



**HĀLĀWAI KŪMAU O KE KŌMIKE HOKONA KŪMAU
KE'ENA KULEANA HO'OKIPA O HAWAII**

**REGULAR MARKETING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY**

Po 'alua, lā 23 o 'Okakopa 2018, 2:00 PM
Tuesday, October 23rd, 2018, 2:00 PM

Kikowaena Hālāwai O Hawaii
Lumi Papa Ho'okō A
1801 Alaākea Kalākaua
Honolulu, Hawaii 'i 96815

Hawaii Convention Center
Executive Board Room A
1801 Kalākaua Avenue
Honolulu, Hawaii 'i 96815

Papa Kumumana'o
AGENDA

1. *Ho'omaka*
Call to Order
2. *'Āpono I Ka Mo'o'ōlelo Hālāwai 29 'Aukake, 2018*
Approval of Minutes from the August 29th, 2018 HTA Marketing Standing Committee Meeting
3. *Hō'ike No Ka L.A. Rams*
L.A. Rams update
4. *Hō'ike No Ka L.A. Clippers*
L.A. Clippers update
5. *Hō'ike No Ka 'Aha Meia O 'Amelika Hui Pū 'Ia 2019*
2019 U.S. Conference of Mayors update
6. *Ka'akālai Hokona Ha'uki*
Sports Marketing Strategy ***
7. *Ho'oku'u*
Adjournment

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

*** Executive Session: The Board may conduct an executive session closed to the public pursuant to Hawaii 'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to § 92-5 (a)(4), § 92-5 (a)(8) and



HAWAII TOURISM AUTHORITY

Hawaii Convention Center
1801 Kalākaua Avenue, Honolulu, Hawaii 96815
kelepona tel 808 973 2255
kelepa'i fax 808 973 2253
kahua pa'a web hawaii tourismauthority.org

David Y. Ige
Governor

George D. Szigeti
President and Chief Executive Officer

§201B-4(a)(2) for the purpose of consulting with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities; and to discuss information that must be kept confidential to protect Hawai'i's competitive advantage as a visitor destination.

He kono kēia i ka po'e e hō'ea i ka 'aha ho'olohe no ka hāpai mana'o ma o ka waha a i 'ole ma o ke kākau. No ka po'e e makemake ana e kākau i ko lākou mau mana'o kāko'o/kāko'o 'ole, ua pono ko lākou ho'ouna 'ana aku i kā lākou 'ōlelo hō'ike ma mua o ka 'ōlelo ho'olohe. Hiki ke ho'ouna 'ia iā naomi@gohta.net; ma o ka hooouna 'ana aku i leka (e ho'ouna i ka helu wahi o luna); a i 'ole ma o ke kelepa'i 'ana aku. No ka 'ikepili hou aku e pili ana i nā kumuhana kūikawā, e kelepona aku iā Naomi Sjoquist ma kāna kelepona (808) 973-2279 he 'ekolu (3) lā ma mua o ka hālāwai.

Members of the public are invited to attend the public meeting and provide oral testimony on any agenda item. Written testimony may also be provided on any agenda item by submitting the testimony prior to the meeting to the HTA by email to Naomi@gohta.net; by mail at the above address; or by facsimile transmission. Any person requiring special assistance to participate in the meeting, please contact Naomi Sjoquist (973-2279) no later than 3 days prior to the meeting so arrangements can be made.

**AGENDA ITEM #2
APPROVAL OF
MINUTES FROM THE
AUGUST 29TH, 2018
HTA MARKETING
STANDING COMMITTEE
MEETING**



**MARKETING STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Wednesday August 29, 2018
Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815**

MINUTES OF MARKETING STANDING COMMITTEE MEETING

COMMITTEE MEMBERS PRESENT: Sean P. Dee, Fred Atkins, Sherry Menor-McNamara, George Kam

BOARD MEMBERS PRESENT: Rick Fried, Kyoko Kimura

HTA STAFF PRESENT: Laci Goshi, Caroline Anderson, Chris Sadayasu, Jennifer Chun, Kalani Ka'anā'anā, Naomi Sjoquist

GUESTS: Rep. Onishi, Jason Griffiths, Jose Tafoya, Jay Talwar, Peter Honig (by phone)

LEGAL COUNSEL: Gregg Kinkley

1. Call to Order

Presiding Officer Sean Dee welcomed Kyoko Kimura to the meeting, noting that Ms. Kimura's appointment to the Committee will take place at the Board meeting on August 30, 2018. Mr. Dee then thanked Rep. Onishi for attending the meeting. Chair Dee requested a motion to call the meeting to order. Mr. Kam so moved. Mr. Atkins seconded the motion and the meeting was called to order at 2:42 p.m.

2. Approval of Minutes from the July 26, 2018 HTA Marketing Standing Committee Meeting

Mr. Dee requested for a motion to approve the minutes from the July 26, 2018 Marketing Standing Committee meeting. Mr. Kam so moved. Mr. Atkins seconded the motion, which was approved by all committee members present.

