



**REGULAR BOARD MEETING  
HAWAII TOURISM AUTHORITY  
Thursday, October 27, 2022, 9:30 a.m.**

**Hybrid In-Person & Virtual Meeting**

**MINUTES OF THE REGULAR BOARD MEETING**

**MEMBERS PRESENT:**

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

**MEMBERS NOT PRESENT:**

Dylan Ching

**HTA STAFF PRESENT:**

John De Fries, Kalani Ka'anā'anā, Marc Togashi, Caroline Anderson, Ilihia Gionson, Iwalani Kaho'ohanohano, Jadie Goo, Carole Hagihara

**GUESTS:**

Representative Richard Onishi, Shayna Rae Bolosan, Kylie Butts, Charlene Chan, Jennifer Chun, John Cole, Kainoa Daines, Jeffrey Eslinger, Kara Imai, Lawrence Liu, Guillaume Maman, John Monahan, Jay Talwar

**LEGAL COUNSEL:**

Gregg Kinkley

**1. Call to Order**

Chair Kam called the meeting to order at 9:30 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.

**4. Approval of Minutes of the September 29, 2022, Board Meeting**

Chair Kam asked for a motion to approve the minutes. Mr. White made a motion to approve the minutes. Mr. Downing seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

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

There were no permitted actions from the Board members.

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

**a. Relating to Update on HTA's Programs During September 2022**

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

Mr. De Fries said the HTA still had several openings for a procurement manager, senior brand manager, administrative assistant, and brand manager. He said they will be interviewing a short list of candidates on Monday for the Chief Administrative Officer position. He said Mr. Togashi would be discussing finalizing the FY2023 funding. They continue to work with all the counties and will engage all four counties in the meetings.

Mr. De Fries spoke about the CEO report and said it captures the activity of September 2022. He highlighted the auditor's report, which was issued on September 22, on the 27 recommendations. From their 2018 audit, the auditors determined that five were implemented and sixteen were partially implemented. Two were not implemented, and two were not applicable, and two were disagreed upon. The auditor also acknowledged the HTA's progress since the 2018 report, particularly regarding the HTAs procedures. He said they appreciated the comments from the auditors and would use it as an opportunity to improve. Some recommendations will be acted upon, and others will require time for the HTA to address. They will monitor, track, and report progress to the HTA Board members. The process will include a

discussion with the legislative tourism committee chairs and the governor's office in updating policies and procedures and providing training to staff.

He spoke about highlights from September 2022. They did a midnight to 8 a.m. satellite media tour at the HCC. It started on the East Coast, and they flew into all the cities. Some were radio programs, and some were live television. He said they also joined the HTJ for the annual Tourism Expo, the largest one in Japan. He said it was important to understand how competitive the world destinations are, across Europe, Africa, and the U.S. He said it was a wake-up call to let them know they cannot get complacent. He said a few factors affect the HTA's ability to energize the market; number one is the Yen being weak against the Dollar, and number two is that the government is incentivizing travelers to travel to in-country destinations, with certificates of up to \$75 for restaurants, purchases and retails. It is the government's way of reinvigorating its economy.

Mr. De Fries said the Japanese went to great lengths to tell him they love Hawai'i. He said they were also guests of HIS. He spoke about the key performance indicators in 2019 and said they have a long way to go to get back to pre-pandemic numbers. He spoke about the HTJ, who conducted their seminar the previous week. His takeaway and concern were policies restricting the parking of vans and motor coaches in places such as Hanauma Bay because Japanese tourists usually travel in groups and don't rent cars. He asked the association to include HTA in their conversations with each county to see if they can be better at providing infrastructure such as parking and traffic patterns so that the Japanese travelers are not deprived of the Hawai'i experience. Currently Hanauma Bay, Hā'ena State Park, Wai'ānapanapa State Park are open, Kōke'e State Park, Kōke'e State Park will open for the public soon. He said that the Japanese market would be left out of the experience without proper planning.

