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**REGULAR BOARD MEETING  
HAWAII TOURISM AUTHORITY  
Thursday, July 27, 2023, 10:30 a.m.**

**Hybrid In-Person & Virtual Meeting**

**MINUTES OF THE REGULAR BOARD MEETING**

**MEMBERS PRESENT:**

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

**MEMBERS NOT PRESENT:**

None

**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, Tyler Mejia

**GUESTS:**

Senate President Ronald Kouchi, Jennifer Chun, Jeffrey Esslinger, Tyler Iokepa Gomes, Christine Jayne, Nathan Kam, M. Kent, Guillaume Maman, Ryan Okano, Teri Orton, Jessica Lani Rich, Mari Tait, Jay Talwar, Kau'i Kanaka'ole, Megan De Gaia, Chris Kam, Arryl Kaneshiro, Eran Ganot

**LEGAL COUNSEL:**

John Cole

**1. Call to Order**

Chair White 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. Members who attended via Zoom were by themselves.

## **3. Opening Cultural Protocol**

Mr. Casson-Fisher did the opening protocol and invited Ms. Paishon Duarte to share the 180<sup>th</sup> Lā Ho'ihō'i Ea, the Sovereignty Restoration Day, on July 31, 2023.

## **4. Approval of Meeting Minutes**

### **4.a. June 29, 2023 Regular Board Meeting**

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

## **5. Report of Permitted Interactions at Informational Meetings or Presentations 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**

Before the CEO's report, the Chair invited three guests to address the Board meeting about recent events in Kaua'i. Sen. Kouchi referred to the Kōloa Plantation Days, which were taking place, and thanked the HTA for supporting the event. This was a celebration of Waimea town, where many class and family reunions were planned. Some visitors planned their stay so that they could take part in the Plantation Days. This occasion brought back many people who had relocated and enabled visitors to share Hawaiian food and culture.

Sen. Kouchi had also been the Honorary Chair of Hawai'i on the Hill 2023 in Washington D.C. This year the event was particularly well attended. He praised the Mahaina-Connects event, an opportunity for Hawai'i-based businesses to attract the brightest and best of the Hawaiian diaspora to return and work at home.

Sen. Kouchi thanked the HTA for their sponsorship of the University of Hawai'i athletics in the Big West Tournament, mentioning the Wahine Basketball team, which had won the tournament and had also taken part in an ESPN-featured game against LSU, the eventual national champions. This was good publicity for the team, which had made four consecutive championship appearances for the men's volleyball team. Sen. Kouchi again thanked the HTA

for their support and investment in the community, the university, and the university athletics programs.

Mr. Kaneshiro, the President of the organizing committee of Kōloa Plantation Days, thanked the HTA for their support for this ten-day festival which was now in its 37th year. Referring to this year's theme of "Uniting Cultures as One 'Ohana," Mr. Kaneshiro reviewed some of more than twenty activities as well as mentioned by the event's sponsors. He repeated the assertion of Sen. Kouchi that some visitors planned their vacation around the Kōloa Plantation Days. This year Kōloa Plantation Days included a new event called "Hawaiian Sense of Place," and this provided the public with the opportunity to learn and take part in various cultural events such as kahili feather lei-making, hula, lomi, woodcarving, creating shell earrings, and drum-making, all taught by traditional Hawaiian practitioners.

The signature event was the KPD Parade and Park Event on Saturday, July 29. This year the Plantation Days would honor Koloa Union Church as Grand Marshal of the Parade since the church was to celebrate its 100th anniversary this year. Sen. Kouchi and Mayor Kawakami were also expected to participate in the parade. As President of the organizing committee, Mr. Kaneshiro was responsible for preserving and expanding the Plantation Days to continue its tradition as an event for the entire island to enjoy. He thanked the HTA again for their support of the Plantation Days.

Coach Ganot thanked the HTA for supporting the University of Hawai'i men's basketball team. 2023 was their sixth straight winning season in which they recorded 22 victories. The coach appreciated the high standard of the coaching staff and the student-athletes. This season there were nine returning players. This was Coach Ganot's 21st year coaching, and he continued to appreciate Hawai'i's camaraderie and family atmosphere. The athletes were well taken care of and immersed themselves in island life. After ten days of practice, the men's basketball team was about to go on tour in Japan. The team had recently acquired a new player from Japan who would be joining them after fulfilling his duties as a member of the Japanese national team in the international under-19 tournament.

Coach Ganot appreciated the HTA's sponsorship of the team's annual training camp in Kaua'i, which had attracted many fans and spectators. It was hoped that the team would benefit from their immersion in Hawaiian culture. The team also welcomed the opportunity to be part of a half-day basketball clinic at Kaua'i High School. Coach Ganot invited Board members to attend team workouts and practices. He thanked the staff of Hawaiian Airlines, who were to ensure that the team would travel to Japan for their tour, as well as a local restaurant that was to host the coaching staff and team for dinner.

Sen. Kouchi congratulated Chair White for his career in the hospitality industry, particularly for his emphasis on properly training hotel employees to enhance the visitor experience with appropriate and accurate Hawaiian culture. The Board members gave Chair White a round of applause. Sen. Kouchi noted that at a recent lunch provided by Mayor Kawakami of Kauaʻi, he had met the Manager of Hawaiian Culture at the 1 Hotel at Hanalei Bay. Unfortunately, many hotel employees were transitory and had no affiliation to the North Shore, Kauaʻi, or Hawaiian culture in general. Hiring a dedicated culture manager ensured that employees were aware of Mālama Hawaiʻi and regenerative tourism. Sen. Kouchi referred with regret to the recent passing of Ms. Stella Burgess, who had left a strong imprint on the Koloa Plantation Days.

Chair White thanked Sen. Kouchi, Mr. Kaneshiro, and Coach Ganot for their contributions to the community and reminded the Board that residents and visitors benefited from the HTA-sponsored events on Kauaʻi.

