



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

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

PŌ'AHĀ, 30 MALAKI 2023, 9:30 AM
Thursday, March 30, 2023 at 9:30 AM

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

Hawaii Convention Center
Parking Level | Executive Boardroom A
1801 Kalākaua Avenue
Honolulu, Hawaii 96815

Hiki i ka lehulehu ke hālāwai pū ma o ka ZOOM.
Webinar will be live streaming via ZOOM.
<https://us06web.zoom.us/j/89293765859>

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

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.

Hiki i ka lehulehu ke hō'ike mana'o ma o ka palapala a i 'ole ma o ka waha.
Members of the public may provide written or oral testimony on agenda items.

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

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

E ho'ohui 'ia nā palapala hō'ike mana'o i hiki ma ka pū'olo hālāwai. No nā palapala hō'ike mana'o i hō'ea mai ma hope o ka pa'a o ka pū'olo hālāwai (he 48 hola ma mua o ka hālāwai), e kāka'ahi 'ia nā kope i ka papa alaka'i a e mākaukau no ka 'ike 'ia e ke anaina ma ka hālāwai. E leka uila 'ia nā palapala hō'ike mana'o iā Carole Hagihara-Loo ma carole@gohta.net, a i 'ole, e lawe kino 'ia i ke ke'ena.

Written testimony received ahead of the preparation of the board packet will be included in the board packet. Written testimony received after the issuance of the board packet (48 hours ahead of 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-delivered to the HTA office.

Papa Kumumana‘o
AGENDA

1. *Ho‘omaka*
Call to Order
2. *E Mālama ‘Ia Ana Ke Kikolā E Kāhea Ai I Nā Lālā Papa Alaka‘i Komo A E Hō‘oia Ai I Nā Kānaka ‘Ē A‘e E Komo Pū Ana Me Ka Lālā Papa Alaka‘i Inā Aia Ma Kahi Ka‘awale*
Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic
3. *Wehena*
Opening Cultural Protocol
4. *‘Āpono i ka Mo‘olelo Hālāwai Papa Alaka‘i Kūmau o ka 23 Pepeluali, 2023*
Approval of Minutes of the February 23, 2023 Regular Board Meeting
5. *Hō‘ike O Nā Alu Like ‘Ae ‘Ia Ma Ka Hālāwai ‘Ikepili A I ‘Ole He Hō‘ike I Ho‘onohonoho ‘Ole ‘Ia E Ka Papa Alaka‘i Ma Lalo O Ka HRS Māhele 92-2.5(C)*
Report of **Permitted Interactions** at an Informational Meeting or Presentation Not Organized by the Board Under HRS section 92-2.5(c)
6. *Hō‘ike A Ka Luna Ho‘okele Ho‘okō/Ka Luna Kāko‘o Ke‘ena/Ka Luna Alowelo*
Reports of the Chief Executive Officer/Chief Administrative Officer/Chief Brand Officer
 - a. *No ka Nūhou no nā Papa Hana o ke Ke‘ena Kuleana Ho‘okipa o Hawai‘i no Pepeluali 2023*
Relating to **Update on HTA’s Programs During February 2023**
 - b. *No ka Nūhou o ko HTA Ho‘oholomua ‘Ana I Ka Papa Hana Ho‘okele Loli*
Relating to **Update on HTA’s Implementation of Change Management Plan**
7. *Hō‘ike‘ike a Kūkā i ka ‘Ike Mākeke no Hawai‘i a me nā Mākeke ‘Oihana Ho‘okipa Nui o Hawai‘i*
Presentation and Discussion of **Current Market Insights and Conditions in Hawai‘i and Key Major Hawai‘i Tourism Markets**
8. *Hō‘ike‘ike a Kūkā no ka ‘Oihana Mokulele i Hawai‘i*
Presentation and Discussion on **Air Service to Hawai‘i**
9. *Mo‘olelo a Nūhou na ke Kōmike Mo‘ohelu Kālā, ‘Oihana Kālā, a Kikowaena Hālāwai o Hawai‘i no ka Hālāwai o ka 28 Malaki, 2023*
Report and Update by the **Budget, Finance and Convention Center Standing Committee of their Meeting held on March 28, 2023**

- a. *Kūkā a Hana no ka Mana’o Hāpai o ke Kōmike Mo’ohelu Kālā, ‘Oihana Kālā, a Kikowaena Hālāwai o Hawai’i no ka **Mo’olelo Kālā o ke Ke’ena Kuleana Ho’okipa o Hawai’i no Pepeluai 2023***
Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on the **HTA’s Financial Report for February 2023**
 - b. *Kūkā a Hana no ka Mana’o Hāpai o ke Kōmike Mo’ohelu Kālā, ‘Oihana Kālā, a Kikowaena Hālāwai o Hawai’i no ka **Mo’olelo Kālā o ke Kikowaena Hālāwai Hawai’i no Pepeluai 2023 a me ka Nūhou no ka Papa Hana Ho’olālā CIP he 6 Makahiki o ke Kikowaena Hālāwai o Hawai’i***
Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on **Hawai’i Convention Center’s February 2023 Financial Reports and Update on the Hawai’i Convention Center’s 6-Year CIP Plan**
 - c. *Kūkā a Hana no ka Mana’o Hāpai o ke Kōmike Mo’ohelu, Kālā, a Kikowaena ‘Ākoakoa o Hawai’i Kūmau no ka **‘Āpono i ka Mo’ohelu Kālā no ka Mākeke Nui ‘o Kina******
Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee to **Approve Funding for China Major Market Area *****
 - d. *Hō’ike’ike, Kūkā, a Ki’ina Hana no ka Noi e Ho’oka’awale Hou i Ke Kālā Mai Ka Makahiki ‘Auhau 2022 no \$50,000 mai Hawaiian Culture Initiative i Marketing Opportunity Fund*
Discussion and Action on Proposal to Reallocate FY22 Funds from Hawaiian Culture Initiative to Marketing Opportunity Fund in the Amount of \$50,000
10. *Mo’olelo a Nūhou na ke **Kōmike Alowelo no ka Hālāwai o ka 29 Malaki, 2023***
Report and Update by the **Branding Standing Committee of their Meeting held on March 29, 2023**
- a. *Hō’ike’ike, Kūkā, a Hana e Hāpai ‘ia ai ka ‘Āpono ‘ia o ka Mo’ohelu Kālā no Hawai’i Tourism China no ka Makahiki 2023*
Discussion, and/or Action on Hawai’i Tourism China’s 2023 Budget Plan
 - b. *Hō’ike’ike, Kūkā, a Ki’ina Hana no ke Noi e Ho’oka’awale Hou i ke Kālā Mai ka Makahiki ‘Auhau 2022 no \$50,000 Mai Hawaiian Culture Initiative i Marketing Opportunity Fund*
Discussion and Action on Proposal to Reallocate FY22 Funds from Hawaiian Culture Initiative to Marketing Opportunity Fund in the Amount of \$50,000
 - c. *Mo’olelo no ka RFP 23-02 no ka Hawai’i Tourism Destination Brand Management & Marketing Services for the Canada Major Market*
Update on RFP 23-02 Hawai’i Tourism Destination Brand Management & Marketing Services for the Canada Major Market
 - d. *Mo’olelo no ka RFP 23-03 Hawai’i Tourism Destination Brand Management & Marketing Services for the United States Market*
Update on RFP 23-03 Hawai’i Tourism Destination Brand Management & Marketing Services for the United States Market

11. *Kūkā no ka Nūhou Hana Mākeke Hālāwai, 'Aha, a Hana Ho'oholomua a me ka Mo'olelo Pace, a me ka Hana Kikowaena Hālāwai o Hawai'i a me ke Kālā Loa'a Kūloko*
Discussion Regarding an **Update on the Meetings, Conventions and Incentives Market Activity and Pace Report, and Hawaii Convention Center Activity and Local Sales**
12. *Mo'olelo na ke Kōmike Ho'okele A Hō'ōia*
Report by the Administrative and Audit Standing Committee
 - a. *Kūkākūkā, 'Āpono A Ho'oholo No Ka Loiloi Kūmakahiki I Ka Pelekikena A Luna Ho'okele*
Discussion, Recommendations and/or Action Regarding the Annual Evaluation of the HTA President & Chief Executive Officer's Performance ***
13. *Kūkākūkā A Ki'ina Hana No Ke Koho Lālā 'Ana I Ke Kōmike Ho'okele A Hō'ōia*
Discussion and Action on Selection of Administrative and Audit Standing Committee Members
14. *Ho'oku'u*
Adjournment

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

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

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

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

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

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. If a response is received the day before the meeting, we will try to obtain the auxiliary aid/service or accommodation, but we cannot guarantee that the request will be fulfilled. Upon request, this notice is available in alternative formats such as large print, Braille, or electronic copy.

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

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

4

Approval of Minutes of the February 23, 2023 Regular Board Meeting



**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, February 23, 2023, 9:30 a.m.**

Hybrid In-Person & Virtual Meeting

MINUTES OF THE REGULAR BOARD MEETING

MEMBERS PRESENT:

George Kam (Chair), Mike White (Vice Chair), Kimberly Agas, David Arakawa, Dylan Ching, Keone Downing, Mahina Paishon Duarte, Stephanie Iona, James McCully, Sherry Menor-McNamara, Sig Zane (Zoom)

MEMBERS NOT PRESENT:

Ben Rafter

HTA STAFF PRESENT:

John De Fries, Daniel Nāho'opi'i, Kalani Ka'anā'anā, Marc Togashi, Caroline Anderson, Ilihia Gionson, Iwalani Kaho'ohanohano, Jadie Goo, Carole Hagihara-Loo, Maka Casson-Fisher, Tracey Fermahin, Talon Kishi, Maile Carvalho

GUESTS:

DBEDT Director Chris Sadayasu, Kylie Butts, Jennifer Chun, Minh Cahu Chun, Laci Goshi, Erin Khan, Lawrence Liu, Noelle Liew, Guillaume Maman, John Monahan, Jeffrey Eslinger, Barbara Okimoto, Teri Orton, John Reyes, Allison Schaefer, Mari Tait, Eric Takahata, Jay Talwar, Mitsue Varley, Alex Wong

LEGAL COUNSEL:

John Cole

1. Call to Order

Chair Kam called the meeting to order at 9:35 a.m.

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

Mr. Gionson did the roll call, and all members were confirmed in attendance, except for Mr. Rafter who was excused. Member who attended via Zoom were by himself.

3. Opening Cultural Protocol

Mr. Casson-Fisher did the opening protocol, and further shared the meaning of Kuleana for the Hawai'i Tourism Authority, as stated in HRS §201B-7.

4. Approval of Minutes of the January 26, 2023, Regular Board Meeting

Mr. McCully made a motion to approve the minutes. Mr. White seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

5. Report of Permitted Interactions at an Informational Meeting or Presentation Not Organized by the Board Under HRS section 92-2.5(c)

There was none.

6. Reports of the Chief Executive Officer/Chief Administrative Officer/Chief Brand Officer

Mr. De Fries acknowledged Mr. Togashi's departure. He said it leaves an immense vacancy for the HTA to fill. He wished Mr. Togashi the best and presented him with a lei. He gave the floor to Mr. Togashi. Mr. Togashi gave a speech and thanked everyone for the privilege and pleasure of serving with the staff on the HTA.

Mr. De Fries spoke about the CEO report. Every Wednesday, the Board will receive a report about the work that took place in the previous week and what the forecast is for the upcoming week. This would get information to the Board members more frequently. He spoke about a dinner he participated in with congressman Ed Case, and his guest Republican Rep. Chris Stewart from Utah. The event was brought together by the Bipartisan Policy Center in Washinton, D.C. Other guests included Sherry Menor-McNamara, President and CEO of the Chamber of Commerce Hawai'i, Chris Sadayasu, Director of DBEDT, Mufi Hannemann, President and CEO of HLTA, Jerry Gibson, Jeff Wagoner, and Kyoko Kimura. The purpose of the gathering was due to the divisiveness in congress. They purposefully cross-pollinate individually, as the congress members do not see the world in the same way. Both of them served on the appropriations committee, and they purposely visited each other's state. Congressman Case was the legal counsel in Outrigger Enterprises and had an expansive knowledge of the tourism industry. He expressed his concerns about what was happening in the industry and the capitol.

His words of encouragement to HTA, its staff, and the board members were appreciated and was the highlight of the month.

a. Relating to Update on HTA’s Programs During January 2023

b. Relating to Update on HTA’s Implementation of Change Management Plan

Mr. De Fries asked Mr. Nāho’opi’i for his update. Mr. Nāho’opi’i spoke about the Change Management Plan. The staff has kept pace with the HTA’s Change Management Plan for FY2023 in the functional areas of Strategic Planning, Safety, Security & Crisis Response, Stewardship & Standards Setting, and Community Convening. They reached a goal where Hawaiian orthography was used on all digital platforms, including the GoHawai’i website, and all print media owned, or managed by the HTA.

c. Relating to the Annual Report

For the audit action plan, there were originally 27 recommendations. Out of those 27, they only addressed 18 recommendations. The other recommendations were considered insignificant. Of those 18 recommendations, Mr. Togashi and the staff developed a plan with 44 separate actions. They will finish the plan by May 2023. As of January, they accomplished all of the actions for that month. They are now onto the February goals. One action with the February 2023 deadline was partially completed. Completed actions included the Completing Performance Evaluation Measures study and integrating measures into the current RFPs. On the planning division side, they are scheduling what the DMAP managers need for January’s goals.

In O’ahu, an important meeting was facilitated through the City and County of Honolulu's Department of Parks and Recreation from January 30 to February 1. It was talk story sessions with the O’ahu tour and wedding operators to discuss the city park issues and concerns. Because Parks and Recreation is working on new legislation or other rules, they need to be facilitated. They want the HTA to have the discussions first.

On Moloka’i, there was a Moloka’i DMAP meeting to talk about the needs assessments and recommendations from community. They brought proposals and suggestions. Mr. De Fries asked Mr. Gionson to pull up the page on the HTA's website calendar year 2022, and elaborate on that. In the past, HTA also produced an annual report, that Mr. De Fries and Mr. Nāho’opi’i would work on for the upcoming legislative session. He gave the floor to Mr. Gionson.

Mr. Gionson said they had been tracking 84 measures since the beginning of the legislative session, in addition to advocating for the HTA's budget, and responding to the various inquiries that came up with certain committees at the capitol. He highlighted some of the bills. He was

wondering if their current model is the right one. HB1375 created destination management authority to replace the HTA and its Board. SB1522 creates an office of Tourism and Destination Management within the department of Business Economic Development and Tourism, which would replace the HTA and the Board. They are monitoring the measures closely. The HTA believes in the strength of the work, the team, and everything the Board brings to the table. They are continuing conversations with the lawmakers who introduced the measures. SB1196 clarifies the end of the term for the HTA Board members but reduces the Board members number from twelve to nine. SB629 and House companion HB229 require the HCC management to market the HCC. The budget request is \$75 million for FY2023 and FY2024, and \$60 million for FY2024 and FY2025. Mr. Gionson said they are also monitoring proposals on green fees. He said they have consistently advocated that the most effective model would be site-specific user fees. They testified on a bill prohibiting small plastic bottles and recognized those in the industry who had already made that step. They are advocating for funding the Festival of Pacific Arts and Culture. He said Mr. Ka'anā'anā is the chair for that; he and the HTA work closely with the festival. He spoke about the DMAP action item for Moloka'i. HB1233 commissions a Social Carrying Capacity Study for tourism. The HTA advocated for the inclusion of all the islands.

Mr. McCully thanked Mr. Gionson. Mr. McCully said in a discussion on the representative side, he expressed the HTA's continued interest in the legislature funding of a governance study that would provide professional, comprehensive oversight of how to achieve a world-class governess. Best practice is difficult to determine from within. As a Board, they want to know if they represent the best approach. He said they are at a transitional point in the tourism industry, and the state would recognize that, and the most meaningful change comes from within.

Mr. Arakawa asked if the HTA is pursuing the \$65 million HCC roof repair. Chair Kam said that after they adjourned the EEG meeting, the HTA was encouraged by the visiting center and the house committee to replicate the tour, so they could get a firsthand look. An invitation was extended to Rep. Quinlan. He is interested in bringing his committee, but it would have to wait until after recess. Mr. De Fries had asked Rep. Quinlan if it was okay to invite Chair Yomoshito, and he would follow up on that.

Mr. Arakawa said that in the budget meeting, he had asked the AG to find ways to get the \$65 million moving forward and asked for a follow-up. Mr. Cole said he looked into it somewhat, but the options are limited. He said there are opportunities to add things to the budget, most likely through the budget bill. Mr. Cole said that, legally, those were some of the available options. Mr. Arakawa asked if the HTA Board could put something on the agenda where Chair

Kam or Mr. De Fries could write a letter to the finance chair of WAM asking for the \$65 million to be included in the amended budget. Mr. Cole said that could be done, but it would need to meet the requirements of what the governor and administration ask for in the budget request.

Ms. Duarte asked if they are confident that the HTA will address all 18 recommendations to avoid the deadline for the audit. She asked if there were issues the Board needed to know about. Mr. Nāho'opi'i said they are confident the audit will be done by May, and most of the changes were procedural. Most of the changes were done and documented when the auditors arrived. He said a few Board policies might need to be done away with, but most of that involves internal procedures, such as staff training, etc. Ms. Duarte asked when he anticipates the final report will be presented. Mr. Nāho'opi'i said the last due date of activity is May 2023. He would keep everyone updated.

Mr. Arakawa asked if the audit was the 2018 audit. Mr. Nāho'opi'i confirmed that as correct. Mr. Arakawa asked if an audit happens every five years, and Mr. Nāho'opi'i said the audit is coming up in 2023. Mr. Arakawa asked if they could start working on some of the issues that need to be covered in the 2023 audit to be more prepared and save time. Mr. Nāho'opi'i said they are starting the process. He is also looking at all the policies to put back in place and ensure they are still relevant. Mr. Arakawa suggested that any questions the AG, the state procurement officer, or the HTA have should be in writing.

Mr. McCully asked about the audit, SB780, introduced by Sen. DeCoite. It had not moved, so it specifically calls for an audit. Without that bill, it would be coming upon the state auditors on their own under general direction to conduct an audit or without specific direction by the senate. Mr. Arakawa said, as the legislative chair, HRS requires HTA to conduct an audit every five years; it does not need a bill. Mr. De Fries said they were asked to return to WAM on Monday at 10:30 a.m., where the focus for the HTA would be on SB1522. He gave the floor to Mr. Ka'anā'anā.

Mr. Ka'anā'anā gave some highlights. He said they conducted a first quarterly industry partner meeting in February with Korea, China, Canada, Oceania, and the Japan markets. They also had a visitor industry leaders meeting that Mr. De Fries convened, another means where the HTA was trying to extend their reach into state builder groups to reciprocate the exchange of information. FESPAC is fourteen months out and is in open procurement for a festival organizer. They are eager to get a contractor on board, as the commission so that the implemented detail of the festival can begin. The festival is scheduled for June 6 to 16, 2024. It is the first time Hawai'i is hosting what is known as the Olympics of culture. It is a unique opportunity for Hawai'i to showcase its hospitality and for the children to experience their cultures. He spoke about Ag Day at the capitol. He said they are grateful to Ms. Iona for helping to organize that, to

share in efforts that Ms. Anderson, the DMAP managers, brand management staff have put in, in the agricultural space. He mentioned the study that showed 9% of visitors' spending on agriculture by buying locally made/grown, value-added products.

Mr. Ka'anā'anā spoke about Tourism Day on March 10, which the HLTA hosts in the capital. It will be a great opportunity for the HTA to show their work. He spoke about industry sector meetings. He said it was important to do it per sector, such as airlines, hotels, ground transportation, activities, and attractions, as they all have different needs and issues. He gave an update on some dates but mentioned that Kaua'i would be rescheduled. He spoke about the Ma'ema'e Toolkit, which is updated and on the HTA's website. A lot of great work of 'Ōlelo Hawai'i is being done in normalizing the language in all the spaces. He thanked everyone who contributed to the language, as the toolkit needs as many eyes on it as possible. If anyone in the community noticed a mistake, he asked them to contact him. He would give more detail on the U.S. marketing RFP later in the agenda. He shared about President's Day and what the HTA does there. He said he is grateful to everyone for what they do. He played a video of President Teddy Roosevelt.

Before concluding agenda 6, Mr. Arakawa reminded Board about his recommendation for the annual CEO evaluation to start as soon as possible since Mr. De Fries is coming to the end of his contract. Chair Kam said they have been working on it. He said that now that Mr. Nāho'opi'i has come on board, he has a draft and will have an administrative committee meeting to discuss and review it in the next Board meeting so that the Board approves an evaluation. Mr. Arakawa requested to be on the Administrative and Audit Standing Committee since he, along with Chair Kam, is a long-time Board member who has worked with three or four HTA CEOs. Chair Kam concurred. Mr. Arakawa said it should be a standing agenda item. Chair Kam said that would be an agenda item in the Administrative Committee before it goes to the full Board.

Ms. Iona commented on Mr. Ka'anā'anā's report, and said that she was proud of the HTA. First was the Ag Day at the capitol; Ms. Iona had a booth next to HTA. She is glad that their agricultural industry was able to support,. She shared that the organizations representing Kaua'i, Maui, and O'ahu (including Aloun Farms) were there. She said agriculture is very excited to have the HTA there. She said for many years they had the Waimea Town Celebration, and the HTA had been a sponsor for that event. The event has grown to canoe races, baseball teams, etc., but they also have a beautiful agricultural and cultural component. She spoke about the Hawai'i Food Bank and how partnering with them helps in all aspects. The partnership that the HTA makes a significant impact. Mr. Ka'anā'anā thanked Ms. Anderson and the DMAP managers for the RFP that made that possible.

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

Ms. Chun said TAT collections for January were \$87.6 million, the highest amount collected since 2017, bringing the preliminary FY2023 TAT collections to \$509.5 million. This was up 23.5% versus the previous fiscal year. For TSA and activities at airports, at the end of December 2022, it was high, but through January, it was less busy, except for Hilo. For lodging, the Hawai'i hotel report was published on Tuesday. The vacation rental was posted that morning. For January, they were at 73% occupancy for hotels, with a \$391 ADR, and a \$286 RevPAR, compared to the vacation rentals, with lower occupancy at 61% and ADR at \$330. There was more hotel inventory and demand, but vacation rentals were significantly lower. For non-stop scheduled seats, there are more scheduled seats in February 2023 than in February 2022, but more compared to 2019 due to the increase in domestic seats. The international seat number is increasing. March and April are ahead with more international seats. She said Mr. Eslinger would give a more detailed look at air service.

Ms. Chun spoke about international tourist arrivals according to UNWTO. For 2022, there was less decrease compared to 2019. On a regional basis, they had a lot of recovery in the Middle East, Europe, and America. Asia Pacific was sitting on 23%, and was recovered. Looking at the prospects for 2023, the UNWTO said 53% said it is better, and 19% said much better. By regions of the world, the most optimistic people are in America and Asia. The most significant factors that weigh in the opinions are the economic environment, cost, uncertainty from Ukraine, travel restrictions, etc. The UNWTO's forecast has them ending the year at a negative 5%, compared to 2019, versus their less optimistic scenario.

The Skift Travel Index was 89, higher than the previous year's. Australia's Skift Travel Index is at 106.7. For the first time, Australia is the most ready to travel. The U.S. and Japan have similar figures. She spoke about the Federal National Travel and Tourism Office forecast for international visitation for the U.S. There will be recovery for Canada by 2025. For Japan, they are not looking at a recovery until past 2027. China will recover in 2027. South Korea will recover in 2026. Australia will recover in 2026. The U.S. Travel Association slide showed an increase in spending in December, but overall, for the year, it was still below 2019. Auto and air trips are still less, as well as overseas arrivals. Hotel demand was higher in December, but less for the year overall. Short-term rental was higher in December and for the year in general.

Ms. Chun spoke about travel spending. Hawai'i is trending similarly to the U.S. overall, and in the last few months, Hawai'i was higher than the U.S. Hawai'i is still not fully recovered from the labor market. Passenger air travel is not fully recovered. For domestic leisure, the consumer travel sentiment has been going up in the last few months, which is not positive, as people say

that transportation costs will affect their decision to travel. That means things are getting more expensive. It is not as high as the previous summer. Most generations are planning on traveling in the next six months. For domestic business travel, 85% plan to have internal meetings close to pre-pandemic levels. Conferences and tradeshow are at 80% compared to 84% pre-pandemic. Consumer and other stakeholder meetings are at 78%, the same as pre-pandemic levels. For group travel, in December 2022, 67% of the event planners said they planned more in-person meetings for 2023 than 2022. The meeting planner outlook shows that 59% are optimistic. For actual domestic travel spending, the recovery is happening in 2023, but business travel spending will not recover until beyond 2026. Looking at volume, leisure travel has recovered. Auto and air travel have recovered. Overseas travel by state is still low for Hawai'i. Overall the international visitor volume is not going to recover until 2025. The Americas and Europe are recovering faster than the Asia Pacific, the Middle East and Africa, which are just under the 100%, even in 2025. For Hawai'i, she showed the new data they received with the six-month outlook for flight bookings. Compared to pre-pandemic levels, they are showing lower bookings through June 2023. Market-specific is tighter for the U.S. market and is slightly closer to the pre-pandemic period. For April, it is almost even but slightly ahead.

Mr. Ka'anā'anā said he hears from partners that the booking window post-pandemic is short and sub-90 days. That is why the booking pace looks sluggish. Mr. White said the booking pace is behind the previous year but still double digits ahead of 2019 and 2020, so they are not concerned.

Ms. Chun spoke about the U.S. origin markets. Most people come from Los Angeles and San Francisco. She noted that for the current period San Francisco exceeds the pre-pandemic period. The distribution channel showed that almost half of people are booking direct. They still use travel agencies online and retail, but with a shorter booking window. People are booking within the two-month period. She showed a slide for direct and travel agency bookings to Hawai'i, which would be published weekly. It shows figures by market and island.

For Japan, most people visit Hawai'i from Tokyo. The distribution channel for Japan shows that there is still significant direct travel as the wholesalers are not as aggressive. Like the U.S. market, most people book in the 90-day or less period. For Canada, their numbers are closer to the pre-pandemic numbers. Most of the people are visiting from Vancouver, Calgary, and Toronto. Most are booking direct. The lead time for bookings is further out for about 60% of the travelers. For Korea, the sixth-month outlook is good compared to pre-pandemic levels. Most people are visiting from Seoul, Busan, Jeju, etc. Japan's use of retail agents is significant compared to other markets. They majority of people book within 90 days or less. Australia is still lagging compared to pre-pandemic levels. Most of the people come from Sydney,

Melbourne and Brisbane. There is a lot of use of retail travel agencies. Almost three quarters of people are using retail travel agencies. 80% of those people are booking far in advance.

Mr. Ka'anā'anā said he heard from the Oceania partners that there are challenges with the flight services direct to Honolulu, which are very pricey, but traveling via Los Angeles to Sydney is cheaper, so there are significant price differences. Ms. Chun spoke about the visitor satisfaction survey, which would be published the following day. For the most part, across the board, U.S. West, U.S. East, Japan, Canada, Oceania, and Korea, people are satisfied with their trip to Hawai'i. Expectations have either been met or have been exceeded. Korea has the most exceeded expectations. The majority of the people would recommend Hawai'i to friends or family. The U.S. West said 80% would return in the next five years. The U.S. East had 65% coming back in the next five years. The numbers for Japan, Canada, and Oceania were lower. Korea seemed optimistic about returning to Hawai'i in five years. The U.S. and Canadian markets said Hawai'i offers various experiences and said that everything was excellent. There was less satisfaction with the various experiences from the Japan, Oceania, and Korean markets.

Most countries think Hawai'i is a safe, secure destination, but Japan said they are above average. Hawai'i has high scores from the U.S. market for being sustainable. There are lower scores from the other markets, but most are above average. For volunteer/give back opportunities, fewer people say Hawai'i is excellent. For sightseeing in Hawai'i, from October through December, most people are sightseeing, going to the beach, doing fitness activities, hiking, and going to family restaurants. 63% were Canadians that prepare their meals. The North American markets are more supportive of shopping locally than the Asian markets, but it could just be priorities on what they are buying. Activities also include going to Luaus. For transportation, many people use rental cars. The North American market is above 70% for all rental cars, but lower for Japan and Oceania. There is a higher use of the trolley in the Japanese market than in everyone else. Some people also do bike rental. Other activities include visiting friends and family. Some people are doing non-profit volunteering.

Ms. Chun spoke about the Q4 hotel forecast for the state of Hawai'i. Overall for the state, 2023 will be ahead of 2022, with a 3.4% bump in occupancy percentage points, with a slightly higher rate and RevPAR. For O'ahu, there is an increase in occupancy, rate, and RevPAR. For Maui, there is less increase in occupancy and rate, but still significantly high. They are expecting Maui to end with almost \$630. For Hawai'i Island, there is less increase in occupancy compared to 2022, and a slight increase in ADR, with the smallest growth in RevPAR. For Kaua'i, occupancy is slightly higher, at two percentage points higher. ADR is up about 5%, with a moderate change for RevPAR.

Mr. Ka'anā'anā clarified what the forecast means. Occupancy is higher, meaning more people. The rate is higher, and that is how TAT is calculated. These are the results they work towards as a team, and with their contractors every month. It is encouraging and reminds the HTA that their work is important, and that if they want to continue doing the work, they need to maintain relationships with the industry that helps them. He spoke about Mr. De Fries mentioning the working public-private partnership. He hopes that decision-makers see the value of the partnership as well. He said the HTA has the responsibility to ensure the communities are enriched.

Ms. Chun gave the floor to Mr. Eslinger. He apologized for his late arrival as he attended various meetings for projects related to Hawai'i. He mentioned that he and Mr. De Fries were at the EET meeting about the bill for creating an Office of Tourism at DBEDT. He said they both testified and provided comments. The question to him was whether the model works, and he said it does. To Mr. Ka'anā'anā and Ms. Chun's point, the numbers are strong, but pricing within the state, the HTA, and DBEDT do not control the industry partners, so sometimes it is hard to measure what the HTA and DBEDT are doing.

Mr. White asked if the TAT is state only, and she confirmed that as correct. She said they have tried to find what the counties are getting, but she has not found that. Mr. Ka'anā'anā said they could ask the mayors to provide that information to Ms. Chun. Mr. McCully said if they choose not to contribute, they can add a box with the total collected by the counties. Ms. Chun said she hoped to know what each county collected, but if the Board is happy with an estimate of the total county collection, they can do that. Mr. White said the counties should be presenting their budgets in March. Mr. Sadayasu said if Ms. Chun could write a letter for him to sign to send to the counties, he could do that.

Mr. Ka'anā'anā said there is a lot of detail about air service, but he reiterated that air service is the pipeline the state relies on. Close monitoring of the segment is very important. United Airlines flights into Hilo getting canceled has impacted occupancy at the Hilo hotels and makes a point of the importance of air service. He said the HTA has not been able to invest in developing the service to the state but has been in touch with the authorities to ensure they align with AOT's efforts, so they are working in synergy. Mr. Eslinger said the airline industry is in a dynamic situation. They hope to reach profitability in 2023, the first time since the pandemic. The unpredictable factors, such as oil costs and ever-increasing extreme weather, continue to create more challenges for airlines. Thousands of flights are canceled, taking capital from investing back into operations.

Green air travel is a top priority for many airlines. The rise in consumer awareness of global carbon emissions has encouraged the industry to adjust attitudes toward climate change.

Capacity limitations remain due to scarcity of aircraft and shortage of labor. Higher airfare environment going into 2023 will help to offset rising costs, higher pilot pay, and other pressures. For Hawai'i, it is specifically related to the trans-pacific flights from the U.S. and Canada to the neighbor island airport. Demand is not what it was, so because of that, they are cutting frequencies. Those repercussions affect the entire community. Crude has gone up in September from \$349 to \$386. Fuel surcharges are still prevalent, and it is still a barrier for Asian markets to come back. He spoke about the carrier currently serving Honolulu. Air Asia has removed Hawai'i, Osaka, and Honolulu from their schedule. Through August and beyond, they are hoping that the flight will return. For 2022 there were 61,106 non-stop trans-pacific flights resulting in about 12.9 million seats. For specific markets, they have demand, such as Oceania, but the problem is aircraft allocation and flight crew.

Mr. Eslinger spoke about the non-stop international flights to Hawai'i and from the U.S. market. Some of the air service that was introduced was Atlanta to Maui on Delta Airlines, as a new service, but it will be reduced as they get through March. Then it will come back for the holidays in 2024. JFK to Honolulu on Delta Airlines was traditionally for December or festive holidays, but it is now scheduled throughout the year. This is a third carrier from the New York market they have daily now. Detroit to Honolulu flights have been restored. Tokyo to Honolulu on United Airlines has zeroed out, but Tokyo to Honolulu on Delta Airlines is restored. Fukuoka to Honolulu on Hawaiian Airlines is restored. Cook Islands/Rarotonga to Honolulu with Hawaiian Airlines is a new service. He spoke about top origins of the islands. He spoke about historical seats by market. He showed the slide for Australia and New Zealand from 2018 to June 2023. What is seen is that demand is there, but capacity is not. Canada seats are very seasonal, and there is a lull going into the summer months, returning in the winter months.

Mr. Ka'anā'anā pointed out that seasonal markets are important reminder of the profile and the mix of their source markets. U.S. seats are higher than they were, but there is variation. For South Korea, the market is one of resilience and is increasing. The Japanese market is ready to come back, and the airlines are ready. The 380 will fly daily as opposed to weekends. The air seats for China show a decrease to 2020. Taiwan seats have also decreased in 2023.

Mr. Eslinger spoke about scheduled seats. By country, Australia was anticipating 241,000 seats for 2023, while Canada anticipated 480,000 seats. Japan was at 1.4 million, but it would have to be adjusted because of what happened in the last few days. The U.S. market has 10.6 million scheduled seats, not as much as the previous year. South Korea has 295,000 seats.

For the U.S. market, particularly for each island that has non-stop service, in 2019, O'ahu had 2.4 million U.S. seats, which jumped to 2.8 million. There will be an increase through June 2023. Maui had an increase from 2019 to 2023 of 18.1% seats but a 7% change when comparing the

current year to the previous year. Kona is negative 4% in terms of seats for 2023 from 2022. Kaua'i will be reduced by about 11.7% compared to 2022. They are all where they were in 2019, except for Hilo, where there is currently no air service. For July to October for U.S. seats, O'ahu is about 4.6% higher than in 2022 and a 12% increase over 2019. For Maui, it will be less than 8.7% compared to the previous year. Kona is down 1%, Kaua'i is down 13.6%, and Hilo is down 100%. The impact on the state is about 2.2%.

Mr. Eslinger spoke about the forecast for seats scheduled for 2023. In 2022, there were about 11 million seats, compared to 2023 at 10.7 million seats. The airlines are facing many challenges. The visitor coming in the middle of the week is probably staying in a hotel, and because of that, having a three-day-a-week schedule is not financially viable for the airlines. There are two issues impacting flights. One, is the elimination of American Airlines' second daily wide-body service from Dallas to Maui which will be down to one flight per day. And secondly, United Airlines is also reducing San Francisco to Maui from 28 per week to 14 flights per week. Starting in September, San Francisco to Lihue will reduce to one flight per day. There will be an increase in fares, which will have a rollover effect in the marketplace.

Ms. Iona mentioned a reduction in Japanese seats and asked why HTA is putting money into the Japanese market. Mr. Ka'anā'anā said the HTA plays a role in a mix of the public-private partnership marketing in branding dollars that advances the follow-through marketing of the properties and airlines. So, the HTA, as a state and destination, must ensure they are consistently present in all the markets. He said there is a perception that everyone knows about Hawai'i, and people will continue to come. The best example of that not working out was during the pandemic. Mr. Ka'anā'anā said the relationships they have, has helped the HTA get things done during the turbulent times. Mr. Sadayasu said he is meeting with the governor and many Japanese partners, including the counsel general, Japan's ambassadors to the U.S., and the Minister of Foreign Affairs. He said they had recommitted their resources and efforts to market in Japan and maintain good relationships and bonds. Ms. Iona elaborated and showed her strong support for the Japan market. Mr. McCully asked what analysis could be made on a base level of the market as to why Korea has been a bit more durable as the source of interest in Hawai'i travel. Ms. Chun said in previous meetings, where they were monitoring the status of different countries, she mentioned that Korea opened up earlier than Japan, so they could travel sooner.

Mr. McCully asked what the Taiwan anomaly is. Ms. Chun said she is not tracking Taiwan as the HTA is not funding Taiwan. Mr. Eslinger said they had had conversations with DBEDT for a new entrant in the market, but Taiwan's planes are being reallocated to closer markets, especially

the Oceania market, using Taipei as a connecting flight. Mr. Ka'anā'anā said it is important to improve sentiment and reignite the desire for the Japanese people to travel.

Ms. Duarte asked if rail would be included in ground capacity. Ms. Chun said they will add it to the survey when rail starts. Ms. Duarte mentioned recovery and asked what the numbers should be for a satisfactory level of recovery. Ms. Chun said 2019 is not the goal, but that is the pre-pandemic level. They continue to compare it to 2019 to gauge where they are. They will continue looking at 2019 until the Asian markets are back to recovery. They are not even halfway with Asia, so she anticipates comparing the levels to 2019 through 2023. Mr. Eslinger said seats do not equal visitors, which is part of the narrative they must remember. He said they are still unsure of the best forecast, but he will attend Routes Americas in Chicago in a few weeks and meet with the carriers that service Hawai'i. The carriers concerns are that their flights need to be filled in the middle of the week. They want to know what the HTA is doing to engage them to get to the right balance. Ms. Chun said people forget that there is also cargo in the belly of the planes, and with fewer flights, there is also less cargo arriving, which is also an important factor for tourism.

Mr. Ka'anā'anā said that they had reworked the language for the U.S. marketing contractor procurement to include phrasing like optimizing instead of growing, maximizing, etc. He said having the correct information and questions for those at the Routes Americas conference is important.

Mr. Ching said they must remember that as they continue to clean up the illegal vacation rentals, there is a natural slowdown as there are only a certain number of hotel rooms they can offer. Ms. Duarte thanked everyone for the ongoing research and data. She encouraged everyone by saying that this is an optimum opportunity to rally around something important to everyone, industry partners, community, etc., to move towards their targets. She is excited about where they are going with DMAPs. Mr. McCully said they must stay loyal and consistent with their budget for brand and marketing. He said they should use the data they have gathered in the last few years to better prepare them for the future and affect their marketing strategy to maintain their availability and presence.

Mr. Ka'anā'anā spoke about how they leverage the data they have gathered. They ordered and paid for a tool called a market allocation platform that Tourism Economics developed. He said the platform assesses the opportunities, risks, and headroom in each of the key markets they are looking at and might look at. It synthesizes all that data. He asked Ms. Chun to elaborate on the platform. She said it is a great tool, but then the pandemic happened, so all their assumptions were blown out of the water. They can update the model when the time is right.

She said they needed to revisit the tool. Mr. Ka'anā'anā noted that all the statistics from Ms. Chun use the tool, and then the tool makes recommendations.

Ms. Iona asked if the model had a residential component, and Mr. Ka'anā'anā said it does not. Ms. Chun said they are looking at visitors in particular, not arrivals. Ms. Iona asked if there was an opportunity to monitor residential seats. Ms. Chun said it would be helpful to know who the residents are, but because they are reporting visitor statistics, they do not include the residents' statistics. If the Board wants to see those numbers, she will see what can be done. Chair Kam asked if she could arrange that. Ms. Iona asked for the statistics for the counties as well.

Mr. Arakawa agreed that it is a great tool to use for the data. He clarified that it is important to maintain ongoing relationships with contractors and Board member staff using the data from the past and future, to make the necessary adjustments.

Ms. Iona said Hawai'i is not unaware of the issues that happened during disasters, e.g., COVID, but Hawai'i also went through hurricanes, and hotels closing, and they all survived because they had a vision from the people, and they all came together. She said Mr. Ka'anā'anā is trying to always make the best decisions possible, and she asked how they, as an industry, can support the Japanese partners or other partners in what they are doing. No matter what is happening, tourism is the driving force behind everything. Mr. Arakawa said the partners always do a great job, and on the consultant side, they are always helping the HTA when needed. Ms. Chun said the research team worked 24/7 to get the data and research needed during the pandemic. She said they have relatively good data, except in 2020, where they did not have expenditures because it was unsafe for the field teams to be at the airports. Mr. Eslinger said that because of the pandemic, they now have better relationships with the carriers.

Board member emeritus Ms. Kyoko Kimura attended online and asked about the reference made to the Japan routes, the business and first class were full, but the economy class was low in load factor. Are the airlines doing anything to improve that. Mr. Ka'anā'anā said they could answer that under the HTJ BMP agenda item. Ms. Chun elaborated on what was in the Board members' books and what was in the handouts.

8. Report and Update by the Budget, Finance and Convention Center Standing Committee of their Meeting held on February 21, 2023

a. Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on the HTA's Financial Report for January 2023

Mr. Nāho'opi'i said the staff presented the January 2023 financial reports, which included the details of the HTA's financial position, and related transactions covered across multiple documents, including balance sheets, statements of revenue and expenditures, budget statement summary, budget detail, budget reallocations, and the executive summary capturing all the information as of January 2023. They recommended the Board's approval. In January 2023, BNF had approved the HTA's extension request to allow the encumbrance and expenditures of the TSF FY2022 ARPA funds through December 1, 2023. He requested a motion to approve the January 2023 financial reports as presented at the BFCC Standing Committee meeting and included in the Board meeting packets. Mr. White made a motion, and Chair Kam seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

b. Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on Hawai'i Convention Center's January 2023 Financial Reports and Update on the Hawai'i Convention Center's 6-Year CIP Plan

Mr. Nāho'opi'i said that at the meeting Ms. Orton had presented the HCC's January 2023 financial reports and accompanied that discussion with an update on the six-year CIP plan for the HCC. Ms. Orton noted that the HCC ROI was \$4.75 returned to the state for every dollar spent. The ROI was closer to \$23 or \$25 pre-COVID. He said Ms. Tait had also updated them on Rider Levett Bucknall, who was awarded the contract for the temporary repair project management of the rooftop terrace deck. They are busy finalizing the contract. Mr. Nāho'opi'i requested a motion to approve the HCC January 2023 financial report, as presented at the BFCC Standing Committee meeting and included in the Board meeting packets. Mr. White made a motion, and Mr. Arakawa seconded. Mr. Arakawa said one of the issues discussed in the six-year CIP plan was the \$65 million request, and they had said it was legally possible to make that request, but it is up to the legislature to make it happen. He asked if Mr. Sadayasu would be willing to write a letter to the House and Senate for approval. Mr. Sadayasu said if that is the will of the Board, then they can take a look at the request and support it, but the caveat could differ from the governors' priorities.

Mr. Arakawa said that after the meeting on Tuesday, they were all unanimously in support of the \$65 million. Chair Kam clarified that they all supported fixing the roof, whatever the number came to. They were also in support of having the house visit the site, and Ms. Orton would also look at the cost of how they could utilize the \$15 million in terms of the new study, along with the CIP. Mr. Arakawa said his recommendation was based on the amount discussed in the Tuesday committee meeting, which was \$65 million. Mr. Sadayasu said the best appropriate request is that all the agencies have been asked to put in their request, and the best vehicle would be for the HTA to write a memo to Mr. De Fries through himself, to the

legislature and address to the senate and house, and copy the tourism and WAM chair. He said that would be the best vehicle, as other agencies have done it that way as well. Chair Kam said they were all supportive of ensuring the roof is completed and that it is done in the most prudent and diligent way, as it is the taxpayers' money. He said \$65 million is an estimate and not a firm number, and they need to look at all the options available, including the appropriated \$15 million. This is to ensure a one-time fix and not a band-aid. Mr. De Fries said he agreed. Ms. Orton confirmed that it increases by 8% for every year that they put it off. She said they have just awarded ROB and are signing the contract. She said that as soon as they are on board, they will be asked to evaluate the start of the project and when the deadline is for turning it from a temporary to a permanent repair if they get funding.

Mr. Sadayasu excused himself as he had to go to a judiciary hearing. Mr. White asked if they needed Board authorization for the \$65 million, or if it was already approved at a previous meeting. Mr. Togashi said they would have to confirm that later.

Mr. Gionson did the roll call, and the motion passed unanimously.

c. Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on the Hawai'i Convention Center Futures Study

Mr. Hazinski said Mr. Harris had also joined from HVS. Mr. Hazinski said HVS was engaged to update on prior work they had done. They started working on the project in 2016 when the HTA asked them to do an HCC Futures Study. The objectives were to look at what improvements could be made to the HCC to make it operate more efficiently and attract more demand. The second thing was recognizing that an adjacent or attached hotel would be key to that study. And thirdly, to look at the neighborhood around it, and see what was going on in terms of development, and what might be done to improve the neighborhood to make it a more attractive destination. The initial report was published in 2016; they came back to present findings to the Board in 2019 for the request to update the report.

In the original report, they looked at the potential for developing a hotel on a site adjacent to the HCC, in the intervening years, the site was acquired and developed into a residential, so that was no longer possible. The 2019 study explored the possibility of using the HCC site to build a hotel. It was not only a market study issue but also whether it was physically feasible, so they engaged a few engineering sub-consultants to see if it was feasible. They came back saying that it could be accomplished but would be difficult and expensive. They had developed a couple of options on how it could be done. Then COVID arrived, and everything went quiet. They returned in 2023 to update the study to reflect what changed since COVID regarding HCC

demand, what changed about the neighborhood, and the condition of the facility. He presented their findings in their most recent version.

Mr. Hazinski gave some highlights. He said the HCC is a building in crisis because of the roof issues. It is a physical issue but also a marketing and sales issue. Clients are becoming aware of this, and there are a lot of expenses for repairs and getting rooms ready for events. It is already having a serious impact on the demand. He said it is not worth making investments and improvements to the HCC unless the rooftop issue is resolved. In the post-COVID world they strongly believe that group meeting activity is returning. It is taking longer than leisure travel, but it is coming back, and there is a steady trend toward it. Some cities are fully recovered, while others are partially recovered so far. He gave a few conclusions about the study. The HCC can continue to serve an important role in attracting group meeting events that generate impact from visitors with a high propensity to spend. The HCC can also continue to serve the local community as a venue for consumer and entertainment events and a disaster relief center. Based on engineering studies, the construction of a hotel on the HCC is physically feasible, albeit expensive. The site provides a unique opportunity for hotel development in Honolulu, which has limited availability of land and high construction costs. The addition of a hotel with approximately 600 rooms would have the following impacts: increase the level of group demand and utilization of HCC function space; provide an income-producing asset on site that maximizes the value of the land; help solve the roof repair issue. The financing of the hotel will not be feasible without significant public support. A public-private partnership or public financing are two possible approaches. The development within the District should be master planned to create a more walkable and inviting destination.

He showed the forecast in detail. Mr. Hazinski said demand might change with the addition of a hotel and other improvements to the HCC. They put it on a timeline and made an assumption that the project could be achieved by 2027, and the hotel could open in 2027. He said it would take three to four years for demand to stabilize. They projected demand to increase from 225 to over 300 events, including all kinds of events, as well as conferences and city-wide conventions, etc. A big increase could be in city-wide conventions because one of the biggest barriers to attracting that demand is the inability to assemble a room block, and the distance of the room block from the HCC. Adding that would put the HTA in a completely different market position in terms of marketing the facility. They projected attendance, which would increase from 350,000 to 500,000 across all event types.

Mr. Hazinski showed a graphic representation of the 10-year pro-forma. If the project were undertaken, they could move toward more of a break-even operation and not have to subsidize heavily. So, there is a long-term benefit in improving the financial position. The total revenue

would increase to outpace the total operating expense, moving them toward a break-even operation in future years. That would be contingent on attracting demand. There were no questions. He gave the floor to Mr. Harris to talk about the hotel market analysis.

Mr. Harris said many convention centers have developed or are developing an attached hotel as part of an overall package to attract upscale conventions and conferences. Large privately owned properties with large amounts of meeting space are entering the market. He said the proposed attached hotel would help the HCC remain competitive in the market. Mr. Harris showed a basic layout of the proposed hotel, with 600 rooms, including a restaurant, lounge, and coffee shop. They would need a permanent roof repair, and a pedestal would need to be developed on the fourth floor to support the proposed hotel. Additionally, 24,000 square feet of underutilized meeting facilities within the HCC would be repurposed into the proposed hotel. The proposed hotel could be developed as a public-private partnership through a public ownership model. If a public-private partnership was utilized, the proposed hotel would need long-term leases for the land, meeting spaces, and parking for financing purposes.