Mr. De Fries thanked Mr. Arakawa, who invited them to present to his membership, comprised of major landowners and developers, many of whom are interested in the success, growth, and stabilization of the HTA industry. He asked the Board members if they belonged to any organizations or associations that would benefit from a presentation by the HTA; they should reach out to him. He said the more they can get face-to-face with people and the community, the better it will be for the HTA. He said it was the first in-person meeting in two years.

He spoke about the total Hawai'i Visitor arrivals and spending chart; the visitor arrivals compared to 2019 were less, and the spending had increased more than in 2019. He spoke about the report prompted by a legislative briefing the previous week. The report calls for the study of governance models that could improve the efficiency and performance of the HTA and their interactions with policymakers. He said Rep. Onishi introduced a bill in the last session, but the bill did not pass at the time. It will be reintroduced, and Sen. Wakai and Rep. Onishi will

be supporting it. They encourage all the Board members to support the bill. Mr. De Fries said that they could access and examine better governance models applied in different destinations comparable to Hawai'i in the world, helping them benefit. Mr. Arakawa suggested that the HTA keeps the status of the audit as a standing agenda item. There were no other questions. Mr. De Fries turned the floor over to Mr. Togashi.

Mr. Togashi said September was busy. The team worked on procurement matters, which included the Japan MMA RFP pre-proposal conference and working with SPO to extend the current U.S. MMA contract. He said they also started preparing for the 2023 legislative session. The finance team managed preparations for the annual financial audit. For funding, they continue to work with the governor's administration for the FY2023, which includes BNF analysis and governors' analysis of the availability of ARPA funds, as well as communicating intended plans. They started working with the IT contractor to assess the next phase of IT needs and continue working closely with program staff to support their needs. There were no questions for Mr. Togashi. Mr. Togashi turned the floor to Mr. Ka'anā'anā to speak about the Japan Travel Expo.

Mr. Ka'anā'anā said it was the first time the Japan Travel Expo was held in four years, and they had 124,000 attendees. The HTA, the HTJ partners, and Hawai'i held over 80 B2B meetings. He affirmed what Mr. De Fries said about the competitive market. He said he attended his first IMEX conference, which would be presented by Mr. Reyes later in this meeting. It was an eye-opening experience for Mr. Ka'anā'anā, and he heard directly from the clients and their concerns. One concern was Gov. Ige's message of "Don't Travel to Hawai'i" in August 2021 was stuck in people's minds. It would take a lot of work to inform people that Hawai'i is ready to receive travelers again. He also received many questions about the fitness of the HCC related to the roof.

HTA also held Aloha Canada, the travel agent and sales mission in Canada, where they visited three cities, Montreal, Toronto, and Vancouver. They had over 230 agents participate across the three cities, and they had a great opportunity to educate the travel agents. He viewed the travel advisors as the extension and advocate of HTA promoting responsible travel and updating their customers on the new reservation systems in Hawai'i.

He spoke about the 2022 Executive Cruise Fam from September 24 to October 2. Representatives from the Norwegian cruise line, Princess cruises, Holland America, Seaborn, and P&O Australia met with the HTA staff and others to assess issues on the dockside, etc. They worked through logistical issues as well and learned about Mālama activities. He said HTA is a member of AIANTA (American Indian Alaskan Native Tourism Association), and Mr. Casson-Fisher and Malia Sanders from NaHHA are attending the AITC, the American Indian Tourism

Conference. He said there is great value in attending the AITC conference; HTA staff could establish connections and be involved with indigenous and native tourism. HTA was working in partnership with Sen. Schatz to bring in federal funds to support community-based tourism product development. He also congratulated NaHHA on celebrating its 25 years anniversary, recognizing its effort in bridging the gap between native Hawaiian and the tourism industry.

Mr. Ka'anā'anā said the HTA conference is underway and will be held at the HCC on December 8 and 9. Chair Kam asked about the overall outlook of the Canadian market and cruise market. Mr. Ka'anā'anā said he is optimistic about Canada as there is strong demand, and Hawai'i is top of mind for many travel agents' clients. He said there is an opportunity for the HTA to invest in route development funds to get back the Montreal - Honolulu, Toronto - Kahului, and potentially Kona as a port of arrival. He said the cruise market is strong, with a good port schedule for the year and above 2019 numbers. There is good interest from the cruise line operators. He said the schedule looked evenly distributed to the usual ports, but he would give more details when he checked the figures. There were no further questions.

