



**REGULAR BOARD MEETING
OF THE
HAWAII TOURISM AUTHORITY**

HYBRID IN-PERSON & VIRTUAL MEETING

THURSDAY, JUNE 26, 2025, AT 9:30 AM

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

Meeting will be live streaming via Zoom.

<https://us06web.zoom.us/j/87952637162>

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.

Call In: +1 719 359 4580 US
Webinar ID: 879 5263 7162

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.

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

AGENDA

1. **Call to Order** *9:30 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**
3. **Opening Protocol**
4. **Report of Permitted Interactions at Informational Meetings or Presentations Not Organized by the Board Under HRS section 92-2.5(e)**
5. **Approval of Minutes of the May 28, 2025 Regular Board Meeting**
6. **CEO Report**
7. **Board Chair Report**
 - a. **Report and Update on the Search for HTA President & CEO**
8. **Report and Update on SB 1571 and its Implementation** *10:10 a.m.*
9. **Report on the Hawai'i Tourism Authority's (HTA) May 2025 Financial Reports** *10:25 a.m.*
10. **Report on the Hawai'i Convention Center's (HCC) May 2025 Financial Report and Update on the HCC's 6-Year Repair and Maintenance Plan**
11. **Discussion on FY 2026 Budget, Recognizing DBEDT Approves HTA's Budget** *10:40 a.m.*
12. **Update on HTA's Tourism Guide Certification Curriculum & Content Development** *10:50 a.m.*
13. **Presentation on HTA's Sports Strategic Plan, Including Partnership Evaluation Criteria** *11:15 a.m.*
14. **Adjournment** *11:45 a.m.*

*** 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.

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.

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

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.

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Approval of Minutes of the May 28, 2025 Regular Board Meeting



Ke'ena Kuleana Ho'opipa O Hawai'i
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**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Wednesday, May 28, 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:

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

MEMBER NOT PRESENT:

James McCully

HTA STAFF PRESENT:

Caroline Anderson, Jadie Goo, Talon Mr. Kishi, Carole Hagihara, Amalia Clower, Lindsay Sanborn, Christina Tuchman, Milton Lafitaga, Dede Howa

GUESTS:

Sen. Lynn DeCoite, Rep. Adrian Tam, Keith Regan (DAGS) (zoom), Gordon Wood (DAGS) (zoom), Jennifer Chun, Carmela Resuma, Laci Goshi, Allison Schaefer, Jessica Lani Rich, Teri Orton, Noelle Liew, Mari Tait, Elizabeth Ufi

LEGAL COUNSEL:

John Cole

1. Call to Order

Chair Apo called the meeting to order at 9:37 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 Vice-Chair Paishon, Mr. McCully, Dir. Tokioka, and Mr. West who were excused.

3. Opening Protocol

No opening protocol was given at this time. Vice-Chair Paishon was to conduct it later.

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 April 15, 2025, Regular Board Meeting and May 1, 2025 Regular Board Meeting

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

6. CEO Report

Ms. Anderson greeted the Board members and reminded them that the CEO report was included in their information packet. She noted that the report had been condensed and stated that the e-bulletin would be issued in the future to provide information about the activities of the Global Market Teams (GMTs), Kilohana, and the HTA staff.

Ms. Anderson reviewed the status of the ninety-day action plan as follows:

1. In pursuit of a collaborative and cohesive team, an internal public relations (PR) team had been established, as there was no public affairs or public relations contractor at that time. The team was working to issue press releases and intended to release one later that week regarding the Ho'olina scholarship, which had been awarded to five individuals. She acknowledged the commendable efforts of the staff.
2. Overdue invoices had been reduced by one hundred percent by May 15, 2025, with all

except one having been processed.

3. Concerns regarding contractors had been addressed and resolved, primarily those related to the Hawai'i Visitors and Convention Bureau (HVCB) and the Council for Native Hawaiian Advancement (CNHA) Kilohana contracts. Many of the issues were payment-related, and progress was being made in that regard.
4. The HTA staff were actively undertaking the process of updating and adhering to all policies and procedures before the end of July. Staff were to complete this review in collaboration with the Administrative and Audit Standing Committee (AASC).
5. Improvement of Board operations and efficiency was underway.
6. The initiative to facilitate effective tourism policy development and provide clear directives while empowering staff to implement the annual strategic tourism management plan under the budget had not yet commenced.
7. In terms of recruitment, Ms. Anderson confirmed that the newly recruited Public Affairs Officer was to assume their role on June 9, 2025. The position of Brand Manager within the Stewardship Branch had been posted, with the application deadline having passed the previous Friday. She noted that the position description for the Chief Stewardship Officer was under review, with internal paperwork required before the posting could proceed. She expressed hope that the position would be advertised soon.

Ms. Anderson reminded Board members that during the previous Budget, Finance, and Convention Center Standing Committee (BFCCSC) meeting, concerns had been raised regarding the plan for the Hawai'i Convention Center (HCC) rooftop repair project. In response, she had held discussions with the Department of Accounting and General Services (DAGS) and had arranged for the Comptroller to be available to answer questions. She added that a meeting had been scheduled for later that afternoon to discuss the project and would be attended by the General Manager and the Operation Manager of the HCC, the contractor responsible for project management, and the contractor overseeing the design of the rooftop repair project, as well as Mr. Keith Regan and Mr. Gordon Wood from DAGS. Ms. Anderson then invited Mr. Regan to address the Board.

Mr. Regan stated that he was the Comptroller for DAGS and assured the Board that DAGS was committed to supporting the HTA and HCC throughout the project. He noted that he had engaged in numerous discussions with Ms. Anderson and the Public Works Division (PWD) team, which served as the construction arm of the State of Hawai'i through DAGS and was actively involved in assisting with the project.

Mr. Regan acknowledged that he was aware of the challenges ahead since he had worked on

the project during his time at the HTA, but assured Board members that they would strive to adhere to the proposed timelines and advance the project efficiently.

However, Mr. Regan cautioned Board members that the proposed timeline was aggressive. He added that DAGS recognized the necessity of urgency given the economic impact of the HCC's closure on the State and confirmed that expediting the process was a high priority while also ensuring compliance with State procurement and contracting requirements. He advised that adjustments to the schedule might be necessary but assured the Board that any changes would be communicated in due course. Mr. Regan reaffirmed his involvement in the project and stated that he would be present more frequently, expressing his appreciation for the opportunity to participate in the project and support the HTA.

Chair Apo expressed gratitude for Mr. Regan's involvement in the project and his participation in the budget committee hearing, noting that staffing issues had been a concern during the proceedings. While acknowledging the commitment of DAGS to the rooftop repair project, he reminded Board members that this discussion formed part of the CEO report and noted that the rooftop repair project had not been included as a separate agenda item. This implied that general inquiries could be addressed, but more detailed questions should either be deferred or submitted for inclusion in the agenda through the Sunshine Law process.

Mr. Arakawa appreciated the opportunity to collaborate with Mr. Regan again and inquired whether DAGS had been engaged in the Stadium and Capitol Pond projects. Mr. Regan confirmed that DAGS was overseeing several major projects.

Mr. Arakawa asked whether a specific individual had been assigned to the rooftop repair project, given the involvement of DAGS in three or more major projects. He stated that priorities would be discussed during budget and finance committee hearings.

Chair Apo thanked Mr. Regan and expressed his appreciation for DAGS' participation in the rooftop repair project. He expressed hope that the project would be executed cost-effectively while incorporating robust design and engineering expertise to prevent the need for future revisions. The Chair emphasized the importance of ensuring that all parties were committed to the project and of securing the best available expertise within the State. He believed that Mr. Regan's personal engagement and professional relationships would enable the project to be completed successfully.

Ms. Iona stated that Mr. Regan's involvement and his construction credentials would provide a comfort level of safety assurance, which would always be a priority for the project.

Mr. Arakawa stated that DAGS had already been involved in the request for proposals (RFP) and the procurement process for the project, noting that the engineer assigned to supervise the project possessed extensive experience in construction, RFP processes, and procurement. Mr.

Regan added that the assigned engineer was one of the senior members of the department.

Mr. Arakawa expressed his gratitude for the support and expertise extended towards the HTA by DAGS in their designation of highly qualified personnel to assist the HTA.

Ms. Iona remarked that it would have been beneficial for BFCCSC to have been informed earlier that DAGS was already engaged in the project.

Chair Apo thanked Mr. Regan for his attendance at the meeting.

Ms. Anderson also expressed her appreciation to Mr. Regan and announced the conclusion of her report. She then introduced the newly appointed Senior Brand Manager, Ms. Christina Tuchman, who had joined the team on May 27, 2025.

Chair Apo thanked Ms. Anderson for providing an update on the status of the ninety-day action plan. He emphasized the importance of improving Board efficiency and referred to prior discussions regarding the consolidation of the Board packet. He expressed hope that members would utilize advanced information to prepare for meetings adequately. The Chair acknowledged the considerable effort undertaken by the CEO and staff in assembling the Board packet, particularly the CEO report, which contained valuable insights despite its condensed format. He encouraged members to identify any information previously included in the packet that had since been omitted but remained relevant, requesting that such concerns be communicated to Ms. Anderson.

Chair Apo encouraged Board members to review the contents of the e-bulletin between meetings to formulate inquiries for discussion during subsequent Board meetings.

Mr. Arakawa referred to items 2 and 3 in the CEO report, reduction of outstanding invoices and resolution of contractor issues. He asked whether the delays in invoice processing were attributable to personnel-related factors, such as staff failing to sign off on or approve completed work, or whether they stemmed from procedural deficiencies within the HTA.

Ms. Anderson responded that both personnel and procedural aspects appeared to have contributed to the delays. Mr. Arakawa asked about the reason behind the four-hundred-day overdue invoice.

Chair Apo interjected, reminding Board members that the overdue invoice issue was not on the agenda and urging adherence to the CEO report while discouraging discussion of the specifics of the invoice delays.

Mr. Arakawa replied that it was important for the Board to understand how the issue had been resolved, how similar problems could be mitigated in the future, and how such delays could be prevented. He emphasized that a four-hundred-day delay in invoice payments with the possibility of incurring an interest charge greater than \$700,000 could not be disregarded.

Chair Apo acknowledged the validity of Mr. Arakawa's concern and directed the CEO and staff to prepare a comprehensive report on the issue. This report was to be made available for the next BFCCSC meeting, where it would be reviewed before being presented to the full Board at a subsequent meeting.

Mr. Arakawa agreed that a short report would help provide direction to the staff and increase confidence and trust in the legislature and the public.

Chair Apo noted that a possible \$700,000 interest fee had been mentioned but stated that, upon reviewing the available information and past-due invoices, he saw no justification for such a figure, despite its inclusion in discussions with contractors. The Chair emphasized the need for caution but expressed his belief that the HTA's potential liability did not approach that amount.

Mr. Arakawa thanked Chair Apo for his input and agreed that the issue should be addressed during a subsequent BFCCSC meeting. However, he believed that the matter should be taken seriously, as the estimate had originated from the contractors. Mr. Arakawa added that, while the contractors were not threatening the HTA, they had warned that a liability of \$770,000 might be due. He reminded the Chair that the contractor had been compelled to secure a loan to cover operational expenses for an entire year, reiterating that he was conveying the contractor's statements.

Chair Apo responded that although the information had arisen from discussions with the contractor, he lacked context regarding those conversations. The Chair explained that he had examined the past-due invoices to better understand the situation. While he had not personally met with the contractor, the Chair reminded Board members to exercise caution when exchanging opinions, emphasizing that the \$700,000 interest figure was not the only perspective on the matter and reiterating the need for a comprehensive understanding of the situation. Chair Apo assured the Board members that he would focus on both the legal implications and collaboration with the contractor.

Mr. Arakawa expressed support for this statement and thanked Chair Apo.

7. Board Chair Report

Chair Apo acknowledged the significant efforts undertaken by the staff after the legislative session about the Fiscal Year 2026 (FY26) budget and the breakdown of budget line items, stating that the matter would be addressed in the Executive Session. He added that input from Board members, the legislature, and the Governor's office would be incorporated. The budget was to be finalized at the following Board meeting, scheduled for the end of June 2025, before the start of the new fiscal year. The Chair had discussed the timeline and approval process with Ms. Anderson and expressed hope that no complications would arise. It was important that all

discussions and feedback be completed before finalization.

Chair Apo expressed his gratitude to the legislature for the provision of flexibility regarding budget line items. He noted that while the amounts for major budget items (BEDs) had been specified, those for individual budget line items had not been defined, which meant that additional work would be required to interpret legislative intent, making input from legislators particularly valuable.

Chair Apo recognized the presence of Rep. Adrian Tam, Chair of the House Tourism Committee, and expressed appreciation for his attendance and assistance with budget-related matters. The Chair noted that several efficiency-related items had already been addressed.

The Chair reminded Board members of his second email, which contained presentations from the BFCCSC focused on the HTA and HCC finances. This would enable members to review the relevant sections independently, thereby reducing the need for repetition at the full Board meeting. The Chair believed that this approach would improve efficiency by allowing members to study the materials at their convenience, but he acknowledged that if this proved ineffective, the Board could revert to the previous process. He also confirmed that the presentations would be made publicly available, ensuring that all meetings took place in open session.

Finally, he reminded Board members that ethics training and disclosures were due and urged them to complete these obligations promptly. He noted that email reminders had already been sent out.

8. Report and Update on SB 1571 and Its Implementation

Chair Apo reminded Board members that the implications of SB1571 had been discussed at the previous Board meeting, after which Dir. Tokioka had submitted a list of questions through AG Cole to the Attorney General's office regarding the implementation of the bill. Although the bill had not yet been signed, the Governor had indicated his intention to do so, and the Chair believed that it was reasonable to assume that it would become law, necessitating action by the HTA. Several aspects were still under review, but AG Cole had provided some preliminary answers. Broad questions from members, based on AG Cole's presentation, would also be addressed. The Chair noted that discussions would continue as the July 1, 2025, implementation date approached, although some answers might only be available later.

