



**HĀLĀWAI PAPA ALAKA'Ī KŪMAU
KE'ENA KULEANA HO'OKIPA O HAWAII**

**HĀLĀWAI HŌ'EA KINO & MA KA PŪNAEWELE
HYBRID IN-PERSON & VIRTUAL MEETING**

**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY**

**Po'ahā, 'Aukake 25, 2022, 9:30 kak.
Thursday, August 25, 2022, at 9:30 a.m.**

Kikowaena Hālāwai O Hawaii
Papahēle 'Ehā | Lumi Nui A
1801 Alaākea Kalākaua
Honolulu, Hawaii 96815

Hawaii Convention Center
Parking Level | Executive Boardroom A
1801 Kalākaua Avenue
Honolulu, Hawaii 96815

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**Members of the public attending via Zoom may provide testimony through the questions and answer feature
of the Zoom platform.**

**Papa Kumumana'ō
AGENDA**

- 1. Ho'omaka
Call to Order**
- 2. E Mālama ʻia Ana Ke Kikolā E Kāheha Ai I Nā Lālā Papa Alaka'ī Komo A E Hō'ōia Ai I Nā Kānaka ʻĒ
A'e E Komo Pū Ana Me Ka Lālā Papa Alaka'ī Inā Aia Ma Kahi Ka'awale
Roll Call to Announce Name of Participating Board Members and to Identify Who Else is
Present with Board Member if Location is Nonpublic**



3. *Wehena*
Opening Cultural Protocol
4. *ʻĀpono I Ka Moʻolelo Hālāwai*
Approval of Minutes of the July 28, 2022 Board Meeting
5. *Hōʻike O Nā Alu Like ʻAe ʻIa Ma Ka Hālāwai ʻIkepili A I ʻOle He Hōʻike I Hoʻonohonoho ʻOle ʻIa E Ka Papa Alakaʻi Ma Lalo O Ka HRS Māhele 92-2.5(c)*
Report of **Permitted Interactions** at an Informational Meeting or Presentation Not Organized by the Board Under HRS section 92-2.5(c)
6. *Hōʻike A Ka Luna Hoʻokele Hoʻokō/Ka Luna Kākoʻo Keʻena/Ka Luna Alowelo*
Reports of the Chief Executive Officer/Chief Administrative Officer/Chief Brand Officer
 - a. *No Ka ʻIkepili Hou O Ko HTA Mau Papa Hana Ma Iulai 2022*
Relating to **Update on HTA's Programs During July 2022**
 - b. *No Ka ʻIkepili Hou O Kā HTA Hoʻoholomua ʻAna I Ka Papa Hana Hoʻokele Loli*
Relating to **Update on HTA's Implementation of Change Management Plan**
7. *Hōʻike Na Ka OmniTrak Group No Ka Hopena Anamanaʻo Manaʻo Mea Noho*
Presentation by the **OmniTrak Group on the Resident Sentiment Survey Results**
8. *Hōʻikeʻike A Kūkā No Nā ʻIke A Kūlana Mākeke O Kēia Wā I Hawaiʻi A Me Nā Mākeke Hoʻokipa Nui I Hawaiʻi*
Presentation and Discussion of **Current Market Insights and Conditions in Hawaiʻi and Key Major Hawaiʻi Tourism Markets**
9. *Hōʻikeʻike, Kūkākūkā, A Kíʻina Hana No Ko HTA Moʻolelo Kālā O Iulai 2022*
Presentation, Discussion, and Action on the **HTA's Financial Report for July 2022**
10. *Hōʻikeʻike, Kūkākūkā, A Kíʻina Hana E Hōʻano Hou ʻIa Ai Ko HTA Moʻohelu O Nā Makahiki Kālā 2022 A 2023*
Presentation, Discussion, and Action to **Amend HTA's FY 2022 and FY 2023 Budgets**
11. *Hōʻikeʻike A Kūkākūkā No Ka ʻIkepili Hou No Ko HTA Mau ʻImi Kālā ʻAna*
Presentation and Discussion on an **Update of Upcoming HTA Procurements**
12. *ʻIkepili Hou No Ka Haʻawina Kālā 1.5 Miliona E Hoʻokuʻu ʻIa Auaneʻi No Ka ʻAelike Island Chapters*
Update of the **Pending \$1.5 Million Funding Deployment for the Island Chapters Contract**



13. *Hō'ike'ike, Kūkākūkā A Kī'ina Hana No Ko Ke Kikowaena Hālāwai O Hawai'i Palapala Hō'ike Kālā No Iulai 2022 A Me Ka 'ikepili Hou Ma Ko Ke Kikowaena Hālāwai O Hawai'i Papa Hana CIP 6 Makahiki*

Presentation, Discussion, and Action on the **Hawai'i Convention Center's July 2022 Financial Report and Update on the Hawai'i Convention Center's 6-Year CIP Plan**

14. *Ho'oku'u*
Adjournment

*** *'Aha Ho'okō: Ua hiki i ka Papa Alaka'i ke mālama i kekahi hālāwai kūhelu i kū i ka Hawai'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 i ko Hawai'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 Hawai'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to HRS § 92-5 (a) (2), § 92-5 (a)(4), § 92-5 (a)(8) and §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; to consider hiring and evaluation of officers or employees, where consideration of matters affecting privacy will be involved; and to discuss information that must be kept confidential to protect Hawai'i's competitive advantage as a visitor destination.

Ma lalo o ka māhele 531.5 o ka Budgetary Control Accounting Manual, Moku'āina 'o Hawai'i, he māhele ka 'aina awakea o ka hālāwai. E mau ana ka hālāwai ma loko nō o ka 'ai 'ana, 'a'ole ho'i ia he wā ho'omalolo.

Pursuant to Section 531.5, of the Budgetary Control Accounting Manual, State of Hawaii, lunch is served as an integral part of the meeting, while the meeting continues in session, and not during a break.

Kono 'ia ka lehulehu e nānā mai i ka hālāwai a ho'ouna mai i ka 'ōlelo hō'ike kākau 'ia no kēlā me kēia kumuhana i helu 'ia ma ka papa kumumana'o. Hiki ke ho'ouna mai i nā 'ōlelo hō'ike kākau 'ia ma mua o ka hālāwai iā carole@gohta.net, a i 'ole, e ho'ouna i ka leka i ke Ke'ena Kuleana Ho'okipa O Hawai'i, 1801 Kalākau Avenue, Honolulu, HI 96815 - Attn: Carole Hagihara-Loo. Inā pono ke kōkua ma muli o kekahi kīnānā, e ho'omaopopo aku iā Carole Hagihara-Loo (808-973-228,9 a i 'ole, carole@gohta.net), he 'ekolu lā ma mua o ka hālāwai ma ka lohi loa.

Members of the public are invited to view the public meeting and provide written and oral testimony on any agenda item. Written testimony may be submitted prior to the meeting to the HTA by email to carole@gohta.net or [by postal mail to the Hawai'i Tourism Authority, 1801 Kalākau Avenue, Honolulu, HI 96815 - Attn: Carole Hagihara-Loo](mailto:carole@gohta.net). Any person requiring an auxiliary aid/service or other accommodation due to a disability, please contact Carole Hagihara-Loo (808-973-2289 or carole@gohta.net) no later than 3 days prior to the meeting so arrangements can be made.



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

David Y. Ige
Governor

John De Fries
President and Chief Executive Officer

E like nō me ka 'ōlelo o ke Kānāwai 220, 'a'ole e mālama ana ke Ke'ena Kuleana Ho'okipa o Hawai'i i kekahi wahi ka'awale no ka lehulehu a lālā papa alaka'i e nānā a e komo ai i ka hālāwai ma ka ho'ohana i ka 'enehana komo hālāwai (ICT), no ka mea, hiki nō i ka po'e o ka lehulehu a lālā papa alaka'i ke nānā a komo pū ma ka hālāwai hō'ea kino.

In accordance with Act 220, the Hawaii Tourism Authority will not establish a remote viewing area for members of the public and board members to view and participate in meetings held using interactive conference technology (ICT) because there will be an in-person option for members of the public and board member to view and participate in the meeting.

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Approval of Minutes of the
July 28, 2022 Board Meeting



**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, July 28, 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), Kimberly Agas, Dylan Ching, Keone Downing, Mahina Duarte (Zoom), Stephanie Iona, James McCully, Sherry Menor-McNamara, Ben Rafter, Mike White, Sig Zane

HTA STAFF PRESENT:

John De Fries, Keith Regan, Kalani Ka'anā'anā, Marc Togashi, Caroline Anderson, Ilihia Gionson (Zoom), Iwalani Kaho'ohanohano, Carole Hagihara, Maka Casson-Fisher, Jadie Goo, Irina De La Torre

GUESTS:

Representative Richard Onishi, Senator Glenn Wakai, Mike McCartney (DBEDT Director), Susan Hirai (DBEDT Deputy Director), Jennifer Chun, Charlene Chan, Erin Khan, Nathan Kam, Guillaume Maman, Sterling Wong, Malia Sanders, Kylie Butts, Rufino Dan Maglibs, John Monahan, Jay Talwar, Paige McClanahan, Paul Ouimet

LEGAL COUNSEL:

Gregg Kinkley

1. Call to Order

Chair Kam called the meeting to order at 9:31 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. Regan did the roll call, and all members were confirmed in attendance. The member who attended via Zoom was by herself.

3. Opening Cultural Protocol

Mr. Casson-Fisher did the opening protocol and welcomed the new Board members.

4. Approval of Minutes of the June 30, 2022, Board Meeting

Chair Kam asked for a motion to approve the minutes. Mr. Downing asked for an amendment to the minutes on page 7. He said it reflected that he spoke about a historical deforestation trail in Waikīkī, but it was supposed to say it was a snorkeling re-forestation trail in Waikīkī which he spoke against because it was EDA grant money, and it is a trail that has not been done yet, so he had said there were better places to put the money towards. He asked to reflect the change in the minutes.

Chair Kam asked for a motion based on the changes from Mr. Downing. Mr. Regan 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 interactions.

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

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

Mr. De Fries said in preparation for the meeting, he jotted down a list of expertise that was present in the Board meeting, namely hotel operations, hotel ownership, retail/restaurants, education, agriculture, land planning, land use, real estate development, e-commerce, strategic planning, communication, PR, digital technology, entrepreneurship, brand marketing, Hawaiian Culture, Hawaiian language, cultural protocol, community engagement, government affairs,

small business, finance, mergers and acquisitions, product development, market research, customer practices, and workforce development. He said all that expertise was present, and all the members of the HTA were grateful to have them as Board members.

He mentioned the new Board members and acknowledged Ms. McClanahan as a guest, who is a travel journalist often featured in the New York Times and the Washington Post. She is an American journalist based in France and is in Hawai'i to research an upcoming book. She attended the previous week's Native Hawaiian convention.

Mr. De Fries touched on some highlights in the Juen CEO report. The HTA continues to support Aloha 'Āina and Kūkulu Ola programs that help to further the HTA's mission of mālama Hawai'i. The past month program administrators from the Hawai'i Community Foundation (HCF) and the HTA staff visited two Aloha 'Āina projects, namely Mōhala i ka Wai and Aloha 'Āina Kahalu'u, and two Kūkulu Ola projects, namely Puana Lauhala A Pa'ahia and Ola Ka Lāhui on Hawai'i Island. He said the details were in the appendix section of the report. He said the staff members could be contacted for more details.

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

Mr. De Fries spoke about the Change Management Plan. Although the reorganization was submitted and accepted by DBEDT, the HTA was alerted that Gov. Ige intended to veto the HTA's funding bill (HB1147), which would impact the HTA's positions and funding. As such, the HTA was required to go through all the HTA's position descriptions, update the positions, and submit all the position descriptions to re-establish the positions. Additionally, they were required to update and submit a revised organization chart as part of the process.

He said that when HB1147 was vetoed, it collapsed the organizational structure, and they had to reconstruct it with the help of DBEDT. He said it had been done, and there had been no break in services for anybody's tenure with the HTA. Mr. De Fries said they continue their meetings with the Budget and Finance Committee. The source of funding was going to be State General Funds, but with the veto, the source of funding for the fiscal year 2022 (FY2023) would become ARPA funds. He said Gov. Ige has the new regulatory to make the assignment. The HTA will continue working with the governor's office and DBEDT to reach the \$60 million appropriation they would have had if HB1147 had passed. He asked Mr. Ka'anā'anā to give an overview of the Branding section.

Mr. Ka'anā'anā extended his congratulations to the new members and to those who finished as Board members. He said they have many programs that are in flow. An exciting one is an

exploratory conversation beginning with some executives in Hawai'i around establishing a sustainable tourism forum. He said it is a unique opportunity for the HTA to gain some alignment in the industry around some of their goals.

He spoke about the natural resource pillar as Objective number three, which calls for the HTA to build the alignment. He spoke about their partnership with the Sustainable Tourism Association of Hawai'i and the webinar. He spoke about the Kūkulu Ola & Aloha 'Āina Programs. He said Mr. Casson-Fisher and he had the opportunity to travel to the Hawai'i islands, and they met with some of the Kūkulu Ola & Aloha 'Āina awardees. The visit included a stop at Kīholo State Park Reserve. The area is jointly managed by the Division of State Parks and Hui Aloha Kīholo as part of a curatorship agreement. Hui Aloha Kīholo has a kuleana to protect, perpetuate, and enhance the cultural and natural landscape. The Aloha 'Āina Award supports their project entitled Mōhala i ka Wai, empowering their community to support a thriving Kīholo. The goal is to increase the ability to connect with visitors of the Kīholo State Park Reserve and improve the health of the area's natural resources. During the visit, HCF & HTA staff were introduced to the practices of kilo kai (observation of the ocean) and the importance of mālama in that area. He said the core residents have multi-generational connections to places and get to steward the place with the HTA's support. They, in turn, become the best ambassadors. He said the visitor/resident interaction from programs like that makes the experience possible.

He spoke about Aloha 'Āina Kahalu'u, and with the HTA provided funding, The Kohala Center (TKC) can deepen the 'āina-kānaka (land-people) relationship by strengthening stewardship of Kahalu'u as a wahi pana (sacred place). Staff witnessed first-hand how TKC provides increased visitor education to allow for pono access and exposure. He said Mr. De Fries would talk more about that later. They could attend an event there celebrating the organization's recent success. Staff was able to experience first-hand the cultural workshops available, including kilo and kui lei, ulana lauhala, and share foundational skills where they do lauhala weaving, ku'i 'ai, and kūkākūkā about the wa'a named La'i'ōpua. He said he appreciated them creating space for others to see what they are doing and to participate. He said he saw families participating in the events and experiencing culture for the first time. He said the programs the HTA is funding are making a meaningful impact.

He spoke about the Community Enrichment Program and mentioned a few projects that took place. In Kaua'i, they had He Inoa No Kaumuali'i Ho'olaule'a & Mo'okū'auhau o ka Lāhui that took place on June 2 and 4, 2022, at the Kaua'i War Memorial Convention Hall in Lihue. There were an estimated 35 attendees at the June 2 event and an estimated 400 attendees at the Ho'olaule'a on June 4, which included mostly residents. The Soto Zen Bon Festival took place on

June 18 and 19, 2022, at the Kaua'i Soto Zen Temple in Hanapepe. Attendance was estimated at 1,000 people per day and consisted primarily of residents. On O'ahu, Hawai'i Adaptive Surfing Championships took place on June 7 to 11, 2022, at Queen's Surf break in Waikiki. Over 100 surfers from 17 different countries registered and participated in the competition while an estimated 200 people attended each day of the competition. Attendees were a mix of residents and visitors.

In Maui Nui, they had the 6th Annual World Whale Film Festival, Sunset Cruise with Filmmakers, on June 10 and 11, 2022 at Ocean Vodka in Kula. It was estimated that 170 people attended the in-person film festival consisting of mostly residents, 65 attended the VIP cruise, and 220 attended the online film festival. They also had the Paniolo Heritage Festival took place on June 12, 2022 at Maulaloa, Moloka'i. An estimated 200 people attended the event consisting of mostly residents.

On the Hawai'i Islands, the Hawai'i Island Pacific & Asia Cultural Celebrations took place on June 14, 2022, at the Courtyard King Kamehameha Kona Beach hotel. There were an estimated 450 attendees at the Fire Knife completion, 250 attendees at the Taste of the Pacific event, and 300 attendees at the Market Pop-up. Attendees included a mix of residents and visitors.

On the statewide side, the HTA was involved in the 2022 Statewide King Kamehameha Celebrations on June 10 and 11, 2022, along with a few events there. He mentioned other areas of work on the Brand Marketing front. Mr. Ka'anā'anā reported that the HTA continues to work with Mr. Talwar and Mr. Monahan of the Hawai'i Visitors and Convention Bureau (HVCB). He said they would present the proposed sponsorship and partnership with Ironman World Championship.

Mr. De Fries asked Ms. Gionson to present a video on Zoom to show the four pillars of the HTA's Strategic Plan. He said engaging the visitor becomes part of the solution. Mr. De Fries asked Mr. Regan to provide an overview of the administration. Mr. Arakawa noted that the events that Mr. Ka'anā'anā spoke about are available online for viewing.

Mr. Regan said the administrative team had been working diligently to provide the organization and services needed for the HTA to operate and function. He said they could not provide the June 2022 financial reports in June. He said the procurement team, Ms. Fermahin, had also been working hard. He said they have been preparing for the Japan RFP, which also took time. He said there are several exemptions they had to submit because they are subject to 103D, so there are many hoops for the HTA to jump through regarding approvals and processes. Mr. Regan said it had been a challenge to educate the State Procurement Office and required time and effort to bring them up to speed. He spoke about the HR work that has been going on with

the re-establishment of positions with the possible veto of HB1147. He commended everyone who helped support them in getting everything done.

Mr. Regan spoke about the planning team, led by Ms. Anderson, who has been doing great work, working with DMAP groups and the steering committees, and following up with actions and sub-actions to ensure they are moving forward. He thanked Ms. Anderson for her hard work. He spoke about the Grant Administration Plan and said they made a few modifications based on the recommendations that came from the Board. He said they submitted the revised Grant Administration Plan to EDA a few days prior and hopefully get a response in the coming week so that the HTA can move the projects forward. He said they have also been preparing for the transitions, working with Mr. Togashi and other members. He mentioned his last day would be August 3, 2022, but he wanted to ensure that everyone was prepared for his leaving and a smooth transition.

Mr. Ching asked if there was an update on the sports RFP. Mr. Ka'anā'anā said yes, they intend to return to the Board with a sports strategy. He is hoping to do that soon.

Mr. Rafter asked about Mr. Ka'anā'anā's references to the statewide reservation system and asked for clarification. Mr. Ka'anā'anā said the reservation system is still on hold, and there are discussions around creating something that would be akin to the next evolution of safe travels and something that could be set up to allow the HTA to create a funnel by which visitors would come through to complete the necessary forms. He said everything was on hold for now. He said they have been swamped and have not been able to get it done. He said they also reached out to state parks to see if they would be open to the HTA helping them with their system. One of the biggest things they are looking for an answer on is if they will be translating the sites for Hā'ena, Wai'ānapanapa, and Diamond Head as they are only available in English for now.

Mr. McCully asked about the HTA's administrative department vacancies, which resulted in the staff being swamped. Mr. Regan said there are six vacancies and 25 total positions, which has been twelve months. Mr. Regan said they hire people, then lose people, which has been ongoing. Mr. Arakawa asked if temporary consultants are part of the answer or if they have to hire permanent people each time. Mr. Regan said previously that the goal was to avoid using temporary hires for positions. He said they could use temporary hires, but they are seeing some movement on positions, and Mr. Ka'anā'anā had recently identified potential candidates to bring on board. Mr. Regan asked for patience and felt confident about attracting good people to the team.

Mr. Ka'anā'anā said many other businesses have similar workforce challenges. He said there is a lot of controversy around the HTA, so it is difficult to onboard people from a reputational

standpoint. Some of the challenges could be the bill vetoes or the salaries. He said the uniqueness of the HTA's work is something they need to get people to change their thoughts on. A lot of the HTA's work is project management, contract management, and oversight of the partners' good work. He said some people have advocated for the HTA to bring on experienced marketing specialists, and they have those people on the Board already.

Mr. De Fries said it is a dynamic time in the industry. He said Mr. Ka'anā'an and he had an interview with a potential Chief Administrative Officer candidate the previous day. He said people do recognize that the HTA is making a significant pivot and is an advocate of the natural environment, Hawaiian Culture, the community, and an advocate of the industry. He said the attraction to the HTA is for those that want to pioneer and be explorative and redefine what the future of tourism will look like in Hawai'i. He said it is an ideal time to attract the right people. Mr. Arakawa said they have to support the team in hiring staff.

Mr. Rafter said they have more work than they have resources for. He suggested hiring a few temporary staff as they could be pathways to full-time staff, as they have the budget for it, particularly for Mr. Ka'anā'anā's and Mr. Togashi's team.

7. Presentation and Discussion on the DestinationNext Diagnostic Survey Findings Presented by Paul Ouimet, President/Partner, of MMGY NextFactor

Ms. Anderson gave a brief introduction to the study. She said it is an analysis of their destination compared to others. The study was done in 2019 to develop their Tourism Strategic Plan and the DMAP, so this is the second study. It is a survey that went out to the industry and the community for their perception of them as a destination.

Ms. Anderson introduced Mr. Ouimet and thanked him and his team for doing the study and Ms. Chun for being part of it. She turned the floor over to Mr. Ouimet to present the findings.

Mr. Ouimet congratulated the new Board members. He said the program was created in 2014 in conjunction with Destinations International, the association of Destination Organizations from around the world. There are two parts to this. The first is the study they do every two years on critical trends in the tourism industry, both for leisure tourism and business events, and strategies that Destination Organizations should consider. They did the last study in July 2021. The second and most important part is the model they created in 2014 after the first study to assess destinations. He said they completed detailed assessments of over 300 destinations across the U.S. and around the world.