#### **7. Presentation and Discussion on the Progress of the HTA's Destination Management Action Plans for Kaua'i, Maui Nui, O'ahu and Hawai'i Island**

Ms. Anderson spoke about the DMAP progress from July to September. She said they track the DMAPs with DMAP trackers, and she meets with all the island chapters destination managers, the Executive Directors, and the counties every month. They also meet with the HTA staff every other month, going over the progress made. Before the progress reports are finalized, they meet with the steering committee to give feedback and input, or where actions or improvements are needed, they present it to the HTA Board.

Ms. Anderson spoke about O'ahu DMAP Phase 1 report. The O'ahu DMAP was approved in August 2021. The purpose of the report was to highlight what happened in year one for the O'ahu DMAP. For Action A, there was a decrease in the number of visitors to O'ahu to a manageable level by controlling the number of visitor accommodations and exploring changes to land use, zoning and airport policies. For this action, the HTA presented testimony for the City Council's Bill 41, which was passed, and the mayor signed it.

Action B was to implement a pre- and post-arrival tourism communications program to encourage respectful and supportive behavior. Everything was done from training by NaHHA of over 200 airport staff on cultural training, to the HTA's Pono Travel Education Program at the Daniel K. Inouye airport, which is messaging to travel responsibly and respectfully throughout the islands. Mālama Hawai'i and Kuleana Travel Tips videos were shared out amongst partners, industry, hotels, and airline partners also sharing it out.

Action C identified sites and implements stewardship plans for key hotspots on O‘ahu. For this action, the HTA’s Kūkulu Ola Program and Aloha ‘Āina Programs helped move the action forward. The city’s Hanauma Bay Nature Preserve and Diamond Head State Monument reservation systems were implemented over the year. They also advocated for DLNR to have resources and to increase funding and staff. DLNR is also working on a Maunawili Falls Master Plan, one of the hotspots for O‘ahu.

Action D is to increase enforcement and active management of sites and trails. For this action, Bill 47 had been introduced by the city and county, which looks at enforcement of park laws and rules. The city’s Department of Parks and Recreation has a pilot park ranger program established in the past summer.

Action E is about developing a reservation system to monitor and manage users at natural resources and cultural sites. Ms. Anderson thanked DLNR for establishing the Diamond Head State Monument online reservations.

Action F is about establishing a regenerative tourism fee. For this action, the HTA testified in support of site-specific fees in the past legislative session. The Honolulu City Council, with their 3% O‘ahu Transient Accommodations Tax (OTAT) are allocating 8.34% to go to a special fund to mitigate visitor impacts on public facilities and natural resources.

Action G is to Develop and implement marketing programs to attract positive-impact travelers who prioritize the environment, culture, and investing in the local community. The HTA’s global marketing team, with their brand management plans to focus on this. The O‘ahu Visitors Bureau issue monthly public relation initiatives, with the promotion of the Mālama Hawai‘i program and videos.

Action H is to continue to develop and implement “buy local” programs to promote the purchase of local products and services to keep funds in the communities and minimize the carbon footprint. The HTA’S Global Marketing Team promotes “buy local” programs. O‘ahu Visitors Bureau continues to promote O‘ahu artisans and farmers through its press releases. The Native Hawaiian Hospitality Association partnered with Purple Mai‘a Foundation to implement Pākōlea, a pilot program to help local entrepreneurs foster connections and improve their business-to-business pitches to buyers and distributors.

Action I is to manage the visitors’ use of cars as transportation on O‘ahu. For this one, the O‘ahu Visitors Bureau has been working closely with the county to develop a getaroundoahu.com website which is expected to be launched in January 2023.

Action J is to work with community partners to develop, market, encourage, and support more collaborative, curated experiences that enrich residents and visitors alike. Over the past year, the HTA funded, through the community enrichment program, 32 projects and events, DLNR's Universal Trail Assessment and Signage project, in partnership with the HTA helped support 19 trails and two roads on O'ahu that were completed.