Mr. Hannemann emphasized the importance of either Chair Apo or Ms. Anderson summarizing the key components of the bill. Although the bill had been characterized as advisory rather than policy, it contained changes that exceeded the scope of its original proposal. He reminded members that the Board had previously expressed reservations or opposition to certain aspects of the bill and noted that the meeting was being observed by both the public and the press.

At that point, Chair Apo acknowledged that Vice Chair Paishon had joined the meeting via Zoom.

Ms. Anderson then provided an overview of SB1571, as outlined in the Board packet. She explained that the bill would exempt all HTA staff positions from civil service and would amend the definition of HCC facilities by specifying that they must reflect a Hawai'i sense of place rather than a Hawaiian sense of place. Additionally, the legislation would designate the Board as an advisory body, remove the Director of the Department of Business, Economic Development, and Tourism (DBEDT) as a Board member, and require that a Board member represent a tourism-impacted entity. It further stipulated that the President of the Senate and the Speaker of the House of Representatives would each appoint a member to the Board. The bill also provided that the HTA CEO would be appointed by the Board with the advice and consent of the Senate and mandated that the CEO report directly to the Governor. The bill would establish eligibility requirements for Board service and require that the Board determine the CEO's term.

Chair Apo addressed a key provision within Section 2(b) of the bill, which defined the HCC facilities as reflecting a Hawai'i sense of place rather than a Hawaiian sense of place. He noted that this distinction had been the subject of extensive discussion. He indicated that the HTA might be asked to develop a policy prioritizing a Hawaiian sense of place while ensuring that a Hawai'i sense of place remained evident throughout HCC. The Chair emphasized the importance of acknowledging the local community and diversity within this framework, as well as his belief that prioritizing a Hawaiian sense of place should remain a central objective.

Vice Chair Paishon thanked Chair Apo and extended greetings to Board members and staff. She expressed full support for continued discussions on the matter and endorsed the Chair's recommendation, which had also been deliberated within the Ho'okahua Standing Committee (HSC). She emphasized the necessity of maintaining a strong commitment to authenticity, quality, and the conservation of a Hawai'i sense of place in all services and programming undertaken on behalf of the State of Hawai'i. As Chair of the HSC, Vice Chair Paishon affirmed that the committee remained dedicated to these principles.

AG Cole reviewed a number of major changes implied by SB1571.

- 1. Designation of the Board as an Advisory Board**

AG Cole explained that advisory boards typically provided recommendations to an entity with decision-making authority but did not themselves possess the power to make final, binding decisions. However, SB1571 appeared to contradict this convention by assigning the Board two specific responsibilities that could be regarded as decision-making functions: (1) the selection of the President/CEO for nomination and appointment, and (2) the determination of the President/CEO's contract term.

AG Cole stated his belief that this indicated that although the Board had been defined as advisory, the legislature had not intended it to lack the authority to make binding decisions. Furthermore, he noted that portions of Statute 201(b) had not been amended by SB1571 and still contained provisions explicitly granting decision-making authority to the Board, including the ability to establish the President/CEO's duties and responsibilities. Additionally, the President/CEO's appointment of officers remained subject to Board approval, a provision that was unchanged. Based on this analysis, AG Cole concluded that, while SB1571 designated the Board as advisory, it retained its decision-making authority as explicitly conferred by the statute.

2. Changes in Board Membership

The current structure of the Board allowed for three members to be appointed by the President of the Senate and three by the Speaker of the House, with those six members chosen by the Governor from a list provided by the legislative leaders. SB1571 altered this arrangement, reducing the legislative appointments to one member appointed directly by the President of the Senate and one by the Speaker of the House.

AG Cole believed that these appointments constituted direct selections by the legislative leaders and were not subject to Senate advice and consent. He did not identify any conflicts in this arrangement and anticipated that, once the bill was enacted, the Speaker and the President of the Senate would proceed with their direct appointments in accordance with the new statute.

3. Removal of the DBEDT Director from the Board

This would create a vacancy that could be filled by the Governor through an interim appointment.

4. Appointment Process for the HTA President/CEO

SB1571 stipulated that the President/CEO of the HTA was to be appointed by the Board with the advice and consent of the Senate. AG Cole believed that this meant that the Board would select nominees, and the Governor would then submit those nominees to the Senate for confirmation. If the Senate approved a nominee, that individual would be appointed. AG Cole emphasized that, while the Governor participated in the process, the bill did not grant the Governor explicit appointment authority.

5. Amendment to the HTA's Powers and Duties Under 201(b)-3(a)

SB1571 modified the preface of HTA's statutory powers and duties by changing the phrase *"except as otherwise limited to this chapter"* to *"except as otherwise provided by law."*

AG Cole examined how this revision would interact with Sections 26-35 of the Hawai'i

Revised Statutes (HRS) governing the administrative supervision of boards and commissions by department heads. He noted that similar questions had arisen in the previous legislative session following the passage of SB3364, which had created certain conflicts between the authority granted to the HTA under Section 201B-3 and the oversight authority granted to department heads under HRS 26-35.

These conflicts included:

- Representation of the HTA in communications with the legislature and the Governor
- Appointment of officers, agents, and employees (subject to Board approval)
- Procurement of supplies and equipment
- Allocation of office space for the HTA staff

During the previous legislative session, legal analysis had determined that Section 201B-3, which specifically outlined HTA's powers and duties, took precedence over the more general provisions of Section 26-35. AG Cole stated that under statutory construction principles, specific statutes overrode general statutes, and thus, HTA's authority had been considered dominant in cases of statutory conflict.

However, AG Cole pointed out that SB1571 had expressly changed the limitations on HTA's authority by substituting the phrase *"except as otherwise limited to this chapter"* with *"except as otherwise provided by law."* Given this amendment, as well as the legislative history from the previous session, he suggested that the change implied an intent to resolve statutory conflicts by making HTA's authority subordinate to other laws, including Section 26-35. As a result, the powers granted under Statute 201B-3 could be overridden by other statutory provisions.

He concluded that the revised limitations on HTA's powers meant that department heads, specifically the DBEDT Director, would have administrative supervision over the following functions:

- Appointment of employees and officers
- Procurement of supplies, equipment, and furniture
- Allocation of office space for HTA staff

Accordingly, all such actions would require the approval of the DBEDT Director under the framework established by SB1571.

5. Communication with the Governor and Legislature

AG Cole explained that SB1571 included an amendment stating, *"Notwithstanding any law to the contrary, the President/CEO shall report to the Governor."* This provision

explicitly granted the HTA President/CEO direct authority to communicate with the Governor. However, regarding communication with the legislature, HRS 26-35 would still govern, requiring that such communications occur through the Director of the Department of Business, Economic Development, and Tourism (DBEDT).

AG Cole acknowledged that additional questions were likely to be prompted by these provisions and assured Board members that he would address them to the best of his ability. If necessary, he would undertake further research and provide responses at the following Board meeting.

Mr. Arakawa expressed gratitude for the detailed analysis and referred to the principle of statutory construction, establishing that specific statutes took precedence over general statutes. In this instance, he asserted that the specific provisions of SB1571 would apply. Mr. Arakawa also reviewed the HTA's advisory capacity and mentioned AG Cole's discussion on the advisory and non-advisory elements of the Board's role, noting that if SB1571 explicitly conferred the HTA Board with authority to appoint the CEO, then the Board retained that authority.

AG Cole confirmed his agreement with this conclusion, stating that even after the amendments introduced by SB1571, the Board preserved its explicitly granted powers despite its designation as an advisory body.

Mr. Arakawa further observed that the HTA retained all its authority in selecting the Board and all powers specifically outlined in SB1571 due to the bill's specificity, and AG Cole agreed.

Mr. Arakawa suggested that these matters could be further explored within the AASC, particularly regarding the bill's effective date upon signing and which portions of it would be immediately enforceable. He emphasized that the applicability of different sections of the bill warranted additional discussion within the AASC.

Chair Apo asked AG Cole for clarification regarding Board membership, given the bill's changes to the appointment process, noting that there had been discussions about whether current Board members would be required to resign so that a new Board could be appointed under the revised rules. However, he had been informed of the Attorney General's opinion that this was unnecessary, and instead, as members completed their terms, replacements would occur in accordance with the new appointment procedures. Under these rules, the first appointee of the Senate President whose term expired would be replaced by the Senate President, while the Governor would replace the second appointee.

AG Cole confirmed the accuracy of this interpretation, noting that SB1571 did not establish a new Board or dissolve the existing one. Instead, the Board would remain intact, with new appointment rules gradually taking effect as current members reached the end of their terms.

Chair Apo acknowledged this clarification and reiterated that, while the Board had been designated as advisory, it retained certain powers. He then raised the related question of whether purely advisory Boards maintained committees, referring to ongoing discussions about which standing committees remained necessary under the Board's new designation.

AG Cole responded that the decision ultimately rested with the Board but affirmed that committees could still be beneficial. He noted that other advisory Boards with which he had worked had utilized permitted interaction groups (PIGs) to facilitate work progress and report findings back to the broader advisory Board. He suggested that committees could serve a similar function, reviewing specific details to streamline the workload for the full Board and optimize efficiency.

Chair Apo thanked AG Cole for his explanation and acknowledged that the Chair of the AASC had indicated that his committee would review the bylaws and committee structures to determine appropriate modifications in light of the Board's advisory status.

Vice Chair Paishon inquired whether the President/CEO Search Committee's procedures would need to be adjusted before its work could commence.

AG Cole responded that he believed the PIG's work remained relevant, if the Vice Chair was referring to the necessity of reconstituting the PIG. AG Cole also noted that he had not yet addressed the timing of the Board's selection of a nominee for submission to the Governor, adding that if the Board reached a decision when the legislature was not in session, implementation might have to be deferred until January. He mentioned that a fall special session had been discussed, which would imply that if a nominee had been selected by that time, the Senate could provide its advice and consent. However, AG Cole believed that the Search Committee would not require structural changes, as the authority to nominate a President/CEO and submit the nomination to the Governor for appointment remained one of the explicit powers granted to the Board.

Chair Apo asked whether any provisions in the bill altered the Board's duties and discretion regarding the selection and recommendation of a President/CEO, and AG Cole confirmed that they did not.

Chair Apo stated that the Board would proceed with forming a PIG and would discuss whether modifications to its membership or procedures were necessary. He added that he had requested Ms. Anderson to hold discussions with the contractor assisting the Chair of the AASC in the CEO search, and these discussions would continue. The Chair requested that Board members' questions on these matters should be submitted to Ms. Anderson, ensuring consolidation and effective response to all inquiries.

Mr. Arakawa remarked that this subject had previously been discussed within the AASC. He

noted that the bill's provisions would take effect upon the Governor's signature, a point which AG Cole confirmed.

Mr. Arakawa added that while most provisions would take effect over several years, the removal of the Director of DBEDT from the Board would occur immediately. He clarified that the appointment of the three members chosen by the Speaker and the two members selected by the Senate President would be a gradual process, details of which were to be reviewed by the AASC.

AG Cole explained that his understanding was that the appointment provisions concerning the Speaker and Senate President applied specifically to vacancies as they arose. However, the DBEDT Director's membership on the Board was classified as *ex officio*, meaning that it would come into immediate effect.

Mr. Arakawa requested that AG Cole clarify the meaning of *ex officio* for the benefit of the public and the Board, and AG Cole responded that *ex officio* appointments were determined by virtue of the office held rather than on an individual basis.

Mr. Arakawa then noted that the term of office for the DBEDT Director was four years, and following AG Cole's explanation that it was concurrent with the Governor's term, Mr. Arakawa observed that 2½ years remained in the current term.

Mr. Arakawa asked whether this meant that the *ex officio* member's term would also extend for 2½ more years, but AG Cole clarified that the removal of the position from the statute meant that this would not be the case.

Mr. Arakawa then asked AG Cole to confirm that the term of the *ex officio* member would continue for 2½ more years and noted that the terms for appointments made by the Senate President and House Speaker could extend by two more years, emphasizing that term lengths were an important consideration. He suggested that an argument could be made regarding the interpretation of these terms.

Chair Apo responded that such discussions could take place in the AASC. The Chair added that, as he had earlier mentioned, Rep. Tam was present at the meeting, and Sen. DeCoite would also endeavor to attend. The Chair stated that in the meantime members would continue with the agenda, and whenever both legislators would be able to attend, they would address the Board to contribute their own knowledge and background on the legislative intent of the bill.

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

a. Report and Action on the Hawai'i Tourism Authority's (HTA) April 2025 Financial Reports

Mr. Arakawa proposed a motion to approve the HTA's April 2025 Financial Report, which had been reviewed at the recent BFCCSC meeting.

Chair Apo informed Board members that Vice Chair Paishon was now present in person and Mr. West had joined the meeting via Zoom.

Mr. Arakawa introduced Mr. Kishi, Acting Vice President of Finance, and asked him to present a summarized report.

Mr. Kishi greeted Board members and informed them that all relevant details had been presented at the BFCC meeting on May 21, 2025. The committee had passed a motion recommending approval of the report, adding that there were no budgetary implications associated with the recommendation.

Mr. Kishi referred to the financial report included in the information packet and provided the following details:

- **Tourism General Fund:** April expenditures totaled \$14.297 million, bringing the year-to-date (YTD) spending to \$37.564 million. The encumbrance balance stood at \$19.221 million, with a YTD balance used of \$56.780 million and an unused balance of \$6.219 million. He stated that the agency remained on track to allocate the majority of funds before the end of FY25.
- **HCC Enterprise Special Fund:** April expenditures totaled \$269,000, with a YTD expenditure of \$31.756 million and an encumbrance balance of \$2.243 million. He confirmed that all \$34 million appropriated for the Special Fund would likely be used.
- **Rooftop Repair Project:** Mr. Kishi reported minimal updates on this matter.
- **Tourism Emergency Fund:** Mr. Kishi stated that all projects supported by the Emergency Fund had been completed, leaving a current balance of \$245,000. He had engaged in discussions with the Department of Budget and Finance (B&F) regarding the replenishment of this \$5 million fund and expressed hope that the fund would be restored before the end of the current fiscal year.
- **Economic Development Administration-American Rescue Plan Act (EDA-ARPA) State Tourism Grant:** Mr. Kishi reported that expenditures for April totaled \$803,000, bringing the YTD spending to \$4.159 million, with an encumbrance balance of \$5.376 million.