He showed a list of competitive hotels in the market near the ocean, except for Hilton Hawaiian Village. Mr. Harris said that when they talk about the hotel market, what the market is for the property, they define it by those hotels. Mr. Harris spoke about the long-term view of the market from 2009 through 2021 and year-to-date through October. In 2020 the market was significantly impacted by COVID, recovered in 2021, and continued recovering strongly in 2022, hitting all-time highs for ADR.

He spoke about hotels that are being developed, e.g., Mandarin Oriental Hotel etc. He spoke about the proposed hotel during the market opening in 2027. He said it would take three years to stabilize at an occupancy slightly below the overall market due to the location away from some of the prime attractions in Waikīkī. It would have a stronger meeting and group segment, compared to the competitive hotels due to its location with the HCC. A room block agreement would be needed between the HCC and the proposed hotel to ensure that the HCC had room nights allocated as needed. The projected ADR and occupancy would be a little higher because it is a new hotel with larger room sizes than many in the market. The ADR does not include the resort fee. He spoke about proposed hotel stabilization supported by revenues, food and beverages, and resort fees. Labor costs are high, impacting the overall profitability, especially on food and beverage and high import food costs.

An alternate development option would be for a brand-managed property. That would make the investor in the property passive as they could not actively control the property, but could potentially reduce the franchise management cost and improve the bottom line. Mr. Hazinski said a reserve of \$19 million could be available for the public-private partnership to pay for

debt and equity. Debt would have priority, and it would need to have an adequate equity return. If it were publicly financed, it would be financed with all debt, making it available to pay debt on taxable or tax-exempt bonds. That would be the financial benefit that the investment brings, but they do not know the size of the investment as that requires a lot of careful planning work to get to that number. If there was an expectation out there that adding the hotel would help pay for the roof, that is not a realistic expectation. The roof is a precursor to this.

Mr. Hazinski touched on the HCC district analysis. He compared Honolulu to other major convention destinations, such as Seattle, San Diego, San Antonio, Nashville, and San Francisco, all highly successful. He showed a graphic with hotels and sizes. He said those destinations have a lot more surrounding the convention center than in Honolulu. To be competitive, they need rooms. He showed a slide with other amenities, such as food and beverage outlets, restaurants, and arts and entertainment venues, pointing to the need for development adjacent to the HCC. They did case studies of other cities, and having a linear park would make a difference. He said they must go back to the crisis they were currently facing. He reiterated that the water issue must be solved, and it must be a priority before anything else is done. He said there was a missed opportunity along the canal. They discussed several options in the district that would be beneficial to the HCC.

Mr. Arakawa said the main takeaway from the presentation at the meeting earlier in the week is that they need to fix the roof before people would be interested in the HCC. Mr. Hazinski said that is a threshold condition, but they are talking about a complicated project and process. To get to that would take a lot of careful planning and engage with private developers, etc. He said the public financing is complex because it not only depends on the hotel's income but because of COVID and recessions, the hotel's income is not seen as a credit-worthy revenue stream. There has to be some entity with funds to pay debt servicing the event where the hotel's income is not available to do that. This would be a complicated negotiation. It is about understanding the risk and how the risk is allocated. In a public-private partnership, there is less risk but less control and a higher cost of funds, so it is a matter of trading off risk, benefit, and more cost, and landing on what is right for them is a process itself. The HCC is an exception because it does not have an attached headquarters hotel. This kind of investment has long-term benefits for the HCC and the state.

Mr. Arakawa said the HVS' presentation indicated that the type of conventions that come to Hawai'i tend to be more of a medical or technical nature. His experience has been that those conventions are supported by exhibitors or medical/technical suppliers that have exhibits, so they need lots of exhibit space. That is how they make their conventions profitable. He said the proposal they are working on reduces exhibit space, so asked them to look at that factor. Mr.

Hazinski said they have looked into that, and part of their earlier work was interviewing event planners, what they want and need, and what their views of Hawai'i and the HCC were. It was clear that getting long-haul business with large exhibition demand is impossible. Those events are not necessarily exhibit-heavy, so they do not see the slight loss of exhibit space as a serious concern, as they cannot get the long-haul business anyway. There will be more specialized stuff which is characterized by a conference and not needing a lot of exhibit space.

Mr. Harris said they also see a combination of business and leisure travel, and Hawai'i is a prime market for that type of travel. People can attend a convention, then stay on for a few leisure days. Chair Kam mentioned the \$500,000 study by DBEDT on the HCC, and the study they did could also be used and incorporated. He asked them to follow up to find out the status of that study so that they can incorporate both studies moving forward. Ms. Goshi said they must ensure there are no duplicate efforts. Mr. McCully asked if the Board members could get copies of the studies, and Chair Kam said that was possible. Mr. Arakawa asked Ms. Goshi about the scope of the \$500,000 study and what the Board and the HTA's staff involvement would be.

Mr. De Fries asked if there is an estimated cost to develop the hotel, but Mr. Hazinski said they do not have a firm number. The engineers were not asked to do a concept plan for a cost estimate. Mr. De Fries asked that the cost could be added to the scope at DBEDT. Mr. McCully asked if Mr. Hazinski was involved in other similar projects. Mr. Hazinski said they have worked on many such projects, but none were built on top of the HCC, but were physically attached. Mr. White asked about the proforma and said he was concerned with the projected losses of more than \$5 million per year during construction. Mr. Hazinski did not attempt to estimate the loss but recognized there would be additional capital costs rather than operating costs. He said they would have to figure out how intrusive the construction would be. In their proforma, they did not include the potential additional loss. There were no questions.

d. Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee for Funding of United States Major Market Area Brand Marketing and Destination Stewardship Requests for Proposals ***

The staff identified recommended amounts for the U.S. Brand Marketing and Destination Stewardship RFPs. To protect the integrity of the RFP process, those issues and amounts were discussed in an executive session, including the budget line items that were associated with those amounts. Mr. Togashi asked Mr. Gionson to pull up a slide to give more detail about the public session. On February 13, the staff issued the U.S. MMA and Destination Stewardship RFPs. He said they were requesting proposals for base funding for up to \$38,350,000, which would be \$8 million for July to December 2023, \$14,350,000 for January to December 2024, and \$16 million for the calendar year 2025. It will be funded with \$4 million from the FY2023

funds, \$18,350,000 from the FY2024 funds, and \$16 million from the FY2025 funds. At the HTA's options, there will also be \$12.9 million in incremental funding, \$1.25 million for the July to December 2023 period, \$5.65 million for the calendar year 2024, and \$6 million for the calendar year 2025. This will be funded by \$6.9 million from the FY2024 funds, and \$6 million from the FY2025 funds, all subject to the availability of funds.

Mr. Ka'anā'anā said the incremental funding slide showed the proposed fiscal years the HTA would like the funds to come from, but those numbers are more than the ask of \$75 million and \$60 million. Mr. Arakawa said the exhibits relating to the branding portion and the destination management portion, but during the committee meeting, he had asked for a summary that showed the scope and amount differences for the RFPs. Mr. Togashi said they took his advice and prepared an analysis in handouts that they would share with the Board after the presentation.

Mr. Togashi spoke about the Destination Stewardship RFP. They are requesting proposals for base funding of up to \$28,065,000, which would be the \$17,465,000 for contract period one, May 2023 through December 2024, and \$10,600,000 for contract period two, which is the calendar year 2025. At HTA's option, there would also be up to \$6 million in incremental funding, which is \$2 million for contract period one and \$4 million for contract period two, to be funded across FY2024 and FY2025. He pointed out that during the BFCC meeting, they entered into an executive session. The staff had identified the budget line items with regard to the RFP. They will have to look at the proposals to identify a funding source for the RFP. They will discuss it further if the Board wants to enter into an executive session regarding Mr. Arakawa's point.

Mr. Togashi addressed Mr. Arakawa's question about the scope and analysis he asked about. Mr. Togashi spoke about the matrix that laid out an RFP comparison and elaborated on it. The scope and compensation were the two sections in the document. Mr. Arakawa said the document helped a lot. Mr. Arakawa asked if the AG had an opinion about the settlement differences. He had concerns about the amount not being disclosed and the AG not having an opinion. Mr. Togashi apologized and said they tried to be as transparent as possible. He referred to NDAs that were signed previously. Mr. Arakawa asked if the HTA could waive confidentiality. Mr. Cole said he had not given his opinion yet, as he does not know the details of the settlement talks. Mr. Arakawa asked about the RFP amounts and terms. Mr. Ka'anā'anā said round one covered a period of the initial contract term that would have covered January 2022 to December 2024. RFP 22-01, round two, \$54 million would have covered July 2022 to December 2024 and included one-time expenses related to website upgrades in that scope and outlined in section 2. There were some nuances to the comparison across the two rounds. In

the RFP23-03, they anticipated the contract would cover June 2023 to December 2025 for two years and seven months.

Ms. Orton said the RFP 23-08 was from May 2023 to December 2025. Mr. Ka'anā'anā noted that over time, the budget amounts changed, and the total amount of available funds fluctuated from the governor's veto of HB1147, etc. The HTA's ability to scope the work and assign budget to it was in constant flux throughout that time. Mr. Arakawa asked whether the delays were because of anything the HTA had done. Mr. Togashi said they learned about the \$35 million available in November and brought it to the Board to formulate the budget. Since December, there had been back-and-forth discussions with the paperwork, etc. Some factors affect the monies. Mr. De Fries said the operating sequencing is also a factor that causes money delays. Mr. Togashi said they have been working in partnership with the administrations and BNF, and the team has also been working with them to create greater efficiencies.

Ms. Duarte asked about the activities listed under RFP 23-03 and RFP 23-08 and why the activities were not included in the current split RFPs. Mr. Ka'anā'anā said they needed to write new RFPs for those related to support services and island chapters that are no longer included in RFP 23-03. Mr. Arakawa asked if the price tag would be more than \$85 million once the others are added. Mr. Ka'anā'anā said it depends on the allocation the Board approves in the budget and what the HTA gets from the legislature. They have it at about \$2.5 million for the island chapters and about \$1.5 million for global support services for the entire year. Those would be additional procurements that need to be drafted and issued. Mr. Togashi asked if the Board would like to go into executive session, but everything was discussed publicly.

Questions from online participants: Mr. Kūhiō Lewis said they had some concerns about the two solicitations that were issued, but there were two administrative caps. The marketing has a 22% administrative cap, and the destination stewardship has a 15% cap on it, so there is a big difference. He was unclear on the rationale behind the difference and felt it should be the same. Arguably, destination management would take a lot of work, and both sides should be treated fairly. Mr. Togashi acknowledged the question and said they would respond to it in the RFP process. Ms. Duarte said it was a good point as there was a lot of conversation around destination stewardship, an important pathway they need to cultivate. Mr. Arakawa agreed with Ms. Duarte. Chiar Kam commented that it was the decision of the selection committee and the RFP process and asked what the status is from the Board's point of view. Mr. Togashi reiterated that the process spelled out under 103D requires HTA to respond to any questions. Mr. Arakawa asked if it is legally possible for the 22% administrative cap and 15% destination stewardship to be adjusted. Mr. Cole said it is allowed. Mr. Arakawa asked if the Board would need to vote on that, or what needed to be done to change the percentage. Mr. Ka'anā'anā

said they would need some time to digest as they are learning, too. Chair Kam said they would find the best vehicle to address the concerns. Mr. Nāho'opi'i said the Board had seen the total funding but had not seen the budget line items, but they were discussed in the BFCC meeting and recommended it to the Board.

Chair Kam asked if everyone was comfortable with what was presented in the public session. Mr. Nāho'opi'i requested a motion to approve funding and budget line items related to the RFP 23-03 Hawai'i Tourism Destination Brand Management and Marketing Services for the United States market and the RFP 23-08, Support Services for Destination Stewardship. Chair Kam asked for a motion. Mr. White made a motion, and Chair Kam seconded. Mr. Gionson did the roll call, and the motion passed unanimously, except for Mr. Arakawa, who abstained based on two things: one, the lack of information on the settlement amounts and the scope, and secondly, the issue of administrative cap. Ms. Duarte voted with reservations.

e. Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee to Approve Funding for International Markets ***

This item was deferred at the BFCC due to a loss of quorum at the committee meeting. Therefore, the Board is enter into executive session pursuant to 925A8, which allows Boards to enter into executive session and discuss matters that require consideration of information that must be kept confidential pursuant to law, and/or 201B-4, which allows the HTA to meet in the executive session to receive information that is necessary to protect Hawaii's competitive advantage as a visitor destination. Mr. Ka'anā'anā said they were ready to go into the executive session. Chair Kam asked for a motion to go into the executive session. Mr. White made a motion, and Mr. Ching seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

Executive session.

As described in the executive session, Mr. Ka'anā'anā recommended a motion to approve funding for international markets. Chair Kam asked for a motion. Mr. Ching made a motion, and Mr. White seconded. Chair Kam said that before they went into executive session, there was testimony that they requested from Mr. Cook.

Mr. Cook was testifying on behalf of the Chinese Chamber of Commerce of Hawai'i, where he is the current president. He said they had concerns about the recent pausing of the Chinese language market funding, which they partly understand due to the COVID conditions. They are concerned there might be further cuts in that area. He said many small businesses rely on tourism from China, and the respective communities. They have endured a lot due to the downturn of visitors. They are relying on the restoration of the funding for that. He pointed out

that although Chinese tourists have smaller numbers, they spend two more days than Japanese tourists. Chinese tourists also spend about \$80 to \$100 more per person than Japanese tourists do, so there is a great return on the arrivals. He also noted that the Chinese facilitated much of the six sister cities in China, where they formed economic and cultural ties. Part of keeping that bond in international standing is tourism. They want to expand those relationships. He said it is an essential part of the HTA's outreach to keep those tourists coming, so he asked that the HTA consider continuing the pause if it is essential with the current slowdown of arrivals, but that the funding be restored to keep the tourists coming in, and keep the outreach in place. Mr. Casson-Fisher did the roll call, and the motion passed unanimously.

9. Report and Update by the Ho'okahua Hawai'i Standing Committee of their Meeting held on February 16, 2023

a. Discussion of the Implementation of 'Āina Aloha Economic Futures Principles in the Work of the HTA

Ms. Duarte said the committee had a lot of conversations, and the staff provided updates on how they were integrating and operationalizing AAEF frameworks into operations.

b. Discussion on the Destination Management Action Plans

There was nothing to discuss.

10. Report and Update by the Branding Standing Committee of their Meeting held on February 15, 2023

a. Discussion on the 2023 Hawai'i Tourism Japan Brand Marketing Plan

Mr. Ching said they had a good meeting. They had discussed the Japan BMP with a few questions, and everyone agreed. The committee had voted to approve the HTJ BMP. He asked for a motion from the full Board. Chair Kam made a motion, and Mr. White seconded. Mr. Casson-Fisher did the roll call, and the motion passed unanimously.

b. Discussion on the 2023 Hawai'i Tourism Oceania Brand Marketing Plan

Mr. Ching said the committee had voted to recommend to the full Board that they approve the plan. Chair Kam made a motion, and Mr. White seconded. Mr. Casson-Fisher did the roll call, and the motion passed unanimously.

c. Update on the Hawai'i Tourism Destination Brand Management & Marketing Services for the United States Market RFP

Mr. Ching gave the floor to Mr. Ka'anā'anā. He said in the BSCM, they covered the rough outline for the U.S. marketing RFP. He showed the timetable for the RFP. The RFP was released on February 13, as planned. They did the pre-proposal conference on February 21, and they were in the period where the offerors may submit written questions to the procurement. The next milestone in the process is on February 24, when they will take the written questions from the public and potential offerors and respond in writing by Monday, February 27. He noted that there was no requirement this time for RFP 23-03 to submit a notice of intent to offer, but it was recommended. Attendance was also not a requirement at the pre-proposal conference. March 30 at 2 p.m. Hawai'i standard time is the due date for those proposals related to RFP 23-03. April 17 is the date set aside for oral presentations from priority-listed offerors. The intention is to start contract performance by June 1. In December, the Board approved the staff to request a three-month extension. They prepared the paperwork, and he would check with Mr. Togashi and his team if it had been submitted to the SPO. SPO form 3 had been completed for the three-month extension.

11. Presentation, Discussion and Action on the Hawai'i Tourism Authority's Fiscal Year 2022 Financial Audit and Federal Funds Single Audit

Mr. Togashi said Ms. Miyoshi and Mr. Oda joined via Zoom from Accuity Accounting Firm. Accuity was procured by the state office of the auditor and contracted to perform a financial audit and single audit of federal funds for the period ending June 30, 2022. He gave the floor to Mr. Miyoshi and Mr. Oda.

Mr. Oda said they were in the final stages of the 2022 financial statement and single audit and presented the results. He said the purpose of the audit was to provide an opinion on the fair presentation of the HTA; to consider the HTA's internal control over financial reporting in relation to their audit of the financial statements; to perform tests of the HTA's compliance with certain provisions of laws, regulations, contracts and grant agreements in relation to the financial statements; and to provide an opinion on the HTA's compliance with requirements related to major federal programs in accordance with the Office of Management and Budget's ("OMB") Compliance Supplement and consider internal control over compliance. He said the financial statements represent the current year, balances and operating results. He said they tried to pull in the prior amounts. He said equity in cash and cash equivalents and investments increased by about \$12 million, primarily due to the timing of payments and the additional funds. Accounts receivable increased by approximately \$1 million, primarily due to interest receivable on those amounts with the state treasury. Prepaid expenses increased by about \$2.5 million primarily due to an increase in new prepaid contracts or policies in the current year. Investments increased by about \$3.5 million, mainly due to a shift in the allocation of funds

from cash equivalents to U.S. Treasury investments, mainly due to rising interest rates in the current year. Capital assets decreased by a little under \$5 million primarily due to the current year's depreciation expense offset by current year additions. Other assets represent amounts held by ASM at the management company. The increase of a little under \$7 million was mainly due to additional funding provided to ASM to fund the current and future year capital improvements and maintenance projects. Vouchers payable increased by a little under \$15 million, primarily due to the timing of payments. A lot of that is due to payments to ASM, as mentioned above. Unearned revenue was a new amount at about \$52 million. This relates to federal revenue received. Because federal funding is not recognized for accounting purposes until those funds are expended for the purposes under the federal award, a big part of the balance gets deferred and put in the unearned revenue account.

He spoke about the HTA's other post-employment benefits liability and pension liability. Those amounts were determined at the state level and allocated down to the respective component units, like the HTA. The net investment in the capital assets portion of the net position decreased to the current year's depreciation and the conditions mentioned earlier. The restricted net position decreased by about \$41 million for reasons he would elaborate on later.

He spoke about the statement of activities and the operating results of the HTA. The contract expenses increased by about \$34 million, primarily due to decreased spending in the prior year due to the pandemic, deferred marketing spending, and some capital and maintenance projects pushed off until 2023. Depreciation expenses increased by a little under \$700,000 primarily due to the current. Payroll expenses decreased by a little under \$800,000, primarily due to several positions being transferred to DBEDT from the HTA. He said the Federal Grant Revenue was new, and the HTA received federal funding under the American Rescue Plan Act. Those funds were recognized as the allowable expenses incurred. \$18.5 million represented a portion of the funds that were expended for permissible purposes in 2022. The Transient Accommodations Tax decreased by about \$27 million, mainly due to the sunseting of the allocation to the TSF and a decrease in the allocation to the Convention Center Fund.

Interest and investment income increased by a little under \$500,000, mainly due to an increase in interest rates during 2022. Other revenue decreased by about \$1.2 million in the current year primarily due to fewer refunds from vendors for unused funds in the current year.

Mr. Oda asked if there were any questions. He gave the floor to Ms. Miyoshi, who spoke about the required communications that need to be communicated to those charged with governance. Ms. Miyoshi said their primary responsibility as the HTA's independent auditors were to report on the fairness of the HTA's financial statements prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). She said they anticipate issuing an

unmodified/clean opinion stating that the HTA's financial statement is fairly stated and presented. The planned scope of the audit was communicated in their engagement and the contract with the office of the auditor. Every audit requires significant risks to be identified, which does not necessarily mean any issues.

Ms. Miyoshi listed the significant risk for their audit, namely, revenue recognition; management override of controls; the effect of the COVID-19 pandemic on the HTA's operations. This year there was an accounting standard that needed to be implemented by the authority. She said they did not identify any issues related to the risks, and there were no changes to the risks identified. She said the significant accounting policies used by the authority are disclosed in Note 1 in the financial statements. The HTA adopted the new accounting statement related to leases effective at the beginning of the fiscal year. It did not have a material impact on the HTA's financial statements, as there were no material leases that the HTA had. Some of the estimates included in the financial statements included the depreciation and useful lives of capital assets, the accrued vacation liability as an estimate, and the calculation of net pension and net other post-employment benefits liabilities based on an actuarial done at the state level. Management's estimates were evaluated and appeared to be reasonable. There were no significant unusual transactions. There were no uncorrected misstatements above our de minimis threshold. Some recurring audit adjustments and reclassifying journal entries identified during the audit were either client-requested or for a financial statement presentation purpose only. No matters noted during their audit were difficult or contentious and required them to do outside consultation. They did not identify any issues related to the HTA's ability to continue as a going concern.

The HTA's audited financial statements would be included in the online submission of the single audit with the Federal Audit Clearinghouse. There were no disagreements with management. They were not aware of consultations that management made with other accountants. There were no major issues discussed with management prior to their retention. There were no difficulties encountered in performing the audit. No material weaknesses or significant deficiencies were reported relative to the financial statement audit and the single audit. They were not aware of any fraud or illegal acts. They are independent accountants within the meaning of the Code of Professional Conduct of the American Institute of Certified Public Accountants and Government Auditing Standards. Upon completion of the audit, they would receive a management representation letter.

Ms. Miyoshi highlighted a few changes in the audit report. They had to implement a new auditing standard in the fiscal year, which changed the structure of the audit opinion for the financial statement report. It moved the actual opinion up, so it was in the second paragraph

versus the previous year in the fifth or sixth paragraph. The audit expanded on management and auditors' responsibilities. There were no new disclosures in the current year, because the adoption of the standard did not have a material impact on the HTA, so there were no new lease disclosures. She spoke about the single audit report. This was the first year the authority was required to have a single audit done. There was an additional report they would be issuing. It was a report on compliance with the major program and internal control over compliance. In the report they did not identify any material weaknesses, significant deficiencies, or any findings relative to the authority's major program.

Mr. Arakawa asked about the required communications. He said the third communication related to material uncertainties related to events and positions. He said the audit was for 2021 to June 30, 2022, and asked if they did not take into account that last year they had no budget. He asked if no monies were appropriated to the HTA's budget in the previous year. He asked if it would be in the next audit. Mr. Togashi spoke under correction and said the growing concern assessment not only reflected the time period of the audit but also took a look into the future 12-month period. To Mr. Arakawa's point, Mr. Togashi said they had been advising the auditors and keeping them up to date for the funding, including working with the former Gov. Ige's administration and releasing funds, which resulted in FY2023 funding. He said they do have funding available for FY2023. Mr. Togashi noted in the report that they referenced the \$35 million funding they received. Mr. Arakawa said they are currently at zero, and referenced the summary. Mr. Togashi said they clarified in the report under subsequent events that HB1147 was vetoed and displaced \$35 million allocated by former Gov. Ige. Mr. Arakawa said they should mention in a footnote that they were grateful for the \$35 million but had asked for \$60 million, as it would be informative for future Boards and audits so that there would be an explanation of what happened the previous year about funding. Mr. Togashi requested that they add an amendment to the audit report.

Ms. Duarte asked about slide six. She asked them to elaborate further on the improper revenue recognition due to fraud and management override of controls. Ms. Moyishi said that during the audit, they are required to identify if there is any significant risk, so it is more an impact on the audit approach and how they test certain accounts. It is not necessarily specific to the authority, but is just a risk they identify to ensure no issues. Ms. Agas said it came across that there were significant risks, so she said it should be reworded. Ms. Moyishi noted there were only changes to significant risk if they identified anything during the audit that would require them to revise the risk identified.

Ms. Agas asked about the decrease in payroll expenses on slide 4; it says the decrease was primarily due to several positions transferred to DBEDT. Chair Kam clarified that the entire

research team moved over to the DBEDT. Mr. Togashi asked for a motion to approve the audit results as presented. Ms. Agas made a motion, and Mr. McCully seconded. Mr. Gionson did the roll call, and the motion passed unanimously. Ms. Duarte thanked everyone for their hard work.

12. Discussion Regarding an Update on the Meetings, Conventions and Incentives Market Activity and Pace Report, and Hawaii Convention Center Activity and Local Sales

Mr. Reyes said for sales production, there was a new volume of events and room nights for any future year. Talking about the pace report means discussing things on the books. He reminded everyone that for the sales production update, they are on a calendar year, January through December. The HTA is on a fiscal year. For January sales production, they already booked 2,600 definite room nights. More importantly, are the tentative room nights. He said there are 63,150 tentative room nights. For January 2022, they had 3,811 room nights. They are seeing a strong short-term market for tentative room nights, and the long-term market is taking a bit longer. They are confident the 63,150 tentative room nights will convert to definite room nights. He spoke about the future pace (consumption). He spoke about the HCC booking trend. He said Ms. Orton did a great job at 24 of those events. Through the pandemic and recovery, a big help was when Safe Travels was listed.

He spoke about the future pace. At the previous BOD, they compared October 2022 to December 2022. Looking at the future pace report, they are 78% of where they were supposed to be in terms of room nights booked. The previous year it was in the lower 50 percentile, so they are doing well in 2023, 2024, and 2025. They are focusing on long-term 2027, 2028, and 2029. For 2028 and 2029, there are a few opportunities that they are looking to close. He had a list of about 40 tentative events with a 50% closing. On a post-COVID short-term recovery strategy, they are working on recovering from the two years they had shut down. They are looking at events that can book between now and 2027, with a goal for 77 events between 2023 and 2027. They have hired a business development person responsible for short-term bookings. To date, they have booked 11 events since March 2022.

Mr. Arakawa said he had previously asked for the same table as the HCC booking trend table from the WAM committee. This table is informative to the public and the Board, as it showed the city-wide from 2015 to 2019. He also asked about the status of his staffing. Mr. Reyes said Mr. Garcia left in September, and they had many people applying. They qualified down to three candidates and made an offer in December, and that candidate was to replace Mr. Garcia on February 10, but unfortunately, they had to wait until the end to see whether city-wide would stay with MeetHawai'i, or whether it would go to the HCC. He said they saw the impacts of the house and senate bills. He would do his best to get the candidate started as soon as possible.

Ms. Orton spoke about local sales for January 2023. She highlighted what was in the fiscal year. They have two more city-wide events to service in April and May. They have serviced six to the end of the fiscal year, generating \$9 million in TAT. The ROI for the fiscal year was \$4.75 for every dollar spent at the HCC for city-wide events. She spoke about definite local business, with 16 events for February, 18 for March, and 23 for April. April has one of the city-wide events. She spoke about recent events at the HCC, the Aloha Region Volleyball Tournament, and the Pacific Water Conference. Upcoming events include Packet Pickup for the Kings Runner race in March, with about 2,600 attendees. The Honolulu Festival was returning in March, and a Kawaii Kon is happening from March to April with nearly 18,000 attendees. For the Carbon Offset Program, there are 5,740 trees planted to date.

13. Adjournment

Mr. White made a motion to adjourn, and Ms. Duarte seconded. The motion passed unanimously.

Mr. Casson-Fisher adjourned the meeting at 4:05 p.m.

Respectfully submitted,



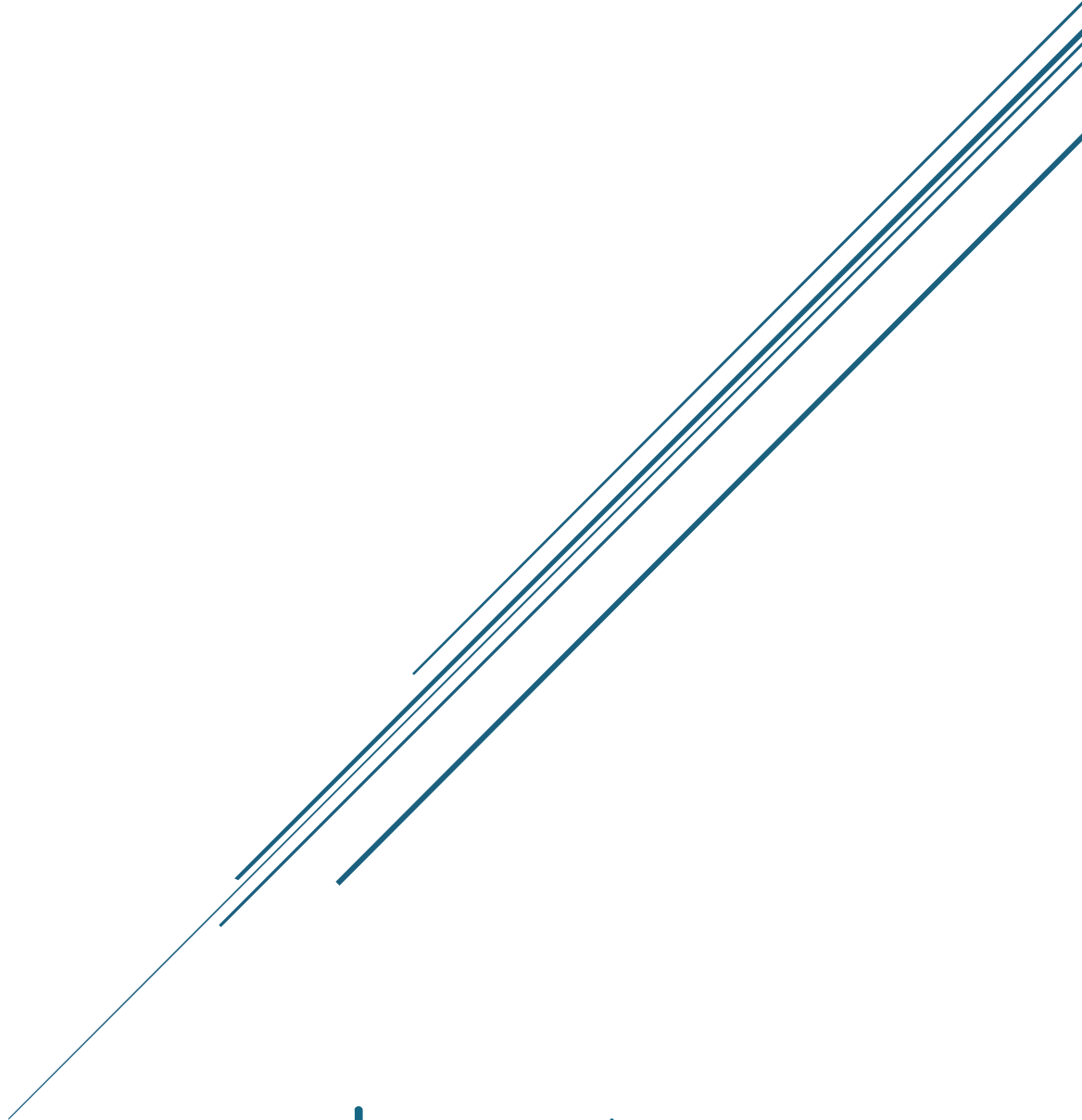
Sheillane Reyes
Recorder

6

Reports of the Chief Executive Officer/
Chief Administrative Office/Chief Brand Officer

HTA CEO REPORT

MARCH 2023



HAWAII TOURISMTM
AUTHORITY

EXECUTIVE SUMMARY

Each month, the Hawai'i Tourism Authority (HTA) provides this report as a resource to the Board and the public to better understand the activities and actions taken by the team in support of the organization's overall mission. HTA's 2025 Tourism Strategic Plan and its four interacting pillars (Natural Resources, Hawaiian Culture, Community, and Brand Marketing) guides the team in the various matters worked on during February 2023. Overall, this report provides insight into the actions conducted by the staff to implement the HTA budget previously approved by the Board.

Through the continued partnership with Hawai'i Community Foundation, HTA is proud to support Aloha 'Āina and Kūkulu Ola programs that help to further our mission of Mālama Hawai'i by giving back to those who care for the land and build community capacity through their work. Hawai'i Community Foundation is awaiting contract execution to move forward with issuing the 2023 Aloha 'Āina and Kūkulu Ola Request for Proposals (RFP). An update on programs that took place in calendar year 2022 can be seen in their respective sections below.

In the Community pillar, HTA's partnership with the Hawai'i Visitors and Convention Bureau (HVCB) continues to foster community-based tourism projects that improve and enrich Hawai'i's product offerings with the Community Enrichment Program (CEP). HVCB is in the process of wrapping up the 2022 CEP program final reports and is awaiting contract execution to move forward with issuing the 2023 CEP Request for Proposals (RFP).

The Brand team recently released the Request for Proposal for the Hawai'i Tourism Destination Brand Management & Marketing Services for the Canada Market. The contract will commence on June 30, 2023 and end on December 31, 2025, with one two-year option. The Brand team is also continuing to prepare for several other upcoming RFP releases including Global Support Services, Island Destination Brand Management & Marketing Services, and Sports Programs. The planning for our 2023 Spring Tourism Update and Second Quarter Industry Partner Group Meetings are underway.

In the planning area, efforts continued with working with the Destination Managers, counties and other state agencies to move DMAPs' actions forward. Major activities included issuing the Request for Proposal for Support Services for Destination Stewardship, including conducting the pre-proposal conference on February 21st,

presentation at the JTB Green Tourism Symposium 2023, refining program measures, and revising the grant administration plan to EDA.

Pursuant to Act 088, HTA's Tourism Research Division (TRD) was transferred to the Department of Business, Economic Development and Tourism's (DBEDT) Research & Economic Analysis Division (READ) effective July 1, 2021, and was renamed the Tourism Research Branch (TRB). TRB published the January 2023 Visitor Statistics press release and monthly reports, air seat outlook for March 2023 – May 2023, the January 2023 Hawai'i Hotel Report, the January 2023 Vacation Rental Performance Report, and the Q4 2022 Visitor Satisfaction and Activity Report. In addition, TRB published weekly updates to the air seat outlook, weekly Future Bookings Report, and weekly Brand Health Trend Report.

I. CHANGE MANAGEMENT PLAN

We have hired Bishop & Co., a recruitment company, to search for the Procurement Manager position that has been vacant since January 2022. We also continue to recruit for the Contracts and Administrative Manager. The vacant Senior Brand Manager and Brand Manager positions are in the process of being redescribed to positions that will support Destination Management.

The staff has kept on pace with the HTA Change Management Plan for FY 2023 in the functional areas of: Strategic Planning, Safety, Security & Crisis Response, Stewardship & Standards Setting, and Community Convening.

We continue to maintain an open-door policy and make ourselves available to answer questions, and participate in town halls, and other meetings. Responses continue to be positive. We continue to support and facilitate hospitality industry updates with the mayors of all four counties to further connect the government with the industry.

Auditor's Report 2022. The original Auditor's report of 2018 directed 27 recommendations. Of those recommendations, the 2022 Report identified that HTA implemented five, partially implemented 16, two were not implemented, two HTA did not agree with, and two were found to no longer be applicable. Therefore, HTA has 18 recommendations to address. HTA created an Audit Action Plan with 44 separate actions items that has a completion deadline of May 2023 to fully address the 18 recommendations. The Audit Action Plan was distributed to the Board in January 2023.

The CAO has been assigned to oversee the completion of the Audit Action Plan. All five actions with deadlines for January 2023 have been completed. The one action assigned for February 2023 deadline, HVCB and AEG submitted subcontractor approval forms for any subcontracts that remain in effect, completed. Past completed actions included: Completing Performance Evaluation Measures study and integrating measure into current RFPs; obtained access to HCC contractor's accounting software to review receipts; and including the topic of subcontractor approvals into all contract general conditions.

II. NATURAL RESOURCES PILLAR

Aloha 'Āina (Natural Resources) Program (DMAP Action Item)

For Calendar Year (CY) 2022 the Hawai'i Community Foundation (HCF) was contracted by HTA to administer the 2022 Aloha 'Āina program through CON 21033: HTAxHCF – Implementation of Kūkulu Ola & Aloha 'Āina Programs. Through this contract, HTA was able to support 31 community-based natural resource programs in 2022 with \$1,575,000 in funding. One awarded project, Kuelana Coral Restoration (KCR), conducted coral restoration and experiential education with outreach events on the west coast of O'ahu. Coral reefs around the world are facing rapid changes and extensive losses in coral cover, and reefs surrounding O'ahu are considered very impacted and declined. To address some of our local losses in coral habitat, KCR provided experiential educational events throughout the year at Ko 'Olina Marina on the leeward side of O'ahu to raise awareness and provide direct experience for stakeholders and visitors. Educational displays and hands-on activities focused on the science of restoration and Hawaiian cultural traditions and values including coral ecology, ahupua'a and how to protect coral reefs, weaving kaula or Hawaiian twine to secure coral identification tags, and how these efforts practice the Hawaiian cultural values of kuleana and mālama. Participants also prepared plugs of reef putty to secure coral fragments with its identification tag prior to transplantation. Following the hands-on activity, a team of trained divers then transported and transplanted the corals onto a degraded reef on the Leeward side of O'ahu. HCF will submit a final report to HTA this month.

The Hawai'i Community Foundation (HCF) will continue to administer the HTA Aloha 'Āina program for calendar year 2023 through CON 21033: HTAxHCF – Implementation of Kūkulu Ola & Aloha 'Āina Programs. The Request for Proposals (RFP) for projects seeking support through the Aloha 'Āina programs will be issued once the supplemental

contract with HCF is fully executed. Sign up to receive email updates and announcements of their availability from HTA at: hawaii tourismauthority.org/news/news-releases/.

More information about the Aloha 'Āina program can be found at hawaii tourismauthority.org/what-we-do/hta-programs/natural-resources/.

Hawai'i Green Business Program

HTA has contracted with the Hawai'i Green Business Program (HGBP) of the Hawai'i State Energy Office to support efforts that will help to encourage energy and resource efficiency in addition to sustainable and regenerative practices in hotels, businesses, and events. Businesses will be evaluated on whether they fit criteria that would make them a sustainable company. Hawai'i Green Business Program's focus in 2023 is expanding recruiting efforts to smaller businesses and making the program more accessible to smaller entities. In February HGBP participated in the SBA Small Business Workshop and is currently working to recruit over 140 businesses statewide. HGBP will provide a Q2 report with updates in April 2023.

Sustainable Tourism Management in Hawai'i Through Certifications, Trainings & Partnerships (DMAP Action Item)

HTA has contracted with Hawai'i Ecotourism Association, d.b.a. Sustainable Tourism Association of Hawai'i (STAH), to protect Hawai'i's unique natural environment and host culture through the promotion of responsible travel and educational programs relating to sustainable tourism for residents, businesses, and visitors. STAH's focus is on three areas: 1) Sustainable Tour Operator Certification Program, 2) Tour Operator/Tour Guide Training Program, and 3) Educational Outreach/Partnership Development. This contract received a Notice to Proceed from HTA on July 1, 2022. There is currently 46 businesses/organizations enrolled in the program that have been certified in to date. STAH will continue to recruit through social channels, site visits, and certify more businesses in 2023. STAH will provide a Q2 report with updates in April 2023.

III. HAWAIIAN CULTURE PILLAR

Kūkulu Ola Program (DMAP Action Item)

For calendar year (CY) 2022 Hawai'i Community Foundation (HCF) was contracted by HTA to administer the 2022 Kūkulu Ola Program through CON 21033: HTAxHCF –

Implementation of Kūkulu Ola & Aloha ‘Āina Programs. Through this agreement, HTA was able to support 32 community-based Hawaiian cultural programs in CY2022 with \$1,475,000 in funding. One project hosted by the non-profit organization ‘Aha Kāne aims to honor and preserve the Native Hawaiian culture through the cultural practices of ulana lauhala and ho‘oponopono. In collaboration with the CE/I Mr. Kaeo Izon for ulana lauhala, Ms. Lahela Kruse and Ms. Ku‘umeaaloha Gomes for ho‘oponopono, ‘Aha Kāne aims to provide advanced training of thought process to the emerging respective cultural practitioners through the art of Tena, which relies on the students’ ability to critically examine concepts and skills of their respective practice for mastery. Traditionally, this is often achieved through trial and error – ma ka hana ka ‘ike – and being resourceful. The organization anticipated a minimum of 10 students per instructor to participate in this year-long project as individuals have already shown interest in improving their skills, abilities, and mindsets. Each instructor will facilitate 20 sessions for their students. ‘Aha Kāne also incorporated and implemented “green” practices in this project by 1) requiring applicable students to gather materials like lauhala from the environment for their use instead of purchasing from retail stores, which limits the use of single-waste plastics and 2) supporting local restaurants that implement ‘ai pono (healthy eating). An end-of-the year hō‘ike was implemented for the students’ families, friends, and communities to demonstrate what has been learned. HCF will submit a final report to HTA by the end of this month.

For CY2023, the Hawai‘i Community Foundation (HCF) will continue to administer the 2023 Kūkulu Ola Program through CON 21033: HTAxHCF – Implementation of Kūkulu Ola & Aloha ‘Āina Programs. The Request for Proposals (RFP) for projects seeking support through the Kūkulu Ola Program will be issued once the supplemental contract with HCF is fully executed. Sign up to receive email updates and announcements of their availability from HTA at hawaii tourism authority.org/news/news-releases/.

More information about the Kūkulu Ola program can be found at hawaii tourism authority.org/what-we-do/hta-programs/hawaiian-culture/.

Native Hawaiian Hospitality Association (DMAP Action Item)

A Notice To Proceed for the Native Hawaiian Hospitality Association’s (NaHHA) FY22-23 workplan has been provided to the contractor. HTA staff continues to collaborate with NaHHA on existing projects including a Hawaiian music showcase series and the Waikīkī Historic Trail Markers Refurbishment Project.

The 13th Festival of Pacific Arts and Culture (FestPAC)

The commission for the 13th FestPAC continues its planning and HTA staff is supporting efforts around marketing, public relations and communications for the

festival. FestPAC Commission meeting agendas and meeting materials are available online at <https://invest.hawaii.gov/international/festival-of-pacific-arts-culture-festpac/>. A Request for Proposals (RFP) was recently released, on February 21, 2023, by the Department of Business, Economic Development & Tourism (DBEDT) to procure services for a Festival Provider. For more information visit <https://hands.ehawaii.gov/hands/opportunities/opportunity-details/22523>

‘Ōlelo Hawai‘i – He Aupuni Palapala: Preserving and Digitizing the Hawaiian Language Newspapers

E Ola Ka ‘Ōlelo Hawai‘i! Bishop Museum staff continues to work on Phase II of CON 20195: He Aupuni Palapala: Preserving and Digitizing the Hawaiian Language Newspapers, which started on April 1, 2022 and is currently set to end on March 31, 2023. HTA staff is working with the contractor to extend their time of performance and scope of work to ho‘omau this important work for another year.

Kāhea Greetings (DMAP Action Item)

Airports

HTA is continuing this partnership with DOT Airports Division for October 1, 2022- June 30, 2023, with the execution of Supplemental Contract 21039. DOT is planning a Hawaiian Cultural Training for 900 Airport Staff for Q1 of 2023. The greetings program will be providing handheld fans and water cups to hand out during peak hours to aid with long wait times in the heat.

Harbors

HTA is continuing its partnership with the County of Kaua‘i, Office of Economic Development from January 1, 2023, to March 31, 2023, with the execution of a no-cost extension for the completion of the proposed improvements to Nāwiliwili Harbor. Improvements include a sound system replacement, a mural, and more. The Kāhea Greetings Program for Harbors in Kona and Hilo will be continued in 2023 through exercising options. HTA is looking into programming at Lahaina and Honolulu.

Resort Area Hawaiian Culture Initiative (RAHCI) (DMAP Action Item)

Resort Area Hawaiian Culture Initiative (RAHCI) was included in the Support Services for the Destination Stewardship RFP that was released on February 13, 2023. RAHCI was paused in 2020 due to the COVID-19 pandemic. Previous programs included: Kūhiō Beach hula, Waikīkī Torch Lighting, Sunset on the Beach in Waikīkī, Hilo Hula Tuesdays, Hawaiian Sunset Saturdays in Kona, and Hawaiian Music Series in Lahaina.

IV. COMMUNITY PILLAR

Community Enrichment Program (CEP) (DMAP Action Item)

HTA contracted with the Hawai'i Visitors and Convention Bureau (HVCB) to administer the Community Enrichment Program for 2022. HTA CON 21038 received the Notice to Proceed from HTA on July 30, 2021 and the CEP RFP was released on September 27, 2021. Informational RFP briefings were held virtually for each island in the following weeks. The deadline for submissions was November 5, 2021. Island-specific evaluation committees reviewed proposals throughout the month of November and met in December to finalize selections and awards. All CEP awardees for CY22 were notified by the end of January 2022 and a press release was issued on February 2, 2022 announcing the 86 total awardees. At year end, 82 CEP projects were successfully executed across the state between January 2022 and December 2022.

The Request for Proposals (RFP) for Calendar Year 2023 projects seeking support through the Community Enrichment Program is anticipated to be issued by the end of Q1 2023. The December 2022 HTA Board of Directors meeting voted to renew HVCB's contract to administer CEP for the 2023 calendar year. HTA staff submitted the procurement paperwork in January 2023 for this contract renewal and is awaiting internal approvals to move forward with execution of the contract.

Government Affairs

Legislative Affairs

Throughout the month of February, HTA staff continued to submit testimony and attend hearings to offer comments and answer questions on bills that affect HTA directly, as well as bills that advance DMAP priorities. To assist the public in tracking those legislative measures, a Tourism Policy page was stood up on the HTA website. More details about that effort can be found in the ***Communications and Outreach*** section of this report.

HTA also presented a table at Agriculture Day at the Capitol on February 9 to educate legislators and the public about the visitor industry's contributions to Hawai'i's farmers, ranchers, and value-added producers.

On February 21, HTA's CEO joined Congressman Ed Case and Congressman Chris Stewart for a dinner to discuss the challenges and opportunities in Hawai'i's visitor industry and how Hawai'i's congressional delegation can support.

On February 22, HTA's PAO joined fellow legislative coordinators from the state's executive branch to meet with Governor Green's policy team for updates and to share the agency's legislative priorities.

Hospitality Industry Updates (County)

HTA recognizes the need to connect with stakeholders from both the public and private sectors to improve awareness and build an understanding of the current state of the visitor industry. As such, HTA staff coordinates with each county to host a quarterly meeting with each county mayor, government officials, association leaders, contract partners and the visitor industry.

Updates were held for Kaua'i with Mayor Derek Kawakami on February 9, and for O'ahu with Mayor Rick Blangiardi on February 13. An update was scheduled for Maui Nui with Mayor Rick Bissen on March 20, and an update for Hawai'i Island with Mayor Mitch Roth is scheduled in April.

