



**REGULAR BOARD MEETING**  
**HAWAII TOURISM AUTHORITY**  
**Thursday, September 2, 2021 at 9:31 a.m.**  
**Virtual Meeting**

**MINUTES OF REGULAR BOARD MEETING**

**MEMBERS PRESENT:**

George Kam (Chair), David Arakawa, Kimi Yuen, Micah Alameda, Fred Atkins, Dylan Ching, Daniel Chun, Keone Downing, Kyoko Kimura, Sherry Menor-McNamara, Ben Rafter, Sig Zane

**MEMBER NOT PRESENT:**

**HTA STAFF PRESENT:**

John De Fries, Keith Regan, Marc Togashi, Kalani Ka'anā'anā, Caroline Anderson, Carole Hagihara, Maka Casson-Fisher, Ronald Rodriguez

**GUESTS:**

Jennifer Chun, Teri Orton, Dean Uchida, John Monahan, Jay Talwar

**LEGAL COUNSEL:**

Gregg Kinkley

**1. Call to Order:**

Mr. Keith Regan, HTA Chief Administrative Officer, called the meeting to order at 9:31 p.m. He provided instructions to the general public with regards to submitting testimony. Mr. Regan confirmed the attendance of the Committee members by roll call.

**2. Opening Cultural Protocol**

Maka Casson-Fisher opened the meeting with a pule dedicating a song to Queen Lili'uokalani for her birthday. He quoted her words in 1881 urging the people to get vaccinated for the small pox, listen to the authorities and report those who contracted the disease so they get help and prevent spread. He spoke of her good nature and asked everyone to take such love and responsibility so that they continue her works.

**3. Approval of Minutes of the July 29, 2021 Board Meeting**

Chair Kam requested a motion to approve the minutes of the July 29, 2021 Board Meeting. Daniel Chun made a motion, and it was seconded by Kyoko Kimura. Mr. Regan confirmed the votes through roll call, and it was unanimously approved.

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

Chair Kam asked whether there were any permitted interactions and there was none.

**5. Presentation, Discussion and Action on HTA's Financial Report for July 2021**

Chair Kam recognized Keith Regan to provide an update. Mr. Regan said that Mr. Togashi, VP of Finance, will be reporting the financial reports in detail. He noted that the HTA staff is working diligently to ensure that they are in compliance with the use of the allocated federal funds, as well as the shifting from the tourism special fund into the use of the federal monies.

Mr. Togashi reported that the July financials is the first reporting period in FY2022. He noted that several documents such as the executive summary, HTA's balance sheet, and statement of revenues and expenditures representing the income statement for July are included. He identified the locations of the budget statement summary (item 5.2), detailed budget supporting the summary (item 5.3), summary of all the budget activity for July reallocation and FY cumulative budget (item 5.4), and FY 21 funded encumbrances that was posted by DAGs in FY2022 making it part of HTA's official FY2022 records (item 5.5). He said that the ARPA funding that they are now receiving is a new form of funding and that separate accounts for the Tourism Federal Fund (ARPA TFF) and Convention Center Federal Fund (ARPA CCFF) were created separately. He noted that old funds like the TSF and CCSF will remain in HTA's books with the TSF to remain until all contracts which were previously encumbered through July 1<sup>st</sup> are paid.

Mr. Togashi reported that as of July 31, they have \$67.9 million in cash investments comprising of \$5 million emergency fund, \$60.5 million encumbered to contracts, and \$2.3 million unencumbered. He noted that all unencumbered TSF will be remitted to the State's general fund on January 1, 2022. He said that they are anticipating \$2.3 million to revert to the general fund. He showed a chart where the progressions of the reserve balance is seen starting from \$13 million at the end of FY2021. He noted that this is due to encumbrances made on July 1<sup>st</sup> but processed by DAGS as FY 22 business amounting to \$7 million including the emergency fund reserve and the \$2.3 million unencumbered. Mr. Togashi said that the Board has approved \$32.7 million of ARPA TFF of which \$3.2 million has been encumbered

for payroll. He added that they have \$36.8 million in cash for the Convention Center ESF wherein \$36million is encumbered contracts and \$870,000 remains in reserve. He noted that the remaining reserve is anticipated to increase to about \$5.8 million by the end of the FY with the Convention Center revenue coming in to the account. He added that the Board approved \$409,000 budget for CCFE payroll which was encumbered in July 2021.