#### **a. Update on Programs During June 2023**

Mr. Choy reminded the Board that there would be no interim financial compilation on June 30 because this was the end of the fiscal year, and an audit would take place. However, the usual financial statement would be produced for July.

Mr. Kaʻanāʻanā informed the Board that he had recently received a letter of thanks from the students of Waiʻanae High School. In 2022, the HTA sponsored a site visit by some of the students to Honolulu International Airport, during which they toured Air Hawaiʻi airplanes and the control tower and were informed about the types of careers in the aviation industry.

Mr. Kaʻanāʻanā had attended the annual Destinations International Conference in Dallas, Texas. Along with colleagues from New Zealand and the Netherlands, he participated in the closing keynote item in which the HTA's work in destination stewardship was explained to more than 1,000 participants. With the twin messages of responsible visiting under the theme of Mālama Hawaiʻi and the Haʻena masterplan of the Kauaʻi community. Hawaiʻi represented an excellent example of destination management. Other tourism destinations throughout the world had just begun to carry out destination stewardship and could learn from the HTA and its dedicated contractors about community empowerment and capacity building. Mr. Kaʻanāʻanā had also participated in a panel that discussed further details and tactics, pointing out that destination management went beyond marketing. He was grateful for the opportunity to represent Hawaiʻi at the conference.

Mr. Ka'anā'anā gave details of various signature events and community enrichment programs in June as well as ongoing events and programs in July sponsored by the HTA. He reminded the Board that the 2023 Hawai'i Tourism Conference is scheduled for October 2 and 3.

Mr. Choy informed the Board that an RFP had been issued for the HCC roof project, and several bids had been received. He believed the project would go ahead and be completed on schedule. He thanked Ms. Orton and Ms. Tait for their input on the roof project.

Chair White reminded the Board that this would be Mr. Rafter's last meeting. He thanked Mr. Rafter for his guidance over the previous four years. In response, Mr. Rafter expressed his gratitude for the experience of serving on the Board, which helped him to understand tourism from the hotel's perspective. The Board acknowledged Mr. Rafter's contributions with a round of applause.

Agenda item 6c (Update on the Destination Management Action Plan Implementation for Maui Island) was to be deferred to the working lunch period.

Mr. McCully asked that the starting time of the meeting be reconsidered, pointing out that 10.30 a.m. was an inconvenient time for him. Chair White explained that the time had been shifted to a later time for the remainder of the year so that Mr. Tokioka could attend other meetings, such as that of the Stadium Authority. However, given that the Board had several new members, Chair White asked for input on the most convenient day and time for regular Board meetings. Chair White would work with Ms. Anderson about the availability of meeting rooms. It was noted that regular meetings were different from special meetings.

#### **b. Update on HTA's Implementation of Change Management Plan**

Chair White informed the Board that agenda items 7 and 8 would be taken together.

Mr. Nāho'opi'i reminded the Board that the role of the HTA had shifted to become a destination management organization increasing the role of visitors in supporting residents. In recent times, relationships with neighbors and relatives in the Pacific have been emphasized rather than global relations. Different expertise was needed for different functions so that while formerly the major emphasis was on marketing and economic development, the present structure required to aim at destination management and to support the broader vision of Mālama Hawai'i. The destination stewardship function of the HTA had not been spelled out in the statutes defining the organization, which had been primarily based on marketing. Auditors had identified issues such as procurement and program management which needed greater effort, manpower, and resources. These issues had to be addressed in order for the HTA to be a

fully functional state agency. Additionally, each island had different needs in terms of the balance between marketing and stewardship.

Auditors had also advised that the HTA should have greater control over its activities by ensuring that decisions would be made by experts on-island and in-house who would be able to coordinate effectively with the HTA staff and Board, rather than calling in outside consultants.

Mr. Nāho'opi'i presented schematics showing proposals by the HTA staff for a series of short-term steps to be taken during the next three to six months as follows:

A Destination Stewardship Branch would be created with a Chief Stewardship Officer position.

A Brand Division would be created and headed by a Senior Brand Manager.

The Planning and Evaluation Division would be strengthened,

The Finance Section would be expanded to include staff who would plan and evaluate programs.

Five additional staff were requested as follows:

A Chief Stewardship Officer to head the new Destination Stewardship Division,

Three additional staff in the Finance Department are as follows: one Accounts assistant, one Procurements assistant, and a Contracts Manager; these staff would ensure that Key Performance Indicators (KPIs) were adhered to. For the time being, Mr. Choy would supervise compliance.

An assistant in the Planning and Evaluation Department.

Detailed job descriptions would be developed for each position.

The Governance Study by an independent consultant would continue. This would relate mainly to the structure of the Board and its relationship with the legislature and determine destination stewardship, which was not currently defined by statute.

Plans to establish Island Offices would be investigated to enable the HTA to have a presence on each island to coordinate with local government and the community.

These changes would not affect the total budget request for now since existing positions would be redefined, and EDA funding was available for the additional clerical finance positions. Eventually, permanent funding would be requested from the legislature.

At present, brand managers are responsible for destination management and brand marketing and are spread throughout the islands. It was planned to readjust their responsibilities so that destination management and brand management would be separated, with some focusing on one or another. Destination management needed a presence on each island to facilitate negotiation with the counties and local communities.

Over the next six months,

Staff would work with the Board to research, discuss and propose draft legislation to change statutes to support changes in function and organization.

An administrative budget would be developed and submitted through DBEDT to reflect the reorganization.

Mr. Nāho'opi'i proposed the motion to create a Destination Stewardship Branch. Ms. Paishon Duarte made a motion, and Ms. Iona seconded.

Chair White invited questions on Mr. Nāho'opi's presentation.