Vice Chair Paishon seconded Mr. Arakawa's motion.

Chair Apo commended Mr. Kishi's presentation and the quality of the accompanying slides, as

well as the thorough inquiries raised by the BFCCSC, acknowledging the Board's reliance on the work of this committee and expressing appreciation for the key highlights of the financial report.

Mr. Arakawa thanked the Chair for outlining the timeline and for his suggestions regarding the consolidation of reports to be presented to the Board. Since there were no further questions, abstentions, or objections, the motion to approve the financial report was carried unanimously.

b. Report and Action on the Hawai'i Convention Center's (HCC) April 2025 Financial Report and Update on the HCC's 6-Year Repair and Maintenance Plan

Mr. Arakawa proposed a motion to approve the HCC's April 2025 Financial Report and Update on the HCC's 6-Year Repair and Maintenance Plan. Ms. Paulson seconded the motion.

Ms. Teri Orton, the General Manager of the HCC, greeted Board members and reported that HCC had experienced a busy period during April and May, hosting consecutive citywide events and six or seven commencement ceremonies at which between 4,000 and 8,000 students were present in the building at any given time. Ms. Orton remarked that it was gratifying to witness local families celebrating these milestones.

Ms. Orton noted that the HCC had hosted several first-time citywide events, including the Entrepreneurs Organization Global Leadership Conference. The Pediatric Academic Society conference, with approximately 8,700 delegates, drew the greatest attendance of any conference by this organization, demonstrating the attraction of this destination. The center had also held its second annual Honolulu Open Pickleball Tournament, Hawai'i's largest indoor pickleball tournament, which was likely to be rescheduled for the following year. Repeated local events included Chopsticks and Wine, Izac, and the Annual Pacific Rim Conference on Disability and Diversity. In total, HCC had hosted 28 events, four more than initially budgeted.

Ms. Orton reported that total facility revenue for April amounted to \$2.5 million, exceeding the budget projection by \$18,000. The center had also posted a net income of \$247,000, which was \$289,000 better than budgeted. Based on the reforecast and with two months remaining in the reporting cycle, the center projected a net loss for the year of \$1 million, \$2.1 million better than budgeted, thus reducing the need for state subsidies to support operations. Ms. Orton informed Board members that HCC had achieved a return on investment (ROI) of \$12.30 for every dollar invested.

Ms. Orton explained that in the course of FY25, HCC was set to host 18 citywide events, attracting approximately 67,000 delegates and involving over 100,000 contracted room nights. The economic impact of these events was projected at \$388 million, generating approximately \$45 million in tax revenue.

Reviewing recent events, Ms. Orton mentioned that the Pickleball Tournament had utilized 35 of the available 45 pickleball courts. The center had also hosted the Immunology Conference and the International Society for Magnetic Resonance in Medicine Conference.

Outlining upcoming local events, Ms. Orton stated that numerous commencement ceremonies were scheduled, with many high schools reducing costs by sharing the same day for their ceremonies. One school would utilize the facility in the morning, and another in the evening, thereby splitting rent and labor expenses. Many schools opted to host their commencement ceremonies at the HCC during the COVID-19 pandemic to accommodate social distancing requirements and continued to use the venue thereafter. Currently, HCC hosted between six and seven commencement ceremonies annually. Ms. Orton also noted that the Global Dance and Cheer event had recently concluded, with another cheerleading group set to arrive that weekend.

Listing citywide events scheduled for the next three months, Ms. Orton noted that the World Glaucoma Conference was to take place in June.

Ms. Orton informed Board members that the HCC had taken part in the University of Hawai'i Travel Industry Management (TIM) School internship program, which enabled students to complete a 12-week internship. The program's first graduate, Ms. Carlee Marcello, had completed rotations across all departments, expressing a particular interest in food and beverage operations and gaining experience working on the assembly line in the kitchen. Ms. Orton hoped it would be possible to offer her a position at HCC after her graduation.

Ms. Orton stated that many participating organizations had contributed funds towards carbon credit purchases under the HCC's carbon offset program, resulting in the planting of 543 legacy trees and offsetting 551.36 tonnes of carbon dioxide (CO₂) to date.

Referring to the HCC's commitment to supporting the local agricultural community, Ms. Orton noted that she and the HCC's chef had toured local farms, and she expressed appreciation to Ms. Iona for facilitating an introduction to these facilities. Ms. Orton reported that HCC was exploring opportunities to visit a shrimp farm in Kaua'i to foster collaboration with local farmers. The chef planned to customize menus in advance for large groups, allowing farmers to plan their crop production accordingly. She noted that HCC had already incorporated local sourcing into its procurement strategy but aimed to expand partnerships with additional farms.

Ms. Orton stated that the HCC's current total purchases of produce amounted to \$125,000, with 24% sourced from local providers. She expressed optimism about increasing the percentage of locally sourced products and integrating more farmers into the HCC's menu planning process, ensuring that meal offerings were aligned with seasonal harvests. She added that while Kaua'i Shrimp was already featured in the HCC's cuisine, it was hoped that a visit to

the farm would enable a better understanding of seasonal variations and would optimize its use. The long-term goal was to source at least 50% of produce locally.

Ms. Orton provided an update on repair and maintenance efforts, stating that exterior painting was progressing steadily. She shared details that had previously been presented at the BFCCSC meeting and showed artists' renderings of the Ballroom transom glass repair project. The HCC aimed to install a standing seam roof to mitigate leaks and reduce long-term costs associated with transom glass repair and replacement. It was also hoped that the new design would minimize heat buildup in the foyer while maintaining access to natural light.

Ms. Orton provided an overview of major repair and maintenance projects at the HCC, highlighting several upcoming improvements, including the acquisition of new equipment and seating for sports events and commencement ceremonies, which entail the purchase of approximately 1,200 retractable seats. Additionally, the HCC was to purchase an ice rink at a cost equivalent to the rental expenses. The rink would be utilized for both summer and winter events within the local community, beginning with *'Twas the Light Before Christmas* on ice between late November 2025 and New Year 2026.

Other repair and maintenance projects included slate tile repairs and enhancements to the third-floor exterior planters. Current projects have been categorized into three key areas: improving the guest experience, upgrading the building, and enhancing departmental efficiency. Ms. Orton provided an overview of the convention center's six-year plan, including completed initiatives.

Chair Apo expressed his appreciation for HCC's objective of increasing local agricultural sourcing and inquired about the challenges the team and chef had encountered in expanding these efforts. He also noted that he had received inquiries regarding potential sponsorships for the ice rink project.

Mr. Arakawa confirmed that there were no questions and stated that in the absence of abstentions or objections, the motion was carried unanimously.

Vice Chair Paishon commended Ms. Orton and her team for their presentation on the TIM school internship program and expressed the hope that the program would continue in the future.

10. Discussion and Action on HTA's Audits

Chair Apo stated that Ms. Anderson would explain what had been done to address these issues raised by the audits, adding that the financial and performance audits would be reviewed in detail by the AASC and the HSC, respectively.

Chair Apo informed Board members that the auditor had been invited to attend the Board meeting, but he had responded that he was unable to participate and did not see his role as being involved in responding to the audit of the HTA management and staff. The auditor believed that it was not his *kuleana* to participate in the present discussion, and that the HTA Board and staff were responsible for taking up the recommendations of the audit. While awaiting review by the relevant committees, the Chair believed that it was important to understand how the issues raised by the audit would be addressed.

a. Financial Audit

Ms. Anderson referred members to the information in the Board packet and thanked Mr. Kishi and his team for their work in implementing the audit recommendations. HTA had updated its federal reporting procedures to address the findings, as well as revised its policies and procedures, following a review by the AASC.

b. Performance Audit

Ms. Anderson reminded Board members that this audit had examined the Destination Management Action Plan (DMAP). Ms. Anderson thanked Mr. Kendrick Leong and the HTA staff for creating a table showing the 15 recommendations of the audit, along with actions to be taken by the HTA and a timeline of these actions. Ms. Anderson had requested the Chair of the Ho'okahua Standing Committee, Vice Chair Paishon, to review in detail how the audit's recommendations would be incorporated into the DMAPs and the strategic plan in the future.

Chair Apo asked for a 2-minute recess.

The Board went into recess at 10:55 a.m., and Chair Apo called the meeting back to order at 11:14 a.m., returning to Agenda Item 3, Mid-meeting Protocol provided by Vice Chair Paishon.

Chair Apo continued with the public testimony.

Chair Apo thanked Vice Chair Paishon for the cultural protocol and introduced Agenda Items 11 and 12, which were to be discussed in Executive Session.

The Chair noted that for Agenda Item 11, Ms. Anderson, Mr. Kishi, Ms. Goo, Ms. Howa, and Mr. Lafitaga would be included in the discussion, as well as Rep. Tam and Sen. DeCoite.

Chair Apo added that for Agenda Item 12, Ms. Anderson would be present at the beginning of the discussion, but the session would end with Board members only.

AG Cole explained that the Board was entering Executive Session to discuss matters which must be kept confidential to maintain Hawai'i's competitive advantage under Section §92-5(a)(8),

allowing the conduct of an Executive Session for consideration of information that must be kept confidential since it referred to possible past or future procurement. Agenda Item 12 was to be discussed in Executive Session under Section §92-5(a)(2), referring to consideration of hiring, evaluation, or discipline of officers or employees.

Chair Apo thanked AG Cole.

Mr. Arakawa proposed a motion to go into Executive Session and stated there would be discussion about the motion. Ms. Paulson seconded the motion.

Mr. Arakawa referred to the move to Executive Session for discussion of the budget, with consideration of information that should remain confidential to preserve Hawai'i's competitive advantage as a visitor destination. Mr. Arakawa noted that not all matters warranted such confidentiality, given that for the past several years, budget line items had been submitted in a manner that allowed both the legislature and the public to review each individual item. He expressed his reservations about the current approach and asserted that definitions regarding confidential and public discussions should be refined. He believed that, in the future, a clear distinction should be established between matters suitable for public discourse and those requiring Executive Session to maintain Hawai'i's competitive position.

Mr. Arakawa asked against which destinations Hawai'i was competing, given that it did not rank within the top ten on any list.

Chair Apo acknowledged that there were numerous rankings of global destinations but asserted that Hawai'i's absence from the top ten underscored the need for ongoing efforts to maintain its competitive advantage. He also recognized the validity of Mr. Arakawa's concern regarding which specific budgetary matters should be discussed in Executive Session. He suggested that once the budget was finalized, an analysis should be conducted to determine which line items required confidentiality while ensuring that the public retained access to budgetary details.

Chair Apo asked Ms. Sanborn to conduct the roll call vote. Ms. Sanborn noted that Mr. West was temporarily unavailable, and the motion was carried unanimously.

The regular session resumed at 12:48 p.m.

Chair Apo resumed the regular session and stated that Mr. West would rejoin the meeting via Zoom when he was able.

8. Report and Update on SB1571

Chair Apo stated for the record that earlier in the meeting, AG Cole had provided an overview of the implications of SB1571 and its implementation. The Chair noted that Rep. Adrian Tam, Chair of the House Tourism Committee, was present at the meeting to share insights into the bill's development and the intentions of the legislature.

Rep. Tam thanked the Chair and Board members for allowing him to participate. He reported that SB1571 had been passed by the legislature and submitted to the Governor on May 2, 2025, and the Governor had publicly stated his intent to sign the bill. Rep. Tam explained that he was attending the Board meeting to answer questions from members and to provide clarification on why the legislature had passed the bill and what its vision entailed.

Rep. Tam noted that when he had first assumed the role of Tourism Chair, he had reservations about designating the HTA Board as an advisory body. He had engaged with multiple members to discuss his concerns. However, due to negative press coverage, financial audits, unpaid invoices, interest accruals, allegations of a toxic work environment, and other issues, the legislature, including himself, felt that transitioning the Board to advisory status was a necessary step, particularly since the increased public awareness of these concerns.

As an example of this, Rep. Tam recalled that during a neighborhood board meeting the previous evening, residents had specifically inquired about HTA and the HCC, expressing concerns about declining business, reputational damage, and the potential loss of clients. As a result of such concerns, the legislature had removed HTA's policymaking authority, reclassifying the Board as advisory. The legislature intended that policy decisions would be determined by the administrative team, which would then report to the Governor. However, the legislature had retained aspects of policymaking within the scope of the HTA Board, ensuring that members would maintain influence over HTA operations, particularly in the selection of the President/CEO. The legislature had also granted the Board authority over the contract details of the CEO, while maintaining oversight by incorporating an advice and consent provision, which required the CEO to report directly to the Governor.

Rep. Tam explained that the bill had followed certain recommendations from the governance study, which had been conducted for \$300,000, including the suggestion that the CEO report to the Governor.

Referring to the discussions surrounding the *Hawai'i sense of place* designation for the convention center, Rep. Tam commented that Senator DeCoite had introduced this language, and he had supported her proposal. He stated that recognizing a *Hawai'i sense of place* did not preclude acknowledging a Hawaiian sense of place, but rather allowed for inclusivity across multiple cultural aspects. He noted that, while he was not Native Hawaiian (Kanaka Maoli), he understood that Hawaiian identity extended beyond physical attributes and was deeply rooted in a broader mindset connected to Hawai'i.

Regarding Board membership, Rep. Tam clarified that SB1571 did not mandate the immediate removal of every Board member. However, once the bill was enacted into law, further discussions would take place between the Governor and the legislature concerning Board composition. He noted that the Governor had expressed a desire for strong advisory members.

He emphasized that the legislature's primary objective was to enhance oversight of the HTA. Over time, it had become apparent to both legislators and the public that internal Board dynamics had negatively influenced the governance and policy framework of the HTA.

Rep. Tam admitted that he and others had anticipated improvements since the passage of SB1571, but had instead observed continued deterioration. In response, he had begun reviewing recommendations from the governance study and was considering introducing a related bill for discussion in the next legislative session.