Communications and Outreach

News Releases/Reports/Announcements

- News Release: HTA Fall 2022 Resident Sentiment Survey Results (February 8)
- News Release: HTA Issues RFPs for Destination Stewardship, Visitor Education, and U.S. Brand Management & Marketing. Also distributed release nationally via PR Newswire. (February 13)
- Report: Hawai'i Hotel Performance Report for January 2023 (February 22)
- News Release: HTA Releases Updated Ma'ema'e Toolkit (February 23)
- Report: Hawai'i Vacation Rental Performance Report for January 2023 (February 23)
- News Release: HTA Vice President, Finance Marc Togashi to Depart Agency (February 23)
- News Release: Q4 2022 Visitor Satisfaction and Activity Survey Results (February 24)
- HTA Message: Visitor Industry Continued Recovery in January 2023
 - Drafted and distributed John De Fries message highlighting HTA's KPI of visitor spending. (February 28)

News Bureau

- Coordinated and assisted with the following interviews and statements, including:
 - Hawai'i News Now, Daryl Huff: Ilihia Gionson (IG) response to HB1375 (February 2)
 - Honolulu Star-Advertiser, Allison Schaefer: John De Fries (JDF) and George Kam interview on legislative bills targeting HTA. Drafted talking points. (February 3)

- KHON, Cheyenne Sibley: IG interview on digitizing agricultural forms for travelers (February 6)
- Pitched and coordinated HTA one-on-one media availability with JDF and Daniel Nāho‘opi‘i (DN) regarding the Fall 2022 Resident Sentiment Survey results. Drafted talking points and provided on-site assistance. (February 8)
 - Hawai‘i News Now, Chelsea Davis
 - KHON
 - KITV, Tom George
 - Honolulu Star-Advertiser, Allison Schaefer
 - Pacific Business News, Sophia Compton
 - Hawai‘i Public Radio, Casey Harlow
- Hawai‘i News Now, Derek Kravitsky: HTA response on digitizing agricultural forms for travelers (February 8)
- USA TODAY, Kathleen Wong: IG response on digitizing agricultural forms for travelers (February 9)
- The Points Guy, Clint Henderson: IG interview on potential visitor impact fee (February 12)
- ARD National Public Radio, Katharina Wilhelm (Germany): IG interview on climate change (February 13)
- NBC News, Harriet Baskas: IG interview on bed tax fees (February 22)
- Hawai‘i Business, Unyong Nakata: JDF podcast interview on HTA’s destination management and regenerative tourism efforts. Provided head shot and background information to support interview. (February 24)
- Honolulu Star-Advertiser, Allison Schaefer: IG response on M. Togashi’s departure (February 25)
- The Garden Island, Jackson Healy: IG response on Q4 2022 Visitor Satisfaction Survey results (February 27)
- Island Scene, Michelle Liu: IG interview on pandemic impacts on tourism (February 28)
- Assisted with the following media relations:
 - The Times, Jenni Doggett (United Kingdom): Reviewed and declined press trip request for freelancer and photographer. (February 1)
 - Boxes on Tour, Monika Box (Poland): Reviewed and declined family social influencer partnership request. (February 1)
 - Palina Kozyrava (Switzerland): Reviewed and declined social influencer partnership request. (February 1)
 - Verbal Gold Blog, Alina Shaw: Reviewed and declined social influencer partnership request. (February 1)

- Hildebrandt Film, Kordula Hildebrant (Germany): Reviewed and declined photography partnership request and provided state and county film offices for permits. (February 1, 6)
- Socialize Magazine, Sandro Todobom (Switzerland): Reviewed and declined press trip request. (February 9)
- Arts & Collections, Femi Fajemisin (United Kingdom): Reviewed and declined advertising partnership request. (February 9)
- The New York Times, Saurabh Datar: Provided international visitor statistics. (February 10)
- Valentina Raso and Alex Camara (Italy): Reviewed and declined social influencer partnership request. (February 22)

Community Initiatives and Public Outreach

- HTA E-Bulletin
 - Drafted copy, edited, created layout and distributed February 2023 HTA e-Bulletin in English and ‘Ōlelo Hawai‘i.
- Honolulu Festival
 - Drafted talking points for John De Fries video message to welcome Honolulu Festival participants.
- Tourism Day at the Capitol
 - Drafted and distributed e-blast announcement and social post encouraging attendance. (February 22)
 - Reached out to a photographer to inquire about availability for a half-day shoot and provided quote to HTA.
- Mahina ‘Ōlelo Hawai‘i (Hawaiian Language Month)
 - Drafted and distributed Mahina ‘Ōlelo Hawai‘i campaign featuring 19 word-of-the-day social posts to educate the public about Hawaiian language and HTA’s perpetuation efforts.
- 2023 Legislative Session
 - Created Tourism Policy page (<https://www.hawaii tourism authority.org/what-we-do/tourism-policy/>) on HTA website to share HTA’s testimony and information on various bills.
 - Drafted and distributed legislative update e-blast encouraging the visitor industry and community to engage in the legislative process and pointed them to HTA’s testimony page. (February 24)
 - Monitored committee hearings and briefings pertaining to HTA and the visitor industry throughout the month.

Crisis/Issues Management

- Drafted social post to advise the public of contra flow traffic related to road damage on O‘ahu’s north shore. (February 7)

HTA’s Social Media

- Managed social media calendar, drafted, and scheduled posts on HTA’s Facebook, Instagram and Twitter accounts. Also monitored and responded to direct messages and post comments.

Paid Posts on Facebook and Instagram

- Post on Updated Ma‘ema‘e Toolkit. Flight dates from February 24 – March 2.
 - Total metric results will be provided in the March 2023 Report.

Facebook

- Number of followers: 20,727 (+11.2%)
- Engagement rate: 5.5%
- Number of engagements: 2,765 (+11%)
- Posts: 37

Instagram

- Number of followers: 8,269 (+27.3%)
- Engagement rate: 2.2%
- Number of engagements: 823 (-52.3%)
- Posts: 35

Twitter

- Number of followers: 42,160 (+7.1%)
- Engagement rate: 1.4%
- Number of engagements: 497 (-48.5%)
- Posts: 35

Linktree

- Views: 38
- Clicks: 29
- Clickthrough rate (CTR): 76.32%

Safety and Security

Visitor Assistance Program (VAP)

Contracts with the four county chapters were executed on December 24, 2022. Each is awaiting a Notice to Proceed before resuming their efforts.

V. BRAND MARKETING PILLAR

Major Market Area (MMA)

MMA RFP / Contract Status

- China MMA: 2023 January to June six month extension has been fully executed as of 12/28/22. HTA issued the Notice to Proceed on 2/3/23.
- Japan MMA: 2023 contract has been fully executed as of 1/11/23. HTA issued the Notice to Proceed on 2/22/23.
- Canada MMA: 2023 January to June six month extension has been fully executed as of 12/28/22. HTA issued the Notice to Proceed on 2/22/23.
- Korea MMA: 2023 January to June six month supplemental contract has been fully executed as of 12/30/22. HTA issued the Notice to Proceed on 2/22/23.
- Oceania MMA: A supplemental contract for 2023 is pending final approval and processing.
- US Market: The Request for Proposal was recently issued for the Hawaii Tourism Destination Brand Management & Marketing Services for the US Market. The contract will commence on June 1, 2023 and will end on December 31, 2025. The existing contract for this work will end on June 30, 2023 as approved by SPO.

Other Branding Projects

Pono Travel Education Program (DMAP Action Item)

Beginning April 18, 2022 airports across Hawaii began sharing Pono Travel Education messaging on static banners and digital screens to reach our traveling public passing through. Each location was strategically placed to reach the most people – both malihini and kama'aina - reminding us of our collective kuleana to Hawaii, the land, culture, and each other while here. Beginning in June there was an increase in messaging placements, including some QR code inclusions on new digital screens at Daniel K. Inouye International Airport, frequency to meet the uptick in travel during the Summer period, and inclusion of Ocean Safety video messages.

While our contract with In-Ter-Space Services at the Daniel K. Inouye International Airport ended at the end of October, HTUSA has continued Kuleana Travel messaging

through its contract, which began in December 2022 and will run through the end of March 2023. HTA's contract with Pacific Media Group is set to end at the end of June 2023. These contracts add to the ongoing statewide reinforcement of this messaging via optimal and timely touch points in their travel journey (in-room, on shuttles, social media, and mobile devices).

Spring Tourism Update 2023

We recently announced that the Spring Tourism Update will be held on April 12, 2023. Invitations and RSVPs are being sent out. The Request for Quotes for a service provider was sent out on March 10, 2023 and outreach has begun for keynote speakers, panel sessions, main topics for discussion, and speakers for general sessions.

Sports Programs

Sports RFPs

HTA is in the process of finalizing internal documents to issue Sports Program RFPs for Fiscal Year 2023.

Sports Initiatives

As part of our continuing efforts to reach potential target visitors in new and innovative ways, the Brand staff held multiple meetings relating to sports partnerships.

The first was with JMI Sports, the marketing and rights holder for the Ivy League and the Atlantic-10 Conference. Staff spoke with their Director of Sponsorship Sales regarding the leagues reach within their local DMA, primarily in the Northeast of the continental United States, as well as their expansive network of affluent alumni and fan bases.

Brand staff also met with the Vice President, Golf, of Excel Sports Management. ESM represents many players and properties including "The Match" broadcast on the Turner family of networks as well as local star Michelle Wie West. The conversation focused on the prospect of hosting "The Match" on-island in the future as well as Mrs. Wie West's interest in representing the Hawaiian Islands in both our domestic and Korean markets.

As part of HTA's Presenting Sponsorship of the Big West Men's and Women's basketball tournaments held in Las Vegas, Nevada, staff met with Big West representatives to confirm final details and deliverables for the events taking place in March. Finally, staff met with representatives of the LA Clippers, the World Surf League, and the LPGA to continue conversations about future partnership opportunities.

Brand Team Events/Meetings - (February)

Event Date	Event	HTA Attendee(s)	Non-HTA Attendee(s)
2/1	Industry Partners Group Meeting- Korea MMA	CBO, SBM	Industry Partners
2/1	Industry Partners Group Meeting- China MMA	CBO, SBM	Industry Partners
2/3	Industry Partners Group Meeting- Canada MMA	CBO, SBM	Industry Partners
2/3	Industry Partners Group Meeting- Oceania MMA	CBO, SBM	Industry Partners
2/6	TriggerXR Follow Up Meeting	CBO	Fabrizio Alliata, Kristin Glushon, Jason Yim
2/6	Expedia Follow Up Meeting	CBO	Jessica Johns, Erica Eyring
2/8	Airline Meeting Hawai'i	CBO	Jeffrey Eslinger
2/9	Agriculture Day at the Capitol	CEO, CBO, PAO, BM	Ag Day Participants
2/10	Quarter One Visitor Industry Leaders Meeting	CEO, CBO, CAO, PAO, Board Members White and Iona	David Willard, Jerry Gibson, John Monahan, Tom Mullen, Rick Egged
2/14	HHC TIM School Event Discussion	CBO, BM	Frank Haas, Lee-Ann Choy
2/16	Moloka'i A.2 Subject Matter Committee Discussion	CBO, PAO	Meagan DeGaia, Kilia Purdy-Avelino, Committee Members
2/17	HTA and HNN Podcast Proposal Discussion	CBO, PAO	Colleen Ching
2/24	HHVISA Safety and Security Luncheon	CBO	Various
2/28-3/1	Hawai'i Island Industry Sector Meetings	CBO	Various

VI. PLANNING DIVISION

Destination Management Action Plans (DMAPs)

Below is an update on activities undertaken by the planning section to support the implementation of the various DMAPs.

- The Planning team’s focus in the month of February was the finalization of the Request for Proposal for Support Services for Destination Stewardship (RFP No. 23-08) including finalizing the evaluation committee member list. A pre-proposal conference was held on February 21. There was around 40 people in attendance via zoom.
- The Director of Planning presented on HTA’s DMAPs at the International Symposium on Green Tourism 2023 on February 9, 2023.
- As part of Hawai’i Tourism Japan’s “Mālama in Action” segments on HINow, the Director of Planning was interviewed for one of the segments sharing about DMAPs and supporting local.
- Kauai DMAP
 - The Kaua’i Destination Manager and KVB efforts included the following:
 - In an effort to promote sustainability and eliminate the need to manually print information flyers, Kaua’i DMAP funding supported the Makauwahi Cave Reserve for permanent signage along the trail walk with the new signs to be installed by end of March 2023.
 - Conversations are ongoing to discuss opportunities to share DMAP messaging to kama’āina and arriving visitors at Līhu’e Airport. These messages will focus on Mālama Hawai’i/Mālama Kaua’i.
 - Through a collaboration with HNN Hi Now and Hawai’i Tourism Japan (HTJ), two additional HI Now segments feature Kaua’i’s community. Featured were Ke Kumu O Hihinui Cultural Center at the Grand Hyatt Kaua’i and the National Tropical Botanical Garden sharing on how to mālama our fragile native ecosystems. These segments are included in the series, “Rachel on the Road – Mālama in Action” and will be featured as part of the upcoming Merrie Monarch Festival in April.
 - Four events were selected to receive DMAP-funding through a Kaua’i Festivals and Events RFP. These contracts were for events taking place on Kaua’i and being held between February and April 2023. The intention was to support programs that share Hawaiian music, hula, craft-making/textiles and the cultural history of Kaua’i with visitors, as well as residents.
- Maui Nui DMAP
 - HTA, MVCB and Maui County met with the East Maui Advisory Group, comprised of 25 east Maui residents on February 8th, to learn more about their vision for management and to discuss an upcoming in-person huaka’i

to foster relationships with one another and to experience the pressures on each hotspot first-hand.

- The Maui Destination Manager and MVCB efforts included:
 - The Moloka‘i Advisory Group’s A.2 Subject Matter Committee finalized content for their brochure which will be designed and distributed to post-arrival visitors. The brochure will contain community-supported messaging as it relates to what to expect on Moloka‘i, cultural sensitivity and safety.
 - MVCB met with the Lāna‘i Advisory Group in-person on February 23 to provide updates and discuss next steps. The group recommended that promotion of Lāna‘i City, Lāna‘i Cat Sanctuary, Lāna‘i Adventure Park and Lāna‘i Cat Sanctuary continue. A subset of the group met again in February to identify Go Hawai‘i website revisions as it pertains to their island.
 - Continuing to grow and fulfill Reef Friendly Landscaping Pilot Program, Rise Above Plastics on Vacation program and mineral-only sunscreen initiatives. Continuing to resolve issues with Parks Department so volunteers can begin refilling sunscreen dispensers.
- Hawai‘i Island DMAP
 - The Hawai‘i Island Destination Manager and IHVB efforts included the following:
 - Issued a request for proposal for festival and events for events taking place from January through April 2023. The Community Enrichment Program RFP will be issued in Q2 2023. Three applications were received, evaluated and award letters were issued.
 - HTJ/HVCB DMAP Mālama Ku‘u Home HINow shoot, with host Rachel Pacarro took place on March 1, filming was planned and coordinated with HTA, ‘Āina Hooloa Initiatives and Hawai‘i Volcanoes National Park coordinators.
 - Attended HTA/HVCB members meeting in Hilo at the Grand Naniloa on Feb 28.
- O‘ahu DMAP
 - The planning team worked with the City & County of Honolulu’s Department of Parks & Recreation to hold a “talk story” session (February

1) with O'ahu's wedding operators. At the request of the Mayor and the Honolulu City Council, DPR is drafting a bill for a comprehensive island-wide regulation of commercial and non-commercial activities at City & County's beach parks. To balance the concerns of our residents, the needs of our businesses, and creating a positive experience for park users, DPR is in the process of gathering input in developing this legislation. HTA helped to facilitate the conversation. HTA's Brand team and OVB provided lists of operators to invite. The planning team also reached out to the Hawai'i Transportation Association to help spread the invite to their members.

- The O'ahu Destination Manager (ODM) and OVB efforts included:
 - ODM also supported city and county's Good Food Show initiative with the hospitality industry on Feb. 7 for the signing of the pledge and on Feb. 28 for the introduction call, helping to build connections with industry partners and local agricultural producers.
 - OVB met with NOAA to talk about updating messaging around Hawaiian Monk Seal's spring and summer birthing season.
 - GetAroundOahu website final edits and preparation for soft launch were actioned in the month of February and soft launched website on Feb. 22 (action I). ODM also met with Blue Planet Foundation, Sustainable Transportation Coalition of Hawai'i's (stchawaii.org) program manager in support of GetAroundOahu, STCH will also include a website link on their page once website is updated.
 - Ongoing discussions to be had for upcoming Bike Month in May and how we can support.
 - OVB met with GoCity to discuss compliance for vendors on their city pass, GoCity confirmed all vendors have proper city permits and insurance. On-going discussions to be held around city passes for O'ahu.

Program Evaluation

Staff continued to work with its contractor, SMS Research, to finalize its program evaluation measures and monitoring process. A database is being developed and the creation of a reporting mechanism for HTA's program. This addresses the Audit Report's recommendation to establish evaluation and performance criteria for inclusion in contracts.

EDA Travel, Tourism and Outdoor Recreation Non-Competitive Grant

HTA/DLNR removed one of the proposed projects that EDA deemed as a construction project. The revised Grant Administration Plan was approved by EDA on March 22, 2023.

VII. TOURISM RESEARCH

Pursuant to Act 88, the Tourism Research Division (TRD) was transferred to DBEDT's Research & Economic Analysis Division (READ) effective July 1, 2021 and was renamed the Tourism Research Branch (TRB).

TRB issued the January 2023 monthly visitor statistics on February 28, 2023, including monthly arrivals by country, category expenditures for major markets, and monthly visitor characteristics for each major market area. The press release was issued by DBEDT, distributed by HTA, and the files were posted on the Monthly Visitor Statistics page on HTA's and DBEDT's websites.

TRB posted updates to Seat Outlook data tables for March 2023 through May 2023 to the Infrastructure Research Section of the HTA website and the Air Seats Capacity Outlook page of the DBEDT website. This report also includes flight information and comparisons to 2019.

State, market, and island fact sheets were updated with the January 2023 data and were published on the Monthly Visitor Statistics page of the HTA website and the Island Highlights and Market Highlights pages on the DBEDT website.

TRB issued the January 2023 Hawai'i Hotel Performance Report on February 21, 2023. The report and related January 2023 data tables were posted to the Infrastructure Research page of the HTA website. The Hawai'i Hotel Performance Report is produced using hotel survey data compiled by STR, Inc., the largest survey of its kind in Hawai'i.

TRB issued the January 2023 Hawai'i Vacation Rental Performance Report on February 23, 2023. The report and related January 2023 data tables were posted to the Infrastructure Research page of the HTA website and the Vacation Rental Performance page of the DBEDT website. This report utilizes data compiled by Transparent Intelligence, Inc. for DBEDT.

TRB published the Quarter 4 2022 Visitor Satisfaction and Activity (VSAT) report and related infographics on February 24, 2023. HTA also issued a news release for this report. The VSAT is a survey of visitors to Hawai'i regarding their most recent trip to Hawai'i. VSAT is fielded on a year-round basis and reported quarterly and annually. This report is published on the Visitor Satisfaction and Activity page of the HTA website and on the Visitor Satisfaction & Activity Report page of the DBEDT website. The report was prepared for DBEDT by Anthology Marketing Group.

TRB started publishing the new weekly Future Bookings Report in February, which is an evolution of the Weekly Travel Agency Bookings Reports. These reports include both travel agency and direct air bookings data from ForwardKeys for the U.S., Japan, Canada, Korea, and Australia. These reports are posted on the Other Research page of the HTA website.

TRB started publishing the new Brand Health Trend report, which is an evolution of the Weekly Destination Index Trends Reports. These reports include consumer sentiment data from Vision Insights for U.S., Japan, Canada, Australia, and Korea. Trends are tracked for the State and each major island. These reports are posted on the Other Research page of the HTA website.

TRB continued to work with the State Attorney General's office to analyze visitor data related to the impacts of the national travel ban on inbound travel from seven affected countries.

Jennifer Chun attended the Travel and Tourism Research Association Marketing Outlook Forum, February 6-8, 2023 in Houston, Texas. The conference presented economic outlook trends, market insights, and tools for tourism and sectors. Jennifer is an officer for TTRA Hawai'i.

TRB continues to reply to requests for information from HTA's Global Marketing Team, industry, media, and the general public. Data requests completed include:

- Additional detailed visitor statistic data for UHERO and DBEDT/READ for their databases, and the monthly data requests.
- Research inquiries routed through DBEDT.

VIII. ARPA UPDATE

HTA was provided American Rescue Plan Act (ARPA) funds during the 2021 Legislative Session.

To date, we have submitted requests to B&F for the release of funds of approximately \$52.7 million. In January 2023 B&F has approved HTA's extension request to allow the encumbering and expenditure of the ARPA funds through December 31, 2023. Relating to the Convention Center's ARPA funding, \$11 million has been approved by B&F for release. Of the \$11M of ARPA funds that has been allotted, in FY 2022 it was used for staff's payroll and it will fund FY 2023 operations of the Convention Center.

Regarding HTA's FY 2023 funding, in February 2023 B&F has approved HTA's \$35 ARPA subaward. Since then, HTA has begun encumbering contracts in support of our programs.

IX. ADMINISTRATIVE

Contracts List: Pursuant to Hawai'i Revised Statutes §201B-7 (9), please note that there one contract executed during the month of February 2023.

Contract No.	Contractor	Description	Contract Amount	Total Contract Value	Start Date	End Date
23006	Bishop & Company	Recruitment Agency for HTA Procurement Manager	\$15,000.00	\$15,000.00	2/27/2023	5/31/2023

* Sole Source

† Procurement Exemption

X. APPENDICES

7

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

7.1

January Market Insights

Market Insights – January 2023

The HTA Monthly Market Insights reports on the most recent key performance indicators that the Hawai'i Tourism Authority (HTA) uses to measure success. The following measures provide indicators of the overall health of Hawai'i's visitor industry and help to gauge if the HTA is successfully attaining its goals.

Report on Economic Impact

For January 2023, Hawai'i's tourism economy experienced:

- Total visitor spending: \$1.89 billion, compared to \$1.40 billion (+35.5%) in January 2022, and \$1.62 billion (+17.2%) in January 2019, prior to the COVID-19 pandemic.
- Visitor arrivals: 791,781 visitors, compared to 574,183 visitors (+37.9%) in January 2022, and 817,600 visitors (-3.2%) in January 2019.
- Statewide average daily census¹: 259,514 visitors in January 2023, compared to 202,071 visitors (+28.4%) in January 2022 and 262,235 visitors (-1.0%) in January 2019.
- Air service: 5,335 trans-Pacific flights with 1,182,832 seats, compared to 4,943 flights (+7.9%) with 1,036,920 seats (+4.1%) in January 2022, and 5,158 flights (+3.4%) with 1,134,182 seats (+4.3%) in January 2019.
- For FY2023 Through January 2023, the state collected \$509.5 million in TAT, compared to \$412.4 million (+23.5%) collected in FY 2022 through January 2022, and \$341.5 million (+49.2%) collected in FY 2019 through January 2019 (Preliminary data from Dept of Taxation).

Table 1: Overall Key Performance Indicators – Total (Air + Cruise) – Jan. 2023 vs. Jan. 2022

		YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👆	35.5%	1,398.1	1,894.7	18,997.5
Daily Spend (\$PPPD)	👉	5.5%	223.2	235.5	223.2
Visitor Days	👆	28.4%	6,264,201	8,044,944	85,108,883
Arrivals	👆	37.9%	574,183	791,781	9,113,305
Daily Census	👆	28.4%	202,071	259,514	233,175
Airlift (scheduled seats) [^]	👆	14.0%	1,034,876	1,179,952	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diiio Mi flight schedules as of December 22, 2022, subject to change.

Table 2: Overall Key Performance Indicators – Total (Air + Cruise) – Jan. 2023 vs. Jan. 2019

		YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👆	17.2%	1,617.0	1,894.7	18,997.5
Daily Spend (\$PPPD)	👆	18.4%	198.9	235.5	223.2
Visitor Days	👉	-1.0%	8,129,294	8,044,944	85,108,883
Arrivals	👉	-3.2%	817,600	791,781	9,113,305
Daily Census	👉	-1.0%	262,235	259,514	233,175
Airlift (scheduled seats) [^]	👉	4.6%	1,128,387	1,179,952	N/A

*DBEDT 2022 annual forecast (Quarter 3, 2022). Scheduled seats forecast from Diiio Mi flight schedules as of December 22, 2022, subject to change.

¹ Average daily census measures the number of visitors present on any given day.

Figure 1: Monthly Visitor Expenditures (\$mil) – Jan. 2023 vs. Jan. 2022

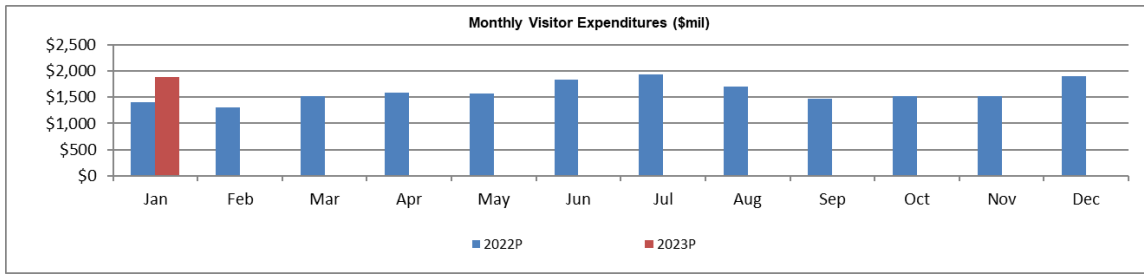
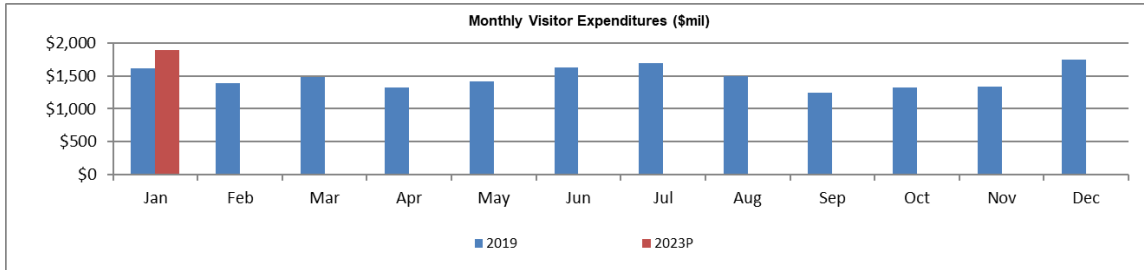


Figure 2: Monthly Visitor Expenditures (\$mil) – Jan. 2023 vs. Jan. 2019



Major Market Areas (MMAs)

USA

Table 3: Key Performance Indicators - U.S. Total (Jan. 2023 vs. Jan. 2022)

	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	↑ 15.3%	1,234.9	1,423.3	16,236.3
Daily Spend (\$PPPD)	↔ 2.5%	229.3	235.0	227.9
Visitor Days	↑ 12.5%	5,385,613	6,056,391	71,234,186
Arrivals	↑ 16.9%	510,460	596,637	7,850,503
Daily Census	↑ 12.5%	173,729	195,367	195,162
Airlift (scheduled seats) ^	↔ 3.2%	922,585	952,082	11,116,554

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 4: Key Performance Indicators - U.S. Total (Jan. 2023 vs. Jan. 2019)

	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	↑ 39.6%	1,019.6	1,423.3	16,236.3
Daily Spend (\$PPPD)	↑ 20.6%	194.8	235.0	227.9
Visitor Days	↑ 15.7%	5,233,816	6,056,391	71,234,186
Arrivals	↑ 18.6%	502,908	596,637	7,850,503
Daily Census	↑ 15.7%	168,833	195,367	195,162
Airlift (scheduled seats) ^	↑ 24.7%	763,632	952,082	11,116,554

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change

- Real gross domestic product (GDP) price index increased at an annual rate of +2.9 percent in the fourth quarter of 2022, after increasing +3.2 percent in the third quarter. The increase in the fourth quarter primarily reflected increases in inventory investment and consumer spending that were partly offset by a decrease in housing investment.
- The Conference Board Consumer Confidence Index decreased in January 2023, following an upwardly revised increase in December 2022. The Index now stands at 107.1 (1985=100), down from 109.0 in December. The Present Situation Index based on consumers' assessment of current business and labor market conditions increased to 105.9 from 147.4 last month. The Expectations Index, based on consumers' short-term outlook for income, business and labor market conditions fell to 77.8 from 83.4, partially reversing its December gain.

- Despite Hawai'i's high hotel prices, bookings continue to come in. Hawai'i is still in the top three markets, but Mexico, Caribbean, Europe, and cruising have seen the highest increases in booking activity.
- According to the latest U.S. Travel Association Monthly Update, despite slowing inflation and a strong labor market, the U.S. economy is still expected to decelerate in 2023. A mild recession is likely beginning in Quarter 2 2023 as a result of the Federal Reserve's aggressive policy tightening and deteriorating financial market conditions. Longwoods reports travelers continue to seek work-life balance as important and feel a need to set boundaries during "bleisure" trips, despite a five point drop since last summer in those who strongly agree they are less likely to work during their next leisure trip and those likely to include leisure activities on business trips.

US WEST

Table 5: Key Performance Indicators - U.S. West (Jan. 2023 vs. Jan. 2022)

		YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👆	14.0%	705.6	804.4	9,946.1
Daily Spend (\$PPPD)	👉	0.3%	220.9	221.7	216.5
Visitor Days	👆	13.6%	3,193,796	3,628,984	45,934,614
Arrivals	👆	17.4%	326,496	383,351	5,312,878
Daily Census	👆	13.6%	103,026	117,064	125,848
Airlift (scheduled seats) ^	👉	-0.1%	813,519	813,069	9,849,899

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 6: Key Performance Indicators - U.S. West (Jan. 2023 vs. Jan. 2019)

		YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👆	44.5%	556.7	804.4	9,946.1
Daily Spend (\$PPPD)	👆	23.2%	180.0	221.7	216.5
Visitor Days	👆	17.3%	3,092,709	3,628,984	45,934,614
Arrivals	👆	20.7%	317,655	383,351	5,312,878
Daily Census	👆	17.3%	99,765	117,064	125,848
Airlift (scheduled seats) ^	👆	21.7%	668,288	813,069	9,849,899

**DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

- In January 2023, 383,351 visitors arrived from the U.S. West, compared to 326,496 (+17.4%) in January 2022, and 317,655 visitors (+20.7%) in January 2019. U.S. West visitors spent \$804.4 million in January 2023, compared to \$705.6 million (+14.0%) in January 2022 and \$556.7 million (+44.5%) in January 2019. Daily spending by U.S. West visitors in January 2023 (\$222 per person) was similar to January 2022 (\$221 per person, +0.3%), but was much higher than January 2019 (\$180 per person, +23.2%).

US EAST

Table 7: Key Performance Indicators - U.S. East (Jan. 2023 vs. Jan. 2022)

		YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👆	16.9%	529.4	618.9	6,290.2
Daily Spend (\$PPPD)	👉	5.6%	241.5	255.0	248.6
Visitor Days	👆	10.7%	2,191,818	2,427,407	25,299,572
Arrivals	👆	15.9%	183,964	213,286	2,537,626
Daily Census	👆	10.7%	70,704	78,303	69,314
Airlift (scheduled seats) ^	👆	27.5%	109,066	139,013	1,266,655

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 8: Key Performance Indicators - U.S. East (Jan. 2023 vs. Jan. 2019)

		YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	↑	33.7%	462.9	618.9	6,290.2
Daily Spend (\$PPPD)	↑	17.9%	216.2	255.0	248.6
Visitor Days	↑	13.4%	2,141,107	2,427,407	25,299,572
Arrivals	↑	15.1%	185,253	213,286	2,537,626
Daily Census	↑	13.4%	69,068	78,303	69,314
Airlift (scheduled seats) [^]	↑	45.8%	95,344	139,013	1,266,655

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

- There were 213,286 visitors from the U.S. East in January 2023, compared to 183,964 visitors (+15.9%) in January 2022 and 185,253 visitors (+15.1%) in January 2019. U.S. East visitors spent \$618.9 million in January 2023, compared to \$529.4 million (+16.9%) in January 2022 and \$462.9 million (+33.7%) in January 2019. Daily spending by U.S. East visitors in January 2023 (\$255 per person) increased in comparison to January 2022 (\$242 per person, +5.6%) and January 2019 (\$216 per person, +17.9%).

JAPAN

Table 9: Key Performance Indicators – Japan (Jan. 2023 vs. Jan. 2022)

		YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	↑	401.1%	11.6	58.1	468.1
Daily Spend (\$PPPD)	↔	9.7%	216.3	237.1	231.2
Visitor Days	↑	357.0%	53,641	245,127	2,024,134
Arrivals	↑	1033.6%	2,850	32,305	209,890
Daily Census	↑	357.0%	1,730	7,907	5,546
Airlift (scheduled seats) [^]	↑	377.2%	16,033	76,511	481,092

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 10: Key Performance Indicators – Japan (Jan. 2023 vs. Jan. 2019)

		YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	↓	-66.5%	173.4	58.1	468.1
Daily Spend (\$PPPD)	↔	-1.0%	239.7	237.1	231.2
Visitor Days	↓	-66.1%	723,353	245,127	2,024,134
Arrivals	↓	-73.2%	120,418	32,305	209,890
Daily Census	↓	-66.1%	23,334	7,907	5,546
Airlift (scheduled seats) [^]	↓	-56.1%	174,100	76,511	481,092

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

- There were 32,305 visitors from Japan in January 2023, compared to 2,850 visitors (+1,033.6%) in January 2022 and 120,418 visitors (-73.2%) in January 2019. Visitors from Japan spent \$58.1 million in January 2023, compared to \$11.6 million (+401.1%) in January 2022 and \$173.4 million (-66.5%) in January 2019. Daily spending by Japanese visitors in January 2023 (\$237 per person) increased compared to January 2022 (\$216 per person, +9.7%), but was slightly lower than January 2019 (\$240 per person, -1.0%).
- Japan's GDP growth is projected to be 1.5 percent in Fiscal Year (FY) 2022 and 0.8 percent in FY2023. Personal consumption on a GDP basis is expected to increase by 2.5 percent year-on-year in FY2022 and 1.1 percent year-on-year in FY2023, showing moderate growth centered on travel and services. Movements are picking up from within Japan, such as net spending on travel recovering to pre-COVID levels.
- In mid-January 2023, the yen exchange rate rose to the 127-yen level for the first time in about seven months and has since remained at the low 130 yen level. Interest rates are expected to rise following the change of the governor of the Bank of Japan in April 2023, and expectations are rising that the yen will appreciate in the future.

- In 2022, 2,771,700 Japanese visited abroad (recovery of 13.8% compared to 2019). In December 2022, 432,100 people traveled abroad during the year-end and New Year holidays, the highest number for the year. The annual number of passengers at Narita Airport increased by 2.9 times, 10 million more than 2021.
- The Japanese government will downgrade the legal classification of COVID-19 from the current Class II to Class V under the Infectious Diseases Control Law, same class as seasonal flu, effective May 8, 2023.
- 80.3 percent of Japan's population are fully vaccinated, and 68.3 percent are vaccinated at least three times.

CANADA

Table 11: Key Performance Indicators – Canada (Jan. 2023 vs. Jan. 2022)

		YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👆	122.2%	69.5	154.4	876.2
Daily Spend (\$PPPD)	👆	15.3%	178.5	205.9	182.4
Visitor Days	👆	92.6%	389,407	750,117	4,802,897
Arrivals	👆	139.9%	23,551	56,501	379,885
Daily Census	👆	92.6%	12,562	24,197	13,159
Airlift (scheduled seats) ^	👆	10.9%	60,041	66,556	487,215

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 12: Key Performance Indicators – Canada (Jan. 2023 vs. Jan. 2019)

		YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👇	-6.7%	165.4	154.4	876.2
Daily Spend (\$PPPD)	👆	23.3%	167.0	205.9	182.4
Visitor Days	👇	-24.3%	990,828	750,117	4,802,897
Arrivals	👇	-18.9%	69,687	56,501	379,885
Daily Census	👇	-24.3%	31,962	24,197	13,159
Airlift (scheduled seats) ^	👇	-7.6%	72,049	66,556	487,215

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

- In January 2023, 56,501 visitors arrived from Canada, compared to 23,551 visitors (+139.9%) in January 2022 and 69,687 visitors (-18.9%) in January 2019. Visitors from Canada spent \$154.4 million in January 2023, compared to \$69.5 million (+122.2%) in January 2022 and \$165.4 million (-6.7%) in January 2019. Daily spending by Canadian visitors in January 2023 (\$206 per person) increased significantly, compared to January 2022 (\$178 per person, +15.3%) and January 2019 (\$167 per person, +23.3%).
- The national inflation rate fell to 6.3 percent in December 2022 and will continue to fall as interest rate hikes work their way through the economy.
- The index of consumer confidence increased to 74.1 points in January 2023, the highest level in four months.
- Canada's low unemployment (5%) rate bodes well for future incomes, and savings accumulated during the pandemic will continue to offer some cushion against rising debt costs.
- The Canadian dollar recently rose to its highest level in over two months against the U.S. dollar. The loonie averaged US \$0.772 during the Jan – Nov 2022 period, compared to US \$0.753 in 2019.
- More than 19.4 million Canadians returned home from an overnight trip to the U.S. and other destinations throughout January-November 2022. This was five times the volume recorded in 2021, and represents 64 percent of activity during the same period in 2019.
- Destinations in Europe and the UK saw more than 4.2 million Canadian arrivals throughout Jan- Nov 2022; 70 percent of the volume recorded in 2019.

OCEANIA

Table 13: Key Performance Indicators – Oceania (Jan. 2023 vs. Jan. 2022)

		YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👆	423.4%	13.0	68.1	409.2
Daily Spend (\$PPPD)	👉	8.1%	270.2	292.2	277.9
Visitor Days	👆	384.0%	48,132	232,937	1,472,261
Arrivals	👆	496.7%	4,446	26,530	150,711
Daily Census	👆	384.0%	1,553	7,514	4,034
Airlift (scheduled seats) ^	👆	188.7%	11,165	32,232	244,830

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 14: Key Performance Indicators – Oceania (Jan. 2023 vs. Jan. 2019)

		YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👇	-12.1%	77.4	68.1	409.2
Daily Spend (\$PPPD)	👆	10.1%	265.3	292.2	277.9
Visitor Days	👇	-20.2%	291,754	232,937	1,472,261
Arrivals	👇	-15.3%	31,308	26,530	150,711
Daily Census	👇	-20.2%	9,411	7,514	4,034
Airlift (scheduled seats) ^	👇	-27.8%	44,633	32,232	244,830

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

- As 2023 begins, experts predict that inflation is likely to peak soon as rising interest rates dampen domestic demand and fuel prices moderate.
- The tight labour market and higher wage growth likely will keep inflation above 4 percent through 2023 in Australia.
- Unemployment remains low in Australia and New Zealand at 3.5 percent and 3.4 percent respectively.
- Labor shortages in Australia has caused the government to add more professions to the skills list, to allow more people to work in Australia.
- Currency exchange rates are currently sitting at 69 cents (AUD) and 63 cents (NZD) to one USD.

OTHER ASIA

Table 15: Key Performance Indicators – Other Asia (Jan. 2023 vs. Jan. 2022)

		YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👆	334.3%	12.7	55.0	N/A
Daily Spend (\$PPPD)	👆	12.9%	277.6	313.4	N/A
Visitor Days	👆	284.7%	45,635	175,554	N/A
Arrivals	👆	466.6%	3,340	18,924	N/A
Daily Census	👆	284.7%	1,472	5,663	N/A
Airlift (scheduled seats) ^	👆	142.8%	11,071	26,879	217,245

*DBEDT 2022 annual forecast (Quarter 3, 2022) N/A=Not available. Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 16: Key Performance Indicators – Other Asia (Jan. 2023 vs. Jan. 2019)

		YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👇	-44.2%	98.6	55.0	N/A
Daily Spend (\$PPPD)	👆	14.8%	273.1	313.4	N/A
Visitor Days	👇	-51.4%	361,094	175,554	N/A
Arrivals	👇	-54.5%	41,595	18,924	N/A
Daily Census	👇	-51.4%	11,648	5,663	N/A
Airlift (scheduled seats) ^	👇	-43.2%	47,299	26,879	217,245

*DBEDT 2022 annual forecast (Quarter 3, 2022) N/A=Not available. Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

KOREA

Table 17: Key Performance Indicators – Korea (Jan. 2023 vs. Jan. 2022)

		YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👆	407.2%	9.8	49.8	252.0
Daily Spend (\$PPPD)	👉	5.2%	292.9	308.1	288.7
Visitor Days	👆	382.2%	33,507	161,556	872,630
Arrivals	👆	710.9%	2,126	17,243	94,014
Daily Census	👆	382.2%	1,081	5,211	2,391
Airlift (scheduled seats) ^	👆	142.8%	11,071	26,879	217,245

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

Table 18: Key Performance Indicators – Korea (Jan. 2023 vs. Jan. 2019)

		YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👇	-17.2%	60.1	49.8	252.0
Daily Spend (\$PPPD)	👆	20.2%	256.2	308.1	288.7
Visitor Days	👇	-31.2%	234,680	161,556	872,630
Arrivals	👇	-38.2%	27,907	17,243	94,014
Daily Census	👇	-31.2%	7,570	5,211	2,391
Airlift (scheduled seats) ^	👇	-20.0%	33,610	26,879	217,245

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). Scheduled seats forecast from Diio Mi flight schedules as of December 22, 2022, subject to change.

- In January 2023, the South Korean currency exchange rate was 1,247.45(KRW/USD). The previous month was 1,269.05(KRW/USD).
- Korea's exports fell 16.6 percent from a year earlier to \$46.27 billion in January 2023.
- Korea recorded 87.53 percent vaccination rate and 65.72 percent booster rate as of January 31, 2023.
- Premium products are growing their presence in outbound package tour market in Korea compared to the past when low-price competition was prevalent in package product market. According to Hana Tour, the polarization of travel has become prominent after the COVID-19, and demand for premium products is recovering comparatively quickly. Demand for business class as well as 4 star and above hotel have increased. Also, preference for luxury cabins in cruise products has also increased. Following the trend, travel agencies are in the stage of steadily strengthening their premium brands. For instance, Hana Tour plans to focus on differentiation by promoting 'Zeus' and Hanjin Tourism is focusing on 'KALPAK.'

CHINA

Table 19: Key Performance Indicators – China (Jan. 2023 vs. Jan. 2022)

		YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	👆	93.4%	2.0	3.9	N/A
Daily Spend (\$PPPD)	👆	33.2%	303.9	404.7	N/A
Visitor Days	👆	45.3%	6,625	9,623	N/A
Arrivals	👆	47.5%	789	1,164	N/A
Daily Census	👆	45.3%	214	310	N/A
Airlift (scheduled seats) ^		N/A	N/A	N/A	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022) N/A=Not available.

Table 20: Key Performance Indicators – China (Jan. 2023 vs. Jan. 2019)

	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	-87.1%	30.3	3.9	N/A
Daily Spend (\$PPPD)	32.3%	305.9	404.7	N/A
Visitor Days	-90.3%	98,928	9,623	N/A
Arrivals	-89.4%	10,944	1,164	N/A
Daily Census	-90.3%	3,191	310	N/A
Airlift (scheduled seats) ^	N/A	N/A	N/A	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). N/A=Not available

- January 2023 month-end (ME) rate for Chinese Yuan (CNY) vs. USD was 6.76, vs. December 2022 ME rate of 6.97.
- China's 4th Quarter 2022 GDP stood at 33.55 trillion CNY (+2.9% vs. 4Q2021). China's 2022 GDP reached 121.02 trillion yuan (+3.0% vs last year), per National Bureau of Statistics (NBS).
- In January 2023, the Purchasing Manager Index (PMI) of China's manufacturing industry was 50.1 percent, an increase of 310 basis points 47.0 percent.
- In January 2023, China's inflation rate was 2.1 percent year on year (vs. 1.8% in December 2022).
- China announced its reopening from January 8, 2023, effectively removing all China travel restrictions for international travelers.
- Shanghai China Youth Travel Service (CYTS), one of China's top travel agencies, has been selling the mono-Hawai'i "ANA Flying HONU" package by Nippon Airway (ANA) from Beijing to Honolulu via Narita, from Chinese Lunar New Year, January 22 to March 31. The flight is scheduled to depart two times per week (Monday and Thursday) from Beijing Capital Airport (PEK).

EUROPE

Table 21: Key Performance Indicators – Europe (Jan. 2023 vs. Jan. 2022)

	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	65.4%	11.2	18.6	185.4
Daily Spend (\$PPPD)	38.8%	167.0	231.9	156.2
Visitor Days	19.1%	67,354	80,238	1,186,896
Arrivals	42.6%	3,547	5,059	84,710
Daily Census	19.1%	2,173	2,588	3,252
Airlift (scheduled seats) ^	N/A	N/A	N/A	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022).

Table 22: Key Performance Indicators – Europe (Jan. 2023 vs. Jan. 2019)

	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	-3.5%	19.3	18.6	185.4
Daily Spend (\$PPPD)	42.5%	162.7	231.9	156.2
Visitor Days	-32.3%	118,507	80,238	1,186,896
Arrivals	-36.9%	8,022	5,059	84,710
Daily Census	-32.3%	3,823	2,588	3,252
Airlift (scheduled seats) ^	N/A	N/A	N/A	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022).

LATIN AMERICA

Table 23: Key Performance Indicators – Latin America (Jan. 2023 vs. Jan. 2022)

	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	69.5%	5.2	8.8	N/A
Daily Spend (\$PPPD)	19.6%	270.4	323.6	N/A
Visitor Days	41.7%	19,274	27,310	N/A
Arrivals	52.3%	1,335	2,034	N/A
Daily Census	41.7%	622	881	N/A
Airlift (scheduled seats) [^]	N/A	N/A	N/A	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). N/A=Not available.

Table 24: Key Performance Indicators – Latin America (Jan. 2023 vs. Jan. 2019)

	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*
Visitor Spending (\$mil)	10.9%	8.0	8.8	N/A
Daily Spend (\$PPPD)	22.8%	263.4	323.6	N/A
Visitor Days	-9.7%	30,243	27,310	N/A
Arrivals	-19.5%	2,525	2,034	N/A
Daily Census	-9.7%	976	881	N/A
Airlift (scheduled seats) [^]	N/A	N/A	N/A	N/A

*DBEDT 2022 annual forecast (as of Quarter 3, 2022). N/A=Not available.

ISLAND VISITATION:

- O'ahu:** There were 435,833 visitors to O'ahu in January 2023, compared to 277,228 visitors (+57.2%) in January 2022 and 488,441 visitors (-10.8%) in January 2019. Visitor spending was \$751.2 million in January 2023, compared to \$566.7 million (+32.5%) in January 2022 and \$700.2 million (+7.3%) in January 2019. The average daily census on O'ahu was 112,552 visitors in January 2023, compared to 78,394 visitors (+43.6%) in January 2022 and 116,417 visitors (-3.3%) in January 2019.
- Maui:** There were 228,743 visitors to Maui in January 2023, compared to 183,278 visitors (+24.8%) in January 2022 and 233,422 visitors (-2.0%) in January 2019. Visitor spending was \$625.2 million in January 2023, compared to \$424.5 million in January 2022 (+47.3%) and \$474.2 million (+31.8%) in January 2019. The average daily census on Maui was 67,892 visitors in January 2023, compared to 57,743 visitors (+17.6%) in January 2022 and 69,854 visitors (-2.8%) in January 2019.
- Hawai'i Island:** There were 148,376 visitors to Hawai'i Island in January 2023, compared to 110,697 visitors (+34.0%) in January 2022 and 147,402 visitors (+0.7%) in January 2019. Visitor spending was \$260.1 million in January 2023, compared to \$235.6 million (+10.4%) in January 2022 and \$253.3 million (+2.7%) in January 2019. The average daily census on Hawai'i Island was 45,404 visitors in January 2023, compared to 37,823 visitors (+20.0%) in January 2022 and 42,548 visitors (+6.7%) in January 2019.
- Kaua'i** There were 106,980 visitors to Kaua'i in January 2023, compared to 84,828 visitors (+26.1%) in January 2022 and 106,142 visitors (+0.8%) in January 2019. Visitor spending was \$234.6 million in January 2023, compared to \$161.1 million in January 2022 (+45.6%) and \$176.5 million (+32.9%) in January 2019. The average daily census on Kaua'i was 29,372 visitors in January 2023, compared to 25,554 visitors (+14.9%) in January 2022 and 29,784 visitors (-1.4%) in January 2019.