Mr. Dee reported that the Global Tourism Summit registration and planning is progressing on target and the Summit is projected to sell out. Mr. Dee noted that there will be a big push to promote registration in these final months leading up to the Summit.

3. HTA Brand Management Plan and Budget

Mr. Dee announced that the HTA staff requested that the Committee defer discussion on this agenda item to the end of the meeting.

4. Research Presentation

Mr. Dee announced that he asked Jennifer Chun to present briefly on research methods in response questions raised at prior meetings regarding the research that Ascendant has conducted for HTA as well as the recent local resident sentiment survey.

Ms. Chun began by explaining the two-part procedure in place at HTA for reporting. The first part of this procedure is in the pre-award stage. Festivals and events go through an RFP process, which includes estimated impacts on visitor statistics; sports events use the Ascendant scorecard to estimate impacts. The second part of this procedure is the post-event reporting, which includes a contractor program report for all events, Nielsen reports that HTA orders on a handful of events, and an Ascendant sponsorship impact report from Ascendant for sports events.

Ms. Chun added that the resident sentiment survey indicates across all islands that residents agree that tourism allows the HTA to sponsor festivals, activities, and sports events for both residents and visitors.

Ms. Chun then presented the four factors reported in Nielsen reports that HTA examines to determine the visitor impacts of festivals and events: 1) the economic impact; 2) event satisfaction; 3) the tourism impact; and 4) the community impact. Ms. Chun noted that for 2018, HTA has ordered Nielsen reports and reviewed the impacts of 12 events. For 2019, HTA has budgeted for Nielsen reports on 37 separate events to get a more complete picture of the impacts that HTA-sponsored events have on visitors and residents.

Ms. Chun stated that the Nielsen reports demonstrate that the Ironman, followed by the Tournament of Champions, brought the largest economic impact to the State this year.

Mr. Atkins asked if the responses from the surveys are from people who attended the event or the public at large. Ms. Chun explained that the surveys are completed by people attending the event, but added that HTA will be adding some off-event numbers in the future.

Mr. Dee noted that one of HTA's tourism objectives is to try to attract a more quality visitor. Mr. Dee asked whether the numbers in these reports showing that people at the events are staying in the State longer than the duration of the events corresponds to whether those

visitors are high-quality visitors. Ms. Chun explained that the data shows that out-of-state visitors that come for a specific event, such as the Merrie Monarch Festival, stayed longer and likely had higher spending averages than visitors who did not plan their travel around an event.

Ms. Chun then reported that the event satisfaction survey results demonstrate that the Lotte Championship event scored the highest among tourists, but local residents enjoyed the MAMo - Maoli Arts Movement event the best. Ms. Chun noted that the Ironman received high scores from both local residents and tourists.

Ms. Chun then explained that the tourism impact survey measures visitors that travel to Hawai'i for a specific event. The results from that survey demonstrate that for the Ironman, 98% of non-resident survey respondents came to Hawai'i specifically for the Ironman. Ms. Chun also noted that the Merrie Monarch Festival, Lotte Championship, and the Hawai'i Food & Wine Festival brought large numbers of visitors who planned their trips specifically for those events.

Ms. Chun explained that the survey responses contained in the community impact report, which measures resident sentiment towards using Transient Accommodation Tax ("TAT") revenues to pay for events, demonstrates the residents believe such use is reasonable. Ms. Chun reported that the Merrie Monarch Festival rates the highest of these events for residents who believe that local government participation is important for the success of these events. Ms. Chun noted that a large number of respondents support HTA using TAT funds for events and feel that having the government involved in these events as it is very important to them. Ms. Chun also noted that survey respondents agree the HTA-sponsored events and festivals make a positive contribution to the image, appearance and reputation of Hawai'i and are visitor-friendly.

Ms. Chun provided a brief breakdown of the survey results from each of the twelve surveyed events. Ms. Chun added that, with respect to local resident sentiment: 60% believe events help support Hawaiian culture; 87% state that they are likely to return to future events; 87% believe that the event makes a positive contribution to the image, appearance and reputation of Hawai'i; 73% agree that events are Kama'aina friendly; 80% believe events are important to the local community; 87% agree that the events are visitor friendly; 65% believe the events enhance the overall quality of life in Hawai'i; 66% agree that the event is environmentally friendly; and only 17% believe that the events create an inconvenience for local residents.

Ms. Chun then presented the results of Ascendant's research. Ascendant's surveys were sent to visitors in a two-wave, web-based approach. Ms. Chun explained that Ascendant first surveyed attendees for the Ironman World Championship, the Xterra Championships and Trail Run, the Maui Jim Invitational, and the Hawai'i Open. Later, Ascendant sent out a second batch of surveys for the Clippers game, the Honolulu Marathon, the Hawai'i Bowl, the Sentry Tournament of Champions, and the Sony Open.