Mr. Arakawa expressed his appreciation for Rep. Tam's attention to the governance study and commended both the House and Senate committees for their efforts to improve HTA. While he acknowledged that some Board members might not fully agree with all the enacted measures, he viewed the legislation as a step in the right direction. He noted that some members had hoped that the shortcomings observed by the governance study would be directly addressed and emphasized that the Board still had an opportunity to do so. He encouraged collaboration with legislators on potential governance-related legislation.

Rep. Tam affirmed that any future governance study-based legislation would undergo a public hearing process, allowing Board members, stakeholders, and the public to provide input. He expressed appreciation for the dedication and hard work of Board members and emphasized that all parties were striving to advance the interests of the visitor industry, tourism sector, and the people of Hawai'i. He acknowledged that ongoing discussions were necessary and thanked the Board for inviting him to participate in the meeting, stating his hope that meaningful changes would be implemented to address public concerns.

Vice Chair Paishon thanked Rep. Tam for explaining the legislative intent behind the bill's revisions. Speaking in her capacity as Chair of the Ho'okahua Standing Committee, she shared that she had received feedback from cultural practitioners regarding the nuanced shift from *Hawaiian sense of place* to *Hawai'i sense of place*. She wanted Rep. Tam to be aware that concerns had been raised about the implications of this change and affirmed her commitment to continued collaboration to reassure the Native Hawaiian community and cultural groups that the terminology shift did not exclude recognition of a *Native Hawaiian sense of place*.

Vice Chair Paishon emphasized the importance of ensuring that the current strategic plan remained in place, reaffirming that Native Hawaiian culture was a core pillar of the plan. She referred to the documented vision statement, which specified that by 2025, tourism in Hawai'i would *Ho'olu*—grow in its integrity with the Native Hawaiian culture and community—while providing a unique, memorable, and enriching visitor experience. Additionally, the vision statement emphasized the importance of clear community benefits and the responsive management of tourism-led impact issues, all of which would be supported by and assist the local community.

Vice Chair Paishon thanked Rep. Tam for his participation and reiterated that the change in terminology from *Hawaiian sense of place* to *Hawai'i sense of place* would in no way diminish or exclude the significance of Kanaka Maoli and Native Hawaiian culture as a foundational value. She affirmed that the HTA bore the responsibility of continuing to care for, promote, and foster this cultural identity.

Rep. Tam agreed, explaining that the legislature had chosen *Hawai'i* as a more inclusive term, intending that it would not exclude Native Hawaiian culture but instead allow for broader aspects of *Hawai'i* to be represented. He noted that while certain elements might not be explicitly identified as Native Hawaiian culture, they contributed to the overall sense of *Hawai'i*, thereby enabling the coexistence of both perspectives.

Chair Apo expressed gratitude to Rep. Tam for his input and assured him that Board members would continue to work closely with the legislature and the Governor's office to guide HTA in an appropriate direction.

Rep. Tam thanked the Board members for the discussion.

Mr. Arakawa stated that the Chair and Vice Chair of the BFCCSC had requested that the budget be shared with Rep. Tam and Sen. DeCoite. Additionally, he believed that the Chair and Vice Chair of the Administrative and Audit Services Committee (AASC) had requested their participation in Executive Sessions.

Chair Apo then noted the closure of Agenda Item 8 and announced that the Board would reconvene in Executive Session to complete discussions on the budget and Agenda Item 12, which concerned personnel matters.

Referring to the same issues outlined earlier by AG Cole, Chair Apo called for a motion to enter Executive Session for Agenda Items 11 and 12.

Mr. Arakawa proposed the motion to enter Executive Session with the previously stated caveat.

Chair Apo acknowledged that the motion had been moved and seconded, maintaining the prior comments about Executive Session. He then called for a roll call vote.

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

13. Adjournment

The Board reconvened in public session at 2:30 p.m.

Chair Apo announced the outcomes of the Executive Session concerning Agenda Item 11. The Board had engaged in discussions on the FY26 budget, and the staff were to continue to refine the budget based on these discussions. The budget would be addressed at the Board meeting

scheduled for June 26, 2026.

On Agenda Item 12, pertaining to personnel matters, the Chair stated that the Board had voted to approve the appointment of Mr. Kishi as Acting Vice President of Finance. The Board had established a salary for the interim CEO for FY25, covering the period from the appointment through June 30, 2025, as well as approving its own recommendations to the CEO regarding salaries for leadership positions for the remainder of FY25.

Chair Apo concluded the agenda and adjourned the meeting at 2:34 p.m.

Respectfully submitted,

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

Sheillane Reyes
Recorder

6

CEO Report



REPORT OF THE PRESIDENT & CEO

JUNE 2025



This June report highlights the Hawai'i Tourism Authority's (HTA) activities and actions taken by the staff from May 23 through June 18, 2025 in support of the organization's overall mission and its strategic plan.

At the time this report was put together, the latest visitor statistics available is April 2025. Our KPIs are total visitor spending and per-person-per-day spending, and each have showed an increase compared to increase in the first four months:

- Total Visitor Spending: \$7.3 billion, compared to \$6.82 billion in the first four months of 2025 (+7.2%).
- Total Per Person Per Day Spending: \$252.0, compared to \$241.6 in year-to-date April 2024 (+4.3%).
- State Tax Revenue (direct, indirect, and induced): \$847.30 million, compared to \$795.59 million in the first four months of 2025 (+6.5%).

I. STATUS ON THE HTA 90-DAY ACTION PLAN

The Interim President & CEO worked on executing the 90-Day Action Plan presented to the board on May 1, 2025. Below is a summary of actions taken as it relates to the goals.

	Goal	Action Taken	Status
1	Achieve a collaborative and cohesive team that communicates and coordinates efforts and works together efficiently.	Staff meetings are now weekly. An internal PR hui has been formed, since there is no PAO and PR contract (this was done in May). Messaging to staff to stay focused on getting the work done, support one another, work towards closing out FY 25, and assess programs and activities to develop the FY 26 budget. Evaluating team-building and employee recognition activities. Managers conducted or in the process of conducting	In progress

REPORT OF THE PRESIDENT & CEO

June 2025

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		employee goal setting and reviews for the upcoming year.	
2	Reduce the overdue invoices by 100% by May 15, 2025.	All overdue invoices are being processed or paid.	Completed
3	Identify outstanding contractor issues by May 15, 2025	All issues have been identified and addressed.	Completed
4	Ensure all policies and procedures are reviewed, updated and followed by HTA staff by the end of July.	Staff is reviewing policies and procedures and has started to make revisions and identified new procedures to develop.	In progress
5	Improve Board work and efficiencies.	CEO report and board packet have been streamlined.	In progress
6	Ensure effective tourism policy development, setting clear direction while empowering staff to implement its annual Strategic Tourism Management Plan.	All program staff completed Yearly Activity Plans to feed into the STMP and developed the FY 2026 budget together.	In progress
7	Fill the vacant positions by July 1, 2025: a. Public Affairs Officer b. Brand Manager (under the Stewardship Division) c. Chief Stewardship Officer (CSO)	a. Public Affairs Officer started June 9, 2025 b. The Brand Manager vacancy is closed, and the staff are reviewing applications. Interviews targeted the week of June 30, 2025. c. The CSO position description is being reviewed, and a B-3 Request to Fill Exempt and Budgeted position is being prepared.	Completed In progress In progress

8	Establish an administrative framework to oversee and manage the Hawai'i Convention Center Roof Repair Project **	DAGS Public Works Division will assist HTA with this project. The project team will consist of: DAGS (Lead), HTA, HCC, the construction/project management contractor, RLB; the design/architect contractor, ABB; and the construction contractor, currently in the RFP stage.	Completed
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***This has been added since the 90-Day Action Plan was presented to the Board on May 1, 2025.*

Staffing

Of HTA's 30 approved positions, six are either interim, acting, or vacant. These include the CEO & President (interim), Chief Administrative Officer (acting), Chief Brand Officer (acting), Chief Stewardship Officer (vacant), Brand Manager (vacant – active recruitment), and the Account Clerk III (vacant and will be redescribed). Our new Public Affairs Officer, Jill Radke, commenced her role on June 9.

Office Spaces Update for Neighboring Islands

Progress continues in securing office spaces for our Destination Managers across the neighboring islands.

- **Moloka'i:** A space at State Civic Center 2 has been assigned to the HTA. The Spectrum internet and phone installation was completed on May 27, 2025. We are now awaiting the building manager's confirmation of the final move-in date.
- **Kaua'i:** Due to delays in the existing tenant's out-boarding process at the Līhu'e State Office Building, HTA will move forward with a subletting option at HVCB. We have consulted with the Deputy AG regarding potential legal issues and received clearance. Leadership has also agreed on the monthly rent amount. We are currently awaiting the sublease agreement.
- **Maui:** As no government facilities are currently available, we have identified a promising 434 square foot commercial office space to rent. We have signed the Letter of Intent (LOI) and are currently awaiting the lease agreement from the landlord.
- **Island of Hawai'i:** The search for commercial office space has not yet commenced.

Hawai'i Convention Center Roof Top Project

On May 28, 2025, a meeting was held with HTA, DAGS, DBEDT, HCC and the project manager and design/architecture contractors to bring the state Comptroller, Keith Regan, and the Administrator for DAGS' Public Works Division, Gordon Wood, up to speed with the HCC Roof Top Project. From this meeting, it was determined DAGS would need a couple of weeks to do their due diligence to review the RFP and its addendums and the draft contract.

On June 18, DAGS provided their comments and recommendations on the documents mentioned about, and a meeting will be held on June 25 to issue another addendum. This does not affect the on-site construction start date.

RFP TIMELINE (Addendum 6 issued June 9, 2025)

Proposal & Bid Due Date / Evaluation Period Begins	July 11, 2025 @ 2:00 PM HST
Priority-Listed Offerors Notification	Week of July 28, 2025
Oral Presentation & Interviews (if necessary)	August 5 or August 7, 2025
Notice of Award General Contractor (estimate)	Week of August 11, 2025
Construction Contract Execution Date	Week of August 18, 2025
On-Site Construction Start Date	January 1, 2026
Substantial Completion	November 30, 2027
Project Completion / Closeout Due	February 28, 2028

II. PROGRAM UPDATES

Destination Stewardship

While the search continues to replace the Chief Stewardship Officer, a crucial role in this leadership position, each Destination Manager (5) and Brand Manager (3) continues to move forward and manage its destination and programs they oversee. The destination stewardship team continues to meet weekly and update the CEO and department heads on deadlines, contract renewals, and invoice payments in order to maintain accurate timelines and schedules.

'Umeke Community Programs

During the month of May, the team completed the task of reviewing hundreds of proposals for the 'Umeke community programs (Community Enrichment Program, Kūkulu Ola, Kāhu 'Āina, Ho'okipa Malihini Initiative, & Signature Events) and participating as members of the selection committees to finalize awards. 'Umeke awards will be announced upon the approval of the HTA FY26 budget. Communication of this delay has been made to applicants via email on June 6th by the Kilohana team.

Sports

HTA is in the process of meeting with LPGA, and the Tournament Director to negotiate this year's upcoming LOTTE Championship. Tournament festivities will be held from September 29th through October 4th at the Hoakalei Country Club. HTA will be the presenting sponsor for the LOTTE Championship and would like to launch this partnership early in order to maximize the event's marketing activities to help promote tournament attendance. This year's tournament HTA would like to work to feature events that help promote Hawaii's professional women golfers like Malia Nam who is originally from Kailua, O'ahu. She received her professional LPGA card in 2024 and placed 63rd overall in a field of 120 players in last year's Lotte Championship.

In partnership with the Los Angeles Rams organization, the Rams held their two-day football minicamp "Maucamp" on Maui at the Maui War Memorial Stadium as part of their community engagement programs. The festivities kicked off with a welcome reception luau that was held at the Wailea Beach Resort Maui Marriott for the players, their spouses, coaching and the team's operation staff. The event was also attended by a small delegation of legislative members, including a few HTA board members, Senator DeCoite, Senator Wakai, DEBDT Director and Mayor Rick Bissen and local Maui County members. During the reception, the Rams president Kevin Demoff expressed his gratitude with the state's partnership with the Rams organization, and exciting opportunities to help Governor's Green plan to help stimulate and revitalize tourism back to Maui as part of Governor's plan for its residents.

The Rams organization also participated and collaborated with the Maui Habitat for Humanity project and helped build homes for Maui residents affected by the Lahaina fires devastation in Lahaina. And finally, as part of their community engagement program, the organization collaborated with HTA, Hollman Lockers and design firm Forty Nine Degrees to support the Maui community by building new locker rooms for

Lahainaluna High School student athletes. During the wildfire that devastated Maui in 2023, over 450 student-athletes and coaches' homes were destroyed and many lost loved ones - yet the football team rallied together, serving as a beacon of hope and resilience for the community. The Maui community was deeply touched by the Rams organization and over six thousand residents along with their families came out to support the football minicamps at the stadium.

ClimbHI – LEI & Workwise

The LEI Program made significant progress, which included the completion of post-event surveys by students attending their respective island LEI events and the collection of post-event summaries broken down by island. A post-event recap was held with college classes involved in planning the LEI events. Continued efforts to onboard businesses onto the portal while supporting the student channel are ongoing. To Furthermore, all event expense invoices were paid in June 2025, and data entry for all manually collected post-surveys has been finalized and will provide aggregated data on final reports.

The WORK WISE program involved visiting relevant high school senior programs to promote the initiative and secure student participation. Pre-surveys were completed before each WORK WISE event was executed on each island. Following the events, post-surveys were collected from students, assistance was provided to them with job applications, and they were followed up with businesses regarding their applicants.

VEPAM

In May 2025, Kilohana engaged two potential VEPAM partners: Kulaiwi Connection Tours on Kaua'i and the Water Safety Coalition. Kulaiwi will be featured in the Kaua'i Travel808 series in August, supporting the call for more cultural content beyond hula. A promising collaboration with the Water Safety Coalition and Hawai'i Lifeguard Association is also being explored to strengthen visitor ocean safety messaging. SWAY advanced PR efforts for the FY26 'Umeke Awards, including a draft news release pending awardee confirmation in June. SWAY also prepared a release for Qurator's 1-year anniversary, led a PR strategy session for the year ahead, and supported messaging for a *Star-Advertiser* story on DMAPs.