Rep. Onishi spoke about the HTJ and said the focus of the seminar was on government regulations on the Japanese market. He said Action D and I seemed to deal directly with that issue. He asked if that had come up as to why they were restricting bus access for visitors that are sightseeing. He asked if there would be more restrictions implemented at parks and destinations where Japanese visitors went. He asked about Action I. He said if they were looking at rental cars, it seemed that the regulations restricting access propagated more rental crimes. He said these two actions seemed conflicting with each other and asked what HTA's role is in bringing up the industry's concerns or who the stakeholders are. He said people were allowed to board the buses to Hanauma Bay. They'd only need to pay a nominal fee to enter, get off the bus, take pictures, board the bus within the 15-min and leave the park pre-pandemic time. This revenue-driven, low-impact approach provides an experience for Japanese tourists; He urged HTA to develop DMAPs with a holistic approach.

it is concerning that it is holistic in the approach the DMAPs.

Ms. Anderson said they could work more closely with the Department of Parks and Recreation regarding Hanauma Bay as she was not aware of that. Regarding rental cars, the GetAroundOahu.com website encourages people to use different modes of transportation, like the bus system, e-bikes, etc., and they are still building that out. Rep. Onishi said they also changed the bus route to Hanauma Bay, which does not stop at the parking lot. He said the only way Japanese tourists can visit and take pictures is by using a rental car. He said it seemed that the actions contradicted each other.

Mr. De Fries asked Mr. Gionson to make a note that they have four hospitality updates coming up in the next four weeks with each county, and the issues must be on the agenda with the mayors. He said it needs to be addressed at the highest level. Rep. Onishi said they need the tourists to come and support the economy, but at the same time, tourists have nothing to do while there. Mr. Ka'anā'anā said he would bring it up in the Market Advisor Committees and with the partners. He also mentioned that it is broader than just the Japanese market and for all visitors.

Chair Kam asked if the apps were also applicable to all international destinations or just U.S.-based destinations. Mr. Ka'anā'anā said they continue to offer and urge support for multiple

languages and the reservation systems are being developed. He said they have been asked to hold off by DLNR as they develop a more master site that they are working on. Once that is up, they will look at other languages. Mr. Ka'anā'anā said they offer support and still have the budget available for the purpose that the Board appropriated, but they have been unable to use it. Chair Kam said that could be a great tool and a huge barrier.

Ms. Menor-McNamara asked about Action H, regarding the global marketing team. She asked if they were keeping track of measurements and benchmarks. Mr. Ka'anā'anā said the main tool at their disposal soon would be the campaign effectiveness study that they commissioned. It will study the calendar 2023 marketing that the HTA is doing in the U.S. and Japan. It won't give granularity to specific products. The intention on the branding side is to encourage to buy local more generally.

Mr. James McCully spoke about Rep. Onishi's observations, about the potential conflicts within DMAPs, and said they were valid. Mr. Gionson said that Catherine Orleans, the Oahu Destination Manager, commented online if these kinds of restrictions happened not only in Hanauma Bay but also in other county parks as well? Chair Kam said they would assess the visitor experience and the challenges they face and try to find the balance.

Mr. Downing asked what the bus program is at Hā'ena. Ms. Anderson said a community organization runs the shuttle service, and DLNR established the program in general, where it is a partnership with the community and is also an online reservation system. Mr. Downing said if a program is working, it helps the HTA implement what Rep. Onishi and Mr. De Fries mentioned. Chair Kam said they must make sure that everything integrates appropriately.

Mr. Ka'anā'anā said for Hā'ena State Park, they must be cognitive of everything that has been done there that has been great and has improved the visitor's experience in this one specific area. He said HTA's work is not done in Hā'ena yet. Sue Kanohe, The executive director of the Kaua'i Visitors Bureau, commented that they have the parking at Waipa, so anybody can park their car, get on the shuttle to Hā'ena. She said it is not an issue for the Japanese market, as everybody can get in. There are also parking spots that can be paid for. She said it works well for Hā'ena, and has pushed cars and people to Lumahai, unfortunately, a dangerous beach with the most recent drownings.