7.2

January 2023 Dashboard

Visitor Industry Performance Measures

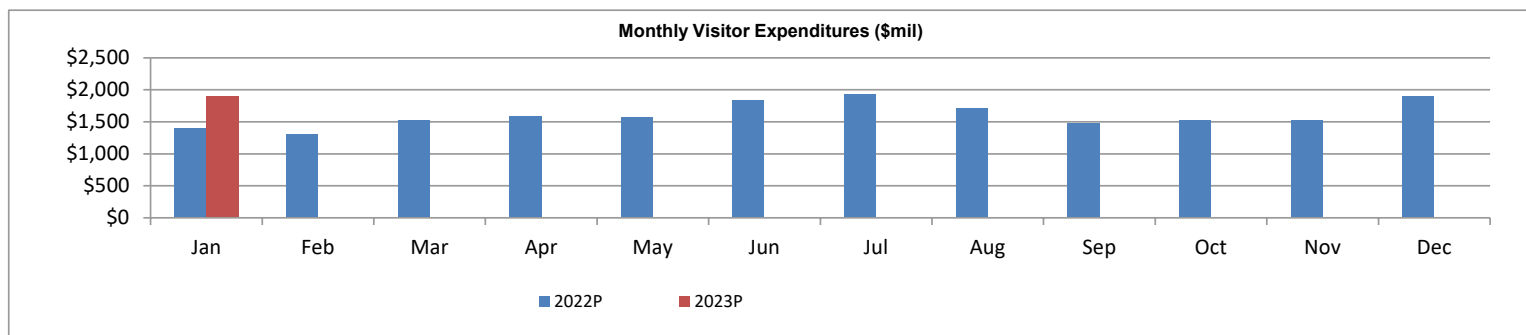
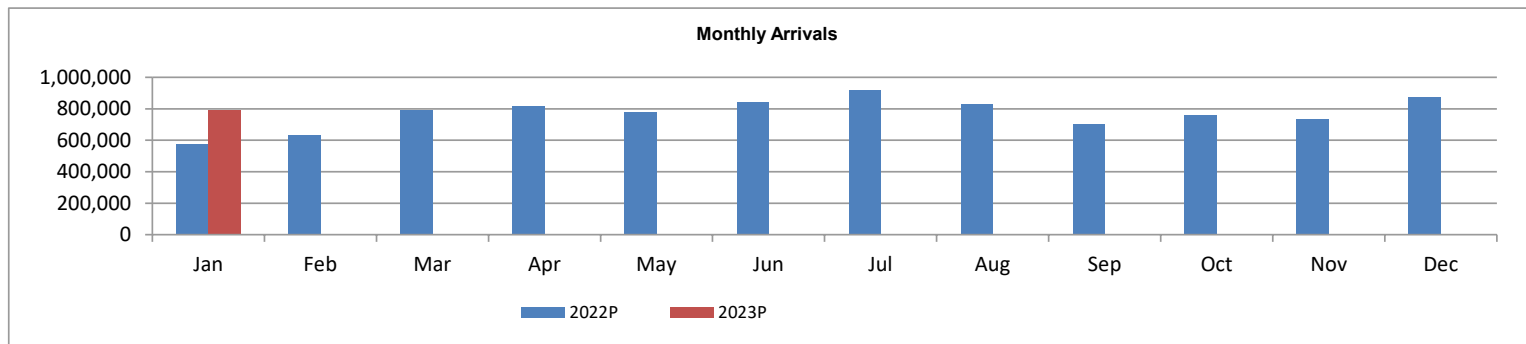
Market: **OVERALL**

Key Performance Indicators

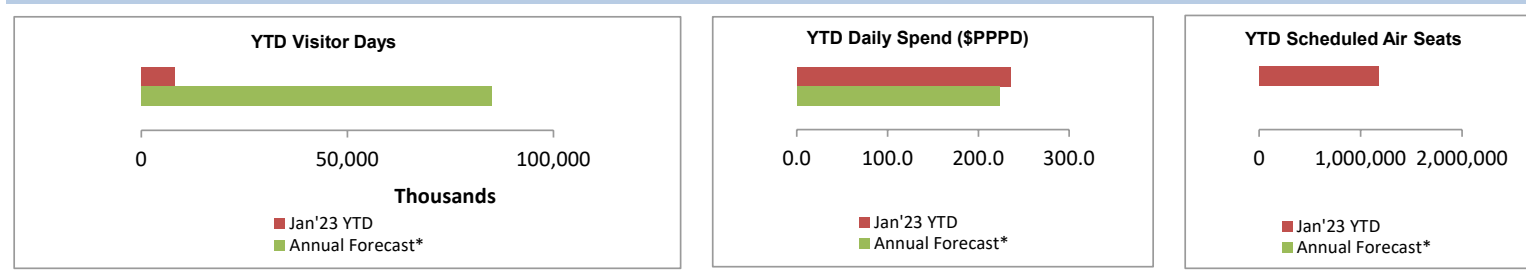
	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 35.5%	1,398.1	1,894.7	18,997.5	O'ahu	57.2%	435,833
Daily Spend (\$PPPD)	↔ 5.5%	223.2	235.5	223.2	Mauī	24.8%	228,743
Visitor Days	↑ 28.4%	6,264,201	8,044,944	85,108,883	Moloka'i	50.2%	4,334
Arrivals	↑ 37.9%	574,183	791,781	9,113,305	Lāna'i	41.6%	5,482
Daily Census	↑ 28.4%	202,071	259,514	233,175	Kaua'i	26.1%	106,980
Airlift (scheduled seats) [^]	↑ 14.0%	1,034,876	1,179,952	N/A	Hawai'i Island	34.0%	148,376

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

Visitor Industry Performance Measures

Market: **U.S. TOTAL**

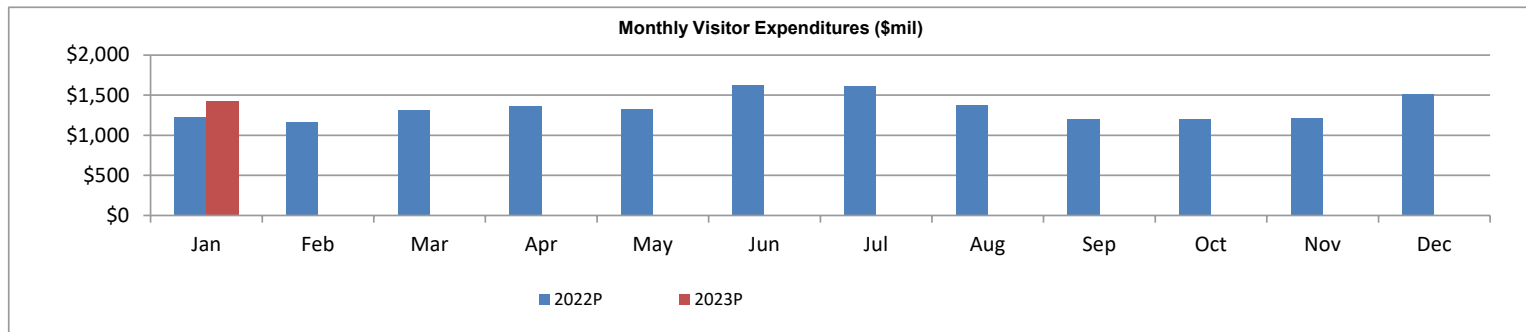
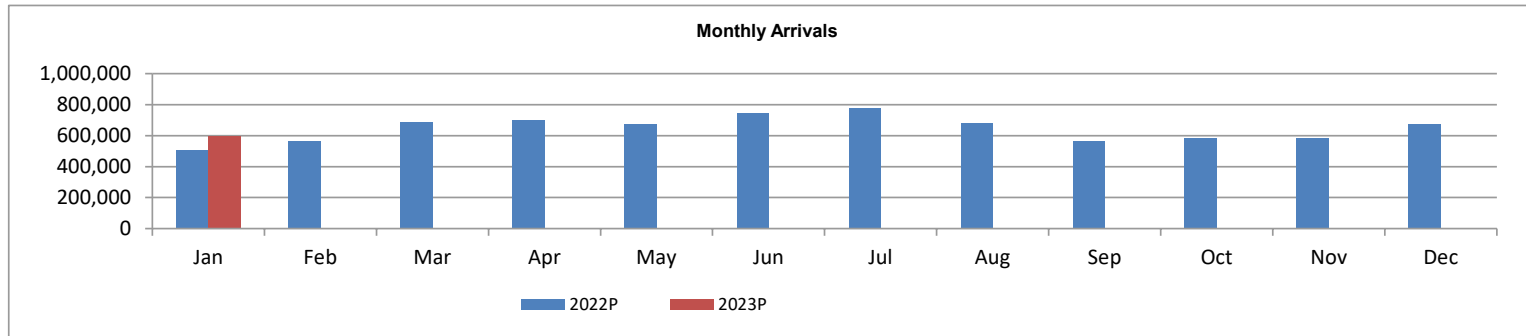
Key Performance Indicators

		YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑	15.3%	1,234.9	1,423.3	16,236.3	O'ahu	22.6%	297,597
Daily Spend (\$PPPD)	↔	2.5%	229.3	235.0	227.9	Mauī	14.9%	189,751
Visitor Days	↑	12.5%	5,385,613	6,056,391	71,234,186	Moloka'i	49.0%	3,616
Arrivals	↑	16.9%	510,460	596,637	7,850,503	Lāna'i	28.3%	4,462
Daily Census	↑	12.5%	173,729	195,367	195,162	Kaua'i	20.8%	93,031
Airlift (scheduled seats) [^]	↔	3.2%	922,585	952,082	11,116,554	Hawai'i Island	21.0%	122,117

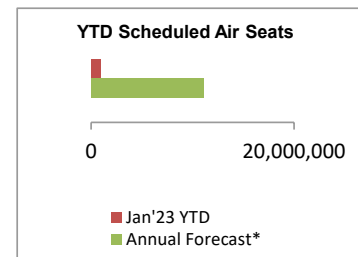
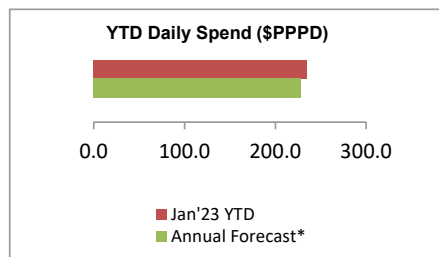
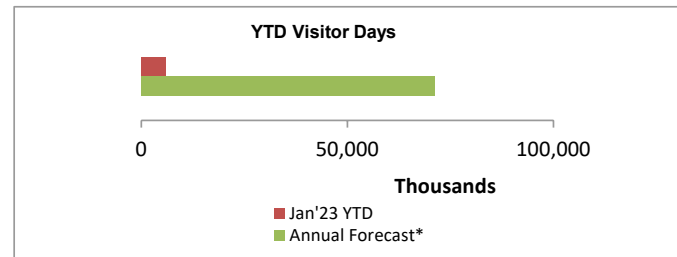
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

Visitor Industry Performance Measures

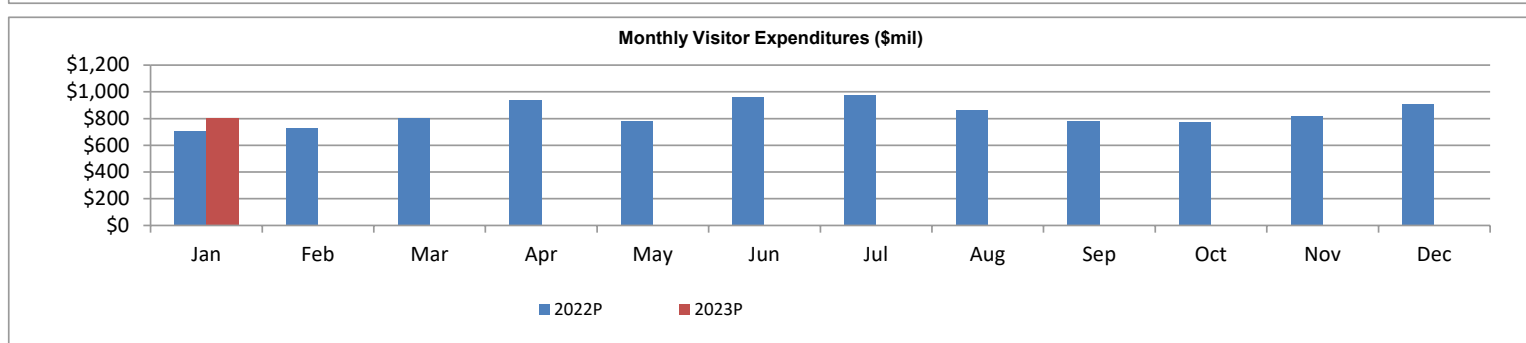
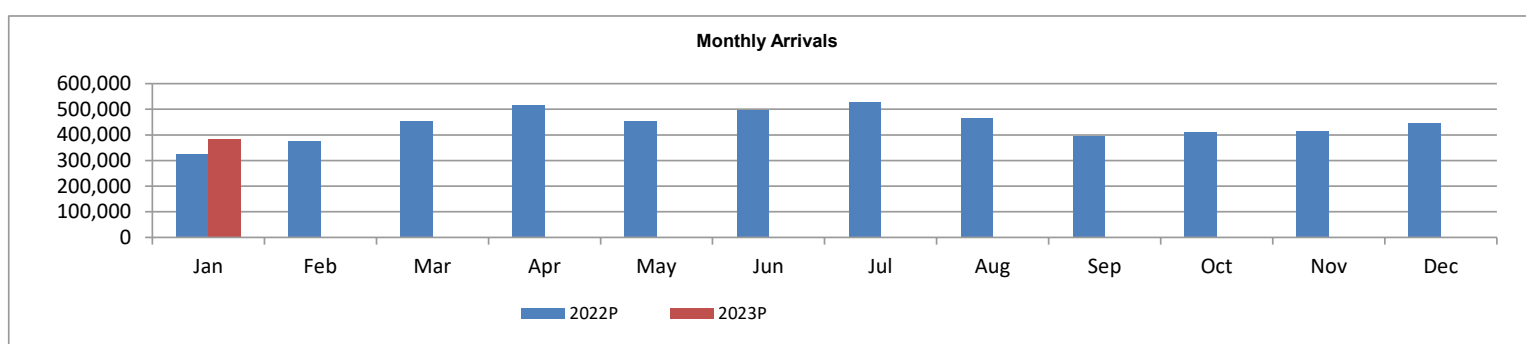
Market: **U.S. WEST**

Key Performance Indicators

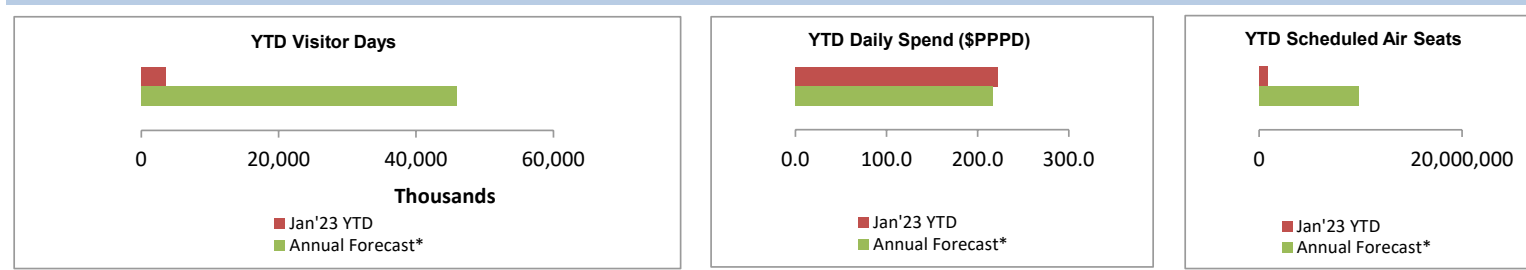
	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 14.0%	705.6	804.4	9,946.1	O'ahu	22.6%	181,078
Daily Spend (\$PPPD)	↔ 0.3%	220.9	221.7	216.5	Mauī	13.9%	113,970
Visitor Days	↑ 13.6%	3,193,796	3,628,984	45,934,614	Moloka'i	38.1%	2,115
Arrivals	↑ 17.4%	326,496	383,351	5,312,878	Lāna'i	32.0%	2,440
Daily Census	↑ 13.6%	103,026	117,064	125,848	Kaua'i	17.8%	56,146
Airlift (scheduled seats) [^]	↔ -0.1%	813,519	813,069	9,849,899	Hawai'i Island	20.1%	74,418

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

Visitor Industry Performance Measures

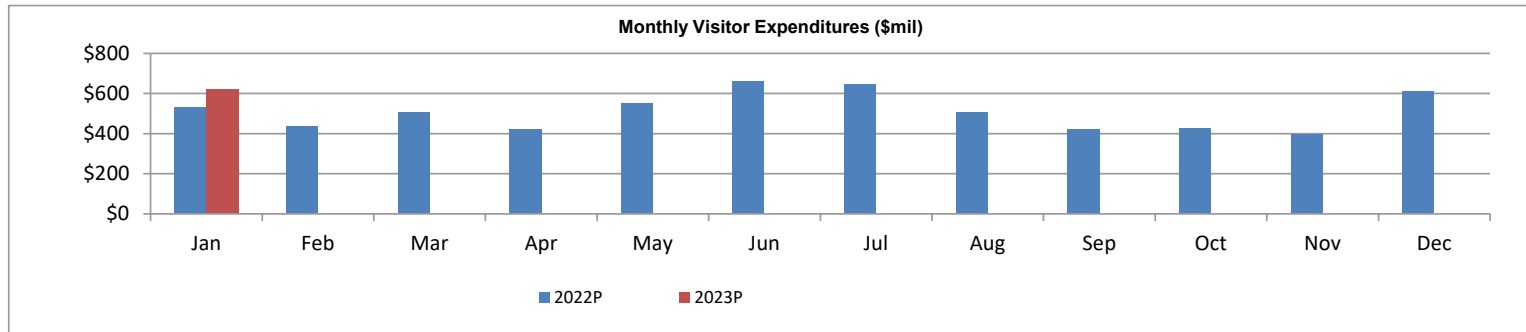
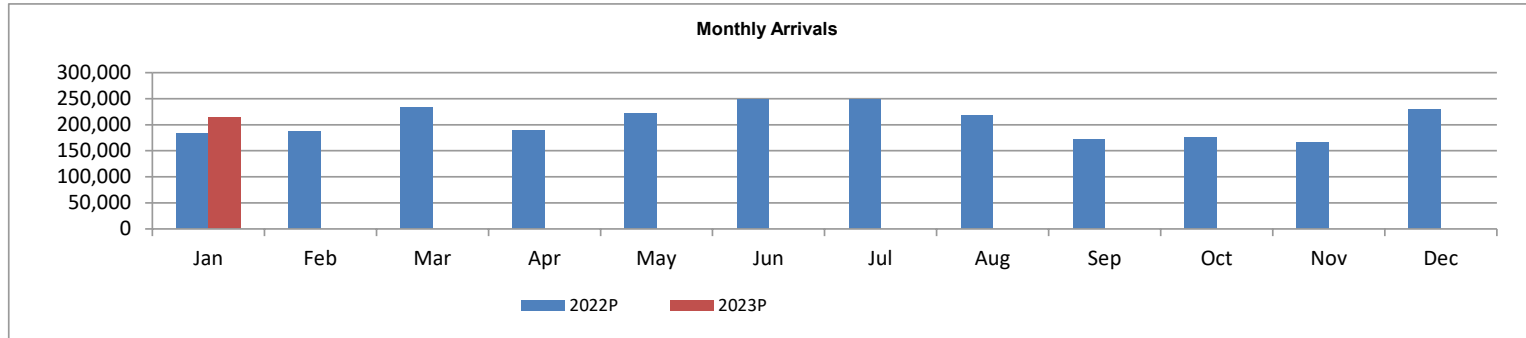
Market: **U.S. EAST**

Key Performance Indicators

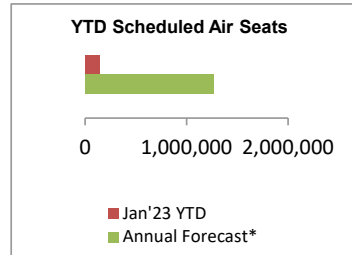
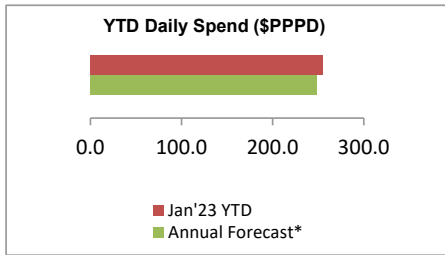
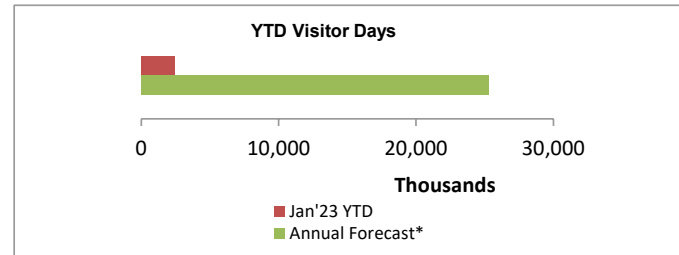
	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 16.9%	529.4	618.9	6,290.2	O'ahu	22.6%	116,519
Daily Spend (\$PPPD)	↔ 5.6%	241.5	255.0	248.6	Maui	16.5%	75,781
Visitor Days	↑ 10.7%	2,191,818	2,427,407	25,299,572	Moloka'i	67.7%	1,501
Arrivals	↑ 15.9%	183,964	213,286	2,537,626	Lāna'i	24.0%	2,022
Daily Census	↑ 10.7%	70,704	78,303	69,314	Kaua'i	25.6%	36,885
Airlift (scheduled seats) [^]	↑ 27.5%	109,066	139,013	1,266,655	Hawai'i Island	22.4%	47,699

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

Visitor Industry Performance Measures

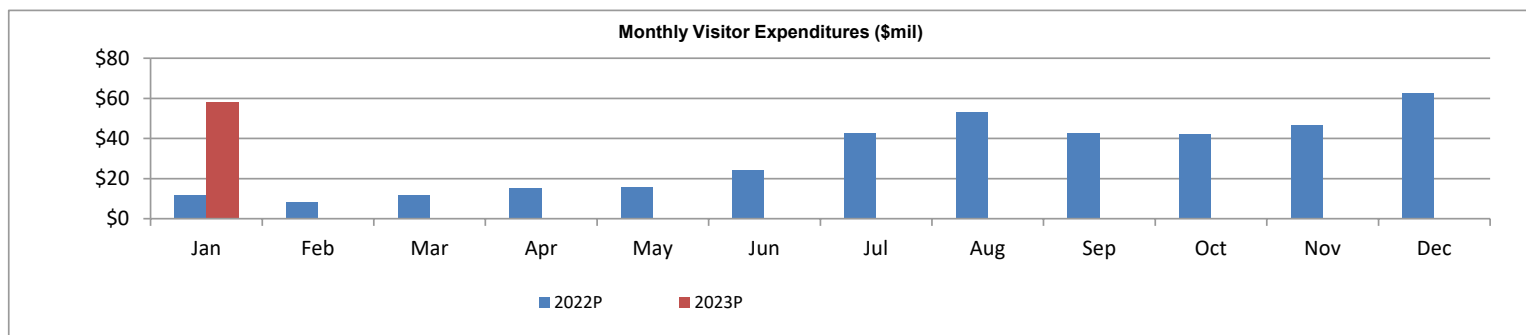
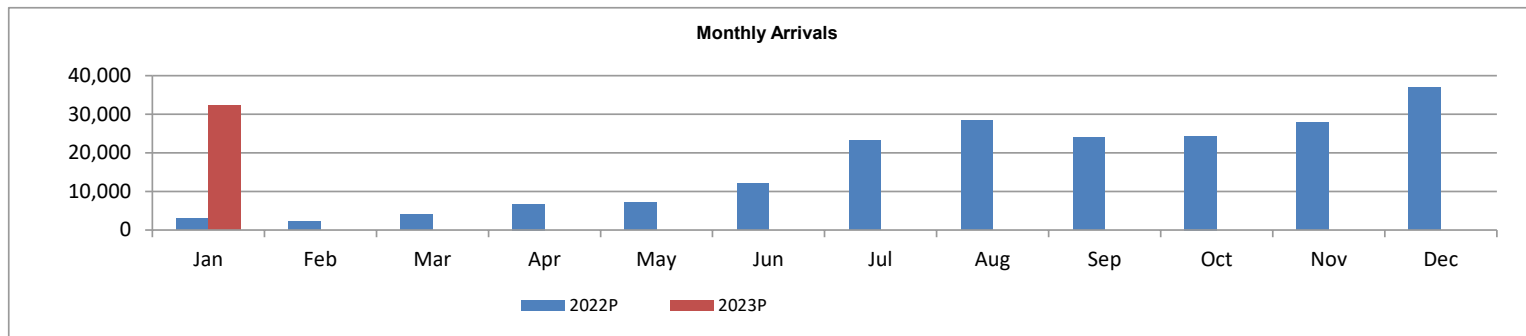
Market: **JAPAN**

Key Performance Indicators

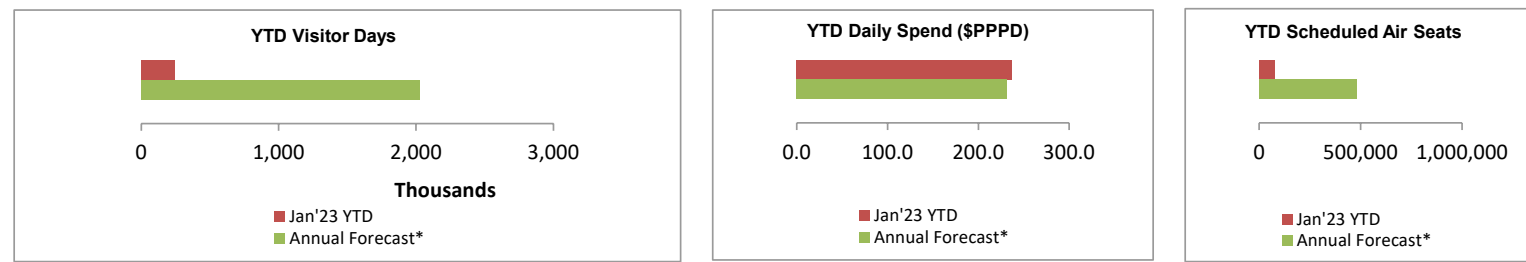
	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 401.1%	11.6	58.1	468.1	O'ahu	1083.5%	31,703
Daily Spend (\$PPPD)	↔ 9.7%	216.3	237.1	231.2	Maui	272.0%	911
Visitor Days	↑ 357.0%	53,641	245,127	2,024,134	Moloka'i	N/A	46
Arrivals	↑ 1033.6%	2,850	32,305	209,890	Lāna'i	N/A	32
Daily Census	↑ 357.0%	1,730	7,907	5,546	Kaua'i	785.0%	520
Airlift (scheduled seats) [^]	↑ 377.2%	16,033	76,511	481,092	Hawai'i Island	692.2%	2,347

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



Visitor Industry Performance Measures

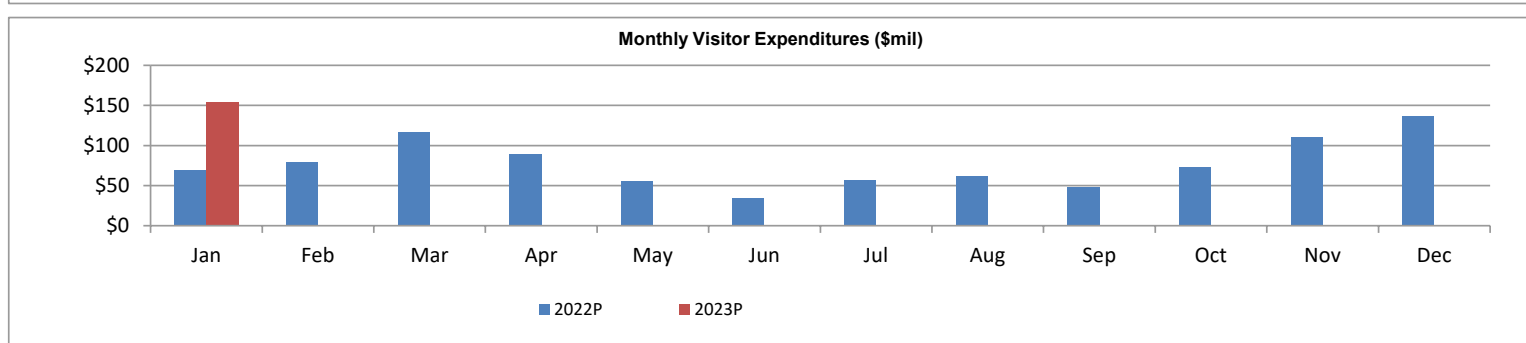
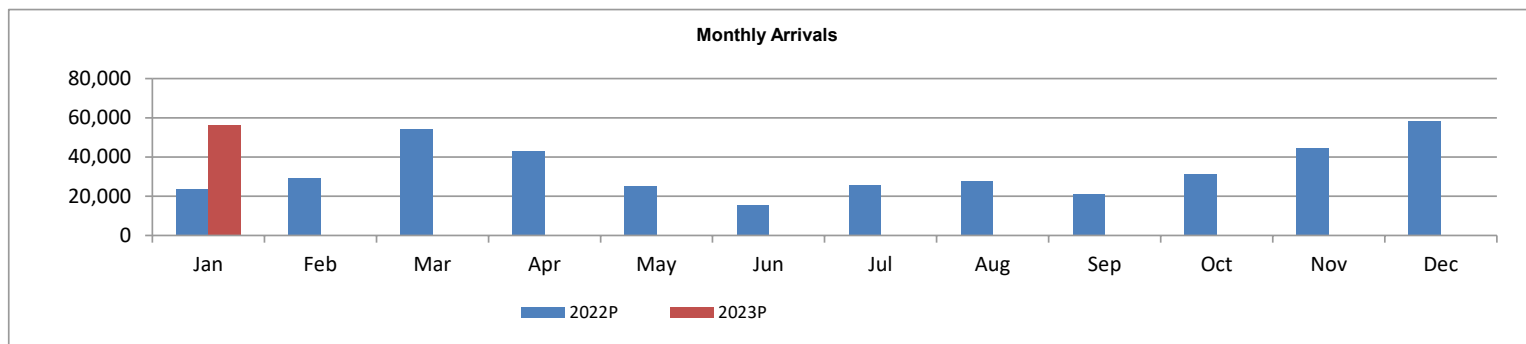
Market: **CANADA**

Key Performance Indicators

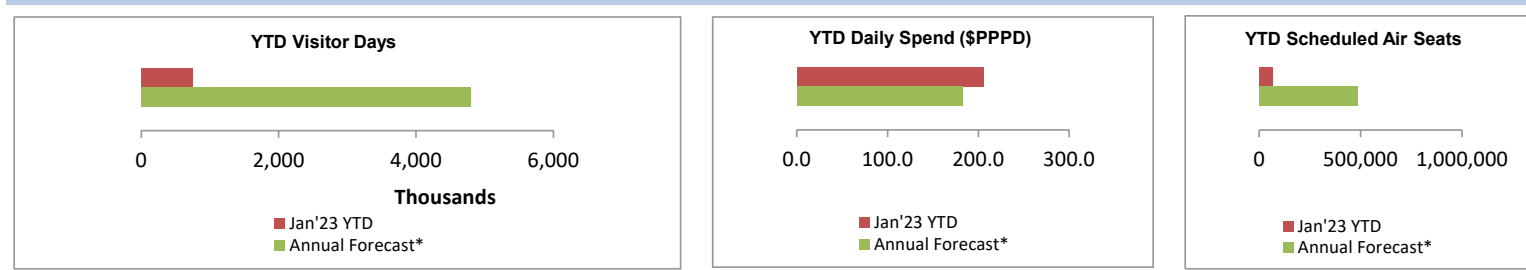
	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 122.2%	69.5	154.4	876.2	O'ahu	169.4%	26,353
Daily Spend (\$PPPD)	↑ 15.3%	178.5	205.9	182.4	Mau	113.4%	24,070
Visitor Days	↑ 92.6%	389,407	750,117	4,802,897	Moloka'i	27.8%	305
Arrivals	↑ 139.9%	23,551	56,501	379,885	Lāna'i	117.9%	403
Daily Census	↑ 92.6%	12,562	24,197	13,159	Kaua'i	134.1%	6,252
Airlift (scheduled seats) [^]	↑ 10.9%	60,041	66,556	487,215	Hawai'i Island	131.1%	10,082

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

Visitor Industry Performance Measures

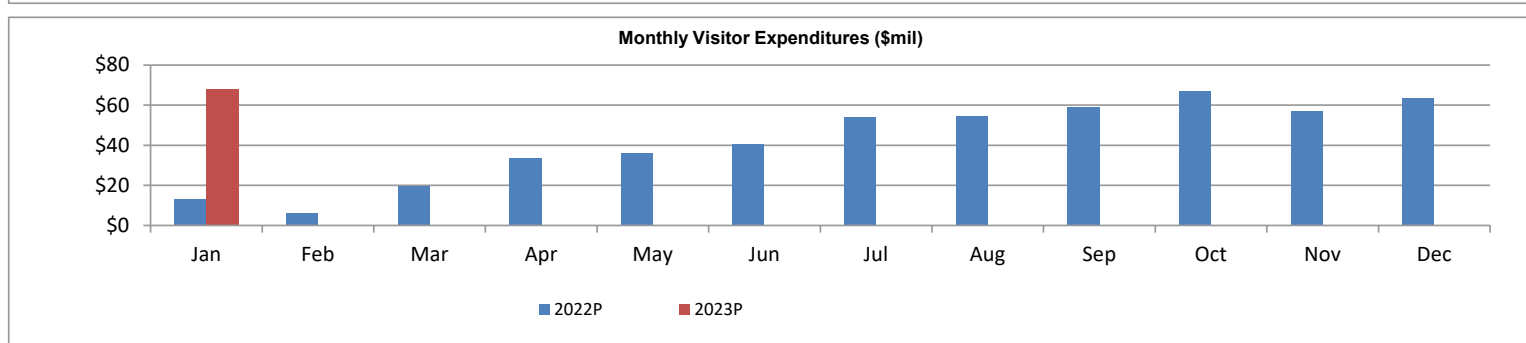
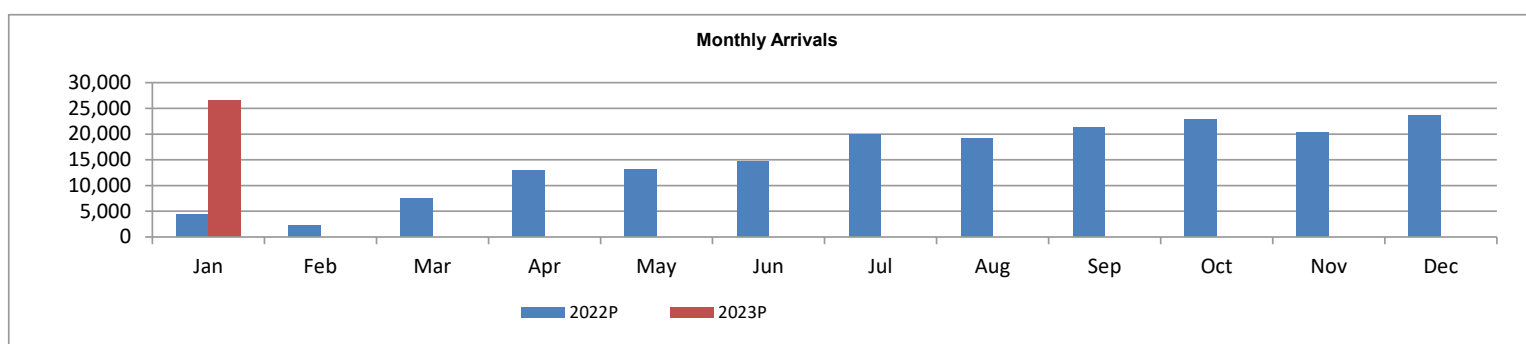
Market: **OCEANIA**

Key Performance Indicators

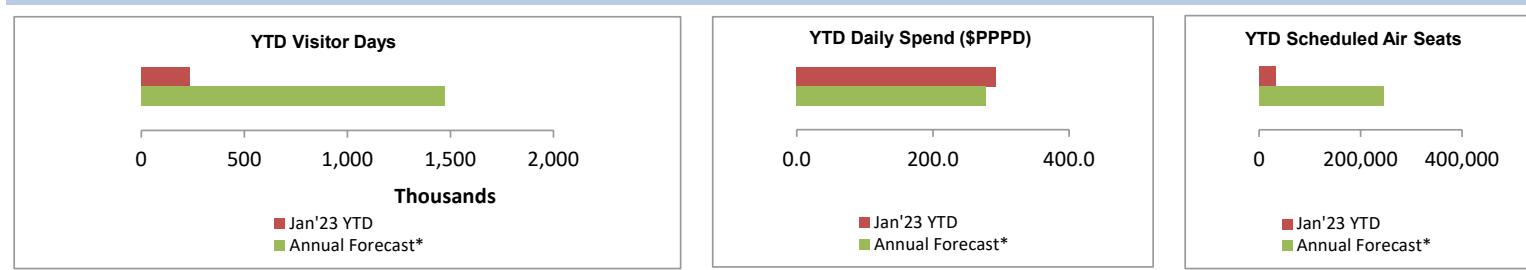
	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 423.4%	13.0	68.1	409.2	O'ahu	517.6%	26,084
Daily Spend (\$PPPD)	↔ 8.1%	270.2	292.2	277.9	Mauī	406.8%	2,710
Visitor Days	↑ 384.0%	48,132	232,937	1,472,261	Moloka'i	257.7%	64
Arrivals	↑ 496.7%	4,446	26,530	150,711	Lāna'i	630.8%	161
Daily Census	↑ 384.0%	1,553	7,514	4,034	Kaua'i	218.9%	971
Airlift (scheduled seats) [^]	↑ 188.7%	11,165	32,232	244,830	Hawai'i Island	603.4%	2,593

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



Visitor Industry Performance Measures

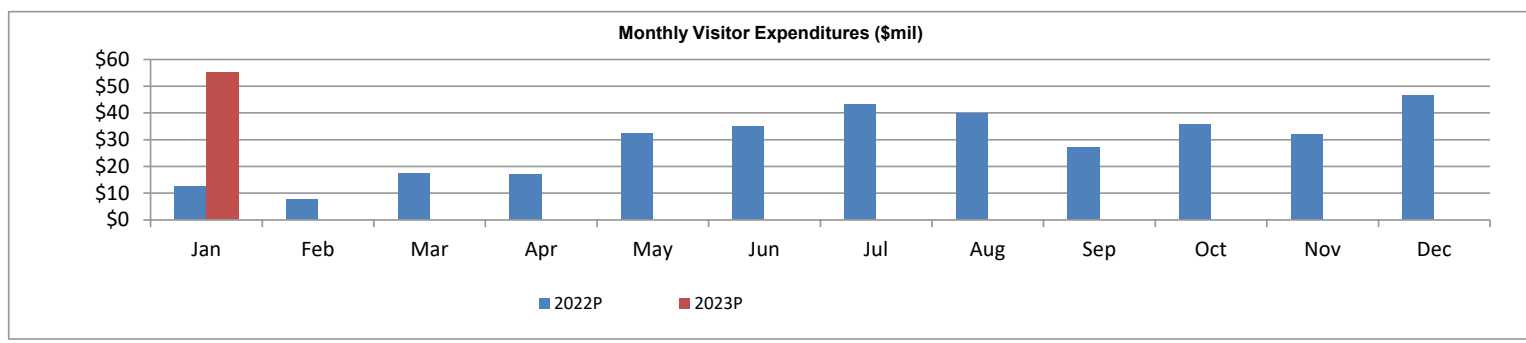
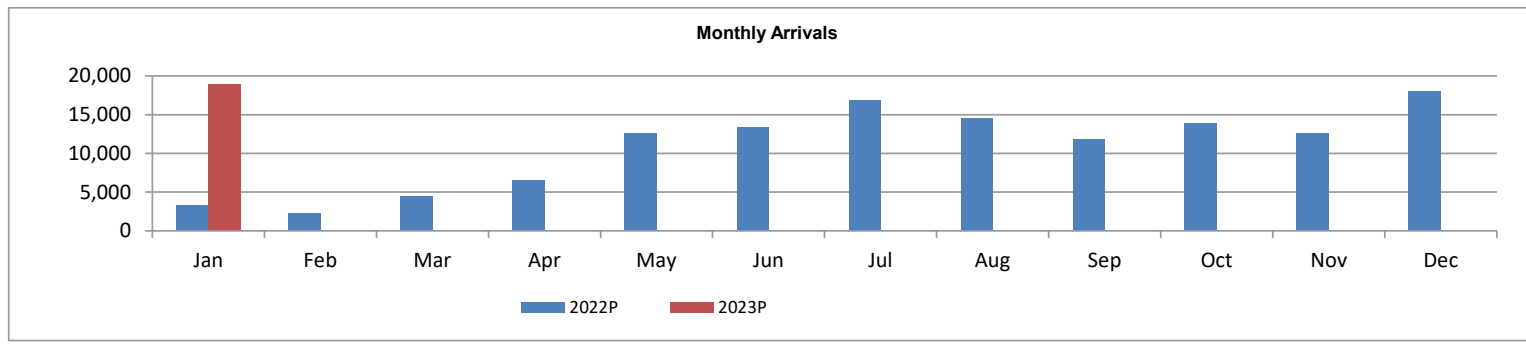
Market: **OTHER ASIA**

Key Performance Indicators

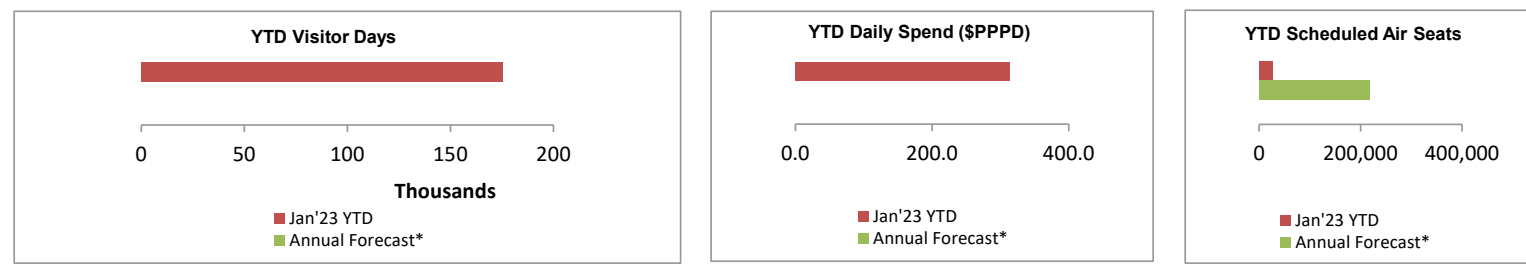
	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 334.3%	12.7	55.0	N/A	O'ahu	513.6%	18,466
Daily Spend (\$PPPD)	↑ 12.9%	277.6	313.4	N/A	Maui	193.6%	1,648
Visitor Days	↑ 284.7%	45,635	175,554	N/A	Moloka'i	449.5%	65
Arrivals	↑ 466.6%	3,340	18,924	N/A	Lāna'i	549.5%	181
Daily Census	↑ 284.7%	1,472	5,663	N/A	Kaua'i	272.1%	786
Airlift (scheduled seats) [^]	↑ 142.8%	11,071	26,879	217,245	Hawai'i Island	498.6%	4,247

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



Visitor Industry Performance Measures

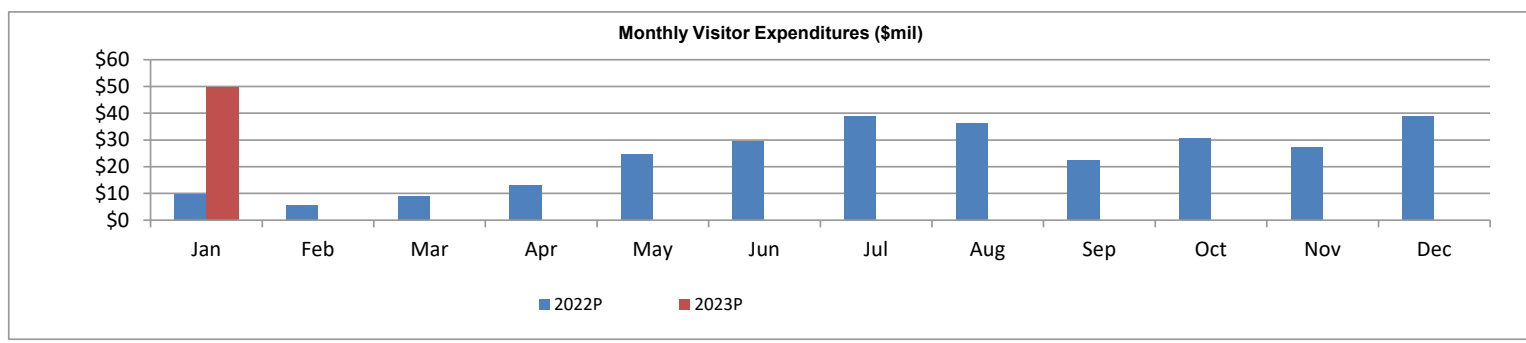
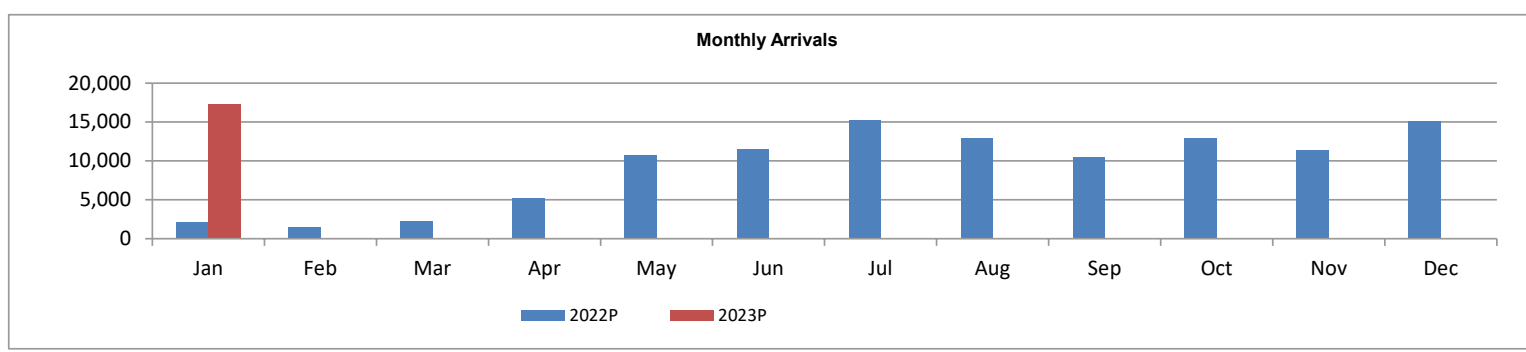
Market: **KOREA**

Key Performance Indicators

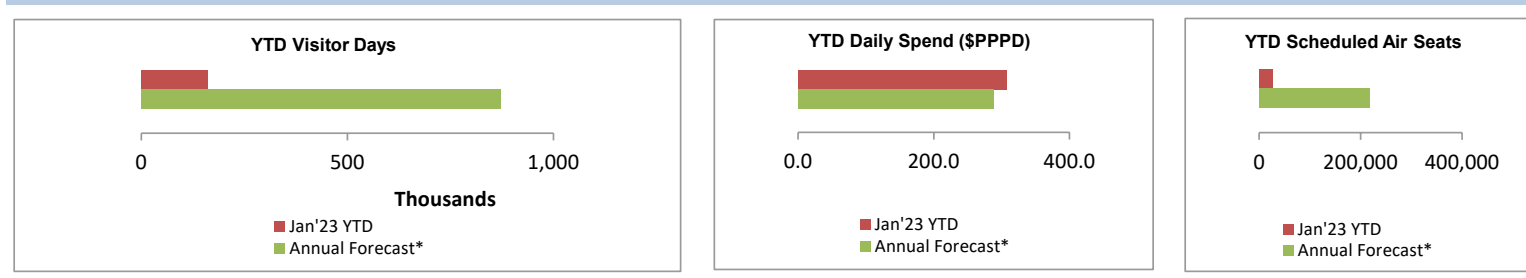
	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 407.2%	9.8	49.8	252.0	O'ahu	742.6%	17,124
Daily Spend (\$PPPD)	↔ 5.2%	292.9	308.1	288.7	Mauī	299.6%	1,306
Visitor Days	↑ 382.2%	33,507	161,556	872,630	Moloka'i	722.5%	62
Arrivals	↑ 710.9%	2,126	17,243	94,014	Lāna'i	2161.8%	170
Daily Census	↑ 382.2%	1,081	5,211	2,391	Kaua'i	401.9%	658
Airlift (scheduled seats) [^]	↑ 142.8%	11,071	26,879	217,245	Hawai'i Island	875.0%	3,764

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



Visitor Industry Performance Measures

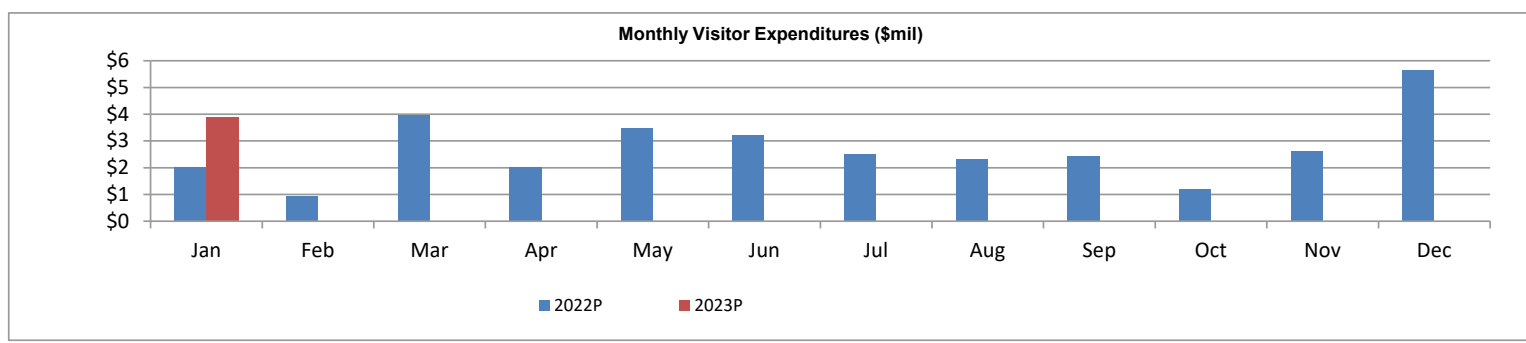
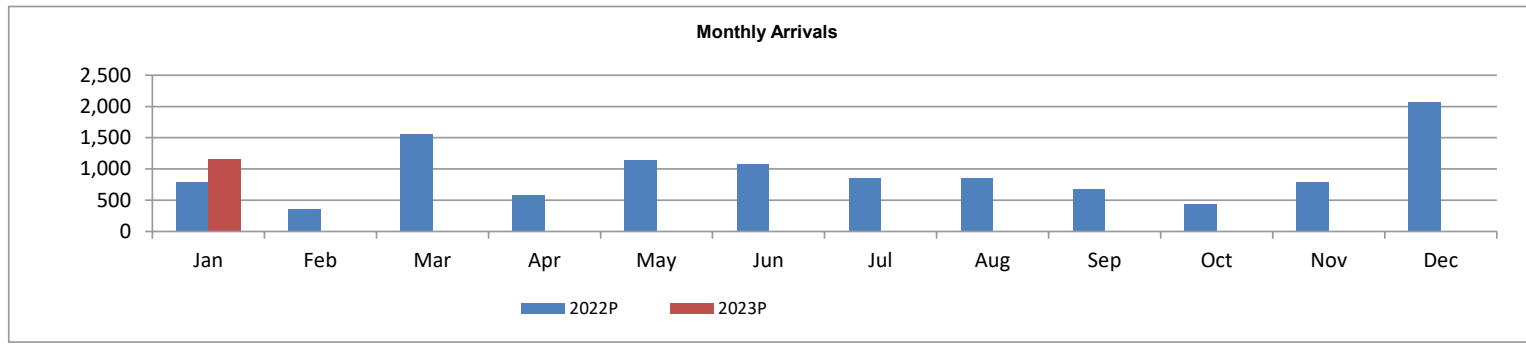
Market: **CHINA**