Maui VAP

A memo has been executed to request an exemption for blanket encumbrance of funds, ensuring greater flexibility. Planning is underway to re-issue the RFQ, with adjustments to extend the contract through the entirety of FY26 to increase appeal to prospective vendors.

Smart Destination App

This initiative aims to support both visitors and residents with airport wayfinding, streamline the Department of Agriculture's biosecurity form, and integrate a reservation system for state and national parks. A Memorandum of Understanding (MOU) is being finalized between HTA and DBEDT to support the development of a Smart Destination Mobile Application. Under this agreement, HTA will provide funds to DBEDT to lead the app's development. As a first step, HTA will issue a Request for Quotes (RFQ) to secure expert services to draft the full Request for Proposals (RFP) for the project. A memo requesting an exemption for the use of funds in FY26 has also been submitted to support this effort.

Social Media

During this reporting period, the Hawai'i Tourism Authority's Instagram and Facebook channels saw mixed results shaped by a strategic shift in content. Most posts were **collaborations or story reshares**, with only **one original feed post** published per platform. A key campaign focus during this time was amplifying the **LA Rams MauiCamp**, which showcased youth engagement and community uplift on Maui.

This content direction helped drive **profile interest and new follows on Instagram**, thanks to cross-promotional exposure. However, the overall reduction in native content contributed to **declines in reach, views, and visits**—particularly on Facebook, where platform algorithms prioritize consistent original publishing.

The data highlights the value of **partner-driven amplification**, while also underscoring the need to maintain **a regular cadence of original, culturally grounded storytelling** to sustain visibility, grow community, and reinforce HTA's leadership in regenerative tourism.

INSTAGRAM PERFORMANCE SUMMARY (MAY–JUNE)

KEY METRICS & OBSERVATIONS

1. Follows

- **Total:** 414 new followers
- **Change:** ↑ 7.3%
- Follower growth remained steady despite the limited original content. This suggests that the LA Rams MauiCamp content—particularly collaborative posts with high-profile accounts—successfully drew new interest.

2. Profile Visits

- **Total:** 2,307
- **Change:** ↑ 40.8%
- A strong indicator that the LA Rams partnership and reshare strategy drove curiosity. Users were actively seeking more information after encountering shared or co-branded content.

3. Reach

- **Total:** 2,630 accounts
- **Change:** ↓ 75.5%
- The reach decline reflects reduced original content output and heavier reliance on reshared material, which typically receives less algorithmic favor. Collaborative posts tend to spread through partners' networks rather than organically from our own page.

4. Views (Video & Reels)

- **Total:** 25,113
- **Change:** ↓ 42.6%
- Though overall views dropped, noticeable peaks suggest targeted MauiCamp content may have captured brief bursts of attention—especially where video assets were included.

KEY INSIGHTS & RECOMMENDATIONS

- **Collaborative storytelling, especially tied to the LA Rams MauiCamp, helped maintain follower growth and boost profile interest.** This reinforces the power of strategic partnerships.
- **However, reduced reach and view counts highlight the need for consistent original content**—especially when supported by narrative-driven captions and strong visual assets.

- As the LA Rams content cycle winds down, we recommend rebalancing with more direct storytelling rooted in HTA's voice: focusing on Hawaiian values, place-based education, and regenerative tourism initiatives.
- Consider creating **recap content** or **behind-the-scenes reels** from the MauiCamp to deepen impact and re-engage users who visited the profile.

FACEBOOK PERFORMANCE SUMMARY (MAY–JUNE)

KEY METRICS & OBSERVATIONS

1. Follows

- **Total:** 111 new followers
- **Change:** ↓ **17.2%**
- The follower decline reflects a slowdown in organic discovery. With minimal original content and few direct calls to action, the page's visibility to new audiences likely diminished.

2. Profile Visits

- **Total:** 1,081
- **Change:** ↓ **24.1%**
- Fewer visits suggest that while some collaborative content (e.g., LA Rams MauiCamp) may have piqued interest, the lower volume of owned posts likely reduced click-through momentum.

3. Reach

- **Total:** 5,340
- **Change:** ↓ **79%**
- This steep drop strongly correlates with the reduced frequency of native content. Facebook's algorithm favors consistent, engaging page posts—while story reshares and partner-led content typically generate less exposure from our owned page.

4. Views (Video Content)

- **Total:** 4,697
- **Change:** ↓ **88.9%**

- A significant decline, though a clear spike around early June suggests the LA Rams content briefly generated strong video engagement. This validates interest in community-centered, sports-related storytelling—especially when combined with visual media.

KEY INSIGHTS & RECOMMENDATIONS

- **Facebook’s performance relies more heavily on original, feed-based content** than Instagram, and the effects of deprioritizing it are more pronounced. The reach and views drop confirms that cross-posts and shares alone cannot sustain engagement.
- **The LA Rams MauiCamp temporarily boosted video viewership**, proving there is appetite for community-positive, emotionally resonant storytelling on the platform.
- To stabilize growth, we recommend reintroducing consistent, HTA-authored posts—especially those that spotlight kūpuna voices, mālama ‘āina efforts, and regenerative travel actions. These perform well when paired with strong visuals or short, subtitled clips.

Brand Marketing

The brand team is actively preparing for the release of several major market RFPs, along with the 2026 Brand Marketing Plan outline and templates, now scheduled for early July, pending finalization of the FY26 budget allocations. Contracts have been fully executed for the USA Maui Emergency Marketing Campaign, the Japan Luxury Market Study, and the GoHawaii website update, which will feature augmented reality content for the Waikīkī Historic Trail. In partnership with Brand USA, the team continues to make progress on two website projects aimed at showcasing Hawai‘i to both global consumers and the travel trade. In addition, two members of the brand team participated in IPW this month, joining representatives from the global marketing teams, island visitor bureaus, and 15 industry partners.

\$ 6 Million USA Maui Emergency Marketing Campaign

A paid media program is running from May to June, with a call to action of “Hawai‘i Special Offers” targeting high-intent West Coast consumers. A second paid media flight will run again in August to October at a targeted consumer again driving consumers to the Hawai‘i Special Offers landing page. The Hawai‘i Special Offers landing page is

where the offers reside, and consumers will click off and book directly with the partners. HTUSA also leveraged the LA Rams sponsorship to secure a banner ad on their website promoting Hawai'i Special Offers. The Wholesale partner tactics have been finalized, and these tactics will start hitting the market in late June/July. HTUSA is still collecting the data from the Wholesale partners to establish the targets. Social media assets are being repurposed with updated messaging and a call to action of Hawai'i Special Offers. The paid social media campaign is slated to be in market August to October. On the PR side, HTUSA worked with Emily Kaufman, aka The Travel Mom, to showcase Maui and the Hawai'i Special Offers in six markets on the West Coast in May/June. HTUSA is planning a second wave of broadcasts in September/October and will continue to support media visits that showcase Maui in various outlets. At the IMM LUX in Las Vegas in October, HTUSA has already secured 22 media appointments with top luxury media. Additionally, HTUSA has launched an incremental incentive program for MCI business that books on Maui in 2025 and 2026. The Post Conversion Brand Study has also launched. Finally, HTUSA will host a webinar for the industry to walk partners through the program on June 26.

Campaign Timeline

Initiatives	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Expedia								
Costco Travel								
Pleasant Holidays								
ALG Vacations								
Delta Vacations								
Classic Vacations								
Direct Booking Programs – Hawai'i Special Offers (Maui focus)	Paid Digital Media & LA Rams Maucamp				Paid Digital Media			
Social Media – Maui Creative					Maui Creative			
Paid Social Media					Instagram, Facebook, YouTube, TikTok			
Public Relations	Satellite Media Tour				Satellite Media Tour & Maui Media Visits	IMM LUX		
Travel Trade Education Events	Travel Advisor Education & Training			Travel Advisor Education & Training				
MCI Incentives		Targeted Offers						
Post Conversion Brand Study		Pre-Wave QR Development & Data Collection			Impact Assessment Wave QR Development & Data Collection			ROI Assessment Wave Questionnaire Development

Japan MMA - Beautiful Hawai'i Campaign

In May, HTJ launched the second phase of its "Beautiful Hawai'i" campaign, showcasing the distinct beauty and character of each island. As part of the effort, HTJ released a video series titled "100 Beautiful Hawai'i" highlighting 100 unique locations and experiences across the state. These videos will be actively promoted through cinema ads, out-of-home media, and digital platforms. HTJ also plans to engage the public through social media campaigns to further amplify reach and interaction.

Korea MMA - Support Air Premia's New Route

To boost awareness and early bookings for Air Premia's new route to Honolulu starting in July, HTK and Air Premia jointly launched two major promotions. The first was a consumer Instagram campaign through high-following accounts, encouraging users to share who they'd travel with and why. The second is an OOH campaign along Olympic Road, with additional placements planned for Gangnam Station. A related sales promotion with Hawai'i hotel partners is also being prepared for launch via the Air Premia website in June.

Europe MMA - The People. The Place. The Hawaiian Islands. Campaign

The campaign performed strongly across the UK, Switzerland, and Germany in May, generating 13.8 million impressions and reaching 5.8 million users. Video completion rates ranged from 79 - 88%, well above industry benchmarks, and audio content reached nearly 1 million listeners on wellness-focused platforms. The UK led in overall scale and engagement, while Switzerland achieved the highest interaction rates.

Oceania MMA - Grin Creative Cultural Experiences Project

In May, Hawai'i Tourism Oceania partnered with Grin Creative to begin production on a new digital guide promoting cultural and Native Hawaiian experiences across the Hawaiian Islands. Content creator Roberto Serrini visited O'ahu and Kaua'i to capture storytelling-led content that highlights Native Hawaiian-owned and culturally rich experiences. The guide is designed to inspire responsible travel and deeper cultural engagement among Australian and New Zealand visitors and will be promoted directly to consumers to encourage direct bookings with local operators.

Lilo & Stitch Screenings

In both the Australia and Canada markets, *Lilo & Stitch* screening events were hosted for more than 100 travel advisors, trade media, and influencers. These screenings featured destination updates as an opportunity to engage key industry stakeholders. The Sydney event also included a high-impact prize giveaway, offering roundtrip flights

to Hawai'i, a three-night stay at the Outrigger Waikīkī Beachcomber, and tickets to Cirque du Soleil's 'Auana. Meanwhile in Japan, a 30-second "*Beautiful Hawai'i*" promotional video aired from June 6 to 19 across 11 theaters in Tokyo and Yokohama. The two-week run, strategically timed with the release of *Lilo & Stitch*, reached an estimated 193,000 viewers, helping to maximize exposure and reinforce the film's deep connection to Hawai'i.

Meet Hawai'i - Sales Production

As of May 2025, Meet Hawai'i has secured 124,309 room nights - 38% of its annual goal. This marks a 10% year-over-year decline, primarily due to reduced citywide bookings. However, Single Property bookings are up 18% and ahead of target. Despite strong lead generation by the sales team, conversion remains challenging due to shifting booking cycles, competitive pressures, limited incentives, and uncertainty surrounding the Hawai'i Convention Center timeline.

Planning

The Planning section executed a contract with Better Destinations LLC to support our strategic planning process and to contribute to an HTA Tourism Strategic Plan 2026-2030. Over the next few months, we will be holding space with community, industry, and government stakeholders on every island to better understand priorities in managing the visitor industry in a way that benefits residents and visitors alike. These conversations will supplement internal strategic planning to situate HTA's priorities and positioning for the next five years across our focus areas and complementary plans. A final draft of the HTA Tourism Strategic Plan 2026-2030 is expected in January of 2026.

This month, we have been establishing technical workflows to support more integrated data pipelines for reporting on projects across all sections. This is rooted in a cataloguing of our guiding KPIs: visitor expenditures, per person per day spending, visitor satisfaction, and resident sentiment; this work stream has involved transforming data from published sources into machine-readable formats for visualization in Microsoft Power BI. Ongoing work will proof-of-concept data workflows in our existing tools, primarily the Microsoft suite of services. We are working across sections to standardize program evaluation data and to demonstrate centralized storage and analysis.

As of this month, we are making major strides in procuring services to support several complementary plans. A contract to procure facilitation services has been drafted, with HTA selecting Pacific Policy Research Center, a local firm with extensive experience across varied subject matter, and a demonstrated cultural and community-focused

fluency. We believe they will bring a valuable humility and multi-disciplinary perspective to facilitated convenings on every island to support our data collection for several important plans. We have also selected a vendor to steward the development of Destination Management Action Plans (DMAPs) 2026-2028; this solicitation is currently in its protest phase as of June 20, 2025. A contract is expected to be executed by the end of the week of June 23, 2025.

III. FINANCE BRANCH

Finance

Please see the May 2025 financial statements for more information on HTA's monthly and year-to-date financial results.

Procurement

Executed Contracts

Pursuant to Hawai'i Revised Statutes §201B-7 (9), below are contracts executed during the month of May 2025.

Contract No.	Contractor	Description	Contract Amount	Total Contract Value	Start Date	End Date
24018 S4	Hawaii Visitors and Convention Bureau	Hawaii Tourism Global Support Services for Brand Management & Marketing	\$32,500.00	\$2,375,533.00	6/9/2025	12/31/2025
25030	Better Destinations LLC	Development of HTA Tourism Strategic Plan 2026-2030	\$105,000.00	\$105,000.00	6/13/2025	3/31/2026
25024	Native Hawaiian Hospitality Association	Waikiki Historic Trail	\$0.00	\$0.00	6/18/2025	12/31/2028
Contract Type: • Sole Source † Procurement Exemption Θ Emergency			\$137,500.00			

Current Procurements

HTA regularly issues open solicitations – Requests for Proposals (RFP), Requests for Qualifications (RFQ) and Invitations for Bids (IFB) – to secure professional services

from qualified contractors in support of HTA's mission on behalf of the State of Hawai'i. A list of active solicitations is below.