Mr. Arakawa questioned the contracts, and Mr. Nāho'opi'i replied that the CNHA contract and the island stewardship steering committees would be monitored by the Destination Stewardship Division. Mr. Ka'anā'anā's responsibilities would be shifted to those of Chief Stewardship Officer. The function of the Chief Brand Officer would be to set marketing plans for each area of the Global Management Teams, including airlines, cruises, and websites.

As far as conference attendance was concerned, there would be an interim period while the position of Chief Brand Officer was vacant, and Mr. Ka'anā'anā would continue to attend conferences. Compared with other destinations, Hawai'i was ahead in stewardship, and it was possible that in the future, both the CBO and the CSO could attend conferences to make clear that branding went along with stewardship. More details will be settled under the new Strategic Plan in 2025.

The Board was reminded that under the reorganization, Stewardship and Branding would be at the same administrative level and would collaborate and cooperate at an equal level, while the Planning and Evaluation Division would be relieved of responsibility for island steering committees and would focus on auditing programs to evaluate the work of staff and contractors. An additional member of staff would be added to the Planning and Evaluation Division to facilitate a broader range of evaluations.

The HVCB contract would be managed by the new CBO, and the CNHA contract by the CSO. In the interim, both would be managed by the Stewardship Division, but the primary responsibility

would be with Ms. Goo and Ms. Kaho'ohanohano, and another brand manager. The island steering committees would be managed by the destination stewardship manager.

Mr. Arakawa asked whether the Planning and Evaluation Division would also evaluate other divisions, Mr. Nāho'opī'i confirmed this. He explained that this was the main reason for assigning additional resources to the Planning and Evaluation Division, which would be responsible for evaluating KPIs of contracts of other divisions. On the other hand, the fiscal aspect of contracts would be evaluated by the Finance Division under Mr. Choy.

Ms. Paishon Duarte pointed out that a summary of roles, responsibilities, delineation, and possible functional overlaps was necessary in the transitional period. Mr. Choy pointed out that evaluation by another person of the achievement of KPIs could only make a business stronger. Chair White reminded the Board that one of the major purposes of this reorganization was to address issues raised during the last audit. Additional eyes to scrutinize the work in progress would ensure that the HTA would not be condemned by auditors in the future.

In reply to a question by Mr. Mikiyato about the CEO's office, Mr. Nāho'opī'i explained that these two officers worked as a team and headed an office with administrative positions. The CEO was to be appointed after the start of the legislative session. Mr. Tokioka pointed out that, even though four positions would report to the CEO's office under the reorganization, there would be no reason for the legislature to complain that the budget had been incrementally increased. EDA funding was available for the administrative positions in the fiscal division. Mr. Nāho'opī'i reminded the Board that his functions would revert to CAO after hiring a CEO.

Ms. Menor-McNamara asked about the formal title of the officer in charge of planning and evaluation but was informed that the diagram of the organizational structure showed functions rather than official titles and were placeholders until authorization was obtained. DBEDT would determine the formal titles and job descriptions for the heads of each of the four divisions, who were equivalent in status and were to collaborate. Effectively each of the heads of the division was a Vice President. Previously Planning and Evaluation were administratively below the CAO, and Destination Management was under Planning, with only a few resources dedicated.

Ms. Agas pointed out that the CBO was not identified in the plan for the next three months. Given that the Branding Division would manage HVCB, which in turn managed the island chapters, the CBO would need to be in place before the re-establishment of island offices could go ahead. Mr. Nāho'opī'i responded that there would be a level below the CBO consisting of directors or senior directors in the transition. The pipeline from stewardship to marketing needed to be in place. It was clear that stewardship and branding had to work closely together. All the GMTs needed to be managed together, and an essential function of the CBO was to



ensure that the global brand was unified. It was not the intention to leave the position of CBO vacant for a long period. However, GMT contracts had recently been negotiated, and the senior brand managers were already working to develop strength and capacity.

Creating two separate positions for Brand Management and Destination Management clarified that the HTA must not focus on one at the expense of the other. Once Mr. Ka'anā'anā became the CSO, the position of CBO would be open for applications.

Mr. Tokioka reminded the Board that the budget had been zero at the end of the last fiscal year. The actual term to be used instead of the budget was "funding request." The recent funding request to the governor of \$16 million included finance for the newly created positions. It was important for the HTA to conform to the state mechanism for defining positions and job descriptions. The staff of the HTA was working on this with DBEDT to ensure that the organizational chart would match the state's expectations.

Mr. Arakawa reminded the Board that it was possible that the state might not approve the suggestions being put forward by the Board. He was also concerned that a newly appointed CEO or CBO might change the organization which was being proposed. Ms. Paishon Duarte reminded the Board of the charge by legislators for the HTA to put more emphasis on Destination Stewardship. Given that the Staff had assured the Board that the finances and the willingness to reorganize existed, it seemed that now was the right time to carry out this process. Ms. Paishon Duarte was convinced that the Board would vet and select a CEO who would guide the HTA in the required direction.

On the other hand, the mechanism of carrying out the reorganization needed not to lead the legislature and the public to believe that additional funds were being obtained in an opaque manner.

Chair White noted that the HTA staff had presented a solid plan to concentrate on Destination Management, but the Board was reminded that, given previous comments from the legislature about lack of trust, mismanagement, and failures in planning and evaluation, all future actions must be aimed at rebuilding this trust and cleaning up the in-house functions. The Board should be conscious that the legislature had ordered reforms to be made, with monitoring from the fiscal division regarding financial management and the evaluation division regarding the impact on the community. The hope was that this reorganization would enable the Board to support the HTA staff and make their work more credible and their efforts more engaging and rewarding.

Ms. Iona reminded the Board that several senior staff had been challenged by their workloads and often overworked in the past. Both the Board and the fiscal division had urged means for

staff to be more effective. When a new CEO was appointed, the Board would ensure that they understood the importance of supporting the work of the HTA staff.