Key Performance Indicators

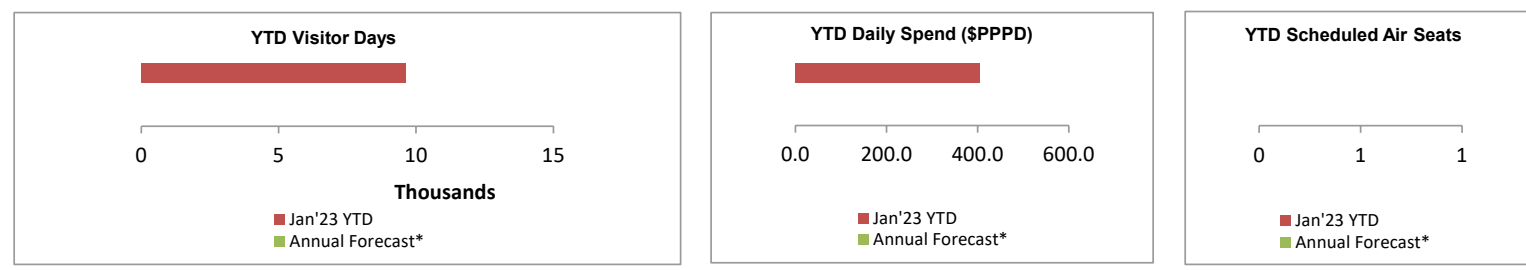
	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 93.4%	2.0	3.9	N/A	O'ahu	51.0%	995
Daily Spend (\$PPPD)	↑ 33.2%	303.9	404.7	N/A	Mau	53.6%	211
Visitor Days	↑ 45.3%	6,625	9,623	N/A	Moloka'i	-100.0%	-
Arrivals	↑ 47.5%	789	1,164	N/A	Lāna'i	-47.3%	8
Daily Census	↑ 45.3%	214	310	N/A	Kaua'i	80.9%	69
Airlift (scheduled seats) [^]	N/A	N/A	N/A	N/A	Hawai'i Island	49.5%	387

^{*} DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



Visitor Industry Performance Measures

Market: **EUROPE**

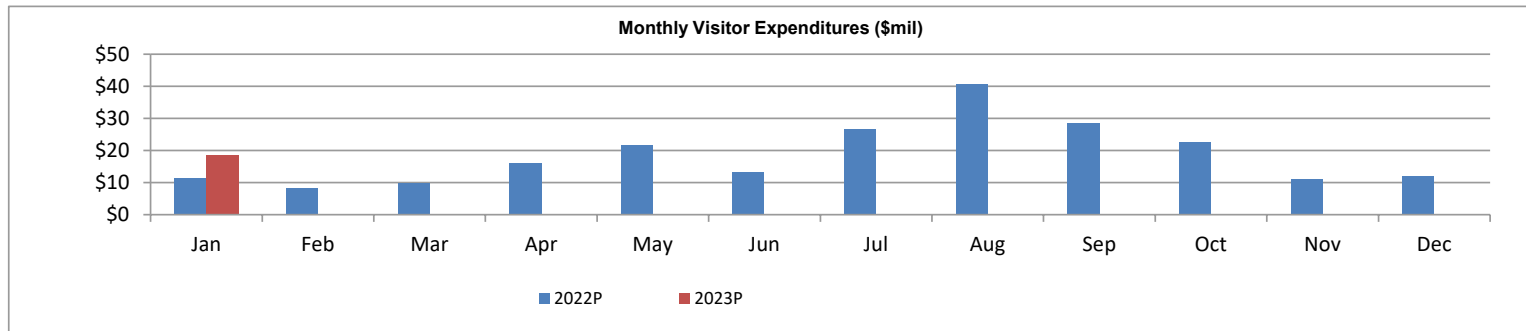
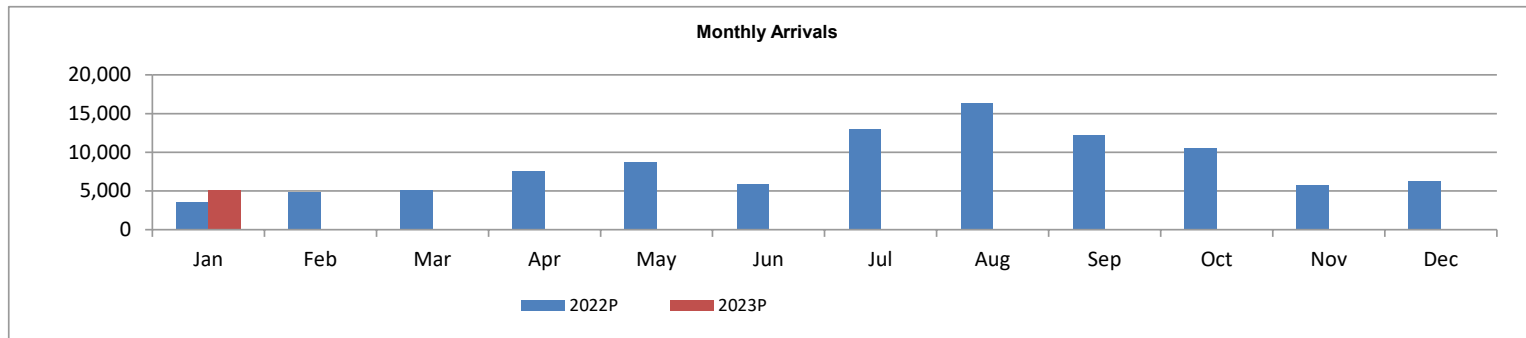
Key Performance Indicators

	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 65.4%	11.2	18.6	185.4	O'ahu	45.2%	3,537
Daily Spend (\$PPPD)	↑ 38.8%	167.0	231.9	156.2	Maui	29.3%	1,760
Visitor Days	↑ 19.1%	67,354	80,238	1,186,896	Moloka'i	11.0%	73
Arrivals	↑ 42.6%	3,547	5,059	84,710	Lāna'i	33.5%	61
Daily Census	↑ 19.1%	2,173	2,588	3,252	Kaua'i	16.0%	922
Airlift (scheduled seats) [^]	N/A	N/A	N/A	N/A	Hawai'i Island	24.5%	1,513

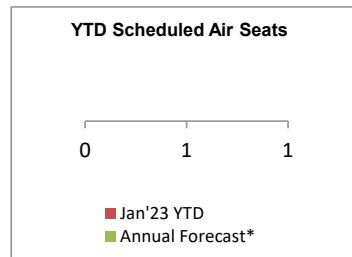
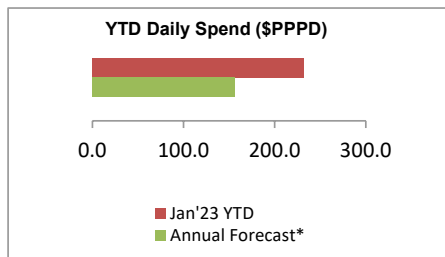
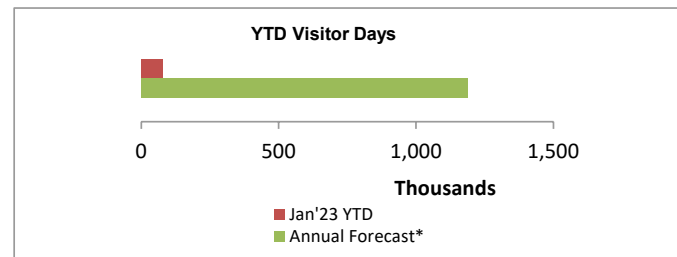
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

Visitor Industry Performance Measures

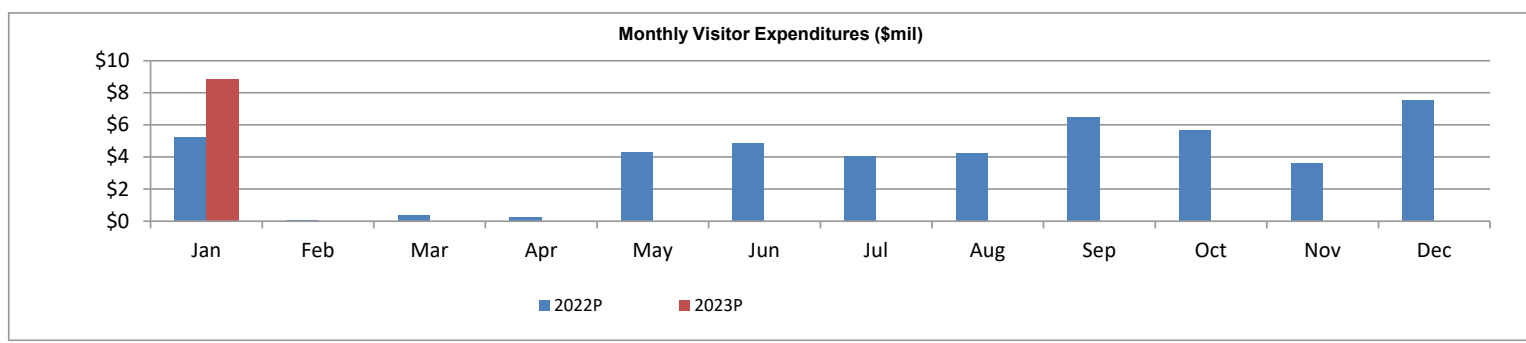
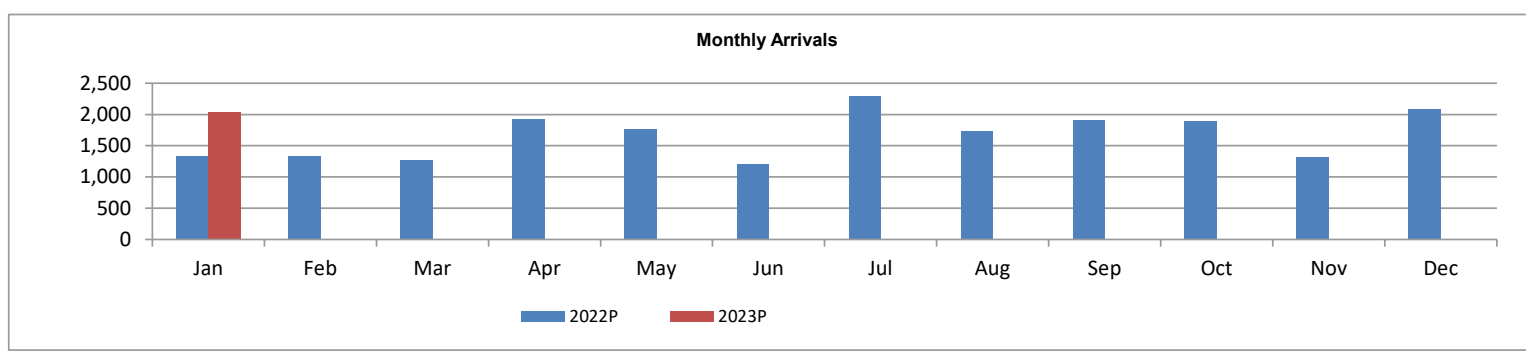
Market: **LATIN AMERICA**

Key Performance Indicators

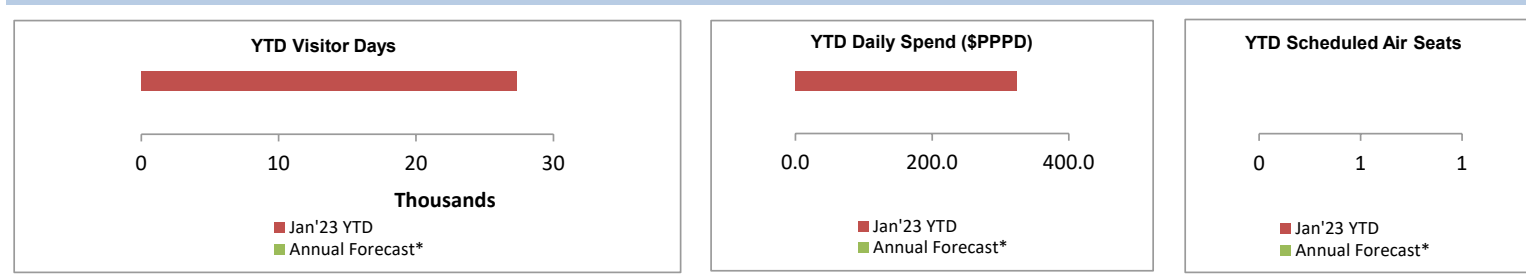
	YOY Rate	Jan'22 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 69.5%	5.2	8.8	N/A	O'ahu	54.9%	1,575
Daily Spend (\$PPPD)	↑ 19.6%	270.4	323.6	N/A	Maui	77.6%	650
Visitor Days	↑ 41.7%	19,274	27,310	N/A	Moloka'i	443.4%	29
Arrivals	↑ 52.3%	1,335	2,034	N/A	Lāna'i	346.6%	28
Daily Census	↑ 41.7%	622	881	N/A	Kaua'i	48.7%	238
Airlift (scheduled seats) [^]	N/A	N/A	N/A	N/A	Hawai'i Island	33.1%	370

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



7.3

January 2023 Dashboard with 2019

Visitor Industry Performance Measures

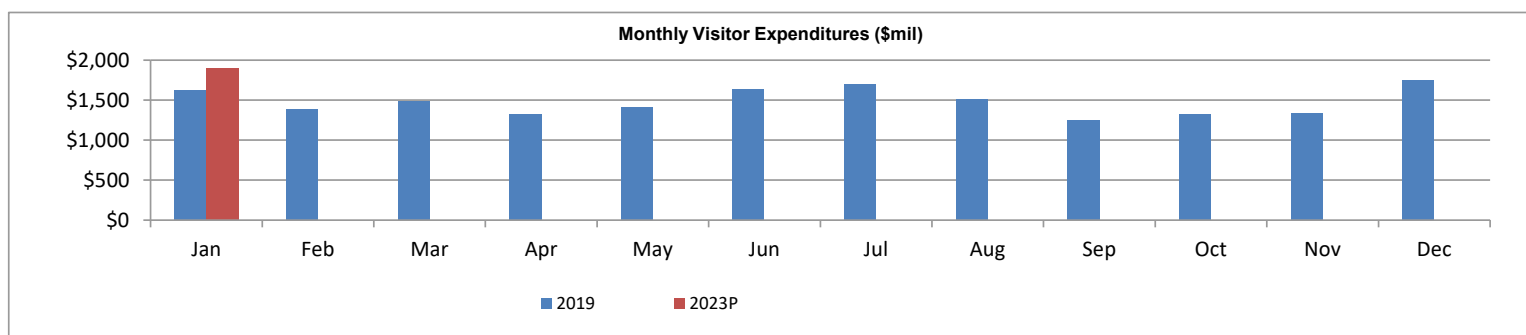
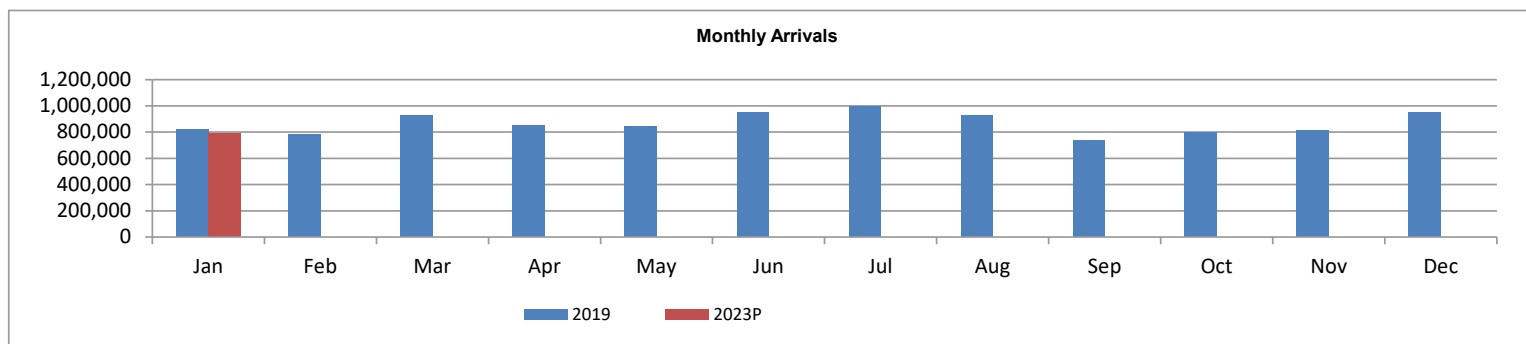
Market: **OVERALL**

Key Performance Indicators

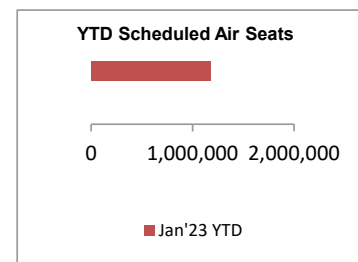
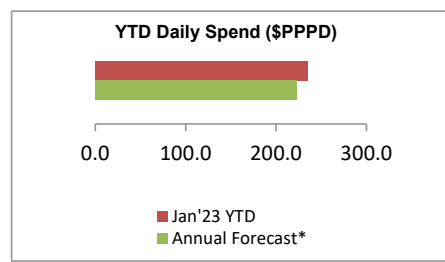
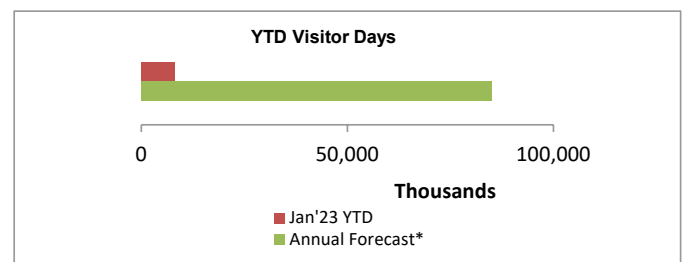
	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 17.2%	1,617.0	1,894.7	18,997.5	O'ahu	-10.8%	435,833
Daily Spend (\$PPPD)	↑ 18.4%	198.9	235.5	223.2	Mauī	-2.0%	228,743
Visitor Days	↓ -1.0%	8,129,294	8,044,944	85,108,883	Moloka'i	-22.1%	4,334
Arrivals	↓ -3.2%	817,600	791,781	9,113,305	Lāna'i	-14.7%	5,482
Daily Census	↓ -1.0%	262,235	259,514	233,175	Kaua'i	0.8%	106,980
Airlift (scheduled seats) [^]	↔ 4.6%	1,128,387	1,179,952	N/A	Hawai'i Island	0.7%	148,376

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

Visitor Industry Performance Measures

Market: **U.S. TOTAL**

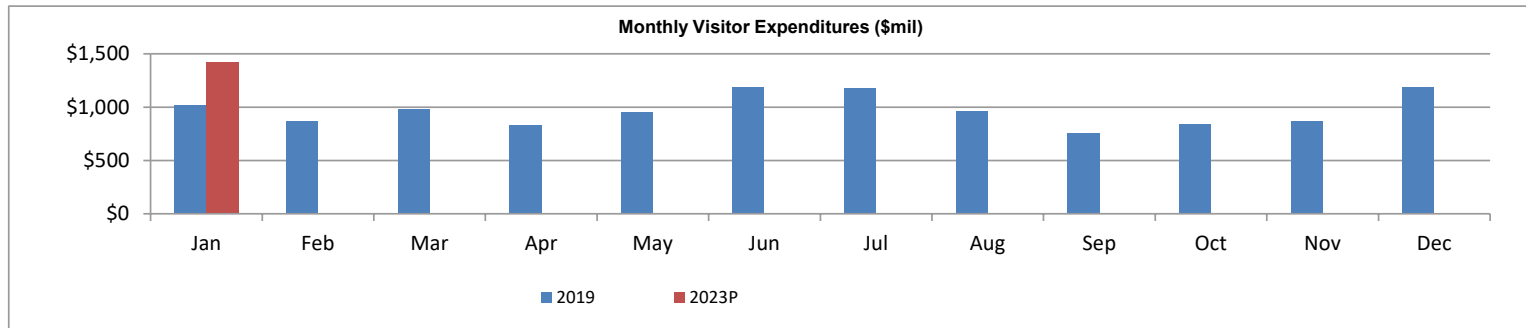
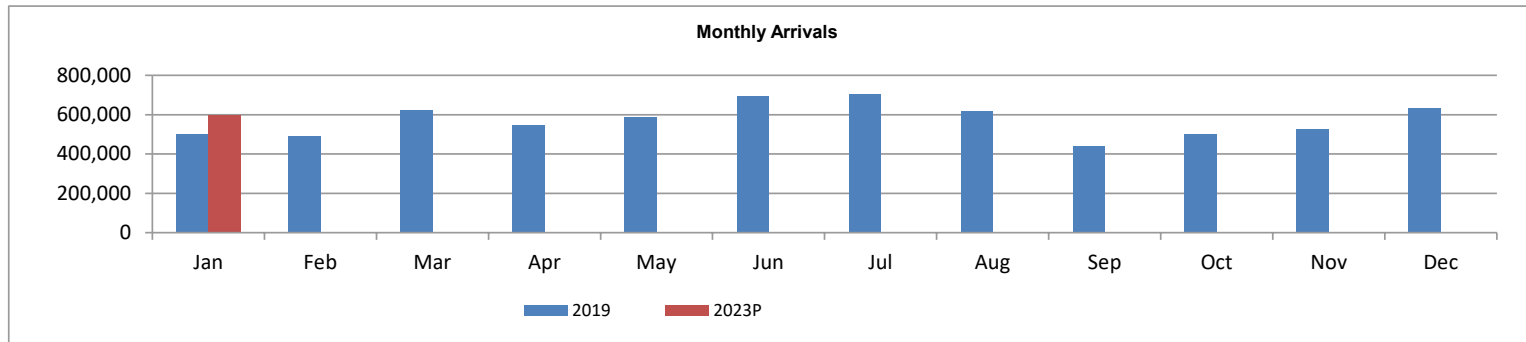
Key Performance Indicators

	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 39.6%	1,019.6	1,423.3	16,236.3	O'ahu	22.5%	297,597
Daily Spend (\$PPPD)	↑ 20.6%	194.8	235.0	227.9	Maui	10.9%	189,751
Visitor Days	↑ 15.7%	5,233,816	6,056,391	71,234,186	Moloka'i	-6.5%	3,616
Arrivals	↑ 18.6%	502,908	596,637	7,850,503	Lāna'i	4.4%	4,462
Daily Census	↑ 15.7%	168,833	195,367	195,162	Kaua'i	12.1%	93,031
Airlift (scheduled seats) [^]	↑ 24.7%	763,632	952,082	11,116,554	Hawai'i Island	24.9%	122,117

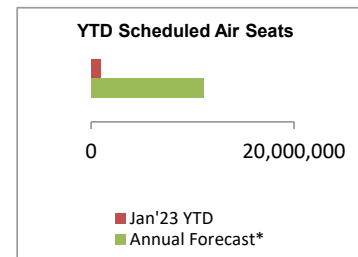
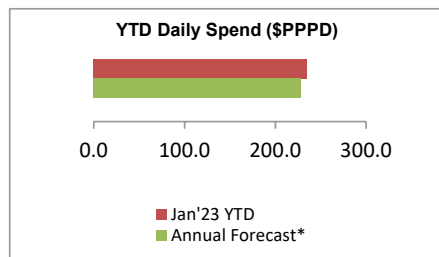
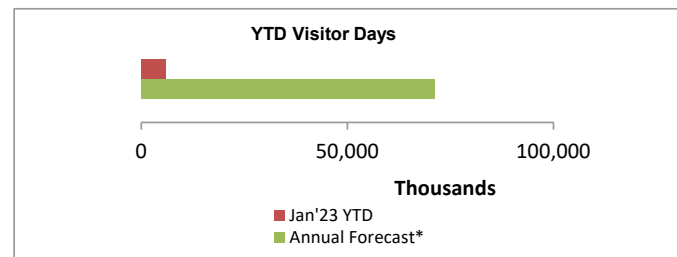
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

Visitor Industry Performance Measures

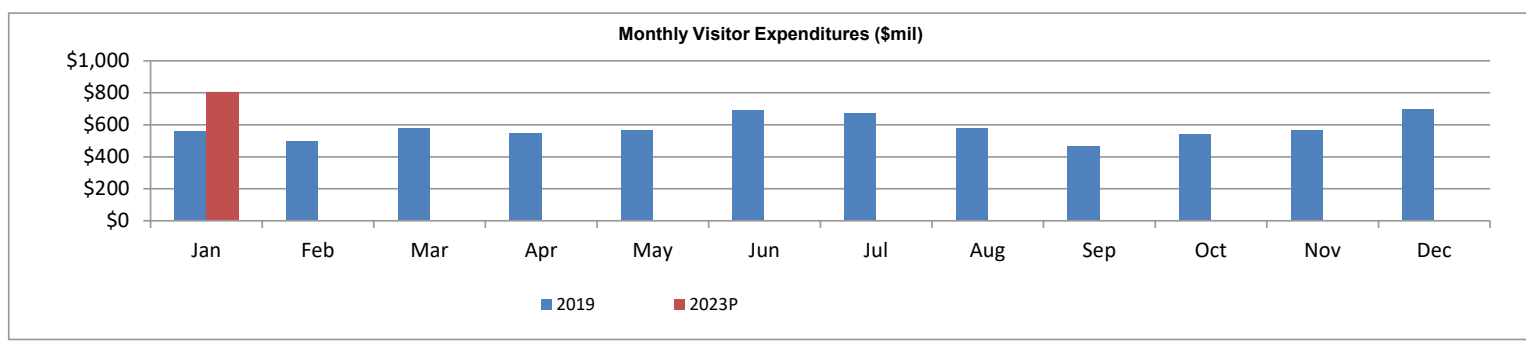
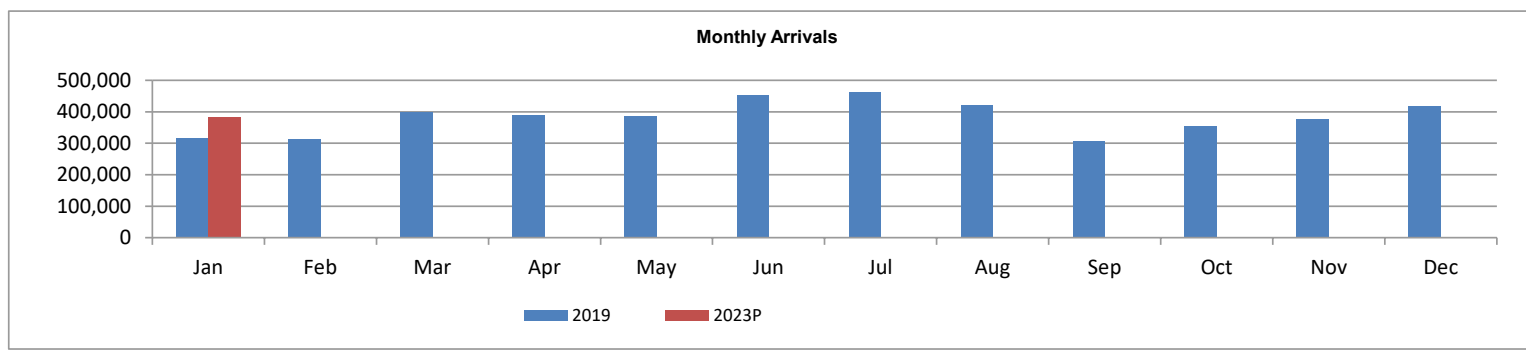
Market: **U.S. WEST**

Key Performance Indicators

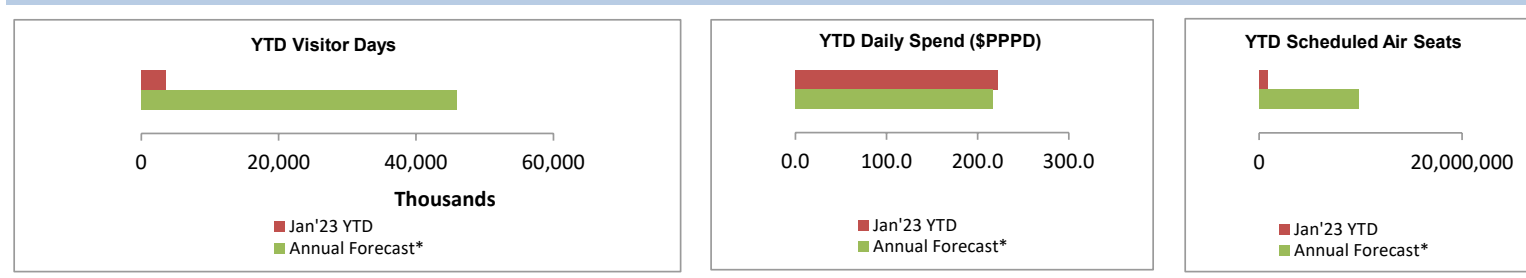
	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 44.5%	556.7	804.4	9,946.1	O'ahu	28.8%	181,078
Daily Spend (\$PPPD)	↑ 23.2%	180.0	221.7	216.5	Maui	9.3%	113,970
Visitor Days	↑ 17.3%	3,092,709	3,628,984	45,934,614	Moloka'i	-8.8%	2,115
Arrivals	↑ 20.7%	317,655	383,351	5,312,878	Lāna'i	11.6%	2,440
Daily Census	↑ 17.3%	99,765	117,064	125,848	Kaua'i	16.4%	56,146
Airlift (scheduled seats) [^]	↑ 21.7%	668,288	813,069	9,849,899	Hawai'i Island	23.7%	74,418

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



Visitor Industry Performance Measures

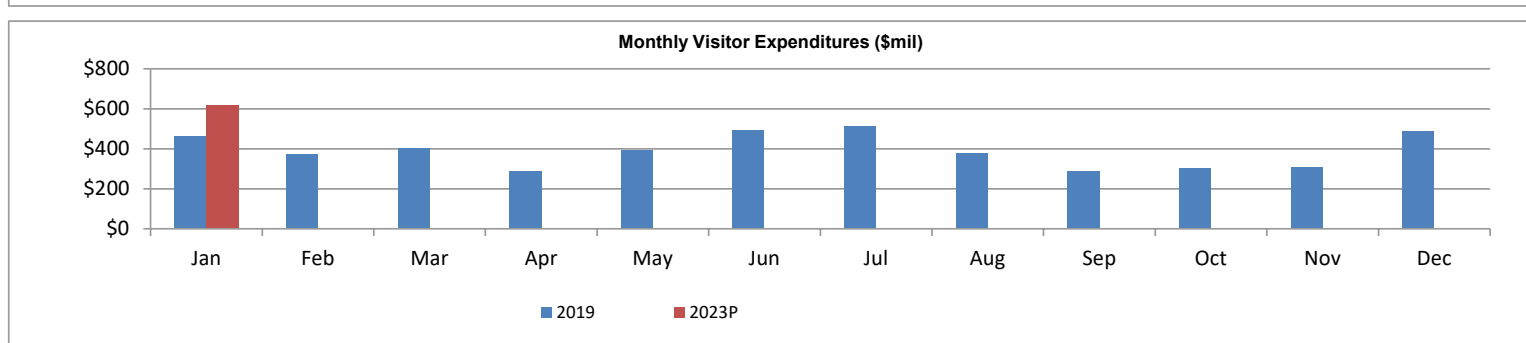
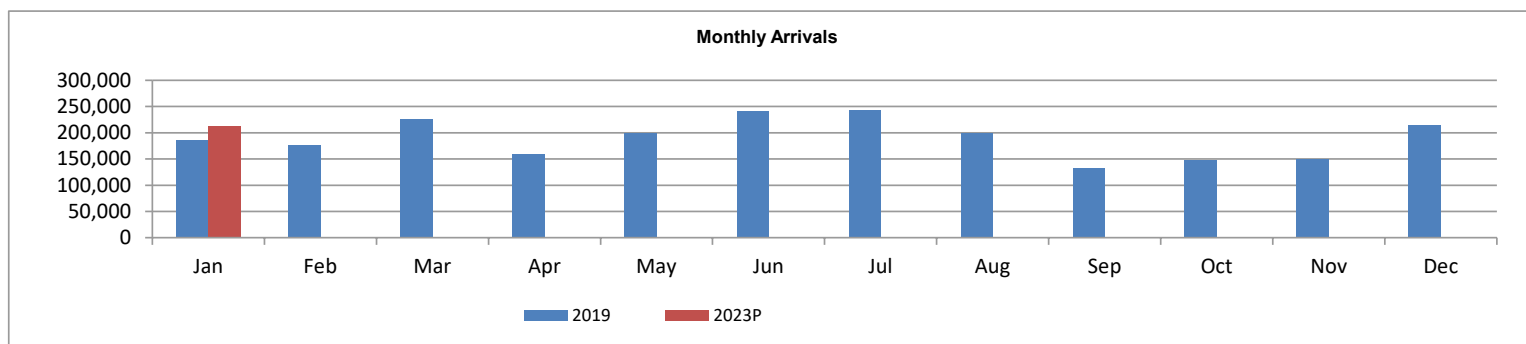
Market: **U.S. EAST**

Key Performance Indicators

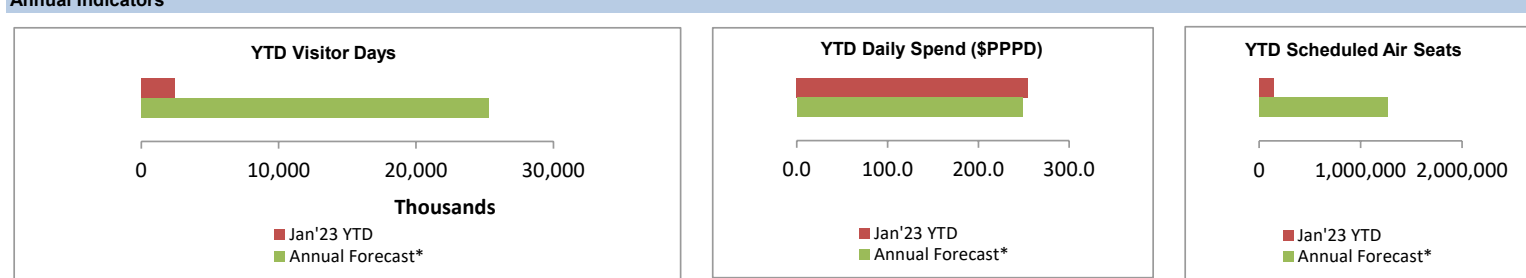
	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 33.7%	462.9	618.9	6,290.2	O'ahu	13.8%	116,519
Daily Spend (\$PPPD)	↑ 17.9%	216.2	255.0	248.6	Mauī	13.4%	75,781
Visitor Days	↑ 13.4%	2,141,107	2,427,407	25,299,572	Moloka'i	-3.0%	1,501
Arrivals	↑ 15.1%	185,253	213,286	2,537,626	Lāna'i	-3.1%	2,022
Daily Census	↑ 13.4%	69,068	78,303	69,314	Kaua'i	6.1%	36,885
Airlift (scheduled seats) [^]	↑ 45.8%	95,344	139,013	1,266,655	Hawai'i Island	27.0%	47,699

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

Visitor Industry Performance Measures

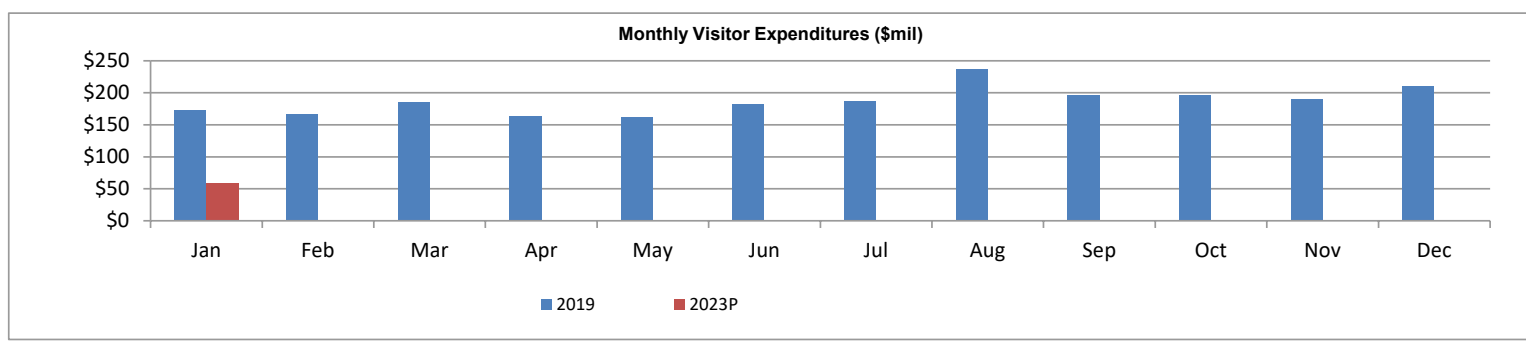
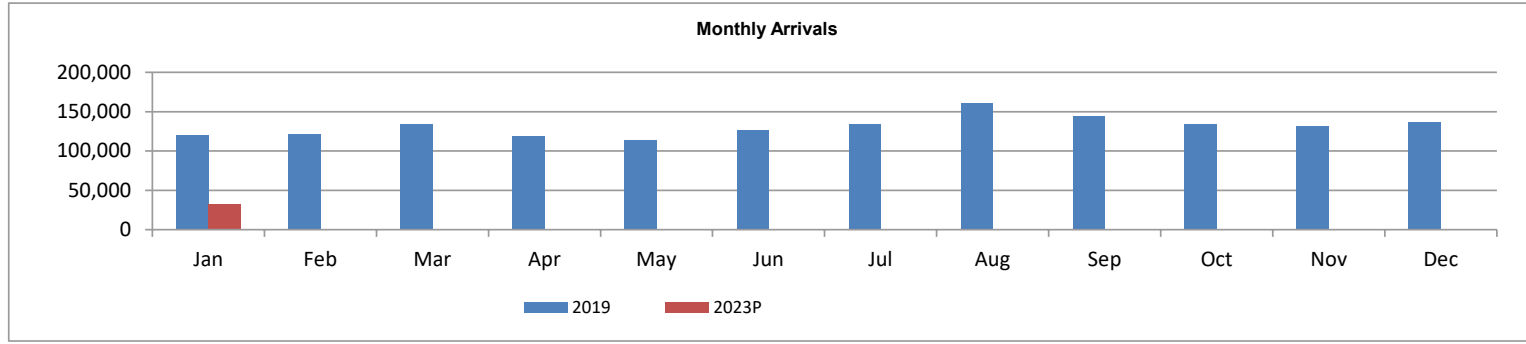
Market: **JAPAN**

Key Performance Indicators

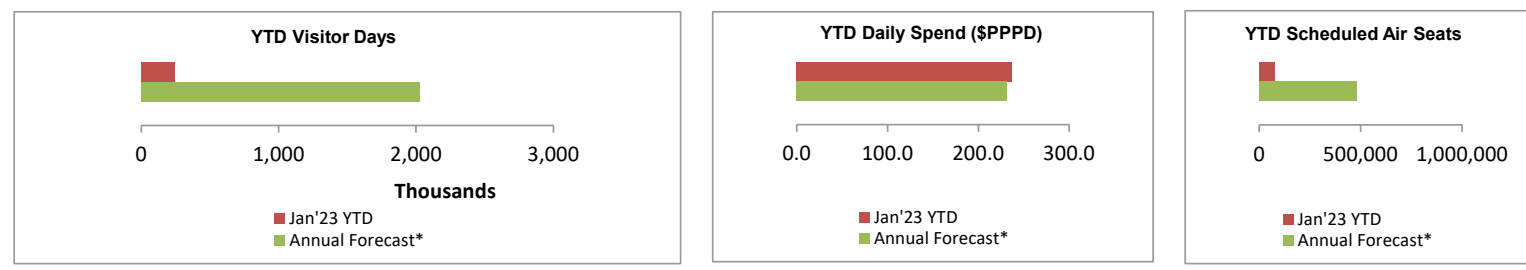
	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↓ -66.5%	173.4	58.1	468.1	O'ahu	-72.6%	31,703
Daily Spend (\$PPPD)	↔ -1.0%	239.7	237.1	231.2	Maui	-79.6%	911
Visitor Days	↓ -66.1%	723,353	245,127	2,024,134	Moloka'i	1.4%	46
Arrivals	↓ -73.2%	120,418	32,305	209,890	Lāna'i	-55.5%	32
Daily Census	↓ -66.1%	23,334	7,907	5,546	Kaua'i	-78.9%	520
Airlift (scheduled seats) [^]	↓ -56.1%	174,100	76,511	481,092	Hawai'i Island	-80.1%	2,347

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



Visitor Industry Performance Measures

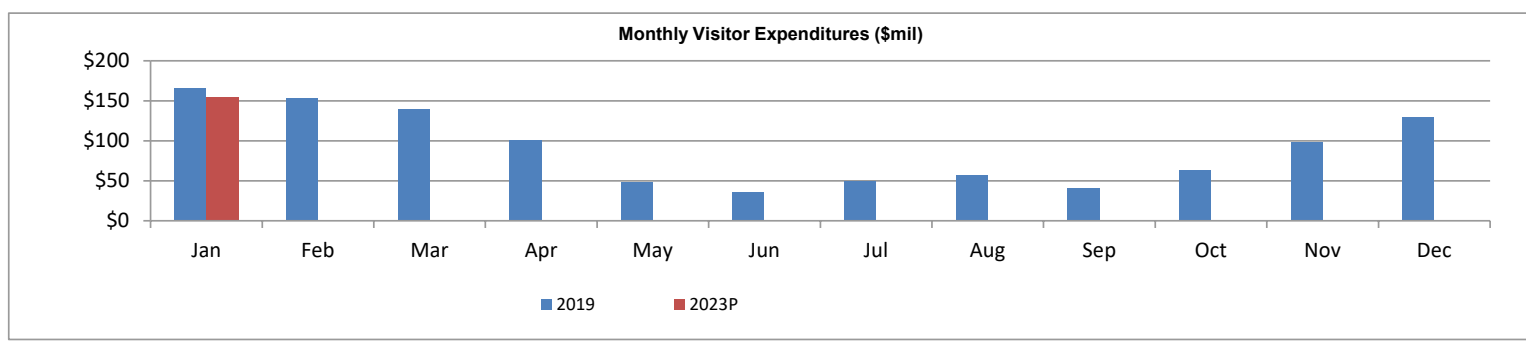
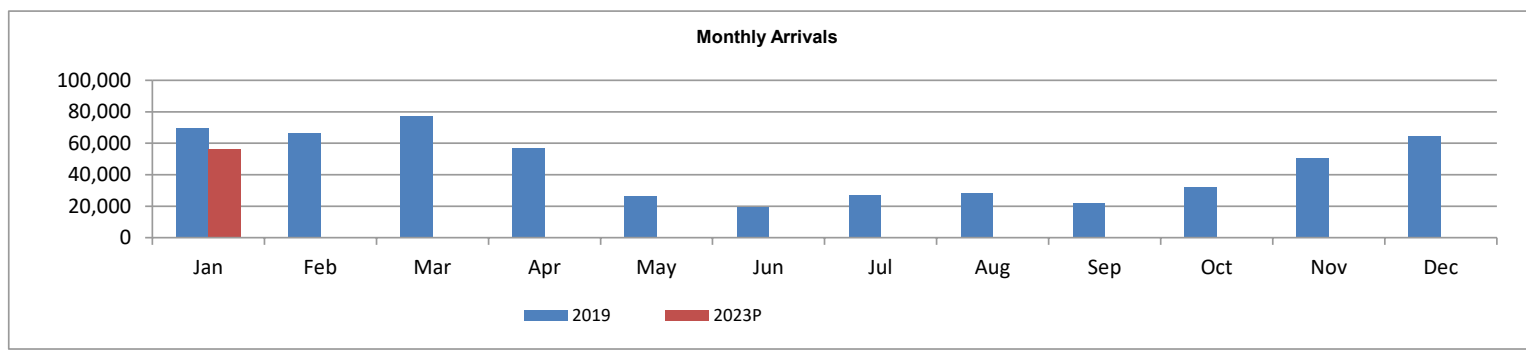
Market: **CANADA**

Key Performance Indicators

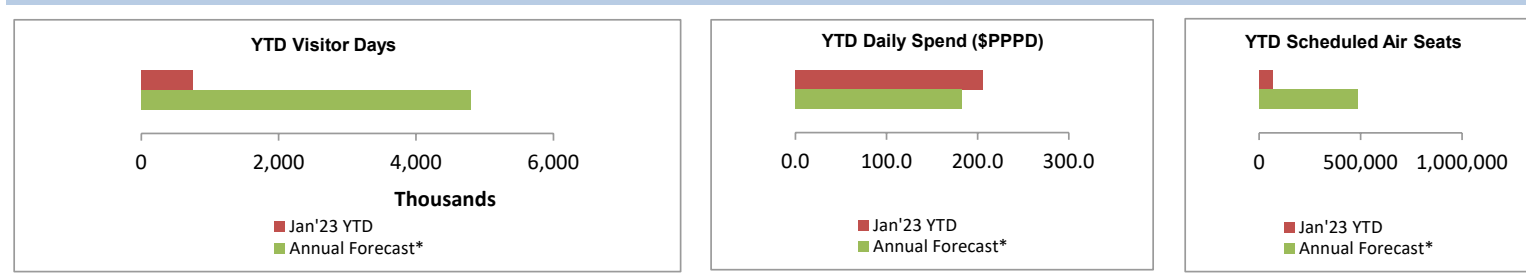
	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	👇 -6.7%	165.4	154.4	876.2	O'ahu	-3.6%	26,353
Daily Spend (\$PPPD)	👆 23.3%	167.0	205.9	182.4	Maui	-29.5%	24,070
Visitor Days	👇 -24.3%	990,828	750,117	4,802,897	Moloka'i	-39.1%	305
Arrivals	👇 -18.9%	69,687	56,501	379,885	Lāna'i	-58.7%	403
Daily Census	👇 -24.3%	31,962	24,197	13,159	Kaua'i	-42.0%	6,252
Airlift (scheduled seats) [^]	👇 -7.6%	72,049	66,556	487,215	Hawai'i Island	-30.1%	10,082

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

Visitor Industry Performance Measures

Market: **OCEANIA**

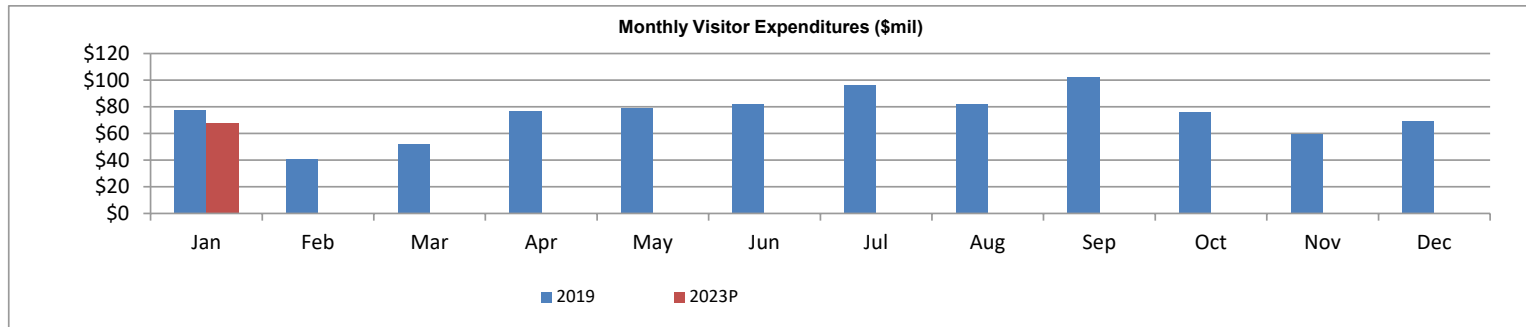
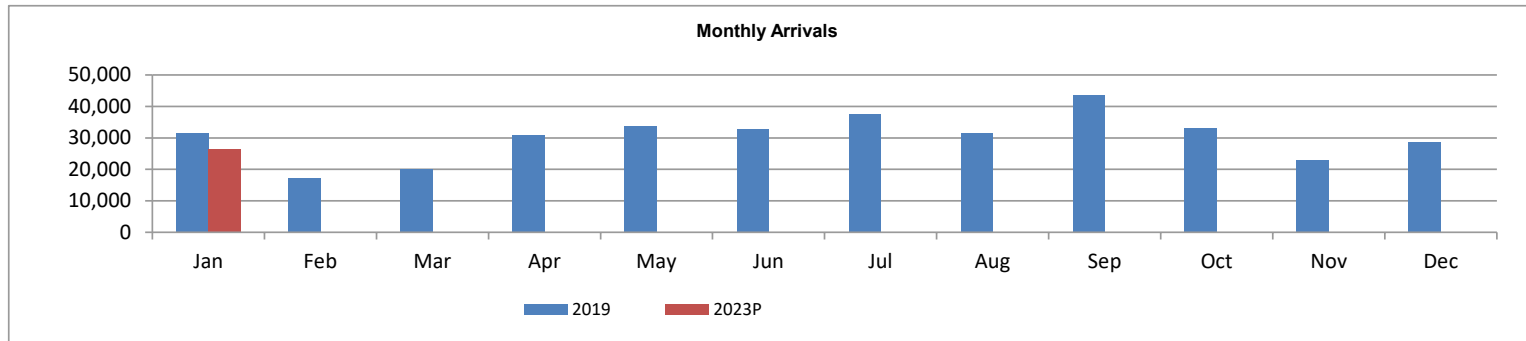
Key Performance Indicators

	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↓ -12.1%	77.4	68.1	409.2	O'ahu	-13.8%	26,084
Daily Spend (\$PPPD)	↑ 10.1%	265.3	292.2	277.9	Mauī	-42.2%	2,710
Visitor Days	↓ -20.2%	291,754	232,937	1,472,261	Moloka'i	-85.2%	64
Arrivals	↓ -15.3%	31,308	26,530	150,711	Lāna'i	-75.0%	161
Daily Census	↓ -20.2%	9,411	7,514	4,034	Kaua'i	-66.7%	971
Airlift (scheduled seats) [^]	↓ -27.8%	44,633	32,232	244,830	Hawai'i Island	-14.0%	2,593

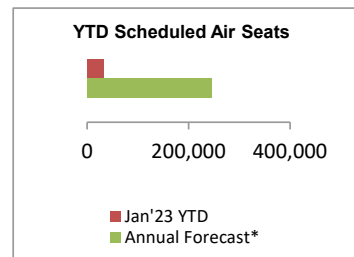
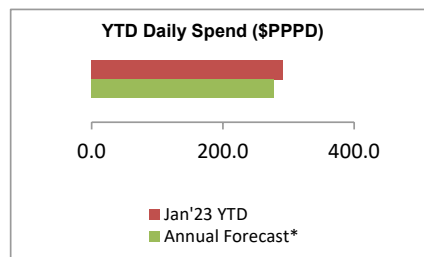
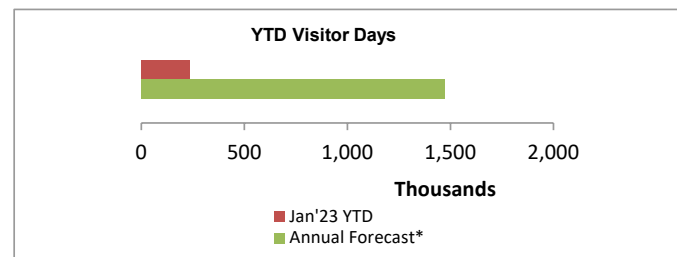
* DBEDT Annual Forecast as of Q3 2022.