Ms. Anderson spoke about Kaua'i. There are 34 sub-actions, and there were three actions carried over from Phase 1 to Phase 2. 97% of the sub-actions are in progress. She spoke about some highlights. The county received funding to hire stewards and ambassadors at county parks. The ambassadors collect data and educate visitors but will not have any enforcement power. The KVB completed all four Mālama Kaua'i videos, including the Kaua'i Museum, NTBG,



Mo'olelo Murals, and Prince Kūhiō. The county and KVB met with DOT-Airports and the HTA on its proposed Airport Optimization Plan and shared their concerns. KVB also attended public meeting on the plan. Community meetings were held on August 16 in Līhu'e and August 17 in Princeville. She thanked the destinations manager Patti Ornellas for all her hard work, Sue Kanofo, and the rest of the KVB team for all the DMAP planning. HVCB and the HTA ran a Resident Communications Campaign highlighting DMAP efforts and projects. She thanked Darlene Morikawa and Lei-Ann Field from HVCB for all their efforts, as well as Mr. Gionson, Mr. Ka'anā'anā and Mr. Kaho'ohanohano.

The HTA's Global Marketing Team continues to promote Kaua'i Made products and the Alakoko store, and the county is establishing an Agri-tourism pilot program. There were no questions.

Ms. Anderson spoke about Maui. There are 17 sub-actions for Phase 2, and three sub-actions from Phase 1 carried into Phase 2. 75% are in progress. She thanked Meagan DeGaia, the destination manager for MVCB, for her hard work, and the county. She said for Maui, MVCB had been working closely in East Maui to establish an advisory group to examine their issues. They are looking to put together an East Maui Tourism Management Pilot program, as there are a lot of hotspots, which is one way that DMAP efforts can address this. MVCB partnered with the "Rise Above Plastics on Vacation" program. The HVCB completed the Resident Communications Campaign. The Brand team continues to incorporate responsible tourism messaging and programs. There were no questions from anyone.

Ms. Anderson spoke about Lāna'i. There are 23 sub-actions, of which 65% are in progress. The work that is being done for Lāna'i, includes MVCB working with the Lāna'i Advisory Group, and working on messaging for the islands. They are finalizing the brochure, which includes day trip itineraries, and a map of the city, all to encourage people to go to Lāna'i city and buy from the local vendors. The Lāna'i Advisory Group contributed to the 2023 Hawai'i State Visitors Guide. Mālama videos continue to be played on the ferry, and the Mālama Maui County Pledge is being played in-room at the Four Seasons resorts. MVCB hired a Lāna'i-based photographer to also build photo assets for the island. There were no questions.

Ms. Anderson spoke about Moloka'i. There are 20 sub-actions, and two sub-actions from Phase 1 carried over to Phase 2. 45% of the sub-actions are in progress. A Moloka'i Task Force was established, combining the steering committee and the advisory group. Two meetings took place. Four subject matter committees were established, and they looked at how to support new businesses or existing businesses wanting to transition into other areas regarding tourism. Another subject matter committee was about building out messaging and communication pieces. A third subject matter committee looked at how non-profits could be in the visitor

sector, especially with volun-tourism activities. The last subject matter committee was looking at transportation issues, specifically airlift and ferry service.

Ms. Duarte asked looking at total sub-actions in relation to the other islands, why is Moloka'i at 45 percent. Ms. Anderson said it was because the community wanted to be part of moving the actions, so they are moving the actions at the speed the community wanted to go.

Ms. Anderson spoke about Hawai'i Island. There are 40 sub-actions, and 92% are in progress. Because there are so many sub-actions, there are many things going on, e.g., the County's Department of Research & Development issued their Request for Proposals for its Innovation Grants, which touched upon many of the sub-actions to move it forward. IHVB and the county are working to address impacts at Kealakekua Bay and Keaukaha. DLNR and the HTA Universal Trail Assessment Project is finished regarding the trail signage installation. The HTA has completed its workforce needs assessment as was presented to everyone last month. Hawai'i Volcanoes National Park has an 'Ike Hana No'eau video series which was completed and shared out. The Kohala Center released 'Aina Aloha Kahulu'u, a series of short videos to educate visitors about the bay before they visit. IHVB and the county have formed a number of different action teams looking at infrastructure and vacation rentals.