RFP No.	Description	Release Date	Deadline
25-09	Public Relations, Communications, and Outreach Services	4/30/2025	5/30/2025
25-11	Hawaii Convention Center Rooftop Terrace Deck Repairs	4/1/2025	7/11/2025
25-14	Facilitation of Community & Visitor Industry Tourism Plans	4/17/2025	5/19/2025
25-19	Visitor Industry Workforce Hawaiian Culture Training Program	5/20/2025	6/23/2025
25-20	Development of Destination Management Action Plans (DMAPs) 2026-2028	5/27/2025	6/9/2025

For more information, visit: www.hawaii tourism authority.org/rfps.

IV. HTA EVENTS/HTA-SUPPORTED EVENTS

Date	Location	Event/Project Name	HTA Program
7/15, 7/17	Sapporo, Sendai	HTJ x HPCJ Workshop	Japan MMA
1 st week of July	O'ahu	Air Premia Digital Influencer Fam	Korea MMA
2 nd week of July	O'ahu	Air Premia Media Group Fam	Korea MMA
7/1 – 7/2	UK	VUSA Summer Affair & Media Marketplace	Europe MMA
July 9	Online New Zealand/Australia	Mariott & HTO Webinar	Oceania MMA
July 10-12	Fort Lauderdale, FL	GTM - Global Travel Marketplace	USA MMA
July 11	Online New Zealand/Australia	TravelManagers Campaign and Webinar	Oceania MMA
July 17	Virtual	Virtuoso Webinar	USA MMA
July 28-30	Phoenix, AZ	GTM Luxury - Global Travel Marketplace Luxury	USA MMA
7/17	Chicago, IL	Chicagoland Destination Reps - Networking	Meet Hawai'i
7/27-29	Austin, TX	CEMA Summit - Networking	Meet Hawai'i
July 2025	Hawai'i, O'ahu, Maui, Molokai, Kauai	31 events to be announced upon approval of HTA FY26 budget	'Umeke Community Programs

8

Report and Update on SB 1571 and its Implementation



STAFF REPORT TO THE BOARD

June 26, 2025

REQUEST: To discuss the impact of SB 1571 SD 2 HD3 CD 1 and its implementation.

FACTS:

1. On April 30, 2025, SB 1571 SD 2 HD3 CD 1 passed final reading as amended in CD 1. https://www.capitol.hawaii.gov/sessions/session2025/bills/SB1571_CD1_.pdf
2. This measure does the following:
 - a. 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.
 - b. 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.
 - c. Designates the Hawai'i Tourism Authority Board of Directors (Board) as an advisory board.
 - d. Removes the Director of Business, Economic Development, and Tourism as a member of the Board.
 - e. Requires a member of the Board to represent a tourism-impacted entity.
 - f. Provides that the President of the Senate and Speaker of the House of Representatives each appoint a member of the Board.
 - g. 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.
 - h. 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.
 - i. Provides that the President and CEO of the Hawai'i Tourism Authority's term of service shall be set by written contract by the Board.
3. It was enrolled to the Governor on May 2, 2025.
4. On May 29, 2025, the Governor signed SB 1571 SD 2 HD3 CD 1 into law (Act 132).

DISCUSSION:

Deputy Attorney General John Cole will provide an update on the implications of SB 1571 SD 2 HD 3 CD 1/Act 132 (SLH 2025) on the Hawai'i Tourism Authority.

BUDGET IMPLICATIONS: None.

9

Report on the Hawai'i Tourism Authority's (HTA) May 2025 Financial Reports



STAFF REPORT TO THE BOARD

June 26, 2025

REQUEST:

- Agenda Item #9: Report and Action on the Hawai'i Tourism Authority's (HTA) May 2025 Financial Reports

FACTS:

- HTA prepared monthly financial reports. Please refer to the monthly financial reports for more information.

DISCUSSION:

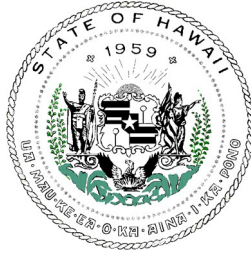
- A presentation will be provided at the board meeting.

BUDGET IMPLICATIONS:

- None

RECOMMENDATION:

- Motion – Approve the Hawai'i Tourism Authority's (HTA) May 2025 Financial Reports



The State of Hawai`i
Department of Business, Economic Development, and Tourism
Hawai`i Tourism Authority
May 31, 2025

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

Prepared by: Talon Kishi, CPA

HTA Budget and Fiscal Officer

HAWAII TOURISM AUTHORITY

Hawaii Tourism Authority
May 31, 2025
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Hawaii Tourism Authority
All Funds
Balance Sheet
As of May 31, 2025

	Tourism Funds	Convention Center Funds	Roof Repair Project	Tourism Emergency Special Fund	EDA State Tourism Grant	Total
Assets						
General Funds:						
Fiscal Year (FY) 2025 Gen. Funds	17,691,445	-	-	-	-	17,691,445
FY 2024 Gen. Funds	137,350	1,058,623	-	-	-	1,195,973
Subtotal - General Funds	17,828,795	1,058,623	-	-	-	18,887,418
Other Funds:						
Special Funds	8,376,920	32,339,500	-	-	-	40,716,420
Federal Grants	-	-	-	-	7,167,877	7,167,877
General Obligation Bonds (GOB)	-	-	61,589,180	-	-	61,589,180
Cash and Cash Equivalents	-	-	-	245,445	-	245,445
Subtotal - Other Funds	8,376,920	32,339,500	61,589,180	245,445	7,167,877	109,718,922
Total Assets	26,205,716	33,398,123	61,589,180	245,445	7,167,877	128,606,341
Liabilities and Fund Balances						
Liabilities:						
Liabilities (Special Funds)						
Transfer due to B&F		11,000,000		134,000	-	11,134,000
Total Liabilities	-	11,000,000		134,000	-	11,134,000
Fund Balances:						
General Funds:						
FY 2025 Encumbered - Gen. Funds	12,648,603	-	-	-	-	12,648,603
FY 2025 Unencumbered - Gen. Funds	5,042,842					5,042,842
FY 2024 Encumbered - Gen. Funds	137,350	1,058,623	-	-	-	1,195,973
FY 2024 Unencumbered - Gen. Funds	-	-	-	-	-	-
Subtotal - General Fund Balances	17,828,795	1,058,623	-	-	-	18,887,418
Special Funds:						
Encumbered - Special Funds	296,385	2,243,166	-	-	4,111,505	6,651,056
Unencumbered - Special Funds	8,080,535	19,096,334	-	111,445	3,056,372	30,344,687
Subtotal - Special Fund Balances	8,376,920	21,339,500	-	111,445	7,167,877	36,995,742
GOB:						
Encumbered - GOB	-	-	3,635,189	-	-	3,635,189
Unencumbered - GOB	-	-	57,953,991	-	-	57,953,991
Subtotal - GOB Fund Balance	-	-	61,589,180	-	-	61,589,180
Total Fund Balances	26,205,716	22,398,123	61,589,180	111,445	7,167,877	117,472,341
Total Liabilities and Fund Balances	26,205,716	33,398,123	61,589,180	245,445	7,167,877	128,606,341

* 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
May 31, 2025

	Month Ended May 31, 2025	Year to Date (YTD)	Encumbrance Balance	YTD + Enc.	FY 25 Budget	Variance
Expenditures						
Administration and Governance	223,564	2,194,715	1,171,539	3,366,254	3,696,660	330,406
Branding and Marketing	6,460,830	31,912,497	6,991,955	38,904,452	39,249,201	344,749
Sports and Signature Events	881,411	4,656,804	2,611,262	7,268,066	7,318,075	50,009
Dest. Stewardship and Community	87,071	2,833,424	1,078,072	3,911,496	7,923,883	4,012,387
Regenerative Tourism Developmen	41,348	3,322,196	376,217	3,698,413	3,762,181	63,768
Workforce Development	60,000	388,919	419,558	808,477	1,050,000	241,523
Total Expenditures	7,754,224	45,308,555	12,648,603	57,957,158	63,000,000	5,042,842
Changes in Fund Balance	(7,754,224)	(45,308,555)				
Fund Balances						
May 1, 2025 / July 1, 2024	25,445,669	63,000,000				
May 31, 2025	17,691,445	17,691,445				

* 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
May 31, 2025

	Month Ended May 31, 2025	Year to Date	Encumbrance Balance
Expenditures			
Branding	-	2,306,829	85,285
Destination Management	-	5,210,982	10,289
Governance and Org-Wide*	-	147,200	-
Perpetuating Hawaiian Culture	-	233,738	6,283
Planning & Evaluation	-	48,404	23,493
Resident and Industry Comms	6,250	94,235	-
Workforce Development	-	12,000	12,000
Total Expenditures	6,250	8,053,388	137,350
Lapsed Funds	-	(1,147,714)	
Changes in Fund Balance	(6,250)	(9,201,102)	
Fund Balances			
May 1, 2025 / July 1, 2024	143,600	9,338,452	
May 31, 2025	137,350	137,350	

* 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
May 31, 2025

	Month Ended May 31, 2025	Year to Date	Encumbrance Balance
Revenues			
Interest, Net	38,224	377,457	
Total Revenues	<u>38,224</u>	<u>377,457</u>	
Expenditures			
Administration	-	39,700	12,503
Branding	23,086	346,355	197,882
Resident and Industry Comms	-	22,602	-
Workforce Development	-	-	86,000
Total Expenditures	<u>23,086</u>	<u>408,657</u>	<u>296,385</u>
Changes in Fund Balance	<u>15,138</u>	<u>(31,200)</u>	
Fund Balances			
May 1, 2025 / July 1, 2024	8,361,782	8,408,120	
May 31, 2025	<u>8,376,920</u>	<u>8,376,920</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
May 31, 2025

	Month Ended May 31, 2025	Year to Date	Encumbrance Balance
Expenditures			
HCC Operations	1,019,639	1,019,639	1,058,623
HCC Repairs and Maintenance	-	-	-
Total Expenditures	1,019,639	1,019,639	1,058,623
Changes in Fund Balance	(1,019,639)	(1,019,639)	
Fund Balances			
May 1, 2025 / July 1, 2024	2,078,262	2,078,262	
May 31, 2025	1,058,623	1,058,623	

* 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
May 31, 2025

	Month Ended May 31, 2025	Year to Date	Encumbrance Balance
Revenues			
HCC Operations	491,519	3,956,646	
Interest	210,604	1,384,999	
TAT	-	11,000,000	
Total Revenues	702,123	16,341,645	
Expenditures			
HCC Marketing	-	1,603,300	-
HCC Operations	-	2,034,152	2,243,166
HCC Repairs and Maintenance	-	28,119,382	-
Total Expenditures	-	31,756,834	2,243,166
Changes in Fund Balance	702,123	(15,415,189)	
Fund Balances			
May 1, 2025 / July 1, 2024	31,637,377	47,754,689	
May 31, 2025	32,339,500	32,339,500	

* 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
May 31, 2025

	Month Ended May 31, 2025	Year to Date	Encumbrance Balance
Revenues			
Appropriation Transfer	-	64,000,000	
Total Revenues	-	64,000,000	
Expenditures			
Construction Services	-	-	-
Professional Services	390,758	2,720,238	3,635,189
Total Expenditures	390,758	2,720,238	3,635,189
Inter-Departmental Transfer*	-	(578,870)	
Lapsed Funds	-	(13,684,100)	
Changes in Fund Balance	(390,758)	47,016,792	
Fund Balances			
May 1, 2025 / July 1, 2024	61,979,938	14,572,388	
May 31, 2025	61,589,180	61,589,180	

* The above information is for the current fiscal period only. Refer to footnote 5 in the notes of the financial statements for total project spending to date.

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

	Month Ended May 31, 2025	Year to Date	Encumbrance Balance
Revenues			
Interest, Net	-	6,345	
Total Revenues	-	6,345	
Expenditures			
Administration	-	269	-
Branding	-	100,000	-
Destination Management	-	328,400	-
Planning & Evaluation	-	25,000	-
Resident and Industry Comms	-	79,390	-
Total Expenditures	-	533,059	-
Changes in Fund Balance	-	(526,714)	
Fund Balances			
May 1, 2025 / July 1, 2024	245,445	772,159	
May 31, 2025	245,445	245,445	

* The above information is for the current fiscal period only. Refer to footnote 4 in the notes of the financial statements for total spending to date.

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

	Month Ended May 31, 2025	Year to Date	Encumbrance Balance
Expenditures			
Branding	-	2,500,000	-
Destination Management	229,000	1,888,840	4,111,505
Total Expenditures	229,000	4,388,840	4,111,505
Changes in Fund Balance	(229,000)	(4,388,840)	
Fund Balances			
May 1, 2025 / July 1, 2024	7,396,877	11,556,717	
May 31, 2025	7,167,877	7,167,877	

* The above information is for the current fiscal period only. Refer to footnote 6 in the notes of the financial statements for total grant spending to date.

Hawaii Tourism Authority
May 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 \$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
May 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.
- **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 rooftop terrace deck. The Governor authorized the release of funds on February 22, 2023. Unused funds lapsed on June 30, 2024. Subsequently, \$13,684,100 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, 2026. See more information at footnote 5.