Ms. Kimura asked about ARPA funds being repurposed. Mr. Regan responded that the Budget and Finance asked them to submit all they have and the department will determine whether they can use those funds for non-US domicile entities.

Chair Kam asked for a motion to accept the financial report as presented. David Arakawa made a motion and was seconded by Daniel Chun. Mr. Regan confirmed the votes through roll call, and it was unanimously approved.

**6. Presentation, Discussion and Action on the Hawai'i Convention Center FY2022 Budget**

Chair Kam recognized Keith Regan to provide an update. Mr. Regan called on Teri Orton, General Manager of Hawai'i Convention Center, to do the presentation. Ms. Orton reported that this will be the first FY budget since they've always operated on a calendar year budget. She noted that the ever changing restrictions have impacted the clients, customers, operations and budget and that connecting and preserving the relationship with customers is very important so they come back to the Center. She explained the different changes in tiers and operations adjustments since May, with the current Tier 5 restrictions needing a mitigation plan to operate with the reduction of group size and capacity percentage. She clarified that the budget was planned without any idea of future restrictions.

Ms. Orton reported that the Center continues to host the Unemployment Office, DILR, DOH, and HHFDC on the third floor and the ballroom and all have agreed to be consolidated in Exhibit Hall 1 so the Center can continue with business. She noted that they have lost revenue for two citywide corporate events estimated at \$292,000 and five local events amounting to \$290,000. She said that there are 43 definite events in the FY22 books and 48 first option events. Chair Arakawa asked for operations in the next two months. Ms. Orton responded that there are the three State agencies in the building and smaller events under 10 persons in the books. She noted that they are now trying to expedite any CIP projects that they had planned and have onboarded some of their frontline staffing for health and safety protocols training and COVID-19. Ms. Orton said that they have recently transitioned management of citywide sales over to the Bureau while still managing local sales at the Convention Center under a 13-month calendar year, with an exception of managing it for 18 to 24 months during this pandemic. She said that they will turn it back next year over the Bureau to manage outside of the 13-month period.

Ms. Orton reported that majority of the local sales and marketing budget comprises of salary, wages, and benefits. She noted and that they recently onboarded a Sales Manager making them two staff operating in full capacity now. She said that local sales revenue would average about \$8 million a year but was about \$6.6 million for 2020, primarily due to the State agencies that are paying rent for occupancy. She added that the FY 2022 budget is at \$6.6 million for local sales revenue and \$1.2 million for offshore revenue. She said that the budget also includes maintenance agreements, marketing and advertising, general and administrative and others at \$500,300 in total compared to twice the budget pre-pandemic. Ms. Orton noted that the facility budget reflects \$7.7 million in gross revenue and \$13.2 million in gross expenses with a net loss of \$5.5 million. She added that with the Exhibit Hall repurposed, 4 offshore events were impacted where they looked for alternative space and reduced food and beverage offerings.

Ms. Orton reported that they usually host an average of 200 to 225 events yearly but the numbers are down by 50% due to the pandemic. She said that the event revenue fluctuates yearly noting that corporate events bring more revenue to the building. She said that they have 78 full time employees and only brought back positions on a need basis. She said that \$626,000 of the increase in facility expenses is related to contingency and contracted labor which was to offset expenses to the three citywide events impacted with the Exhibit Hall being occupied. She noted that the \$2.5 million increase in Food and Beverage is primarily to bring back positions and with 16 vacancies at the moment. She noted that they are proposing a FY2022 budget for the convention center amounting to \$40, 628,568 which consists of the local sales and marketing, facility operations, facility contingency and CIP repairs and maintenance and Hawaiian music and dance. Mr. Atkins asked about the Center for Music and Dance budget. Mr. Ka'anā'anā responded that it's specifically set aside for the Center only.