Regarding salaries to be paid to the newly created positions, Mr. Tokioka replied that specifying the salaries to be paid was part of the formal request to create positions, and these would correspond to government salary scales. It was likely that the salary envisaged for the future CBO would be below market levels. It was important not to forget that people capable of doing the work should be adequately compensated.

The Board was warned that the hotel business should not sense that the HTA was moving away from marketing them. While many people believed that “marketing” was just about spending money on advertisements, it was actually about building relationships and trust and being able to deliver the product being sold. Marketing and branding were important for hotels, airlines, attractions, farmers’ markets, small and micro-businesses such as jam-makers or lei-makers, and cultural practitioners. The \$19 billion income from visitors should benefit everyone in Hawai‘i. Marketing and branding resulted in greater spending by visitors, but it was important to consider maximizing benefits and mitigating untoward consequences.

The motion had been proposed by Mr. Nāho‘opi‘i, and seconded by Ms. Iona. Mr. Gionson did the roll call, and the motion was carried unanimously, although with reservations by two of the members.

### **c. Update on the Destination Management Action Plan Implementation for Maui Island**

Mr. Nāho‘opi‘i asked Ms. Anderson to discuss this further. Ms. Anderson thanked Ms. De Gaia for her great job. She thanked the Committee members and county and state agencies. Ms. DeGaia gave updates on the DMAP actions, including developing regenerative tourism initiatives, installing and monitoring mineral-only sunscreen dispensers, the reef-friendly landscaping pilot program, the rise above plastics on vacation program, East Maui tourism management, and the next steps.

She highlighted one of the themes. The DMAP bridges the visitor industry with communities, local non-profits, and all sectors. The DMAP leads them on a path toward regenerative tourism. The heart of the DMAP is the community, and they are community-driven initiatives. She spoke about Action E, regenerative tourism. In the Mālama Hawai‘i program they partnered with local non-profits who welcome visitors to volunteer during their vacation. She mentioned the non-profit partners. Through the program, they can ally with various non-profit organizations and

promote volunteering opportunities on social media, television spots, and the GoHawai'i website.

She spoke about action B.1, the mineral-only sunscreen dispensers. This is to promote the sunscreen law and to educate visitors and residents about proper sunscreen use. To implement the action, they worked hard to obtain permits to install twenty mineral-only sunscreen dispensers at popular beaches throughout the islands. The dispensers are free for public use to everyone. They are beneficial for human health, coral reef ecology, and water quality, but they also serve as an educational tool, effectively introducing residents and visitors to healthy sunscreen choices, and it has been shown to drive sales at local retailers of local sunscreen products. She spoke about the partners and thanked all of them. The initiative would not be possible without funding from the HTA and the twenty volunteers monitoring the dispensers weekly. There have been some private partnerships with Whaler's Village, Pūlama Lāna'i, and Honolua Farms Food Truck. She thanked the Office of the Mayor, Maui County Council DLNR, Maui County Environmental Protection & Sustainability Division, and Maui County Parks & Recreation. The partnership has been instrumental in launching the initiative.

In fulfillment of B.1, they have taken several actions. In 2021 they launched a social media campaign educating them about sunscreen. They also produced a three-minute television spot, which is now condensed into a 30-second advertisement that is airing statewide on cable in Maui County, residential and hotel feeds, streaming in Maui, and on a few statewide television channels. It is also being advertised on YouTube and through targeted digital advertisements. To continue their relationship with Maui New Marine Resource Council, they are working with them to beef up their advertising at the airports to expose the message to more visitors. Through the joint effort, they have advertisements at the bottom of both escalators and at the baggage, and they also have synchronized advertisements playing every three minutes on the baggage carousels. From April to June, they aired sixty advertisements on popular radio stations reaching over 76,000 adults and an average of six times a week over four weeks.

With the MNMRC and the county, they initiated a relationship with Hawaiian Airlines to have an educational slide about mineral-only sunscreen on the Hawai'i inbound A330 aircraft servicing all long-haul destinations and west coast stations on seat back screens, which will begin in the October/November cycle.

B.4, the Reef-Friendly Landscaping Program calls to introduce the ecological imprint. This includes organic land care. In 2022 they joined the reef-friendly landscaping coalition spearheaded by Maui Nui Marine alongside west side Maui Ridge to Reef, Beyond Pesticides, Environmental Solutions Maui, and the Royal Lāhainā Resort. In the Reef-friendly Landscaping Program, they invited the hospitality industry to join the program by stopping chemical

landscaping on a portion of their property. In doing so, partners receive free soil analysis, biologically rich landscaping treatments, ongoing consultations, and support. The program's benefit includes a reduced need for irrigation, it benefits human health, and it reduces the chemicals deposited into our ocean and aquifer. It is at no cost to participate. She thanked the seventeen partners.

She showed a few examples of the pilot programs in action. She spoke about B.4, the Rise Above Plastics on Vacation Program created by the Surfrider Foundation. She said single-use plastics are one of the most accessible areas that can reduce plastic pollution using reusable alternatives. They focused on complexes that have in-unit kitchens. At the sites, they provide filtered water for guests and reusable water bottles. They also inform guests pre-arrival so they know not to buy single-use water bottles. She thanked the participating partners.

B.2, the Community-Driven Management of East Maui, is to prevent the overcrowding, severe injuries, and deaths from flash flooding that has previously occurred. B.2 helps them explore carrying capacity limits and educates visitors pre- and post-arrival about safe and respectful travel. For that reason, they reached out to the East Maui community and invited them to join the East Maui advisory group to learn from them what they wanted to see regarding management. They convened in Fall 2022. It is comprised of 25 residents from East Maui from each Moku. They met with the HTA, MVCB, and County four times via Zoom. They invited them for a two-day huaka'i in East Maui. There they were advised on the development of the management pilot program. One of the advisory group's first actions was to vote and rank the top five spots in need of management and relief.