Ms. Chun stated that Ascendant's research focuses on the travel impact on attendees, Hawai'i's attributes, travel plan impacts, impacts to respondent's perceived favorability of HTA, and

event interest.

Ms. Chun then reported that the Sony Open and the Hawai'i Open had the largest projected attendance of all of the sports events. Ms. Chun noted that Ascendant's research demonstrates that, when people can view an event on TV, the event is seen as more prestigious and Hawai'i is viewed by survey respondents as more accessible.

Ms. Chun reported that the Clippers event reported the highest percentage of viewers who said they planned to visit Hawai'i in the next five years. Ms. Chun then reported detailed travel impact metrics results. In response to questions addressing the impact of sporting events on respondents' desire to travel to Hawai'i, respondents who regularly watch the event on TV responded that they were very interested or interested in visiting Hawai'i. In response to questions addressing the impact of televised sports events on Hawai'i's perceived accessibility, those who watch a sporting event on TV believe that Hawai'i is an accessible destination. In response to questions addressing sports events' impact on Hawai'i's prestige, those surveyed who regularly watched the sporting event on TV felt that Hawai'i was a prestigious destination. In response to questions addressing the impact of sports events on respondents' travel plans, people who regularly watch the sporting event on TV selected Hawai'i as a destination they are planning to travel to in the next three years.

Ms. Chun then reported that the results of the Sport and Event Fan Status Analysis Groups, which Ascendant compiled to review the percentage of sports fans who would be interested in watching an event on television. For the following sports, the following percentage of survey respondents reported that they are 'Passionate' or 'Average' fans of each sport: professional basketball at 58%; college football at 49%; college basketball at 43%; professional tennis at 28%; professional golf at 23%; marathons at 19%; endurance racing at 16%; and triathlons at 16%. Of those fans, the following percentage would be interested in watching the following specific Hawai'i sports events on television: L.A. Clippers at 49%; Hawai'i Bowl at 27%; Ironman World Championships at 26%; Sony Open at 20%; Sentry Tournament of Champions at 18%; Maui Jim Invitational at 18%; Honolulu Marathon at 17%; Hawaii Open at 16%; and XTERRA World Championships at 13%.

Mr. Kam stated that the survey numbers for the Clippers event are very high, but his impression was that actual attendance was very low. Mr. Kam asked how HTA and Ascendant reconcile this difference. Mr. Atkins added that the events surveyed are totally different so HTA needs to be careful in how we compare the Ascendant scores across events. Mr. Atkins noted that when people come to visit Hawai'i, they do not want to sit and watch the XTERRA challenge. Rather, visitors want to play golf and surf.

Mr. Kam stated that Ascendant needs to develop a metric that can accurately assist HTA in determining which events to support with taxpayer dollars. Ms. Chun responded that the data Ascendant collected with regards to the Clippers event is a great example of this metric. For this event, a lot of people want to watch the Clippers on television, but not many want to visit Hawai'i to attend the game.

Mr. Kam agreed but added that Ascendant needs to add another component to their research to measure how to allocate support from HTA's global marketing teams. Mr. Kam added that HTA needs to know how Ascendant's data is vetted through HT USA. Mr. Atkins suggested that HT USA should review Ascendant's data and provide their input to HTA as HTA budgets for future events. Mr. Atkins then asked Ms. Chun to add a question to the post-event surveys asking: "how do we make it better." Ms. Chun agreed and noted that HTA will include that question in the Neilson and HTA post-event surveys.

Ms. Chun added that all event survey results should be reviewed with that event's objective in mind, noting as an example that HTA's objective for the Kōloa Plantation Days event is much different than HTA's objective for the LPGA Lotte Championship.

Ms. Chun then reported on the SMG Survey, explaining that SMG approached HTA after learning that HTA was considering bringing an L.A. Rams preseason game to Hawai'i. Ms. Chun reported that SMG's survey results demonstrate that Hawai'i is a top vacation spot for L.A. Rams fans, which number 4.59 million nation-wide. Ms. Chun noted that in the L.A. market, L.A. Kings fans are more likely to visit Hawai'i than Rams fans, but not by too high a margin. Ms. Chun then reported that, although the Rams rank 10th overall in NFL team popularity among fans wanting to visit Hawai'i, their fans over-index against the general population by the highest amount.

Mr. Fried stated that most of the events surveyed are the same year-over-year but noted his surprise that the tennis events have been so popular given rain problems that the Hawai'i Open has faced at the Patsy T. Mink Central O'ahu Regional Park in recent years. Mr. Fried added that the Hawai'i Open will be held at the Blaisdell Arena this year to attract the top players in the world.

Mr. Dee added that HTA wanted to share all of the data they have collected for 2018 and noted that HTA will be tracking all 37 events scheduled for FY19 (2018-2019). Mr. Dee added that HTA needs to prioritize these events in order to get a maximum value return on their funding investment.