Ms. Orton turned over the floor to Marie Tait, HCC's Director of Operations and Project Manager for CIP, to provide an update. Ms. Tait reported that HCC has engaged with project management and construction management companies. She showed the list with the updated cost estimates and expected date for planning. She noted of finished and pending works on the main projects and identified completed projects with the actual money spent. Mr. Atkins asked about the impact of the 2022 projects on operations. He further asked about federal grant opportunities and payroll protection plan eligibility. Ms. Orton responded these won't impact business for they would start or stop projects accordingly based on what business they have in the building. She responded further that they are actively working on the shattered venue grants to see if they are eligible for some funding.

She added that they haven't met all of PPP's qualifications and needed to look for examples of success which they could follow.

Chair Kam asked for a motion to approve the budget by the convention center. Daniel Chun made a motion and was seconded by Kimi Yuen. Mr. Regan confirmed the votes through roll call, and it was unanimously approved.

**7. Report of the Chief Executive Officer/Chief Administrative Officer/Chief Brand Officer Relating to Staff's Implementation of HTA's Programs During July 2021**

Chair Kam recognized John De Fries to provide an update. Mr. De Fries reported that he and Mr. Kalani spent a couple of weeks with the different GMTs for yesterday's marketing meeting and with Japan and Canada's airlines as they formalize their schedules in anticipation of their markets opening. He announced that DMAP's O'ahu has been finalized and posted. He thanked Erin Khan and Nathan Kam for taking the responsibility in communications. He noted that he and Mufi Hannemann met with the DOH who is expanding the goal of increasing vaccination by reaching out to the families of the workforce as well. He added that the DOH will spend time with families to clear misconceptions about the vaccination. He noted of opportunities in meeting with congressional delegates who are supportive of the Change Management Plan and with 14 House of Representatives initially. He said that they will also meet with the Senators. He noted that an HBR tourism working group chaired by First Hawaiian Bank Chairman, Bob Harrison was initiated with their meeting with the Hawai'i Business Roundtable.

Mr. Ka'anā'anā reported that the delta variant has already impacted U.S. residents' desire for short-term travel from September to November. He added that about 25% cancellations and booking pace reductions are seen after Governor Ige's announcement which amounted to multi-million dollar losses. He added that some carriers are reporting a 50% reduction in booking pace compared to 2019 of the same period. Mr. De Fries acknowledged Ms. Sherrie Williams, HLTA Chair, who organized a working group for the Governor's Office call for help in relation to social media communications. Mr. Regan noted that the CEO report has been updated with the addition of the change management plan update section, planning division section with updates on DMAP and other activities, and an ARPA funding section just to give insights on the work that the HTA staff is working on. Mr. Ka'anā'anā reported that the HTA staff made more than 30 interviews, sharing HTA's goal of Mālama Ku'u Home and updates on the DMAP initiatives and insights on the tourism industry. He added that they have sent their "Save the Date" for Mālama Ku'u Home and HTA update for October 1.

Mr. Atkins asked about the meeting with the House of Representatives. Mr. De Fries

responded that under the new law were transparency to the public will be afforded and guaranteed is seen by the legislators to favor and help HTA. He added that this ties in with the districts and though the districts don't have direct involvement with tourism, the questions are directed on workforce development for people employed by the tourism industry are living in their districts. Mr. Regan added that the legislators had been appreciative for HTA making these connections and expressed willingness to partner, engage, and address their concerns.

Mr. Regan read the question from the public asking HTA's stand on the reinstatement of a pre-travel COVID-19 test regardless of vaccination status. Mr. De Fries responded that they prefer vaccinated passengers not to be subject to pre-travel test. He noted that they will be communicating with the governor's office to recommend that Pfizer and Moderna be accepted as a valid vaccination and exempt.