[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

Visitor Industry Performance Measures

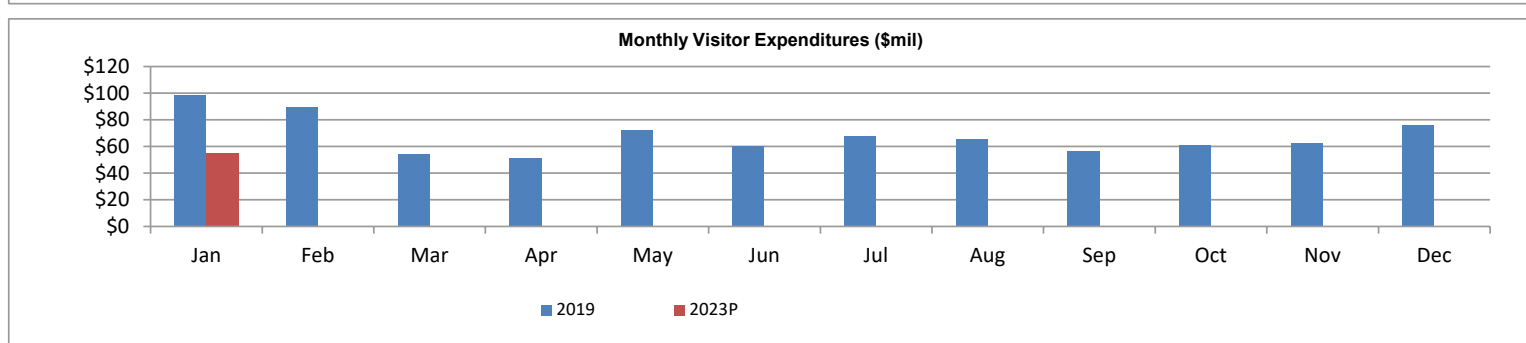
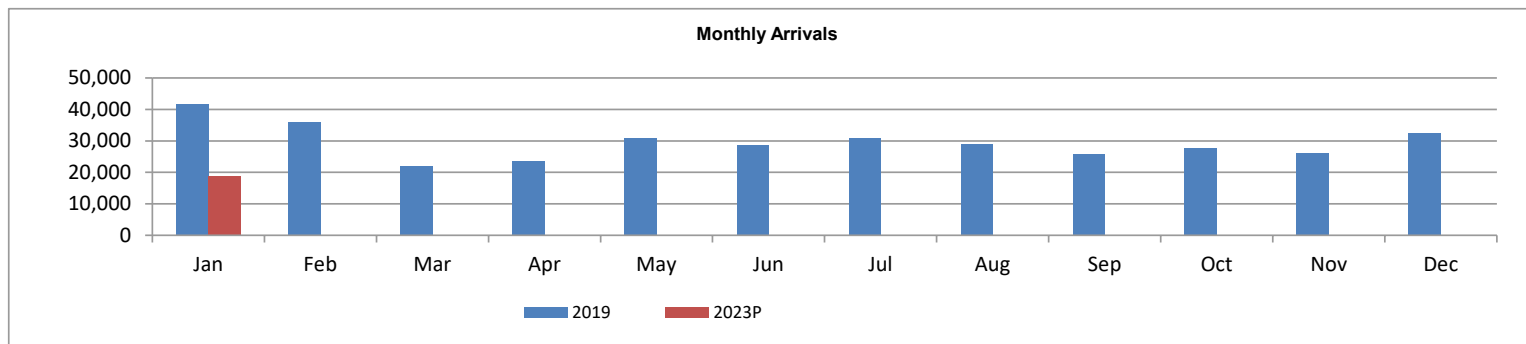
Market: **OTHER ASIA**

Key Performance Indicators

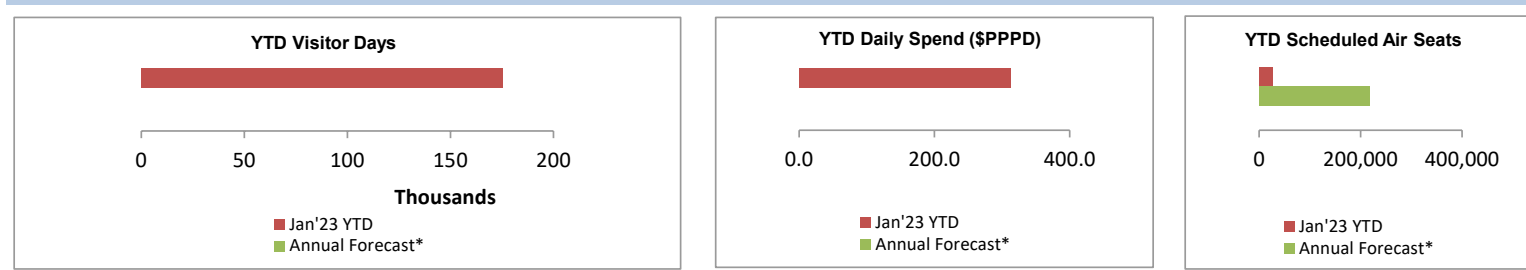
	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↓ -44.2%	98.6	55.0	N/A	O'ahu	-54.7%	18,466
Daily Spend (\$PPPD)	↑ 14.8%	273.1	313.4	N/A	Mau	-78.1%	1,648
Visitor Days	↓ -51.4%	361,094	175,554	N/A	Moloka'i	-71.1%	65
Arrivals	↓ -54.5%	41,595	18,924	N/A	Lāna'i	-20.3%	181
Daily Census	↓ -51.4%	11,648	5,663	N/A	Kaua'i	-55.0%	786
Airlift (scheduled seats) [^]	↓ -43.2%	47,299	26,879	217,245	Hawai'i Island	-58.5%	4,247

^{*} DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



Visitor Industry Performance Measures

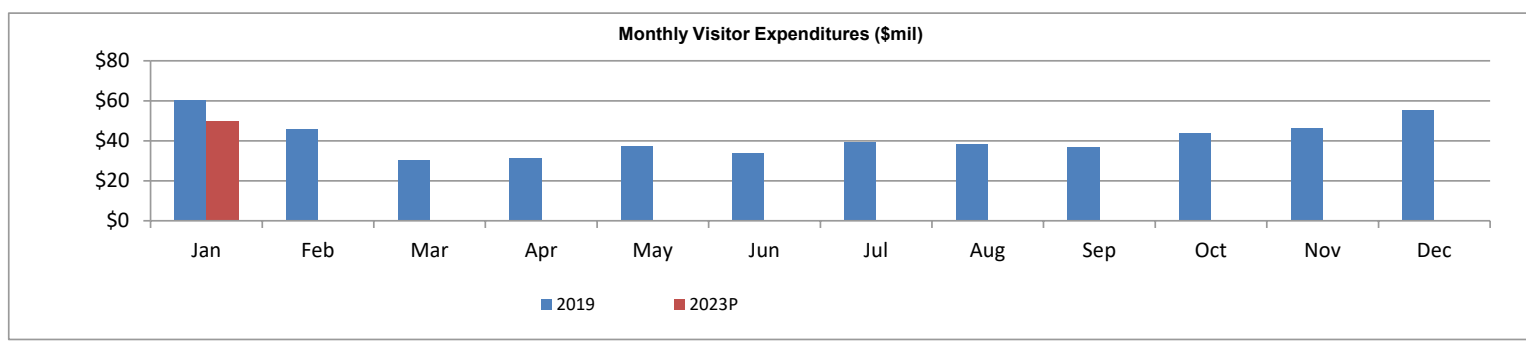
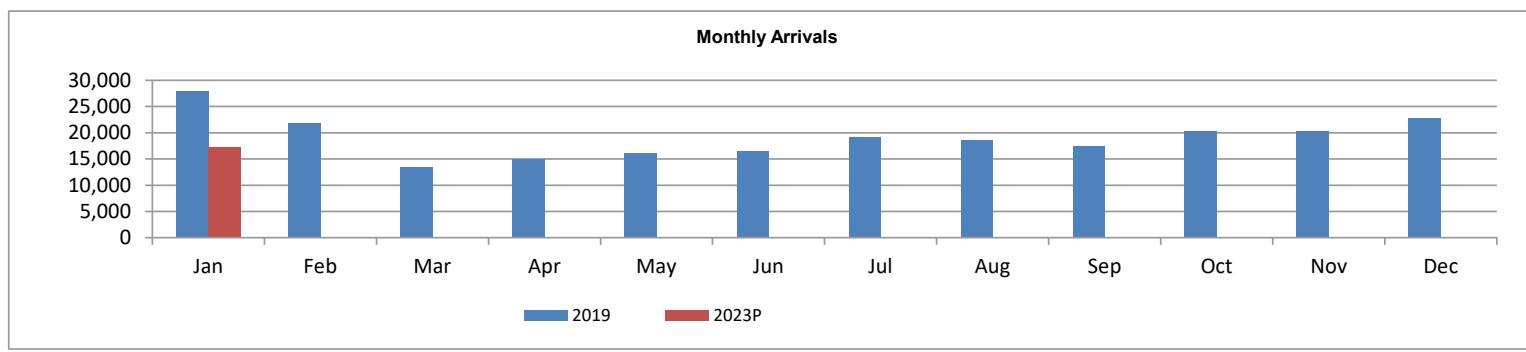
Market: **KOREA**

Key Performance Indicators

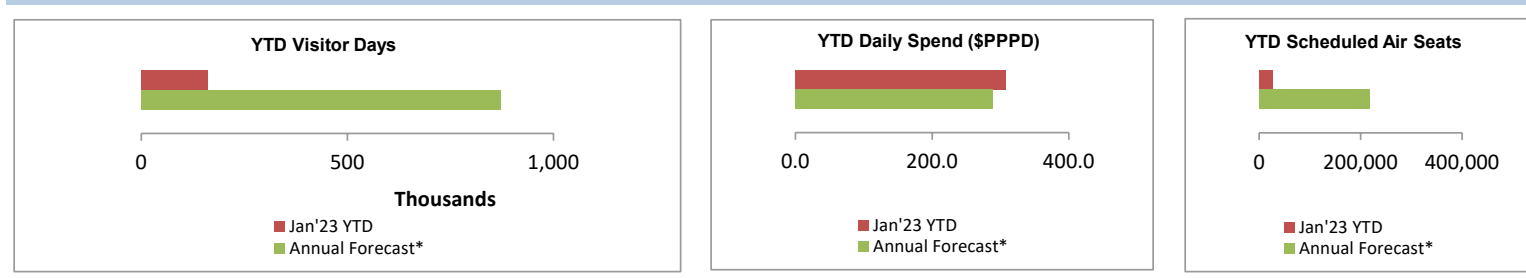
	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↓ -17.2%	60.1	49.8	252.0	O'ahu	-37.9%	17,124
Daily Spend (\$PPPD)	↑ 20.2%	256.2	308.1	288.7	Mauī	-65.1%	1,306
Visitor Days	↓ -31.2%	234,680	161,556	872,630	Moloka'i	-49.3%	62
Arrivals	↓ -38.2%	27,907	17,243	94,014	Lāna'i	36.8%	170
Daily Census	↓ -31.2%	7,570	5,211	2,391	Kaua'i	-29.4%	658
Airlift (scheduled seats) [^]	↓ -20.0%	33,610	26,879	217,245	Hawai'i Island	-26.7%	3,764

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



Visitor Industry Performance Measures

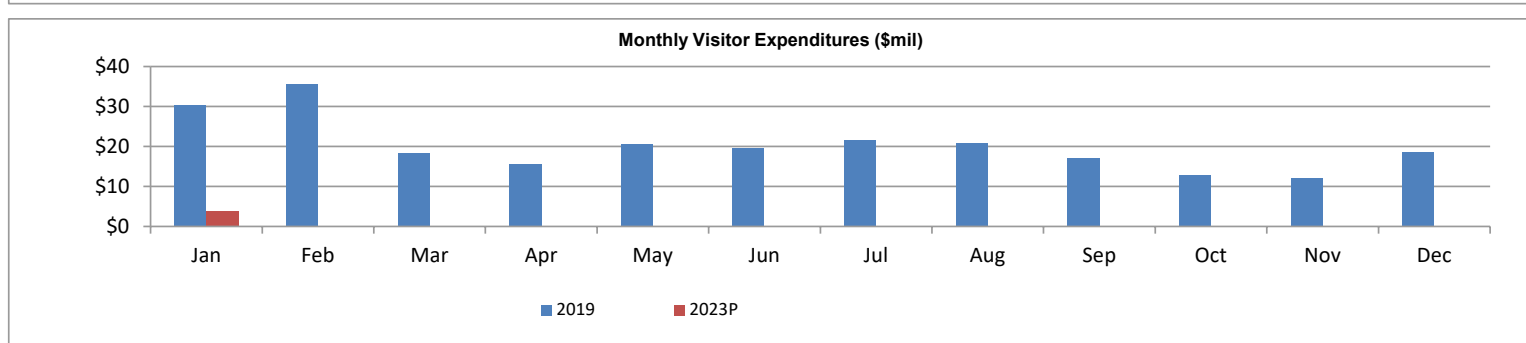
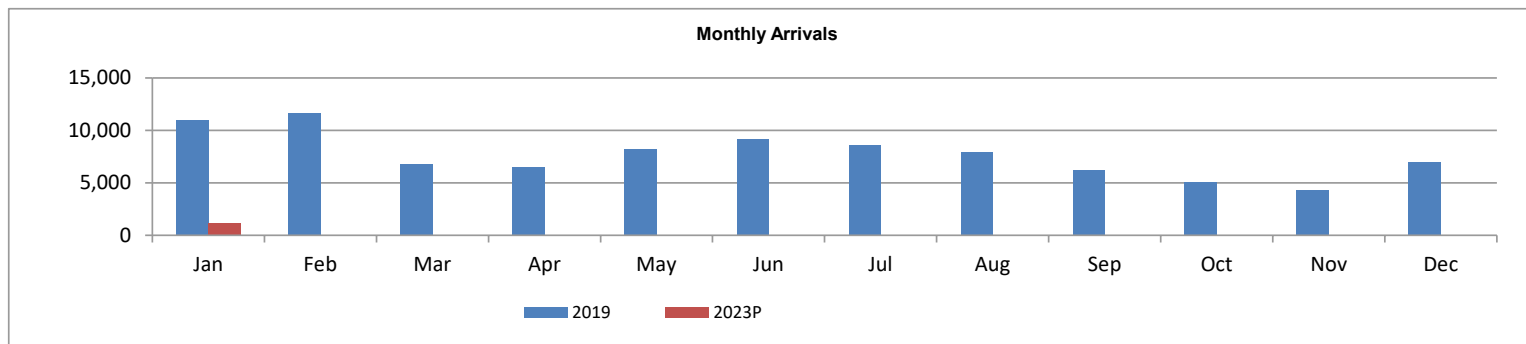
Market: **CHINA**

Key Performance Indicators

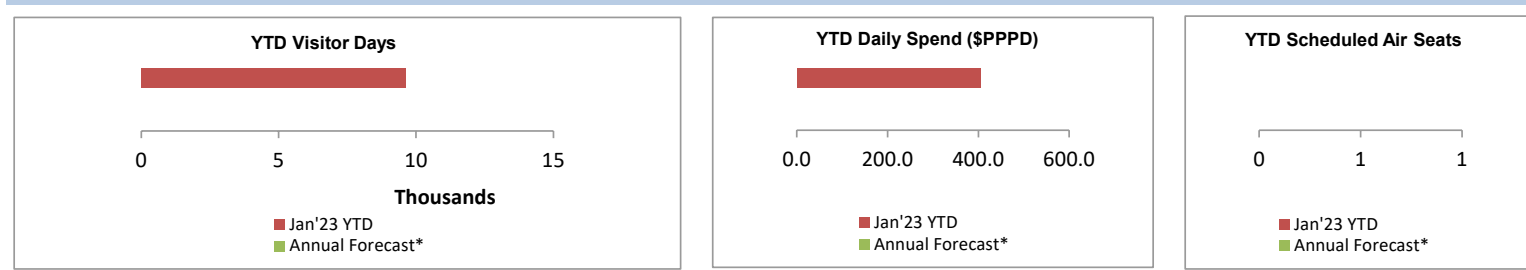
	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↓ -87.1%	30.3	3.9	N/A	O'ahu	-90.6%	995
Daily Spend (\$PPPD)	↑ 32.3%	305.9	404.7	N/A	Mau	-92.7%	211
Visitor Days	↓ -90.3%	98,928	9,623	N/A	Moloka'i	-100.0%	-
Arrivals	↓ -89.4%	10,944	1,164	N/A	Lāna'i	-92.1%	8
Daily Census	↓ -90.3%	3,191	310	N/A	Kaua'i	-88.0%	69
Airlift (scheduled seats) [^]	N/A	N/A	N/A	N/A	Hawai'i Island	-91.4%	387

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

Visitor Industry Performance Measures

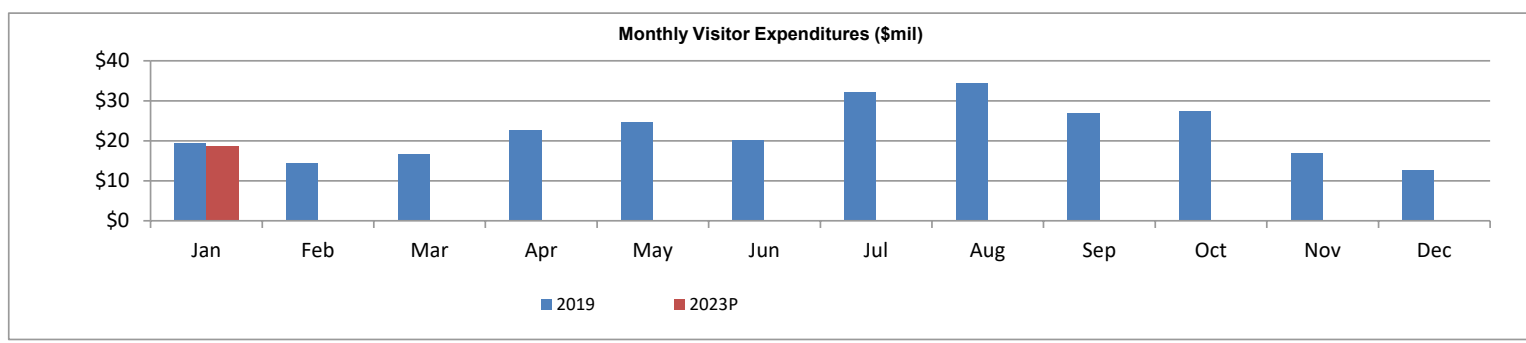
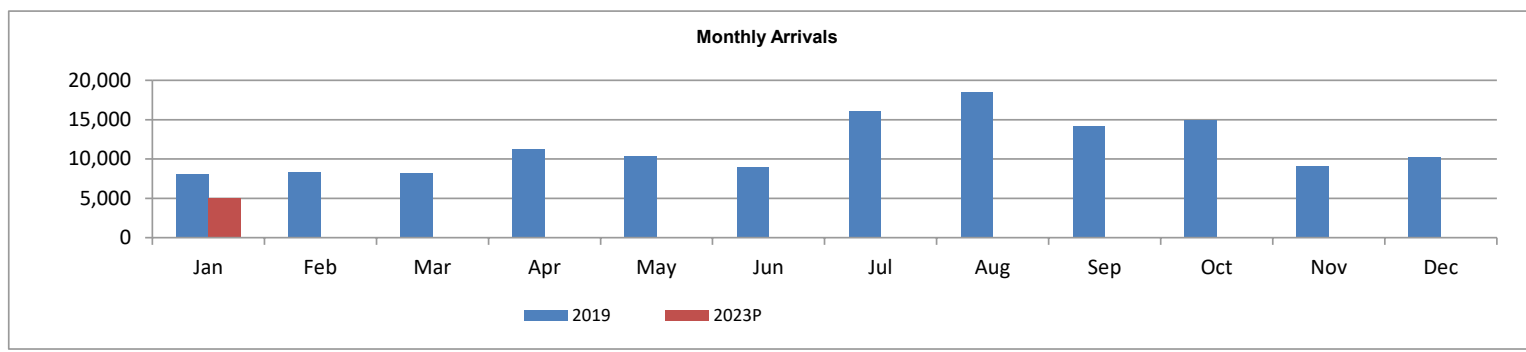
Market: **EUROPE**

Key Performance Indicators

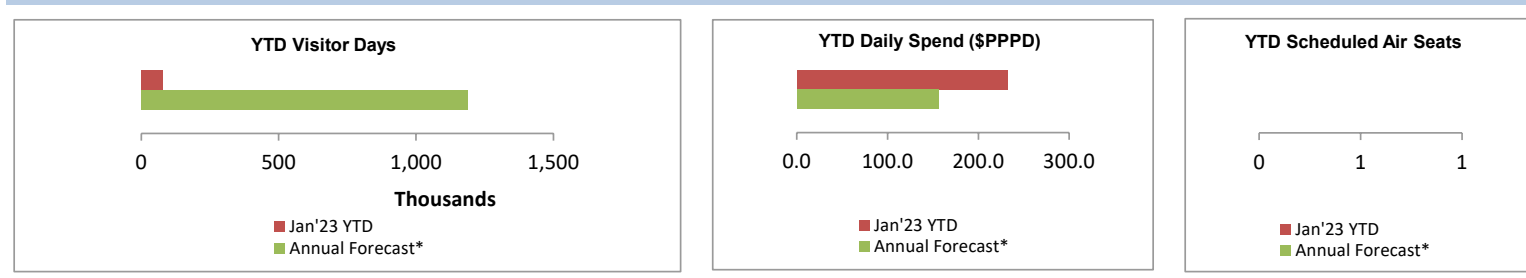
	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	👇 -3.5%	19.3	18.6	185.4	O'ahu	-43.0%	3,537
Daily Spend (\$PPPD)	👆 42.5%	162.7	231.9	156.2	Mau	-48.7%	1,760
Visitor Days	👇 -32.3%	118,507	80,238	1,186,896	Moloka'i	-42.3%	73
Arrivals	👇 -36.9%	8,022	5,059	84,710	Lāna'i	-8.7%	61
Daily Census	👇 -32.3%	3,823	2,588	3,252	Kaua'i	-57.4%	922
Airlift (scheduled seats) [^]	N/A	N/A	N/A	N/A	Hawai'i Island	-41.1%	1,513

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



Visitor Industry Performance Measures

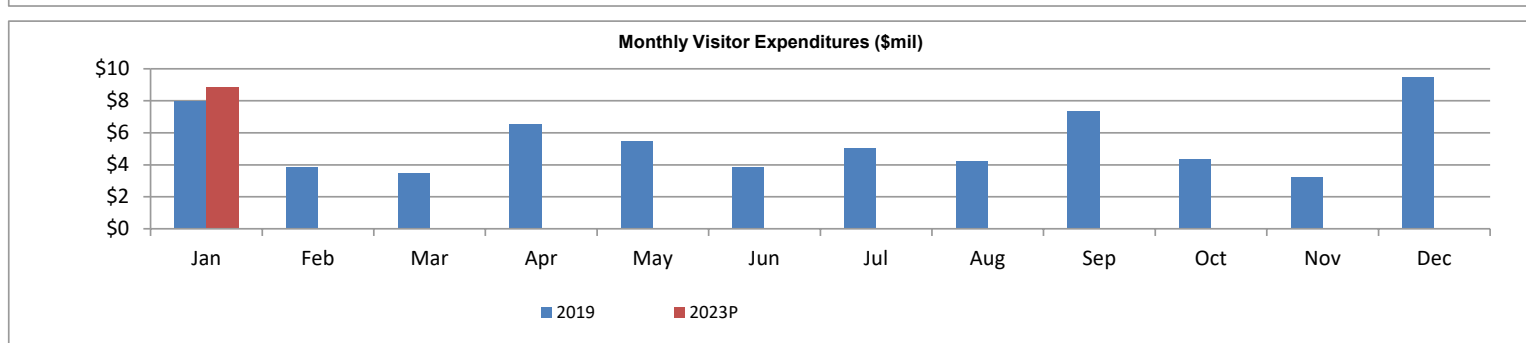
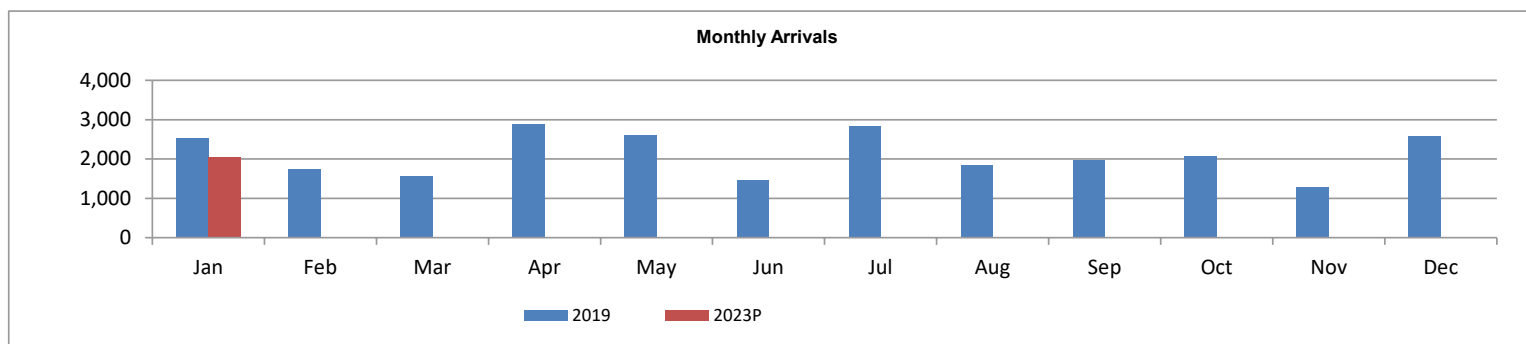
Market: **LATIN AMERICA**

Key Performance Indicators

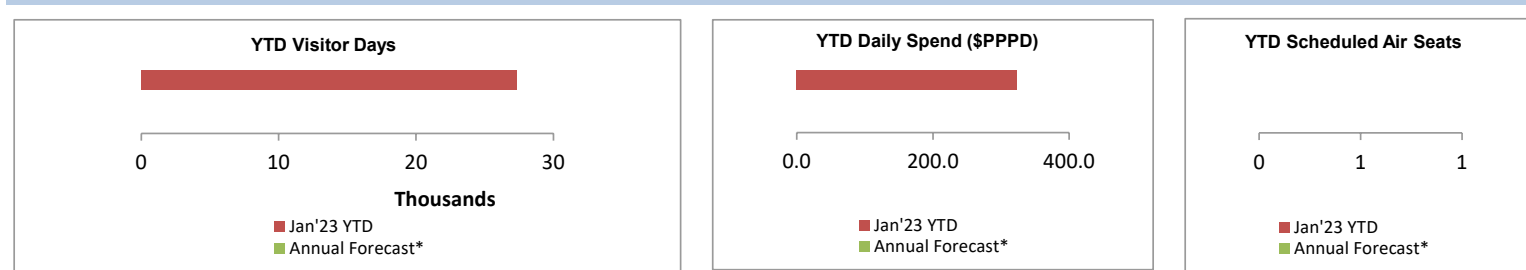
	YOY Rate	Jan'19 YTD	Jan'23 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil)	↑ 10.9%	8.0	8.8	N/A	O'ahu	-23.7%	1,575
Daily Spend (\$PPPD)	↑ 22.8%	263.4	323.6	N/A	Maui	-25.0%	650
Visitor Days	↓ -9.7%	30,243	27,310	N/A	Moloka'i	99.7%	29
Arrivals	↓ -19.5%	2,525	2,034	N/A	Lāna'i	-33.2%	28
Daily Census	↓ -9.7%	976	881	N/A	Kaua'i	-33.2%	238
Airlift (scheduled seats) [^]	N/A	N/A	N/A	N/A	Hawai'i Island	-8.1%	370

* DBEDT Annual Forecast as of Q3 2022.
[^] HTA/DBEDT READ analysis based on scheduled seats from Diio Mi flight schedules as of December 22, 2022, subject to change.

Monthly Indicators



Annual Indicators



9

Report and Update by the
Budget, Finance and Convention Center Standing
Committee of their Meeting held on
March 28, 2023

9a.1

Financial Statements – Executive Summary
as of February 28, 2023



AUTHORITY

Financial Statements – Executive Summary
As of February 28, 2023

Foreword:

- Fund Accounts. HTA’s major funds are the following:
 - Tourism Federal Fund FY2023 (ARPA TFF) – Official Name: HTA CSFRF Subaward
 - Tourism Federal Fund FY2022 (ARPA TFF) – Official Name: HTA CSFRF Subaward
 - Tourism Special Fund (TSF)
 - Convention Center Federal Fund (ARPA CCFF) – Official Name: Convention Center CSFRF Subaward
 - Convention Center Enterprise Special Fund (CCESF)
 - Economic Development Administration (EDA) Grant – Official Name: ARPA-EDA Tourism Grant (Non-Competitive ARPA State Tourism Grant for State of Hawaii)
- Remaining FY 2022 Budget. HTA currently can continue encumbering its FY 2022 ARPA funds until December 2023.
- Tracking of Cross-Year Encumbrances. The formatting of the financial statements has changed from prior years because we are now working with Federal funds that can be encumbered in more than one fiscal year. The change in format reflects the need to track such cross-year transactions.
- FY23 Funding. HTA’s Board of Directors approved a \$60M FY 2023 budget. Then-Governor Ige vetoed HB1147, 2022 Legislature, on concerns of the legality of the mechanism for appropriating those funds. If not vetoed, HB 1147 would have appropriated the \$60M in General funds to HTA for FY 2023. In November 2022, the HTA’s FY 2023 funding issue was resolved and HTA was granted a \$35M ARPA subaward. At its November 2022 meeting, the HTA Board approved a revised \$35M FY 2023 budget. In February 2023 B&F has approved HTA’s \$35M ARPA subaward. Since then, HTA has begun encumbering contracts.

Summary of Financial Position – All Funds

		(In Millions)					
		2022 TFF (ARPA)	2023 ARPA	TSF (incl Emergency)	2022 CCFF (ARPA)	CCESF	EDA
Cash at February 28, 2023		31.9	35.0	24.1	10.2	34.9	-
Increase (Decrease) due to							
Revenue		7.3	35.0	-	-	-	-
Program/Op Expenses		0.2	-	1.2	-	-	-
Encumbered Funds		16.0	8.7	13.6	10.0	5.9	-
Unencumbered Funds		15.9	26.3	10.5	0.2	29.0	-

Tourism Federal Fund FY 2022 (ARPA TFF):

1. \$31.9M in cash. Cash increased by \$7.0M from January 31, 2023 due to \$7.3M allotment of funds to HTA relating to program, admin, and governance expenses, which was offset by \$212K disbursements related to program expenditures.
2. The release of TFF funds for HTA use is accomplished through an approval process that includes approval by the Governor (CSFRF approval), the State's Department of Budget & Finance's (B&F) and the HTA Board of Directors. Below is a summary of the status of those approvals:

	Gov Approved (CSFRF)	B&F Funds Release		Board Approved	Encumbered
		Requested	Approved *	Amount	
Hawaiian Culture	-	1,565,500	1,565,500	4,544,845	1,234,292
Natural Resources	-	665,000	665,000	1,915,000	100,000
Community	27,289,500	735,500	735,500	3,685,500	120,000
Branding	28,500,000	33,563,000	33,563,000	31,673,655	29,795,199
Sports	-	4,344,889	4,344,889	6,311,889	3,011,889
Safety & Security	-	900,000	900,000	700,000	152,150
Research	-	60,000	60,000	60,000	-
Planning	-	2,005,200	2,005,200	2,005,200	813,396
Admin	648,700	1,199,111	1,199,111	1,189,111	472,045
Governance and Org-Wide	351,800	529,001	529,001	582,001	390,845
Payroll	3,210,000	7,132,799	7,132,799	7,332,799	6,505,669
	60,000,000	52,700,000	52,700,000	60,000,000	42,595,485

In January 2023 B&F has approved HTA's extension request to allow the encumbering and expenditure of the \$60M ARPA funds through December 31, 2023.

3. Over several meetings, the HTA Board approved the FY 2022 budget of \$60M, further detailed below.

	Incremental Approved at Meeting	Cumulative Budget Approved	Description
June 11, 2021 Meeting	1,000,000	1,000,000	Payroll
July 2021 Meeting	32,200,500	33,200,500	Branding, Payroll, Admin and Governance
September 2021 Meeting	1,787,889	34,988,389	Cruise and Sports
November 2021 Meeting	8,086,611	43,075,000	Most other programs
December 2021 Meeting	5,300,000	48,375,000	Programs previously identified as needing further clarification to Board's questions.
January 2022 Meeting	475,000	48,850,000	NAHHA FY23
June 2022 Meeting	4,300,000	53,150,000	Release of funds for FY23 payroll, admin and governance costs, bringing to current.
July 2022 Meeting	6,400,000	59,550,000	Release of funds for KO, AA, and CEP programs
September 2022 Meeting	450,000	60,000,000	Release of remaining funds as part of staff's budget reallocation request.

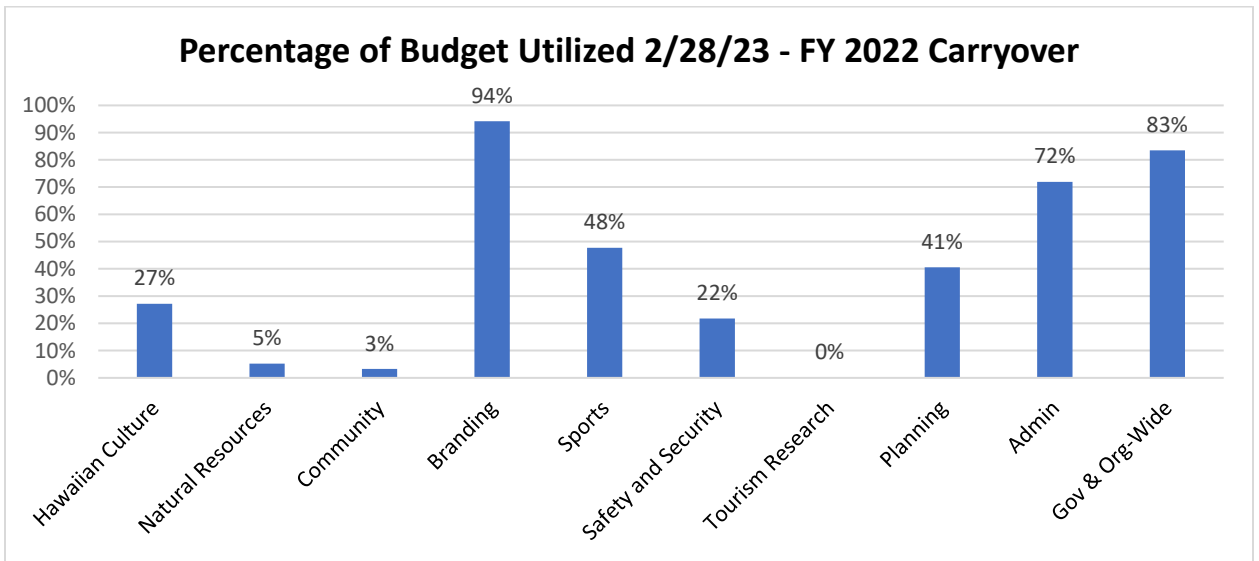
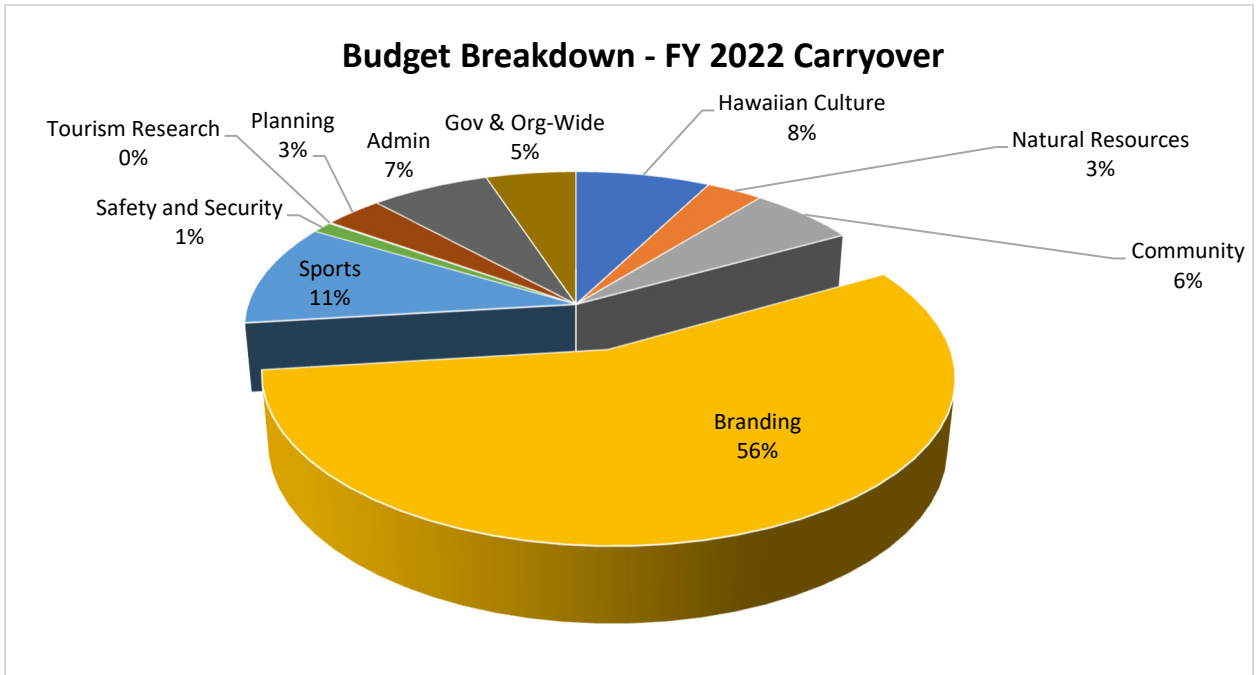
As of February 28, 2023, \$42.2M of the \$60.0M FY2022 budget was utilized/encumbered, or 71%.

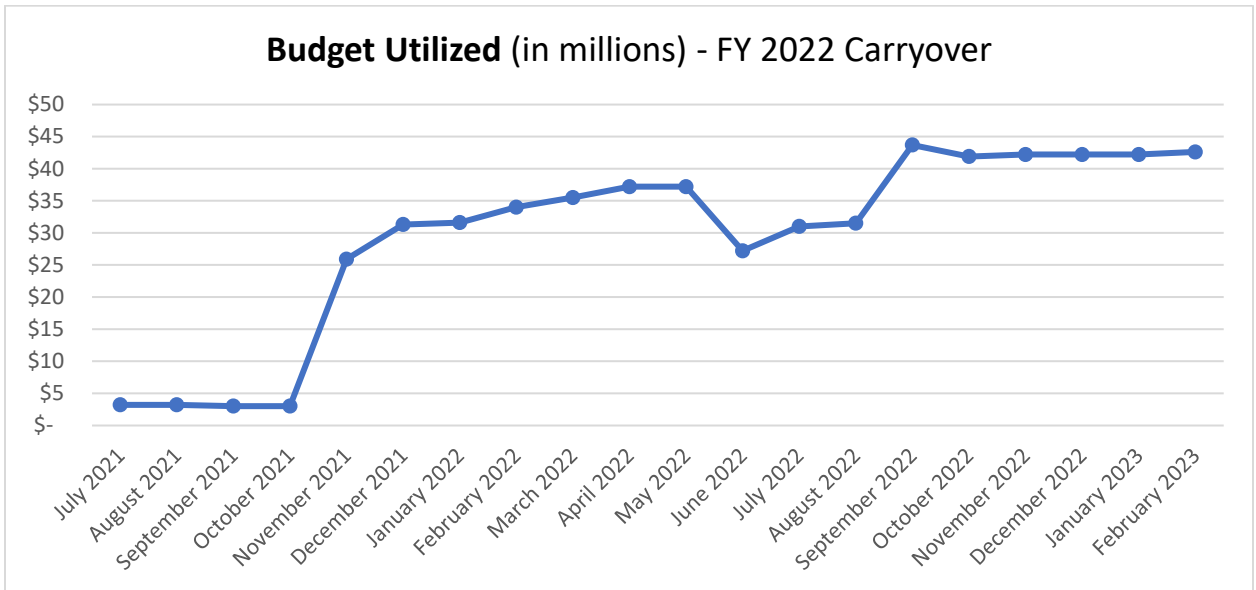
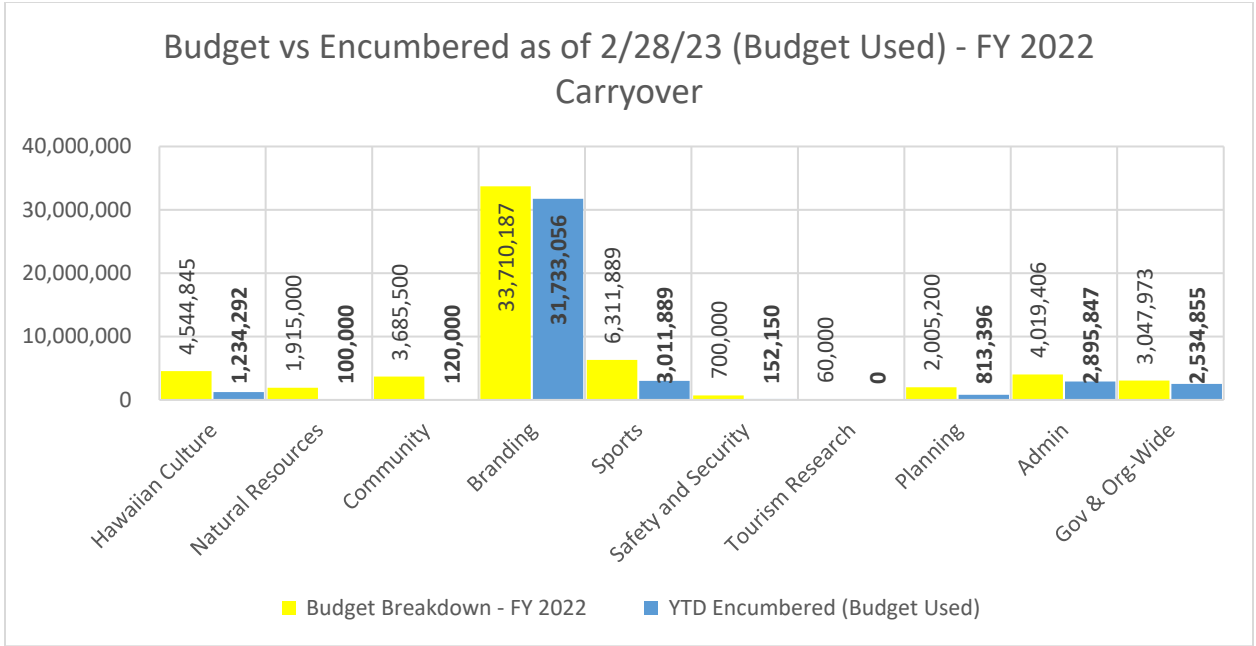
Below is a summary of the FY 2022 budget based upon Federal reporting categories (titles were paraphrased). In April 2022, B&F approved HTA's request to reclassify Federal eligibility categories from "Negative Economic Impacts" to "Revenue Loss (Revenue Replacement)."

	Budget	Encumbered	Remaining
Revenue Replacement	52,667,201.00	36,089,816	16,577,385
Continuation of Government Services			
Payroll	7,332,799.00	6,505,669	827,130
	60,000,000	42,595,485	17,404,515

The following are various charts to depict our FY 2022 budget, budget utilization and trends. Additionally, these charts reflect the funding of FY 2023 community-type programs that were originally planned to be funded by the FY 2023 budget. Such programs were instead funded by FY 2022's budget to fulfill HTA's commitment toward community, in consideration of cash flow needs of those programs while HTA's FY 2023 funding is being resolved. Further, the majority of Major Market Area contracts within the

Branding budget are to be used toward Branding Education programs to promote responsible and regenerative tourism.