Mr. Kam asked Mr. Talwar if he had anything that he thought HTA needs to add for their research. Mr. Talwar responded that he would connect with Mr. Honig to better understand Ascendant's methodology and work in HTA's objectives to evaluate the data. Mr. Sadayasu added that HTA wants to ensure that they obtain all the data, analyze it, and then budget accordingly.

Mr. Atkins added that like the Clippers event, which scored well in some areas and low in others, HTA needs to identify how those scores align with HTA's goals for that specific event.

Ms. Chun announced that this year HTA will be adding Japanese language surveys for specific events in order to better gather data on the Japan market.

Rep. Onishi asked if there is a measure of which events that Hawai'i residents feel are important to them so that they can participate. Mr. Dee stated that only 12 surveys have been conducted in past years, which makes it difficult to accurately decipher what events are important to residents, but added that HTA plans on gathering data on all 37 events scheduled for upcoming year. Ms. Chun directed Rep. Onishi to page 30 of the report, which shows more of the data regarding questions targeting residents.

Rep. Onishi explained that his point was that the Clippers game provided residents the opportunity to attend an NBA game without traveling to the mainland. Rep. Onishi explained that it is important to try to provide Hawai'i residents with access to some of these kinds of events, which is a factor that HTA needs to take into consideration. Ms. Chun agreed and explained that HTA asks about local resident satisfaction versus tourist satisfaction when they survey attendees' attitudes about events. Mr. Dee then asked if these questions were asked on a per-event basis. Ms. Chun confirmed they are.

Ms. Menor-McNamara asked if HTA has any data regarding the highest support of media impact for local events. Ms. Chun confirmed so.

Mr. Dee thanked Ms. Chun for her presentation.

5. Sports Marketing Update

Mr. Dee acknowledged Peter Honig to update the Committee on the status of HTA's negotiation with the L.A. Rams. Mr. Dee announced that Mr. Honig will make a detailed presentation to the full Board on August 30, 2018.

Mr. Honig reported that negotiations have been productive thanks to the clear direction the Board provided Ascendant. Ascendant has refined the overall event package with the support of the Rams, who have been good partners throughout discussions.

Mr. Honig noted that, at this point, all remaining parties-including the Stadium Authority-are on board with the final terms of the proposal, which will be presented to the Board on August 30. Mr. Honig stated that the Rams and the Stadium Authority understand what is at stake in these discussions.

Mr. Honig then reported that the Rams are willing to meet HTA on common ground with respect to their requested investment amount. Mr. Honig noted that he is aware of some concerns raised by Board members regarding the scheduling of the game towards the end of the pre-season and hotel inventory, but explained that he will follow up with the Rams on these issues.

Mr. Honig concluded by stating his belief that this is an important and impactful event for Hawai'i. Ascendant has gotten the Rams to common ground and negotiations are now waiting

on the Board.

Mr. Honig then introduced Jason Griffiths and Jose Tafoya, both with the L.A. Rams. Mr. Honig thanked Mr. Griffiths and Mr. Tafoya for their tireless work on this project for the past year. Mr. Honig also informed the Committee that Mr. Griffiths and Mr. Tafoya happily agreed to fly from Los Angeles with less than 24 hours' notice to speak with the Committee and the Board.

Mr. Griffiths thanked Mr. Honig for the introduction and began by outlining the progress of negotiations so far, explaining that he understands that the Rams are asking for a significant investment from Hawai'i. Mr. Griffiths noted that he and Mr. Tafoya want to demonstrate how excited the Rams organization is about this event.

Mr. Griffiths explained that it is his team's responsibility to ensure that fans show up to the game. Mr. Griffiths added that the Rams are excited to attract more fans in Hawai'i, especially given the recent movement in the League, most notably with the Chargers and Raiders. Mr. Griffiths added that the Rams want to ensure that the coaches and players participate in meaningful community events while in Hawai'i, noting that the team gives 12,000 hours annually to its Los Angeles community. Mr. Griffiths concluded his presentation by explaining to the Committee that he intends to develop a strategy to turn this game into a long-term investment in Hawai'i rather than just a one-year event.

Mr. Atkins thanked Mr. Griffiths and Mr. Tafoya for traveling to Hawai'i to make their presentation and indicated that HTA would be very interested in seeing how this partnership can be extended beyond one year.

Mr. Ka'anā'anā noted that some of Hawai'i's most underserved communities are located on the west side of O'ahu, some 45 minutes away from the practice facilities, and encouraged the Rams to look at serving those communities while in Hawai'i and not just the communities surrounding Aloha Stadium. Mr. Griffiths thanked Mr. Ka'anā'anā for his suggestion and added that this approach echoes the Rams' approach in Los Angeles as well. Mr. Ka'anā'anā also suggested that the Rams and HTA need to examine the possibility of involving the Polynesian Football Hall of Fame with this event. Mr. Fried then thanked Mr. Griffiths and Mr. Tafoya for coming to the meeting.