Mr. Ouimet shared a few key findings from the previous study. He said the work the HTA is doing and the shift they have undertaken is supported by the study's results in 2021. The work started in 2021, and they established six global panels, with 200 interviews where they spoke to all the technology companies, community leaders, and thought leaders in tourism, supply chain, hotels, and cruise lines. They had a panel of 25 event organizers meeting planners who looked at research in other sectors. They came up with a list of 100 trends that they thought would impact the industry and put together 80 strategies that organizations like the HTA should consider implementing.

They surveyed in Spring and had over 700 Destination Organizations from 50 countries participate, so they had input in the study from leading tourism organizations worldwide. In the review of all the trends and strategies, they believe that there are three transformational opportunities that Destination Organizations should be focused on. The first one is destination alignment. Of the 100 trends, the number one trend that was voted most important by over 700 industry leaders was a recognition that the alignment between industry-government, community leaders, and organizations was going to be the critical determinant of success for tourism destinations moving forward. The second one was a commitment to sustainable development. There have been lots of talks but not as many actions in many destinations. Visitors and meeting planners have significant expectations around concrete actions in that space. The third one is a shift in marketing strategies. In the past, they focused more on the attractions and experiences, but what they are finding now is that there are many beaches, urban, or ski destinations, but what differentiates is the communities and the values they represent. He said this is a significant opportunity for Hawai'i with their unique art and culture.

Mr. Ouimet mentioned that they use some of the HTA's work as case studies. He said looking at the scenario model, they determined in 2014 that they believed there are two success drivers for destinations. The first is how strong the destination is from a product perspective, but equally important is how much alignment there is in terms of industry/government/community support within a destination. When the two driving forces intersect, it ends up with four completely different scenarios that destinations find themselves in. The premise of DestinationNext is that the strategies/priorities are fundamentally different. All destinations want to be strong destinations with excellent community support, but the reality is that most destinations are not in that position presently.

He said they built a model with twelve variables assessing destination strength. In 2021 they made some changes to the assessment. They added a variable on health and safety, which included homelessness, litter, crime, and health safety, and twelve other variables looking at destination alignment.

In 2021 they also added equity diversity inclusion, sustainability, resilience, and emergency preparedness. Those were important new dimensions to add to the survey. The reality is many of the organizations that have done a follow-up survey their scores had been lower with the new variables. For the HTA's assessment, they had 1,500 responses across the state. Half were community leaders and residents, 42% were industry partners, some government associations, participants, staff, and Board members. They had a good response from four islands, but 40% from O'ahu, the island of Hawai'i had 24%, Maui had 21%, and Kaua'i had 14%. The two others had much smaller sample sizes, despite several attempts to encourage feedback from the islands, but they could not get a significant number of responses.

Overall, looking at the scores for the state, they provided a copy of the statewide report with averages of all the islands, as well as individual reports for each, if any of the Board members wanted to see them. Overall, Hawai'i was in the explorer category, with below-average scores for destination strength and alignment. He said a few of the destinations that received the highest scores, namely Sydney, Australia, and Phoenix, recently did an assessment that generated high scores but said this shows some samples of some organizations in each. About 40% of the destinations fall in the trailblazer category, which is of the 300, 40%, in the explorer category, and 10% in voyagers and mountaineers.

Looking at the HTA's scores compared to 2019, the score dropped especially for destination alignment but improved slightly for destination strength, which is consistent with what they have seen in many other destinations because of the additional variables that have been put in. Looking at how the different stakeholders rated the destination, all the different groups had fairly similar responses. They were all in the explorer category. The Board and staff gave slightly higher ratings. Community leaders had lower scores than industry partners, which is quite common. Many community leaders do not understand and appreciate the importance of tourism and all its assets. They were consistent in terms of age distribution response patterns.

Looking at an island-by-island basis, the overall results are that the four islands with significant participants had fairly consistent overall scores, with some differences in individual ones. Lāna'i and Moloka'i had lower scores than those who participated.

Mr. Ouimet spoke about the report card for destination strength with the four variables. He said that in one area, attractions and experiences, the HTA is outperforming other destinations. In eight of the areas, their scores were below industry averages. Looking at their scores for 2022 compared to 2019, five of the variables had improvements in scores in several areas, which was a positive. Three went down, which were events and festivals, because of the pandemic. Sporting events were also lower. He said in the assessment that their tourism drivers, attractions, experiences, and outdoor recreation are getting good scores. What is

dragging the destination down is low scores on infrastructure. Local mobility and access had the lowest scores. Road capacity, walkability, bike-ability, parking, and destination access also had low scores, as well as the airport, public transit options, homelessness, crime, and litter. He said those are key perceptions from the key industry community leaders. Sporting events had a lack of venues and financial support. The accommodation also had a low score for short-term rentals, impact, and quality of life, which the HTA has worked on a lot in the last few years. Nightlife is the weakest area for shopping and entertainment, broadband capacity, and Wi-Fi. He said there are a lot of basic infrastructure issues.

On the alignment side, the twelve variables are below industry averages. Most of them have deteriorated since 2019, which has been a challenge and continues to be an issue that the HTA has been working on addressing. He said those are some of the significant areas they have heard comments about workforce, and the entire industry across the U.S. is struggling with the workforce now. The other big one is the community and resident support, improving awareness and understanding perceptions. One area that surprised him was a low score on the lack of comprehensive emergency preparedness plans, which did not make sense given he knows how extensive the HTA's preparedness plans are. He believes some areas can and should be addressed and said he knows there is work underway to address them.

Mr. Ouimet turned the floor back to Ms. Anderson. Ms. Anderson recognized what is being said in the study, and said they are trying their best to address this through their DMAPs. She knows a lot has to do with infrastructure, and they need to work with the state, county, and agencies to help improve their destination on each island. She said the question should be, what does the HTA want the scores to be in 2024, and what will it take to move the scores up, to strategize how to do that with their partners?

Mr. Rafter asked how Hawai'i compares to places completely reliant on tourism. Mr. Ouimet said the irony is that many destinations more dependent on tourism have had to deal with over-tourism issues. Before the pandemic, there were ten years of record growth, and many communities struggled with over-tourism. He said many destinations do not have the infrastructure to meet the expectations and maintain the quality of life for the residents and visitors. He said that has been fairly consistent, but those scores have been lower.

Mr. Arakawa said Mr. Rafter's question was pertinent, and how those other destinations improve their scores could be a roadmap for the HTA, to help them going forward. Mr. Ouimet said in some states where ARPA funds are available, they are seeing some states putting fairly significant amounts of money into infrastructure improvement, as well as Wi-Fi, connectivity, etc.

There were no questions from anyone online.

8. Presentation of the Spring Progress Reports for Kauaʻi, Maui Nui, Hawaiʻi Island, and Oʻahu Destination Management Action Plans

Ms. Anderson showed the update of the Spring 2022 progress report for each of the DMAPs. For Hawaiʻi, Maui, and Lānaʻi she said they would upload the reports on the website after the Board meeting. She said it is a three-year plan in three phases.

For Oʻahu, they are still in Phase 1, which ends in August 2022. She reminded them about the DMAP tracker that tracks actions for each DMAPs, whereby the HTA staff, the island chapters, and the county's update the tracker with their activities. She meets with the counties and island chapters every month. The steering committee reviews the DMAP progress draft report to get feedback and guidance with actions. They give quarterly updates to the HTA Board.

She spoke about the Kauaʻi DMAP, the first DMAP available to the public. In Phase 2, there were 35 overall sub-actions, of which 94% are in progress. There is one action that was carried over from Phase 1 to Phase 2 because they did not complete it. She showed a chart with all the activities, actions, and sub-actions.

She highlighted some of the Kauaʻi DMAP occurrences. She mentioned Ms. Ornellas who helped move the DMAP forward. She recognized the county of Kauaʻi for heading the county side and bringing in the relevant county agencies to help move the DMAP forward.

For Kauaʻi, in Q2, they did the Pono Travel Education Program that was launched at Līhuʻe Airport. She spoke about the neighbor island reports who thought about sharing the mālama and kuleana messaging. In partnership with Sustainable Tourism Associated, Kauaʻi Visitors Bureau (KVB) hosted an information webinar on etiquette for marine-based activity operators. KVB also created a group of cultural practitioners, working with them to strategize and develop resources, a list of cultural practitioners, and see how they can support cultural activity. The county is also conducting mobility feasibility studies, referring back to the DNext analysis, and this is how the county is addressing transportation issues. KVB also created some mālama Hawaiʻi videos.

She spoke about Maui. There are 17 sub-actions in Phase 2, of which 70% are in progress. One sub-action is complete. She showed the chart with the main actions with progress. She highlighted some sub-actions, including the Pono Travel Education Program, which is run at the Kahului Airport. She said the destination manager has been working with the community in east Maui to see how to address the various hotspots on that side. HVCB continues to do outreach to expand mālama Kauaʻi programming, and they are currently at 17 partners with the

program. DBEDT analyzed Hawai'i Visitors industries' contribution to the local agricultural industry. The destination manager is working on addressing illegal tour operators and creating a fact sheet on permit requirements for commercial photography.

For Lāna'i's DMAP there are 25 sub-actions in Phase 2, of which 78% are in progress, and four have been completed. She showed the overall actions. Movement is made on almost all of them. She spoke about some of the highlights. Maui Visitor and Convention Bureau (MVCB) is working on a social media campaign to develop new messaging and collateral. They will be updating information on the GoHawaii site. MVCB has also been working with Expeditions ferry to update their website and put additional videos there. The Mālama Lāna'i Restoration Day took place on May 7, in partnership with MVCB, Trilogy, and Pūlama Lāna'i.

For the Moloka'i DMAPs progress in the past quarter they have been working with the Moloka'i taskforce members. Four subject matter committees were formed looking at voluntourism, new business, messaging, and transportation.

The Hawai'i Island DMAP has the most sub-actions. They have 40 sub-actions, but 88% are being moved on. All the actions, except for action H are being moved on. She recognized that they need to do more work with the county on action H. She mentioned some highlights. She acknowledged the Island of Hawai'i Visitors Bureau (IHVB) destination manager and the executive director working hard with Waipi'o Valley and the steering committee to address issues. They are also working with various community organizations in Punalu'u and Kumukahi. The county also supports 'āina-based stewardship positions at four hotspots, Kealakekua, Hōnaunau, Ho'okena, and Miloli'i. IHVB is also building out its network of visitor industry cultural practitioners, and they have been working in the Kohala and Kona areas. The county had closed Kahalu'u Park during the coral spawning period to take care of the resources there. For the Pono Pledge video, IHVB added Japanese captions to share with the Japanese market. She mentioned the International Festival and Events Association (IFEA) webinar series that took place targeting festivals and events planners, which took place in May 2022.

For O'ahu's DMAP progress, there are 37 sub-actions in Phase 2, of which 84% are in progress, and one is complete. The city council approved Bill 41 regarding the impact of vacation rentals, which takes effect on October 23. NaHHA has conducted cultural training for over 200 state Department of Transportation airport staff, which is good for the airports. DLNR's new reservation system for Diamond Head was effective as of May 12, and information was sent out to travel trade, airlines, OTAs, and MCI clients. The link was also put on the local Hawai'i app. She thanked the destination manager of O'ahu for all her work. They are working on getaroundoahu.com website which addresses transportation on the island and OVB has also

been working with the city and county of Honolulu on signage. They are creating a document on how to formalize signage for Honolulu.

Ms. Duarte thanked Ms. Anderson for the presentation and good work. She asked how to find the current activities from the DMAP action plans to stay abreast of progress. Ms. Anderson said she can find it in the quarterly reports. She will also create a microsite for each DMAPs where they will feature partners and others moving DMAPs forward.

There were no questions from the public.

9. Presentation, Discussion, and Action on the HTA's Financial Report for May and June 2022

Mr. Togashi welcomed the new Board members. Mr. Togashi said in the Board meeting packets beginning on page 173; they will find details of the HTA's financial position and related transactions covered across multiple documents, including balance sheets, statements of revenue and expenditures, budget statement summary, budget detail, budget reallocations, and an executive summary capturing all, as of June 2022, which is the end of the FY. He asked Ms. Gionson to pull up the financial statements and the contents of the Board meeting packet. Mr. Togashi said the financials contain a lot of information.

He started with a high-level recap for FY2022. He asked Ms. Gionson to pull up the FY2022 recap file. The recap is meant to distill down the major financial events of the fiscal year. He spoke about the Tourism Special Fund (TSF). Historically it is the primary fund they operate from, sourced from \$79 million in annual TAT revenue. As a result of HB862 of the 2021 legislative session, the TSF was sunset in FY2022. Therefore, there were no TAT allocations or new encumbrances in the fund. They continue to spend what was previously encumbered in the fund and collect miscellaneous revenue approximating \$380,000 in the fiscal year.

Although the TSF sunset on January 1, they see revenue receipts that came in before sunset. They said they might continue to see revenue for such as interest and refunds until the HTA has paid out prior encumbrances.

He spoke about the ARPA Tourism Federal Fund (TFF). Concerning revenue, they anticipate the release of the full \$60 million in ARPA funds, of which \$48.3 million had already been released to them by the Department of Budget and Finance. Over a series of meetings, a budget of \$48.8 had been approved by the Board, and \$11.3 million had not yet been approved as of June 30. Of the \$60 million, \$27.3 million has been encumbered, and \$32.7 million is for maintenance. He emphasized that assuming a high volume of unused funds would be inaccurate. Various circumstances affected the timing of encumbering the funds, which will now be encumbered in

FY2023 instead of FY2022. The funds that will be encumbered in FY2023 are the currently ongoing U.S. MMA RFP, and the \$4.3 million for HTA staff's payroll and a portion of it for operating cost, due to the governor's veto of HB1147, as they work with the administration on their FY2023 funding.

Mr. Togashi spoke about the ARPA TFF with the slides which are broken down by the main budget categories. Further detail is provided in the budget statement on page 209 of the meeting packet. In June 2022, the primary activities to report are the liquidating and disencumbering of encumbrances as the HTA shifted its timeline of contracting the funds to FY2023. In June 2022, the primary budget reallocation was to move \$1.5M from the U.S. MMA to the Island Chapters Staffing and Administration budget, as approved by the Board at the last meeting.

He asked to move back to the fiscal year recap document. He spoke about the recap of significant financial events of FY2022 for the Convention Center Enterprise Special Fund (CCESF). This is the fund from which the Hawai'i Convention Center (HCC) historically would operate, typically funded by the \$16.5 million in annual TAT revenue. HB200 of the 2021 legislative session provided no ability to spend funds in the CCESF and FY2022. Anticipating this, the HTA encumbered funds in FY2021 for FY2022 operations and therefore had no encumbrances in FY2022 in the CCESF. In FY2022, they recorded \$15.4 million in revenue, including \$11 million in TAT, \$4.1 million in HCC revenue, and \$360,000 in miscellaneous revenue.

In FY2022, because they could not expend funds, they were not making any new encumbrances out of this fund, which would increase their fund balance after taking in revenues of approximately \$15 million compared to no encumbrances to deploy those funds. As a side note, they had similar circumstances in FY2023 with the veto of HB1147, which would have enabled encumber funds out of the CCESF in FY2023.

Mr. Togashi spoke about the chart, HCC revenue-by-revenue source, and a consolidated chart depicting the breakdown. He spoke about the table recapping the HCC revenue from other state agencies conducting operations or events at the HCC. He said they recorded \$1.4 million related to FY2022 services. He noted that COVID response efforts were charged at no profit to the HCC, which was consistent with the previous year. For FY2022 the HTA's operational subsidy to the HCC was \$4.5 million, according to HCC's financial statements. This was funded by FY2021 encumbrances that they did at the end of FY2021 using 2021 funds, as previously noted.

Mr. Togashi spoke about the FY2022 ARPA Convention Center Federal Funds. He said they were grateful for the \$11 million in federal funds that were appropriated to the CCEF, and they received the full \$11 million in the allotment, which was recorded in FY2022. They initially budgeted to use the majority of the funds for major Repair and Maintenance projects (R&M), but when they were aware of the veto of HB1147, and with the inability to spend any existing or new funds in the CCEF, they proactively reallocated the FY2022 ARPA funds that they planned to spend on major R&M, to now encumber to cover the HCC FY2023 operations. The drawback in doing so is that they diverted funds for major R&M projects. It is a second consecutive year where they had to pivot to account for challenges at the CCEF and the ability to encumber funds from that.

Regarding the financial position, as of June 2022, they have access to \$32.9 million in the TSF, which represents a decrease of \$4.5 million from April 2022, due to the \$8.5 million in disbursements related to operational and program expenditures, offset by the allotment of \$4 million in TFF funds for their use.

Mr. Togashi spoke about the HTA TSF and said that as of June 2022 the HTA has \$31.3 million in investments, representing the \$7.2 million decrease from April 2022 due to disbursements related to the program and expenditures. He said the downward trend in past balances is consistent with the last fiscal year, except for the divergence in trends in June 2022, due to not receiving an influx of funds as they had in FY2021 with the temporary TAT distribution to the HTA. Of the \$31.3 million of cash, \$5 million is reserved as the emergency fund, which is invested primarily in U.S. treasury notes laddered in three-month intervals. The \$31.3 million also includes \$21 million that is encumbered to contracts and \$5.3 million that is unencumbered. They do anticipate that the \$5.3 million of unencumbered funds could potentially increase as savings from certain contracts are realized. Relating to the \$5.3 million, the TSF sunset on January 1, 2022, under Act 1 of the 2021 legislative special session HB862, leaving \$5.3 million available to return to the state's general fund. \$5 million emergency fund will remain as the HTA's reserves. The \$5.3 that will return to the state's general fund represents an almost \$3 million increase from the \$2.3 million they reported at the beginning of the fiscal year.

He said consistent with what he reported in May 2022, \$900,000 of the \$3 million increase related to encumbrances that they disencumbered from Hawai'i Tourism Japan's (HTJ) contract that was not spent. They were asked to consider reducing market activity and have had numerous discussions at the Board level on the amount they should be spending in the markets during the pandemic. Their disencumbering of the \$900,000 is an example of staff and contractors' continuous monitoring for appropriate investment levels using discretion based on

their understanding of the market and adjusting spending as necessary to exercise fiscal oversight.

Mr. Togashi spoke about the ARPA Convention Center Federal Fund. \$10.2 million is available, representing a \$640,000 decrease from April due to the HCC insurance and payroll disbursement. The CCEF has approximately \$33 million in cash. Of that, \$16 million is encumbered towards contracts. The remaining \$16.9 million of unencumbered funds will primarily be stored as R&M reserves for future deployment when the HTA's appropriation expenditure ceiling is restored through the legislative process in the upcoming session. At the beginning of the fiscal year, the CCEF had reserves of over \$870,000. As initially projected, that balanced through to about \$16.9 million at the end of the fiscal year, due to the deposit of HCC revenues, and receiving the TAT of \$11 million. Of the \$16.9 million, \$2.5 million is earmarked for facility operations contingency reserve, and \$14.4 million is earmarked to support the 6-year repair and maintenance project. He emphasized the importance of having a \$2.5 million facility operations reserve. He said the pandemic was an example where they relied on reserves to continue operations.

There were no questions from the public.

Ms. Duarte asked about cost control measures that have been put in place. Mr. Togashi said the measures started in March 2020 when the pandemic hit, when they gathered as a leadership team to assess their financial needs and what needed to be done to continue as an organization. They had to reconfigure the operation. A part of their cost control measures at the start of the pandemic, they canceled or reduced approximately \$30 million of contracts to fund our FY21 budget. Additionally, they used reserved that had been earmarked to fund our employment retirement liabilities. As a result, they put together an FY2021 budget that was significantly reduced. That is the primary methodology they took up to continue operations. He said it was a similar approach for the HCC. They did receive an influx of cash at the end of FY2021 from the governor to fund FY2022 operations. Mr. Ka'anā'anā added that they had assessed it program- by-program at that stage and are doing that now as well. He said everything is on hold until they get the appropriation.

Mr. Togashi said the mechanisms they have in place are across the board. He said they meet with the Board, and they are in constant discussions, usually monthly, revisiting what their spending should be. He said they have robust controls at the expenditure level and Board level.

Mr. Arakawa reiterated the standard controls they have at the Board level to look at the budget monthly with all the committees, but they are open to improving on measures.

Ms. Duarte asked if they could renegotiate contract fees and if it had been done before.

Mr. Ka'anā'anā said the state contract is a robust contract that has mechanisms in it. He said during the pandemic many of their contract's values were reduced and the scope adjusted. They have the tools in the existing contract with conditions, with special provisions in the contracts now.

Mr. Arakawa said that the HTAs contracts are specific regarding the ability of the HTA to make modifications based on terms, scope, and amounts, because of the changing nature of the tourism industry. He said they have iron-clad provisions in the contract allowing for modification.

There were no questions from the public.

Chair Kam asked for a motion to approve the financial reports. Mr. Rafter made a motion, and Chair Kam seconded. Mr. Regan did the roll call, and the motion passed unanimously.

10. Presentation, Discussion, and Action on the Hawai'i Convention Center's June 2022 Financial Report and Update on the Hawai'i Convention Center's 6-Year CIP Plan

Ms. Noelle was reporting on behalf of Ms. Orton and Ms. Tait. She said they also operated on a June fiscal year basis, and the financial report is as of June 30. They ended with 17,577 contracted room nights. The variance is a result of the pandemic, especially for the first half of the year. The occupancy ended at 29%, nine points higher than they had planned. For several events, it has more than doubled. The last six months trended upwards. In terms of gross revenue for the P&L of the HCC, \$7.2 million through June 30, against a budget of \$7.7million. Mid-year they were at \$2.5 million revenue, so it has trended positively. They ended on the facility side with a net loss of \$4.5 million against a budget of \$5.5 million for a positive variance of \$931,000.

