



**REGULAR BOARD MEETING**  
**HAWAII TOURISM AUTHORITY**  
**Thursday, January 30, 2020**  
**Hawaii'i Convention Center**  
**1801 Kalākaua Avenue, Honolulu, Hawaii'i 96815**

**MINUTES OF REGULAR BOARD MEETING**

**MEMBERS PRESENT:**

Rick Fried (Chair), Micah Alameda, David Arakawa, Daniel Chun, George Kam, Kyoko Kimura, Kimi Yuen, Fred Atkins, Ku'uiipo Kumukahi, Benjamin Rafter, and Kelly Sanders

**MEMBER NOT PRESENT:**

Sherry Menor-McNamara

**HTA STAFF PRESENT:**

Chris Tatum, Keith Regan, Pattie Herman, Marc Togashi, Kalani Ka'anā'anā, Marisa Yamane, Jadie Goo, Jennifer Chun, Caroline Anderson, Carole Hagihara, Chris Sadayasu, Joseph Patoskie, Minami Aoki, Laci Goshi, Lawrence Liu, Maile Carvalho, Cynthia Morita, Maka Casson-Fisher, Minh Chau Chun, Isabella Dance, Kristen Andres, and Ronald Rodriguez

**GUESTS:**

Representative Richard Onishi, Senator Kalani English, Councilmember Kymberly Pine, Alexander Wong, John Monahan, Stephanie Donoho, Malia Sanders, Summer Thatcher, Nathan Kam, Erin Khan, Christine Ulandez, Jacob Aki, Branden Askew, Jason Paloma, Frank Haas, Yvonne Pee Wee Ryan, Eric Takahata, John DeFries, Teri Orton, Mari Tait, Noelle Liew, John Knox, Michael Carr, Tony Vericella, and Elissa Lines

**LEGAL COUNSEL:**

Gregg Kinkley

## **1. Call to Order and Pule**

Chair Rick Fried called the meeting to order at 9:32 AM. Kalani Ka'anā'anā opened the meeting with a moment of silence to honor the lives of the two police officers who were killed in the line of duty, Tiffany Enriquez and Kaulike Kalama, followed by a pule. Mr. Ka'anā'anā shared the concept of "one heartbeat together" encouraging those in attendance to keep everyone affected in their thoughts and prayers. He added that January 17th marked the 127th anniversary of the overthrow of the Hawaiian Kingdom. He further added that despite the painful memory, Hawai'i's people still have a responsibility to nurture these islands, and in return, Hawai'i will nurture its people. Mr. Ka'anā'anā introduced Ku'uipo Kumukahi and Haulani Aiu to perform Kaulana Nā Pua ("Famous are the Flowers").

## **2. Approval of Minutes of the December 19, 2019 Board Meeting**

Chair Fried requested a motion to approve the meeting minutes from the December board meeting. George Kam made a motion, which was seconded by Ms. Kumukahi. The motion was unanimously approved. Chair Fried welcomed Representative Richard Onishi, Senator Kalani English, and Councilmember Kymberly Pine to the meeting.

## **3. Report of Permitted Interactions at an Informational Meeting or Presentation Not Organized by the Board under H.R.S. § 92-2.5(c)**

Chair Fried asked the Board whether there were any permitted interactions to report, and there were none. Chair Fried shared a copy of an article from the New York Times titled "36 Hours in Honolulu."

## **4. Report of the CEO Relating to Staff's Implementation of HTA's Programs during December 2019**

Chief Executive Officer Chris Tatum discussed issues relating to the coronavirus. HTA has suspended promotional activities towards China and have shifted their resources from promotion to education, communication, and support, particularly for visitors that are already in Hawai'i.

Mr. Tatum discussed the Polynesian Hall of Fame Football Game and the events of that week. He highlighted community participation and commended the success of the student clinics. He added that three students who played in the game have received Division I football scholarships. Events were held at Campbell High School and Kaimuki High School, including visits by Tua Tagovailoa, who Mr. Tatum said is a positive representative for the state of Hawai'i.

Mr. Tatum introduced Chief Administrative Officer Keith Regan. Mr. Regan then welcomed the newest member of the HTA team, Kristen Andres, who will serve as an administrative assistant for HTA.

Micah Alameda applauded the student clinics and shared how these clinics lift the community.

Kyoko Kimura asked whether Honolulu airport has begun screening for the coronavirus, and Mr. Tatum responded in the affirmative. Chair Fried added that Hawai'i has been proactive and is one of twenty cities actively screening visitors for the virus.