Mr. Tafoya expressed his appreciation to HTA for his invitation to the meeting. Mr. Tafoya explained that he has been working in the sports industry for most of his life. When he worked for the Oregon Ducks and saw how Marcus Mariota energized the entire Oregon community, he realized the importance of a sports brand on community pride. Mr. Tafoya explained that the Rams see the team's return to Los Angeles as a homecoming, but added that they really want to expand their brand beyond Los Angeles as well.

Mr. Kam asked if HTA could activate neighbor islands for this event. Mr. Atkins asked how long the team would be staying in Hawai'i. Mr. Griffiths responded that the length of the team's stay is currently being negotiated, but is expected to be approximately five days.

Mr. Kam then suggested that the Rams' alumni travel to the neighbor islands for community events in conjunction with the game. Mr. Kam noted that if the Rams goal is to develop a Rams fan base in Hawai'i, the team may want to spread their message across the State. Mr. Kam also expressed his happiness at hearing that the Rams are interested in continuing this event in Hawai'i for more than one year. Mr. Tafoya expressed his agreement with Mr. Kam's suggestion and explained that the Rams are excited to explore how they can support HTA and vice versa.

Mr. Atkins suggested working with the local youth leagues on the neighbor islands to set up fundraisers that can help support those young athletes' travel to O'ahu for the game. Mr. Atkins also suggested that HTA should examine the possibility of getting support from the counties for at-risk youth to travel to the game as well, noting that this is where the county-State partnership comes into play.

Mr. Dee announced that he circulated a new term sheet and valuation for this request to the Committee members in advance of today's meeting and explained that HTA has come a long way in reducing the investment amount, developing entitlements, and working to develop a year-long program. Mr. Dee added that HTA has been in frequent discussions with the Stadium Authority. He also clarified that the Rams will be responsible for the risk and reward tied to ticket sales. Mr. Griffiths added that all the risk and reward for facilities, such as concessions and parking, goes to the Stadium all the risk and reward for ticket revenue goes to the Rams. Mr. Kam clarified that HTA will not see a direct return on its investment, but the State will get that return on investment through the Stadium Authority.

Ms. Menor-McNamara asked if there was any way to entice Los Angeles residents to fly to Honolulu for the game. Mr. Griffiths responded that, while such a program is not in the term sheet, it would be beneficial to both the Rams and HTA to do so.

Mr. Atkins asked if the game would be held at night or during the day and whether it will be televised. Mr. Griffiths explained that he could not give a concrete answer yet as to the time of the game, but added that the Rams have been picked up for a televised event every year so there is a high likelihood this game will be televised.

Mr. Atkins expressed his hope that the State, the Stadium Authority and the City and County of Honolulu address the parking and traffic impacts that this event will create and suggested that a committee be formed with all stakeholders to ensure that we show the world that Hawai'i can hold a first-class event.

Mr. Dee noted that the Board has this proposal on the August 30 Board meeting agenda and thanked Mr. Griffiths and Mr. Tafoya for coming to Hawai'i, adding that that the Rams have delivered on the Board's request. Mr. Dee noted that, about a year ago, HTA was getting a lot of pushback on their ability to develop a sports strategy and expressed that this negotiation with the Rams proves otherwise.

Mr. Atkins asked if anyone present had any remaining challenges to this proposal so that the Committee can develop responses ahead of the Board meeting. Mr. Kam responded that he did not have any major concerns, but noted that it is important that HTA listen to HT USA and their other global partners. Mr. Kam also expressed his confidence in HTA and the Rams to work together to make this event a success.

Mr. Togashi expressed his appreciation for Mr. Griffiths and Mr. Tafoya flying in from Los Angeles for the Committee meeting. Mr. Togashi then noted that, as the Vice President of Finance for HTA, he has always been upfront about his position. Mr. Togashi explained that he has always cautioned the Board to reflect on whether they are making their decision after considering opportunity costs and what other opportunities that HTA could be supporting with this money. Mr. Togashi also stated that he believes it is important to take a long-term view of HTA's budget. Mr. Togashi concluded by stating that, if the Board decides to accept this proposal, HTA staff will stand behind the Board and assist in implementing the program.

Mr. Dee thanked Mr. Togashi for his input and added that he believes that HTA has sufficiently funded its reserves, but welcomed input from Rep. Onishi. Rep. Onishi stated that he thought the dialogue that HTA has taken in the past months has excellent, explaining that this decision-making process is what the Legislature is looking for from HTA. Legislators want HTA to back up their decisions with the process by which they came to the decision. Rep. Onishi noted that the process HTA has taken in reviewing this proposal makes it a stronger project and added that, if the Board decides to move ahead with this event, he will support that decision.