Ms. Noelle spoke about the local sales and marketing expenses. She said they manage and market the local sales, which are on par with the budget. She mentioned that during the pandemic year, they had 37 event cancellations, resulting in an estimated \$2.2 million in lost revenue. She showed a snapshot of the city-wide events, which generated \$58.7 million in economic impact to the state, and a revenue of \$6.8 million, for the first half of the year.

The ROI had a positive return of \$4 and 12 cents to the state. She spoke about a few recent events at the HCC. She said Monet, the Immersive Experience, is returning for a second time, and they are expecting 50,000 attendees, which is significantly down from the prior year when they had over 100,000 attendees. Pacific Rim and Goldschmidt are city-wide events that took place in July 2022. She spoke about local events they hosted, with one coming up at the end of

the month. They had the Volleyball Tournament & Polynesian Festival with over 6,000 attendees. She mentioned Ma'ohi Nui and Na Kupuna Nights.

Looking ahead to FY2023 she showed a snapshot of city-wide bookings with an economic impact of \$72.2 million and tax generation of \$9 million. She showed the slide with features about the HCC in the news. At an upcoming meeting, Ms. Orton would speak about the HCC launching the carbon offset program. She highlighted the definite local bookings for the next three months, with 18 bookings for July, 17 bookings for August, and 13 bookings for September.

There were no questions from the public.

She provided an R&M update for the BFCC and the Board. The update listed future projects in six years. She said there were no changes to the list other than the redirection of ARPA funds. She said they had to defer one project, the ballroom gutter foyer, glass, and socket repair project, which was being pushed out due to evaluating cash flow. She highlighted the completed projects and added to the list, the trellis renovation project, which was completed at \$5 million. On behalf of the team, she extended a big thank you to Mr. Regan for all his oversight and support.

There were no questions from the public.

Chair Kam asked for a motion to accept the HCC financials as presented. Mr. Arakawa made a motion, and Mr. Ching seconded. Mr. Regan did the roll call, and the motion passed unanimously.

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

Ms. Chun said they published the June visitor stats on the morning of July 28, and she said it was the fourth month that they had an increase in visitor expenditure. For arrivals, there is still a lag compared to 2019. Looking at the U.S. East and U.S. West, there had been greater spending. Looking at visitor arrivals for 2022, the numbers are higher for the U.S. East and West compared to 2019. With the surge in tourism they had in the previous summer, it was the first month that there had been a decrease in visitor arrivals from the U.S. West compared to last year.

For expenditure, all the islands were ahead of 2019. There was an increase in multi-island visits and an increase in spending per person per day across the state. For average daily census, there

were only increases in Maui, Lānaʻi, Kauaʻi, and Hawaiʻi Island. Visitor arrival by island was slightly down compared to 2019. For TSA throughput through June, there was a slight uptake overall for Hawaiʻi airports, but HNL is 25% down from two years ago. Most people visiting Hawaiʻi are on vacations. Most of those people stayed at hotels. Comparing hotel performance and vacation rental performance for the previous month, hotel occupancy was 75.8% statewide with \$392 ADR, which translated to \$297 RevPAR. While occupancy is lower than in 2019, ADR and RevPAR are significantly higher than in 2019.

There was less occupancy at vacation rentals but at higher rates, with 69.6% occupancy for vacation rentals and an ADR of \$295. Hotel demand far exceeds vacation rental demand. On a quarterly basis, the Hawaiʻi Hotel Performance Report compares Hawaii's performance with other destinations across the U.S. and the world. This table is prepared specially for HTA board meetings. The occupancy for Kauaʻi and Hawaiʻi are the highest for this table. Other destinations with high occupancy are Miami, Orlando, and Puerto Vallarta. The average daily rate and RevPAR leaders were the Maldives, French Polynesia, Kauaʻi, Maui County, and Hawaiʻi Island.

For Transient Accommodations Tax (TAT), the state collected \$63 million. For the full fiscal year, it is \$738.7 million, which is up 243.1% compared to the previous year when they only collected \$215.3 million. The unemployment rate for the state is 4.2%, with the highest unemployment in Kauaʻiʻahu. Industry-wide for accommodation and food service, there is an increase in jobs compared to the previous year.

Non-stop seats for June 2022 were lower than in 2019, but the domestic seats are higher. International seats are a lot less. In July 2022 there was an increase in international seats. For August 2022, there are an increase in international seats for Kona. The return flight from Japan back to Kona is happening in August. In September, there is a similar number of seats for Neighbor Islands, with some decrease in domestic seats. Japan had not many seats for July 2022, and there is an increase in August, but in September, there were fewer seats than August.

The Skift Travel Health Index score is 82 for July, the first decline since the beginning of the year. For June 2022, the score for Canada is the strongest with 99.1. The U.S. and Australia's Skift score is 97. China and Japan's score is 58/59. PATA's COVID-19 Update and Recovery Dashboard is now organized by region. Looking at the North and South American region, Canada and the U.S. had high vaccination rates and are open for travel. China has high vaccination rates but still has partial restrictions. Japan also has high vaccination rates with some restrictions. Korea is completely open, with 86.2% vaccination rates. Australia and New Zealand are open with high vaccination rates.

Travel Agency Bookings Trends Reports get updated every week. The version of the reports which report monthly pace are on the website. Ms. Chun highlighted some charts. For Japan, there is not a lot of travel activity, but people are planning on traveling in August 2022. Then it flattens for Fall, then more uptake towards the holiday season. For Canada, the trend of travel agency bookings is similar, and they expect a peak in the Fall and Winter. Bookings for Korea are similar but not as strong as in 2019. Australia has a similar trend but is also not as strong as in 2019, but there is uptake towards January 2023.

Mr. Rafter asked if there was a spike in air seats because the flights got bounced, and then it looked like there were more seats. Ms. Chun agreed, which is why she updates the report for the Board every month.

Mr. Rafter shared some data for 2023. He said Mexico is up between 115%- 150% over previous years. Europe is up well over 100%. Hawai'i is down 20%-25% for 2023 versus 2019. He said the declines they are starting to see now would accelerate, but he does not see people cutting prices like what happened historically. He said the Board will have to spend a lot of time thinking about managing inbound visitors when, in two months, he suspects all the metrics will be down and then going further into 2023.

Ms. Agas said for 2023, they will have to figure out, as a destination, how to attract visitors. She said they must work with the DMAP and partners. She said cruise lines are returning, and they have to continue to attract travelers.

Mr. White concurred with Mr. Rafter and said his biggest concern is that the prices have gone up significantly, and they may see backlashes as in the past years. Hawaii's prices are out of their range for some visitors, so they choose other destinations. He said they must focus on generating a lot of visitors from high-paying travelers, as that is a nice goal. He said it would be a challenging year coming up. They are currently doing well financially, but they must be concerned about where they are headed as other destinations open up.

Mr. Ka'anā'anā says he hears the same sentiments when talking to people. It is directly related to the value the visitor feels they are getting. The rates are high, and amenities and services are not available, so the perception of value that the HTA has to provide must be mindful.

Mr. Rafter spoke about Mexico giving a lot more bang for their buck, so the HTA has to work to ensure they keep their visitors. Maldives, Seychelles, and French Polynesia are small-scale luxury markets and cannot compare to Hawai'i. He said they must change their value proposition.

Mr. Ching said they must figure out how to attract visitors and get their model to work. He said they must work on getting a stronger infrastructure, product, service, and training that they are lacking now and a quality workforce. He said they must try to find a balance of being able to stay afloat, but also work on themselves to come out even stronger.

Mr. Regan said there were no comments from the public.

Ms. Chun said they are in the part of the year when there is no cruise activity, but in October, there will be more volume on cruises. She said the HTA is sponsoring a conference that is currently underway, Hawai'i Cloud Innovations.

12. Update on Hawai'i Tourism USA's Brand Marketing & Management Plan for July to September 2022

Mr. Ka'anā'anā said they extended the HVCB contract for three additional months, ending on September 28. As part of the supplemental contract extension, they have prepared a three-month Brand marketing plan that Mr. Talwar would talk about. He said it is a short window to get things going.

Mr. Talwar spoke about the plan for September 2022. He said there are two big parts. One part is where they communicate with their residents and communities, and the second is how they speak to potential visitors. With the resident education and budget, they must look at whom they need to speak to and what message they need. They have people on the fence who are open to conversations about benefits and should approach them with the information. They will also attend face-to-face community meetings and work with island chapters and DMAP managers. He said two-way communication is important for the community, not just presenting what the HTA wants to say but also listening and learning along the way. He said they have had 24 meetings already and have a few more scheduled, and it is an ongoing process.

Concerning the DMAP, he said they would ask Ms. Gionson and Ms. Anderson to help with on-air interviews as well as look at additional messaging more related to the benefits of tourism, as well as some of the sensitivity practices that the industry partners already have in place. He shared a few different messages that they have in place. He said moving forward, they will also be using some broadcasting opportunities allowing them to talk about the good things that the HTA is funding to see how they can make situations better. He said they are working on several programs for opportunities and messaging.

The Mālama Hawai'i TV flight is an opportunity for the HTA to share how they invite guests to the communities. He showed another mālama Hawai'i video about how to invite people to visit,

which showed the beautiful natural resources Hawai'i has. He said they also had an opportunity to talk to the PBN audience as part of the plan, meeting with the HTA staff team to see what the best message is to put in. PR helps the HTA tremendously, so it is a great value and allows the HTA to get content out there. The PR team works across all islands. Content paid media is advertorial-like and runs on paid media. Waze helps them put messages out to visitors.

They have kuleana travel tips that are delivered to partners as well. The kuleana messaging also runs in-room with the hotels and lodging partners. The frequency of messaging is important, and they supplement this messaging with paid media. They also use Roberts shuttles as a tool. They also use technology to help with messaging and geo-targeting. He showed some examples of how they are messaging visitors. He said it is important to work on various platforms, including YouTube. He said if they have a way to deliver a message in a fresh way, it will get more attention. For PR, they are coordinated across the state, and each island works together closely. They are working with the island chapters to coordinate media visits, media blitzes and the satellite media tour.

Mr. Talwar spoke about Mālama 'Āina. They are expanding what they are doing. The next phase is to educate the staff about properties across the state, so they understand the mālama Hawai'i program and the opportunities. They can reach many people quickly with messaging via GoHawai'i channels, e-blast to all members, and direct to airline carriers. They are focusing on the impact of the program. They did research before and after launching the program. Hotel partners incentivized visitors if they participated in volunteer activity, and people liked it more. They have also implemented tracking measures. They put together a program where a QR code is distributed to the participants of the mālama Hawai'i program across the state, so people can start tracking how many people are participating and what their feedback is. He said their travel trade team is in play for July through September 2022. They are out there with communication to travel sellers, and they provide information on what the trade is doing. They get a lot of education with the travel trade team. He said it is more an educational program than a sales program. He showed the slide with their budget information.

Mr. Ching asked how many hotels were participating, and Mr. Talwar responded a little over 70.

Mr. Downing asked if any messaging deals with ocean safety and the beaches. Mr. Talwar said they do and have different messages for each island because each island has different safety issues.

Mr. Rafter asked if he had metrics on how residents and visitors respond to the advertisements compared to historical campaigns.

Mr. Talwar said that they do a check with each campaign. They do not ask them how to adjust the message but how it makes them feel, what they took away from it, and if it was attractive to them. Values and campaigns change over time, locally and in the source market, so suggestions are always being made, but there is no huge difference. He said they received very positive feedback on the mālama Hawai'i messaging. With residents, they have a budget in the July/September 2022 period to go ahead and test it with them. That would be different from the message testing Ms. Chun gives HTA for visitor satisfaction.

Mr. White asked if anyone was working on the equivalent of what happens to the \$20 campaign, as they spoke earlier about the benefits of the resident. He used Maui as an example, with the 3% TAT. He asked if there was a move to recreate the \$20 bill and where it goes.

Mr. Talwar said it was brought up earlier with Mr. De Fries. He said in that time and environment, it was an effective message, and they have to be sensitive to values and feelings in the community, so having a message of the benefits needs to be more subtle and maybe told by someone else rather than an industry voice. He said they are working to see how best they can do that, whether through an editorial opportunity or something else. They have set up a meeting to discuss how to share the messaging.

Mr. Ka'anā'anā said they are trying to understand getting the right tone, positioning it, and what vehicle they should use. He said they are looking at a holistic view of the destination and the collective impact the visitor industry makes. He said the DNext survey is part of that process for the HTA to understand the totality of the value of tourism. He said it must go beyond economic impact, and they must talk through the other benefits that tourism brings.

Mr. McCully spoke about Waze and commented on the difficult names, roads, etc., to spell or pronounce. He asked if there were any high-level discussions with the GPS companies as to the correct pronunciation of place names in Hawai'i. Mr. Talwar said there had been discussions, and the companies had been beneficial. Pre-COVID, they had annual meetings at their facilities. They continue with those meetings.

Mr. Ka'anā'anā said that thinking about their destination and language, there was a lot of resistance to spelling and using Hawaiian words in everything they did, so this year they shifted to include it all. He highlighted several businesses that are making that shift, representing Hawaiian Culture. He said it is important for businesses to take a role in using correct Hawaiian orthography to present their names. He said it is top of mind for the HTA.

Mr. Arakawa asked about the statistics for visitor arrival being down and spending up and how much is attributable to what the marketing teams or consultants do. Mr. Talwar said it reflects

the work that has been done for generations. He said it is ultimately the experience people have in Hawai'i that brings them back. He said they have been looking at how to get revenue that is not solely based on more people coming. He said it has been part of their targeting and messaging for a long time. COVID was also a factor that contributed to a reduction in visitor arrivals. Mr. Ka'anā'anā clarified that U.S. travel is up 10% compared to 2019, so the U.S. market is strong, and spending was also a little higher at 30%. Ms. Chun said there has been a slowing in the U.S. market for travel agency bookings.

There were no questions from the public.

13. Presentation, Discussion, and/or Action on the 2022 IRONMAN World Championship Sponsorship and Funding

Mr. Ka'anā'anā said they first started with negotiations with Ironman. The second step was the Board's approval with funding. The third step would be the State Procurement Office's approval of a sole source procurement for the event in 2022. The request of staff to the Board is an appropriation of \$250,000 for the 2022 VinFast Ironman World championship to be held in Kona in October 2022, but there are two race dates in 2022.

There were three pillars that the HTA evaluated in looking at this opportunity. They had to negotiate four pillars, one being brand alignment, which they found exists. The other interesting point is that some people remember the original event in O'ahu. For 44 years, the event was held in Hawai'i and has built a reputation in the community that the HTA believes is favorable and will align well with what the HTA is trying to achieve with the four strategic pillars, natural resources, Hawaiian Culture, community, and Brand marketing. He said the event had high satisfaction with participants and residents, who saw it as an opportunity to support the Ironman and believe it should be supported. The exposure and opportunity that comes with the event brings value to the destination. The race features all the scenic beauty and Hawaiian Culture before and after the event, and the HTA can take advantage of all the marketing exposure that comes with the event. He spoke about metrics to do with the economic benefits. The HTA did a third part study of the numbers as well. There is a slight difference in their assessment and the HTA's assessment for 2018 and 2019; however, both studies found a significant economic impact on the state, driven by direct participation. The event has an estimated attendance of 5,300 and 5,400 athletes on Hawai'i island. Spend for visitors is estimated at \$10 million. For community benefits, Ironman has been active in the community. He outlined DMAP management action items, education, culture, and community benefits that the HTA negotiated as part of the sponsorship to get the best benefit of all the

strategies the HTA is implementing. He acknowledged that the event directly impacts businesses in Kona and that the HTA is aware of that. The HTA will try to work with the community to mitigate some disruptions. The spending for the five previous events they sponsored was between \$200,000 and \$250,000, with \$250,000 being the most recent in 2019, 2018, and 2017.

Mr. White said the benefits are great for the area, but not for people who are not in favor of closures and big crowds. He said the benefits of revenue outweigh that.

Mr. Ka'anā'anā said they would get the event budget total to the Board. The HTA's sponsorship is directly related to the three pages in the meeting packet.

Ms. Duarte asked if the ask was on par with the previous ask. Mr. Ka'anā'anā said the initial ask was for \$1.5 million, but they negotiated to \$250,000. 2019 was \$250,000 as well.

Ms. Duarte asked if the community benefits have changed since 2019. Mr. Ka'anā'anā said everything on the third page of the meeting packet is new for the event. Ms. Duarte asked about the 80% of surveyed residents in support and what the geographical composition represented. Mr. Ka'anā'anā said he would find that out and get the information across. Ms. Chun said it was residents that attended the event.

Mr. Downing asked about page 2 of the draft integration and the differences. Mr. Ka'anā'anā said he would check if it were a typographical error. Mr. De Fries said in the meeting with Diana, that she had referred to what happened in Utah because of the restrictions and the Utah tourism office coming up with \$2 million. He asked if that was correct. Mr. Ka'anā'anā was unsure of the exact amount but thought it was \$2.5 million. Mr. De Fries said his point is that the events' competition is revving significantly.

Mr. Ching asked about the community give-back not being as good as it was in the past and asked if that was the case. Mr. Ka'anā'anā said he had not heard that but wanted to ensure that for 2022 negotiations, they were able to demonstrate what they could give back to the community. Ironman is active in the community year-round.

Ms. Duarte asked if they could ask Ironman to include a percentage of survey respondents in the report. She wanted to understand how many survey respondents come from North and South Kona. Mr. Ka'anā'anā said Ms. Chun would check with the company to detail the survey.

Mr. Ka'anā'anā said Ms. Chun and Ms. Anderson are working on another 34 event evaluations to help the HTA better understand the event, the impacts, etc. The HTA also asks the organization to provide their reports and data to the HTA so they can verify against their reports.

Ms. Chun said the HTA also has a contract with Tourism Economics that does the Symphony dashboard and will create a specific dashboard for events. Mr. Arakawa said that since they have a budget for the surveys, perhaps they could make it a standard practice to do the surveys. Ms. Chun said they have a set number of events they have contracted for, so they are confined to that budget, but if they got more money in the following year, they could do more surveys. Mr. Ka'anā'anā prioritized the largest investments in the group of 34.

Mr. Regan said there were no questions from the public.

Chair Kam asked for a motion for the Board to approve FY2022 ARPA funds for \$250,000 for the 2022 event. Mr. Arakawa made a motion, and Ms. Duarte seconded. Mr. Regan did a roll call, and the motion passed unanimously.

14. Discussion and Action on Proposed Committee Assignments for the Administrative & Audit Standing Committee, the Branding Standing Committee, the Budget, Finance, and Convention Center Standing Committee, and the Ho'okahua Hawai'i Standing Committee

Mr. Arakawa made a motion to add to the agenda the election of the Chair and the vice-chair, which is consistent with what they have done in the past. They checked with the Attorney General, and it is permitted. Mr. Rafter seconded. Mr. Regan did the roll call, and the motion passed unanimously.

Mr. Arakawa made a motion for a nomination for Chair Kam to continue as the chair. Mr. Ching seconded. Mr. Regan did the roll call, and the motion passed unanimously. Mr. Downing made a motion to nominate Mr. White as vice-chair. Ms. Duarte seconded. Mr. Rafter nominated Mr. Arakawa to remain as vice-chair. Ms. Agas seconded. Mr. Regan did the roll call, and there were eight votes for Mr. White and four votes for Mr. Arakawa.

Chair Kam said that based on the Branding Standing Committee he had Mr. Ching as the chair, Mr. White as vice-chair, Mr. Arakawa, Mr. McCully, Mr. Rafter, and Mr. Zane on the team. For the Administrative Audit Standing Committee, he had himself as the chair, Ms. Agas, Mr. Ching, Mr. Downing, and Mr. McCully. For the BFCC Standing Committee, he had Mr. Rafter as the chair, Mr. White as vice-chair, Mr. Arakawa, Ms. Duarte, and Mr. Kam. For the Ho'okahua Hawai'i Standing Committee, he had Mr. Downing as the chair, Ms. Duarte as vice-chair, Ms. Agas, Mr. Ching, Mr. White, and Sig Zane on the team.

Chair Kam asked for a motion to accept the chairs recommendation to the Board on committee assignments as proposed. Mr. Arakawa made a motion, and Mr. Ching seconded. Mr. Regan did the roll call, and the motion passed unanimously.

15. Discussion and Action on the Creation of a Legislative Permitted Interaction Group for the Purpose of Developing Policy Positions and Legislation for the 2023 Legislative Session

Mr. Arakawa made a motion to form a legislative PIG. Mr. Downing asked what the value of the legislative PIG was. Mr. Arakawa said that sometimes the HTA is asked for their position on several bills, and the bills change. So, the legislative PIG tracks the bills, works with staff to track them, and makes recommendations to the chair, Vice-Chair, Administrative Committee and the Board on their positions. It is an ongoing process. The PIG does not take any action outside what the Board approves or what authority the Board gives the chair.

Chair Kam reiterated that the PIG is the facilitator and conduit for the Board, and from there they recommend to the Administrative Committee for the whole Board. They work closely with Mr. De Fries. Mr. Downing said he asked because he did not know that anything from the PIG came to the Board, and it sounded like the PIG committee was making decisions without the Board. Mr. McCully seconded. Mr. Regan did the roll call, and the motion passed unanimously.

16. Discussion and Action on the Assignment of Board Members to the Legislative Permitted Interaction Group. This Agenda Item is Dependent on the Approval of the Creation of the Legislative Permitted Interaction Group

Chair Kam proposed Mr. McCully as the Chair and Ms. Iona as Vice-Chair. Chair Kam, Mr. Rafter, and Mr. Arakawa are also on the legislative PIG. Mr. McCully made a motion, and Mr. Ching seconded. Mr. Regan did the roll call, and the motion passed unanimously.

