



Ke'ena Kuleana Ho'opipa O Hawai'i  
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**HAWAII TOURISM AUTHORITY**  
**Thursday, August 31, 2023, 10:30 a.m.**

**Hybrid In-Person & Virtual Meeting**

**Hawai'i State Capitol**  
Conference Room 325  
415 South Beretania Street  
Honolulu, Hawai'i 96813

**MINUTES OF THE REGULAR BOARD MEETING**

**MEMBERS PRESENT:**

Blaine Miyasato (Chair), Mahina Paishon Duarte (Vice Chair), Kimberly Agas, David Arakawa, Dylan Ching (Zoom), Mufi Hannemann, Stephanie Iona, James McCully, Sherry Menor-McNamara, James Tokioka (Ex Officio, DBEDT Director), Mike White, Sig Zane

**HTA STAFF PRESENT:**

Daniel Nāho'opi'i, Kalani Ka'anā'anā, Isaac Choy, Caroline Anderson, Ilihia Gionson, Iwalani Kaho'ohanohano, Carole Hagihara-Loo, Maka Casson-Fisher, Talon Kishi, Tracey Fermahin, Sunnie Lasconia

**GUESTS:**

Senate President Ronald Kouchi, Senator Lynn De Coite, Representative Mark Hashem, Representative Darius Kila, Representative Sean Quinlan, Representative Chris Todd, Tracy Arakaki, Jennifer Chun, Rebecca Crall, Jeffrey Eslinger, Jared Higashi, Nathan Kam, Erin Khan, Clarisse Kobashigawa, Noelle Liew, Guillaume Maman, John Monahan, Barbara Okamoto, John Reyes, Teri Orton, Roth

Puahala, Mari Tait, Eric Takahata, Noelani Schilling-Wheeler, Kainalu Severson, Alexander Wong,

**LEGAL COUNSEL:**

John Cole

**1. Call to Order**

Chair Miyasato called the meeting to order at 10:30 a.m.

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

Mr. Gionson did the roll call, and all members were confirmed in attendance. The member who attended via Zoom was by himself.

**3. Opening Protocol**

Mr. Casson-Fisher did the opening protocol, which asked to share the space for the HTA to conduct its Board meeting in the State Capitol. Roth Puahala welcomed the meeting participants to the State Capitol; he shared the 'Ōlelo ka wa mamua, ka wa mahope (to seek the future, we must look to the past).

Mr. Puahaha introduced Senate President Ronald Kouchi to share his welcome.

Sen. Kouchi welcomed the HTA Board to the State Senate Building and assured them he was ready to work with the Board, putting aside any previous disagreements. It was important for everyone to work together for the good of all Hawaiians. Maui had always been a strong engine of economic development, and what had happened would have an impact on the entire state's economy. Growing up as a child in West Kaua'i, he resented the Lauhala floor covering in their home, which he felt reflected his family's inability to afford carpet, but he now had a better understanding of the foundation his parents had provided for him. Sen. Kouchi recalled that thirty years ago when Hawai'i was awarded five million dollars in U.S. tourism funding, this money was designated to promote foreign destinations so that Hawai'i would not compete with other U.S. states. Sen. Kouchi suggested that a similar strategy might now take place to promote Maui without competing with the rest of the State. He had been impressed with Dir. Tokioka's work to open the HCC as a shelter for displaced people.

#### **4. Opening Remarks from Representative Sean Quinlan, Chair of the House Tourism Committee (TOU)**

Rep. Quinlan, the Chair of the House Tourism Committee, thanked the HTA staff for their response to the Maui disaster, which conformed to the highest standards of Aloha. He reminded the Board that the HTA was created to make human and financial resources available for tourism and to mālama the economy. The present situation of Maui went beyond devastation, and many people were unwilling to hear about tourism, but while respecting the Maui population's extreme grief, an economic disaster needed not to be added to a humanitarian one. Grief would never end, but when it began to subside, employment would be needed to put food on families' tables.

Rep. Quinlan added a personal note of caution in reminding the Board that it should not lose focus on other destination management tasks while mitigating issues in the tourism hotspots in Maui. Even though tourism generated much income for the State and the counties, many residents did not see its benefits. However, it is important to remember that tourism employs more than 200,000 people and makes up a huge proportion of State and county budgets. The HTA needed to be responsive to the needs of communities.

Rep. Quinlan appealed to the Board to settle on a common definition of destination management. He had previously circulated a memo stating that some projects carried out by the HTA could be defined as destination stewardship rather than destination management. The HTA Board should think critically about its core mission and whether each budget item is directly related to it. He asked if the Board should consider whether other agencies could more appropriately fund some of its projects in the future.

In conclusion, Rep. Quinlan thanked the Board members for their investment of time and emotion.

In response, Chair Miyasato thanked Rep. Quinlan for setting the tone for the Board to do their work and noted the importance of two-way communication.

Rep. Quinlan praised Mr. Nāho'opi'i for his leadership in responding to the crisis when coming into a new role on short notice.

Chair Miyasato mentioned that not all Board members had received the memo to which Rep. Quinlan referred and asked him to resend it. He reminded the Board that the purpose of their meeting in the Senate building was to allow them to interact with legislature members. Sen DeCoite had been scheduled to give the closing remarks at the end of the afternoon session but would address the Board now.

## **5. Approval of Meeting Minutes**

### **5.a. July 13, 2023 Special Board Meeting**

Approval of minutes. Special Board meeting of July 13, 2023, proposed, seconded, and carried unanimously.

### **5.b. July 27, 2023 Regular Board Meeting**

Approval of minutes. Regular Board meeting of July 27, 2023 proposed, seconded, and carried unanimously.