Mr. Fried asked if the Rams know which of the four preseason games will be played in Hawai'i. Mr. Griffiths indicated that Mr. Honig has asked for the third or fourth game, but added that they were waiting on confirmation from the Rams' leadership team.

3. HTA Brand Management Plan and Budget (deferred)

Mr. Dee then announced that the Committee would return to discussion on Agenda Item 3, deferred earlier in this meeting. Mr. Dee reported that the Board approved the Budget at the last meeting but were also supposed to approve the HTA Brand Management Plan. Mr. Dee asked whether the Board could provide pending approval of a working Brand Management Plan while HTA recruits the new leadership team in order to give the new leadership team time to vet the Plan.

Mr. Togashi offered his apologies for not asking for approval of the Brand Management Plan at the July Board meeting and noted that approval of the Plan is on the agenda for the August Board meeting. Mr. Togashi noted that the Plan was distributed to the Board in June and that an addendum was added after the last Board meeting with specific programs that the Board requested.

Mr. Dee asked that all Committee members review the Plan before the Board meeting on August 30, 2018.

Mr. Atkins asked whether HTA staff is permitted to rearrange Budget allocations within line items or whether HTA needs Marketing Committee or Board approval. Mr. Togashi responded that HTA staff are not able to enter into any contracts not budgeted and over \$250,000.00 without Board approval. Mr. Kinkley added that the Board's accession HTA staff's actions is implicit unless the Board raises objections.

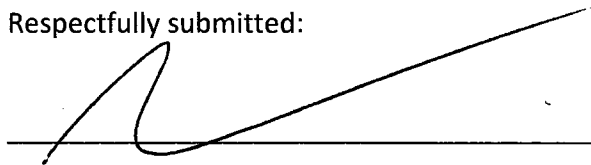
6. Adjournment

Mr. Dee thanked everyone for attending today's Committee meeting and expressed his excitement about the proposal.

Mr. Dee requested a motion to adjourn the meeting. Mr. Kam so moved. Ms. Menor-McNamara seconded the motion, which was unanimously approved by all the Committee members present.

The meeting was adjourned at 4:06 p.m.

Respectfully submitted:

A handwritten signature in black ink, appearing to be 'J. Garner', written over a horizontal line.

Jacob L. Garner
Recorder

AGENDA ITEM

#5

2019 U.S

CONFERENCE

OF MAYORS

UPDATE

**Request to the Hawai'i Tourism Authority
2019 United States Conference of Mayors – Honolulu, Hawai'i
September 27, 2018**

We are proud to announce that Honolulu has been selected to host the 87th Annual Summer Meeting of the U.S. Conference of Mayors in 2019. We invite the Hawai'i Tourism Authority, Hawai'i's lead agency for our tourism industry, to partner with us as a major sponsor of this event.

The U.S. Conference of Mayors is the official non-partisan organization of cities with populations of 30,000 or more. There are 1,408 such cities in the country today and Honolulu is proud to be chosen as host of the conference in 2019.

We are looking forward to showcasing the beauty and diversity of our city and state, not only to more than 300 mayors from across the United States expected to attend, but to some of the country's top corporate leaders and major sponsors. In addition, we are inviting the mayors from Honolulu's sister-cities around the world and expect international and national participation and media coverage. We will also invite the Neighbor Island Mayors to participate in Host City events.

Background on U.S. Conference of Mayors

The Conference is led by its current president, Mayor Stephen Benjamin (Columbia SC) and CEO Tom Cochran. Established in 1932, the Conference brings together mayors to discuss and develop national urban policy. Standing committees address pressing issues such as Community Development and Housing; Environment; Jobs, Education and the Workforce; Transportation and Communications. In addition to the ongoing work of the Conference's standing committees, mayors are organized into task forces to examine and act on issues that demand special attention such as civic innovation, exports, hunger and homelessness, brownfields and climate change.

Policy positions adopted at the annual meeting collectively represent the views of the nation's mayors and are distributed to the President and Congress.

87th Annual Meeting of the U.S. Conference of Mayors in Honolulu, Hawai'i

Honolulu competed with major U.S. cities to host the Annual Meeting, to be held here June 28 – July 1, 2019. Boston was the 2018 host city and Austin will be the 2020 host city. Honolulu last hosted the U.S. Conference of Mayors in 1963 and 1967. (President John F. Kennedy was the keynote speaker of the 1963 Conference and spoke about the topic of the day, improving race relations. Notably, President Kennedy stated of Honolulu and Hawai'i, "*This island represents all that we are and all that we hope to be.*")

Approximately 1,500 people are expected to attend the 4-day conference, including 300 mayors from across the United States. Delegates will include mayors from major cities such as Los Angeles, New York, Boston, and Chicago, and leaders from a broad spectrum of the business community who will be guest speakers and workshop panelists. Mayors from Honolulu's sister-cities will also be invited.