## **5. Presentation on Support for the 13th Festival of Pacific Arts & Culture**

Chair Fried introduced Sen. Kalani English and Rep. Richard Onishi to discuss the Festival of Pacific Arts & Culture ("FESTPAC"). Senator English is the chair of the FESTPAC Commission, which was created by the Hawai'i State Legislature. The festival includes 28 countries and has met once every four years since 1972, and this year, Hawai'i is hosting FESTPAC for the first time. One hundred delegates from each participating country will be in attendance. The festival theme will be "E Kū i Ka Hoe Uli," which means take hold of the steering paddle.

FESTPAC is requesting \$500,000 in financial support for the festival. Sen. English noted that this festival will bring in many heads of states for the island nations represented, which marks this as a high-level event. He then added that the festival will allow Hawai'i to reintegrate into the region and show that Hawai'i is culturally part of the region and not merely a part of North America. He noted that there will also be other events being held in conjunction with FESTPAC, like the Council of Indigenous Peoples, Association of Pacific Island Legislatures (APIL) General Assembly, the Pacific Philosophers Conference, and many others. He said that the participant countries are paying for their delegates to travel to Hawai'i, but the host country must provide food, lodging, and transportation. Chair Fried commented that there are numerous ancillary events that hosting FESTPAC will bring to the islands.

Fred Atkins asked whether any events will take place on the neighbor islands, and whether they will require any support from the neighbor islands. Sen. English replied that, at this time, there are no plans to hold any events outside of O'ahu, but that they are looking for ways to involve the other islands should funding be available.

Mr. Tatum complimented the event as a great opportunity for Hawai'i to show support for their cultures. Sen. English said that the opening ceremony, closing ceremony, and nightly reports will be broadcast in the region, which will be an opportunity to showcase Hawai'i.

David Arakawa asked whether there were any particular events that would be good for the Board or for the public to attend, and whether Sen. English would provide such a list. Sen. English responded that all events are free for the public, and the full schedule, once finalized, will be published online on the FESTPAC website. Rep. Onishi added that they plan to set aside specific seating areas for VIPs like visiting heads of state and sponsors.

Chair Fried noted that the funds will have to be reallocated from one area of the HTA budget to another if the Board approves funding.

Mr. Atkins asked whether Samoa will bring one or two delegations. Sen. English replied that there will be two: one from American Samoa and one from independent Samoa. He noted that a number of heads of state have expressed interest in attending, so there will be heads of governments, royal families, and ruling chiefs attending.

**6. Requesting Board Approval for Resolution No. 2020-1-1 Authorizing the Transfer of an Unencumbered Appropriation within the Sports Main Budget Category to the Perpetuation of Hawaii Culture Main Budget Category Fiscal Year 2020 Budget in Support of the 13th Festival of Pacific Arts & Culture**

Chair Fried recognized Mr. Regan to present the resolution. Mr. Regan read aloud the resolution as contained in the board packet. The Sports Programs budget has an unallocated appropriation and unencumbered balance of approximately \$4.1 million. The resolution would reallocate an unencumbered appropriation of \$500,000 from the Sports Programs unallocated, unencumbered balance to the Perpetuating Hawaiian Culture - FESTPAC category budget. Chair Fried requested a motion to pass the resolution. Mr. Kam made a motion, which was seconded by Ms. Kumukahi. Chair Fried opened the matter for discussion. Kelly Sanders stated that the Marketing Committee voted unanimously to recommend that the Board fund FESTPAC. The Board voted to approve the resolution unanimously.

**7. Presentation on Support for the 75th Commemoration of the End of World War II**

Chair Fried introduced Michael Carr, President & CEO of the Battleship Missouri Memorial, Elissa Lines, Executive Director of the Pacific Aviation Museum, and Tony Vericella, Executive Director of the Governor's 75th Anniversary Commemoration Committee. The committee's goal is to raise \$2.4 million for events to be held in Hawai'i. Mr. Carr introduced Ms. Lines who highlighted Hawai'i's historical significance in World War II. Ms. Lines then introduced Mr. Vericella, who discussed plans to find and encourage participation from veterans and civilians to provide oral history for exhibits and presentations. Mr. Vericella also discussed the educational and marketing opportunities for Hawai'i provided by the event. The committee is requesting \$500,000 for content creation, community engagement, and assisting WWII veterans to participate and attend, which is in line with what was requested for the Pearl Harbor 75th anniversary.