## **6. Terms of Engagement at Board Meetings**

Chair Miyasato gave some guidelines about the conduct of Board meetings, which he believed would ensure that all Board members had a voice and respect the time and commitment of Board members. Without clear rules of engagement, decision-making by the committee was very difficult.

- A time agenda would be set for each meeting.
- Non-actionable comments were to be kept to a minimum.
- Presenters were to be asked to stay within the time allocated for their presentation.
- Presenters were to be allowed to complete their presentations without interruption.
- Relevant questions pertaining to the subject would be permitted only at the end of the presentation.
- Each Board member would be allowed to ask a pertinent question and/or to give brief thanks/comments related to the presentation, but members were asked to keep these questions/comments brief and relevant.
- These were public meetings, so only topics placed on the agenda and published would be discussed.

## **7. Overview of the Sunshine Law**

Chair Miyasato introduced an overview of the “Sunshine Law” by the HTA Legal Counsel, Mr. Cole. The purpose of this law was to protect the right of the public to know what the government was doing and to open government processes to public scrutiny and participation.

- All discussions, deliberations and decisions regarding Board business must be conducted at a Board meeting.
- All Board meetings must be open to the public. The Board must give notice and access to the meeting, and any material to be used in the meeting must be made available.
- Testimony must be accepted.
- Minutes must be kept.
- Board business was defined as specific matters over which the Board had supervision, control, or jurisdiction and which were either pending before the Board at present, or could reasonably be anticipated to arrive before the Board in the foreseeable future.
- Board members were not permitted to have any discussions, deliberations, or decisions about Board business between themselves outside of a Board meeting, and this also covered communication by email, text, or any other method. The law allowed certain exceptions to this rule, such as two members clarifying Board decisions, but even in this case, they were not permitted to seek commitments from one another to vote in a particular way. Neither was this type of communication, including by email, permitted in a serial fashion.
- The law allowed Permitted Interaction Groups, mainly for investigations. However, by law, these groups must function over the course of three Board meetings: at the first meeting, the membership and scope of the PIG would be defined; at the second meeting, the group would present its findings and recommendations; at the third meeting, the public would have been informed about the group's findings or recommendations and would submit testimony. After this, the Board could only discuss, deliberate, and decide on the PIG's findings and recommendations.
- All Board meetings must be open unless the law covering executive sessions was complied with. For an executive session to take place, a two-thirds vote of all the members present and a majority of the full Board membership must be recorded and entered in the minutes. The reason for the closed session must be announced, and a brief summary or report must be given after the public session is resumed. In general, the HTA Board might request Executive Sessions for personnel matters relating to evaluations or hiring decisions to protect the privacy of the staff concerned, legal matters to be discussed with counsel, proprietary business information that should not be disclosed, or information whose confidentiality was necessary to protect Hawai'i's competitive advantage as a visitor destination.

- Public notice of the date, time, and agenda of a Board meeting had to be posted at least six days prior to the meeting. The agenda must include all the items the Board intended to consider at the meeting and should be described sufficiently specifically to allow the public to decide whether they would wish to attend. If an Executive Session was anticipated, the agenda should include the purpose and the statutory basis for this session. The packet containing the materials to be discussed or reviewed should be distributed or made available to the public at least 48 hours before the meeting.
- Adding items to an agenda that had already been posted was permitted only with a two-thirds vote of all the members of the Board. It was not permissible to add items that were of major importance and would affect a significant number of people.

Chair Miyasato apologized to Board members who had already gone through training about these issues, but he felt that it was important to ensure that all members were aware of what was expected of the Board and what its responsibilities were. Training materials, with specific examples, were available.

### **8. Charter of the Board – What is our Kuleana – What is Success**

Chair Miyasato had asked Mr. Cole to review the basic charter, obligations, and duties of the HTA as laid out in the statute. Mr. Cole gave the following outline.

1. The HTA was headed by a Board of Directors and responsibility for its successes and failures rested with its Board.
2. The HTA was charged with developing, coordinating, and implementing state policies and directions regarding tourism and related activities, taking into account the economic, social, and physical impact of tourism on the state, Hawai'i's natural environment, and areas frequented by visitors.
3. All funding for the HTA came through legislative appropriation. In 2021 the Tourism Special Fund had been repealed, and this changed the relationship between the HTA, the HTA Board, and the legislature.

Mr. Cole stated that the following relationships were vital to the HTA:

1. The HTA was related to the legislature through the laws and policy directions they set and because funding came from legislative appropriations. In addition, the influence of politics was the key to accomplishing the purposes of the HTA.
2. The HTA was related to the people of Hawai'i. Even though many Hawaiians were unhappy with tourism and its negative effects on their daily lives, it was important to

realize that, as one of the biggest economic drivers in the State, tourism affected every resident. This made it incumbent on the HTA to accept their responsibility for making the right decisions.

3. The HTA was also related to local communities, the knowledge stored within these communities, non-profit organizations, and other groups.
4. The HTA was related to other government agencies, both state and federal agencies.
5. Finally, the HTA was related to the tourism industry through lobbying and retail activities.

Mr. Cole went on to enumerate the key assets of the HTA. One of these was the HCC and its use for tourism and business. Other assets that the HTA had developed over the years were its local and international partners. The Global Marketing Teams, whose support for Maui had been so outstanding, were an example of a non-financial asset. Mr. Cole reminded the Board that the HTA needed to show leadership and effectively use all its assets and relationships. He pointed out that staff vacancies that had not been filled risked causing the HTA to fail to implement effective leadership.

The HTA had a President and CEO who oversaw the authority and its staff. Typically, appointing a CEO or Executive Director of a Board would be subject to the approval of the Head of the Department, but Statute 201b5 exempted the HTA from HR Section 2635 from that part of the oversight statute.