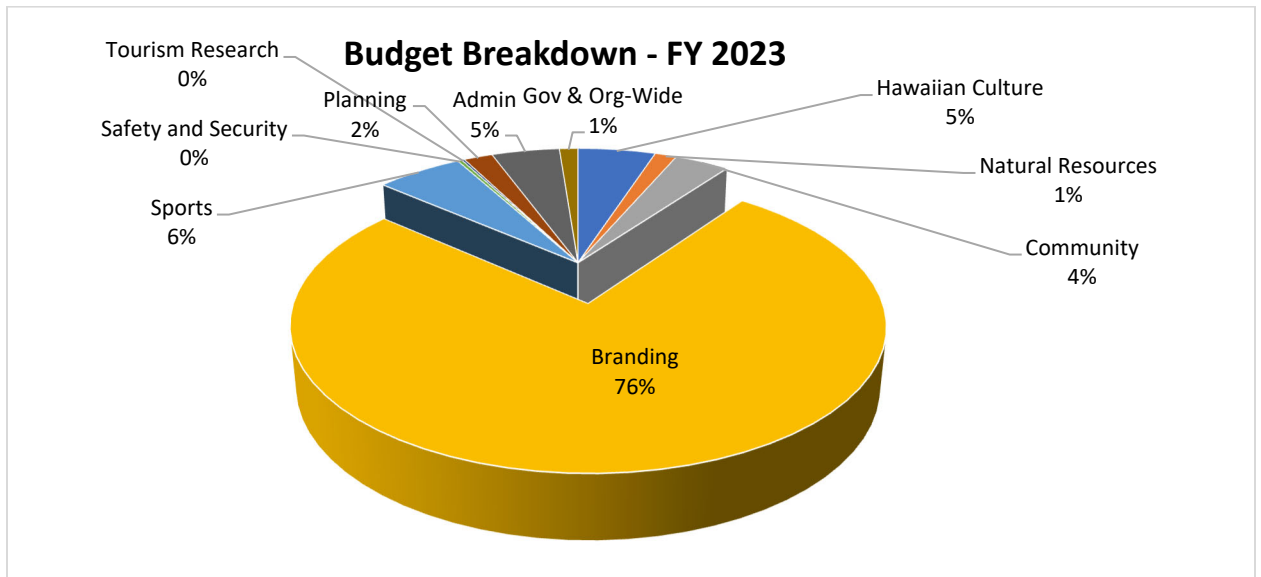
4. No significant budget reallocations were made during the month. A detail of the budget reallocations made for the reporting period and cumulatively for the fiscal year is provided on the accompanying Budget Reallocation Summary.

5. \$15.9M in encumbrances outstanding.

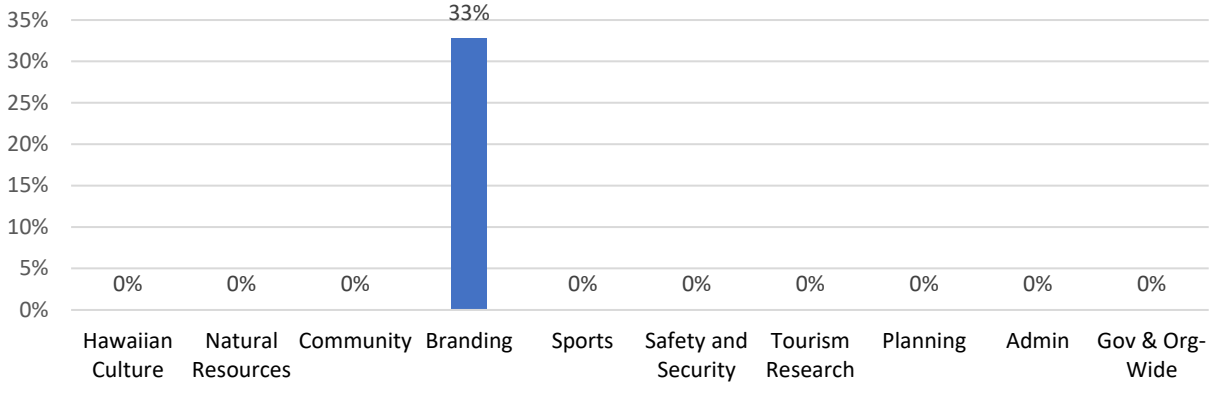
6. Operating Income (Loss):
 - a. Cumulatively from the beginning of FY 2022 (prior year), \$60M has been allotted to HTA through February 28, 2023, which represents ARPA funds HTA is using for staff's payroll (FY 2022 and FY 2023), program, admin and governance costs.
 - b. Cumulatively, \$28.1M has been expended through February 2023 from the beginning of FY 2022 (prior year).
 - c. Since HTA can continue to encumber off the FY 2022 budget in FY 2023, a single Statement of Revenues and Expenditures is presented, which displays both current year and cumulative activity. Typically, separate statements would be presented for current year and prior year funds.

Tourism Federal Fund FY 2023 (ARPA TFF):

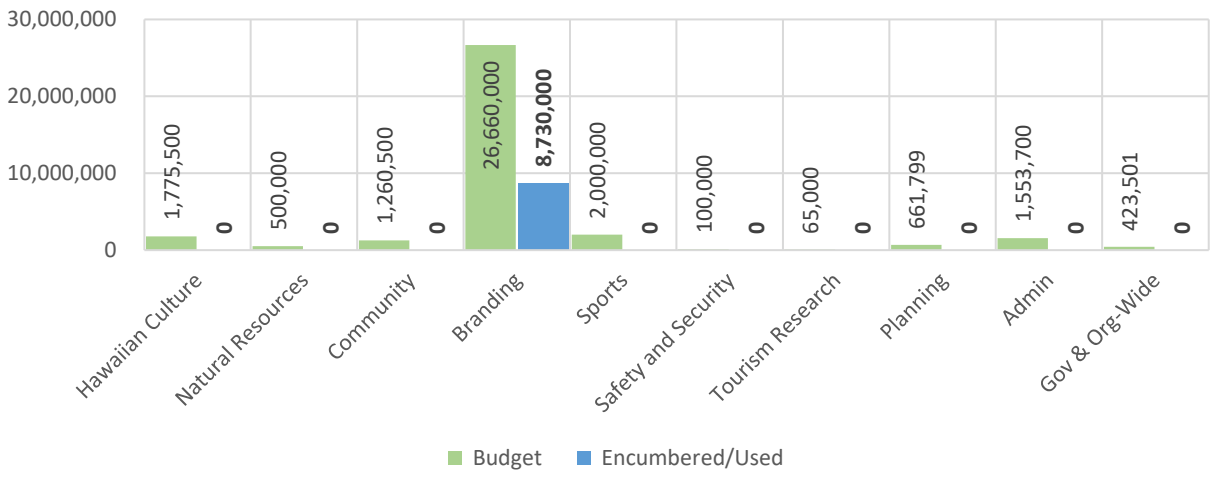
7. Cash increased to \$35.0M in February 2023 as a result of B&F releasing the full allotment of funds to HTA relating to program, admin, and governance expenses. Since then HTA has begun encumbering contracts.
8. At its November 2022 meeting, the HTA Board approved a \$35M FY 2023 ARPA funds budget upon the subaward by now former Governor Ige.
9. The following are various charts to depict our FY 2023 budget, budget utilization and trends.



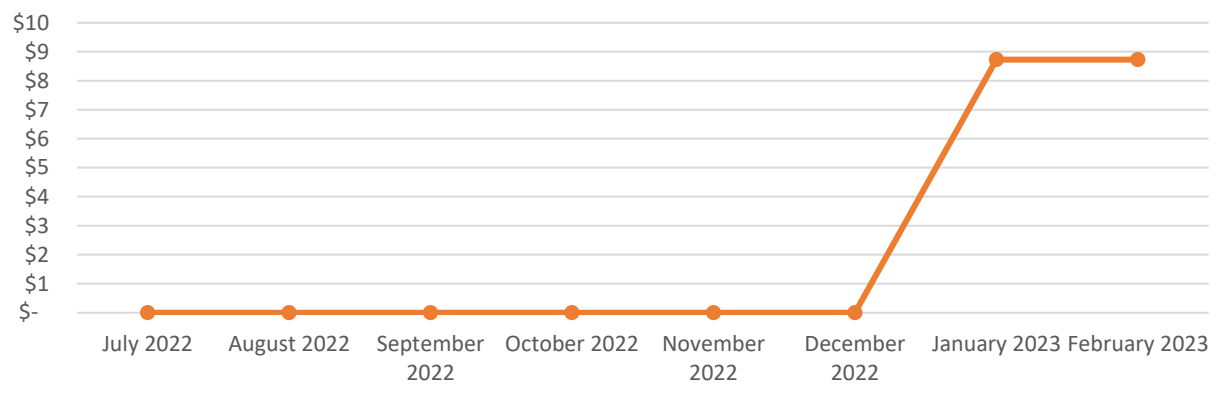
Percentage of Budget Utilized 2/28/23 - FY 2023



Budget vs Encumbered as of 2/28/23 (Budget Used) - FY 2023



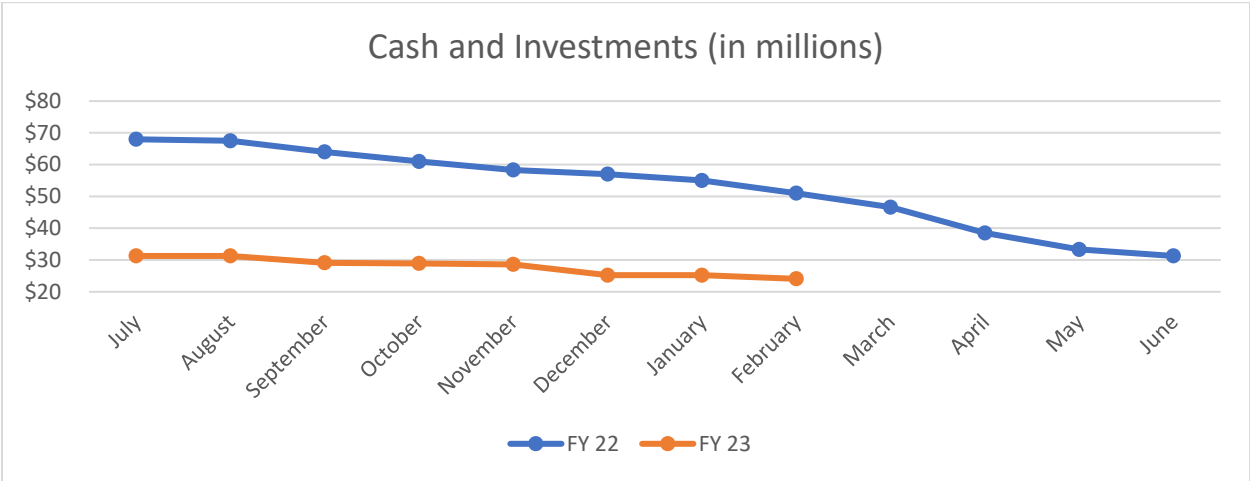
Budget Utilized (in millions) - FY 2023



Tourism Special Fund - (TSF; incl Emergency):

10. The Tourism Special Fund sunset on January 1, 2022, pursuant to Act 001, 2021 Legislative Special Session, leaving all unencumbered funds available for remitting to the State’s General Fund. The \$5M Emergency Fund remains with HTA.

11. \$24.1M in cash and investments. The cash balance is earmarked primarily for contract encumbrances made from the FY 2021 budget. The FY 2021 budget was funded by HTA’s reserves that were bolstered by cancelled and reduced contracts due to the pausing of TAT distributions to HTA at the onset of the pandemic and a one-time TAT cash distribution in June 2021. In FY 2023, we continue to spend down previously encumbered funds within the TSF.



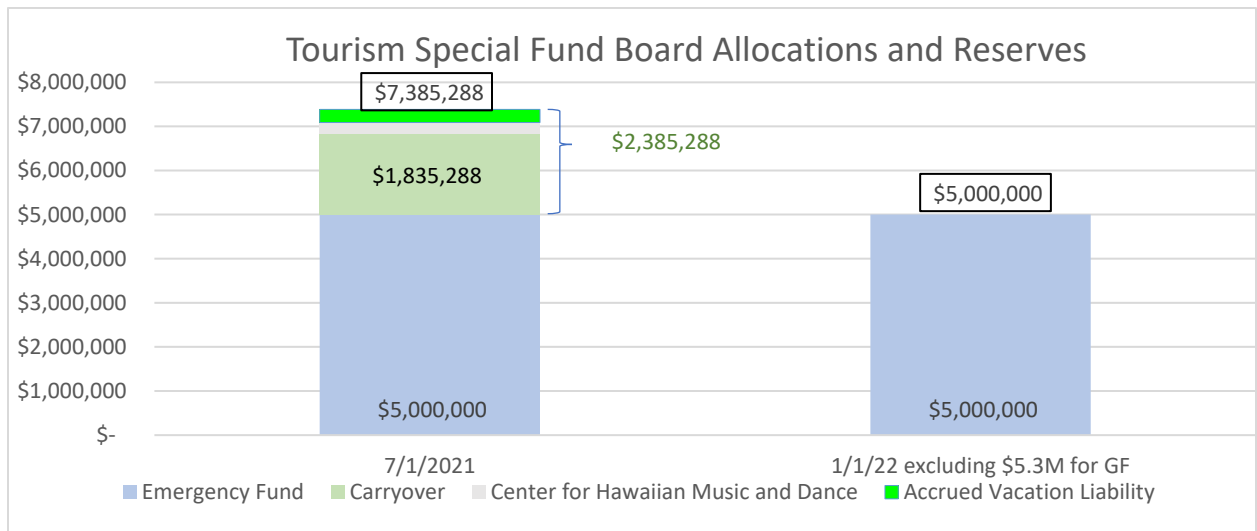
- a. Includes \$5.1M in Emergency Fund held as investments.
 - i. Approximately \$1.0M held in money market funds and \$4.1M held in US Treasury notes laddered in approximately 3-month intervals.
 - ii. Further detail provided in the financial statements
- b. Cash decreased by approximately \$1.1M from January 31, 2023 due to disbursements related to program expenditures.
- c. We anticipate the cash balance to decrease to \$0 over time once all encumbered funds are expended, except for the \$5.1M Emergency Fund.

12. HTA’s outstanding encumbrances are summarized as follows:

\$13.6M	Prior year encumbrances currently being spent down
\$0.00	Current year encumbrances remaining
\$13.6M	Total encumbrances outstanding as of February 28, 2023

Staff routinely makes a concerted effort to liquidate older encumbrances that should no longer be encumbered and that is reflected here.

13. In addition to HTA's \$5M Emergency Fund, approximately \$5.4M in unencumbered funds is available to return to the State's General Fund as a result of the sunset of the Tourism Special Fund, Pursuant to Act 001, Special Session 2021 (HB 862). This balance has grown from the \$2.3M on July 1, 2021 (start of FY22) to the current amount due to efficiencies realized from unspent contracts that were previously encumbered.



14. With its sunset, there is no budget for the Tourism Special Fund in FY 2023.
15. Operating Income (Loss):
- Pursuant to Act 001, Legislative Special Session 2021, HTA is no longer included in the TAT allocation.
 - \$50.2K of investment income earned year-to-date.
 - \$7.3M in expenditures year-to-date primarily relating to program costs.

Convention Center Federal Fund (ARPA CCFF):

16. \$10.2M in cash (remaining from amount that has been allotted to HTA). Cash remained consistent from January 31, 2023.

17. Over several meetings, the HTA Board approved the \$11M budget for FY 2022's Convention Center ARPA funds, further detailed below.

	Incremental Approved at Meeting	Cumulative Budget Approved	
June 2021 Meeting	162,000	162,000	Interim Payroll funding
July 2021 Meeting	328,000	490,000	Payroll for remainder of year
February 2022 Meeting	10,510,000	11,000,000	Remainder of budget, primarily for R&M
June 2022 Meeting	0	11,000,000	Reallocated to fund FY23 operations due to HB1147 (2022) veto, bringing to current

In January 2023, B&F approved HTA's request to extend the period of performance from June 2023 to December 2023.

18. No budget reallocations were made in February 2023.

19. Operating Income:

- a. Cumulatively from the beginning of FY 2022 (prior year), \$11M of ARPA funds has been allotted, which represents ARPA funds HTA used in FY 2022 for staff's payroll and, provided the earlier-noted budget reallocation, that will fund FY 2023 expenditures of the Convention Center.
- b. Cumulatively, \$751K has been expended from the beginning of FY 2022 (prior year).
- c. Since HTA can continue to encumber off the FY 2022 budget in FY 2023, a single Statement of Revenues and Expenditures is presented, which displays both current year and cumulative activity. Typically, separate statements would be presented for current year and prior year funds.

Convention Center Enterprise Special Fund (CCESF):

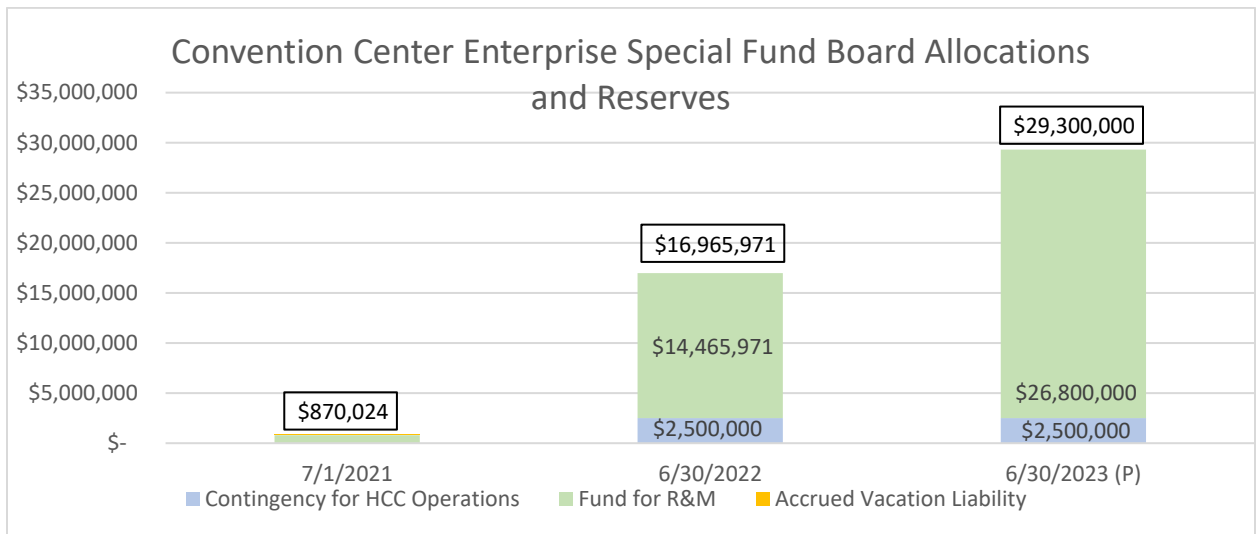
20. \$34.9M in cash. Cash remained consistent from January 31, 2023.

21. \$37.1M in cash with contractor or with DAGS, for R&M projects (as of January 2023).

- a. Includes \$2M in Emergency R&M funds

- b. These funds are encumbered or budgeted toward specific projects such as kitchen wall rehabilitation and exterior planter repairs, exterior building painting, house audio upgrades, ballroom gutter and transom glass repair, chiller replacement, and various equipment purchases and upgrades. Of the \$37.1M, approximately \$3.9M has been contracted (as of January 2023).
- c. The amount of cash remaining with the contractor already accounts for \$1.5M expended on current and future projects (in-progress costs or preliminary work).

22. \$29M reserved as Board allocations as of February 28, 2023, of which \$2.5M is earmarked as a facility operations contingency reserve and \$26.5M is earmarked for the Convention Center’s major R&M program as supported by specific projects under its 6-Year Plan. This \$29M compares to a reserve balance of \$16.9M as of June 30, 2022. The increase is due to the approximate \$1.1M in revenue recorded in July 2022 and \$11M in TAT revenue that was deposited into the CCESF in August 2022, pursuant to HRS 237D, as amended by Act 1 of the 2021 Legislative Special Session, which allowed for the continued deposit of TAT into the CCESF. Without the ability to spend these funds due to the CCESF not having an appropriation ceiling in FY 2023, we forecast the amount reserved as Board allocations to remain around \$29M through June 2023. No significant Convention Center revenues will be collected due to a change in the management contract with AEG/ASM that will require the contractor’s use of revenues to pay for costs (netting cash flow). This contract change is particularly necessary with no CCESF expenditure ceiling for the second consecutive year. HTA’s 2023 legislative initiatives include seeking the restoration of the CCESF expenditure ceiling.



23. \$5.9M of prior year outstanding encumbrances currently being spent down.
24. Budget:
 - a. No budget has been established for the CCESF in FY 2023, as no expenditure ceiling was appropriated, as discussed earlier.
25. Operating Income:
 - a. HTA collected \$11M in TAT funds cumulatively for FY 2023.
 - b. Current Year Convention Center Operations
 - i. Note: HTA's FY 2023 operating subsidy to the Convention Center cumulatively through February 2023 was \$2.6M per HCC financial statements. We budgeted for a \$5.4M operating subsidy for FY 2023. Funded by FY22's encumbrance as discussed above.
 - d. \$10.1M in year-to-date expenditures paid from the CCESF, primarily from prior year encumbrances to fund the Convention Center's six-year major repair and maintenance plan.

EDA Grant:

26. The Board's \$14M budget was approved in June 2022. Since then, one of the project's was deemed "construction" and HTA/DLNR has been submitting reports and providing further information on the project since August. In February, it was decided to pull this project and substitute it by expanding proposed projects. The Grant Administration Plan was approved in March 2023. HTA is now ready to execute the contract with DLNR and will begin preparing RFP's for HTA's contracts.

Hawaii Tourism Authority
Balance Sheet
Tourism Federal (ARPA) FY 2023 Fund
As of 2/28/23

	<u>Current Year</u>
Assets	
Current Assets	
Checking	<u>35,000,000.00</u>
Total Current Assets	35,000,000.00
Total Assets	<u><u>35,000,000.00</u></u>
Fund Balance	
Encumbered Funds	
FY 2023 Funds	<u>8,730,000.00</u>
Total Encumbered Funds	8,730,000.00
Unencumbered Funds	
Total Unencumbered Funds	26,270,000.00
Total Fund Balance	<u><u>35,000,000.00</u></u>

Hawaii Tourism Authority
 Balance Sheet
 Tourism Federal (ARPA) FY 2022 Fund
 As of 2/28/23

	Current Year
Assets	
Current Assets	
Checking	31,858,922.63
Total Current Assets	31,858,922.63
Total Assets	31,858,922.63
Fund Balance	
Current year payables	
Accounts Payable	601.45
Total Current year payables	601.45
Encumbered Funds	
FY 2022 Funds	15,953,596.43
Total Encumbered Funds	15,953,596.43
Unencumbered Funds	
Total Unencumbered Funds	15,904,724.75
Total Fund Balance	31,858,922.63

Hawaii Tourism Authority

Balance Sheet

Tourism Special Fund

As of 2/28/23

	<u>Current Year</u>
Assets	
Current Assets	
Checking	19,019,485.82
Total Current Assets	<u>19,019,485.82</u>
Total Assets	<u><u>19,019,485.82</u></u>
Fund Balance	
Encumbered Funds	
FY 2015 Funds	6,830.35
FY 2016 Funds	6,047.12
FY 2017 Funds	15,706.80
FY 2018 Funds	4,137.03
FY 2019 Funds	18,274.11
FY 2020 Funds	607,759.62
FY 2021 Funds	12,936,399.77
Total Encumbered Funds	<u>13,595,154.80</u>
Unencumbered Funds	
Total Unencumbered Funds	5,424,331.02
Total Fund Balance	<u><u>19,019,485.82</u></u>

Hawaii Tourism Authority
Balance Sheet
Convention Center Federal (ARPA) Fund
As of 2/28/23

	Current Year
Assets	
Current Assets	
Checking	10,248,890.96
Total Current Assets	10,248,890.96
Total Assets	10,248,890.96
Fund Balance	
Encumbered Funds	
FY 2022 Funds	10,070,285.27
Total Encumbered Funds	10,070,285.27
Unencumbered Funds	
Total Unencumbered Funds	178,605.69
Total Fund Balance	10,248,890.96

Hawaii Tourism Authority
Balance Sheet
Convention Center Enterprise Special Fund
As of 2/28/23

	<u>Current Year</u>
Assets	
Current Assets	
Checking	34,921,672.05
Total Current Assets	<u>34,921,672.05</u>
Total Assets	<u><u>34,921,672.05</u></u>
Fund Balance	
Encumbered Funds	
FY 2019 Funds	110,894.39
FY 2021 Funds	5,771,724.93
Total Encumbered Funds	<u>5,882,619.32</u>
Unencumbered Funds	
Total Unencumbered Funds	29,039,052.73
Total Fund Balance	<u><u>34,921,672.05</u></u>

Hawaii Tourism Authority

Balance Sheet

Emergency Trust Fund

As of 2/28/23

	<u>Current Year</u>
Assets	
Current Assets	
Investments	5,101,212.39
Total Current Assets	<u>5,101,212.39</u>
Total Assets	<u><u>5,101,212.39</u></u>
Fund Balance	
Current year net assets	
	87,187.67
Total Current year net assets	<u>87,187.67</u>
Prior years	
Total Prior years	5,014,024.72
Total Fund Balance	<u><u>5,101,212.39</u></u>

HTA Allocations
FY 2022 and FY 2023

HTA Allocations:

Annual Budgets:

-\$60M FY 2023 HTA ARPA Funds (subject to release by Governor)

-No FY23 budget for Convention Center (\$11M TAT, however no expenditure ceiling appropriation)

\$5M Emergency Funds

\$5M Emergency Fund Reserve (Established by Statute as a separate fund, to be used upon declaration of a tourism emergency by the Governor)

\$0M Mandated by Board (designated for use in the event of a significant economic downturn upon Board approval; used to fund FY 21 budget)

Convention Center Enterprise Special Fund:

	7/1/2021	6/30/2022	Projected 6/30/2023
Carryover for HCC Operations	-	2,500,000	2,500,000
Reserve for Funding Year 21 Transactions	-	-	-
Funds for 6-Year R&M Plan	790,024	14,465,972	26,800,000
Accrued Vacation Liability	80,000	-	-
	<u>870,024</u>	<u>16,965,972</u>	<u>29,300,000</u> *

*With no expenditure ceiling appropriated in FYs 2022 and 2023, HTA is currently unable to spend these funds.

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Fiscal Year 2023 Funds - Tourism Federal Fund
From 2/1/2023 Through 2/28/2023

	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Alloted Federal Funds	35,000,000.00	35,000,000.00	0.00	35,000,000.00
Total Revenue	<u>35,000,000.00</u>	<u>35,000,000.00</u>	<u>0.00</u>	<u>35,000,000.00</u>
Expense				
Perpetuating Hawaiian Culture	1,775,500.00	0.00	1,775,500.00	0.00
Natural Resources	500,000.00	0.00	500,000.00	0.00
Community	1,260,500.00	0.00	1,260,500.00	0.00
Branding	26,660,000.00	0.00	26,660,000.00	0.00
Sports	2,000,000.00	0.00	2,000,000.00	0.00
Safety and Security	100,000.00	0.00	100,000.00	0.00
Tourism Research	65,000.00	0.00	65,000.00	0.00
Planning	661,799.00	0.00	661,799.00	0.00
Administrative	1,553,700.00	0.00	1,553,700.00	0.00
Governance and Org-Wide	423,501.00	0.00	423,501.00	0.00
Total Expense	<u>35,000,000.00</u>	<u>0.00</u>	<u>35,000,000.00</u>	<u>0.00</u>
Net Income	<u>0.00</u>	<u>35,000,000.00</u>	<u>35,000,000.00</u>	<u>35,000,000.00</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Fiscal Year 2022 Funds - Tourism Federal Fund
From 7/1/2021 Through 2/28/2023

	<u>Budget</u>	<u>Cumulative Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>	<u>FY 2023 Actual</u>
Revenue					
Alloted Federal Funds	60,000,000.00	60,000,000.00	0.00	7,300,000.00	11,660,000.00
Total Revenue	<u>60,000,000.00</u>	<u>60,000,000.00</u>	<u>0.00</u>	<u>7,300,000.00</u>	<u>11,660,000.00</u>
Expense					
Perpetuating Hawaiian Culture	4,544,845.00	8,214.75	4,536,630.25	0.00	8,214.75
Natural Resources	1,915,000.00	40,000.00	1,875,000.00	0.00	40,000.00
Community	3,685,500.00	100,000.00	3,585,500.00	0.00	0.00
Branding	33,710,187.00	22,861,129.85	10,849,057.15	113,220.48	11,865,812.06
Sports	6,311,889.00	2,669,889.00	3,642,000.00	0.00	325,000.00
Safety and Security	700,000.00	136,944.92	563,055.08	0.00	90,000.00
Tourism Research	60,000.00	0.00	60,000.00	0.00	0.00
Planning	2,005,200.00	177,974.05	1,827,225.95	60,000.00	142,940.82
Administrative	4,019,406.00	1,164,830.95	2,854,575.05	31,474.40	199,228.31
Governance and Org-Wide	<u>3,047,973.00</u>	<u>982,695.30</u>	<u>2,065,277.70</u>	<u>7,224.94</u>	<u>78,031.00</u>
Total Expense	<u>60,000,000.00</u>	<u>28,141,678.82</u>	<u>31,858,321.18</u>	<u>211,919.82</u>	<u>12,749,226.94</u>
Net Income	<u>0.00</u>	<u>31,858,321.18</u>	<u>31,858,321.18</u>	<u>7,088,080.18</u>	<u>(1,089,226.94)</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Prior Year Funds - Tourism Special Fund
From 2/1/2023 Through 2/28/2023

	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Interest and Dividends	0.00	50,207.67	50,207.67	0.00
Total Revenue	<u>0.00</u>	<u>50,207.67</u>	<u>50,207.67</u>	<u>0.00</u>
Expense				
Perpetuating Hawaiian Culture	6,809,550.50	200,000.00	6,609,550.50	0.00
Natural Resources	1,781,000.00	0.00	1,781,000.00	0.00
Community	1,192,966.00	735,274.89	457,691.11	36,000.00
Branding	10,397,551.18	6,244,033.65	4,153,517.53	1,083,479.00
Sports	18,000.00	0.00	18,000.00	0.00
Safety and Security	92,094.23	0.00	92,094.23	0.00
Tourism Research	455,211.72	110,440.65	344,771.07	68,620.00
Administrative	253,219.23	51,672.75	201,546.48	0.00
Total Expense	<u>20,999,592.86</u>	<u>7,341,421.94</u>	<u>13,658,170.92</u>	<u>1,188,099.00</u>
Net Income	<u>(20,999,592.86)</u>	<u>(7,291,214.27)</u>	<u>13,708,378.59</u>	<u>(1,188,099.00)</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Fiscal Year 2022 Funds - Convention Center Federal Fund
From 7/1/2021 Through 2/28/2023

	<u>Budget</u>	<u>Cumulative Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>	<u>FY 2023 Actual</u>
Revenue					
Alloted Federal Funds	11,000,000.00	11,000,000.00	0.00	0.00	0.00
Total Revenue	<u>11,000,000.00</u>	<u>11,000,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Expense					
Branding	72,458.00	6,079.86	66,378.14	0.00	0.00
Administrative	247,042.00	207,964.14	39,077.86	0.00	0.00
Governance and Org-Wide	1,334,845.00	537,065.04	797,779.96	0.00	0.00
HCC Operating Expense	5,406,900.00	0.00	5,406,900.00	0.00	0.00
HCC Repair and Maintenance	2,970,455.00	0.00	2,970,455.00	0.00	0.00
HCC Sales and Marketing / MFF	968,300.00	0.00	968,300.00	0.00	0.00
Total Expense	<u>11,000,000.00</u>	<u>751,109.04</u>	<u>10,248,890.96</u>	<u>0.00</u>	<u>0.00</u>
Net Income	<u>0.00</u>	<u>10,248,890.96</u>	<u>10,248,890.96</u>	<u>0.00</u>	<u>0.00</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Fiscal Year 2023 Funds - Convention Center Enterprise Special Fund
From 2/1/2023 Through 2/28/2023

	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Transient Accomodations Tax	11,000,000.00	11,000,000.00	0.00	0.00
Total Revenue	<u>11,000,000.00</u>	<u>11,000,000.00</u>	<u>0.00</u>	<u>0.00</u>
Net Income	<u>11,000,000.00</u>	<u>11,000,000.00</u>	<u>0.00</u>	<u>0.00</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Prior Year Funds - Convention Center Enterprise Special Fund
From 2/1/2023 Through 2/28/2023

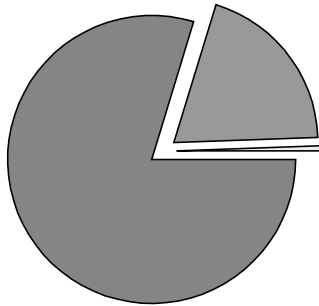
	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Interest and Dividends	0.00	32,377.55	32,377.55	0.00
HCC Revenue	0.00	1,040,703.47	1,040,703.47	0.00
Total Revenue	<u>0.00</u>	<u>1,073,081.02</u>	<u>1,073,081.02</u>	<u>0.00</u>
Expense				
Governance and Org-Wide	296.52	0.00	296.52	0.00
HCC Operating Expense	5,512,649.87	0.00	5,512,649.87	0.00
HCC Repair and Maintenance	10,129,600.00	10,129,600.00	0.00	0.00
HCC Sales and Marketing / MFF	<u>369,672.93</u>	<u>0.00</u>	<u>369,672.93</u>	<u>0.00</u>
Total Expense	<u>16,012,219.32</u>	<u>10,129,600.00</u>	<u>5,882,619.32</u>	<u>0.00</u>
Net Income	<u>(16,012,219.32)</u>	<u>(9,056,518.98)</u>	<u>6,955,700.34</u>	<u>0.00</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Fiscal Year 2022 Funds - EDA Tourism Grant Fund
From 2/1/2023 Through 2/28/2023

	<u>Budget</u>	<u>Current Year Actual</u>	<u>Budget Variance</u>	<u>Current Period Actual</u>
Revenue				
Alloted Federal Funds	14,024,372.00	0.00	(14,024,372.00)	0.00
Total Revenue	<u>14,024,372.00</u>	<u>0.00</u>	<u>(14,024,372.00)</u>	<u>0.00</u>
Expense				
Natural Resources	7,950,000.00	0.00	7,950,000.00	0.00
Community	20,000.00	0.00	20,000.00	0.00
Branding	4,540,000.00	0.00	4,540,000.00	0.00
Planning	770,000.00	0.00	770,000.00	0.00
Administrative	331,907.00	0.00	331,907.00	0.00
Governance and Org-Wide	412,465.00	0.00	412,465.00	0.00
Total Expense	<u>14,024,372.00</u>	<u>0.00</u>	<u>14,024,372.00</u>	<u>0.00</u>
Net Income	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Summary Of Investments

Investment Allocation



0.5%	CASH	24,395.21
19.8%	CASH EQUIVALENTS	998,583.53
79.7%	FIXED INCOME	4,026,210.00
100.0%	TOTAL	5,049,188.74

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	24,395.21	0.48	0	0.00
CASH EQUIVALENTS	998,583.53	19.78	44,237	4.43
FIXED INCOME	4,026,210.00	79.74	103,375	2.57
Total Fund	5,049,188.74	100.00	147,612	2.92

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	3,533.33	3,533.33	14.48
	ACCRUED INCOME	20,861.88	20,861.88	85.52
	TOTAL CASH	24,395.21*	24,395.21*	100.00*
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
998,583.53	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	998,583.53	998,583.53	100.00
	FIXED INCOME			
	U S TREASURY OBLIGATIONS			
500,000	US TREASURY NOTES 2.75% 04/30/2023	499,732.12	498,290.00	12.38



Statement Period
Account Number

02/01/2023 through 02/28/2023
BANK OF HAWAII
AGENT U/A DATED 10/31/2018 FOR
HAWAII TOURISM AUTHORITY -
TOURISM EMERGENCY TRUST
FUND

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
500,000	US TREASURY NOTES 2.75% 07/31/2023	499,434.65	495,330.00	12.30
500,000	US TREASURY NOTES 2.875% 10/31/2023	498,900.95	492,635.00	12.24
585,000	US TREASURY NOTES 2.5% 01/31/2024	580,119.36	571,311.00	14.19
500,000	US TREASURY NOTES 2.25% 04/30/2024	493,357.06	483,750.00	12.02
500,000	US TREASURY NOTES NOTE 2.125% 07/31/2024	494,457.09	479,905.00	11.92
500,000	US TREASURY NOTES 2.25% 10/31/2024	478,925.78	478,320.00	11.88
550,000	US TREASURY NOTES 2.5% 01/31/2025	533,306.64	526,669.00	13.08
	TOTAL U S TREASURY OBLIGATIONS	4,078,233.65*	4,026,210.00*	100.00*
	Total Fund	5,101,212.39*	5,049,188.74*	100.00*

Hawaii Convention Center
Facility
Income Statement
From 2/01/2023 Through 02/28/2023
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Direct Event Income								
Rental Income (Net)	161,553	224,420	(62,868)	209,368	1,768,186	2,048,891	(280,705)	1,604,278
Service Revenue	23,101	31,220	(8,119)	86,074	829,125	495,872	333,253	921,723
Total Direct Event Income	184,653	255,640	(70,987)	295,441	2,597,310	2,544,763	52,548	2,526,001
Direct Service Expenses	97,331	110,205	12,874	107,204	1,312,005	1,471,448	159,443	1,056,668
Net Direct Event Income	87,322	145,435	(58,113)	188,237	1,285,306	1,073,314	211,991	1,469,333
Ancillary Income								
Food and Beverage (Net)	185,874	241,558	(55,684)	58,577	2,749,819	3,293,194	(543,375)	351,997
Event Parking (Net)	69,589	43,150	26,439	28,142	586,566	629,370	(42,804)	431,599
Electrical Services	3,584	4,800	(1,216)	0	36,780	49,560	(12,780)	23,013
Audio Visual	19,764	3,920	15,844	5,999	276,636	112,180	164,456	28,663
Internet Services	0	0	0	0	1,831	0	1,831	0
Rigging Services	14,785	0	14,785	32,917	66,952	66,240	712	116,920
First Aid Commissions	0	0	0	0	0	0	0	0
Total Ancillary Income	293,596	293,428	168	125,635	3,718,583	4,150,544	(431,961)	952,192
Total Event Income	380,918	438,863	(57,945)	313,873	5,003,888	5,223,858	(219,970)	2,421,525
Other Operating Income								
Non-Event Parking	15	583	(568)	1,728	3,573	4,664	(1,091)	5,808
Other Income	11,148	4,875	6,273	3,518	86,228	39,000	47,228	51,275
Total Other Operating Income	11,163	5,458	5,705	5,246	89,801	43,664	46,137	57,083
Total Gross Income	392,081	444,321	(52,239)	319,119	5,093,690	5,267,522	(173,832)	2,478,608
Net Salaries & Benefits								
Salaries & Wages	356,608	442,032	85,424	298,860	2,778,716	3,556,919	778,203	2,516,427
Payroll Taxes & Benefits	116,239	139,866	23,627	94,707	853,988	1,118,928	264,940	726,768
Labor Allocations to Events	(16,213)	(39,053)	(22,840)	(21,406)	(382,379)	(496,826)	(114,447)	(565,811)
Total Net Salaries & Benefits	456,634	542,845	86,211	372,161	3,250,324	4,179,021	928,697	2,677,384
Other Indirect Expenses								
Net Contracted Services	76,070	28,958	(47,112)	17,632	489,312	248,283	(241,029)	145,824
Operations	12,311	11,533	(778)	8,580	85,978	92,264	6,286	59,761
Repair & Maintenance	105,127	89,300	(15,827)	70,857	718,562	750,400	31,838	561,508
Operational Supplies	45,052	48,898	3,846	19,475	389,397	448,940	59,543	169,273
Insurance	18,060	17,388	(672)	10,970	160,568	157,709	(2,859)	97,532
Utilities	159,899	167,039	7,140	173,365	1,894,367	1,670,157	(224,210)	1,373,375
Meetings & Conventions	3,070	742	(2,328)	958	18,351	16,286	(2,065)	8,874
Promotions & Communications	4,087	4,550	463	1,253	24,253	36,400	12,147	1,155
General & Administrative	70,384	20,712	(49,673)	13,682	300,241	178,400	(121,841)	100,650
Management Fees	19,033	19,033	0	18,633	152,266	152,264	(2)	149,067
Other	501	10,983	10,482	11,453	84,032	87,864	3,832	27,765
Total Other Indirect	513,595	419,135	(94,459)	346,858	4,317,327	3,838,967	(478,360)	2,694,783
Net Income (Loss) before CIP Funded Expenses	(578,147)	(517,660)	(60,487)	(399,900)	(2,473,962)	(2,750,466)	276,504	(2,893,559)
CIP Funded Expenses	301	0	301	7,991	685	0	685	7,991
Net Income (Loss) from Operations	(577,846)	(517,660)	(60,187)	(391,909)	(2,473,276)	(2,750,466)	277,189	(2,885,568)
Fixed Asset Purchases	39,153	25,000	(14,153)	(151,797)	154,177	200,000	45,823	230,673
Net Income (Loss) After Fixed Asset Purchases	(617,000)	(542,660)	(74,340)	(240,112)	(2,627,453)	(2,950,466)	323,012	(3,116,241)

Hawaii Convention Center
Facility
Income Statement
From 02/01/2023 Through 02/28/2023
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Revenues								
Food & Beverage	375,865	417,920	(42,055)	120,246	4,853,689	5,728,996	(875,307)	814,187
Facility	310,279	319,418	(9,139)	375,685	3,760,499	3,543,367	217,133	3,246,662
Total Revenues	686,144	737,338	(51,194)	495,931	8,614,188	9,272,363	(658,174)	4,060,849
Expenses								
Food & Beverage	361,607	306,808	(54,799)	162,344	3,259,178	3,571,068	311,889	1,143,470
Facility	902,684	948,189	45,506	733,487	7,828,971	8,451,760	622,789	5,810,938
Total Expenses	1,264,291	1,254,998	(9,293)	895,830	11,088,150	12,022,828	934,678	6,954,408
Net Income (Loss) before CIP Funded Expenses	(578,147)	(517,660)	(60,487)	(399,900)	(2,473,962)	(2,750,466)	276,504	(2,893,559)
CIP Funded Expenses	301	0	301	7,991	685	0	685	7,991
Net Income (Loss) from Operations	(577,846)	(517,660)	(60,186)	(391,909)	(2,473,277)	(2,750,466)	277,189	(2,885,568)
Fixed Asset Purchases	39,153	25,000	(14,153)	(151,797)	154,177	200,000	45,823	230,673
Net Income (Loss) after Fixed Asset Purchases	(616,999)	(542,660)	(74,339)	(240,112)	(2,627,454)	(2,950,466)	323,012	(3,116,241)

9a.2

Budget Statement Summary

FY 23

As of February 28, 2023

Hawaii Tourism Authority
Budget Statement - Summary
FY 2023
As of February 28, 2023

Category	2022 Tourism Federal Fund - ARPA [TFF] Fiscal Year 2022 and FY 2023				2023 ARPA Funding Fiscal Year 2023				2022 EDA Grant Fiscal Year 2023			
	Budget	Cumulative Budget Used	Balance	Activity for February 2023	Budget	Cumulative Budget Used	Balance	Activity for February 2023	Budget	Cumulative Budget Used	Balance	Activity for February 2023
Revenues												
TAT Revenue Allocation			-	-			-	-			-	-
Federal Funds	60,000,000	60,000,000	-	-	35,000,000	35,000,000	-	-	14,024,372	-	14,024,372	-
Prior Year Carryover	-	-	-	-	-	-	-	-	-	-	-	-
Availability of \$5M Emergency Fund (Subject to Governor Approval)	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	210	(210)	-	-	-	-	-	-	-	-	-
Total Revenues	60,000,000	60,000,210	(210)	-	35,000,000	35,000,000	-	-	14,024,372	-	14,024,372	-
Encumbrances												
Perpetuating Hawaiian Culture												
Hawaiian Culture Programs	4,544,845	1,234,292	3,310,553	-	1,775,500	-	1,775,500	-	-	-	-	-
In-House Contracted Staff - Hawaiian Culture	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	4,544,845	1,234,292	3,310,553	-	1,775,500	-	1,775,500	-	-	-	-	-
Natural Resources												
Natural Resources Programs	1,915,000	100,000	1,815,000	-	500,000	-	500,000	-	7,200,000	-	7,200,000	-
In-House Contracted Staff - Natural Resources	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	1,915,000	100,000	1,815,000	-	500,000	-	500,000	-	7,200,000	-	7,200,000	-
Community												
Community Programs	3,685,500	120,000	3,565,500	-	1,260,500	-	1,260,500	-	1,520,000	-	1,520,000	-
In-House Contracted Staff - Community	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	3,685,500	120,000	3,565,500	-	1,260,500	-	1,260,500	-	1,520,000	-	1,520,000	-
Branding												
Branding Programs	31,673,655	29,795,199	1,878,456	2,360	25,360,000	8,730,000	16,630,000	-	4,000,000	-	4,000,000	-
In-House Contracted Staff - Branding	-	-	-	-	-	-	-	-	-	-	-	-
State Employee Salaries - Branding	2,036,532	1,937,857	98,675	-	1,300,000	-	1,300,000	-	540,000	-	540,000	-
Subtotal	33,710,187	31,733,056	1,977,131	2,360	26,660,000	8,730,000	17,930,000	-	4,540,000	-	4,540,000	-
Sports												
Sports Programs	6,311,889	3,011,889	3,300,000	167,000	2,000,000	-	2,000,000	-	-	-	-	-
Subtotal	6,311,889	3,011,889	3,300,000	167,000	2,000,000	-	2,000,000	-	-	-	-	-
Safety and Security												
Safety and Security Programs	700,000	152,150	547,850	106	100,000	-	100,000	-	-	-	-	-
Subtotal	700,000	152,150	547,850	106	100,000	-	100,000	-	-	-	-	-
Tourism Research												
Tourism Research Programs	60,000	-	60,000	-	65,000	-	65,000	-	-	-	-	-
In-House Contracted Staff - Tourism Research	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	60,000	-	60,000	-	65,000	-	65,000	-	-	-	-	-
Planning												
Planning Programs	2,005,200	813,397	1,191,803	33,067	661,799	-	661,799	-	20,000	-	20,000	-
In-House Contracted Staff - Planning	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	2,005,200	813,397	1,191,803	33,067	661,799	-	661,799	-	20,000	-	20,000	-
Administrative												
Operations	1,189,111	472,043	717,068	39,842	653,700	-	653,700	-	214,907	-	214,907	-
In-House Contracted Staff - Admin	-	-	-	-	-	-	-	-	-	-	-	-
State Employee Salaries - Admin	2,830,295	2,423,804	406,491	-	900,000	-	900,000	-	117,000	-	117,000	-
Subtotal	4,019,406	2,895,847	1,123,559	39,842	1,553,700	-	1,553,700	-	331,907	-	331,907	-
Organizationwide Costs												
State Employee Fringe	2,465,972	2,144,010	321,962	-	-	-	-	-	412,465	-	412,465	-
Organization-Wide	230,000	230,000	-	125,000	250,583	-	250,583	-	-	-	-	-
Governance - Board/Others	352,001	160,844	191,157	245	172,918	-	172,918	-	-	-	-	-
Subtotal	3,047,973	2,534,854	513,119	125,245	423,501	-	423,501	-	412,465	-	412,465	-
Total Encumbrances	60,000,000	42,595,485	17,404,515	367,620	35,000,000	8,730,000	26,270,000	-	14,024,372	-	14,024,372	-
Revenues vs Encumbrances	-	17,404,725			-	26,270,000			-	-		