The hotspots are: Nā'ili'ilihale Stream, Waikamoi, Kaihalulu, Wai'oka, and South Wailua Falls.

The East Maui advisory group did not want an outside organization conducting management in their area. So, when they released the RFP, it was only eligible for East Maui-based non-profits eligible to apply within the Moku of Ko'olau, Hāna, Kīpahulu, Kaupō, and Kahikinui. Visitors were defined as anyone not living in east Maui.

The organization will also conduct resident satisfaction surveys, gather visitors, and carry capacity data. They will also create community-driven messaging for visitors and identify community-supported alternatives to hot spots. She introduced Ms. Kanaka'ole, who participated on the Maui steering committee and the East Maui advisory group. She is also the community advocate and cultural practitioner for Hālau o Kekuhi and Ala Kukui. Ms. Kanaka'ole shared that the past few months said it continues to be a learning experience on both sides for the community, organizations, and how they interact with visitors and agencies, state county, etc. She said Ms. De Gaia had done a great job of continuing to work alongside everyone. It has

been a challenge and a journey they have all been on. Since convening the previous year, relationships have been growing. They are now on a more strategic path. When engaging with community, The most important thing is having community-aligned engagement and engaging on all levels. Getting to the contract phase is a big step for them. She said it takes time for the community to get on board, so it has been a long but worthwhile process. She is grateful for leaders having open conversations.

Ms. De Gaia spoke about the non-profit pilot program. It was named Mālama Maui Hikina, taking care of East Maui. They have unified under the name and are confident in the community's capacity to conduct management. The goal is to have a successful pilot program so that funding will be available to ensure ongoing management. She spoke about the project's next steps for the next few months. The organization will be starting by conducting 'Ohana Interviews. It will be an in-depth study of place-based mo'olelo, traditional names, and meanings, providing the program's cultural foundation. They will also be conducting resident satisfaction surveys. They will take place before the stewards are launched. Another survey will occur once all stewards at each site are active. The organization will also be working to create a list of regenerative tourism alternatives. It will be a comprehensive list of community-supported places, activities, and locally-owned businesses that visitors will be encouraged to visit. They will also work hard to create community-driven messaging, a key piece. Messaging will be informed by extensive 'ike gathering and community review. They wanted to ensure the authenticity of the messaging is community supported. Messaging will be shared pre- and post-arrival with visitors.

Organizations will collaborate to determine access and messaging shared by stewards at each site. There will also be cultural workshops on eleven Saturdays to support cultural practitioners and engage the visitors in meaningful, cultural activities. The data points for gathering visitor and site data include visitor compliance with the program, illegal tour operators, illegal parking, and trespassing. If the site is open to the public, carrying capacity data will be gathered, and the organizations will determine capacity. Other DMAP's next steps include working on a DMAP/Management and Awareness Campaign to increase awareness of DMAP efforts and the benefits of tourism.

Action E is to support the fulfilment of the action further. They will also support up-and-coming regenerative tourism activities like the Forests of Pe'ahi. The DMAP's next steps include participating in Huluhia Talk Story Events through the UHMC. It is an extension of Sustainable Science Management at UHMC, working to develop a systems thinking approach to understanding effective solutions. They will be contributing to this tool. As funding allows, they are also looking to support water refill stations on the island, which will be an extension of The

Rise Above Plastics program so they can make it easy. This is an example of passive regenerative tourism, where visitors and residents can benefit from making good, conservation-based choices. They are also considering a reef-friendly landscaping short film. It will be a way to educate the public about telling the story of the pilot program and how it continues to make a positive change after the pilot program and also recognize partners, which is a part of B4.

They are also considering beacons to gather carrying capacity data at places that stewards won't manage, allowing them to collect information about carrying capacity in overcrowded areas. In conclusion, she recognized Mr. De Fries and the HTA leadership who have been closely accompanying the process and said that community-driven initiatives move at the speed of trust and the community. DMAP work takes time, and she is thankful that the HTA leadership understands and respects the community and the time necessary to bring about change, building the foundation for a new era of tourism. She is also thankful for DMAP, planting and watering the seeds for regenerative tourism. Crossing the bridge and paving the path towards regenerative tourism will take teamwork. There were no questions.

**7. Discussion and Action on the Creation of a Destination Stewardship Branch**

**8. Discussion and Action on the Hiring of a Chief Stewardship Officer, Three Positions for Finance, and One Position in Planning**

Ms. Paishon Duarte made a motion, and Ms. Iona seconded. Mr. Gionson did the roll call, and the motion passed unanimously. Mr. Arakawa had reservations.

**9. Discussion and Action on the Creation of a Governance Study Permitted Interactive Group for the Purpose of Developing the Governance, Strategic Organization, and Business Review Process Study**

Mr. Nāho'opi'i said that because they lost members in the PIG due to changes in Board membership, they should close the current PIG, establish a new PIG, and then assign members to that PIG. He requested a motion to create a Governance Study Permitted Interaction Group. Ms. Iona seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

**10. Discussion and Action on the Assignment of Board Members to the Governance Study Permitted Interactive Group. This Agenda Item is Dependent on the Approval of the Creation of the Governance Study Permitted Interaction Group**

Mr. Nāho'opi'i called on current co-chairs for recommendations for the new PIG. Ms. Iona said they have a recommendation. She recommended Ms. Menor-McNamara, Mr. Arakawa, Mr.

McCully, herself, Mr. Tokioka, and Ms. Duarte. Chair White preferred to defer the item and item 12 to the next meeting. There were no objections.