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
May 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
May 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 May 31, 2025:

Maui Response and Recovery Total Spending to Date – August 2023 to May 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	-	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	-	300,000
Total	4,993,822	-	5,000,000

Hawaii Tourism Authority
May 31, 2025
Selected Management Disclosures

5. Roof Repair Project

Roof Repair Project Total Spending to Date – July 2023 to May 31, 2025				
Program	Paid to Date	Encumbrance Balance	Budget	Available
Construction Services	-	-	57,953,991	57,953,991
Professional Services	3,018,950	3,635,189	6,654,139	-
Total	3,018,950	3,635,189	64,608,130	57,953,991

6. EDA State Tourism Grant

EDA State Tourism Grant Total Spending to Date – July 2023 to May 31, 2025			
Program	Paid to Date	Encumbrance Balance	Budget
Statewide Trail Capacity Study	236,495	863,505	1,100,000
DOCARE Equipment and Ed. Materials	92,000	308,000	400,000
Day-Use Mooring Buoy Program	280,000	120,000	400,000
O‘ahu Snorkel Trail	150,000	600,000	750,000
Ala Kahakai Interpretive Plan	239,000	61,000	300,000
Nāpu‘u Recreation Plan	300,000	100,000	400,000
Nā Manu ‘Elele: Land Steward Program	1,559,000	2,291,000	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
Total	6,856,495	4,343,505	14,024,372

Supplementary Information

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

#	Budget Line Item (BLI)	BLI Code	Year to Date Exp. (YTD)	Enc. Balance	YTD + Enc.	Fiscal Year 2025 Budget	Variance
Tourism							
	Admin. and Gov.	BED113					
1	Campaign Effectiveness Study	010	162,000	-	162,000	162,000	-
2	Communications & PR Svcs	101	52,121	197,879	250,000	250,000	-
3	Cruise Consultation	004	67,300	12,800	80,100	80,100	-
4	General and Administrative	901	332,343	234,057	566,400	568,909	2,509
5	Governance - Gen Board Others	919	66,762	56,236	122,998	125,000	2,002
6	Hawaiitourismauthority.org	103	6,250	28,750	35,000	35,000	-
7	Japan	323	-	300,000	300,000	300,000	-
8	Professional Services	915	145,000	-	145,000	145,000	-
9	Program Evaluation	654	-	-	-	81,000	81,000
10	Salaries	930	1,309,389	-	1,309,389	1,438,985	129,596
11	Tourism Strategic Plan Update	915	-	260,000	260,000	270,000	10,000
12	Travel - Admin	998	23,567	637	24,204	71,000	46,796
13	Travel - Branding	398	18,764	5,915	24,679	50,000	25,321
14	Travel - Destination Stewardship	898	11,219	5,599	16,818	50,000	33,182
15	USA	321	-	69,666	69,666	69,666	-
16	Budget Restriction	BR	-	-	-	-	-
	Subtotal - Admin. and Gov.	BED113	2,194,715	1,171,539	3,366,254	3,696,660	330,406
	Brand and Marketing	BED114					
17	Canada	322	764,214	135,786	900,000	900,000	-
18	HCC Sales & Marketing	317	6,028,985	-	6,028,985	6,028,985	-
19	Europe	326	778,091	121,909	900,000	900,000	-
20	Global Support Services	350	1,175,128	32,500	1,207,628	1,217,500	9,872
21	Island-Destination Int. Marketing	306	2,592,000	288,000	2,880,000	2,880,000	-
22	Japan	323	5,434,107	415,893	5,850,000	5,850,000	-
23	Korea	324	691,576	117,700	809,276	810,000	724
24	Oceania	325	911,697	210,577	1,122,274	1,161,815	39,541
25	Salaries	934	231,406	-	231,406	523,341	291,935
26	Travel - Branding	398	-	-	-	-	-
27	USA	321	13,305,293	5,669,590	18,974,883	18,977,560	2,677
28	Budget Restriction	BR	-	-	-	-	-
	Subtotal - Brand and Marketing	BED114	31,912,497	6,991,955	38,904,452	39,249,201	344,749
	Sports and Sig. Events	BED115					
29	Basketball	376	600,000	150,000	750,000	750,000	-
30	Football	384	750,000	737,744	1,487,744	1,487,744	-
31	LPGA	343	250,000	-	250,000	250,000	-
32	PGA Tour Contracts	312	1,597,080	399,270	1,996,350	1,996,350	-
33	Signature Events	700	1,180,491	287,198	1,467,689	1,467,689	-
34	Sports RFP or Other Procurement	385	-	-	-	-	-

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

#	Budget Line Item (BLI)	BLI Code	Year to Date Exp. (YTD)	Enc. Balance	YTD + Enc.	Fiscal Year 2025 Budget	Variance
35	Salaries	937	19,233	-	19,233	69,242	50,009
36	Sports Consultant	375	50,000	48,243	98,243	98,243	-
37	Surfing	374	210,000	90,000	300,000	300,000	-
38	UH Athletics Branding Partnership	378	-	167,000	167,000	167,000	-
39	Budget Restriction	BR	-	731,807	731,807	731,807	-
Subtotal - Sports and Sig. Events		BED115	4,656,804	2,611,262	7,268,066	7,318,075	50,009
Dest. Stew. and Comm.		BED116					
40	Dest. Management - Oahu	731	-	-	-	139,985	139,985
41	Dest. Management - Maui County	732	-	-	-	139,985	139,985
42	Dest. Management - Hawaii Island	733	-	-	-	139,984	139,984
43	Dest. Management - Kauai	734	-	-	-	139,984	139,984
44	Destination Mgmt. Application	740	-	-	-	3,150,000	3,150,000
45	Kahu Aina	402	658,356	-	658,356	658,356	-
46	Ho'okipa Malihini Initiative	718	367,043	-	367,043	367,043	-
47	Salaries	938	304,184	-	304,184	557,583	253,399
48	USA	321	-	792,388	792,388	792,388	-
49	Visitor Assistance Programs	601	464,450	71,500	535,950	585,000	49,050
50	Visitor Ed.Post Arrival Marketing	014	1,039,391	214,184	1,253,575	1,253,575	-
51	Budget Restriction	BR	-	-	-	-	-
Subtotal - Dest. Stew. and Comm.		BED116	2,833,424	1,078,072	3,911,496	7,923,883	4,012,387
Regen. Tourism Dev.		BED117					
52	Community Enrichment Program	701	465,568	376,217	841,785	841,785	-
53	Comm. Tourism Collaborative	656	948,836	-	948,836	948,836	-
54	Foundational Technical Assistance	656	415,458	-	415,458	415,458	-
55	Qurator- Quality Assurance	657	597,087	-	597,087	597,087	-
56	Tour Guide Certification	657	78,600	-	78,600	78,600	-
57	Kukulu Ola	201	674,057	-	674,057	674,058	1
58	Salaries	939	142,590	-	142,590	206,357	63,767
59	Budget Restriction	BR	-	-	-	-	-
Subtotal - Regen. Tourism Dev.		BED117	3,322,196	376,217	3,698,413	3,762,181	63,768
Workforce Dev.		BED118					
60	Future Workforce Development	803	120,000	30,000	150,000	150,000	-
61	Hawaiian Culture Initiative	202	-	-	-	210,000	210,000
62	Hawai'i Tourism Summit	102	224,066	17,750	241,816	270,000	28,184
63	Scholarship Program	805	44,853	266,808	311,661	315,000	3,339
64	Budget Restriction	BR	-	105,000	105,000	105,000	-
Subtotal - Workforce Dev.		BED118	388,919	419,558	808,477	1,050,000	241,523
Total - Fiscal Year 25 Tourism Budget			45,308,555	12,648,603	57,957,158	63,000,000	5,042,842

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

#	Budget Line Item (BLI)	BLI Code	Year to Date Exp. (YTD)	Enc. Balance	YTD + Enc.	Fiscal Year 2025 Budget	Variance
Hawai'i Convention Center (HCC):							
	Convention Center						
	Ent. Special Fund (CCESF)	BED113-XC					
65	HCC Operations	850	2,034,152	2,243,166	4,277,318	4,277,318	-
66	HCC Repairs and Maintenance	860	1,603,300	-	1,603,300	1,603,300	-
67	HCC Sales	870	28,119,382	-	28,119,382	28,119,382	-
	Subtotal - CCESF	BED113-XC	31,756,834	2,243,166	34,000,000	34,000,000	-
	Construction Funds	BED113-XC					
68	HCC Repairs and Maintenance	860	2,418,299	3,421,130	5,839,429	64,000,000	58,160,571
	Subtotal - Construction Funds	BED113-XC	2,418,299	3,421,130	5,839,429	64,000,000	58,160,571
Total - Fiscal Year 25 HCC Budget			34,175,133	5,664,296	39,839,429	98,000,000	58,160,571

10

Report on the Hawai'i Convention Center's (HCC) May 2025 Financial Report and Update on the HCC's 6-Year Repair and Maintenance Plan



STAFF REPORT TO THE BOARD

June 26, 2025

REQUEST:

- Agenda Item #10: Report and Action on the Hawai'i Convention Center's (HCC) May 2025 Financial Report and Update on the HCC's 6-Year Repair and Maintenance Plan

FACTS:

- HCC management has prepared a presentation of the HCC's monthly financial results and 6-Year Repair and Maintenance Plan. Please refer to the presentation slide deck for more information.

DISCUSSION:

- A presentation will be provided at the board meeting.

BUDGET IMPLICATIONS:

- Approving the HCC's 6-Year Repair and Maintenance Plan will guide HCC management on utilizing repair and maintenance funds.

RECOMMENDATION:

- Motion - Approve the Hawai'i Convention Center's (HCC) May 2025 Financial Report and Update on the HCC's 6-Year Repair and Maintenance Plan.

Hawai'i Convention Center HTA Board Meeting Update



***Update for
May 2025
For
(June 2025 meeting)***

Financial Update FY25

	May-25 Actual	FY 2025 Reforecast	FY 2025 Budget	Variance	FY 2024 Actual	FY 2023 Actual
Facility Number of Events	23	248	237	11	262	273
Facility Operating Revenue	\$2,233,600	\$25,414,800	\$22,619,600	\$2,795,200	\$27,278,800	\$14,310,800
Facility Other Income	\$160,400	\$1,714,700	\$1,548,800	\$165,900	\$1,616,200	\$135,700
Facility Total Revenue	\$2,394,000	\$27,129,500	\$24,168,400	\$2,961,100	\$28,895,000	\$14,446,500
Facility Operating Expenses	-\$2,503,300	-\$28,103,900	-\$27,410,400	-\$693,500	-\$25,495,600	-\$18,412,200
Facility Net Income/(Subsidy)	-\$109,300	-\$974,400	-\$3,242,000	\$2,267,600	\$3,399,400	-\$3,965,700
Local S&M Operating Expenses	-\$67,700	-\$1,191,700	-\$1,603,300	\$411,600	-\$1,036,600	-\$959,400
HCC Net Income/(Subsidy)	-\$177,000	-\$2,166,100	-\$4,845,300	\$2,679,200	\$2,362,800	-\$4,925,100

ROI May 2025 FYTD

HCC Revenue + State Revenue
+Tax Revenue
= \$441.3 M

HCC Expense + HVCB MCI
Expense = \$31.3 M

***ROI = For every dollar spent,
\$14.07 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)
04.25	\$12.30	(14)
05.25	\$14.07	(17)

<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: 05/01/2025

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	122771	43050	\$287,084,094.29	\$33,588,839.03
2027	6	76683	42000	\$253,208,186.22	\$29,625,357.79
2028	9	53029	30100	\$179,712,830.72	\$21,026,401.19
2029	4	26594	14370	\$103,562,858.95	\$12,116,854.50
2030	3	18710	11100	\$75,345,457.60	\$8,815,418.54
2031	5	82167	27700	\$185,805,359.42	\$21,739,227.05
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	59	550297	248870	\$1,567,267,827.97	\$183,370,335.87

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

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

Recent Events @ Hawai'i Convention Center

- James Campbell / Pearl City High School Graduation, May 17, 9000 attendees
- Aiea High School Commencement, May 19, 2,968 attendees
- Global Dance & Cheer, May 24-25, 2,184 attendees (CW)
- Aloha Region Summer Classic, May 24-26, 2,436 attendees (Sports)
- Pacific Rim Championships (basketball), June 6-8, 2,237 attendees (Sports)



Upcoming Local/Citywide Events

- World Glaucoma Congress, June 25-28, estimated 2,500 attendees (CW)
- 2025 SCUP Annual Meeting, July 13-16, estimated 1,400 attendees (CW)
- 2025 USJF/50th State Judo Association Nationals, July 18-22, estimated 2000 attendees (CW)
- Five-0 Classic Tournament, July 24-26, estimated 3,000 attendees (Sports)

11th WORLD GLAUCOMA CONGRESS
JUNE 25 - 28, 2025 **HONOLULU, HAWAII, USA**



Definite Local/CW Bookings for next 3 months

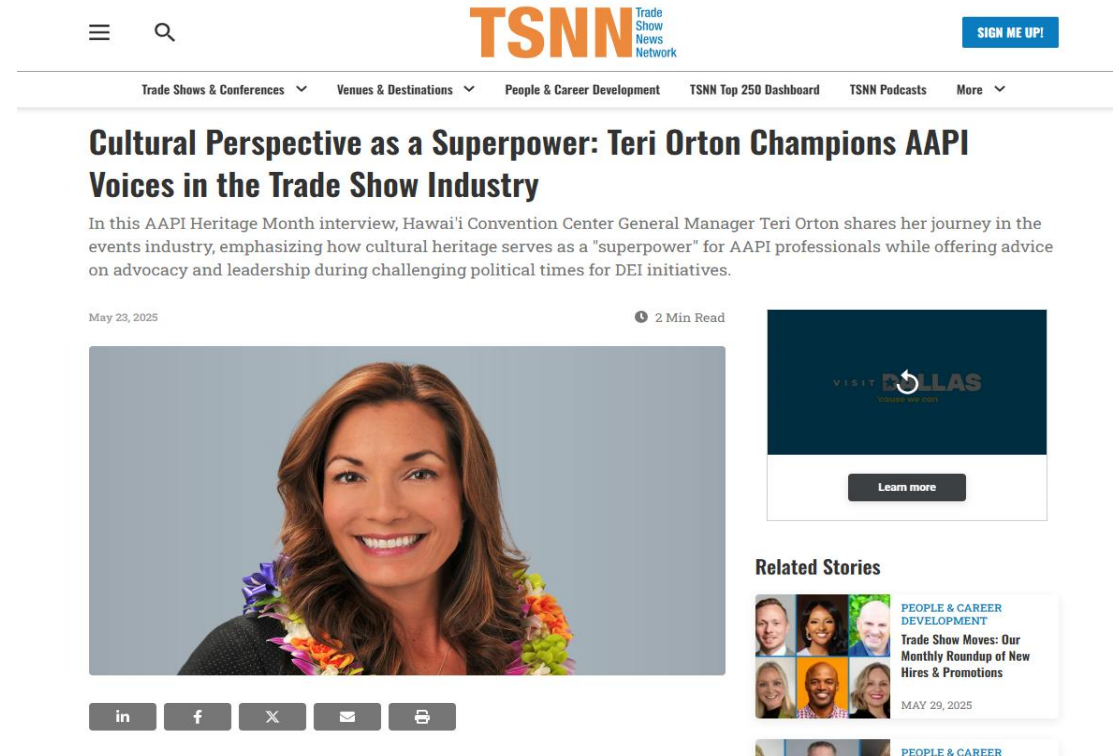
Month	Total # of Local Events	Total # of Citywides
June 2025	18	1
July 2025	16	2
August 2025	10	2

11th WORLD GLAUCOMA CONGRESS
JUNE 25 - 28, 2025 **HONOLULU, HAWAII, USA**

SCUP 2025
Annual Conference
July 13 - 16 | Honolulu, Hawai'i



HCC In the News



Asian American & Pacific Islander
Trade Show News Network and Corporate Event News
Featured Teri Orton

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:
 - Honolulu Open 2025
 - 2025 & 2024 Honolulu Festival (20 trees)
 - 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)
 - CHEST 2023 (42 trees)
 - 2023 International Conference on Machine Learning (36 trees)



Supporting Local Farmers



HCC Exec Chef Brooke Tadena at
Mari's Garden

HCC Supports Local Farmers

Did you know.....?????