Chair Miyasato stated that he and the Vice-Chair had asked Mr. Cole to give this exposé to clarify the HTA's responsibilities and ensure that the Board acted in accordance with statutes in force and government policies.

## **9. CEO Report and Update on the Emergency Response to the Maui Wildfires**

Mr. Nāho'opi'i appreciated the praise he had received from Board members, but he pointed out that this praise was due to the HTA staff who had worked as a team, together with the Governor, the Lieutenant-Governor and Dir. Tokioka, to come up with solutions and ideas from the first day of the fires. Mr. Nāho'opi'i was proud of how the HTA staff and Board members worked together.

During the last Board meeting two weeks ago, in response to the Maui emergency, the Board submitted a letter to the Governor asking for authorization to use the HTA funding for relief efforts as well as for marketing. This permission was granted on August 19. The relief effort would be a long-term process, and this was a federal, as well as a state, emergency. Relief

would involve economic redevelopment in the region and, as Dir. Tokioka had mentioned, an economic recovery package from the government.

During the first two weeks of this emergency, the HTA paused marketing to provide breathing space for affected communities and businesses. This then transitioned into a process of recovery. As Sen. DeCoite mentioned, this allowed the HTA staff and Board members to go to the affected areas to listen to the needs and issues of the tourism partners there. While some people were making urgent demands for quick relief, the HTA hoped for a holistic, long-term recovery process that would be consistent with the needs of communities, cultural values, and protection of natural resources while meeting economic goals and addressing the needs of the visitor industry.

From the start of the crisis, the HTA had supported Maui residents and listened to their concerns, as well as the tourism industry's concerns about returning visitors to safe areas of Hawai'i. The HTA emphasized respectful and compassionate travel and methods of assisting utilizing monetary donations or volunteering. In the long term, there would be opportunities to develop tourism in a way that would return value to the communities.

One of the issues raised at the previous Board meeting was the reduction in arrivals on Maui. Overall, statewide arrivals were still at 80% of normal. Given that Maui formed a significant part of the statewide economy, the deficit in arrivals was expected to continue right up to December. Maui residents had been concerned about not having access to leave the island for work or to visit their families.

At present, the unemployment level in Maui is 4,000. DBEDT had estimated a daily reduction of \$9 million in revenue and 4,450 visitors to Maui. West Maui was a significant resort area for the State and had previously accounted for 16% of the tourism economy. The intention of travelers to visit Maui had dropped by 27%, and promotions did not appear to have any effect.

Mr. Gionson gave an account of the response of the HTA over the past three weeks. He had spent time listening to Maui community residents, to people who worked in the hospitality industry, and to business owners. The HTA had given a clear, respectful, compassionate message that visitors would return to Maui, making clear that travel to Maui was more welcome than ever. The HTA was liaising with Maui County and State Emergency Operation Centers. An emergency assistance center was operating at the HCC. Representatives of island chapters had worked hard to evacuate visitors from Maui to relieve pressure on scarce resources. Over 40,000 visitors had flown out of Kahului Airport 72 hours following the fire. The HTA had paused marketing immediately after the fire but had tried to mention the towns and areas that were still open and the towns that were closed.



The CEO, Mr. Ka'anā'anā, the Board Chair, Vice-Chair and Dir. Tokioka had all been on the ground listening to the needs of Maui residents. A Town Hall meeting for the tourism industry and business owners had been convened at the Maui Ocean Center. The HTA has set up cultural sensitivity training for incoming disaster relief workers and has organized at least ten training sessions. Skills and infrastructure were available, and the HTA staff had given many media interviews to make clear that while West Maui was closed, the rest of Maui was open. On August 21, the HTA began marketing again and continued with sensitivity training and media interviews. An official letter from the HTA welcoming visitors to Hawai'i had been sent out to businesses. The Governor made a "Welcome Back" video. Industry meetings have been convened with West Maui hotels to understand their needs.

Mr. Ka'anā'anā listed various actions that had been taken to assist recovery, beginning with the official website, GoHawaii.com, with good availability of resources. A cross-sector research committee had been convened to investigate which data was available and which were needed in real-time to inform decision-makers. The return of cruises to Kahului Harbor had been facilitated. HawaiiTourismAuthority.org had recovery resources for visitors, visitor industries, and local businesses. As well as convening a coalition of cultural practitioners, media appearances and messaging had continued to emphasize encouraging mindful travel to the Hawaiian islands. While West Maui was not open to visitors, the rest of Maui and the other islands were all open.

The HTA had constantly listened to partners and to residents who had been affected. Everything was being done to ensure sensitivity in the relief effort and support for people on Maui and in Maui County to empower them to develop as they wished. In the longer term, West Maui, too, would reopen to visitors.

As soon as the Board meeting was over, Mr. Gionson's report would be made available to Board members.

Mr. Arakawa thanked the HTA staff and the Board members who had visited Maui to find out the situation.

Dir. Tokioka reminded the Board that as director of DBEDT, he was the liaison between the HTA and the Governor. He would ensure that the Board and the HTA partners were informed about the time to reopen West Maui. It was important for hotels to know when there would be a green light for reservations. Dir. Tokioka respected the compassion the HTA Board and staff had shown towards the population of West Maui, especially residents of Lāhainā who had lost everything. On the other hand, it was clear that whatever decision was made, there would

always be criticism. Regarding the reopening schedule, one of the issues was making sure that debris was being removed safely.