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

Chair Kam acknowledged Mr. De Fries to provide an update. Mr. De Fries asked Mr. Regan to expand the activity between DBEDT and BNF relative to procurement in ARPA. Mr. Regan said that the overall theme heard with their meeting is the concern of fund provision when ARPA or the federal government may say that they shouldn't have used it for such project and will ask them to pay back. He added that they are undergoing strict and stringent process to ensure that HTA will be able to use the funds properly and is thankful that HTA won't be the ones to make the decision. He said that the team has finished training with the State's procurement office while others went to specialized training in addition to it. Mr. De Fries reported that DBEDT has approved the job description of the new Public Relations Officer position and is under review by the BNF. Mr. Ka'anā'anā said that they are amending the job descriptions for the Senior Brand Manager and Brand Manager positions and will submit soon to the approving bodies.

Mr. De Fries noted that the executive team continues to meet with DBED and BNF to discuss procedures on fund allocations. He added that HTA is preparing a CSFRF tourism recovery plan that meets the BNF expectations and ARPA requirement. He identified different procedures, like the procurement procedure and contract templates among others, are being updated to meet ARPA requirement. They will also be reviewing the bylaws if they need to be amended in conformity with ARPA or law in HB 862. Mr. Regan added that they have completed the internal process with the CSFRF Tourism Property as requested by BNF. Mr. Chun asked about the timeline for the hiring of the Director of Public Affairs. Mr. Regan noted that BNF asked for additional information yesterday so the review

result is hoped to be by the end of the week. Mr. De Fries said that once approved, it will take about three weeks from making an offer.

#### **9. Update and Discussion on the Implementation and Reporting of the Destination Management Action Plans to the Board**

Chair Kam acknowledged Caroline Anderson to provide an update. Ms. Anderson reported that they have an internal “DMAP Tracker” where they meet every month with the Counties and Island Visitors Bureaus for a review. She noted that they met with the Steering Committees to review the Initial Summer Progress reports and will be providing the Board with quarterly reports. She identified the progress of Phase 1 and Phase 2 sub actions of the different DMAPS which are as follows: Kauai ( 61% P1 in progress, 2 P2 sub-actions started), Maui (70% P1 in progress with 1 completed), Moloka’i (60% P1 in progress), Lāna’i (63% P1 in progress with 1 completed), and Hawai’i Island (73% P1 in progress). She showed the progress of anchor sub-actions and highlighted sub actions that are in progress for each of the DMAPs. She thanked the Counties and Visitors Bureaus who have helped in the implementation of each of the DMAPs. Mr. Chun asked about communications through the website. Ms. Anderson responded that they’ve published the progress report online and shared the final reports to the Steering Committee members so they can share it with their network within the community and visitor industry. She added that they have also posted it in HTA’s e-bulletin, and they’re working with the PR team to enhance the DMAP communications. She said that they also provided the Island Chapter some funds to do DMAP campaigns. Mr. De Fries added that they were invited by Presidents of neighborhood Boards on O’ahu to address their n meetings about DMAPS and strategic plan which is one way to communicate it with the constituents of the legislature. Mr. Ka’anā’anā said that they’ve worked with Kaili from Anthology for their social media calendar where posts over the past weeks highlighted different actions. He noted and that they are now coordinating each of the Island Chapters, the Central on the Bureau side and HTA to take advantage of the \$50000 per island incomes money distributed for each of the island chapters for such purpose. He added that HTA also continued to do what they are natively doing in their outreach.

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

Chair Kam recognized Jennifer Chun to provide an update. Ms. Chun reported that they have \$1.5 billion expenditure in July 2021 with under 900,000 people arriving and PPPD higher than 2019. She noted that average daily census was full but still lower than 2019.