17. Adjournment

Chair Kam thanked Mr. Regan for his support and service. Mr. McCully made a motion, and Mr. Ching seconded.

Mr. Regan did the roll call, and the motion passed unanimously.

Respectfully submitted,



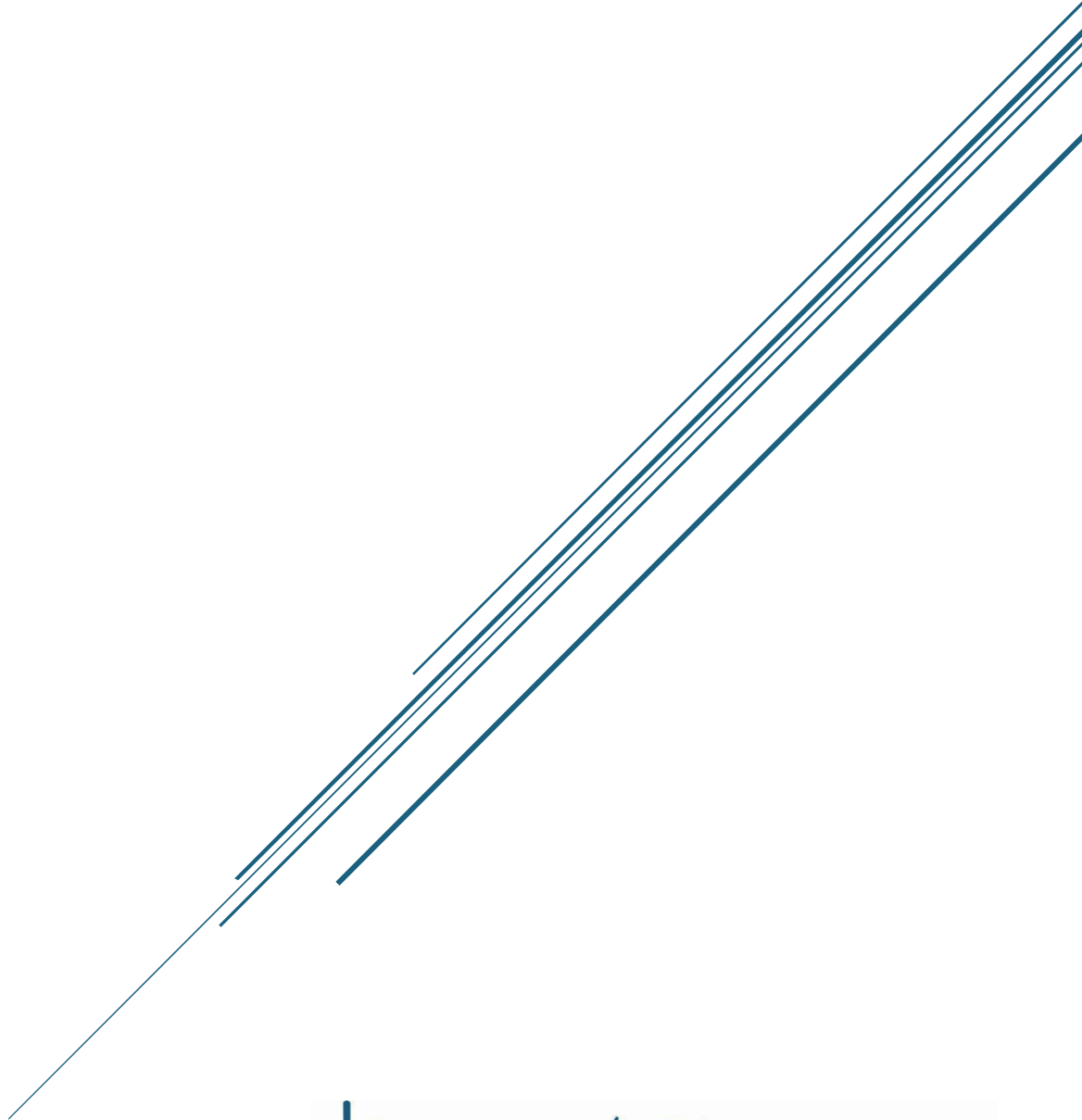
Sheillane Reyes
Recorder

6

Reports of the Chief Executive Officer/
Chief Administrative Officer/Chief Brand Officer

HTA CEO REPORT

AUGUST 2022



EXECUTIVE SUMMARY

Each month, the Hawai'i Tourism Authority (HTA) provides this report as a resource to the Board and the public to better understand the activities and actions taken by the team in support of the organization's overall mission. HTA's 2025 Tourism Strategic Plan and its four interacting pillars (Natural Resources, Hawaiian Culture, Community, and Brand Marketing) guides the team in the various matters worked on during July 2022. Overall, this report provides insight into the actions conducted by the staff to implement the HTA budget previously approved by the Board.

HTA continues to support Aloha 'Āina and Kūkulu Ola programs that help to further our mission of Mālama Ku'u Home, or caring for our beloved home. Program administrators from the Hawai'i Community Foundation (HCF) and HTA staff visited several Aloha 'Āina & Kūkulu Ola funded projects. More information about the site visits can be found in the Hawaiian Culture and Natural Resources sections below.

In the Community pillar, HTA's partnership with the Hawai'i Visitors and Convention Bureau (HVCB) continues to move forward with the Community Enrichment Program (CEP). In the month of July, more than ten (10) CEP projects and events took place throughout the state and were well received by residents and visitors.

The Brand team added more messaging to its Pono Travel Education Program at our airports statewide including some with QR codes that will drive visitors to HTA and supporting resources for how to visit during their stay. CON 17029 was extended through September 28, 2022 in lieu of executing the new USA MMA contract.

In the planning area, staff focused on preparing the Spring (Quarter 2) Progress Reports for each of the Destination Management Action Plans. The draft progress report were shared with each of the Steering Committees for the review and input before presenting to the board. Efforts continued with working with the island Destination Managers, counties and other state agencies to move DMAPs' actions forward in addition to working with the brand team in reviewing and refining their program measures.

Pursuant to Act 088, HTA's Tourism Research Division (TRD) was transferred to the Department of Business, Economic Development and Tourism's (DBEDT) Research & Economic Analysis Division (READ) effective July 1, 2021, and was renamed the Tourism Research Branch (TRB). TRB published the June 2022 Visitor Statistics press release and monthly reports, an updated air seat outlook for July 2022 – September 2022, the June 2022 Hawai'i Hotel Report, and the June 2022 Vacation Rental Performance Report. In addition, TRB published weekly Destination Brand Index reports, the weekly Destination Brand Index – Responsible Traveler Segment, weekly Travel Agency Booking Trend reports, and the July 2022 Coronavirus Impact Report.

I. CHANGE MANAGEMENT PLAN

During the month of July, as mentioned in our previous reports, we continue to recruit for the Procurement Manager, Senior Brand Manager, Administrative Assistant and two Brand Manager positions.

Although the reorganization was submitted and accepted by DBEDT, we were alerted that Governor Ige was intending to veto HTA's funding bill (HB1147) which would impact the HTA's positions and funding. As such, we were required to go through all the HTA's position descriptions, update the positions (again), and submit all the position descriptions to reestablish our positions. Additionally, we were required to update and submit a revised organization chart as part of the process. As of July, all positions were established, and all incumbents were transferred into the newly established positions. All positions will be funded using ARPA funds.

We continue our meetings with Budget and Finance (B&F) to release ARPA funds for our operations. Additionally, based on the Governor's veto of HTA's general fund appropriation and positions, we engaged B&F to determine options and a path forward. According to B&F, the HTA's funds will be derived from unallocated ARPA funds currently held by the State. This is separate from any unexpended ARPA funds that are currently with the HTA (FY22 appropriation).

We continue to maintain an open-door policy and make ourselves available to answer questions, and participate in town halls, and other meetings. Responses continue to be positive. We continue to support and facilitate hospitality industry updates with the mayors of all four counties to further connect the government with the industry. As part of this commitment, we held island caucus meetings to engage with legislators from specific geographic regions here in Hawai'i.

II. NATURAL RESOURCES PILLAR

Aloha 'Āina (Natural Resources) Program (DMAP Action Item)

Hawai'i Community Foundation (HCF) has been contracted by HTA to administer the 2022 Aloha 'Āina program through CON 21033: HTAxHCF – Implementation of Kūkulu Ola & Aloha 'Āina Programs. Through this contract HTA is supporting 31 community-based programs this year with \$1,575,000 in funding.

Nani ka 'ike o nā kūpuna – the profound wisdom of our ancestors is evident in the cultural artifacts and intricate engineering of the ancient Hawaiian villages at Kapoho. Once populated with two thriving coastal villages, an extensive loko i'a kalo, and several heiau, the Waihe'e Refuge includes some of the most significant wahi kupuna in Hawai'i. Ongoing restoration work of the Waihe'e Coastal Dunes & Wetlands by the Hawai'i Land Trust (HILT) offers kama'āina and malihini an opportunity to see, learn and engage with aspects of Hawaiian history and culture in a genuine and impactful manner.

DLNR Partnership (DMAP Action Item)

Partnership with the Department of Land & Natural Resources, through CON 20210: Universal Trail Assessment and Sign Initiative, and Trail Safety and Enhancement - Brushing/Maintenance/Rehabilitation, to enhance the resident and visitor experience statewide is wrapping up. Time of performance for this contract ended on 6/30/2022. HTA staff is awaiting final reports from the Nā Ala Hele team.

Tour Guide Certification and Licensure (DMAP Action Item)

In partnership with the Native Hawaiian Hospitality Association (NaHHA) via CON 18200 S3 and the University of Hawai'i at Mānoa School of Travel Industry Management (TIM), HTA is completing a comprehensive study to better understand current tour guide certification and licensure programs that exist in Hawai'i, while exploring industry best practices globally for possible implementation throughout the state.



A survey has been developed to gather valuable feedback from community about the current certification process for tour guides in Hawai'i and will also be used to consider a formalized licensing process in the future. HTA staff invites all stakeholders in our community and visitory industry to [complete the survey](#). All the information gathered in this study will be kept completely confidential. No reference will be made in written or oral materials that could link you to this study.

Sustainable Tourism Management in Hawai'i Through Certifications, Trainings & Partnerships (DMAP Action Item)

HTA has contracted with the Hawai'i Ecotourism Association, d.b.a. Sustainable Tourism Association of Hawai'i (STAH), to protect Hawai'i's unique natural environment and host culture through the promotion of responsible travel and educational programs relating to sustainable tourism for residents, businesses, and visitors. STAH's focus is on three areas: 1) Sustainable Tour Operator Certification Program, 2) Tour

Operator/Tour Guide Training Program, and 3) Educational Outreach/Partnership Development. PON 20134 received a Notice to Proceed from HTA on July 1, 2022. The newly hired Certification Program Manager continues working towards re-certifying 35 companies and engaging five new companies for certification. STAH has transitioned its training program to a new online platform called Travelife. This platform is robust and ties into the UN Sustainable Development Goals (SDGs) network. STAH had an informational webinar in June 2022. This webinar was geared towards marine-based activity operators. “Mālama i ke Kai – Actions that Support a Thriving Ocean,” addressed the need outlined in Kaua’i DMAP sub-action item A.5 - to educate tour operators and boating companies about proper etiquette to deter ocean and reef pollution, and therefore is primarily for activity operators on Kaua’i. The webinar was open to all islands for participation. Speakers from DOB, NOAA, Surfrider Foundation: Kaua’i, DAR & Holo Holo Charters discussed various topics that support and enhance a thriving ocean in Kaua’i and all the other Hawaiian islands..

III. HAWAIIAN CULTURE PILLAR

Kūkulu Ola Program (DMAP Action Item)

Hawai'i Community Foundation (HCF) has been contracted by HTA to administer the 2022 Kūkulu Ola Program through CON 21033: HTAxHCF – Implementation of Kūkulu Ola & Aloha 'Āina Programs. HTA is supporting 32 community-based programs this year with \$1,475,000 in funding.

Founded on a mission of Ma Ka Hana Ka 'Ike (In Working, One Learns), Nā Mamo O Hāloa is a cultural skills development project nurturing the next generation of cultural practitioners by providing hands-on training for 'ōpio (youth) in Hāna on the island of Maui. Nā Mamo O Hāloa perpetuates cultural practices through five cultural educational activities: weekly ku'i 'ai (to pound food) activities, wood and stone carving, a summertime camp makai (at the ocean) for young wāhine, weekly cultural-based learning about makahiki, and māla'ai (food garden) class visits. These youth-led opportunities help ensure Hāna's place-based traditions are celebrated for generations to come. For more information, visit www.hanabuild.org.

Native Hawaiian Hospitality Association (DMAP Action Item)

HTA and the NaHHA continue to strengthen ties between the Hawaiian community and the visitor industry. In collaboration with Creative Industry Division of DBEDT (CID), Variety and Artists Den/Live From My Den – NaHHA helped to produce "Live From My Den: Hawai'i Edition." The special season kicked off on June 17 that featured Grammy-nominated producer, singer/songwriter, and CEO of Haku Collective Kimié Miner. It continued throughout the months of June and July, highlighting the multigenerational family band Kapena and legendary six-time Grammy-nominated vocalist Amy Hānaiali'i. Traditional Hawaiian music trio Keauhou rounded out the special season. Check out the videos at <https://variety.com/t/live-from-my-den-hawaii/>

The series focuses on the Hawaiian value of mālama, meaning to take care of the environment and the surrounding community, while creating opportunities for kama'āina (local) creators, and amplifying the artistry and values of Hawaiian culture worldwide.

Native Hawaiian Festivals and Events

The 13th Festival of Pacific Arts and Culture (FESTPAC)

The commission for the 13th FestPAC continues its planning and HTA staff are supporting efforts around marketing, public relations and communications for the festival. The FestPAC Commission has recruited Aaron Salā as Festival Director (FD). The Festival Director is a contracted position with NaHHA for Fiscal year 2021-2022. A 'Save The Date' flyer and video campaign has been developed, which will be translated and shared broadly in the coming weeks.

'Ōlelo Hawai'i – He Aupuni Palapala: Preserving and Digitizing the Hawaiian Language Newspapers

Phase II of CON 20195 "He Aupuni Palapala: Preserving and Digitizing the Hawaiian Language Newspapers" has been executed. HTA staff are enthusiastic to be able to continue to support this important work. Phase II will include the following milestones to be achieved by November 2022: 1)

training new technicians, 2) an inventory & condition report of 30,000 pages and 3) digitization & processing of 30,000 pages.

Kāhea Greetings (DMAP Action Item)

Airports

The Kāhea Greetings program continues to provide a combination of Hawaiian music and hula ‘auana, lei greetings, refreshments, and other services at our Honolulu (HNL), Kahului (OGG), Hilo (ITO), Kona (KOA), and Līhu‘e (LIH) airports. The purpose of this program is to create an authentic Hawaiian experience to visitors and kama‘āina upon arrival. HNL is at full force with six performances per week and has added four more weekly performances for evening travelers. OGG has increased performances to four a week, KOA increased to three performances, and LIH and ITO are at two performance a week each for its guests. OGG has also started to provide water to travelers waiting in line at TSA at the end of July. Also this past month, the program welcomed the inaugural flight for Hawaiian Airlines’ Auckland to Honolulu arrival on 7/4/22 as well as Air New Zealand’s Auckland to Honolulu arrival and departure on 7/5/22. In addition, the program will welcome the inaugural JAL arrival at KOA’s new permanent Federal Inspection Station on 8/2/22.

Harbors

Our community partners continue to look for ways to implement the Kāhea Greetings Program at Hilo Pier (CON 21035), Kailua-Kona Pier (CON 21036) and Nāwiliwili Harbor (CON 21038). Greetings include entertainment, lei, informational brochures and maps with authentic ho‘okipa each day a cruise ship arrives. We look forward to continuing our Kāhea Greetings Program on Maui as soon as possible. Restrictions at each of our current locations differ according to COVID-19 rules and regulations, which has caused Hilo to continue to limit their participation to providing information. HTA will continue to work with Access Cruise to monitor the resumption of Kāhea Greetings Program at the harbor in Hilo. Nāwiliwili was finally given the green light to restart pier greetings in May 2022. They currently greet as many ships as allowed that come into pier two for 2.5 hours. Kailua-Kona Pier is still running greeting program with entertainment and information.

Ho‘okipa Malihini Initiative (HMI) formerly Resort Area Hawaiian Culture Initiative (RAHCI)

The HTA Board recently approved the reinstatement of Resort Area Hawaiian Culture Initiative (RAHCI). RAHCI has changed to the Ho‘okipa Malihini Initiative. This change groups together programs that provide a Hawaiian sense of place to our visitors in visitor locations/areas across the islands, this would include programs like Kāhea Greetings Program - Harbors and Airport, and the original RAHCI program. This program was paused in 2020 due to the COVID-19 pandemic. Previous programs included: Kūhiō Beach hula, Waikīkī Torch Lighting, Sunset on the Beach in Waikīkī, Hilo Hula Tuesdays, Hawaiian Sunset Saturdays in Kona and Hawaiian Music Series in Lahaina. This also includes the current Kailua-Kona pier, Hilo Harbor, and Nāwiliwili Harbor as well as at the HNL, OGG, KOA, ITO, and LIH airports. HTA will issue an RFP to restart HMI programs for FY23.

IV. COMMUNITY PILLAR

Community Enrichment Program (CEP) (DMAP Action Item)

HTA has contracted with the Hawai'i Visitors and Convention Bureau (HVCB) to administer the Community Enrichment Program for 2022. HTA CON 21038 received the Notice to Proceed from HTA on July 30, 2021 and the CEP RFP was released on September 27, 2021. Informational RFP briefings were held virtually for each island in the following weeks. The deadline for submissions was November 5, 2021. Island-specific evaluation committees reviewed proposals throughout the month of November and met in December to finalize selections and awards. All CEP awardees for CY22 were notified by the end of January 2022 and a press release was issued on February 2, 2022 announcing the 86 total awardees.

The following CEP projects and events took place in July 2022:

Kaua'i

- Paniolo Heritage Rodeo took place at the CJM Country Stables in Po'ipū on July 22-24, 2022. There was an estimated 1,200 attendees at the opening night, which were mostly residents.
- Kōke'e Plum Orchard is an ongoing program taking place throughout the year at the Civilian Conservation Corps (CCC) Camp at Kōke'e State Park. The planting of the orchard has been completed as of July 8, 2022.
- O'ahu:
- 52nd Annual 'Ukulele Festival Hawai'i took place virtually on Hawai'i News Now and Facebook livestream on July 17, 2022. Virtual attendance data will be report in the project's final report.

Maui Nui

- Visual Arts Exhibitions 2022 is an ongoing project at the Maui Arts & Cultural Center in Kahului. The project attracts a mix of visitors and residents.
- Arts Education for Children Group: Maui Music Festival Series is an ongoing project at the Maui Arts & Cultural Center in Kahului. The event evaluated took place on July 30, 2022 and included 2021 Nā Hōkū Hanohano Award Winning Mana Music Quartet – The Music of Queen Lili'uokalani and Brahms + Preshow in the Courtyard featuring Special Guest Violinist Kisa Uradomo. There was an estimated 90 attendees of mostly residents.
- Moloka'i Holokai took place on July 8 & 9, 2022 starting at DT Fleming Beach on Maui and finishing on Moloka'i with 65 people registered. The second race took place from Kamalō to MCHC with 75 people registered. Participants were mainly residents. It is estimated that about 30 visitors participated in both day's races.

Hawai'i Island

- Kohala Reunion took place from July 2-4, 2022 at 'Iole and Kohala Gym. There was an estimated 500 attendees comprised of mostly residents.
- Hawai'i Performing Arts Festival took place throughout the month of July. Events attended and evaluated took place on June 30 at the Fairmont Orchard estate with an estimated attendance of 80; July 7th at Kohala Ranch with an estimated attendance of 50; and July 23rd at Kahilu Theatre with an estimated attendance of 490. Attendance was a mix of residents and visitors.

Statewide

- 4th Annual Garden Island Boogie Board Classic (GIBBC) took place on July 23, 2022 at Prince Kūhiō Beach in Po'ipū. An estimated 200 attendees comprised of residents and visitors attended the event.
- Moloka'i 2 O'ahu Paddleboard World Championships/Bluewater Hawaiian Classic 2022 took place on July 24, 2022 with a race course on O'ahu starting at Makai Pier and finishing at Sand Island Northwest Boat ramp. The course was modified to take place only on O'ahu in response to the Moloka'i community's request. There was an estimated 150 attendees at the finish line which included a mix of residents and visitors.

Hospitality Industry Updates (County)

HTA recognized the need to connect with stakeholders from both the public and private sectors to improve awareness and build an understanding of the current state of the visitor industry related to COVID-19. As such, HTA staff coordinates with each county to identify a day and time that is most convenient for the respective mayor to participate in a hosted meeting with government officials, association leaders, contract partners and the visitor industry.

In discussions with the four mayors, it was determined that these meetings would become quarterly. The first series of meetings in the quarterly rhythm was held in July.

- County of Hawai'i with Mayor Mitch Roth: July 13
- County of Maui with Mayor Mike Victorino's team: July 12
- City & County of Honolulu with Mayor Rick Blangiardi: July 13
- County of Kaua'i with Mayor Derek Kawakami: July 14

The next series of these important meetings will be scheduled in October.

Communication and Outreach

NEWS RELEASES/REPORTS/ANNOUNCEMENTS

- News Release: HTA Visitor Satisfaction Rebounded to Pre-Pandemic Levels in Q1 2022 (July 7)
- News Release: HTA Chief Administrative Officer Keith Regan To Depart Agency (July 8)
- DBEDT News Release: Total Visitor Spending and Arrivals in June 2022 (July 28)
- News Release: HTA Welcomes Five New Members to its Board of Directors (July 28). Drafted JDF statement.