Dir. Tokioka was asked what repercussions would ensue for businesses that did not respect the Governor's timeline for reopening. There seemed to be no legal framework since the emergency order only stated that reopening before the stated date would be "highly discouraged" and disrespectful for residents and other businesses. It was true that businesses needed to start to operate again. Dir. Tokioka promised to ask the Governor for more details. On the part of hotels, as long as the Governor had not announced the closure of an area, they could not collect on business interruption insurance, so they were in a difficult financial position at the moment.

Ms. Iona asked about the definition of West Maui. There was difficulty for some visitors who owned residences in West Maui and were being told that everything was closed. Many times, shares were undamaged but had no power.

Lāhainā had always been the venue for the Maui Invitational Golf Tournament, which was scheduled for Thanksgiving Weekend. The brand's owner had asked for the event to be moved to another venue in Hawai'i. The upcoming PGA Tournament of Champions at Kapalua sent a clear message that Hawai'i and West Maui were still open.

Ms. Menor-McNamara asked about the regulations covering residents of Lāhainā who wished to go to check on the damage to their premises and, if possible, start cleaning up. She had been informed that insurance assessors were allowed to enter the town, but small local companies were not allowed to do so. It was unclear which agency would permit entering the town and premises.

Mr. White responded that he was unsure of the answer to that question. On the other hand, the people of Maui were happy with the support they had been receiving. He believed that if the other parts of Maui were opened as quickly as possible, it would help the affected people to settle down.

Mr. McCully stated that he had been surprised to discover that he could book any short-term rentals in West Maui that day on the TripAdvisor and Expedia websites. He asked whether this implied that visitors were still booking into West Maui, but it was also clear that restricting online commerce would be very difficult if not impossible.

Mr. Nāho'opi'i had been meeting with hotels to verify that they were sticking to a reopening date of October 17. However, these were the larger businesses. The Governor's emergency proclamation was only advisory and did not make reopening illegal. Visitors were being

discouraged, especially from the point of view of their safety since there was much construction traffic on the access roads to West Maui.

Mr. Hannemann asked Mr. Nāho'opī'i about how he arrived the \$500,000 from the LA Clippers on page 23 of the CEO report. Mr. Ka'anā'anā replied that the criteria is based on the proposal the HTA received from the Clipper's organization. It outlined its proposed assets and marketing, that the HTA would have part of it. Pursuant to this Board's direction, considering the HTA's community impact, the marketing reach, and the brand alignment, the HTA felt the Clipper's organization matched all three criteria previously used for sports partnerships. The HTA was also to work with the Governor to support the Maui Invitational Golf Tournament with \$200,000 to ensure that the event would stay in Hawai'i and not be taken to Las Vegas or North Carolina.

Mr. Ching thanked Dir. Tokioka for his comments and questions to be taken up with the Governor. Where West Maui went, the rest of Maui would follow. The sooner definite dates for reopening were known, the better.

Chair Miyasato thanked Mr. Nāho'opī'i for his presentation.

Mr. Nāho'opī'i asked the Vice-Chair to explain the reasons behind the establishment of the PIG. She stated that this was due to the tourism emergency. \$5 million was at the disposal of the HTA in the Special Tourism Fund. The members of the PIG agreed that all these assets should be used for relief and recovery over three phases: short-term from zero to six months, medium-term from six to 18 months, and longer-term from 18 to 48 months. The terms of use might be varied, and the HTA would yield the best advice from State and county officials.

The Vice-Chair explained that the HTA intended to pivot and utilize non-monetary assets such as the Maui ohana, industry and business partners, community, residents, and visitors. The HTA was a major branding hub and intended to utilize its skillsets, major contractors, and consultants. These could become strategic partners in an ecosystem of external communications. The points raised by the Chair and Dir. Tokioka were critical at this time as the HTA was still endeavoring to unify messaging and minimize confusion. With a primary base in O'ahu, the HTA Board members and staff understood the importance of learning and listening so that they could participate as effective partners. A schedule would ensure that everyone had time to be on the ground in West Maui, working with the community, the ohana, and the county leaders.

The PIG was to concern itself with three main tasks:

1. It would inventory strategic monetary and non-monetary assets, the latter being primarily relationships.
2. It would execute a plan via a consultant.
3. It would continue to sort through information being received from multiple sources to ensure that the HTA stood with and in support of Maui's leadership.

Chair Miyasato reminded the Board that the focus had to be on messaging, since other people would certainly make it up in the absence of messaging. He appealed for the HTA to be front and center in messaging.

The Vice-Chair reiterated that community members in West Maui had asked for the HTA to take the lead in communications, bearing in mind that initially, communications had been somewhat disjointed. Mr. Hannemann commented that the outcome of this crisis would depend on everyone approaching it collaboratively, starting with community outreach. The HTA could bring together all the important partners, just as happened during the pandemic.

## **10. Board Chair Report**

### **11. Report of Permitted Interactions at Informational Meetings or Presentations Not Organized by the Board Under HRS section 92-2.5(c)**

There was none on Permitted Interaction Groups.

### **12. Presentation, Discussion and Action on HTA's Financial Report for July 2023**

Chair Miyasato formerly welcomed Mr. Hannemann to the Board. Mr. Gionson and Ms. Kaho'ohanohano did a chant and presented Mr. Hannemann a lei.

Mr. Choy referred everyone to tab 12 of the meeting packet and explained HTA's financial activity for July 2023.

The HTA has transitioned from how its monthly financial presentation was visually presented to a more traditional presentation. This would allow board members used to the conventional presentation for their companies or organizations to understand our financial situation better. We have three statements: our balance sheet, statement of revenues and changes in fund balance, and management-selected disclosures.

Mr. Choy would tell his clients that the way to read financial statements is to look at the Balance sheet as a machine, and the income statement measures the machine's output.