She added that O'ahu and Moloka'i expenditures are higher though a few people went to the latter. She said that the visitor arrivals were still lower than 2019 but the visitor arrival recovery for July is at 88.4% with Maui Island having the highest at 91.8 %. Ms. Chun noted that the DOT collected \$64.1 million preliminary July TAT which comprises the preliminary Fiscal 22 YTD TAT collections. She added that it is 1,031% greater than July 2020 and \$58.4 million higher than 2021. She noted that the TAT collection in July is higher than a number of months since 2017. Ms. Chun said that hotel occupancy is full but still lower than July 2019 at 83.4% statewide but ADR and RevPAR are slightly higher. She said that occupancy was also high for vacation rentals but there were not as many of them compared to hotel units. She noted that most of the markets are staying at hotels (U.S. & Canada), condos (Japan), time shares (U.S. West), visiting friends and relatives (Japan) and are staying at rental houses (U.S. and Canada). Ms. Chun said that most of the people visiting were coming for vacation, some other businesses which are essential workers type, and a significant number are visiting friends and relatives.

Ms. Chun reported that there was a spike in unemployment rate beginning 2020 and gradually decreasing and is now at 6.9% total for July. She reported that the hospitality jobs recovery are relatively strong on O'ahu but less on Island of Hawai'i and Maui County and only half in Kauai. She noted that prior to the governor's announcement, he DBEDT forecasted an increase in overall arrivals from 2020 to 2024 but not near the number of the actual arrivals in 2019. Ms. Chun said that the travel sentiment for the U.S. market decreased from 43% in June to 39% in July for those who are planning to have a vacation. She noted that the impact of the delta variant can be seen with the consumer travel sentiment down from 81% to 76% for people who are ready to travel. Ms. Chun noted that there are a lot of people uncomfortable going to airports but most long distance travelers are not that uncomfortable. She added that there are avid travelers planning to travel more but there are still people who plan to decrease their amount of travel in the next 12 months. She noted that nationally, 21% is not very likely to purchase travel or leisure while 20% are not very likely and 40% not at all likely to book a flight in the next 12 months. Ms. Chun reported that the air seats outlook presentation is already outdated with the changes of Air Canada this morning. She noted that the increase in seats is seen in the domestic market in August and September while international seats continue to lag. She said that they anticipate for international air seats coming back for October/November but the number might change. She informed that they are posting updates on the website weekly compared to once a month in the past.

Ms. Chun reported that according to YouGov's destination index trends, there were fairly high consideration of the U.S. market to come to Hawai'i but things changed as of last week. She noted that they will be asking people what impacted them to not come to



Hawai'i whether it's the delta variant or the Governor's announcement. She noted that they were tracking above 2019 level from August for travel agency booking but has been declining and went below the level at the end of the month, which is showing the impact of the delta variant which is prior to the Governor's and Mayor's announcements. She noted that travel agency bookings for future arrivals are tracking very similar in the out months to what was seen in 2019. Ms. Chun noted that travel agency booking for September and October are stronger than 2019 with November similar and December slightly lower. She noted that they saw increases for all of the months since the last report for booking pickup which is before the governor and mayor's announcements. She noted that O'ahu, Maui, Kauai, and Hawaii booking pace look similar to 2019 for the US market with Hawai'i Island having more bookings in September and October but Japan, Canada and Korea are down.

Ms. Chun reported that prior to the delta variant impact, STR forecast showed that the State occupancy will end around 60% with a \$311 ADR which is much lower than the 2019 occupancy. She noted that occupancy in O'ahu is seen at 60.1% with higher ADR of \$217, Maui at 61% with a higher ADR to almost \$500, Hawai'i at 60% and \$335 higher ADR, Kauai at 55% with higher ADR than 2019. She said that basing from the Symphony Dashboard, similar locations are popular like Waikiki for O'ahu which is similar to last month. She showed a sample of a new worksheet which gives details on individual points of interest. She noted that in July, most of the visitors were from the US market and showing that Thursdays, Fridays and Saturdays are the most popular days with noon and afternoon being the most popular. She said that most visitors are from Texas and California and that the top interest for Kauai is Hanalei and Wailua State Park.