NEWS BUREAU

- Pitched and managed interviews with Darragh Walshe, Hawai'i Tourism Oceania, to announce the resumption of New Zealand travel for Hawai'i:
 - KITV, Shanila Kabir (July 2)
 - Hawai'i News Now, Howard Dicus (July 6)
 - Honolulu Star-Advertiser, Allison Schaefer (July 6)

- Pacific Business News, Christina O'Connor (July 6)
- Hawai'i Public Radio, Casey Harlow (July 6)
- Coordinated and assisted with the following interviews and statements, including:
 - TBS Sekai Fushigi Hakken, Ai Jinguji (Japan): John De Fries (JDF) documentary interview regarding Mālama Ku'u Home and HTA's pivot to destination management at the Hawai'i Convention Center (July 6)
 - Travel Weekly, Mark Chestnut: Drafted JDF responses on recovery of Hawai'i tourism and emphasis on Mālama Ku'u Home (July 6)
 - KHON, Bryce Moore: Kalani Ka'anā'anā interview regarding HTA's notice to the industry on the Kahana Bay area road closure (July 20)
- Assisted with the following media relations:
 - Hawai'i News Now, Derek Kravitsky: Provided Q1 2020 Visitor Satisfaction Study for comparison against the Q1 2022 Visitor Satisfaction Study results (July 7)
 - Lime Pictures, Rebecca Dixon (UK): Reviewed and declined partnership request to provide travel assistance for UK television series, "Celebs Go Dating" (July 19)
 - Honolulu Star-Advertiser, Allison Schaefer: Jennifer Chun provided further insights on the June visitor statistics (July 28)
 - Hawai'i Tribune-Herald, John Burnett: Provided June visitor statistics and background cruise information, and recommended DOT and Norwegian Cruise Line regarding the impact of the Centers for Disease Control and Prevention's decision to stop public reporting of COVID-19 numbers aboard cruise ships (July 29)
 - The Garden Island, Guthrie Scrimgeour: Assisted KVB with interview request on increased visitor spending in June (July 29)
 - KHON, Cheyenne Sibley: Reviewed interview request on the TSA lines at Kahului Airport and referred to MVCB (July 29)

COMMUNITY INITIATIVES AND PUBLIC OUTREACH

- HTA E-Bulletin: Drafted copy, edited, created layout and distributed July 2022 HTA e-Bulletin in English and 'Ōlelo Hawai'i
- Kamehameha Highway Closure at Kahana Bay
 - Drafted e-blast informing the public of the road closure and encouraging the industry to share with guests (July 20)
- Destination Management Action Plans (DMAPs)
 - Edited Spring 2022 Progress Reports for Hawai'i Island, Maui, Lāna'i, O'ahu, and Kaua'i
 - Kaua'i: Reviewed and edited script for KONG Radio public service announcements
- Live From My Den: Hawai'i Edition
 - Drafted individual posts for each episode on its premiere day encouraging the public to watch (July 1, July 8)
- CNHA Native Hawaiian Convention
 - Coordinated and secured attendance of a videographer to record four tourism-focused sessions during the conference for internal usage. Managed videographer on-site.

- Drafted three individual posts following conference sessions to post on HTA's social platforms

CRISIS/ISSUES MANAGEMENT

- Updated the COVID-19 Alert page of the HTA website as HI-EMA will stop posting data at the end of the month
- Tropical Storm Darby
 - Drafted e-blast and social post sharing public safety information (July 15)
 - Monitored storm coverage for potential updates

HTA'S SOCIAL MEDIA

- Managed social media calendar, drafted, and scheduled posts on HTA's Facebook, Instagram and Twitter accounts. Also monitored and responded to direct messages and post comments.
- Featured 2022 Community Enrichment program recipients to help drive awareness and attendance leading up to the events:
 - Kohala Reunion
 - Moloka'i Holokai Ho'olaule'a
 - 52nd Annual 'Ukulele Festival Hawai'i
 - Queen Lili'uokalani Keiki Hula Festival: Film
 - 2022 Paniolo Heritage Rodeo
 - Hawai'i Performing Arts Festival
 - Kaua'i and O'ahu Boogie Boarding Events
 - King Kamehameha Inclusive Race Day
- Featured 2022 Kūkulu Ola program recipients to help drive awareness of their organization and efforts to perpetuate Hawaiian culture:
 - Ho'oulu Hoi
- Featured 2022 Aloha 'Āina program recipients to help drive awareness of their organization and efforts to perpetuate Hawaiian culture:
 - Mālama Hāloa

Paid Posts on Facebook

- N/A

Facebook

- Number of followers: 19,222 (+9.2%)
- Engagement rate: 2.9%
- Number of engagements: 1,765 (-75.2%)
- Posts: 32

Instagram

- Number of followers: 7,345 (+47.6%)

- Engagement rate: 3.6%
- Number of engagements: 592 (-72.2%)
- Posts: 30

Twitter

- Number of followers: 40,447 (+6.9%)
- Engagement rate: 2.4%
- Number of engagements: 490 (-86%)
- Posts: 32

Linktree

- Views: 38
- Clicks: 26
- Clickthrough rate (CTR): 68.4%

INTERNAL COMMUNICATIONS

- Reached out to HVCB for Community Enrichment program awardee photo assets to be utilized on HTA social media platforms.

Safety and Security

Visitor Assistance Program (VAP)

HTA currently has four contracts, one in each county, to provide funding support for the Visitor Assistance Program.

During the month of July:

- Maui County's program handled 16 cases and helped 35 visitors (year-to-date: 64 cases/ 110 visitors). This included visitors primarily from the U.S. West markets and Canada. The industry assisted with \$6,300 of in-kind contributions (year-to-date: \$31,500).
- Hawai'i County's program handled 28 cases and provided assistance to 60 visitors (year-to-date: 143 cases/ 352 visitors). This included visitors primarily from the U.S. West and Oceania markets. The industry assisted with \$3,386 of in-kind contributions (year-to-date: \$25,511). \$0 was received in donations (year-to-date: \$1,069).
- Kaua'i County's program handled 5 cases and provided assistance to 7 visitors (year-to-date: 35 cases/ 76 visitors). This included visitors from U.S. West/East market. VASK ED attended the NPST Recognition Day held at the Kaua'i Police Department Headquarters. VASK ED produced a 30 second Volunteer and Business Contributor Recruitment Ad. VASK received \$0 of in-kind contributions (year-to-date: \$22,425).

- City and County of Honolulu’s program handled 51 cases and helped 154 visitors (year-to-date: 350 cases/ 914 visitors). This included visitors primarily from the U.S. West market and Australia. The industry assisted with \$7,766 of in-kind contributions (year-to-date: \$65,608) and \$350.00 in donations (year-to-date \$3,805).

Future Workforce

LEI Program: ClimbHI has recently launched a new initiative called “Hospitality for Me”. This initiative is timed with the DOE expansion from six to 13 pathways allowing Hospitality, Tourism, and Recreation to break off from Human Services pathway. HTA along with Hawai’i Women in Lodging & Tourism, Fairmont Orchid, and Maui Hotel & Lodging Association are the founding partners of this new endeavor. Hospitality for Me will utilize the existing ClimbHI Bridge portal to connect the schools with educators and businesses. This program launched on July 21 at the Baldwin Kekaulike Maui Complex Area (BKM) superintendent meeting with over 85 principals and teachers. President of ClimbHI, Julie Morikawa, shared with schools about the new program and the opportunity to bring the industry directly to students. DOE schools are currently gearing up to choose the following school years pathways and Hospitality for Me aims to showcase the benefits of the industry, support school needs, and make choosing these new pathways an easy and achievable choice.

Current Workforce

Workforce Needs Assessment: HTA has commissioned Anthology Research to conduct an assessment of the current and future workforce needs of Hawai’i’s visitor industry and related sectors. This initiative, funded with FY20 budget, is a part of HTA’s 2020–2025 Strategic Plan, supporting our Community pillar to build a resilient visitor industry workforce and community. The survey fielding was closed on July 15 and the final reports will due to HTA in August.

V. BRAND MARKETING PILLAR

Major Market Area (MMA)

International MMA Border/Entry Restrictions

- **Japan:** In June, the government was considering to raise the cap on the number of people allowed into the country per day to 30,000. However, due to increased COVID-19 cases, the entry cap remains at 20,000. As of August 8, 81% of the population are fully vaccinated and 63.4% have received one booster shot. The Japan Association of Travel Agents (JATA), as part of the Japan Outbound Acceleration Council (JOTC), has launched a full-fledged promotional activity "JATA Overseas Travel Resumption Project" to stimulate demand for overseas travel from July 15, with the slogan "Let's go! A trip that will revitalize the world".
- **Korea:** From July 25, people who enter Korea from overseas must undergo PCR testing on the first day of entry. Previously, they were required to do a PCR test within three days of entry. As of July 31, Korea recorded 87% vaccination rate and 65.2% booster rate.
- **Canada:** With COVID-19 cases numbers rising once more, Canada has reinstated the random testing in international airports. As of July 31, 82.9% of total population are fully vaccinated with 86.3% received at least one additional dose.
- **Oceania:** As of July 6, travelers no longer need to show proof of vaccination or complete the digital passenger declaration (DPD) in order to enter the country. Covid-19 testing requirements for inbound travelers were lifted in April. As of June 20, vaccinated travelers no longer have to take a Covid-19 test to enter New Zealand. However, they must still self-test on the first and sixth day in the country, and must get a PCR test if either result is positive. New Zealand will reopen its borders to all tourists and visa holders in July, three months earlier than the previously announced October timeline. Vaccinated travelers will be allowed entry under the Accredited Employer Work Visa from July 4. All other visitors and visa holders will be allowed to enter the country beginning July 31. The ban on cruise ships will be lifted on July 31. All visitors to New Zealand must be fully vaccinated.
- **China:** As of August 1, 89.6% of the Chinese population had been fully vaccinated, according to the National Health Commission. Multiple places, including Beijing and Shanghai, have started inter-regional recognition of COVID-19 test results as the Chinese central government urged regional authorities to improve test data sharing between each other to enhance the convenience of the public to travel and reduce the impact of epidemic prevention on economic development.

U.S. Domestic Market Conditions

Hawai'i's pace for the remainder of 2022 is still up compared to 2019, but only in the single digits. Hawai'i bookings are experiencing a slow-down - talks of a recession are most likely having a negative impact on the destination with the highest ADR. Constant news of cancelled or delayed flights may also be deterring

customers from booking a Hawai'i vacation package. As of July, Hawai'i is pacing way behind 2022 for 2023. Up until then, customers were booking 2022 travel with a 6-month advance booking window with an unprecedented gusto, redeeming travel vouchers from 2020 and 2021. This, in combination with increased personal savings, allowed them to splurge on their dream vacation to Hawai'i. It is now assumed that most of these travel vouchers have been used, and with talk of recession and the 2023 Hawai'i ADR up 20+ percent year-over-year, it is understandable that people will wait to book.

MMA RFP / Contract Status

- USA MMA Leisure and Global Support Services have been extended with HVCB for through September 28, 2022.
- Canada/Oceania/Japan/Korea/China MMA Leisure: All international markets are currently in "Green" phase except China that is still under restricted activities and budgets. For CY 2023, RFPs for international markets are on hold until budget approval from Department of Budget & Finance.

Other Branding Projects

Cruise

HTA staff worked with Access Cruise to monitor the resumption of cruising in the Hawaiian Islands and had ongoing communications with government entities, cruise representatives and industry partners. A cruise executive FAM is being planned for September 26 to October 1. FAM participants include executives from Princess Cruises, Holland America Group, Celebrity Cruises, and Norwegian Cruise Line. Site inspections and meetings with HTA, DOT and cruise stakeholders are part of the FAM itinerary.

Pono Travel Education Program (DMAP Action Item)

Beginning April 18 airports across Hawai'i began sharing Pono Travel Education messaging on static banners and digital screens to reach our traveling public passing through. Each location was strategically placed to reach the most people – both malihini and kama'āina - reminding us of our kuleana to Hawai'i, the land, culture and each other while here. Beginning in June there was an increase in messaging placements, including some QR code inclusions on new digital screens, and frequency to meet the uptick in travel during the Summer period and an inclusion of Ocean Safety video messages.

Campaign Effectiveness Studies for USA and Japan Markets

An RFP for the Campaign Effectiveness Studies for USA and Japan Markets was issued and the contract has been awarded to SMARinsights. HTA has scheduled a kick-off meeting with SMARinsights for August 16.

Sports Programs

Sports Initiatives

- Staff working under the direction of the HTA Board to execute a branding partnership with IRONMAN 2022

- Staff held meeting with representatives of LPGA golfer and Oahu native Alisen Corpuz regarding possible sponsorship/partnership and branding opportunity
- Staff considered marketing opportunity for ad placement in Super Bowl LVII official game program
- Staff to hold discussions with NHL representatives regarding hosting end-of-season awards ceremony

Collaborations and Communications

- The brand team continues to conduct teleconference meetings with the GMT members to get regular updates on market trends, marketing activities, Hawai'i messaging, airlift development, and visitor and industry education efforts. During these meetings, HTA also conducts financial reviews with the GMT members. In addition, the team continues to engage and communicate with industry partners to exchange information on markets and business development.

Brand Team Events/Meetings – July

| Event Date | Event | HTA Attendee(s) | Non-HTA Attendee(s) |
|-------------|---|--|---|
| 7/1 | International Arrivals Media Event | CEO/CBO | Governor Ige, Jade Butay, Keita Hirashima |
| 7/5-7, 7/12 | Hawai'i Industry Partners Group Meeting | CBO/BM | Industry Partners |
| 7/11 | DestinationNext Presentation to HTA | CAO/CBO/PAO/ Director of Planning | Next Factor Inc. staff |
| 7/11 | FestPAC Commission Meeting | CBO/BM | Commission Members, Rep. Onishi |
| 7/12 | Hospitality Industry Quarterly Update with Maui County (Mayor Victorino) | CEO/CAO/CBO/PAO/BM Director of Planning | Mayor Victorino |
| 7/13 | Hospitality Industry Quarterly Update with Hawai'i County (Mayor Roth) | CEO/CAO/PAO/BM Director of Planning | Mayor Roth |
| 7/13 | Hospitality Industry Update with City & County of Honolulu (Mayor Blangiardi) | CEO/CAO/PAO/BM Director of Planning | Mayor Blangiardi |
| 7/14 | Hospitality Industry Update with Kauai County (Mayor Kawakami) | CEO/CAO/CBO/PAO/BM Director of Planning | Mayor Kawakami |
| 7/19 | ANA Meeting | CEO/CAO/CBO/BM | Kojima Kazuaki, Toshio Izumiya (All Nippon Airways) |
| 7/20-21 | CNHA 21st Annual Native Hawaiian Convention | CEO/CBO/PAO/BM | CNHA |

REPORT OF THE CEO

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|------|---|----------------------------------|--|
| 7/22 | Sustainable Tourism Forum Kickoff Meeting | CEO/CBO/BM | Hawaii Green Growth, Industry Partners |
| 7/28 | Content for Local Paid Campaign | CBO/PAO/ Director of Planning/BM | HVCB |

VI. PLANNING DIVISION

1. *Destination Management Action Plans (DMAPs)*

Below is an update on activities undertaken by the planning section to support the implementation of the various DMAPs.

- Planning staff has been working on finalizing the Spring Progress (Quarter 2) for the DMAPs. A presentation was made at the July 28 board meeting. View the Spring 2022 DMAP progress reports by clicking on the links below:
 - Kauaʻi: https://www.hawaiiitourismauthority.org/media/9645/kauai-spring-2022-dmap-progress-report_final_ada.pdf
 - Maui: https://www.hawaiiitourismauthority.org/media/9647/maui-dmap-progress-report_spring-2022_final_ada_rev.pdf
 - Lānaʻi: https://www.hawaiiitourismauthority.org/media/9646/lanai-dmap-progress-report_spring-2022_final_ada_rev.pdf
 - Hawaiʻi Island: https://www.hawaiiitourismauthority.org/media/9644/hawaii-island-dmap-progress-report_spring-2022_final_ada_rev.pdf
 - Oʻahu: https://www.hawaiiitourismauthority.org/media/9648/oahu-dmap-progress-report_spring-2022_final_ada.pdf

Maui Nui DMAP:

- Maui Nui's monthly DMAP internal meeting between HTA, County, and Island Chapter staff was held on July 1.
- Steering Committee meetings for Maui and Lānaʻi were held on July 19 and 20 respectively to review the Spring 2022 progress reports.
- HTA, MVCB, and the County met on July 13 to discuss opportunities for a pilot stewardship program in East Maui. Follow up meetings to occur.
- Director of Planning convened two of the four Molokaʻi DMAP Subject-Matter Committees. The other two committees were convened by Maui Visitors & Convention Bureau. Focus of the subject-matter committees that HTA convened were on brainstorming ideas to support new businesses and enhance existing ones that can offer desired experiences and provide more job security (DMAP subaction item B.2) and advocacy to restore affordable and dependable air and sea transportation (DMAP subaction F.1). Meetings were held on July 25 and 26.
- Staff has been working with the County and Maui Visitors & Convention Bureau to set up the next Molokaʻi DMAP Task Force meeting on August 11.

O'ahu DMAP:

- O'ahu's monthly DMAP internal status update meeting between HTA, County, and Island Chapter staff was held on July 1.
- The O'ahu DMAP Steering Committee was held on July 18 to review the Spring 2022 progress report.
- Director of Planning met with the City to discuss opportunities to partner for the Urban Trail – specifically in the Chinatown/Downtown area on July 27.

Kaua'i DMAP:

- Kaua'i's monthly DMAP internal status update meeting between HTA, County, and Island Chapter staff was held on July 6.
- The Kaua'i DMAP Steering Committee met on July 20 to review the DMAP Spring Progress Report.
- The Director of Planning attended a meeting with DOT-Airports, Kaua'i Visitors Bureau and other business/community organizations regarding the DOT-Airports' plan for Lihu'e Airport.

Hawai'i DMAP:

- Hawai'i Island's DMAP internal status update meeting between HTA, County, and Island Chapter staff was held on July 7.
- The Island of Hawai'i DMAP Steering Committee met on July 19 to review the Spring Progress Report.
- The Director of Planning met with Island of Hawai'i Visitors Bureau and its facilitator, Good Juju, regarding next steps in working with the Waipi'o Steering Committee as a results of the June meeting.
- The Director Planning met members of The Nature Conservancy, Island of Hawai'i Visitors Bureau, County, and other community members regarding Kealakekua (an identified DMAP hotspot), and

2. EDA Travel, Tourism and Outdoor Recreation Non-Competitive Grant

- Staff is awaiting word from EDA on approval of the Grant Administration Plan that was submitted on June 30, 2022.

3. Program Evaluation

- The Director of Planning and SMS Research continued to work with the Brand Team in reviewing and refining their program measures. Two meetings were held in July – July 8 and July 26 – to further discuss their measures and assist in their refinement.

4. *Planning Tools and Assessments*

- Staff met with NextFactor to review results of the DestinationNext destination analysis survey on July 11. The final report was presented to the board on July 28 (<https://www.hawaiitourismauthority.org/media/9669/07-dnext-presentation-for-board-07282022-posting-after-board-meeting.pdf>).

VII. TOURISM RESEARCH

Pursuant to Act 88, the Tourism Research Division (TRD) was transferred to DBEDT's Research & Economic Analysis Division (READ) effective July 1, 2021 and was renamed the Tourism Research Branch (TRB).

TRB issued the June 2022 monthly visitor statistics on July 28, 2022, including monthly arrivals by country, category expenditures for major markets, and monthly visitor characteristics for each major market area. The press release was issued by DBEDT, distributed by HTA, and the files were posted on the Monthly Visitor Statistics page on HTA's and DBEDT's websites.

TRB posted updates to Seat Outlook data tables for July through September 2022 to the Infrastructure Research Section of the HTA website and the Air Seats Capacity Outlook page of the DBEDT website. This report also includes flight information and comparisons to 2019.

State, market, and island fact sheets were updated with the June 2022 data and were published on the Monthly Visitor Statistics page of the HTA website and the Island Highlights and Market Highlights pages on the DBEDT website.

TRB issued the June 2022 Hawai'i Hotel Performance Report on July 26, 2022. The report and related June 2022 data tables were posted to the Infrastructure Research page of the HTA website. The Hawai'i Hotel Performance Report is produced using hotel survey data compiled by STR, Inc., the largest survey of its kind in Hawai'i.

TRB issued the June 2022 Hawai'i Vacation Rental Performance Report on July 27, 2022. The report and related June 2022 data tables were posted to the Infrastructure Research page of the HTA website and the Vacation Rental Performance page of the DBEDT website. This report utilizes data compiled by Transparent Intelligence, Inc. for DBEDT.

TRB published the July 2022 YouGov Coronavirus Travel Sentiment report prepared by HVCB. This report focuses on the impact of COVID-19 on U.S. Avid Travelers and provides travel planning trends, attitudes, and demographics. This report utilizes data from YouGov's Brand Index and is posted on the Other Research page of the HTA website.

TRB continued publishing both the weekly Hawai'i YouGov Destination Brand Index for U.S., Japan, and Canada and the weekly Responsible Traveler Segment for the U.S. The report currently features the U.S. market and presents trends on a by-island basis. Other markets will be added as data becomes available. These reports utilize data from YouGov's Brand Index and are posted on the Other Research page of the HTA website.

TRB continued publishing weekly Travel Agency Booking Trend reports which features forward-looking data from travel agencies for US, Japan, Canada, Korea, and Australia from Global Agency Pro. These reports are posted on the Other Research page of the HTA website.