Mr. Vericella noted that a question arose in the Marketing Committee meeting, whether the committee is pursuing money at the state level. He said that Rep. Onishi and Sen. Wakai are members of the Commemoration Committee, and Rep. Onishi indicated that he is requesting a \$250,000 appropriation from the State Legislature. The legislature had allocated the same amount four years ago for the 75th anniversary of the bombing of Pearl Harbor. He then added that the committee is pursuing sponsorships from national and local

sources and is reaching out to local travel industry partners for assistance with air, accommodation, and transportation.

Chair Fried shared that he attended the 75th Anniversary of the Liberation of Bruyères, France, an event that honors the 442nd Regimental Combat Team, and noted that a number of people from Hawai'i and California attended.

Ms. Kumukahi asked if it was possible to change the September 2nd date for the main event. Mr. Vericella responded that that is not possible as September 2nd is the anniversary of the Japanese surrender at Tokyo Harbor on the U.S.S. Missouri. Ms. Kumukahi noted that September 2nd is also Queen Lili'uokalani's birthday and that an 'onipa'a is held on her birthday. Ms. Kumukahi added that the celebration happens either the weekend before or after, but September 2nd is her actual birthday. Mr. Vericelli asked to meet with Mr. Ka'anā'anā after the board meeting to discuss how to proceed as respectfully as possible.

Mr. Atkins commended the presenters for both FESTPAC and the Commemoration for their presentations and offered the Board's support if they require additional support beyond funding.

**8. Requesting Board Approval for Resolution No. 2020-1-2 Authorizing the Transfer of an Encumbered Appropriation Balance within the Sports Main Category to the Community Main Category, Fiscal Year 2020 Budget in Support of the 75th Commemoration of the End of World War II**

Chair Fried recognized Mr. Regan to present the resolution. Chair Fried asked if the Board could forego reading the entire resolution aloud. Mr. Regan asked Gregg Kinkley if this would be acceptable, to which Mr. Kinkley responded in the affirmative. Mr. Kam asked how this resolution differed from the FESTPAC resolution. Mr. Regan responded that the only difference is that the funds will be allocated to the Community Engagement budget as opposed to the Perpetuating Hawaiian Culture budget. Chair Fried requested a motion to pass the resolution. Mr. Kam made a motion, which was seconded by Ms. Kumukahi. The Board voted to approve the resolution unanimously.

Chair Fried announced a break in the meeting at 10:55 AM. The meeting reconvened at 11:04 AM.

**9. Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets, including the United States, Japan, Canada, Oceania, Other Asia, Europe, and Cruise**

Chair Fried introduced Jennifer Chun to discuss market insights and conditions. Ms. Chun discussed the statistics as contained in the board packet. She pointed out that the TAT collection numbers have not been updated for the past several publications, to which Chair

Fried asked when the Board would receive those updated numbers. Ms. Chun replied that she has inquired with the Department of Tax, but has not yet received a response.

Ms. Kimura noted that the number of vacation rentals on O'ahu has decreased while the number on Maui has increased significantly. Mr. Kam suggested that this increase might be the result of Maui County not having the same enforcement laws as there are on O'ahu. Mr. Sanders said that it may be beneficial to understand where they derive these statistics. Ms. Chun replied that the statistics for vacation rentals come from an independent contractor called Transparent Inc. She added that this vendor draws statistics from a number of websites including Airbnb and Booking.com. The vendor is also working to draw statistics directly from the property managers.

Mr. Tatum invited Councilmember Kymberly Pine to speak. Councilmember Pine said that the vacation rental issue is not over, and many vacation rental owners on O'ahu have moved to the neighbor islands, primarily Maui and Hawai'i Island. She recommended the Board to encourage city councilmembers from the neighbor islands to take action if this is a concern. Chair Fried asked if Corp. Counsel has provided an update on the police power legality regarding the enforcement of vacation rentals on O'ahu, and Councilmember Pine responded that there have been no issues.

Mr. Regan added that there are many factors that contribute to these statistics, but the planning departments on neighbor islands are receiving data to help. Mr. Sanders noted that when the law was passed, O'ahu was separated into zones where there were vacation rentals. He asked whether the data shows if there have been declines by specific zones. Ms. Chun responded that the vendor only delineates it by Waikiki (96815) and other zip codes.

Mr. Tatum asked if the law itself has changed or just the enforcement mechanisms. Councilmember Pine replied that the law is the same, but that it is now legal for enforcement teams to use what is on the internet as cause to investigate and enforce violations. Chair Fried asked if they are adequately staffed and what more is needed. Councilmember Pine replied that they are looking into changing their hiring practices.