**11. Report of the Marketing Standing Committee with the Committee's Recommendations to Approve the Amended Brand Management Plans for Hawai'i Tourism Korea, Hawai'i Tourism Oceania, Hawai'i Tourism Canada, Hawai'i Tourism Japan and Hawai'i Tourism United States**

Chair Kam acknowledged Daniel Chun to provide an update. Mr. Chun asked the Board to go to Section 11 of the Packet as they will be asking for the approval of the amended BMPs. Mr. Chun thanked the committee members for their time and engagement during the Marketing Standing Committee meeting and for the helpful inputs from Chair Wakai and Chair Onishi. He noted that the meeting centered on reviewing amendments of each of the GMT's brand marketing plans. He said that each committee provided updates on their respective markets which includes COVID related travel restrictions, vaccination timelines, planned air seats, travel sentiments and overall competitive scan together with target audience, key recovery strategies, messaging, campaigns, programs, timelines, proposed budgets and performance measures. He added that the committee unanimously voted to

recommend approval of all of the amended BMPs with the exemption of Japan where they are recommending approval with changes. He explained that a few members of the Marketing Committee has asked the staff in the previous meeting to explore possible ideas on how to repurpose some of the funding. He noted that page 277 outlines the new ideas which include augmenting the previously approved online reservation system, local community engagements and PR to help communicate the DMAP progress and a shuttle bus for O'ahu. He acknowledged that while they highly appreciated such approaches and encourage the new ideas and thinking, they are recommending approval of HTJ's amended BMP without the inclusion of the local PR and shuttle bus pilot program at this time. Mr. Chun said that they closed the meeting with the discussion of potential strategies for Tourism recovery messaging given the Governor's request to curtail travel. He noted that a lot of the discussions are about staying in the course with the Mālama messaging across all markets and to balance the need and protect the community, while acknowledging that visitors are still arriving and to continue to engage them on being a mindful traveler. Mr. Ka'anā'anā added that the amended brand management plans focuses on long term brand building and visitor education and are targeted on their current market conditions.

Mr. Chun asked if there are any questions and there were none. He called for a motion to approve the amended BMP for Hawai'i Tourism Korea. George Kam made a motion and was seconded by Micah Alameda. Mr. Regan confirmed the votes through roll call, and it was unanimously approved.

Daniel Chun called for a motion to approve the amended BMP for Hawai'i Tourism Canada. George Kam made a motion and was seconded by Micah Alameda. Mr. Regan confirmed the votes through roll call, and it was unanimously approved.

Daniel Chun called for a motion to approve the amended BMP for Hawai'i Tourism Oceania. George Kam made a motion and was seconded by Sherry Menor-McNamara. Mr. Regan confirmed the votes through roll call, and it was unanimously approved

Daniel Chun called for a motion to approve the amended BMP for Hawai'i Tourism Japan and noted the changes as outlined previously. George Kam made a motion and was seconded by Ben Rafter. Mr. Regan confirmed the votes through roll call, and it was unanimously approved

Daniel Chun called for a motion to approve the amended BMP for Hawai'i Tourism USA. George Kam made a motion and was seconded by Micah Alameda. Mr. Regan confirmed the votes through roll call, and it was unanimously approved.

**12. Presentation, Discussion and Action on HTA's Position Relating to the Draft Bill for an Ordinance Relating to Transient Accommodations and Short-Term Rentals on O'ahu.**

**Presentation by and Discussion with *Mr. Dean Uchida*, Director of Planning and Permitting for the City & County of Honolulu**

Chair Kam recognized Kalani Ka'anā'anā and Keith Regan to provide an update. Mr. Ka'anā'anā reported that the traditional lodging units inventory has been fairly stable with visitor arrivals in 2005 to 2020 but has seen an increase in arrivals from 2009 through 2020 that outstripped a stable visitor plan inventory and traditional lodging units. He stressed the importance of understanding where the additional capacity in lodging came from and how it's impacted by arrivals. He noted that there are 6,378 units and 151,383 unit nights are available on O'ahu in July 2021. Mr. Regan noted that HTA has historically taken a position against illegal vacation rentals as recent as January 8, 2019. He added that HTA submitted a testimony before the Honolulu Planning Commission to support the measure based on Board's continuous positions related to illegal vacation rentals. He turned over the floor to Mr. Dean Uchida, Director of Planning and Permitting for the City & County of Honolulu.