TRB continued to work with the State Attorney General's office to analyze visitor data related to the impacts of the national travel ban on inbound travel from seven affected countries.

TRB continues to reply to requests for information from HTA's Global Marketing Team, industry, media, and the general public. Data requests completed include:

- Additional detailed visitor statistic data for UHERO and DBEDT/READ for their databases, and the monthly data requests.
- Research inquiries routed through DBEDT.

VIII. ARPA UPDATE

Following is an update on activity related to the American Rescue Plan Act (ARPA) funds that were provided to HTA during the 2021 Legislative Session.

Our team continues to engage with the State's Department of Budget and Finance (B&F) to process requests to access ARPA funds in support of our programs. As part of that process, we regularly meet and discuss these requests in an attempt to expedite the release of funds. This has now become a regular part of our process in supporting the financial needs of the organization.

To date, we have submitted requests to B&F for the release of funds of approximately \$52.7 million, all of which has been approved through July 2022. Relating to the Convention Center's ARPA funding, \$11 million has been approved by B&F for release. Staff has discussed with B&F the reallocation of funds from the original intended purpose of using the majority of the \$11 million toward major repair and maintenance projects at the Convention Center, to now using the funds for the Convention Center's FY 2023 operations – a shift that was necessary with HB1147, 2022 Legislative Session, now vetoed by the Governor.

Regarding HTA's FY 2023 funding, we are working with the Governor's administration on the release of funds. With no FY 2023 appropriation due to the veto of HB1147, we anticipate the Governor releasing a new allotment of ARPA funds for HTA's FY 2023 operations and programs.

IX. ADMINISTRATIVE

Contracts List: Pursuant to Hawai'i Revised Statutes §201B-7 (9), please note that there were three (3) contracts executed during the month of July 2022.

| Contract No. | Contractor | Description | Contract Amount | Total Contract Value | Start Date | End Date |
|--------------|---|-------------------------------------|-----------------|----------------------|------------|------------|
| 21039 S1 | DOT-Airport Division | Kāhea Program Airport Greetings | \$0.00 | \$534,828.00 | 8/2/2022 | 9/30/2022 |
| 22023* | In-TerSpace Services, Inc dba Clear Channel Airport | Pono Travel Education Program - DKI | \$220,000.00 | \$220,000.00 | 7/27/2022 | 10/18/2022 |
| 22024* | Pacific Radio Group, Inc. | Pono Travel Education Program - NI | \$280,000.00 | \$280,000.00 | 8/8/2022 | 6/29/2023 |

* Sole Source

APPENDICES

Hawai'i Tourism United States

2022 MONTHLY MARKET ACTIVITY REPORT – July

MARKET INTELLIGENCE

Economy

- The U.S. added a robust 528,000 jobs in July and the unemployment rate held steady at +3.5 percent. This current rate is a half-century low seen also just prior to the pandemic in early 2020, the Labor Department stated. Employers in leisure and hospitality added jobs at a strong rate as well as those in restaurants and bars.
- Real gross domestic product (GDP) decreased at an annual rate of -0.9 percent in the second quarter of 2022, following a decrease of -1.6 percent in the first quarter.
- The Conference Board Consumer Confidence Index fell for the third straight month in July, following a larger decline in June.
 - The Index now stands at 95.7 (1985=100), down from 98.4 in June.
 - The Present Situation Index based on consumers' assessment of current business and labor market conditions declined to 141.3 from 147.2 last month.
 - The Expectations Index based on consumers' short-term outlook for income, business and labor market conditions declined to 65.3 from 65.8.
 - "Consumer confidence fell for a third consecutive month in July," said Lynn Franco, Senior Director of Economic Indicators at The Conference Board. "The decrease was driven primarily by a decline in the Present Situation Index—a sign growth has slowed at the start of Q3. The Expectations Index held relatively steady, but remained well below a reading of 80, suggesting recession risks persist. Concerns about inflation—rising gas and food prices, in particular—continued to weigh on consumers."

Outbound Travel Market

- *Wholesale Partner* – This partner continues to see an overall slowdown in bookings to Hawai'i.
 - Hawai'i package costs are at an all-time high making the destination uncompetitive vs. others such as Mexico, Caribbean, Europe, etc.
 - Domestic travel continues to slow as they see more travelers booking international itineraries which is leveling the overall demand for domestic travel compared to 2021 and 2022.
 - International destinations continue to lift COVID restrictions and are opening with very aggressive pricing to rebuild their market share.
 - The Euro is now equal to the U.S. dollar for the first time in 20 years and makes international travel a great value.
 - As of July 31, they report that booking pace for 2023 compared to 2022 is down for the state by -28 percent; O'ahu down -18 percent; Maui down -32 percent; Kaula'i down -36 percent, and the island of Hawai'i down -40 percent.
- *Airline Wholesaler* – Hawai'i's pace for the remainder of 2022 is still up compared to 2019, but only in the single digits. In June it was in the low 10 percentage points.
 - Fun and sun domestic destinations are continuing to lose steam, however Mexico and the Caribbean are still trending up versus 2019 and week-over-week. Europe is improving but is still far from 2019 levels. Europe will be competitive for 2023 especially if the USD remains strong.
 - Hawai'i bookings are experiencing a slow-down. Talks of a recession are most likely having a negative impact on the destination with the highest ADR. Constant news of cancelled or delayed flights may also be deterring customers from booking a Hawai'i vacation package.

- For 2022, O'ahu has benefited from the higher room costs on the neighbor islands as well as the absence of the Japanese market thus providing plenty of inventory for the domestic wholesaler.
- For 2023, hotels are betting on the return of Japan. At this time, this wholesaler is not seeing one island performing better than the others. With room night production down strong double-digits year-over-year, the wholesaler believes it will be difficult to turn it around. A clearer vision for 2023 is hoped for by Q4 2022. As of July, Hawai'i is pacing way behind 2022 for 2023. Up until then, customers were booking 2022 travel with a 6-month advance booking window with an unprecedented gusto, redeeming travel vouchers from 2020 and 2021. This, in combination with increased personal savings, allowed them to splurge on their dream vacation to Hawai'i. It is now assumed that most of these travel vouchers have been used, and with talk of recession and the 2023 Hawai'i ADR up 20+ percent year-over-year, it is understandable that people will wait to book.

Competitive Environment

- *New Zealand.* Government officials in New Zealand announced its borders are fully reopened to international travelers for the first time since the coronavirus pandemic shut down travel in March 2020. According to Reuters.com, New Zealand's gradual reopening process started in February for citizens and has expanded to include visitors who need visas and those on student visas returning to the country.
- *Bermuda.* As of July 29th, visitors 2 years and older must provide proof of vaccination and a negative antigen result taken within two days of arrival or a PCR result within four days of arrival. This information must be uploaded to the traveler authorization form 24 to 48 hours before arrival; the fee is \$40. Unvaccinated visitors are not permitted entry.
- *Martinique.* Effective July 30, Martinique lifted all pandemic-driven restrictions for international travelers visiting the French Caribbean nations, said Martinique Promotion Bureau officials in a statement. The move follows the French parliament's institution of legislation declaring the country's COVID-19 public health emergency ended. The law authorized the termination of "subsequent exceptional measures put in place at the outset of the COVID pandemic," said officials. U.S. travelers are no longer required to complete any forms or present proof of vaccination prior to their arrival in the country, or present a health pass upon arrival.

Consumer and Media Trends

- The Rundown: Travel, Entertainment Ad Spend expected to remain strong for 2022 and into 2023 (MediaRadar Advertising Study):
 - The travel and entertainment industries are slowly bouncing back nearly three years after the global pandemic hit and punished them mightily. Other sectors that took off earlier in the lockdown, however, are seeing a slowdown in advertising spend as companies consider a possible recession. In a new analysis by intelligence platform MediaRadar, ad spend categories including travel and entertainment in the first half of 2022 (January through June) both increased to record levels. Consumer shopping trends embraced in the last two years, such as with home office furniture and pets, are starting to drop off as those markets shift.
 - The media and entertainment ad investments by far showed the largest increase, growing from \$5.8 billion in H1 2021 to \$10.9 billion in H1 2022. This is almost double the spending compared to last year, driven mostly by streaming companies, according to MediaRadar.
 - Travel ad spend grew from \$1.2 billion in H1 2021 to \$2.1 billion in H1 2022, representing an +83 percent year-over-year increase. Investments were driven by major airlines, cruise lines and tourism groups.

Travel Trends

- According to the latest Destination Analysts tracking study, American travelers' minds are focused on financial-related matters. When asked what has deterred them from traveling more than they would have otherwise preferred in the past six months, the top reasons are gas is too expensive (47%), the general cost of travel being too expensive right now (39%), personal financial reasons (31%) and airfare is too expensive (27%). In comparison, COVID concern is the fifth most commonly reported travel deterrent, with 24.5 percent saying the risk of contracting COVID kept them from traveling more. The proportion of travelers who feel that the present is a good time to spend money on travel has dropped to 28 percent, the lowest level recorded so far this year. Overall, American travelers' optimism about the financial future is dimming somewhat, as the proportion of travelers who feel they will be financially better off next year compared to this year has declined 4-points in the last month to 39 percent.

Airlift

- HTA Airline Seat Capacity Outlook for August 2022-October 2022 was updated on Aug. 2. The forecast for domestic scheduled nonstop air seats to Hawai'i during this period will decrease – 11.3 percent compared to the same period in 2021. This projection is based on flights appearing in Diio Mi. The constant fluidity of seats and flights will continue as Hawai'i emerges from the COVID-19 pandemic. A decrease in flights is expected from U.S. West (-10.1%) as well as from the U.S. East (-20.5%). Schedules are continuously monitored, and the forecast adjusted accordingly.

MARKET ACTIVITY UPDATE

Consumer Direct

- Mālama Hawai'i Brand Campaign – HTUSA continues to expand, reinforce and seed the Mālama Hawai'i program into all initiatives. This increases distribution and frequency of messaging to key audiences in the continental U.S. as well as in Hawai'i.
- Consumer Paid Media
 - No consumer paid media ran in July as the HTUSA contract extension was not in place in time to make paid digital commitments for the month.

Paid Digital Campaign June – Actual Impressions

| PARTNERS | Impressions |
|------------------|--------------------|
| AdTheorent | 2,660,446 |
| BuzzFeed | 1,990,918 |
| Complex | 116,638 |
| Condé Nast | 1,334,262 |
| Engine | 2,250,964 |
| Matador | 811,100 |
| Programmatic | 1,393,976 |
| Search | 167,495 |
| Travel + Leisure | 688,627 |

| | |
|--------------|--------------------|
| Viant | 1,618,736 |
| Facebook | 47,588,380 |
| Instagram | 10,876,821 |
| YouTube | 25,408,653 |
| Pinterest | 20,251,528 |
| Total | 117,158,544 |

- Kuleana Campaign
 - No paid media ran in July as the HTUSA contract extension was not in place in time to make paid digital commitments for the month.
- Consumer Direct Email Program
 - HTUSA
 - The consumer enewsletter, delivered on July 12 to over 180,000 consumers, focused on great spots throughout the state for family travel, with an emphasis on outdoor and cultural activities. Additionally, the Hawai'i Food and Wine Festival was featured in a smaller article.
- Hawai'i Paid Media
 - No media ran in July as the HTUSA contract extension was not in place in time to make paid digital commitments for the month.

Hawai'i Paid Digital Campaign June – Actual Impressions

| PARTNERS | Impressions |
|-----------------|--------------------|
| Facebook | 4,731,234 |
| Instagram | 9,545,419 |
| YouTube | 6,242,237 |
| Waze | 678,470 |
| Total | 21,197,360 |

Travel Trade

- Paid Trade Media
 - No trade paid media ran in July as the HTUSA contract extension was not in place in time to make media commitments for the month.
- Trade Direct Email Program
 - July's E-xpressly for Travel Professionals (EXTP) enewsletter was deployed to 46,484 travel advisors subscribed to receive the monthly enewsletter. July's subject focused on "Family Fun: Indoor and Outdoor Activities."
 - OVB distributed a quarterly What's New Update to 40,100 travel advisors on July 20.
- Summary of HTUSA Travel Trade Activity
 - For the month of July, there were 54 travel trade sales activities, which included 46 one-on-one appointments, and eight meetings with nine industry partners this month.

- Central fielded all inquiries received from travel advisors across the U.S. via agents.gohawaii.com and travel advisor inquiries forwarded from info@gohawaii.com.
- Travel agent agents.gohawaii.com website update: There were 794 online graduates who completed the Hawai'i Destination Specialist and/or Island Specialist educational courses online, with 981 new registrants signed up for access to online resources. The overall travel agent database numbers are at 129,724 profile records, which includes 49,389 active U.S. travel advisor email contacts.

- Travel Trade Training Activities

| | Airline | Wholesaler/TA/TO/OTA | Other | Total |
|--------------|----------------|-----------------------------|--------------|--------------|
| HTUSA | 9 | 54 | - | 63 |
| KVB | - | 1 | - | 1 |
| OVB | - | 53 | - | 1 |
| MVCB | - | 1 | - | 1 |
| IHVB | - | 1 | - | 1 |

Summary of travel trade calls by category

- Airline
 - HTUSA met with a selection of U.S. network carriers in July regarding specific capacity and marketing updates. These meetings continued the conversation of the temporary suspensions and overall frequency reductions for fall and into winter 2023.
- Wholesaler/TA/TO/OTA
 - HTUSA
 - Global Travel Marketplace was held July 28-30 in Fort Lauderdale, FL, drawing hand-selected advisors that met strict qualifications including a minimum of \$1,000,000 in individual annual sales and supplier references. HTUSA and OVB conducted a total of 98 one-on-one appointments with vetted advisors sharing destination updates and information on Mālama Hawai'i and resources for travel advisors.
 - HTUSA conducted 8 partner meetings with 9 attendees including ALG Vacations, Avoya Travel, Cruise Planners, Delta Vacations, Pleasant Holidays, Outside Agents and Signature Travel Network (2 meetings).
 - Kaua'i Visitors Bureau (KVB)
 - Webinar with Wonderland and Beyond Travel, July 20, 6 travel advisor attendees.
 - O'ahu Visitors Bureau (OVB)
 - Participated in Global Travel Marketplace in Fort Lauderdale, FL, from July 27-30. One-on-one meetings with 52 travel advisors.
 - What's New On O'ahu Destination Updates Webinar with Wonderland & Beyond Travel, July 20, 6 travel advisor attendees.
 - Maui Visitors and Convention Bureau (MVCB)
 - Webinar with Wonderland and Beyond Travel, July 20, 6 travel advisor attendees.
 - Island of Hawai'i Visitors Bureau (IHVB)
 - Webinar with Wonderland and Beyond Travel, July 20, 6 travel advisor attendees.

Public Relations

- Month-end impressions and publicity values for articles that included Hawai'i – June results

Impressions and Publicity Values for June

| JUNE | Impressions | Publicity Values |
|-------------|--------------------|-------------------------|
|-------------|--------------------|-------------------------|

| | | |
|--------------|-----------------------|---------------------|
| Print | 65,144,703 | \$21,972,808 |
| Online | 29,412,861,881 | \$11,143,461 |
| Broadcast | 348,753,195 | \$27,754,316 |
| Total | 29,826,759,779 | \$60,870,585 |

- HTUSA

- Through the continued efforts of the HTUSA PR team to help journalists cover Hawai'i as a destination that values regenerative tourism, two notable stories were published in July.
 - Following his visit to Hawai'i Island in March on an HTUSA-supported visit, TravelAge West writer Shane Nelson continued to spotlight the Mālama Hawai'i Program in the story titled, "This Unique Experience at Hawaii Volcanoes National Park Helps Visitors Give Back." In the article, Shane documents his experience participating in the Stewardship at the Summit initiative and positively describes the immediate impact volunteering has on the native flora. The article follows up on his April TravelAge West cover story which focused on the Mālama Hawai'i Program.
 - Resulting from her HTUSA-hosted visit to Maui, freelance writer Andrea Park published her story in Penta titled, "Great Escapes: Maui, Where Luxury Means Giving Back to the Land." The story shares the importance of authentically representing Hawaiian Culture and details the Mālama Hawai'i Program to readers.
- The HTUSA PR team distributed HTA's traffic advisory news release on July 20 detailing the two-way closure on O'ahu's Kamehameha Highway at Kahana Bay. The release was shared with industry partners in support to advise visitors to avoid or consider delaying their visit in the affected communities until repairs have been completed.
- Media coverage highlights:
 - "Planning a dream trip to Hawai'i? What's new on the islands" – Will McGough – CNN Travel – July 1.
 - "This Unique Experience at Hawaii Volcanoes National Park Helps Visitors Give Back" – Shane Nelson – TravelAge West– July 12.
 - "Great Escapes: Maui, Where Luxury Means Giving Back to the Land" – Andrea Park – Penta – July 22.

- KVB

- Kaua'i was featured in:
 - "The 5 Best Islands in Hawaii" – Rebecca Ascher-Walsh – Travel + Leisure – July 12.
 - "Kaua'i's Koa Kea Resort updates guestrooms" – Christine Hitt – Travel Weekly – July 23.
 - "Kauai: The Garden Island's Hype Actually Deserves a Truth-in-Advertising Award" – Fyllis Hockman – Travelers United Plus – July 24.
 - "The 25 Best Vacation Spots in the U.S. for 2022" – Ellen Gutoskey – Mental Floss – July 26.
- Individual media visits
 - No news to report.
- Liaised with 14 media highlighting destination management, Mālama Hawai'i, mindful and sustainable travel.
- Press Releases/Communications
 - No news to report.

- OVB

- O'ahu was featured in:
 - "Planning a dream trip to Hawai'i? What's new on the islands" – Will McGough – CNN Travel – July 1.
- Liaised with 17 media.

- Press Releases/Communications:
 - OVB is prepping to call for submissions for its Q3 “News, Updates, and Aloha from O’ahu” media enewsletter scheduled for a September distribution.
- MVCB
 - Maui, Moloka’i, Lāna’i were featured in:
 - “12 Surprising Outdoor Hawaiian Adventures” – Katie Parker-Magyar – The Insatiable Traveler – July 5.
 - “Maui’s ‘Āo Valley’s State Monument is Closing” – Christine Hitt – Travel Weekly – July 10.
 - “The Kā’anapali Beach Hotel’s Restaurant Celebrates Hawaiian Culture and Cuisine” – Grace Maeda – Hawai’i Magazine – July 14.
 - “8 Great Beach Vacation Destinations” – Jenn Murphy – AARP – July 15.
 - “10 Things to Know Before Visiting Kaua’i and Maui” – Terry Terrones – Paste Magazine – July 14.
 - “Hawaii Resort is Bringing Hawaii Culture to its Guests” – Christina Jelski – Travel Weekly – July 16.
 - “I’ve traveled to all 50 States. Here are the 10 that had the Best Food” – Katie Parker-Magyar – Business Insider – July 18.
 - “Your Best Guide to Everything other than the Beach on Maui” – Jenn Rice – Thrillist – July 22.
 - “When a Hotel’s Recommendation Goes Horribly Wrong” – Christine Hitt – Travel Weekly – July 25.
 - “Travel – You can learn to be a Mermaid on Maui” – Debbi Kickham – Orange County Register – July 28.
 - Individual media visits:
 - David Dickstein, Orange County Register, July 9-16..
 - Liaised with 12 media.
 - Press Releases/Communications
 - MVCB distributed “Message from Maui Nui” enewsletter to local and national media on July 14 after collecting partner submissions.
- IHVB
 - Island of Hawai’i was featured in:
 - “The Curious Case of Harry Shick’s Backyard Cave” – Patrice La Vigne – Adventure.com – May 31.
 - Individual media visits:
 - No news to report.
 - Liaised with two media.
 - Press Releases/Communications:
 - No news to report.

REGENERATIVE TOURISM/DMAP INITIATIVES UPDATE

DMAP Action Items Supported

- HTUSA
 - No paid media ran in July as the HTUSA contract extension was not in place in time to make paid digital commitments for the month.
 - HTA continued to fund and leverage an existing HTUSA paid media flight at the main Neighbor Island Airports (LIH, OGG, KOA, ITO). This extension continued to distribute

Kuleana Travel Tips messaging with strategically placed units targeted to visitors arriving at airports across the state.

- The public relations and marketing team is identifying potential stories for a paid communications program to raise awareness amongst residents of HTA's shift toward regenerative tourism, DMAP and how tourism dollars directly impact and benefit our communities. The potential stories considered are with DMAP, Community Enrichment, Kūkulu Ola and Aloha 'Āina Program partners in mind.
- **KVB**
 - Included Mālama Kaua'i topic in webinar on July 20.
 - Liaised with 14 media throughout the month sharing destination management and Mālama Hawai'i as a focus for Kaua'i.
 - Continued follow up with Rotary Club of Kapa'a to schedule a DMAP presentation for KVB's Destination Manager Patti Ornellas on Sept. 7.
 - Finalized KVB's DMAP ad timeline in The Garden Island Newspaper and began ad concept process.
 - KVB team met with the Kaua'i Invasive Species Committee in Kōke'e to learn more about Rapid 'Ōhi'a Death (ROD), bio-sanitation kits and ways to prevent the spread of ROD on July 9.
 - Attended multiple Līhu'e Airport Master Plan meetings.
 - Participated in and was a panelist at the Hospitality Industry Update for Kaua'i County on July 14.
 - Began work with a local radio station on Kaua'i DMAP informational commercials and promotions.
 - Met with county officials and Mālama I Nā Honu to continue talks about Po'ipū Beach Park.
 - Started work on DMAP community meetings including seeking and securing a facilitator for the meetings.
- **OVB**
 - In July, OVB's Destination Manager C.Orlans attended 4 meetings with various O'ahu Rotary and Lions Clubs. During these meetings, club members were brought up to speed on DMAP initiatives in their respective O'ahu communities. Invitations were extended to other Rotary and Lions Clubs across O'ahu with several pending dates for meetings.
 - Supported the announcement of the new online advanced reservations system for Lē'ahi (Diamond Head) State Monument by posting relevant information for visitors across OVB social channels on July 14.
 - Spotlited the Nā Inoa 'Āina section of HTA's Ma'ema'e toolkit in the "Q2 News, Updates, and Aloha from O'ahu" travel advisor enewsletter distributed on July 20.
 - Included reservation system, hot spots, buy local, culture and festival information in the July 20 webinar and presentations at Global Travel Marketplace.
- **MVCB**
 - Promoted Reef Safe Sunscreen awareness through Maui Nui social media platforms with weekly postings.
 - Promoted Mālama Hawai'i partners on Maui through social media platforms with weekly postings.
 - Working with Hawaii News Now HI Now program on MVCB sponsored Lāna'i Week programming to be filmed Aug. 2-3 with air dates Aug. 22-26. Segments to feature DMAP initiatives through coverage of Lāna'i City shops and activities; Lāna'i Guide App; Lāna'i Cat Sanctuary (Mālama Hawai'i partner); and Mālama Lāna'i Day trip for CSR for groups.
 - Collaborating with Save Honolulu Coalition, Pacific Whale Foundation, Rotary Clubs, Hui O Ka Wai Ola, Hawaiian Hawkbill Conservation and Department of Environmental Management (County) on mineral-only sunscreen dispenser partnership with Raw Elements. Completed

educational headboard design with Raw Elements. Finalizing SMA application to apply for numerous mineral-only sunscreen dispenser installations at popular beaches in parks.