TOTAL PURCHASES OF LOCAL PRODUCTS						
Month	Jan-25	Feb-25	Mar-25	Apr-25	May-25	YTD TTL
Hawaii Convention Center	\$4,462.68	\$7,905.83	\$4,832.88	\$13,057.31	\$ 8,706.54	\$38,965.24
TOTAL PURCHASES OF MAINLAND PRODUCTS						
Month	Jan-25	Feb-25	Mar-25	Apr-25	May-25	YTD TTL
Hawaii Convention Center	\$13,902.78	\$35,360.77	\$15,082.59	\$30,766.05	\$ 21,259.34	\$116,371.53
TOTAL AG PURCHASES (LOCAL & MAINLAND)						
Month	Jan-25	Feb-25	Mar-25	Apr-25	May-25	YTD TTL
Hawaii Convention Center	\$ 18,365.46	\$43,266.60	\$19,915.47	\$43,823.36	\$ 29,965.88	\$155,336.77
% OF LOCAL BOUGHT ITEMS						
Month	Jan-25	Feb-25	Mar-25	Apr-25	May-25	YTD TTL
Hawaii Convention Center	24%	18%	24%	30%	29%	25%

Repair, Maintenance and Replacement Projects Update

Papaheenalu Exhibit



Repair, Maintenance and Replacement Projects

Update of Major Projects

New Equipment Purchases

- Final components are being installed on the new museum case that will house the history of surfboards exhibit.
- The backdrop depicts a line-up of surfers at Waikiki Beach in the early 1900s.

Ballroom Gutter, Foyer and Lobby Transom Glass and Soffit Repair

- Architect WCIT finalizing schematic designs for new Ballroom Foyer Roof.
- Standing seam roof will address leaks, bird mitigation, additional ventilation and lighting.
- HCC is planning impact of construction on modified event schedule, especially in Lobby.

Parapet Roof Repair

- Work will continue on the waterproofing of the Porte Cochere roof, between events at the end of June.
- Restroom and elevator shaft roofs are included in this project.

3rd Floor and Other Exterior Planters

- Architect LDA working with Diede on destructive investigation to finalize designs for repair of planters.
- Work will start on the parking entry ramp during the dark period at the end of June.

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 – 3rd floor, Grand Staircase, Intermediate level
- Install new Fire Alarm System
- Replace Green Slate Tile – 3rd 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

6-Year Plan (page 1)

Project Number	Project Title	Estimated Project Cost	Est CY Complete	GOB/ CIP/OC	Prior Expenses Apr 2025	FY25	FY26	FY27	FY28	FY29	FY30	Total
003	Kalākaua Kitchen and Atkinson Drywell Renovation	\$ 7,517,494	CY 26-27	CIP	\$ 350,602	\$ 995,324	\$ 4,272,042	\$ 1,899,526				\$ 7,517,494
009	Slate Tile Repair	\$ 722,691	Q4 26	CIP	\$ 238,536	\$ 33,741	\$ 450,414					\$ 722,691
010	Chiller Replacement	\$ 6,460,366	Q2 25	CIP	\$ 6,009,359	\$ 451,007						\$ 6,460,366
011	Ballroom Gutter, Foyer Transom Glass Roof Repair and Soffit R	\$ 21,873,845	CY 26-27	CIP	\$ 262,293	\$ 459,821	\$ 12,403,001	\$ 8,748,730				\$ 21,873,845
012	Parapet Roof Repairs	\$ 2,299,052	Q4 25	CIP	\$ 848,025	\$ 1,451,027						\$ 2,299,052
013	Ballroom Roof Repairs	\$ 1,575,688	Q4 25	CIP	\$ 272,453	\$ 1,303,235						\$ 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	\$ 5,069,943	CY 26-27	CIP	\$ 98,692		\$ 2,462,758	\$ 2,508,493				\$ 5,069,943
023	Air Wall Repairs	\$ 1,588,308	Q1 26	CIP	\$ 156,890	\$ 1,431,417						\$ 1,588,307
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	Q4 25	OC	\$ -	\$ -	\$ 500,000					\$ 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	Q4 25	CIP	\$ 35,146	\$ 148,248						\$ 183,394
045	Escalator Modernization	\$ 7,927,869	CY 26-27	CIP	\$ 86,130	\$ 3,553,753	\$ 3,903,793	\$ 384,193				\$ 7,927,869
046	LED Light Upgrade	\$ 6,946,416	CY 26-27	CIP	\$ 5,306,104	\$ 829,637	\$ 5,871	\$ 804,804				\$ 6,946,416
048	Electrical Harmonics Testing	\$ 100,000	FY 28	CIP	\$ -				\$ 100,000			\$ 100,000
050	Main Kitchen Flooring Replacement	\$ 648,881	Q3 25	CIP	\$ 463,495	\$ 185,386						\$ 648,881
051	Phone System Replacement	\$ 30,000	Q3 25	OC	\$ -	\$ 30,000						\$ 30,000
054	Boardroom Upgrade	\$ 1,596,515	CY 27	OC	\$ 122,248	\$ -	\$ 1,474,267					\$ 1,596,515
055	Elevator #2 Upgrade	\$ 250,000	FY 28	CIP	\$ -				\$ 250,000			\$ 250,000
060	Lobby Sail Repair and Maintenance	\$ 179,000	CY 26-27	CIP	\$ 41,196		\$ 137,804					\$ 179,000
061	ADA Lift (#320) Replacement	\$ 165,000	Q2 25	CIP	\$ 91,127	\$ 73,873						\$ 165,000

Repair, Maintenance and Replacement Projects

6-Year Plan (page 2)

Project Number	Project Title	Estimated Project Cost	Est CY Complete	GOB/ OIP/OC	Prior Expenses Apr 2025	FY25	FY26	FY27	FY28	FY29	FY30	Total
066	Kalākaua Kitchen Boiler Replacement	\$ 104,215	Q4 25	OC	\$ 26,844	\$ 42,023	\$ 35,348					\$ 104,215
068	3rd Floor Planter Repair and Exterior Planter Repair	\$ 14,253,591	Q4 26	CIP	\$ 2,046,807	\$ 3,005,413	\$ 9,201,371					\$ 14,253,591
069	Parking System Equipment Upgrade	\$ 1,083,753	Q1 27	CIP	\$ 80,027	\$ 21,170	\$ 982,556					\$ 1,083,753
070	Parking Garage Floor Sealing	\$ 5,285,230	Q4 2027	CIP	\$ 7,849	\$ 578	\$ 5,000	\$ 5,271,803				\$ 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	\$ 1,626,834	Q4 25	CIP	\$ 134	\$ -	\$ 1,626,700					\$ 1,626,834
075	Exterior Building Painting	\$ 2,659,418	Q2 26	CIP	\$ 1,825,990	\$ 193,671	\$ 639,757					\$ 2,659,418
077	Interior Building Painting	\$ 3,728,337	Q4 26	CIP	\$ 70,176	\$ -	\$ 1,999,876	\$ 1,658,284				\$ 3,728,336
079	Digital Signage Upgrade	\$ 6,150,000	Q2 27	CIP	\$ 84,649	\$ 32,741	\$ 1,100,000	\$ 4,932,610				\$ 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	\$ 628,763	\$ 371,237						\$ 1,000,000
083	Café 808 Renovation	\$ 3,000,000	CY 26	CIP	\$ -	\$ 450,000	\$ 2,550,000					\$ 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	\$ -	\$ 450,000	\$ 1,550,000					\$ 2,000,000
086	Water Remediation - Misc Repairs/Equipment	\$ 500,000	Q2 26	CIP	\$ 241,300	\$ 8,700	\$ 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	\$ 8,258	\$ 98,644	\$ 1,393,098					\$ 1,500,000
094	Solar Photovoltaic System	\$ 5,682,200	Q2 26	CIP	\$ 55,817	\$ 2,054,860	\$ 3,571,523					\$ 5,682,200
097	Carpet Replacement	\$ 4,000,000	CY 27	CIP	\$ -	\$ -	\$ 49,400	\$ 3,950,600				\$ 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	Q4 25	CIP	\$ 89	\$ 777,130	\$ 999,911					\$ 1,777,130
101	Lobby Door Replacement	\$ 500,000	Q4 25	CIP	\$ -	\$ 500,000						\$ 500,000
102	Xorel Wall Covering Replacement	\$ 300,000	CY 26	CIP	\$ -	\$ -	\$ 300,000					\$ 300,000
103	Restroom Renovation	\$ 5,000,000	--	CIP	\$ -				\$ 5,000,000			\$ 5,000,000
104	Camera Server Replacement	\$ 105,000	A4 25	OC	\$ -	\$ 105,000						
	Legal Retainer	\$ 251,094	on-going	CIP	\$ 162,337	\$ 20,000	\$ 68,757					\$ 251,094
GRAND TOTAL (not including Rooftop Terrace Deck)		\$143,557,828			\$25,179,142	\$23,264,185	\$ 56,193,217	\$30,159,043	\$ 8,137,239	\$ 625,000	\$ -	

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

11

**Discussion on FY 2026 Budget
Recognizing DBEDT Approves HTA's Budget**



STAFF REPORT TO THE BOARD

June 26, 2025

REQUEST: To discuss the FY 2026 Budget, recognizing DBEDT approves HTA's Budget

FACTS:

1. On May 29, 2025, the Governor signed SB 1571 SD 2 HD3 CD 1 into law (Act 132), which designates the Hawai'i Tourism Authority Board of Directors (Board) as an advisory board.
2. This changes the approval process of HTA's budget.

DISCUSSION:

A new approval process for HTA's FY 2026 budget.

BUDGET IMPLICATIONS: A change to the approval process.

12

Update on HTA's Tourism Guide Certification Curriculum & Content Development



STAFF REPORT TO THE BOARD

June 26, 2025

Agenda #12

REQUEST: Provide an update on HTA's Tour Guide Certification curriculum.

FACTS:

1. The HTA contracted with Kilohana by the Council for Native Hawaiian Advancement to develop a curriculum for an upcoming Tour Guide Certification Program.
2. Kilohana developed a detailed work plan outlining tasks, key partners, and milestones, which was reviewed and approved by the Hawaii Tourism Authority.
3. Kilohana reviewed the University of Hawai'i's School of Travel Industry Management report titled "*A Landscape Analysis on Current Certification for Hawai'i's Professional Tour Guide Program: Study of Formulation and Implementation of a Formal Licensing Program in the Future.*"
4. Kilohana collaborated with the State and other entities recommended by the State to develop the curriculum.
5. Kilohana developed the Tour Guide Certification curriculum and additional content, which was reviewed and approved by the HTA. The curriculum included the following twelve (12) core components with corresponding content:
 - 1) Role and Responsibility: Introduction to Tour Guiding in Hawai'i
 - 2) Hawaiian Culture
 - 3) Cultural Sensitivity and Awareness
 - 4) Hawai'i's History
 - 5) Hawai'i's Natural Ecosystem & Islands
 - 6) 'Ōlelo Hawai'i's (Hawaiian Language)
 - 7) Safety on Tours
 - 8) Storytelling and Interpretation
 - 9) Designing a Great Tour Experience
 - 10) Customer Service: How to Delight Your Travelers
 - 11) Leadership: How to Manage a Group
 - 12) Professional & Career Development

June 26, 2025

6. The completed online Tour Guide Certification curriculum, content and final written report was submitted to the HTA on the deadline of May 30, 2025.
7. The HTA's next step will be to put out an RFP to solicit the Tour Guide Certification Course Development.

DISCUSSION: None.

BUDGET IMPLICATIONS: None for FY25. Seeking funding for FY26 to develop an online Tour Guide Certification course, based on the curriculum.

13

**Presentation on HTA's Sports Strategic Plan,
Including Partnership Evaluation Criteria**



STAFF REPORT TO THE BOARD

June 26, 2025

Agenda #13

REQUEST: Provide an update on HTA's Sporting Tourism Strategy and Scoring and Evaluation Matrix presented by PlayFly, LLC.

FACTS:

- Sports Tourism Brand Manager will present HTA's sports strategic plan that outlines its goals and objectives to be more proactive in securing sports contract that aligns with HTA's overall strategies.
- HTA contracted with PlayFly, LLC to develop a scoring and evaluation process to help mitigate potential sponsorships within the sporting community for both professional and amateur sport organizations.
- PlayFly, LLC will present current sport sponsorships and comparatively show how it measures key metrics within the evaluation process and as it relates to other sports contracts.

DISCUSSION: None.

BUDGET IMPLICATIONS: None.

June 26, 2025