Mr. Uchida reported that they had a meeting with the Planning Commission yesterday and will continue next week. He noted that Covid-19 is a hard reset for them in looking how to regulate short term vacation rentals with the bill passed two years ago. He added that there are neighborhoods saying that all of the disruptions were with non-conforming vacation rentals, thus they said that the visitor industry need to manage tourism in the ways the vacation rentals perform and the need for more comfortable housing. He said that through the testimonies, they came up with approaches in regulating the vacation rentals which are by giving the communities their neighborhood back, removing the disruption and basically managing tourism. He said that they decided to allow the existing nonconforming short term vacation rentals but there will be no more new ones to be allowed in any residential communities. He added that they are going to allow vacation rentals to upgrade in some areas. Mr. Uchida reported that they are in the process of updating the Sustainable Community Plan where they will allow hotel use and apartment leasing in abundant special districts. He added that each of the existing properties are going to be assessed on tax with an estimate of \$2.1 million difference in real-property tax from the existing tax. He said that they will be dedicating such amount to fund their newly created short-term vacation rental enforcement branch. He noted that they made changes in the definition of short-term vacation rentals increasing it to 180 days period based on statutes. He added that they will allow for less than 180 days for specific activities like military people who officially sold their house.

Mr. Arakawa asked if they would be open to questions or suggestions with the bill going forward. He affirmed saying that they give such basic opportunity to anyone. Ms. Yuen asked about Diamond Head district. She further asked if there will be any cap on unit numbers. He affirmed that it's going to be part of the PUC update. He noted that there's none at the moment. He added that the basic intent is to put the limits where the infrastructure is in a place that can support the traffic that will build in from visitors. They may revisit the cap when it becomes a problem in the future. Mr. Uchida informed that they will have a revised version of the bill on the planning commission website after their meeting on September 8.

Mr. Arawaka asked for a motion to support the proposed short-term rental bill and to permit the staff to give testimony for the support. Mr. Rafter made a motion and was seconded by Dylan Ching. Keith Regan confirmed the votes through roll call, and it was unanimously approved.

### **13. Discuss and Develop Potential Strategies for Tourism Recovery Messaging\*\*\***

Chair Kam recognized Kalani Ka'anā'anā to provide an update. Mr. Ka'anā'anā said that with talks with internal GMT leaderships, the recommendations are to double down and continue with the Mālama Hawai'i messaging which includes how to travel pono, encouraging vaccinated travelers and to observe the basic protocols. He asked for a conversation with the Board about anything that is to be added with the messaging.

Mr. Atkins said that he agrees on the messaging that is proposed to continue. He asked of any demographics as to the cancelled travel because of the Governor's press release as this will be helpful in doing the messaging. Ms. Kimura responded that the Maui Hotel Association has a tallied data on cancellations after the Governor's announcement. She further noted that there's no accurate tally but the timing of the cancellation is significant. Mr. Rafter responded that they had over \$1 million of cancellations on the first three days since the announcement. He said that their relative cancellation was between 30% and 40% within three days after the Governor's message which is consistent with some hoteliers that he spoke to. Mr. Ka'anā'anā said that HVCB has been able to survey at 25% to 35% rate across the State with losses between \$0.5 million to \$10 million on the hotel side and the airlines also with carriers reporting 50% reduction in booking pace compared to 2019 level.