- Met with Maui Nui Marine Resource Council and convened a working group to support their reef-friendly landscaping program at hotels.
- Presented DMAP at two Rotary Club meetings and one Lions Club meeting.
- Presented DMAP and distributed a survey at the Hāna Business Council's Annual Meeting. Saw first-hand the issues in east Maui along the Road to Hāna, provided by Dawn Lono, executive assistant to Council member Shane Sinenci.
- Led two Subject Matter Committees as part of the Moloka'i Task Force, pertaining to developing voluntourism opportunities and community-driven messaging.
- Planning five HI Now TV spots featuring Lāna'i City, Lāna'i Guide App, Mālama Lāna'i Day Trip, Lāna'i Adventure Park and the Mālama Hawai'i partner: Lāna'i Cat Sanctuary.
- Continuing participation in a working group convened by the Maui Nui Marine Resource Council regarding a pilot program initiative to incentivize industry to incorporate reef-friendly landscaping practices. Met with Hyatt Regency to share the opportunity. Developing press release.
- Continuing partnership with Surfrider Foundation to support their Rise Above Plastics Program which aims to reduce single use plastics among condo complexes. Developing press release.
- Developing collateral which will be provided to concierge to promote Lāna'i City based on community-driven messaging.
- Created fact sheet about commercial photography.
- Continuing conversation with Hāna-based nonprofit about managing Waioka hotspot through a pilot program.
- IHVB
 - Mālama Hawai'i program components, suggested farm itineraries, hotel cultural programs introduced in travel advisor webinar July 20.
 - Included DMAP initiatives in social media posts.
 - Promoted Kūkulu Ola recipient information in social post.

Initiatives to Promote Hawai'i Made Products

- HTUSA
 - The consumer newsletter highlighted the local agriculture focused Hawai'i Food and Wine Festival.
- KVB
 - Highlighted supporting Kaua'i made/locally made products during webinar on July 20.
 - Highlighted and suggested local eateries, shops and farmers markets to media looking to feature Hawai'i-made products.
 - Attended Alakoko's Grand Opening in conjunction with Kaua'i Chamber of Commerce's After Hours event on July 21.
- OVB
 - Spotlighted Localicious Hawai'i across OVB social channels as a resource for visitors to utilize on their visit to O'ahu to support the local agriculture and fishing industries on July 18
 - Highlighted three organizations in the "Buy local" section of the "Q2 News, Updates, and Aloha from O'ahu" travel advisor newsletter, July 20.
 - Promoted Made in Hawai'i Festival and farmers' markets during July 20 webinar and presentations at Global Travel Marketplace.
- MVCB
 - Included promotion of local products in "Message from Maui Nui" email blast to local and national media, along with MVCB stakeholders, resort/activity partners, travel trade partners.
- IHVB

- Included promotion of local products in social media posts and media pitches
- Educational webinars focus on farm tours, farmers markets, small town shopping and eateries.

Festivals & Events Promoted

- HTUSA
 - The consumer and travel trade enewsletters had a small section that promoted the Hawai'i Food and Wine Festival and Aloha Festivals, respectively. Additionally, a small events calendar highlighted events such as the 2022 Queen Lili'uokalani Outrigger Canoe Races and the Maui Open Studios program for July.
- KVB
 - Highlighted Kaua'i CEP programs/events during webinar on July 20.
 - Shared Kaua'i signature and CEP events with freelance writer Cheryl Tsutsumi and other national media inquiring about schedule of events.
 - Featured the 21st Paniolo Heritage Rodeo on social media channels.
- OVB
 - Highlighted the CEP awardees 'Ukulele Festival and the Asia Pacific Dance Festival events across social media on July 7 and July 20, respectively.
 - Shared upcoming O'ahu LGBTQ+ event information with interested media.
 - Highlighted 20 festivals and events in the "Q2 News, Updates, and Aloha from O'ahu" travel advisor enewsletter, July 20.
 - Promoted festivals and events during July 20 webinar and presentations at Global Travel Marketplace.
- MVCB
 - Included mention of HTA CEP events for Maui Nui in MVCB "Message from Maui Nui" enewsletter distributed on July 14.
 - Included round-up of upcoming events on social media platforms.
- IHVB
 - Educational training session included 2022 events and festivals.
 - Included festivals/events in social media post.

Voluntourism Programs Promoted

- HTUSA
 - Along with family-friendly museums and cultural places to visit, the consumer enewsletter highlighted a smattering of voluntourism opportunities for all ages.
- KVB
 - Provided information about voluntourism opportunities in webinar to travel advisors on July 20.
 - Liaised with 14 media and provided context and information about KVB's partnership with Surfrider Foundation Kaua'i Chapter through the Mālama Hawai'i program.
- OVB
 - Pointed to Battleship Missouri Memorial as a Mālama Hawai'i Program partner that visitors can interact with via a post across OVB social platforms on July 4.
 - Continued to share Mālama Hawai'i Program and other Hawai'i voluntourism information with interested media.
 - Highlighted two Mālama Hawai'i Programs in the activities section of the "Q2 News, Updates, and Aloha from O'ahu" travel advisor enewsletter, July 20.
 - Promoted Mālama Hawai'i Program during July 20 webinar and presentations at Global Travel Marketplace.
- MVCB

- Promoted Mālama Hawai'i Programs; Hawai'i Wildlife Fund, Pacific Whale Foundation Coastal Marine Debris Collection and Leilani Farm Sanctuary in weekly social media posts.
- Included Mālama Hawai'i Programs; Maui Hub, Mālama Hawaii activity at The Ritz Carlton Kapalua, Recycling Tips for Beach Toys, Humble Tours Hiking with a Purpose and Aqua Aston Hospitality conversion to Bulk Bathroom Amenities in "Message from Maui Nui" e-blast on July 14.
- IHVB
 - Included Mālama Ku'u Home / Mālama Hawai'i messages in social media posts and media pitches (when appropriate).
 - Resources on volunteer programs shared on July 20 educational webinar.

OTHER

- No news to report.

"COMING ATTRACTIONS"

| | What | When | Where |
|--------------|--|-------------|------------------------------------|
| HTUSA | Virtuoso Travel Week | Aug. 13-19 | Virtual |
| | ASTA Global Convention | Aug. 24-26 | San Francisco, CA |
| | Private Luxury Forum | Aug. 28-30 | Nassau, Bahamas |
| | Classic Vacations E3 Event | Sept. 9-13 | Playa del Carmen, Mexico |
| | Signature Owners Meeting | Sept. 14-17 | Nashville, TN |
| | Delta Vacations University | Sept. 17-18 | Atlanta, GA |
| KVB | So. CA 'Ohana Events | Sept. 26-27 | Huntington Beach, CA Malibu, CA |
| | No. CA 'Ohana Events | Sept. 28-29 | Emeryville, CA South Bay, CA |
| OVB | Family-themed Consumer Enewsletter | Aug. 2022 | National distribution |
| | Family-themed Travel Advisor Enewsletter | Aug. 2022 | National distribution |
| | OVB Media Blitz | Sept. 2022 | TBC: New York, San Francisco |
| | So. CA 'Ohana Events | Sept. 26-27 | Huntington Beach, CA Malibu, CA |
| | No. CA 'Ohana Events | Sept. 28-29 | Emeryville, CA South Bay, CA |
| | OVB Media Blitz | Oct. 3 - 7 | New York, San Francisco |
| MVCB | HI Now MVCB Lāna'i Week to air on Hawai'i News Now | Aug 22-26 | Virtual |
| | Media Blitz to Austin, TX and Atlanta, GA | Sept. 12-16 | Austin, TX and Atlanta, GA |
| IHVB | Q3 Consumer Opt-in Email | Sept. 22 | Hawai'i Island |
| | Delta Vacations University | Sept. 17-18 | Atlanta, GA |
| | Travel Advisor Seminar | Sept. 19 | Nashville, TN |

| | | | |
|--|----------------------|-------------|------------------------------------|
| | So. CA 'Ohana Events | Sept. 26-27 | Huntington Beach, CA Malibu, CA |
| | No. CA 'Ohana Events | Sept. 28-29 | Emeryville, CA South Bay, CA |

Hawai'i Tourism Japan

2022 Monthly Market Activity Report – July

MARKET INTELLIGENCE

Economy

- The Japanese government plans to lower its inflation-adjusted economic growth forecast for fiscal 2022 to about 2% which is down from January's forecast for 3.2% growth. It is predicted that GDP will recover to the level before pandemic in FY2023. Russia's invasion of Ukraine and China's zero-COVID policy is causing world's supply chains in turmoil, and the outlook is becoming increasingly uncertain due to high resource prices and other factors. On the other hand, consumption of services such as travel is recovering, the personal consumption continues to pick up, and personal consumption based on GDP in the April-June period is expected to increase by 1.1% compared to the previous quarter.
- According to a May household survey released by the Ministry of Internal Affairs and Communications on May 8, households with two or more people spent 287,687 yen, down 0.5% from previous year. This is the third straight month of decline, and the rise in the price index in October has also had an effect, and there is a movement to refrain from buying. On the other hand, eating out and travel-related consumption are increasing because there are no movement restrictions during Golden Week.

Outbound Travel Market

- Japan Association of Travel Agents Launches Promotion to Stimulate Overseas Travel Demand. The Japan Association of Travel Agents (JATA), as part of the activities of the Outbound Acceleration Council (JOTC), has launched a full-fledged promotional activity "JATA Overseas Travel Resumption Project" to stimulate demand for overseas travel from July 15, 2022. With the slogan "Let's go! A trip that will revitalize the world", JOTC member travel agencies, airport companies, airlines, tourism bureaus, and embassies will work together and conduct street sampling at 8 locations nationwide, display posters and signage at major airports, and SNS campaign with the prize of overseas travel and international flight tickets. Most of the prize related to Hawai'i travel make Hawai'i as appealing overseas destination.
- According to the Japan National Tourism Organization (JNTO), the number of Japanese overseas travelers leaving the country in June 2022 was 171,500. Compared to the same month in 2019, it decreased by 88.7%, but since April 2022, when the number exceeded 100,000 for the first time in two years, it has continued to exceed the previous month. With an increase of just under 40,000, it can be seen that the trend of revenge consumption and the resurgence of overseas travel are irrespective of the presence or absence of long vacations. The number of international flights departing from six major domestic airports (Narita, Kansai, Haneda, Fukuoka, Nagoya, Sapporo) in June increased by 58.8% year-on-year to 3,853 flights, and the number of seats increased by 58.0% to 932,436 seats. Both increased by 5%. Summer vacation has doubled compared to the same period in 2021.

Competitive Environment

- Marianas: With United Airlines starting to operate Narita-Saipan flight from September 1, Marianas Visitors Authority will conduct an influencer campaign in August. 20 selected influencers will travel to three islands of Mariana, Tinian, and Rota as #Marianacationambassador and will share their

experiences on the islands to share the charm of the destination. Also to support travel agencies, they will implement sales promotion support measures such as providing 10,000 yen incentive per reservation and providing 50 dollars gift voucher per participants, and conduct training trip.

- Guam: The Guam Visitors Bureau has accelerated its efforts to attract Japanese travelers by increasing the number of flights since summer, and held seminars for the travel industry, "Go Go! Guam Roadshow", in three cities in Japan. Flights from Kansai International Airport resumed in July, and flights from Nagoya and Fukuoka resumed in August. Promotions will be accelerated in preparation for a full-fledged recovery in tourism from this summer. Guam will promote four elements of Guam's unique values: "closeness", "American", "cleanliness, safety and security", and "positive feelings". Until September, the PCR test fee when returning to Japan will continue to be free.

Consumer Trends

- Summer travel trend national survey: Values which provides marketing research and consulting company conducted consumer survey regarding travel plans for this summer, targeting 7,632 men and women aged 20 and over in Japan. In 2022, the percentage of people who are planning to travel domestically and have already made a reservation has recovered to a level close to 2019. The percentage of people who values spending time at their accommodation, outdoor activities, marine sports, and driving decreased. On the other hand, the importance of visiting tourist spots has risen to the level of 2019, suggesting a return to regular tourist destinations from trips that avoid crowds. By looking at the trend of prioritizing trips to familiar places, it can be said that repeaters hold the key to resuming travel to Hawai'i.
- Influensumer: As the SNS-native Generation Z reaches their 20s, the number of information senders in society has been increasing. "Influensumer," who are consumers that sends information has become common trend. Currently, more than 30% of Instagram users in their teens to 30s have more than 1,000 followers, and survey data shows that less than 15% of micro-influencers have thousands of followers. As "consumers who transmit information," they are not bound by the domain of personal hobbies, and they are encouraged to comfortably share their feelings about travel and services, and to connect with each other. That will lead to further customer creation and fan development.

Travel Trends

- According to travel trends for the summer vacation (July 15 to August 31) announced by JTB, the number of domestic travelers increased by 75.9% year-on-year and decreased by 3.3% compared to the same period in 2019 prior to COVID-19. Domestic travel consumption is estimated to increase by 88.3% year-on-year and decrease by 6% from the same period in 2019. On the other hand, the number of overseas travelers during the period is expected to increase by 455.6% year-on-year and decrease by 83% compared to the same period in 2019 to 500,000. Some overseas package tours have resumed, and although interest is high, immigration procedures and immigration restrictions due to border measures and restrictions on the number of people entering the country are major challenges, and in addition, passive opinions due to the depreciation of the yen, soaring prices, and concerns about the international situation were mentioned.
- The results of the APAC Travel Confidence Index survey for the Asia-Pacific region released by Booking.com show that the average index of attitude towards travel is 76%, indicating a high attitude index. The top three countries with the most tourists were India, Vietnam, and China. Japan ranked last, although 62% of respondents said they were planning to travel within the next 12 months. In terms of obstacles when thinking about traveling, "cost" (38%) was the most

common in APAC, followed by "fear of being isolated" (37%), and "moving due to frequently changing border regulations". (37%), but in Japan, the most common answer was "anxiety about getting sick", accounting for 47%, showing the Japanese temperament result.

Airlift:

- Total of 153 flights by four airlines (ANA, Hawaiian Airlines, JAL, and ZIPAIR) operated during the month of July. Hawaiian Airlines increased flights due to the relaxation of the limit of 20,000 people entering the country in June. With summer vacation period getting closer, all airlines started to increase number of flights and the number of seats increased compared to May. Although the number of bookings for families is starting to increase, there is a tendency to fill up from the upper classes. Hawaiian Airlines' TV commercials for the Japanese market started to air and Japan airlines is also holding events in local areas, and is continuing to focus on Hawai'i routes.
- All Nippon Airways (ANA): Started to operate five times a week from July and FLYING HONU operating twice a week will make ANA operating daily flights.
- Hawaiian Airlines (HA): Will continue operating their Narita flights four times a week and their Kansai flight once a week. Starting August, they will operate daily.
- Japan Airlines (JAL): Flight from Narita has been operating daily since June. Flight from Haneda will operate daily from July and in August, KIX – Honolulu and Narita-Kona will resume.
- ZIPAIR: It is currently operating 3 flights a week from Narita, and they plan to make it into daily flight during the period of summer break (July 16 to August 31).

MARKET ACTIVITY UPDATE

Consumer Direct

- Mālama Hawai'i newspaper advertisement: Jointly with major travel agencies, airlines, and a credit card company (ANA, ANA X, JAL, JCB, JTB, HIS, JATA), HTJ published a two-page spread newspaper advertisement in Yomiuri Shimbun, the largest circulating newspaper in Japan on July 17th. The advertisement included messaging of Mālama Hawai'i. Concurrently, the spread will be displayed as OOH in the basement of Shinjuku Station from July 18 to August 14 reaching an estimated 93,865,352 people and will be posted on Twitter from July 18 to August 31. This is estimated to generate approximately 6,000,000 impressions. With modern copywriting and a positive image targeting the masses, Mālama Hawai'i messaging appeals to the Japanese audience and conveys a new way of traveling to Hawai'i.
- Digital advertising: HTJ had published Mālama Hawai'i concept video advertisements on YouTube, SNS, TV program distribution application Tver, and online TV platform Abema TV from May 9th to the end of June. It has gained a total of 11,385,307 impressions and 9,015,423 views. Across all media platforms, the unit price per view was the lowest among all digital ads this year yielding highly efficient results. HTJ was able to efficiently deliver this advertisement utilizing an online TV platform that does not allow viewers to skipping ads, YouTube that yielded a large number of playback completions with a low unit price for viewing, and SNS that can expands reach.
- SNS posting results: HTJ continued to post contents relating to Hawaiian culture, events, nature of Hawai'i and what makes it special as a travel destination throughout July. Additionally, HTJ actively disseminated the latest information about Hawai'i and promoted the Mālama mindset by conducting

multiple Instagram live streams with Mālama Hawai'i Ambassador Rola and other influencers. From this 5,387,926 impressions were generated.

| SNS | # of posts | Impressions | # of followers |
|-----------|------------|-------------|----------------|
| Facebook | 12 | 200,700 | 119,967 |
| Instagram | 22 | 769,612 | 177,684 |
| Twitter | 31 | 546,020 | 75,201 |

- Instagram live with Mālama Hawai'i Ambassador: HTJ conducted an Instagram live stream with Mālama Hawai'i ambassador Rola and Influencer Maki Konikson on July 24th. Rola who has 8 million followers around the world does not usually do Instagram live streams, resulting in more than 7,300 people watching the live broadcast. Rola shared about her sustainable eating habits and animal welfare, which she naturally incorporates as a lifestyle, and Mālama Hawai'i related experiences she wants to engage in during her next visit to Hawai'i.
- Instagram live with influencer: HTJ conducted the second Instagram live with Sasha, who is an influencer as well as one of the hosts of TV BS12's "Hawai'i ni koi shite!" on July 31. July 31 has been established as "Beach Day" in Japan. Therefore, the theme of the live was relating to the ocean utilizing the Mālama perspective. Rules and recommendation when going to the beach, such as taking trash home, respecting marine animals by keeping a distance, and the use of sunscreen that is reef safe, were shared along with local's lifestyle in Hawai'i. During the live, there were comments such as "I want to visit Hawai'i," and "Before visiting to Hawai'i next time, I will educate myself with the rules and regulations of Hawai'i." There were 13,000 people viewed this live.
- Hōkūle'a screening: Following Tokyo and Nagoya screenings in May along with Yokohama and Chigasaki screenings in June, the Japanese subtitled "Moananuiākea" documentary screening event was held on July 18 in Osaka on World Ocean Day. Two screenings were held along with talk sessions with the Hōkūle'a crew. These screenings were held to raise awareness of ocean and global environment issues. There were 412 participants. An exhibition of the star compass was made and after the screening, participants were able to ask questions about the structure of the canoe, the lifestyle on the canoe, and the most enjoyable moments to the crew members. This was also the final day of the Hawai'i Fair at the Hankyu Umeda Main Store, one of the largest annual events held in Osaka.
- Educating the younger generation: HTJ staff and the Hokule'a crew visited Kyoto Gaidai Nishi High School, which is scheduled to visit Hawai'i on a school trip in November. 100 students learned about the Aloha spirit, the concept of Mālama, and Hokule'a's voyaging missions and navigation strategies, which the students learned previously in their English textbooks. By holding such a special class, it was a great opportunity for students to learn about the unique culture rooted in Hawai'i as a preliminary study before visiting Hawai'i and gives the oppourtunity for reflection on the connection between Japan and Hawai'i and their own identity.
- Aloha Program online seminar and E-newsletter distribution: HTJ conducted an online seminar for Hawai'i specialists with the theme of rainbows. 128 participants learned about the science behind rainbows from an expert, giving them a unique perspective. Many of the participants commented that it was very interesting to learn about the rainbow from an academic point of view. E-newsletter was distributed on July 12 to 43,130 members. Information on the Hōkūle'a screening in Osaka, online seminar information, Bishop Museum's Japanese online program, the Mālama i nā honu's activity, and imformation about made in Hawai'i products were disseminated. The opening rate was 46.1%

- Consumer E-newsletter distribution: HTJ distributed e-newsletter to 361,501 members on July 6th. Information on events that HTJ plans to participate in, Hōkūleʻa screenings, the Ukulele Festival, and the Kaimuki Clean Up Festival which HTJ staff participated were included. The opening rate was 26.6%.
- Consumer Inquiries: There were 75 inquires in July. Most of the inquiries were on what they need to expect when they test positive while they are in Hawaiʻi and travel conditions for children under the age of 18 without vaccinations. Compared to previous months, questions relating to what they can experience in Hawaiʻi has increased.