## **10. Presentation, Discussion and Action on HTA's Financial Reports for December 2019**

Chair Fried recognized Mr. Regan and Marc Togashi to present the financial reports. Mr. Regan said that HTA is on track with its expenditures, noting that HTA is utilizing about 74% of its budget. He then discussed in more detail each specific category as contained in the board packet. Mr. Regan then discussed the Budget Reallocation Summary as detailed in the board packet, noting that the two positions currently held by contractors would transition into full-time staff after completing the appropriate governmental procedures. Mr. Arakawa asked if the two spots held by independent contractors would be considered for the full-time positions. Mr. Regan responded in the affirmative, but HTA would still go through a recruiting process. He then said it is a good sign that HTA's programs are closing

their contracts and that the prior year encumbrances have dropped to \$21.7 million. He explained that closed contracts with unspent funds can then be reallocated elsewhere.

Chair Fried asked which department the two contractor positions are in, to which Mr. Regan responded that one is in Hawaiian Culture and the other in Community Enrichment.

Mr. Atkins asked if something was added to the Perpetuating Hawaiian Culture budget as the programs comprise approximately \$7.8 million while the final line item is for \$8.093 million. Mr. Togashi replied that the \$7.8 million is a subcategory within the larger category, and the difference is from salaries.

Chair Fried requested a motion to approve the financial report. Mr. Kam made a motion, which was seconded by Ms. Kumukahi. The Board voted to approve the financial report unanimously.

#### **11. Update on the Status of the 2018 Audit Action Plan**

Chair Fried recognized Mr. Regan to provide an update on the status of the 2018 Audit Action Plan. Mr. Regan said that they have circulated a draft letter to the Attorney General's office relating to administrative costs and are close to finishing the last pieces of the audit action plan. Chair Fried asked why line item six has a completion date for September 2019, to which Mr. Regan replied that it was a typographical error. Mr. Regan added that positive developments have come from the audit such as moving its internal policies and procedures to a single access point, among other things.

#### **12. Update Relating to the 2020 Legislative Session and Related Bills Relevant to HTA**

Chair Fried recognized Mr. Regan to provide an update on the 2020 legislative session. Mr. Regan said that their office has identified approximately 80 bills of interest in the House and the Senate related to TAT, home rule issues related to transient accommodations and hosting platforms, ocean safety, and funding appropriations. He added that HTA is currently tracking these bills and developing testimony as it presents itself. HTA has met with Rep. Onishi and Sen. Wakai for their input, and has also attended briefings held by the Finance Committee and the Ways and Means Committee, respectively. He noted that it is still early in the session.

Mr. Alameda asked what HTA's primary legislative goal is this session. Mr. Tatum responded that HTA did not sponsor any bills this session, but wants to ensure a consistent message from the tourist industry. He added that if a bill does not impact any of HTA's four pillars, it will not engage with it unless a representative or senator approaches HTA for its support. Mr. Tatum further added that there are a number of bills addressing TAT and environmental protection and will provide testimony if these bills get to hearing. Chair Fried said that he has received positive feedback from legislators that Mr. Tatum and not a hired lobbyist has been appearing at the legislature.

Mr. Arakawa raised four points. First, if there is legislation that affects the tourist industry, to please be aware of any intended or unintended consequences impacting the people who work in the industry and the industry itself. Second, keep lines of communication open. Third, HTA must remain independent of elected legislators. HTA's voice should align with the chairs of the Senate and House tourism committees, but they do not run the tourist industry or HTA. Fourth, if HTA's industry partners or stakeholders raise issues that the legislature can address, bring them to the attention of the HTA team. Chair Fried noted that things are changing with the new team in place, and that the Administrative Committee would address Mr. Arakawa's third point at its upcoming meeting.

Mr. Tatum said that if the need arises, the team may call upon the board members to see if they have connections to specific councilmembers or legislators.

### **13. Presentation and Approval of the Updated Emergency Operations Plan Policy #500-01**

Chair Fried recognized Mr. Regan to present the policy. Mr. Regan explained that an emergency operation plan (EOP) guides the agency when it is dealing with a critical issue or crisis, and then discussed the policy contained in the board packet.

Chair Fried requested a motion to accept the policy. Mr. Kam made a motion, which was seconded by Ms. Kumukahi. The motion passed with unanimous approval.

Chair Fried announced a break in the meeting at 11:40 AM. The meeting reconvened at 12:06 PM.