The HTA's financial statements are presented on a fund basis of accounting, meaning that it has five pots of money that must be used in accordance with their purpose as established by law. The pots are the tourism fund, the convention center fund, the convention center roof repair fund, the tourism emergency fund, and the federal fund (or five separate machines). Each pot of money is described in the notes to the financial statements.

The tourism fund is our operating fund. The HTA paid all its expenses out of this fund, such as payroll, contracts, benefits, office expenses, and other general expenses. These revenues used to come from a direct allocation of the Transient Accommodations tax (2021). Then, in 2022 and 2023, HTA got its funding from American Rescue Funds (ARPA). Then, this year, HTA was defunded by the legislature.

For year ending 2024, Gov. Green, through HB 300 Proviso 5, gave HTA \$71,000,000 (\$60 million for General funds and \$11 million for the convention center enterprise funds) while simultaneously clawing back all unused and encumbered funds balances of the ARPA money.

The bottom line of all these transactions is:

*As of July 1, 2024, HTA will have zero money in its tourism fund.*

### **13. Update on the Hawai'i Convention Center's Rooftop Project**

The Convention Center fund has a balance of \$34,467,525 frozen in the Convention Center fund. In 2024, through the proviso, \$11 million given to us by Gov. Green to pay for Convention Center losses. The administration plans to ask for this money back from the legislature when they correct the ceiling error made by the legislature in next year's legislative session.

*This fund could be in jeopardy of spending more money than it has because of the Maui wildfire expenses. This will depend on the timing of the FEMA reimbursements. The HiEMA representative advised me that FEMA expense reimbursement could take years.*

Convention Center Roof repairs: Two sources of funds will be deposited in this fund: \$15 million for roof repairs and \$64 million for terrace deck repair. The terrace deck repair will be deposited as expenditures are made or if an allotment is granted.

*The legislature funded the terrace roof repairs (\$64 million) using general funds which will lapse on June 30, 2024.*

Tourism Emergency Special Funds the HTA Board declared a tourism emergency at its last meeting, and Gov. Green's Emergency Proclamation Number Six acknowledged it. The balance in the fund is \$5,132,360.

Mr. Choy is unsure if the expenditures for this fund will survive the ending of the emergency proclamation.

The federal fund is the economic development grant which Ms. Anderson is administering.

Accounting Department Highlight:

It is audit season; the HTA was notified on August 24 by the legislative auditor that the HTA would begin its annual audit to issue the audit on or about December 31.

The HTA would be involved in three audits:

1. The financial audit of HTA for the period ending June 30, 2023;
2. The financial audit of HCC for the period ending June 30, 2023; and
3. The performance audit of HTA by the legislative auditor.

The HTA has severe staffing shortages, and its funding scheme is compounding this situation. It is tough to hire people, with all of the HTA staff losing their jobs on June 30, 2024.

Mr. Choy has authorized overtime for his staff through Halloween and will try to enlist the help of other HTA Staff to have a successful audit season. In addition, B&F will be sending him next year's budget proposal any day now, and the legislative package is being worked on now.

Mr. Choy's department is working to ensure the HTA receives reimbursed FEMA expenses.

#### **14. Report by the Branding Standing Committee of their Meeting Held on Wednesday, August 23, 2023**

Member Ching chaired a meeting of the Branding Standing Committee on August 23. This was a good meeting with useful contributions from members. The emphasis had been that the HTA should stay in step with the Governor and the Mayor of Maui. A clear message had to be given that the rest of Maui was open while West Maui was closed. The HTA staff would be utilized to do this as a team.

##### **14. a. Presentation and Action on Messaging**

Mr. Ching asked them to go around the room for questions. Chair Miyasato asked if this is outside of normal plans and budgets, and Mr. Ka'anā'anā confirmed that as correct. Mr. Hannemann asked that the HTA invites the other three mayors to meet with them regularly. For the upcoming Food Network show, Mr. Ka'anā'anā confirmed with Mr. Hannemann to point visitors to GoHawaii.com. Mr. Hannemann reiterated that the Food Network is a 6-hour special featuring the best of Maui to be aired on September 9.

Mr. McCully asked Mr. Ka'anā'anā if it would be from the Emergency Funds or the Discretionary Funds. Mr. Ka'anā'anā said he is source-agnostic and unsure where to get it. Mr. Choy will let them know their financial position. One of the constraints they have is to be direct. Their allotment for the first quarter of the fiscal year was \$15 million, and as each contract is encumbered, they have to encumber the total contract value, which eats away at the encumbrance. Their ability to access cash in a timely manner is something Mr. Choy was working on. They can also look at deferring other programs, look at the emergency fund or look to unlocking the Board's \$1.25 million and \$750,000 of EDA funds for COVID recovery money that they could use to restore the base budget of those contractors. They will have to work through the VP of finance. Mr. Choy reminded everyone that the current funding source is cash flow for the year.

Mr. Ka'anā'anā said the GMTs are using the base budget and will need replenishment. Mr. McCully asked that when they issue contracts with the contractors, if they have wildcards provisos for situations where they can work on the run. Mr. Ka'anā'anā said they can move the scope's guardrails and have room in the contract to do that. He said they do not have complete free reign to pivot the scope of the contract, but because of the nature of the contract, it is within scope. Mr. White supports the plan but said they have to have the money for the plan. The \$5 million budget could be extended to \$20 million, but they do not have that money upfront. Ms. Menor-McNamara asked about the emergency funding and how they use it. Mr. Cole said there is a process for that.