Mr. McCully said the group's responsibilities are active and ongoing and said it would be helpful to resolve them in the current meeting. Chair White suggested adding the five members and then adding a sixth later. Mr. Cole explained that the PIG is supposed to go through three Board actions. The first is to create the group, assign membership and specify the duty. The second is for the group to report back to the Board, and the third meeting is any action necessary by the Board, but members are not allowed to be added after the Committee begins its work. Mr. White asked for the suggestion of the sixth member. Mr. Ching said it is difficult to decide, not knowing what the other groups will be like. Chair White noted hopefully the number of meetings they will be sitting through in the future will be reduced.

Ms. Paishon Duarte said her only concern is that if they deferred this to the next Board meeting, that would hold up the RFP process with the Governance Study. Mr. Nāho'opi'i said in the last Board meeting that they had the approval to proceed with the RFP with a few suggested amendments, which would be handed out. They have the approval to go ahead and issue the solicitation, so it will not hold up the solicitation. They concurred that six members are not necessary and five will be sufficient. Mr. Gionson did a roll call to approve the five members, and the motion passed unanimously.

### **11. Nominations, Selection and Appointment of the Board Chair of the Hawai'i Tourism Authority**

Ms. Iona nominated Mr. Miyasato. Mr. Gionson did the roll call, and the motion passed unanimously. Chair White congratulated Mr. Miyasato. He said it is important for the Board to come together so the majority rules when they vote on something. He said it is a very good, balanced Board that has made decisions in the last year. He is excited that the change can allow them to move forward more positively. He said the Board is supportive of all the staff. Mr. Ching thanked Chair White for his service. Ms. Iona asked what would happen with the vice-chair position. Chair White said it needed to be voted on. Mr. McCully made a motion for Ms. Paishon Duarte to be Vice-Chair. Ms. Iona seconded. Mr. Gionson did a roll call, and the motion passed unanimously.

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

Deferred to the following meeting. There were no objections.

### **13. Update on the Hawaiian Islands Stewardship Activities Under the Support Services for**

## **Destination Stewardship Contract for the Initial Contract Period 2023-2024**

Ms. Anderson said they are busy finalizing negotiations with the CNHA, and it should be wrapped up by the end of July. Ms. Paishon Duarte asked if there were any issues she needed support with to help resolve. There were none.

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

#### **15. Presentation on the Resident Sentiment Survey Spring 2023 Results**

Ms. Chun spoke about the June 2023 visitors statistics report. The trend of increasing visitors' expenditure is continuing, but visitor arrivals are lagging at 2019 levels. June and July 2019 were peak visitor arrival months. Expenditure and PPPD for all markets were up except for Japan. Visitor arrivals and average daily census increased for the U.S. market. All islands had an increase in expenditures and PPPD spending, but visitor arrivals did not increase over 2019 levels, and the only island that had a slight increase in the average daily census was Moloka'i.

TAT collections in June 2023 were \$62.2 million. Total FY2023 collections were \$865.3 million, \$126.6 million higher than FY2022. For air seats, there are more domestic air seats for June than in 2019. In August and September, international flights continue to lag for all the airports. Seats by country for 2019 compared to 2023, Australia is down, and Canada is slightly up. There is no service from China. There is a new service from the Cook Islands. Fiji is up significantly. French Polynesia and Japan are down. Kiribati is slightly down. The Marshall Islands and New Zealand are down. Philippines is slightly up. South Korea is down. There is no service from Taiwan. U.S. overall is up, as well as Western Samoa.

The U.S. hotel forecast shows that overall supply growing. Occupancies continue to go down because demand is soft. ADR's and RevPAR are expected to increase. For Hawai'i, STR forecasts that there will be an increase in occupancy for hotels for year-end 2023. ADR and RevPAR will continue to grow. Mr. Ka'anā'anā said he hears differently from hotel partners than Chair White. Ms. Chun said Mr. Rafter had said that in a previous Board meeting, the air bookings were ahead of the hotel bookings. Ms. Chun said the STR forecast reports are not always very accurate since the start of the pandemic.

Ms. Chun introduced Mr. Kam from Omnitrak. Mr. Arakawa asked if they would be planning about Branding promotion. Mr. Ka'anā'anā said the Board adopted the FY2024 funding plan which allocated \$250,000 for the HTA to restart the route development contractor. The RFP is



currently being drafted. The second step is an airline cooperative, which they have not done because of budget restrictions. He said they need to be strategic and competitive. They need to recover some of the lift they lost, particularly in Oceania and Japan. He recommended those markets that need to recover air seats. They do not have the necessary resources, but if they had, they could be more aggressive in some of the airline cooperatives.

Chair White questioned what the change in Guam's airlift was. He asked that they get that information. Mr. McCully said there are 56 flights from Japan to Guam per week, up 20% compared to 2019. Mr. Ching asked if the World Cup has any influence on flights. Mr. Ka'anā'anā said the decrease in Oceania seats is not something new. Ms. Chun said people go to Guam as everything is cheaper there compared to Hawai'i, but the desire to travel to Hawai'i is still high and has not changed. The only issue is the price factor. Mr. Nāho'opi'i said he and Mr. Eslinger will be working on an analysis of air seats in the future and some of the historically based data.

Mr. Kam said U.S. travelers traveling internationally increased by 8% in May and 10% in June. Other exotic destinations are taking numbers away from Hawai'i.

## **15. Presentation on the Resident Sentiment Survey Spring 2023 Results**

Ms. Chun introduced Mr. Kam from Omnitrak. Measures of Hawai'i Resident Sentiment have stabilized, though below historical levels. Awareness of destination stewardship

initiatives strengthens Resident Sentiment. However, the perceived balance of tourism's benefits versus challenges is shifting. Perceived challenges of tourism extend beyond the HTA's direct areas of authority. As of Spring, residents had a favorable view of tourism in Hawai'i, which has been holding for the last year.

For those who did not have a favorable view, the following would change their perspective:

Manage/control/cap tourism.

Be Manage/Control/Cap tourism.

Be more cautious of/address lack of respect for locals/culture/'aina.

Educate tourists regarding land and people.