### **14. Presentation, Discussion and Approval of the Hawaii Tourism Authority 5-Year Strategic Plan 2020-2025**

Chair Fried recognized Kimi Yuen to present the 5-Year Strategic Plan. Daniel Chun raised three thoughts. First, the plan makes it clear that HTA is committed to sustainable tourism, and he would like it to be an aspiration that people think of Hawai'i as a role model for sustainable tourism. Second, he thinks there is a good opportunity to connect tourists with Hawai'i residents through "voluntourism" which is specifically listed. Third, he discussed the plan's goal in regards to the Hawaiian Culture pillar and recommended rewording the provision that reads "and their significance in differentiating the destination" to emphasize that supporting Native Hawaiian culture and community is the right thing to do for Hawai'i's people, as opposed to marketing reasons.

Chair Fried suggested deleting the clause altogether. Ms. Kumukahi, Mr. Kam, and Mr. Ka'anā'anā all expressed their support with deleting the subject provision.

Mr. Arakawa highlighted several sections relating to technology that he thought were a positive inclusion because emerging technology can be used to educate the tourism



industry workforce and to distinguish Hawai'i as a modern destination. Mr. Tatum noted that Mr. Regan meets with DBEDT weekly, and that one of the issues is how to integrate the different departments. He added that the plan is to have technology professionals from the state and the private sector meet to discuss what funding is needed from the legislature for infrastructure in the future.

Chair Fried requested a motion to adopt the 5-Year Plan, with a deletion on page 21 to now read "Ho'oulu (grow) the uniqueness and integrity of the Native Hawaiian culture and community through genuine experiences for both visitors and residents." The motion was made by Mr. Kam, which was seconded by Mr. Sanders. The plan was unanimously approved by the Board.

Mr. Atkins then asked if the Board can share the plan with the public. Mr. Tatum responded that HTA has already begun sharing the plan with stakeholders and legislators. Mr. Kinkley added that from a legal standpoint it may be shared.

Ms. Yuen noted that will she defer to the staff for layout and visuals assuming that everything is represented correctly. Mr. Tatum thanked John Knox and Frank Haas for their contributions to the plan.

#### **15. Report of the Marketing Standing Committee with the Committee's Recommendations to Support Various Marketing Proposals, for Discussion and Action by the Board**

Chair Fried recognized Marketing Committee Chair Sanders to discuss the most recent Marketing Committee meeting. He said that the committee unanimously approved recommending funding for both FESTPAC and the Commemoration. He added that the committee was introduced to John Reyes, who will serve as SVP, Chief of MCI Sales. The committee received an update on the Davis Cup and the Hula Bowl. Lastly, Mr. Sanders said that the committee discussed issues related to marketing to China and supporting visitors that are currently in Hawai'i.

Chair Fried noted that sales for the Davis Cup have been disappointing and encouraged the Board to spread the word to improve sales. He added that the poor sales may be due to fallout from the Hawaii Champions Cup, where a number of the top players dropped out, and that he would not support funding the Hawaii Champions Cup moving forward.

#### **16. Presentation by AEG and HVCB Regarding an Update of the Hawai'i Convention Center Recent Operational Activities and Sales Initiatives**

Chair Fried introduced Teri Orton to provide an update on the Hawai'i Convention Center (HCC). Ms. Orton discussed the information contained in the board packet. Ms. Orton also discussed HCC's year-end financials. She introduced Mari Tait to provide updates for the Capital Improvement Projects. Ms. Tait said that RFPs have been issued for ten projects, and that they have hit the execution phase for every project. Mr. Regan commended Ms.

Tait and her team for their creative approach for addressing the CIPs.

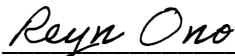
Ms. Orton then discussed city-wide sales. HCC did not meet the year-end city-wide goals. The year-end close was 88,537 room nights. She said that 2020 is a busy year, with ten groups scheduled with more than 4,000 delegates each. The goal is to fill the gap years of 2021-2025. Ms. Orton also discussed sales and marketing initiative updates and public relations efforts as contained in the board packet.

Chair Fried introduced John Monahan to discuss the transition as HVCB takes over the global citywide and single property bookings for HCC. Mr. Monahan discussed the steps HVCB has been taking to develop a Citywide Sales Strategic Plan. The Citywide Sales Strategic Plan is nearly complete and will soon be ready for deployment and execution. HVCB has hired John Reyes as SVP, Chief of MCI Sales.

## 17. Adjournment

The meeting ended at 12:50 PM.

Respectfully submitted,



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Reyn S. P. Ono

Recorder