Ms. Duarte said that for the \$1.7 million for consumer messaging, how many contracts does that equate to. Mr. Ka'anā'anā said all that is done through the HVCB through the HTA. One contractor would provide all services for U.S. marketing. Ms. Duarte asked who has oversight and if it would be an amendment to an existing or new contract. Mr. Ka'anā'anā recommendation would be that they use the emergency procurement powers they have available to respond and then enter into a separate contract for the funds to keep it clean. If they can be reimbursed, it would be easier to track than add it to the existing HVCB contract. Ms. Duarte would like to be kept updated on the process. She hopes there will be a review process of the scope of the contract and the criteria for which to award the contractor to go through a diligent process.

Chair Miyasato asked if there were cooperative opportunities to leverage and share the cost. Mr. Ka'anā'anā said there is an opportunity for that, and the Board has already approved airline cooperation funds and other existing opportunities within the base contract that they can leverage. Mr. Zane said he supports that, especially since it is going out to the North America market.

Mr. Arakawa followed up on the questions on the contracts. He said it is the most flexible contract he has seen where the HTA can change the scope, etc. He had a different idea, but after hearing the restrictions, he asked Mr. Cole to change the scope as they did during COVID. He said they must look at what they can vote on for now and see where they can modify the contracts and perhaps defer funds should there be another emergency. Ms. Agas supported the plan. Mr. Ching also supported the plan, but they need to do their due diligence to ensure everything is done correctly and move quickly.

Chair Miyasato asked for the recommendation. Mr. Ching asked for a motion from the Board, but it is pending the funding as a caveat. Ms. Duarte asked who the plan is vetted outside the Board. Mr. Ka'anā'anā said he had not done much of that, but he knows their tactics are tried and true, and they work. He said they have a meeting with the GMs of the West Maui hotels, and he can share it with them. Ms. Duarte it was appropriate that the strategy had a level of flexibility given the feedback they get. Mr. Ka'anā'anā added that they have homework with Mr. Choy to figure out the "how." The U.S. marketing contract does not need a lot of pivoting as it is already set up to do what they want it to do to. They need to check what flexibility they have with 103D once they have procured something. He said that with other contracts within the HTA there is a lot of flexibility.

Mr. Monahan said the HTA has less money than the previous year, and several contractors are trying to survive. \$60 million barely covers the necessities. He said that in this situation where the state tourism business was jeopardized was the great recession, then shortly after, it was the mortgage crisis. The management at that time decided to cut several programs, but they carved out \$10 million for the contractors to fight the recession. Visitor numbers dropped almost overnight, but it worked. The budget back then was \$90 million, but inflation is moving faster than regular inflation. He said it is a state budget emergency, and the State needs to look at what it is doing from an economic standpoint.

Mr. Ka'anā'anā added that in the recession of 2008, the HTUSA budget was \$28 million. In 2009, it was \$27 million, then \$30 million, and \$31 million. Compared to the budget for the current year, it is not related to inflation. Mr. Reyes said they have been shopping with the communities, and they had been asking for this. He said major chains had said if the HTA commits to that, the marketing will follow, so the State's leadership must follow the official message followed by the industry.



Mr. Ka'anā'anā said the staff's recommended motion is to adopt the U.S. Marketing Maui Recovery Plan for \$2.6 million, subject to funding. Mr. White asked to amend the motion to say it will be paid for out of the emergency fund unless it is determined that it can be funded out of other sources. Mr. Arakawa asked Mr. Choy if they could use some of the emergency funds FEMA would reimburse. Mr. Choy said that was possible. Mr. Hannemann said there is another pocket of funds: the money the legislature gave the Governor to use for tourism purposes. They suggested the motion to mention "funding to be determined." Mr. Ka'anā'anā said if the Board approves the plan and how quickly they can implement it, Mr. Monahan is willing to use the base budget to do it, and the marketing will start.

Mr. White concurred with Mr. Hanneman about other monies, but those monies are not approved right now, and the emergency fund is approved. And to Mr. Choy's point, it will be much cleaner to keep the money separate.

Ms. Duarte asked if it would be permissible to make a motion to encumber \$2.9 million from the special fund given where they were in the process. She asked what the implications of that would be. Mr. Cole said that according to the statute, the use of a special fund shall be provided for in articles, by-laws, resolutions, and other instruments executed by the Board, but they have not done that yet. He said that should be an item on the next meeting agenda.

Mr. Ka'anā'anā directed Board members to the U.S. Marketing Maui Recovery Plan package. He thanked the Global Marketing Team for their collaboration with the Board. As had already been mentioned, marketing ceased immediately after the fire but had then resumed on August 21. This gave the marketing team enough time to assess, learn, and listen. It was clear that if marketing were not rooted in the realities on the ground, they would be making empty promises to customers, which would rebound on them later. He thanked the Chair and members, Mr. Nāho'opī'i and Dir. Tokioka, for allowing him and his team to go to West Maui to hear from residents and business owners.

The short-term marketing strategy would be up to October per the Governor's timeline. While listening to the concerns of the community and business here at home, the marketing department was also concerned about its clients. Marketing messages need to be tailored to the expectations of customers. Social influencers were sending out messages that supported the HTA messaging. Many customers in California, Washington, and Oregon were accustomed to the impact of wildfires and their effect on air quality. They needed to ensure that they knew air quality was good in Hawai'i. However, the overall sentiment of travel customers ranged from negative to neutral.

Mr. Hannemann said the issues about negative travel sentiment would be addressed over time. Some local celebrities had made statements that were less than helpful, but Jason Momoa had given a statement that encouraged respectful visiting in line with the expectations of the local communities. Major community stakeholders had given useful comments on Instagram involving donations for displaced families. Other celebrities like Oprah Winfrey and Dwayne Johnson donated \$5 million on August 30 to aid 8,000 displaced families.

GoHawaii.com was a state-owned website and a source of trusted information. They had several audiences: visitors, the visitor industry, residents, and the broader community, including everyone who might not be directly involved in the visitor industry.