Help locals/tourism caters to tourists.

Diversify economy/too dependent on tourism.

For a positive impact of tourism on the state as a whole, it was voted at 57%. For tourism having a positive effect on you and your family was at 36%. The statement - "the island is being run for tourists at the expense of local people" was voted at 67%.

For destination stewardship initiatives strengthening Resident Sentiment, people aware of at least one HTA Destination Stewardship initiative in O'ahu was at 60%, Hawai'i was at 54%, Maui was at 61%, and Kauai was at 52%. The overall statewide average was 59%. It is important because awareness of any plan results in statistically higher support for Resident Sentiment.

Tourism is better managed on my island at 45%.

Tourism should be actively encouraged on my island was at 55%.

Tax dollars should be spent to manage the impact of tourism in my community was at 66%.

More effort is being made to balance the economic benefits of tourism, and the quality of life for residents is at 47%.

Tourism helps fund the stewardship of Hawai'i's natural resources; parks & cultural sites were at 55%.

A new measure, natural resources in my community are being improved and better maintained was at 38%.

Authentic presentation of Native Hawaiian language and culture is important was at 87%.

Tourism contributes to the perpetuation of Native Hawaiian Culture and language at 43%.

Visitors need to be educated about protecting Hawai'i's natural environment and cultural resources at 91%.

The perceived balance of tourism's benefits vs. challenges is shifting.

52% agreed with the statement, "Tourism has brought more benefits than problems."

61% agreed that tourism is worth the issues it comes with.

**Economic impact indicators:**

Tourism creates job opportunities for residents - 75%

Creates job opportunities with paths for advancement - 64%

Supports our local businesses like retail, dining, etc. - 75%

Supports other industries important to residents, like agriculture - 59%.

**Quality of life indicators:**

Enhances residents' quality of life - 47%

Creates shopping, dining & entertainment opportunities - 66%

Sponsors festivals, activities & sports events for residents and visitors - 61%.

**Challenges of tourism indicators:**

The island is run for tourists at the expense of local people - 67%.

The island economy is too dependent on tourism - 81%.

**Destination stewardship challenges of tourism:**

Damage to the environment, overcrowding, high prices/higher cost of living, traffic problems, etc.

Challenges from the 2017 Spring, traffic was the biggest problem at 51%, and 22% said no respect for culture. For the perceived problems of tourism, the HTA does not have the authority to take it on, on its own and does need to work closely with other organizations to address these. The one key area that the HTA has direct authority over is the "no respect for culture/tradition/'āina.

Ms. Chun asked the Board if fielding twice a year was too frequent because the result do not change much from wave to wave, and waiting until next year would give the DMAP teams time to effect change. The Board discussed fielding this data only in the following Fall. Mr. McCully proposed to have it done once a year.

Ms. Paishon Duarte asked if it is permitted to make a determination to put forward a motion that has not been agendized. Chair White said the staff should consider it and then return to the Board.

Mr. Ka'anā'anā said that Resident Sentiment is one of the four KPI's for the HTA Board.

**16. Presentation and Discussion on the Hawai'i Convention Center's June 2023 Financial Reports and Update on the Hawai'i Convention Center's 6-Year Repair and Maintenance Plan**

Ms. Orton said for F2023; they closed at \$14.4 million of gross revenue, which was a \$1.4 million improvement over the budget. This increase came primarily from local short-term business pick-up for the year. The Fiscal Year ended June 2023 with a net loss - the books closed

at \$3.9 million, which was \$1.44 million less than budgeted. This was due to the increase in gross revenue and the management team monitoring labor and operational expenses to align with the year's budget. They saved the state \$1.4 million in additional subsidies to the budget. The HCC revenue and state and tax revenue came to \$103.4 million. For every dollar spent \$4.19 returned to the state.

She highlighted the seven city-wide events they serviced, which brought in \$79 million. It generated \$9.3 million in TAT. For FY2024, they forecast 14 city-wide events for the upcoming Fiscal Year, double what they did in 2023. This will generate almost \$300 million in economic impact to the state and \$35 million in TAT. In-house they have 7,000 visitors for an AI conference. Numbers jumped to 1,000 extra just before the conference.

Chair White asked that they include GET in future PowerPoint slides' figures.

Ms. Orton highlighted local events. The numbers were reduced from previous meetings because of the increase in city-wide events. There is little space on the calendar for more events for FY2024 and FY2025, so the team is very busy. There are not many dark days. Ms. Orton highlighted recent events. The Pacific Rim Championships, the city-wide Cryogenic Engineering Conference & International Cryogenic Materials Conference, July 9-13, with 700 attendees, AAU Basketball Global Games, July 14-16, with 2500 attendees, and INCOSE cosmetics, July 14-20, with 500 attendees. Upcoming is Comic Con with 8,000 delegates, and Daito Kentaku with 4,000 attendees with two banquet events. Made in Hawai'i festival is coming up in August with 50,000 attendees.

Mr. Arakawa asked if there was anything the Board could do to help bring the numbers to 2017 levels. Ms. Orton said the roof is the top priority. Additional resources need to be considered for the MCI team as they need more money to fill positions. The corporate sales position has been vacant for a year. The position prospects for short-term corporate business are vital to the success of the HCC's bottom-line. Those events pay rent and have a high food and beverage spend. She also spoke to hotel partners to help "sweeten" the deal with reduced rates to garner more business. Everyone needs to work together to encourage a desire to go to Hawai'i. Mr. Ching said that although Hawai'i has its issues, their safe feeling beats other destinations.