There were no questions for Ms. Anderson.

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

Ms. Chun pointed out that the meeting packets had overviews of the current fielding of the resident sentiment survey, which started fielding on October 19 and is estimated to end on December 4. She said they published the press release that morning for the visitor statistics, which would be posted after the Board meeting.

For September, they saw great overall expenditures compared to 2019, and fewer visitor arrivals. By market, they saw an increase in expenditures from the U.S. West and East, and Canada, and only higher visitor arrivals from U.S. East and West. There was higher per person per day spending for all the markets. For the average daily census, there was a higher daily census for the U.S. markets. Expenditures went up on all the islands, and per person per day spending was also higher. Visitor arrivals were higher for Maui, Kaua'i, and Hawai'i islands. Average daily census was higher compared to 2019 only for Maui, Lana'i, Kaua'i and Hawai'i island. For TSA throughput, there was a decrease in activity at the beginning of September, but overall, Daniel K Inouye was still lower compared to two years ago, but Kahului is up by 6% for September.

Reasons for people visiting Hawai'i, was for vacation. For accommodation, most people stay in hotels. For lodging and hotel performance, RevPAR is higher than 2019 for hotel, but occupancy was lower for 2019 for hotels, but ADR was higher. Vacation rentals supplied are fewer, but occupancy levels were lower at 59%. The hotel demand is higher compared to vacation rental units. For the TAT, preliminarily, the Department of Taxation collected \$71.5 million for September, so year to date, it is \$236.6 million, up 21.1% compared to 2021. For the FY2022 it was \$195.5 million and \$41.2 million above that.

The unemployment rate is lower compared to August, at 3.4%. For jobs by industry, there is a continued increase in accommodation, food service, and drinking place jobs, compared to 2021. For air service, in September, there were fewer overall air seats with slightly higher domestic seats. International seats continue to be low. For October, there was an increase in domestic seats and international. November is similar to 2019, but slightly lower, ahead in domestic seats, and an increase in international seats but not as high as 2019. In December, more seats are coming in.

For Japan, while there has been service for the rolling outlook, those markets will not return to direct air service until 2023. Overall, globally, the Skift Travel Health Index for the world is at 86%, and has been flat in the last few months. Looking at the markets that they care about, the U.S. is at 104% and ready to travel. Canada and Australia are also high. Japan has a slight uptake as it got easier for them to travel, but China continues to trend down. For the COVID-19 status board, all the markets are open except for China, but they will have an increase in international flights the following week.

Ms. Chun said the travel spending percentage is slightly down at 3.3% overall for the entire country. Air passenger travel is down 8.6%, but auto trips are also down for August. Hotel demand and jobs are down. Puerto Rico is the best for recovery for jobs in leisure and hospitality. For air travel, Porto Rico is doing well in terms of recovery. For leisure transient occupancy pace, it is slowing down for the latter part of November with a drop towards Thanksgiving. The consumer travel sentiment is good at 90%. The consumer travel sentiment is trending down at 45%, with people saying they can travel safely in the current environment. As people are asked when they plan to travel, Gen Z's, millennials, and boomers are primarily in the 60% plus range. For the most part, it is a higher trend than seen in Q2, but not as strong as people's sentiments at the beginning of the year. For domestic business travel, there is a slight trend downwards but now as low for leisure travel.

Consumer travel sentiment is not great. There are a lot of negatives for group travel for nights on the books. Event cancellations are at 24% in the last six weeks versus the beginning of the year at 59%. For the overall U.S. travel associations domestic forecast, the index is back to 2019

levels. They expect domestic travel spending by the end of the year to be positively trending at 117% of 2019. Business travel spending will not hit 2019 levels until 2023. For overall leisure, business, and air travel volume, leisure has already recovered, but business volume will only recover in 2024, and air travel will increase in 2024 over auto travel. For international inbound travel, the total for the U.S. is 65% indexed to 2019. Hawai'i is indexed 29% to 2019. Travel sentiment for India is high.