Not everyone understood that there were six visitable Hawaiian islands, so it was necessary to educate consumers to clarify where the affected area was. Social channels have been a rapid way to do this. Global Marketing Teams have also been effective.

Mr. Ka'anā'anā spoke about the U.S. Marketing Maui Recovery Plan. Details were given about the Kupa 'Āina social messaging strategy timeline for August, September, and October 2023. Hawaiian Airlines, Alaska Airlines, and Maui Divers were among the partners who supported this campaign. The three primary target audiences of the media campaign were consumers, the travel trade, and MCI, along with the intended focus on the mindful traveler. The HTA Partners were listed, beginning with Gov. Green and Mayor Bissen and continuing with other partners such as members of the HVCB, airlines, and community organizations. Other partners included the PGA and Kapalua Champions Tours. Some professional golfers were to partner with the HTA. There was to be an initial commitment from Sentry of \$250,000. Other supporting partner is LG, which offered its banner ads to HTA for its messaging, reaching out to people who own an LG TV.

Mr. Ka'anā'anā gave examples of earned media, which continued to amplify the Governor's message and uplift the voices of Maui. The Hot 100 list comprised media organizations whose message aligned with the mindful traveler.

Upcoming programs in earned media and programs in development or review were listed. Owned media comprising the GoHawaii.com website, the GoHawaii App and e-newsletters had also been used to send out the message of respectful visiting. Details were given of marketing to the travel trade and Meet Hawai'i – MCI.

Finally, a budget request was submitted to the Board comprising \$1.7 million for consumer messaging, \$300,000 for the travel trade, and \$600,000 for MCI, totaling \$2.6 million.

Mr. Cole provided the revised motion: The motion is for the Board to approve emergency U.S. Marketing Plan using the tourism emergency special fund, subject to the Board approving a resolution providing for the use of money in the special fund, or using another, to be identified, funding source. Ms. Duarte made a motion, and it was seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

### **15. Presentation, Discussion, and Action on the Hawai'i Convention Center's July Financial Report and Update on the Hawai'i Convention Center's 6-Year CIP Plan**

Ms. Orton reported for the start of the fiscal year in July. They had a busy month at the HCC in July, welcoming four city-wide events. She thanked Mr. Reyes and his team. It included sporting events and association conferences. The events brought \$64.2 million in economic impact, \$7.5 million in TAT generation to the state, and over \$2.5 million in revenue to the HCC. Along with twelve other local events, the HCC generated \$2.9 million in gross revenue. That allowed them to cash flow a positive month at \$885,800, over \$1 million better than the budget. Due to city-wide business, there was high food and beverage spending, reminding them of the good days pre-COVID.

She highlighted the ROI and revenue to the HCC for the month being \$30.74. She listed the various city-wide events for July to June 2024. They had a total of 16 city-wide events at the HCC. The economic impact return was \$344,500,000 to the State. It was also generating in a little over \$40 million in TAT. It is vital to support the MCI team in bringing city-wide business to the center.

She highlighted the 17 local events in August, 22 in September, and 26 in October. She highlighted a few recent events at the HCC. The Comic Con Honolulu will be held from August 4 to 6 with 8,000 attendees. There were also two Japanese banquet events: Daito Kentaku Hawai'i Campaign 2023 from August 7 to 10, with 2,500 attendees. The Made in Hawai'i Festival took place on August 18 to 20, with 50,000 attendees. The 41st Annual Okinawan Festival is coming up from September 2 to 3, with 50,000 attendees. The 2023 Hawai'i Tourism Conference is from September 23 to October 3.

Ms. Tait spoke about the R&M projects. There are seven projects valued at about \$8.2 million. The projects are all on schedule. They have also awarded another nine projects totaling \$12 million. They are procuring five RFPs now with an estimated value of \$12.4 million. To date, ASM Global has completed 23 projects that cost approximately \$23 million. Ms. Orton introduced Dan Hoffend, VP of Global Convention Centers under ASM Global. Mr. Hoffend thanked the team for their amazing job the previous month. Dir. Tokioka said that since the fire,

he has been there every day for three weeks, and the team, security, and the banquet crew have done an incredible job. He thanked the team for all their work.

Mr. Nāho'opi'i said the staff recommended a motion to accept the financials of the HCC. The motion was moved and seconded. There was no discussion. The motion passed unanimously.

#### **16. Presentation by the Hawai'i United Okinawa Association of the Upcoming Okinawan Festival – "Sharing Uchinanchu Aloha"**

Clarisse Kobashigawa, 2023 President of HUOA, spoke about the Okinawan Festival. The crew is at the HCC at present and has started setting up. She introduced Mark Higa and played the presentation with a brief overview. Ms. Kobashigawa mentioned the KHON2 TV spot, Living 808 segment, featuring Brandon Nakasone, HUOA 2023 Okinawa Festival Chair. She said throughout the festival, they did not only focus on cultural foods and Hawai'i-grown sources but they are known for their multi-ethnic performances by bringing in the Okinawan dance performers. This year, HUOA is partnering up with Jake Shimabukuro. Sustainability is also on their mind. They also participate in the 100% carbon offset program made available through the HCC. The festival also features locally sourced food and products; it partnered with Don Quixote which brought in items directly from Japan. She highlighted that HUOA has been very lucky to partner with the HCC. She said it was difficult to transition outdoors to indoors, but it has been worth it as they have air-conditioning and wheelchair access. As of the previous year, they had up to about 45,000 attendees. They anticipate reaching 50,000 attendees this year.