Mr. Atkins asked the Hawai'i Tourism USA for ideas on how to get the right PR to reassure people that after October, they are opening up again and it's a good place to travel too. Mr. Monahan noted that it is the leader of the state that made the statement and the change in the message would have to come from him. He noted that data they gathered showed that about 25 to 35% of immediate cancellations as well as booking pace moving forward. He

noted that there is a lot of damage with the visitors particularly on third party reservations where deposits are non-refundable. Mr. Talwar and Mr. Monahan said that they need to stay on the course with the messaging and will continue to target the mindful travels. Mr. Atkins noted it will be contradictory to do the messaging today but maybe have a contingency plan that they will be ready as the situation will go beyond November.

Ms. Yuen asked if Mr. Monahan is still coordinating with the Governor's office. Mr. Monahan responded that they still work with Safe Travels and supervise the 1800 Go Hawai'i number with a lot of calls. Mr. De Fries said that engaging the industry as a whole with the governor's office is going to help move things forward. Mr. Arakawa noted that the messaging should be based on science and to encourage local businesses to implement safety procedures and policies to give the visitors the confidence and to look at opportunities to work with the DOH, governor, mayors and rest of the industry. He said that he and Mr. De Fries listed possibilities on what can be done like encouraging vaccination in the industry itself, getting the education out about the community spread and not a visitor spread. He added that they should be able to tell the travelers that Hawai'i is the safest destination in the US. Mr. De Fries noted that they need to reclaim the position of being one of the safest, if not the safest, destination in the U.S. in their brand strategy. He said that it will take the community to do it and focusing on industry workforce and expanding to their families and neighborhood is one way to do it. Mr. Rafter said that with his visits from other markets and information gathered, Hawai'i is viewed as one of the safest destination in the U.S. and don't believe that they are an unsafe destination.

Chair Kam asked to reiterate what the industry is doing to ensure that Hawai'i is a safe place for the community. Mr. Monahan responded that they've recently been responsible for looking for isolation hotels and other accommodations for any visitor that became COVID positive. Mr. De Fries said that they still have guests to care for and to ensure that everything is being done to maximize that their investment in the vacation and travel. He added that with the financial fallout of cancellations, some of are already translating to job layoffs. Mr. Ka'anā'anā said that there are no formal notices and since it's not a linear recovery, the layoffs are something that properties are considering. Mr. Rafter said that they won't probably see one layoff in this case unless somebody shuts down because generally, there' are 50 reductions in workforce. Mr. Ka'anā'anā responded that there's one in the recent warn notice of United Airlines in the first of September. Mr. Atkins said that they're going to see more layoffs in the restaurants quicker than seen in the hotels because they're down from 60% last night. He noted that they have to lay them off or by shift unless there's a shift in the trajectory. Ms. Yuen asked if there are talks about the vaccine passport or collaboration going on. Mr. Monahan responded that there are a lot of initiatives but the issue is connecting the databases of 50 States which proved to be impossible for now. Mr.

Ching responded that the real win lies in the vaccination of employees and local people and not a problem with the guests. He added that it is rare for any visitor issue when it comes to COVID but it is with employees.

Mr. Atkins asked about the mandate on O'ahu. Mr. Ching said that it's similar to the DOE where you either get vaccinated or produce a weekly negative test within 48 hours for employees and the guests can also come in with a negative test. Mr. Atkins said that one of the biggest challenges in the vaccine passport and following the science is that there are a good percentage of people that had COVID and antibodies and science says that they are even more protected than with vaccination as it lasts longer. He hopes that the DOH would make a determination for these people to perhaps have a special card for it and that they look into. Ms. Kimura noted that the Japan has 23 destinations with eased restrictions and Guam which is part of the U.S. is one of those. She added that there must be a way that Hawai'i can be added to the list. Chair Kam thanked Ms. Kimura and said that they are looking into and working on it.

#### **14. Closing Cultural Protocol**

Mr. Casson-Fisher invited everyone to close their eyes and picture what it means to them as he reads an excerpt from Ana Che's definition of Aloha. He expressed his Aloha to everyone in the virtual landscape for each one's perseverance and responsibility.

#### **15. Adjournment:**

The meeting adjourned at 1:28 pm.

Respectfully submitted,



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Sheillane Reyes

Recorder