9a.3

Budget Statement FY23 Federal ARPA Funds
As of February 28, 2023

**Hawaii Tourism Authority
Budget Statement - FY 23 Federal ARPA Funds
As of February 28, 2023
FY 2023**

Program Code	Program Title	Budget FY23	Encumbered - Budget Used (Cumulative)	Remaining Balance	February 2023 Activity
<i>Tourism Federal Fund - FY 23</i>					
Perpetuating Hawaiian Culture					
203	Ma'ema'e HTA	50,000.00	0.00	50,000.00	0.00
204	Market Support	75,000.00	0.00	75,000.00	0.00
216	Olelo Hawaii	700,000.00	0.00	700,000.00	0.00
219	Hookipa Malihini Initiative	450,000.00	0.00	450,000.00	0.00
297	Memberships and Dues - Hawaiian Cultur	500.00	0.00	500.00	0.00
374	Surfing	250,000.00	0.00	250,000.00	0.00
718	Resort Area Hawaiian Cultural Initiative	250,000.00	0.00	250,000.00	0.00
Subtotal	Perpetuating Hawaiian Culture	1,775,500.00	0.00	1,775,500.00	0.00
Natural Resources					
409	Tour Guide Certification Licensure Progra	500,000.00	0.00	500,000.00	0.00
Subtotal	Natural Resources	500,000.00	0.00	500,000.00	0.00
Community					
702	Community Product Capacity Building (for	300,000.00	0.00	300,000.00	0.00
731	Community-Based Tourism - Oahu	200,000.00	0.00	200,000.00	0.00
732	Community-Based Tourism - Maui County	200,000.00	0.00	200,000.00	0.00
733	Community-Based Tourism - Hawaii Islan	200,000.00	0.00	200,000.00	0.00
734	Community-Based Tourism - Kauai	200,000.00	0.00	200,000.00	0.00
797	Memberships and Dues - Community	500.00	0.00	500.00	0.00
798	Travel - Community	10,000.00	0.00	10,000.00	0.00
802	Current Workforce Development (Industr	150,000.00	0.00	150,000.00	0.00
Subtotal	Community	1,260,500.00	0.00	1,260,500.00	0.00
Branding					
14	Pono Travel Education Program	500,000.00	0.00	500,000.00	0.00
102	Hawai'i Tourism Summit	100,000.00	0.00	100,000.00	0.00
317	Convention Center Sales & Marketing - Ci	2,600,000.00	0.00	2,600,000.00	0.00
318	gohawaii.com (formerly Online Website C	500,000.00	0.00	500,000.00	0.00
319	MCI MFF	850,000.00	0.00	850,000.00	0.00
320	Island Chapters Staffing and Admin	1,200,000.00	1,200,000.00	0.00	0.00
321	US (formerly North America)	7,000,000.00	0.00	7,000,000.00	0.00
322	Canada	800,000.00	400,000.00	400,000.00	0.00
323	Japan	6,500,000.00	6,500,000.00	0.00	0.00
324	Korea	630,000.00	630,000.00	0.00	0.00
325	Oceania	950,000.00	0.00	950,000.00	0.00
329	China	120,000.00	0.00	120,000.00	0.00
331	Meetings, Convention & Incentives	1,900,000.00	0.00	1,900,000.00	0.00
350	Global Mkt Shared Resces (formerly Intell	1,500,000.00	0.00	1,500,000.00	0.00
397	Memberships and Dues - Branding	160,000.00	0.00	160,000.00	0.00
398	Travel - Branding	50,000.00	0.00	50,000.00	0.00
934	State Employee Salaries - Branding	1,300,000.00	0.00	1,300,000.00	0.00
Subtotal	Branding	26,660,000.00	8,730,000.00	17,930,000.00	0.00
Sports					
385	Sports RFP or Other Procurement	2,000,000.00	0.00	2,000,000.00	0.00
Subtotal	Sports	2,000,000.00	0.00	2,000,000.00	0.00
Safety and Security					
602	Crisis Management	100,000.00	0.00	100,000.00	0.00
Subtotal	Safety and Security	100,000.00	0.00	100,000.00	0.00
Tourism Research					
506	Infrastructure Research (Accommodations &	65,000.00	0.00	65,000.00	0.00
Subtotal	Tourism Research	65,000.00	0.00	65,000.00	0.00
Planning					
653	Hotspot Mitigation	200,000.00	0.00	200,000.00	0.00
657	Tourism Excellence Accreditation	450,000.00	0.00	450,000.00	0.00
698	Travel - Planning	11,799.00	0.00	11,799.00	0.00
Subtotal	Planning	661,799.00	0.00	661,799.00	0.00
Administrative					
101	Community-Industry Outreach & Public R	200,000.00	0.00	200,000.00	0.00
103	hawaii tourism authority.org (formerly HTA	50,000.00	0.00	50,000.00	0.00
901	General and Administrative	333,700.00	0.00	333,700.00	0.00
930	State Employee Salaries - Admin	900,000.00	0.00	900,000.00	0.00
998	Travel - Admin	70,000.00	0.00	70,000.00	0.00
Subtotal	Administrative	1,553,700.00	0.00	1,553,700.00	0.00
Governance and Org-Wide					
915	Organization-Wide	250,583.00	0.00	250,583.00	0.00
919	Governance - Gen Board/Others	172,918.00	0.00	172,918.00	0.00
Subtotal	Governance and Org-Wide	423,501.00	0.00	423,501.00	0.00
Total	FY 2023 Funds	35,000,000.00	8,730,000.00	26,270,000.00	0.00

9a.4

Budget Statement FY22 Federal ARPA Funds
As of February 28,2023

**Hawaii Tourism Authority
Budget Statement - FY 22 Federal Funds
As of February 28, 2023
FY 2023**

Program Code	Program Title	Budget FY22	Encumbered - Budget Used (Cumulative)	Remaining Balance	February 2023 Activity	FY 2023 Activity
<i>Convention Center Federal Fund</i>						
Branding						
934	State Employee Salaries - Branding	72,458.00	12,613.84	59,844.16	0.00	0.00
Subtotal	Branding	72,458.00	12,613.84	59,844.16	0.00	0.00
Administrative						
930	State Employee Salaries - Admin	247,042.00	226,060.43	20,981.57	0.00	0.00
Subtotal	Administrative	247,042.00	226,060.43	20,981.57	0.00	0.00
Governance and Org-Wide						
915	Organization-Wide	1,164,845.00	1,164,845.00	0.00	0.00	0.00
931	State Employees Fringe	170,000.00	72,220.04	97,779.96	0.00	0.00
Subtotal	Governance and Org-Wide	1,334,845.00	1,237,065.04	97,779.96	0.00	0.00
HCC Operating Expense						
850	HCC Operating Expense	5,406,900.00	5,406,900.00	0.00	0.00	0.00
Subtotal	HCC Operating Expense	5,406,900.00	5,406,900.00	0.00	0.00	0.00
HCC Repair and Maintenance						
860	HCC Repair and Maintenance	2,970,455.00	2,970,455.00	0.00	0.00	0.00
Subtotal	HCC Repair and Maintenance	2,970,455.00	2,970,455.00	0.00	0.00	0.00
HCC Local Sales						
871	HCC Local Sales	968,300.00	968,300.00	0.00	0.00	0.00
Subtotal	HCC Local Sales	968,300.00	968,300.00	0.00	0.00	0.00
Total	FY 2022 Funds	11,000,000.00	10,821,394.31	178,605.69	0.00	0.00
<i>EDA Tourism Grant</i>						
Natural Resources						
408	Outdoor Recreation (DLNR)	7,200,000.00	0.00	7,200,000.00	0.00	0.00
Subtotal	Natural Resources	7,200,000.00	0.00	7,200,000.00	0.00	0.00
Community						
656	Community Tourism Collaborative	750,000.00	0.00	750,000.00	0.00	0.00
736	Urban Trails	750,000.00	0.00	750,000.00	0.00	0.00
798	Travel - Community	20,000.00	0.00	20,000.00	0.00	0.00
Subtotal	Community	1,520,000.00	0.00	1,520,000.00	0.00	0.00
Branding						
300	Branding - Unallocated	4,000,000.00	0.00	4,000,000.00	0.00	0.00
934	Salaries - Branding	540,000.00	0.00	540,000.00	0.00	0.00
Subtotal	Branding	4,540,000.00	0.00	4,540,000.00	0.00	0.00
Planning						
698	Travel - Planning	20,000.00	0.00	20,000.00	0.00	0.00
Subtotal	Planning	20,000.00	0.00	20,000.00	0.00	0.00
Administrative						
901	Administrative	214,907.00	0.00	214,907.00	0.00	0.00
930	Salaries - Admin	117,000.00	0.00	117,000.00	0.00	0.00
Subtotal	Administrative	331,907.00	0.00	331,907.00	0.00	0.00
Governance and Org-Wide						
931	Fringe Benefits	412,465.00	0.00	412,465.00	0.00	0.00
Subtotal	Governance and Org-Wide	412,465.00	0.00	412,465.00	0.00	0.00
Total	FY 2022 Funds	14,024,372.00	0.00	14,024,372.00	0.00	0.00

9a.5

Budget Reallocation Summary
FY2022 ARPA Funds (TFF)
As of February 28, 2023

Budget Reallocation Summary
 FY 2022 ARPA Funds (TFF)
 Through February 28, 2023

Budget Line Item	Program Code	Original Budget	Cumulative To-Date (Since Inception of Award)		February 2023 Activity
			Reallocation	Budget After Reallocations	
Perpetuating Hawaiian Culture					
<i>From:</i>					
Hawaiian Culture Opportunity Fund	215	200,000	(200,000)	-	
Travel - Hawaiian Culture	298	15,000	(655)	14,345	
Resort Area Hawaiian Culture Initiative	718	400,000	(250,000)	150,000	
				-	
				-	
			(450,655)		-
<i>To:</i>					
Resort Area Hawaiian Culture Initiative	718	-	400,000	400,000	
Kahea Airport Greetings	207	-	700,000	700,000	
Legacy Award Program	214	25,000	50,000	75,000	
Hawaiian Culture Festivals & Events	218	-	330,000	330,000 *	
				-	
				-	
			1,480,000		-
Natural Resources					
<i>From:</i>					
Wahi Pana Series	416	250,000	(250,000)	-	
				-	
				-	
			(250,000)		-
<i>To:</i>					
				-	
				-	
				-	
				-	
			-		-
Community					
<i>From:</i>					
Community Product Capacity Building	702	500,000	(500,000)	-	
Current Workforce	802	100,000	(100,000)	-	
				-	
			(600,000)		-
<i>To:</i>					
Future Workforce	803	120,000	150,000	270,000	
				-	
			150,000		-
Branding					
<i>From:</i>					
Route Development	005	250,000	(250,000)	-	

Budget Reallocation Summary
FY 2022 ARPA Funds (TFF)
Through February 28, 2023

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations	February 2023 Activity
gohawaii.com	318	2,500,000	(1,725,500)	774,500	
Campaig Effectiveness Study	010	270,000	(10,000)	260,000	
Island Chapters Staffing and Admin	320	-	-	-	
Rebranding the Hawaiian Islands	012	1,000,000	(1,000,000)	-	
Creative Agency	013	250,000	(250,000)	-	
Marketing Opportunity Fund	380	250,000	(202,345)	47,655	
			(3,437,845)		-
To:					
US MMA	321	22,500,000	-	22,500,000	-
Pono Travel Education Program	014	175,000	225,000	400,000	-
Hawaii Tourism Updates	102	125,000	106,000	231,000	-
Cruise Industry Consulting Services	004	100,000	100,000	200,000	-
Global Mkt Shared Resces (formerly Intellect Prop Data f	350	787,000	200,500	987,500	-
			631,500		-
Sports					
From:			-		-
To:					
UH Athletics Branding Partnership	378	-	334,000	334,000	-
Sports Programs - Unallocated	379	1,500,000	(1,500,000)	-	-
LPGA	343	-	500,000	500,000	-
WTC - Ironman Worrld Championships	340	-	250,000	250,000	-
Sports RFP or Other Procurement	385	-	1,250,000	1,250,000	-
PGA Tour Contracts	312	2,177,889	1,800,000	3,977,889	-
			2,634,000		-
Safety and Security					
From:					
Lifeguard Program	603	200,000	(200,000)	-	-
			(200,000)		-
To:					
			-	-	-
			-	-	-

Budget Reallocation Summary
 FY 2022 ARPA Funds (TFF)
 Through February 28, 2023

Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations	February 2023 Activity
Tourism Research					
<i>From:</i>					
None				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
			-		-
Planning					
<i>From:</i>					
None				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
			-		-
Administration					
<i>From:</i>					
General and Administrative	901	848,700	(10,000)	838,700	(10,000)
				-	
			(10,000)		(10,000)
<i>To:</i>					
				-	
				-	
			-		-

Budget Reallocation Summary
 FY 2022 ARPA Funds (TFF)
 Through February 28, 2023

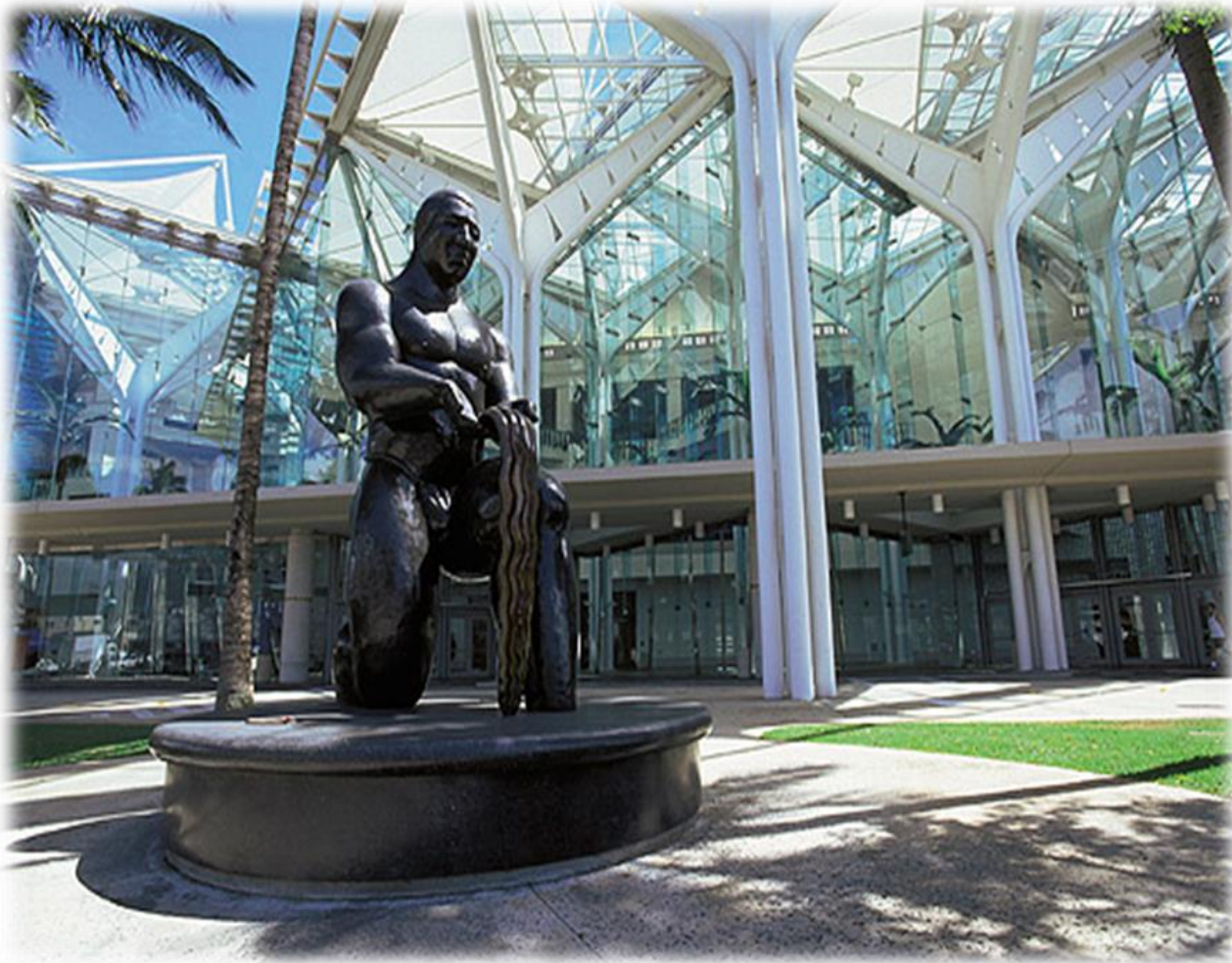
Budget Line Item	Program Code	Original Budget	Reallocation	Budget After Reallocations	February 2023 Activity
Governance and Organization-Wide					
<i>From:</i>					
Organization-Wide	915	230,000	(10,000)	220,000	
				-	
			(10,000)		-
<i>To:</i>					
Governance - Gen Board/Others	919	121,800	53,000	174,800	
Organization-Wide	915	220,000	10,000	230,000	10,000
			63,000		10,000
Board Allocations					
<i>From:</i>					
None				-	
			-		-
			-		-

*Excluded \$450,000 that was a release of funds for availability by the Board, as opposed to a reallocation.

9b

Hawaii Convention Center's February 2023 Financial Reports and Update on the Hawaii Convention Center's 6-Year CIP Plan

Hawai'i Convention Center



Update for
February 2023
For
(March 2023 meeting)

Financial Update

	Feb-23 FYTD Actual	FY 2023 Reforecast	FY 2023 Budget	Variance	FY 2022 Actual	CY 2019 Actual
Facility Occupancy	24%	29%	30%	-1%	29%	32%
Facility Number of Events	160	259	200	59	213	238
Facility Gross Revenue	\$8,614,200	\$13,065,500	\$13,041,400	\$24,100	\$7,256,700	\$16,866,900
Facility Gross Expenses	-\$11,241,600	-\$18,258,700	-\$18,448,300	\$189,600	-\$11,842,500	-\$17,649,200
Facility Operating Subsidy	-\$2,627,400	-\$5,193,200	-\$5,406,900	\$213,700	-\$4,585,800	-\$782,300
Local S&M Gross Expenses	-\$537,100	-\$968,300	-\$968,300	\$0	-\$522,600	-\$5,315,000
HCC Operating Subsidy	-\$3,164,500	-\$6,161,500	-\$6,375,200	\$213,700	-\$5,108,400	-\$6,097,300

ROI February 2023 FYTD

HCC Revenue + State Revenue + Tax Revenue
= \$65.1M

HCC Expense + HVCB MCI Expense = \$15.3M

***ROI = For every dollar spent,
\$4.24 returned to the State***

FY 2023 Citywide Events in Reforecast

Start Date	End Date	Event Name	Forecast Attendance	Contracted Rooms	EI Value	Tax Generation
7/1/2022	7/3/2022	Pacific Rim Championship 2022 (Jam on It)	1,600	1,000	\$5,048,727	\$590,701
7/10/2022	7/15/2022	Goldschmidt Conference 2022	2,500	5,100	\$13,129,182	\$1,536,115
10/19/2022	10/28/2022	2022 Applied Superconductivity Conference	1,300	3,189	\$8,638,489	\$1,010,703
11/7/2022	11/16/2022	Confidential Association Meeting	3,500	8,371	\$23,728,741	\$2,776,263
4/11/2023	4/23/2023	American Roentgen Ray Society	2,500	3,844	\$18,342,486	\$2,146,071
5/19/2023	5/22/2023	All Star Cheerleaders 2023	2,500	5,000	\$8,654,669	\$1,012,596
5/21/2023	5/27/2023	International Symposium on Radiopharmaceutical Sciences (ISRS) 2023	450	1,146	\$2,167,275	\$253,571
	7	Total	14,350	27,650	\$79,709,568	\$9,326,020

Definite Local Bookings for next 3 months

	March 2023			
	Start Date	End Date	Description	Forecast Attendance
1	03/03/23	03/03/23	Hawaii Student Success Institute	1,000
2	03/04/23	03/04/23	Worldwide Dreambuilders Regional Rally	1,100
3	03/06/23	03/07/23	Annual Pacific Rim International Conference on Disability and Diversity	750
4	03/07/23	03/08/23	CDC Pink Book Course	200
5	03/08/23	03/08/23	Hawaii Summit on Employment First	150
6	03/09/23	03/09/23	CFA Society of Hawaii - 18th Annual Forecast Dinner	300
7	03/10/23	03/11/23	Office of Hawaiian Education Summit	1,000
8	03/13/23	03/14/23	2023 Spring Hawaii State Special Education Conference	500
9	03/16/23	03/18/23	HIM2023	4,500
10	03/18/23	03/19/23	Aloha Region Spring Break Madness 2023	1,500
11	03/19/23	03/19/23	Kuilei Place Seminar	1,350
12	03/19/23	03/19/23	Andrew E - Live in Honolulu Concert	700
13	03/22/23	03/23/23	Hawaii Hotel & Restaurant Show 2023	3,500
14	03/22/23	03/22/23	Women in Lodging Annual Luncheon	80
15	03/22/23	03/22/23	HLTA Engineers Advisory Council Breakfast	40
16	03/25/23	03/25/23	Kuilei Place Seminar	1,350
17	03/25/23	03/25/23	Trinity Kings 12	800
18	03/29/23	03/29/23	Made in Hawai'i Branding Workshop	250

Cont...

Definite Local Bookings for next 3 months

April 2023				
	Start Date	End Date	Description	Forecast Attendance
1	03/31/23	04/02/23	Kawaii Kon 2023	18,000
2	04/02/23	04/06/23	CoP Meeting	150
3	04/04/23	04/04/23	Palolo Congregation of Jehovah's Witnesses - Memorial of Jesus' Death	300
4	04/04/23	04/04/23	Nuuanu Congregation of Jehovah's Witnesses Memorial Observance	300
5	04/04/23	04/04/23	Honolulu Spanish Congregation Annual Memorial	200
6	04/04/23	04/04/23	Central, Aina Haina, and Kaimuki Congregation - Annual Memorial	600
7	04/04/23	04/04/23	Flores Real Estate Lecture	200
8	04/05/23	04/05/23	Yamamoto Organizational	350
9	04/06/23	04/06/23	Professional Community Day - Session 4	150
10	04/07/23	04/08/23	Hawaii Royale	2,500
11	04/07/23	04/09/23	Christ Centered Community Church	1,000
12	04/08/23	04/08/23	Santa Clara University Admitted Student Reception	100
13	04/11/23	04/11/23	Tsuruda Organizational Open	225
14	04/13/23	04/13/23	Chopsticks and Wine	1,000
15	04/13/23	04/13/23	Yadao Organizational Open	250
16	04/14/23	04/15/23	American Youth Soccer Organization Expo	200
17	04/15/23	04/16/23	Aloha Region Regionals	1,500
18	04/15/23	04/16/23	Hawaiian AAU - Districts	2,000
19	04/19/23	04/20/23	National Level Exercise 2024 Initial Planning Meeting	100
20	04/22/23	04/22/23	Joy of Sake	1,000
21	04/28/23	04/29/23	Court Interpreter Basic Orientation Workshop	100
22	04/29/23	04/30/23	Jam On It Aloha Challenge	5,000
23	04/29/23	04/30/23	World Wide Group Spring Leadership 2023	1,500
24	04/29/23	04/29/23	Titan's 1st Birthday Party	250
25	04/30/23	04/30/23	57th UHM Annual Fashion Show	350

Cont...

Definite Local Bookings for next 3 months

May 2023				
	Start Date	End Date	Description	Forecast Attendance
1	05/02/23	05/02/23	Servco Management Conference	200
2	05/03/23	05/04/23	Hawaii STEM Conference	1,000
3	05/06/23	05/06/23	Under the Mediation Moon	350
4	05/06/23	05/06/23	HPU Commencement	2,500
5	05/07/23	05/07/23	Hawaii Youth Symphony - Aloha Concert Luncheon	400
6	05/13/23	05/13/23	'Iolani Spring Ho'ike	400
7	05/13/23	05/13/23	Ai Ai Delas Live in Honolulu Concert	700
8	05/17/23	05/17/23	Second Look Meeting	1,200
9	05/18/23	05/18/23	Young Professional Cost of Living Summit	100
10	05/20/23	05/20/23	James Campbell High School Graduation	8,000
11	05/20/23	05/20/23	'Iolani Stage Band Spring Concert	300
12	05/20/23	05/20/23	Pearl City High School Commencement Ceremony	8,000
13	05/20/23	05/20/23	Fight To Win	1,000
14	05/27/23	05/29/23	Aloha Region Aloha Summer Classic	1,500

Local Sales & Marketing Team



Debbie Moon
Sr. Local Sales Manager



Holly Elder
Local Sales Manager



Jason Buffer
Local Sales Manager



Chelsea Lee
Contract Specialist



Natalie Shiinoki
Marketing Manager

Recent Events @ Hawai'i Convention Center

- Honolulu Festival 2023, March 10-12, 10,000 attendees
- HIM 2023 (Hawaiian Island Ministries), March 16-18, 4,500 attendees
- Hawai'i Hotel and Restaurant Show, March 22-23, 3,500 attendees



Upcoming Local/Citywide Events

- Kawaii Kon 2023, March 31-April 2, 18,000 attendees
- Chopsticks and Wine, April 13, 1,000 attendees
- 2023 ARRS Annual Meeting, April 14 – 20, 2,500 attendees (CW)



HCC Unveils New Cultural Exhibits



The Hawai'i Convention Center unveiled two new Hawaiian cultural exhibits this month— an extensive Hawaiian featherwork installation available to the public for two years, and a new permanent display exploring The Healer Stones of Kapaemahu.

HCC News Coverage

KITV 4 ISLAND TELEVISION

NEWS WATCH VIDEO WEATHER SPORTS KĀKOU ISLAND LIFE KIKU CONTACT

f t y u i

New Hawaiian cultural exhibits go up at Hawaii Convention Center

Feb 16, 2023 Updated 10 hrs ago



WATCH ISLAND NEWS

1 Weather Alert See All >

Currently in Honolulu
69°F Light Rain
69°F / 68°F

9 AM	10 AM	11 AM	12 PM	1 PM
70°F	71°F	72°F	74°F	74°F

Radar

Friday, February 17, 2023 | Today's Paper | 72°

Advertisement

Ad covered content | Not interested in this ad | Seen this ad multiple times | Ad was inappropriate

HAWAII NEWS

Convention center unveils Hawaiian cultural exhibits

By [Linsey Dower](#) - Today - Updated 12:30 a.m.

HCC Presents: Na Leo Pilimehana Mother's Day Concert

HAWAII
CONVENTION CENTER
Where Business and Aloha Meet

Na Leo Pilimehana *Mother's Day Brunch & Concert*



Sunday, May 14, 2023
4th Floor Ballroom
Hawai'i Convention Center



Special Guest: Josh Tatofi

Tickets: [HawaiiConvention.com](https://www.hawaii-convention.com)

Carbon Offset Program



Total Contributions	Partner Trees Planted
\$4,998.41	5,975
<u>HCC Carbon Offset Trees Planted</u>	
59.50	

Notable February 2023 events include:

- HPD Promotional Exams: **5 trees**
- Hawaii State Judiciary Bar Exams : **2 trees**

6,034

Total Legacy Trees Planted



15.09

Total Acres of Habitat Restored

As of February 2023
(total carbon offset costs)



Repair and Maintenance Projects Update

Repair & Maintenance Projects

6-Year Plan (page 1)

Project Number	Project Title	Estimated Project Cost	Prior Expenses to Jan 23	FY23	FY24	FY25	FY26	FY27	FY28	Total
001	Rooftop Terrace Deck Temporary Repair	\$ 15,000,000	\$ -		\$ 15,000,000					\$ 15,000,000
	Rooftop Terrace Deck Temporary Repair - PM/CM Services	\$ 522,619	\$ -	\$ 200,000	\$ 322,619					\$ 522,619
	Rooftop Terrace Deck Temporary Repair (Previous planning)		\$ 626,152							\$ 626,152
003	Building Envelope Repairs (Kalākaua Kitchen, 3rd fl planters, planters, exterior paint)	\$ 18,632,703	\$ 282,071	\$ -	\$ 4,000,000	\$ 14,350,633				\$ 18,632,704
007	Kitchen Hood Control Panel Replacement	\$ 155,272	\$ 36,453	\$ 118,819						\$ 155,272
008	F&B Refrigerator, 3rd floor (#348) Replacement	\$ 319,004	\$ 14,047	\$ 20,000	\$ 284,957					\$ 319,004
009	Slate Tile Repair	\$ 2,142,108	\$ 26,008	\$ 2,116,099						\$ 2,142,107
010	Chiller Replacement	\$ 6,884,147	\$ 123,441	\$ 3,442,073	\$ 3,318,633					\$ 6,884,147
011	Ballroom Gutter, Foyer Transom Glass Repair and Soffit Repair	\$ 10,837,536	\$ 25,873	\$ 1,000,000	\$ 9,811,663					\$ 10,837,536
012	Parapet Roof Repairs	\$ 3,066,470	\$ 10,404	\$ -	\$ 1,035,000	\$ 2,021,066				\$ 3,066,470
013	Ballroom Roof Repairs	\$ 2,271,093	\$ 6,712	\$ -	\$ 2,264,381					\$ 2,271,093
014	Lobby Water Feature	\$ 1,086,810	\$ 1,985	\$ -	\$ -	\$ 1,084,825				\$ 1,086,810
015	House Sound Audio System Upgrade	\$ 1,414,975	\$ 9,183	\$ 35,000	\$ 1,370,792					\$ 1,414,975
022	Chill Water Pipe Reinsulation	\$ 250,000	\$ -	\$ 250,000						\$ 250,000
023	Air Wall Repairs	\$ 400,000	\$ -	\$ 400,000						\$ 400,000
024	Roll-up Door Replacement	\$ 225,000	\$ 23,656		\$ 201,344					\$ 225,000
025	Ballroom and Meeting Room Wallpaper Replacement	\$ 180,000	\$ -	\$ 180,000						\$ 180,000
026	IT Network Upgrades	\$ 125,000	\$ -	\$ -	\$ -	\$ 55,000	\$ 70,000			\$ 125,000
027	Ice Machines Replacement	\$ 500,000	\$ -	\$ -	\$ -	\$ 500,000				\$ 500,000
028	Theatre 310 and 320 Furnishings Upgrade	\$ 750,000	\$ -	\$ -	\$ -	\$ -	\$ 375,000	\$ 375,000		\$ 750,000
029	Theatre 310 and 320 Seating Upgrade	\$ 500,000	\$ 155	\$ -	\$ -	\$ -	\$ 249,845	\$ 250,000		\$ 500,000
030	FB China and Equipment Upgrade	\$ 3,500,000	\$ -	\$ -	\$ -	\$ -	\$ 3,500,000			\$ 3,500,000
031	Ala Wai Waterfall Repair	\$ 1,071,501	\$ 1,985	\$ -	\$ -	\$ 1,069,516				\$ 1,071,501
036	Water Intrusion Remediation	\$ 400,000	\$ -	\$ 400,000						\$ 400,000

Current Project
Project on hold
Cumming Managed Projects
RLB Managed Project
HCC Managed Project

Repair & Maintenance Projects

6-Year Plan (page 2)

Project Number	Project Title	Estimated Project Cost	Prior Expenses to Jan 23	FY23	FY24	FY25	FY26	FY27	FY28	Total
037	Exterior Security Camera Upgrade	\$ 231,348	\$ 155,504	\$ 75,844						\$ 231,348
040	Exterior Planter Repair	\$ 2,406,540	\$ -	\$ -	\$ 2,406,540					\$ 2,406,540
041	Children's Courtyard Repair	\$ 329,162	\$ -	\$ -	\$ 329,162					\$ 329,162
042	Kahakai/Atkinson Drywell Rehabilitation	\$ 351,113	\$ -	\$ -			\$ 351,113			\$ 351,113
043	Air Handler Unit 9 and 10 Replacement	\$ 401,382	\$ -	\$ -		\$ 401,382				\$ 401,382
044	Fire Sprinkler Line Refurbishment	\$ 343,394	\$ -	\$ -			\$ 100,000	\$ 125,000	\$ 118,394	\$ 343,394
045	Escalator and Elevator Refurbishment	\$ 1,112,869	\$ -	\$ -			\$ 200,000	\$ 200,000	\$ 200,000	\$ 600,000
046	LED Light Upgrade	\$ 1,786,398	\$ -	\$ 500,000	\$ 1,286,398					\$ 1,786,398
047	Lighting Control System Replacement	\$ 200,000	\$ -	\$ -	\$ 200,000					\$ 200,000
048	Electrical Harmonics Testing	\$ 100,000	\$ -	\$ -				\$ 100,000		\$ 100,000
049	Main Kitchen Dishwasher Replacement	\$ 495,969	\$ -	\$ 495,969						\$ 495,969
050	Main Kitchen Flooring Replacement	\$ 2,046,380	\$ -	\$ -				\$ 2,046,380		\$ 2,046,380
051	PBX System Replacement	\$ 200,000	\$ -	\$ 200,000						\$ 200,000
052	Ride-on Sweeper Replacement	\$ 55,000	\$ -	\$ 55,000						\$ 55,000
053	Forklift	\$ 85,000	\$ -	\$ 85,000						\$ 85,000
054	Boardroom Upgrade	\$ 1,099,549	\$ -	\$ -			\$ 1,099,549			\$ 1,099,549
055	Elevator #2 Upgrade	\$ 250,000	\$ -	\$ -		\$ 250,000				\$ 250,000
056	Lobby Glass Panels Repair	\$ 170,000	\$ -	\$ 170,000						\$ 170,000
057	ADA Ramp for Stages	\$ 41,439	\$ -	\$ 41,439						\$ 41,439
058	Kitchen Hood Fire Suppression System Replacement	\$ 310,879	\$ 18,770	\$ 292,108						\$ 310,878
060	Lobby Sail Repair and Maintenance	\$ 179,000	\$ 41,196	\$ -	\$ 65,000	\$ 72,804				\$ 179,000
061	ADA Lift (#320) Replacement	\$ 160,000	\$ -	\$ 160,000						\$ 160,000
062	Kalākaua Loading Dock Gate Replacement	\$ 49,000	\$ 24,370	\$ 24,630						\$ 49,000
063	Escalator 1 Handrail Replacement	\$ 65,000	\$ -	\$ 65,000						\$ 65,000
064	F&B Equipment	\$ 300,000	\$ -	\$ -	\$ 150,000	\$ 150,000				\$ 300,000
	GRAND TOTAL	\$ 83,003,660	\$ 1,427,965	\$ 10,326,981	\$ 42,046,489	\$ 19,955,226	\$ 5,945,507	\$ 3,096,380	\$ 318,394	\$ 83,116,942

Current Project
Project on hold
Cumming Managed Projects
RLB Managed Project
HCC Managed Project



Repair & Maintenance Projects

Construction and Project Management Services

Cumming Group

- *For management of priority projects:*
 - *Kitchen Hood Control Panel and Fire Suppression Upgrade*
 - *Slate Tile Repair*
 - *Chiller Replacement*
 - *Main Kitchen Dishwasher Replacement*
 - *Ballroom Roof Repair*
 - *House Sound Audio Upgrade*
 - *Ballroom Gutter, Foyer transom glass and soffit repair*
 - *Exterior Planter Repair*
 - *LED Lighting Upgrade*
 - *Walk-in Refrigerator Replacement*

Rider Levett Bucknall

- *For management of Rooftop Terrace Deck Temporary Repair*

Repair & Maintenance Projects Completed (since 2020)

- *Gutter Trough, Roof Membrane and Other Roof Repairs; \$8.3M, completed 2020*
- *Boiler Replacement; \$585k, completed 2020*
- *Ala Wai Waterfall Repairs; \$185k, completed 2020*
- *Chiller 4 Repairs; \$55k, completed 2020*
- *#320 Roof Repairs; \$1.4M, completed 2020*
- *Banquet Chairs and Facility Equipment Upgrade; \$2.25M, completed 2020*
- *Cooling Tower Replacement; \$3.2M, completed 2021*
- *Theatre LED Lighting Upgrade; \$77k, completed 2021*
- *Roof Overflow Drain Repairs; \$16k, completed 2021*
- *Jockey Chiller Repairs; \$28k, completed 2021*
- *ADA Lift Replacement, \$71.5k, completed 2021*
- *Emergency Generator Repairs, \$32k, completed 2021*
- *Window Repairs – Vandalism, \$177k, completed 2021*
- *Leak Repairs – December 2021 / January 2022, \$396k, completed 2022*
- *Chiller Repairs – \$69.3k, completed 2022*
- *Trellis Renovation - \$4.7M, completed 2022*
- *Lobby Glass Replacement - \$25k, completed 2022*
- *Security Camera, NVR, Access Control System - \$1.56M, completed 2022*
- *Kitchen AC Compressor Replacement - \$16.5k, completed 2022*
- *Event Stage ADA Ramp - \$41k, completed 2023*

A close-up photograph of a sailboat's rigging. The image shows a wooden mast, white ropes, and a wooden boom with a sail. The text "Mahalo Nui Loa" is overlaid in white. The background is slightly blurred, showing other boats and greenery.

Mahalo Nui Loa

10

Report and Update by the
Branding Standing Committee of their
Meeting Held on March 29, 2023

10a

Discussion, and/or Action on
Hawai'i Tourism China's 2023 Budget Plan



China MMA 2023-2025 BUDGET PLAN

GENERAL OVERVIEW

CON 21031 Contract Amount	2022 Actual Spend	Balance after 2022	2023 (Jan - Jun) Restricted Spend	Balance after June 2023
\$1,800,000	\$733,616	\$1,066,384	\$87,000	\$979,384

- **1/8/23:** Quarantine restrictions lifted for international travelers
- **3/10/23:** U.S. ended COVID-19 testing requirement on travelers from China
- **Ctrip** reported a tenfold year on year increase in the search volume of popular overseas destinations, with searches for outbound flight tickets reaching a three-year high
- **Strong demand for travel to U.S.** with visa applications at U.S. embassy and consulates in China backed up to 4th Quarter 2023

2023 BUDGET DETAILS

	2023 (Jan-Jun)	2023 (Jul-Dec)	2023 Total	Projected Outcome
Approved Budget	\$87,000	\$120,000	\$207,000	
Proposed Additional Budget	15,000	105,000	120,000	
US Embassy Education USA Events	12,000	-	12,000	Est. 300 participants at each event with social media coverage reaching 3M. HTC will have Mālama Hawai'i booth as well as speaking engagements.
Wuhan US Consulate Tourism Event	3,000	-	3,000	Meet w/industry partners and general consumers to share Mālama Hawai'i message. Media coverage by HTC official accounts and KOLs reaching est. 250K across all platforms.
Trade Mission – Beijing / Shanghai	-	50,000	50,000	Invite Hawai'i industry stakeholders to reconnect with key OTAs, wholesalers, travel KOLs, travel media, airlines in China; deliver Mālama Hawai'i message; feature Hawai'i itineraries. Social media coverage to exceed 200K across all platforms.
Travel Trade co-op (Airline / TO / OTA)	-	50,000	50,000	Target 1:3 ratio (cash/in-kind); push for Hawai'i mono-packages; est. incremental visitors to Hawai'i of 5,000
WeChat B2C / B2B Mini-Programs	-	2,500	2,500	SEO to drive viewership and followers to HTC B2C and B2B Mini-Programs to educate travelers and industry partners; target incremental 3K fans
Social Media Marketing	-	2,500	2,500	SEO to drive viewership and followers to official HTC social media accounts – Weibo, WeChat, WeChat Video Channel, Little Red Book, Douyin; target incremental 10K fans across all platforms
PROPOSED NEW BUDGET	\$102,000	\$225,000	\$327,000	

2024 - 2025 BUDGET OVERVIEW

	CY 2024	CY 2025
Total Program Costs	\$307,100	\$293,284
Consumer Direct	142,600	128,784
Public Relations	49,500	49,500
Travel Trade	115,000	115,000
Total Administrative Costs	69,500	69,500
Staffing	26,600	26,600
Office Expenses	24,000	24,000
Other Administrative Costs	900	900
Contractor Profit / Retainer	18,000	18,000
TOTAL	\$376,600	\$362,784

The
HAWAIIAN
ISLANDS

夏威夷旅游观光局
祝同仁朋友们「卯兔年」
吉祥安康 诸事顺祥!

大展鸿兔
HAPPY NEW YEAR

2023

Mahalo
谢谢

HAWAII TOURISM
CHINA

10c

Update on RFP 23-02 Hawai'i Tourism Destination
Brand Management & Marketing Services for the
Canada Major Market

RFP 23-02 Hawai'i Tourism Destination Brand Management & Marketing Services for the Canada MMA



Important Dates

RFP 23-02 - Hawai'i Tourism Destination Brand Management & Marketing Services for the Canada MMA	
ACTIVITIES	SCHEDULED DATE
Release of Request for Proposals	March 14, 2023
Pre-Proposal Conference	March 17, 8:00 a.m. - 9:30 a.m. HST
Deadline to Submit Written Questions (must be submitted in HlePro)	March 20, 2023, 4:30 p.m. HST
State's Response to Written Questions (will be posted in HlePRO)	March 22, 2023
Deadline to Submit Notice of Intent to Offer	March 24, 2023, 4:30 p.m. HST
Proposal Due Date/Time, Evaluation Period Begins	April 21, 2023, 2:00 p.m. HST
Priority Listed Offeror Selection & Notification	Week of April 24, 2023
Oral Presentations with Priority Listed Offerors	May 5, 2023
Best and Final Offer Deadline (if necessary)	Week of May 8, 2023
Notice of Award	May 15, 2023
Start of Contract Performance	June 30, 2023
End of Initial Contract Term	December 31, 2025
End of 2-Year Option if Exercised	December 31, 2027

10d

Update on RFP 23-03 Hawai'i Tourism Destination
Brand Management & Marketing Services for the
United States Market

RFP 23-03 Hawai'i Tourism Destination Brand Management & Marketing Services for the United States Market



Important Dates

RFP 23-03 - Hawai'i Tourism Destination Brand Management & Marketing Services for the US Market	
ACTIVITIES	SCHEDULED DATE
Release of Request for Proposals	February 13, 2023
Pre-Proposal Conference	February 21, 2023, 8:00 a.m. - 9:30 a.m. HST
Deadline to Submit Written Questions (must be submitted in HlePro)	February 24, 2023, 4:30 p.m. HST
State's Response to Written Questions (will be posted in HlePRO)	February 27, 2023
Deadline to Submit Notice of Intent to Offer	March 1, 2023, 4:30 p.m. HST
Proposal Due Date/Time, Evaluation Period Begins	March 30, 2023, 2:00 p.m. HST
Priority Listed Offeror Selection & Notification	Week of April 10, 2023
Oral Presentations with Priority Listed Offerors	April 17, 2023
Best and Final Offer Deadline (if necessary)	Week of April 24, 2023
Notice of Award	May 3, 2023
Start of Contract Performance	June 1, 2023
End of Initial Contract Term	December 31, 2025
End of 2-Year Option if Exercised	December 31, 2027

11

Discussion Regarding an Update on the Meetings,
Conventions and Incentives Market Activity and Pace
Report, and Hawaii Convention Center Activity and
Local Sales

HTA Board Update

GLOBAL MCI SALES

March 30, 2023

John Reyes,
Senior Vice President, Chief MCI Sales Officer



DEFINITIONS

Sales Production

- New volume of events and room nights for any future year

Consumption

- On the Books (OTB)
- OTB booked events and room nights in the year they occur

SALES PRODUCTION UPDATE



CITYWIDE SALES PRODUCTION

February 2023 v. 2022

February 2023 Sales Production	Feb. 2023	Feb. 2022	Variance	2023 YTD	2022 YTD	Variance
Citywide Definite RN	6,409	0	+++	9,009	0	+++
Citywide Tentative RN	45,932	14,335	+320%	109,082	17,886	+610%

As reported in Meet Hawai'i Global MCI Status Report - February 2023



Sales Production 2012-2022 (New volume of events and room nights for any future year)

Calendar Year	Citywide Seller FTEs	Definite Citywide Bookings	Definite Room Nights Citywide	Economic Impact(millions)
2022	2.75	14	144,043	\$396 million
2021	See notes below			
2020	See notes below			
Post Covid Total		14	144,043	\$396 million
2019	5.00	22	79,426	\$206 million
2018	5.00	14	81,336	\$310 million
2017	5.00	22	63,601	\$188 million
2016	5.00	17	93,713	\$200 million
2015	5.00	12	55,178	\$128 million
2014	5.00	8	23,365	\$62 million
2013	5.00	6	15,465	\$63 million
2012	5.00	7	39,190	\$180 million
Pre-Covid Total		108 Average 13.5	451,274 Average 56,407	\$1.4 billion Average 172.1 million

Source: Tableau Simpleview Report 03/15/2023

2020: Covid Shutdown in March. All gathering restrictions. Safe Travels begins

2021: Safe Travels continues large gathering restriction in place

2022: Gathering restrictions eased first citywide in 21 months in Jan. Safe Travels restrictions end in March, two years after shutdown

Total Citywide cancellations during the period above totaled 15 events for 117,623 room nights with projected economic impact of \$313 million

FUTURE PACE (Consumption)

Citywide Events Booked at HCC



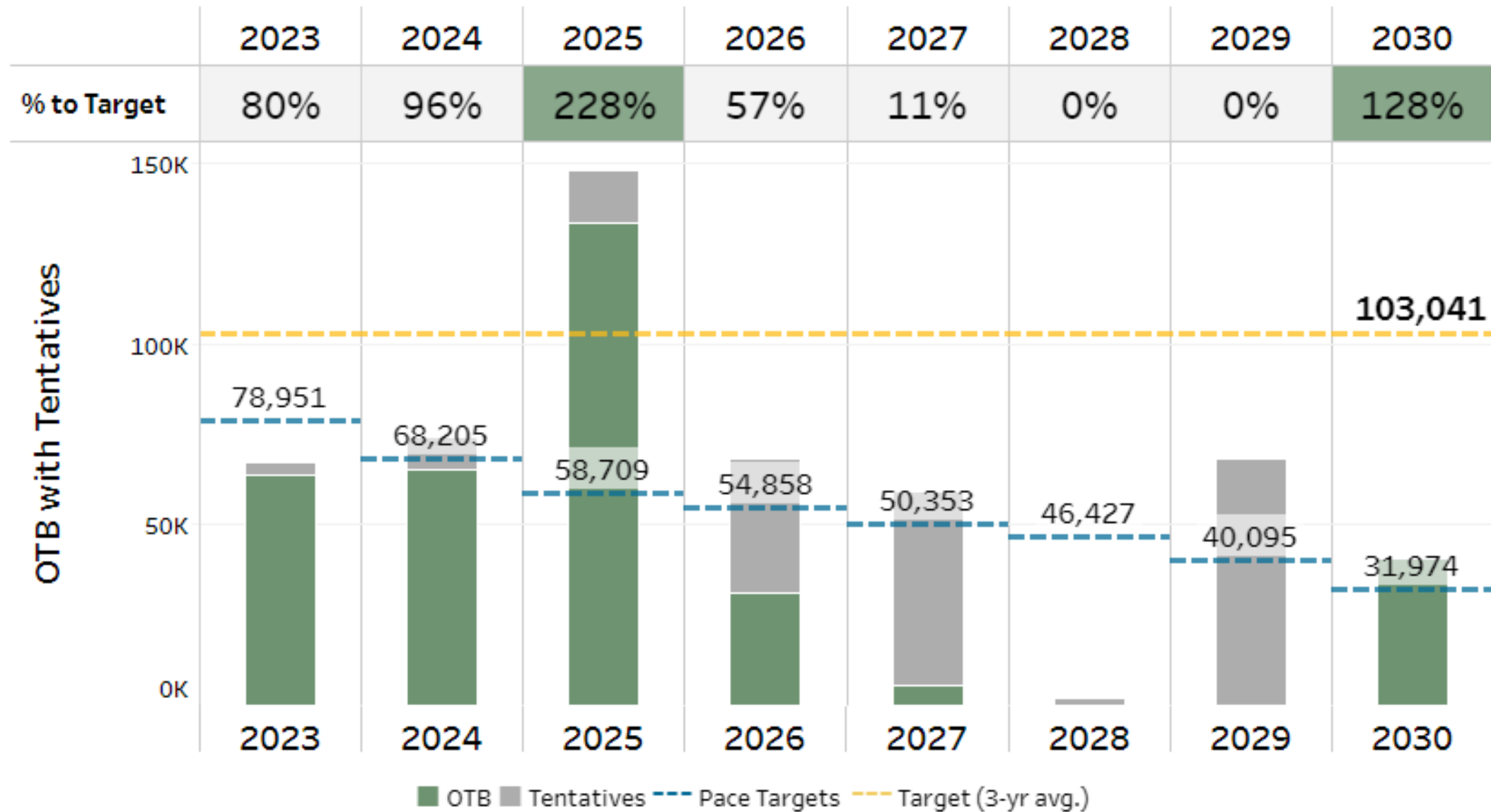
HCC BOOKING TREND (CONSUMPTION)

Calendar Year	2/17/23	03/10/23	Source
2020	3	3	ASM 3 MH 0
2021	0	0	ASM N/A MH N/A
2022	8	8	ASM 5 MH 3
2023	12	14	ASM 5 MH 9
2024	9*	9	ASM 4 MH 6
2025	8	8	ASM 5 MH 3
2026	2	2	ASM 1 MH 1
2027	1	1	ASM 0 MH 1
2028	0	0	ASM 0 MH 0
2029	0	0	ASM 0 MH 0
2030	1	1	ASM 1 MH 0
Total	44	46	

Updated 03/10/23

Hawai'i 8 Year Future Pace for Citywide

Number of events and room nights on the books against a 3-year average target. Data last refreshed on 3/23/2023 11:07 PM



POST-COVID SHORT-TERM RECOVERY STRATEGY 2023 – 2027

(Sales Production)



Short-Term Sales Focus

Strategy for recovery from 2-year shutdown of HCC:

- Immediate need to fill pre-COVID shortfall for 2021 forward
- Larger Citywide events take up to 8 years to book
- So, adjusted booking window to fill the Center in the short-run, with a focus on smaller events with shorter booking windows

Goal: Book 77 events into the Center for the 2023-2027 time period

- To date, 13 have been booked since March 2022



MAHALO!