For the international visitor forecast, arrivals are not expected to reach 2019 levels until 2025. Canada will come back in 2024, and Mexico in 2023, but other European markets are still far out. Travel agency booking trends have a fair amount of bookings but have been flat for the last few weeks. The trend for people coming is similar to what was seen in previous months. Japan has a slight uptake in bookings, but now it is flat. Future arrivals are flat. There is an intent to come during the holiday period and a slight increase in Spring. For travel agency bookings for non-stop flights from Japan to Hawai'i for December 2022, there is a slight bump on December 9, but Ms. Chun is unsure if this is for marathon attendees. Canada bookings have been steady in the last few months with similar trends. Korea continues to keep booking, with a slight uptake at the end of September, but the pattern is similar going into March. Australia is flat for bookings and has a similar pattern as seen in the past months.

Mr. White said in the economist Paul Brewbaker's UHERO report that visitor expenditure is not inflation-adjusted, and if there is any consideration in looking into it. Ms. Chun said that four years ago, they tried to do a tourism consumer price index, such as looking at goods the tourists would buy. She spoke to Dr. Eugene Tian and said reviving a tourism price index might be problematic because of difficulties in getting the data. Dr. Tian is looking at different ways to approach that, and they may be able to create an index they can use for tourism.

Mr. Rafter asked if there was a breakdown on how much of the future declined sentiment is related to the recession rather than other things such as COVID. Ms. Chun said they received a new report that morning which was too late to add to her presentation. It said that anxiety about the economy for Americans continues to be high, with 56% of Americans thinking the economy will be worse in the next twelve months. 46% expect to spend less on travel in 2022 than in 2019 because of pricing and personal finances.

## **9. Report and Update by the Budget, Finance, and Convention Center Standing Committee**

### **a. Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on the HTA's Financial Report for September 2022 as Presented at the October 26, 2022, Meeting**

Mr. Rafter said they met the previous day and went through the September financial report, and the update from Ms. Tait and Ms. Orton on the HCC. He said they would need motions for both. Mr. Togashi had spoken on the budget report, and there was nothing extraordinary, so the committee recommended approval of the September financials. There were no questions. Mr. Rafter asked for a motion to approve the September financials. Chair Kam made a motion, and Mr. White seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

**b. Discussion and Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on the Hawai'i Convention Center's September 2022 Financial Report and Update on the Hawai'i Convention Center's 6-Year CIP Plan as Presented at the October 26, 2022, Meeting**

Mr. Rafter said that after the September budget, they had discussed the HCC's September financials and an update on the 6-year CIP plan. He said Ms. Orton's forecast for the HCC was \$455,000 worse. That negative news was upset by a report on a positive FAM trip that happened to reintroduce the HCC to some of the mainland meeting planners. Ms. Orton had said they were pacing behind, particularly on city-wides, so the HCC team was working diligently with Mr. Reyes to start building some of the gaps. 2025 looks positive, but 2023, 2024 and 2026 are trailing, so there is a lot of work to catch up with the pace. There were no questions. Mr. Rafter asked for a motion to approve the HCC September financial report and the current 6-year CIP plan. Mr. Arakawa made a motion, and Ms. Duarte seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

**10. Executive Session: Discussion with HTA's Legal Counsel on Questions and Issues Pertaining to the Board's Powers, Duties, Privileges, Immunities, and Liabilities with Regard to Hawai'i Tourism Authority RFP No. 22-01-HTA for Hawai'i Destination Brand Marketing and Management Services for the United States Major Market Area**

Chair Kam asked for a motion to go into the executive session. Mr. McCully made a motion, and Mr. White seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

In the executive session, Department of Attorney General Kinkley led a discussion of, answered questions concerning, and supplemented the Board's understanding of what has happened to date with respect to the HTA's U.S. MMA RFP and the legal issues therein presented.

There was no action taken during Executive Session; it was informative and explanatory only, receiving guidance from counsel with facts provided by staff.

## **11. Adjournment**

Chair Kam asked for a motion to adjourn. Mr. White made a motion, and Mr. McCully seconded. The motion passed unanimously. Mr. Gionson concluded the meeting at 1:30 p.m.

Respectfully submitted,

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

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Sheillane Reyes

Recorder