As presented, Mr. Nāho'opi'i requested a motion to approve the HCC's June 2023 reports. Mr. Ching made a motion, and Mr. Arakawa seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

Ms. Tait spoke about the R&M projects. The previous month they initiated a moisture assessment because of all the leaks the building has to ensure the space is safe for the staff and guests. They got a certificate of clearance for the entire building. The projects on the priority list

include awarding contracts for four different projects. They will replace four transformers in the building that have reached the end of life. They are working on rescheduling as there will be downtime on electricity. Wallpaper replacement will be completed in the ballroom in December. Water intrusion remediation in the back of the house and storerooms has been awarded, and the work will be completed soon. The reinstallation of the chill water pipes will be done as well. Work has been scheduled to refurbish and upgrade the building's exterior signs, starting the following week. A big project in the kitchen in August will be to upgrade and replace control panels for the hoods and upgrade the fire suppression system.

They will close out the new forklift purchase in August to help operations. They are in various stages of RFPs. They are at the evaluation stages of the projects, which is the repair of the waterproofing and repair of exterior planters on the third floor and other areas. The main kitchen dishwasher will be replaced, and the flooring as well. The PBX system will be upgraded. They will also be bringing in the F&B equipment to help the staff. The ADA lift repairs have exceeded the cost of a new lift. They are replacing a walk-in refrigerator in one of the storerooms on the third floor. Another big project that affects the front of the house is the replacement of the slate tiles. They are working on developing the scope of another nine priority projects.

Mr. Choy spoke about the rooftop project. He said it is well on its way, and the construction and project manager is in RFP now, but they are on schedule. There will be some disruption on how to do the construction in a busy convention year, but they will discuss it all.

## **17. Presentation and Discussion Regarding an Update on the Meetings, Conventions and Incentives Market Activity and Pace Report, and Hawai'i Convention Center Activity and Local Sales**

Mr. Reyes spoke to Mr. Arakawa's question on what the Board could do. He reiterated that the roof is the top priority. He said that when he joined the HTA in January 2020, the budget was \$6.9 million, which is currently \$4.5 million. He showed the Global MCI team chart. Under city-wide sales, there is Director CW Sales Business Development + West Corp/Assn/Sports Trevor Newman, Sr. Director CW Sales U.S. & Canada Adrienne Nudo (IL), Sr. Director CW Sales U.S. Lynn Whitehead (MD). On the single property sales side, there is Sr. Director of Sales U.S. Adele Tasaka (HNL), Regional Director of Sales – U.S. Meredith Parkins (VA), and Regional Director of Sales – U.S. & Canada Kathleen Dever (IL).

On the single property side for Asia/Oceania, Executive Director Andrew Koh, MCI Country Director Japan, Hiroyuki Hachiya, MCI Country Director Korea, Emily Kim, and MCI Country

Director Oceania Kris Phadungkiatipong. For Services and Support, they need to look at rehiring more service people as they have a lot of business coming in.

Mr. Reyes spoke about the difference between production and consumption. Production is a new volume of events and room nights for any future year. The Pace report is what is being consumed. He and Ms. Orton meet weekly to discuss the numbers. He gave a six-year update regarding production. From January to June 2023 versus the previous year, it shows that business is coming back for the short-term business. City-wide definite room nights are almost 65,000 at six months. In 2022 they were at 34,426. Tentative room nights are 70% ahead of pace where they were in 2022, currently 225,721 versus 132,998. For city-wide sales production in June, they had a great month at 42,000. In 2022 they were at zero. Tentative room nights slowed down a bit. In 2022 they were at 95,767, but in June 2023, they are at 63,915.

MCI sales activities include:

ACCESSE Leadership Conference Stem Society Professionals - July

Intl Union Geodesy and Geophysical Pre-Promote Frankfurt - July

National Association Letter Carriers 2030 Site Inspection - July

CVB Representatives Chicago Client Event - July

American Society of Association Executives Annual Conference – August

Corporate Event Marketing Association Annual Conference – August.

## **18. Presentation and Discussion on the EDA State Travel, Tourism & Outdoor Recreation Grant (State Tourism Grant)**

### **a. Discussion and Action of DLNR's O'ahu Coral Restoration Enhancement Project for EDA State Tourism Grant**

Ms. Anderson said that in the BOD in June; the staff had made a presentation to the Board with DLNR for the O'ahu Coral Restoration Enhancement Project. The Board had concerns about the project. Another area was how visitors and tour operators would be educated about the program, identify coral species planted in the proposed restoration area, and incorporate of native Hawai'i culture practitioners and traditional ecological knowledge. Also, what are the project benefits relating to climate, culture, and education and also consideration for another location, perhaps Waikiki. DLNR did a thorough job addressing the Boards concerns and made a detailed proposal shared with the Ho'okahua committee members.

Ms. Anderson asked for a motion to approve the item. Mr. Nāho'opi'i recommended a motion to approve the DLNR's O'ahu Coral Restoration Enhancement Project for the EDA State Tourism Grant. Ms. Paishon Duarte made a motion, and Ms. Iona seconded. Ms. Anderson said the EDA funds are \$750,000 starting now through the end of 2026. Ms. Paishon Duarte thanked Ms. Anderson for her diligence. Mr. Gionson did the roll call, and the motion passed unanimously.

**b. Update and Discussion on Brand and Cooperative Marketing Campaigns**

Mr. Ka'anā'anā said it is the staff report to Board members about the progress on the marketing portion of the Grant Administration Plan, as the Board already approved the Europe RFP for the Europe MMA two days ago. This is to align the gap. They will use \$2 million of the EDA portion of the marketing for Europe and are asking to reserve \$1.25 million until they need it. The \$750,000 is to be kept in reserve. He recommended approving that. They still await EDA's final approval and guidance on using foreign contractors. They are holding onto some of the money until it needs to be deployed. Mr. Ching made a motion, and Ms. Iona seconded. Mr. Gionson did the roll call, and the motion passed unanimously. The projects in the EDA Grant will be deferred to the August meeting.

**19. Adjournment**

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

The meeting was adjourned at 3:28 p.m.

Respectfully submitted,



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Sheillane Reyes