Ms. Chun shared some statistics. The 2022 Okinawan festival had 32.9% Hawai'i residents, 58.9% domestic visitors, and 8.2% international visitors. Interestingly, many people came on more than one day. Sunday was the most popular day of the week, and most residents came from Honolulu, with some coming from Maui County. California was the most popular state. The number one international market was Japan, then Australia, Canada, and Korea.

Mr. Higa showed the Okinawan Festival television commercial, then the KHON2 Living 808 segment, and then the Yuimaaru Maui, Working Together for Maui, a video featuring HUOA's effort in supporting Maui with Jake Shimabukuro.

Mr. Ka'anā'anā gave a heartfelt mahalo to everyone for understanding that they are taking up HCC third-floor meeting room space so that the coordination response for Maui can continue. He thanked the Board for their awareness of the data that Ms. Chun shared. It is part of one of the mechanisms to provide information about investments the HTA makes in events; it measures, surveys, and provides good insights passed on to organizations, such as HUOA, to help with future applications.

Mr. Ka'anā'anā acknowledged that the Okinawa Convention and Visitor Bureau sent a letter of condolences to the HTA, and he thanked them for the letter.

### **17. Presentation by Chad Buck on the Future of Food Security in Hawai'i**

This agenda item is rescheduled to the next meeting.

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

Chair Miyasato reiterated that they have four standing committees and three PIGs. He asked to vote for each committee. For the Branding Standing Committee, Chair Miyasato is the Chair, and the Vice Chair is Mr. Zane. Members are Ms. Agas, Mr. Arakawa, Mr. Ching, Ms. Menor-McNamara, Mr. Hannemann. Ms. Agas said she'd like to stay in the Budget and Ho'okahua Hawai'i Committees since many board members are in the Branding Standing Committee. Chair Miyasato asked for a motion to approve the membership of the Branding Standing Committee. It was moved and seconded. The motion passed unanimously.

For the Administrative and Audit Standing Committee, the Chair is Mr. White, and the Vice Chair is Mr. Hanneman. Members are Mr. Arakawa, Mr. Ching, Ms. Duarte, and Dir. Tokioka. Mr. Hanneman asked what the committee does. Mr. Nāho'opi'i said the committee is reviewing existing policies, making findings and recommendations to modify, amend, and replace existing policies. They need administration of authority, establishing criteria with the recommendations, and making recommendations related to evaluating the president and CEO. Under that is also the Audit Standing Committee, which includes proper execution of internal audit controls by consulting with the authorities, external auditors to determine whether the internal controls have been properly executed, ensuring that financial statements are timely prepared and accurate, and that the statements were properly report financial information necessary for the fiscal operation of the HTA and establish and enforce a code of conduct to ensure the financial integrity of the HTA's management of public funds.

There was no further discussion. Chair Miyasato requested a motion to approve the Administrative and Audit Standing Committee. It was moved and seconded. The motion passed unanimously.

For the Budget, Finance, Convention Center Committee, Mr. Nāho'opi'i said this committee's purpose is to review the HTA's financial reports, investments, and annual budgets. The committee, in conjunction with the HTA staff, will be responsible for developing and monitoring the HTA's annual budget. The committee shall review the HTA's financial reports and make recommendations for the Board. The committee shall convene as necessary to receive

information, updates, and recommendations from the HTA staff. The Chair is Mr. Arakawa, and the Vice Chair is Ms. Agas. Members are Mr. White, Mr. McCully, Mr. Miyasato, and Dir. Tokioka. Chair Miyasato asked for a motion to approve the membership of the BFCC. It was moved and seconded. The motion passed unanimously.

For the Branding and Marketing Standing Committee, Mr. Nāho'opi'i said the purpose of this Committee is to review, evaluate, and recommend the HTA's marketing initiatives, programs, and activities that support the HTA's vision, mission, goals, and objectives. The committee shall convene as necessary to receive information, updates, and proposals from the HTA, and the committee may make recommendations to the Board from time to time.

For the Ho'okahua Hawai'i Committee, the Chair is Ms. Duarte, and the Vice Chair is Mr. Ching. Members are Ms. Agas, Mr. Hanneman, and Mr. Zane. Mr. Ka'anā'anā said the committee's purpose is to develop, review, evaluate, monitor, report, and provide recommendations on natural resources, Hawaiian Culture, and community issues. Chair Miyasato said there was room for another member. Ms. Menor-McNamara was added to the members. The motion was moved and seconded. The motion passed unanimously.

Chair Miyasato confirmed that the four Standing Committees had been voted. The other committees were deferred for future discussion.

#### **19. Closing Remarks by Senator Lynn De Coite, Chair of the Senate Committee on Energy, Economic Development, and Tourism (EET)**

Sen. DeCoite reminded the Board that tourism was like a farmer's crop, which had to be nurtured to grow. She congratulated the HTA for the set-up at the HCC, particularly mentioning Mr. Choy for his work there. She expressed her sympathy and condolences for the people of Maui who had lost family members. However, while communities were grieving, they were also hoping for jobs. Sen. DeCoite was working with Chair Miyasato to discuss the future of Maui businesses. While respecting the grief of those who had been bereaved, it was necessary to discuss a timeline for reopening. No decision would ever be popular with everyone, but it was necessary to make a stand. Sen. DeCoite thanked Mr. Nāho'opi'i and Chair Miyasato for meeting with affected families.

The Chair thanked Sen. DeCoite and appreciated her leadership on the ground.

Sen. DeCoite reminded the Board of the importance of communication.

Chair Miyasato named some representatives who were present at the Board meeting.

Chair Miyasato thanked everyone for their participation and motivation.

## **20. Adjournment**

Chair Miyasato adjourned the meeting at 2:48 p.m.

Respectfully submitted,

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

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Sheillane Reyes