Q2)
- IMEX America 2025, Las Vegas
- Citywide and Single Property Fam (Q3 & Q4)
- Site Classic 2025 – Maui

## Key Strategies:

- 2026 Incentive to key intermediaries to offset closing of HCC
- HCC Benchmark Analysis
- Highlight Client Services and 'Elele Program



# Global MCI - Japan

## JTB Strategic MOU

- Develop long term partnership with JTB to attract large scale incentive citywide clients
- JTB Aloha Ambassador Program

## HIS Strategic MOU

- Mālama programs
- Neighbor Island MCI Groups

## JATA Sales Competition

- Nationwide sales competition to encourage sales personnel to sell Hawai'i to their clients.
- 1,150 Sales Personnel representing 7 Travel agents have signed up for the Competition
- Winners will win a free trip to Hawai'i sponsored by Meet Hawai'i and Hawai'i Hotel Partners.

## HIS Corporate Seminar – Tokyo and Osaka

- In partnership with HIS and Hawai'i partners the seminars allows Meet Hawai'i and Hawai'i partners to have direct conversation with Corporate Clients.



# Global MCI - Oceania

- DMS Connect Roadshow - Auckland, Melbourne & Sydney
- Associations Forum National Conference
- Meet Hawai'i 'Ohana Aloha Mission 2025 - Sydney, Melbourne & Auckland
- Meet Hawai'i Oceania FAM - O'ahu & Island of Hawai'i
- Global Business Travel Association
- Oceania Incentive Offer (Year-round)



WHY BLEISURE IS BOOMING IN HAWAII



# Global MCI – Korea/China

- Korea Sales Mission
- Aloha MCI Workshop Korea
- Macau International Expo





*Mahalo*