The Conference will be held with at the Hilton Hawaiian Village, conference headquarters – all official meetings, plenary sessions, and breakout sessions will take place at the Hilton. Honolulu will host four spectacular evening events designed to showcase the Hawai'i experience. We anticipate attendance of 1,500 guests each night and events will be held at the following venues:

Hilton Hawaiian Village Great Lawn
aboard the USS Battleship Missouri
'Iolani Palace
Hawai'i Convention Center rooftop

In addition, we are planning a one-day Mayor's Climate Summit which will be held on June 27, 2019, just prior to the conference kickoff.

We have developed a \$4.5 million budget to plan and execute the activities of the Host City. We are pleased that Mary Charles is part of the team and brings her expertise and experience to organize and coordinate all events. (Approximately \$120,000 of this budget is the projected catering expense for the event at the Hawai'i Convention Center; the rental fee has been waived.)

A fundraising campaign has been launched and we are actively seeking sponsorships from national and Hawai'i-based corporations. We plan to raise the majority of funding from national sources.

We estimate that the economic impact to Honolulu from hotel stays, projected spending, and funds raised to support the Conference is expected to total approximately \$8 million (\$3.5 million direct spend/\$4.5 million raised and to be spent).

Our Request to the Hawai'i Tourism Authority

We are requesting a grant of \$500,000 from the Hawai'i Tourism Authority for a KOA Sponsorship of the 2019 U.S. Conference of Mayors in Honolulu. These funds will be used to help underwrite the expenses of the Host City events.

The conference will help the HTA meet several of its goals and objectives as described in the HTA's Five-year Strategic Plan 2016:

- Attendance by hundreds of key city leaders and decision-makers as well as corporate executives, provides Hawai'i an excellent opportunity to market itself as a viable and preferred destination for corporate meetings and conventions.
- Conference attendees comprised of mayors, staff, business and civic leaders accompanied by their families, will have the financial resources to spend on travel, accommodations, meals, goods and services and entertainment while in Hawai'i, thereby increasing visitor expenditures for the state. We also expect that conference attendees will extend their stay in Hawai'i and visit the neighbor islands.
- Honolulu's Sister-Cities are made up of 33 established relationships on six continents. There are five in Japan (including Hiroshima and Naha), six in China (including Zhangzhou and Shanghai), seven in the Philippines (including Manila and Cebu) – many will be invited to the conference. A primary function of the sister-city relationship is to enhance tourism and business relations between Honolulu and these cities.
- All Host City evening events will include entertainment, food and activities designed to spotlight Hawai'i's culture, presenting our state as a unique cultural destination. Our closing event at the Hawai'i Convention Center, will showcase the cultural treasures of our islands providing guests with an authentic Hawai'i experience.

The conference provides an opportunity for all sectors of our community to join the Hawai'i Tourism Authority in its goal to ensure that our visitor industry remains successful. We believe that the visible presence of the Hawai'i Tourism Authority, particularly as a major sponsor and supporter of the conference, is not only important but essential.

In 2019, the U.S. Conference of Mayors will bring civic, corporate and global leaders and decision-makers to Honolulu for a stimulating series of meetings and discussions. The presence of our nation's thought-leaders will focus attention on our state, particularly with national media in attendance.

Together, let us show how Hawai'i's leaders and lead organizations are contributing to the discussion and processes – moving our state and the country to greater economic development, inclusive societies and more resilient communities.

Mahalo nui loa for your consideration of our request.





US Conference of Mayors – Honolulu

Assessment by HVCB – 10/19/18

Potential Economic Impact of 2019 U.S. Conference of Mayors (USCM)

HVCB was asked to prepare a Potential Economic Impact Analysis for the 2019 U.S. Conference of Mayors to be held in Honolulu at the Hilton Hawaiian Village. Mayor Caldwell has requested \$500,000 in funding for the event from HTA. That funding amount was used as the basis for the ROI measurements in the analysis.

Four analyses were done by HTA Tourism Research Department (A, B), HVCB Market Insights Department (C) and USCM (D). Although all are based on 1,500 out-of-state attendees, different models used different inputs, different assumptions and produced different results. The summary comparison is provided below, with more detailed information following the summary for each model:

Estimated Economic Impact Comparisons 2019 U.S. Conference of Mayors, Honolulu				
	A. DBEDT Model	B. DI Event Impact Calculator	C. Simpleview CRM	D. USCM Estimate
Attendees	1,500	1,500	1,500	1,000-1,500
Direct visitor spending	2,870,000	3,897,654	5,761,396	3,000,000
Direct, indirect, induced	5,900,000	6,507,079	10,426,101	no estimate
State taxes generated	330,000	26,314	672,503	400,000
Direct visitor spending ROI on \$500K investment	\$ 5.74	\$ 7.80	\$ 11.52	\$ 6.00
Direct, indirect, induced spending ROI on \$500K investment	\$ 11.80	\$ 13.01	\$ 20.85	no estimate
State tax ROI on \$500K investment	\$ 0.66	\$ 0.05	\$ 1.35	\$ 0.80

Summary

There is a payback for the \$500,000 HTA investment using all three models reviewed by HTA/HVCB. The analysis provided by the Mayor's Office is incomplete and is missing key data. In any event, we prefer either model A or C as they provide the best view of the full economic impact of the Conference.

We have asked the Mayor's representative for further details on their Marketing Value assumptions and for their thoughts on the potential for negative publicity in the cities based on the Boondoggle perception of a Hawaii event à la the Counties event held several years ago at the Convention Center. We need to be prepared with a strategy if this question comes up again.

Assessment Provided by UCSM

U.S. Conference of Mayors – Honolulu Projected Economic Benefits

These estimates were coordinated with the U.S. Conference of Mayors Executive Office, which based these figures on past events and host cities. This is a conservative estimate.

The U.S. Conference of Mayors, Honolulu 2019, will be held at the Hilton Hawaiian Village (headquarters hotel) over four days, June 28-July 1, with expected arrival/departure of Mayors and delegation between June 27-July 2. Support of the conference meets a major goal of HTA's five-year strategic plan: to ensure stable economic benefits by cultivating new arrivals and increasing visitor expenditures by attracting high-spending visitors and creating spending opportunities.

Hotel Accommodations:

Calculations are based on 700 reserved rooms; 25 reserved suites; appropriate plenary session hall/banquet rooms and breakout rooms.

- Total Anticipated Sleeping Room Revenue: **\$1,106,272**
- Total Anticipated Food and Beverage Revenue **\$350,000**
(does not include gratuities, service charges, supplemental surcharges, applicable federal, state or local taxes or any other fees outside of food and beverage product sales)
- Estimated Total Resort Fees: **\$73,920**
- Total Anticipated Revenue to the hotels **\$1,530,192**
- Tax Total: 14.962%
- This will generate **\$228,947** in tax revenue. With reference to food and beverage banquet expenditures, this will generate another **\$85,000** in taxes, total **\$300,000**
- The hotel is expected to increase staffing for this event and this will provide for any local income tax revenues.

Additional Meals purchased outside of meeting schedule:

We estimate this to be (conservatively) **\$150,000**. This would generate additional tax revenues of **\$15,000**.

Gift and Souvenir purchase:

The average attendee will spend conservatively \$250.00 on local souvenirs, which is **\$375,000** and will generate local tax income.

Conference Attendees Families:

We expect better than 25% of our attendees to bring family and relatives for the conference and for pre- or post-meeting travel. This will add to the accommodation and food and beverage numbers. We project

an average of three (3) extra nights either pre- or post-meeting and the average additional expenditure to be \$3,000 per person and a conservative 300 family or individual units. This would total **\$900,000**. This would add to the tax contribution of **\$90,000**.

We also project at least 100 car rentals, which will generate rental and gasoline tax. Convenience store purchases usually take place and would estimate this to be **\$5,000 to \$10,000**.

USCM AV and sound production vendor will be renting over **\$50,000** locally from audiovisual companies.

Total Economic Benefit:

- Approximately **\$3,000,000**, direct spend
- Approximately **\$450,000** tax revenue

Calculations are exclusive of airfare and car rental: We expect 1,000 to 1,500 people to fly to Honolulu. The attendees will either be renting a car or taking public transportation such as private cars or cabs/taxis. This will add to the local tax base.

City and County of Honolulu is responsible for hosting four evening events and three "late night" events, which have not been factored into these projections.

US Conference of Mayors – Honolulu
Marketing Value

The marketing value to the State of Hawai'i is identified by the following benchmarks:

- Promotion and marketing of Hawai'i as a destination for this meeting, along with pre and post extensions, to thousands of USCM members resulting in "eyes" on Hawai'i as a destination for this meeting with residual effects for those who cannot attend, to consider Hawai'i at another time.
- Promotion and marketing of Hawai'i as a destination for this meeting to over 1,000 Corporations which could potentially generate future incentive and meeting business by any one of the corporate leaders - who view the promotions and messaging for their own companies to hold events in Hawai'i.
- Marketing Hawai'i as one of the leaders in "Smart Cities" which establishes our state & city as leaders in the area of climate change, sustainability and environmental issues.
- Marketing & promoting Hawai'i to "Sister Cities" with an emphasis on the Japanese cities resulting in potential business from the Asia Pacific region.
- National & International Press Coverage will be a highlight of this event. Over 40+ press from the US attend the USCM, adding the International Press, will most likely draw 50-60 press, in total, covering the conference and Hawaii. Each Mayor will have an opportunity to speak to home city affiliates from a "press booth" that is set up within the conference to record their experiences in Honolulu and their accomplishments. The videos are sent to their local TV station affiliates for airing which is an added bonus showcasing Hawai'i in a multitude of the top cities across America.
- High Level Speakers & Presenters, including President Obama are considerations and will bring more value as their visits and speeches are covered by the press.