Travel Trade

- Current travel trade situation: Major travel agencies continue to promote trips for summer vacation by focusing on digital marketing and issuing pamphlets from Autumn. Travel agencies and JATA jointly issuing the advertisement in line with JATA's overseas travel campaign beginning from July 15 will create great cooperation on promoting Hawaiʻi as industry. Due to the depreciation of the yen and soaring fuel surcharges, airlines are urging customers to issue tickets ahead of time. HIS will hold "SUPER SUMMER SALE! FINAL 2022" again this year, and implement overseas travel production, incorporating coupons worth up to 100,000 yen and subsidies for children's passport application fees, etc.
- Promotion with partners: HTJ is collaborating with partners to capture and stimulate demand for travel from Autumn and accelerating promotions in Japan. Hawaiʻi Promotional Committee Japan will be conducting seminars for employees of JTB and HIS and workshop for the entire company in Osaka in September. HTJ will also cooperate and focus on education in rural areas. At the Tourism Expo in September, we plan to work with travel agencies and stakeholders to operate a pavilion that promotes Hawaiʻi.
- Edutourism seminars: With continued mitigation of restriction of the travel, the number of edutourism related seminar request has been increasing. Most of the requests for seminars were made to other destination however with the speed of Hawaiʻi's revival and safety measures, request of seminars related to edu tourism are made mostly from rural areas. 103 students from Kyoto Gaidai Nishi High School will be participating on Hawaiʻi excursion which HTJ and Hōkūleʻa crew did the workshop.
- Virtual tour video creation: In July, HTJ created and released three of hotel partners' (Kaanapali Beach Hotel, Aston Waikiki Hotel, Moana Surfrider, A Westin Resort & Spa) virtual videos. Within one month, there were total of 5,500 viewers. This result indicates that there are many people who are considering traveling to Hawaiʻi and want the latest information. HTJ will continue to release additional videos in August and will also be collaborating with industry media to increase the viewership of the video.
- Travel Trade website enhancement: HTJ continues to focus on sharing the latest information and online education through industry site. In addition to Hawaiʻi visitor statistics and COVID-19 situation, topics relating to Mālama Hawaiʻi, information for small groups, educational materials, and initiatives made by partners are posted.
- Online Education: Each company tends to hold in-house seminars for staffs and seminars before travel to consumers. HTJ supported by offering presentation data and participated in JATA's B2B JOTC online seminar and edu tourism seminar to share Hawaiʻi's updated information, explained

about regenerative tourism, and Mālama Hawai'i to 643 people. From August, by utilizing the virtual hotel videos, HTJ will resume webinars twice a month to train travel agencies who have returned.

Travel Trade Calls

| Airline | Wholesaler/TA/TO/OTA | Other | Total |
|----------------|-----------------------------|--------------|--------------|
| 7 | 32 | 25 | 64 |

Public Relations

- Media support: HTJ communicated and supported 81 medias during July. HTJ assisted in creating Japan Airlines’s press tour’s schedule and coordination that was held from July 11. On the arrivals date, update information and Hawai'i’s Mālama Hawai'i initiatives were shared by HTJ staff.
- Mālama Hawai'i media 100 project: HTJ is conducting the Mālama Hawai'i Media 100 Project, which educates 100 media outlets about Mālama Hawai'i efforts and conveys the environmental and cultural protection that Hawai'i is aiming for. In July, HTJ pitched to 7 media outlets on Aloha+ Challenge, HTJ’s initiatives, and Mālama Hawai'i promotion with various case studies and stories.

REGENERATIVE TOURISM/DMAP INITIATIVES UPDATE

DMAP Action Items Supported

- HTJ participated on DMO case study for Tokyo Metropolitan Government and shared Hawai'i’s initiatives. It was also published as a newspaper article.
- Continue to promote awareness of DMAP at all sales related seminars. We are moving toward incorporating it into the tour creation in early autumn.

Initiatives to Promote Hawai'i Made Products

- HTJ cooperated in promoting made in Hawai'i products with DBEDT at large-scale Hawai'i fair "Hankyu Hawai'i Fair" held in Osaka in July. Also HTJ is discussing with event promoters to set up an promotion area at events in Japan in September and November.

Festivals & Events Promoted

- Ukulele Festival: HTJ promoted last Ukulele Festival which aims to bring smiles, love and hope not only to Hawai'i but also to the world through the ukulele on allhawaii and SNS platforms. 23,518 reach was earned on Facebook.
- Nā Hoku Hanohano Award: HTJ promoted and did the Facebook and Instagram live of Nā Hoku Hanohano award. Also, prior to the event, recorded messages from musicians for Japanese viewers and posted on social media platforms. It generated 179,378 impressions.

Voluntourism Programs Promoted

- Volunteer tourism initiatives and programs available in Hawai'i were introduced at webinars delivered to JATA members and at the seminar for college students.
- HTJ is creating the video featuring the Mālama Hawai'i experience day of the Japan Summit. Travel agents’ experience at Papahana Kuaola and trade show at Bishop Museum will be included with their interviews. The video will be posted on industry sites and distributed to travel agencies, and partners to increase awareness.

ISLAND CHAPTERS ENGAGEMENT UPDATE

- Island of Hawai'i Delegation: HTJ provided travel industry-related support to Hawai'i County Mayor, Hawai'i Island Tourism Director, and other related parties during their visit to Japan. With flight returning to Kona from August 2, HTJ arranged appointments with JAL, JALPAK, HIS, JTB, and Expedia and accompanied Hawai'i delegates for meeting to promote flights to Kona.

"COMING ATTRACTIONS"

| What | When | Where |
|---|-------------|--------------|
| Moananuiākea movie showing | 8/27 | Fukuoka |
| HPCJ x HTJ Hawai'i Seminar & Workshop | 9/5 | Osaka |
| Hiroshima anniversary event Hawai'i night | 9/2 | Hiroshima |
| Moananuiākea movie showing | 9/3 | Hiroshima |
| JATA Tourism Expo Japan | 9/22-25 | Tokyo |
| Moananuiākea movie showing | 10/22 | Okinawa |
| Moananuiākea movie showing | 10/30 | Sapporo |
| Japan Mission B2B Seminar | 11/16 | Tokyo |
| Japan Mission Mahalo Reception | 11/16 | Tokyo |
| Japan Mission Media Luncheon | 11/18 | Tokyo |

Hawai'i Tourism Canada

2022 Monthly Market Activity Report – July

MARKET INTELLIGENCE

Economy

- The Canadian economy held steady in May as GDP growth remained essentially unchanged. The result marks a deceleration after three consecutive months of growth.
- Statistics Canada's preliminary estimate for real GDP growth in June is 0.1%. If correct, this would mark a modest Q2 performance with the economy growing 1.1% on the previous quarter, powered largely by activity earlier in the spring.
- June's figures saw output fall in several goods-producing industries. Following a 2.0 per cent decline in manufacturing shipments in May, output followed suit as GDP in the manufacturing sector fell by 1.7 per cent. Meanwhile, output also declined in construction (-1.6 per cent) as well as mining, quarrying, and oil and gas extraction (-0.1 per cent).
- In the service economy, there were notable gains in the transportation and warehousing industry. Increased demand for passenger transportation, particularly air travel drove this increase. Elsewhere, GDP continued to rise in accommodation and food services (1.9 per cent) and arts, entertainment and recreation (2.6 per cent).
- With COVID-19 cases numbers rising once more, Canada has reinstated the random testing in international airports.
- The average value of the loonie during in July was US \$0.79.

Outbound Travel Market

- January-May 2022 saw almost 7.2 million Canadians return home from an overnight trip to the U.S. and other destinations. This was nine and a half times the volume recorded in 2021, and 50% of pre-pandemic activity.
- More than 4.3 million Canadians returned home from an overnight transborder trip during the first five months of 2022, eleven and a half times the volume recorded last year. Auto travel accounted for 47% of trips during the period, compared to 48% cent in 2019. Transborder activity so far in 2022 represents 53% of the volume recorded during the same period in 2019.

Competitive Environment

- Destinations in the Caribbean, Mexico, and Central America reported 1.6 million arrivals from Canada during the first five months of 2022, 19 times the activity recorded last year but 1.7 million fewer visitors than in 2019. So far in 2022, Canadian arrivals in sun destinations represent 48.5% of pre-pandemic activity.
- There were 192 thousand Canadian arrivals in the Asia-Pacific region between January-May 2022. Visits to India and the Philippines accounted for 62% of the activity recorded during the period.

Arrivals in the region are now almost 7 times the level seen in 2021 but represent just 12% of the volume recorded during the same period in 2019.

- Destinations in Europe and the UK reported 934 thousand Canadian arrivals throughout the first five months of 2022, almost 13 times the activity reported in 2021, but a 52% drop compared to 2019. 44% of the activity recorded so far in 2022 occurred in May.

Consumer Trends

- With short-term financial concerns on the rise, the Index of Consumer Confidence fell to 72.8 points in July, the lowest level recorded since the start of the pandemic. Although inflation is starting to decelerate, consumers are concerned about their purchasing power as one-third reported a pessimistic view of their current finances. Optimism regarding future finances and job prospects also fell in July, and just 11 per cent of respondents believe now is a good time to make a large purchase.

Travel Trends

- Nearly 16 thousand Canadian arrivals were recorded in June, 82% of the volume recorded in 2019.
- Direct arrivals during the month were 16% lower than in June 2019, while indirect arrivals were down 24%.
- January-June saw 166 thousand direct arrivals (-33%) and 25 thousand indirect arrivals (-62%)

Airlift

- Scheduled capacity throughout the first half of 2022 reached 294 thousand seats, just 13 thousand fewer seats than in 2019 (-4.2%).
- Compared to 2019, Air Canada offered 18 thousand more seats (15%) while Westjet offered 31 thousand fewer seats (-17%)
- Overall, carriers are reporting almost half a million seats throughout 2022, a similar level as in 2019.
- Air Canada and WestJet are currently offering 126 thousand direct seats throughout the summer travel season (May-Oct) compared to 108 thousand in 2019 (17%).

MARKET ACTIVITY UPDATE

Consumer Direct

- HTCAN continues its organic posting through its Canada dedicated channels on Instagram, Facebook and Twitter. The messaging on the three networks is focused on promoting the Mālama Hawai'i program.
- HTCAN has been working with Today's Bride to launch the campaign in August. On this campaign, HTCAN has partnered with Air Canada and Outrigger for a prize of a honeymoon trip in Hawai'i.

Travel Trade

| Travel Trade Calls | | | |
|--------------------|----------------------|-------|-------|
| Airline | Wholesaler/TA/TO/OTA | Other | Total |
| 13 | 30 | 3 | 46 |

- **Baxter Media Campaign:** This month's issue of the Baxter Media campaign featured the Island of Hawai'i and interview with Deanna Isbister who spoke to the Travel Courier editors about the new experiences on the island as well as how to mālama when visiting the state. Deanna also spoke about kuleana and how visitors are more and more engaged with activities that represent the same values. Baxter Media also distributed a travel blast focused on regenerative travel on the island of O'ahu. The email centered around the idea of leaving the island better than how travelers found it and the potential positive impacts that visitors can make.
- **Hawai'i Aloha Spirit with Kuleana – Spoiled Agent webinar:** HTCAN hosted a special training webinar directed to travel advisors on July 21. The webinar was conducted by Account Director Lorenzo Campos and Spoiled Agent VP Sales & Marketing Sabrina Filatow. 49 Advisors attended the webinar, also another 6 followed along on the Facebook group live session. The training provided travel advisors with information on the Mālama Hawai'i program and the message of kuleana. The recorded session is available for all the travel advisors on Spoiled Agent Hawai'i dedicated page.
- **Takeaways from Travel Trade Calls:**
 - Travelers reconsidering their travel plans during the summer. Travelers looking to travel this summer are reconsidering their plans due to the cancellations and strikes. It's been a difficult time for many destination tourist hotspots as airlines and airports struggle to cope with staffing problems and pent-up travel demand after Covid-19 lockdowns. It's unlikely that travel chaos will unwind in the coming months. Travel Advisors in Canada have reported that travelers have decided to change their plans and focus on domestic travel.
 - Rogers outage disrupts travel pros, ArriveCAN & passport offices. On July 8, a nationwide Rogers communications outage cut wireless, cable, and internet services across the country, forcing many to scramble for connectivity. Travelers leaving and entering Canada faced several issues due to the Canada-wide network outage. Many of them were not able to complete their mandatory ArriveCAN submission. Instead, paper copies of proof of vaccination and government-issued documents are required.
 - Travel Edge Network joins Ensemble Travel Group. Travel Edge and Travel Edge Network, with a combined network of more than 800 advisors in Canada, have announced they have joined Ensemble Travel Group. Ensemble's new leadership and vision will focus on helping advisors elevate their craft with greater opportunities to maximize earnings and target luxury travelers. As a result of Ensemble's recent acquisition by Navigatr, it is poised to dramatically change the consortium landscape with new technology, enhanced marketing resources and a commitment to being a true business partner that is dedicated and focused on improving its margins and profitability.
 - Expedia Group currently evaluating the inclusion of tour operators' inventory on Expedia.ca. Expedia Group currently competes in this marketplace both by creating their own packages and by sourcing pre-bundled inventory from tour operators (WestJet Vacations- Air Canada Vacations). Because pre-bundled inventory from tour operators is not sourced directly from Expedia Group supply partners, it may result in an inconsistent experience for travelers. For this reason, Expedia is evaluating the best way to deliver packages sourced via third-party tour operators on Expedia.ca. The booking platform would focus more on dynamic packaging. There's no official word yet on whether Expedia TAAP will be impacted by the changes.
 - Canadian passport services are still not yet back to normal. The Government of Canada says passport services are still not yet back to normal, but improvements are continuing to be seen at offices across the country. In-person services at passport offices are ensuring the vast majority of people are receiving their passports ahead of their travel. This is primarily being

accomplished by prioritizing those who have urgent travel needs, while connecting those with non-urgent travel with other service solutions. The government continues to add staff to grow capacity. The lineups at passport offices fluctuate, with larger queues, especially at offices in bigger cities.

- Calls to scrap ArriveCAN grow. Calls to scrap the ArriveCan app continue from experts in medicine and technology as well as travelers, even after the federal government fixed a technical glitch that instructed some users to quarantine unnecessarily. The mandatory smartphone and desktop-based application that requires travelers to report their trips, vaccination status and health conditions before entering Canada give the Public Health Agency of Canada (PHAC) key information about people who test positive for COVID through testing at airports and land borders.
- The Government of Canada has announced changes to ArriveCAN to make travel “faster and easier.” Since June 28, travelers arriving at Toronto Pearson or Vancouver Airports have been able to use an optional Advance CBSA Declaration feature in ArriveCAN to submit their customs and immigration declaration in advance of arrival. This change is speeding up wait times at airports.

Public Relations

- In July, HTCAN’s pitching themes include 2022 happenings, family, culinary and strong emphasis on voluntourism and Mālama messaging.
- HTCAN is in regular conversation with media to ensure they are updated on all regulations and safety protocols.
- HTCAN has been in discussion with the following journalists for visits to Hawai’i this year:
 - Natalie Preddie, air travel expert and blogger
 - Chloe Berge, freelance, Canadian Traveller
 - Fiona Morrow, MONTECRISTO Magazine
 - Jaime Damak, jesuisunmaman
- HTCAN registered for Discover America Media Day taking place in Toronto on September 15th. With up to 10 one-on-one meetings with traditional media, trade media and bloggers.
- Natalie Preddie’s segment on Cityline featuring Hawai’i aired in early July. Segment aired in Toronto originally was syndicated in Edmonton, Vancouver, Calgary, Montreal, and other Canadian cities. HTCAN shared b-roll with Natalie to be included in the segment.
- Group Media FAM (November 2-9): the FAM theme will be “Culinary & Culture” covering O’ahu and Kaua’i with 4 media participants and 1 HTCAN escort. HTCAN reached out to Air Canada for support with flights.
- Aloha Canada Mission (October 18-20). Three city joint trade and media mission includes Toronto, Vancouver and Montreal. HTCAN will arrange media interviews for HTA and Island Chapters during the mission.

REGENERATIVE TOURISM/DMAP INITIATIVES UPDATE.

DMAP Action Items Supported

- HTCAN continues to promote the Mālama Hawai'i program and responsible and regenerative tourism. During the Spoiled Agent webinar and in this month featuring the Island of Hawai'i in the July Travel Courier edition, the following DMAP items were supported:
 - Develop and support opportunities to mālama and steward the places and culture of Hawai'i Island for both residents and visitors, including using Native Hawaiian practices of resource and cultural stewardship.
 - Promote HTA's Ma'ema'e Toolkit to the visitor industry and business communities.
 - Support opportunities that tie in Native Hawaiian practices of resource and cultural stewardship.

Initiatives to Promote Hawai'i Made Products

- On the Travel Courier article that featured the Island of Hawai'i, Deanna Isbister talked about the importance of supporting local farm tours, farm-to-table restaurants, and farmers markets.
- During the webinar with Spoiled Agent, Lorenzo Campos talked about the importance of buying local and encouraging travelers to support the local economies.

Festivals & Events Promoted

- During the webinar with Spoiled Agent, HTCAN promoted the following festivals:
 - Legends Surf Classic
 - Hawaiian Slack Key Festival 2022
 - Garden Island Boogie Board Classic

ISLAND CHAPTERS ENGAGEMENT UPDATE

- OVB was in Toronto for Destinations International, and Noelani Schilling-Wheeler gave HTCAN team an update on each one of the islands. Also, she interviewed with Jim Byers, a travel journalist who writes for various media outlets.
- The Island Chapters are still waiting for HTA to release their international marketing funds to confirm their in-person attendance to Aloha Canada Mission.

"COMING ATTRACTIONS"

| What | When | Where |
|------------------------------------|-----------------------|--|
| Continuous Organic Posting | Jan-Dec | Canada-wide |
| Cooperative campaigns | Fall | Canada-wide |
| Baxter travel trade media campaign | March to December | Canada-wide |
| Today's Bride campaign | August to December | Canada-wide |
| WestJet Shows | September 12, 14 & 15 | Toronto, Calgary, Vancouver |
| ACV Product Launch | September 19 | Montreal (Canada wide virtual) |
| Aloha Canada | October 18-20 | Montyreal, Toronto, Vancouver and virtual nationwide |

Hawai'i Tourism Oceania 2022 Monthly Market Activity Report – July

MARKET INTELLIGENCE

Economy

- The outlook for the labor market is broadly unchanged, with unemployment expected to continue to decline (currently 4%) and wage growth to pick up.
- However, higher prices and interest rates will start to have an impact on the disposable income of many households
- GDP is now expected to grow by 2.3% over 2022 (was 2.7%)
- In New Zealand, the strong labor market has got a touch cooler with a surprise rise in unemployment (from 3.1% to 3.3%) but wages rose at the fastest rate in more than a decade.
- The respective change rate values ended the month slightly higher against the USD at 70cents (AUD) and 63cents (NZD).

Outbound Travel Market

- Disruption across the travel industry, including chaotic scenes reported from airports and missing luggage are putting some people off travelling this year
- The rising cost of airfare is currently having the biggest impact on travel bookings.

Competitive Environment

- Fiji, Thailand and Bali remain strong competitors. Partners are reporting that the cost of the airfare to Hawai'i is having a huge impact on conversion, especially for partners that package air with land. The Hawai'i airfare challenge isn't the same in the NZ market with Hawai'i airfare increases on a much smaller scale than many other destinations.
- MyHawaii/Ignite Travel have reported their lowest ever conversion rates from interest to booking for Hawai'i because of the cost of the airfare.
- Destinations like Thailand and Fiji have much more competitive air prices, making them more favorable to the price conscious.

Consumer Trends

- The rising cost of airfare means that people are tending to wait until much closer to the travel date hoping to find a more competitive fare. Skewing the tradition booking pattern.

Travel Trends

- Package deals with land and air bundled are continuing to prove popular with Australians.
- Cruise remains incredibly popular with bookings already being made for the '24 season

Airlift

- No change in airlift for Australia
- In NZ, Hawaiian airlines have seen strong demand over the school holidays but with opportunities outside of these periods. Air NZ have announced that across their domestic and international schedule they will be cancelling around 1.5% of their services due to challenges around staffing and aircraft availability. Honolulu is impacted as of November with a reduction from 3 flights per week to 2.

MARKET ACTIVITY UPDATE

Consumer Direct

Get Lost Content Project

Get Lost is an independent quarterly offering an antidote to carbon-copy package holidays and tourist traps. Combining world-class photography with engaging writing, each issue inspires the reader to explore the world in ways they never thought possible. HTO worked with Get Lost to produce an interactive editorial and video showcasing the Island of Hawai'i.

Wedding Expo – Brisbane

We have partnered with Hawaiian Airlines to exhibit at four Wedding Expos across Australia this year. The first one was held at Brisbane Convention and Exhibition Centre on Sunday 24th July. We created a romance guide to Hawai'i to use at the event which promoted places to get married across the islands, where to stay and activity ideas for couples.

Trip Advisor Campaign – April – August 2022

This was primarily a brand awareness and education campaign. In the first phase of the campaign the objective was to target our three key audience segments and to show them the different experiences available across the islands, tailored to their needs. We focused on couples, families and responsible travelers. We created itineraries (Trip Guides) with the experiences mapped out for each segment. There were also digital ads driving people to the Mālama Hawai'i page of the GoHawaii website, video promotion and social media promotion. The conversion phase of the campaign is still underway.

Highlights

Phase 1

- 4753 views of the Trip Guides
- Family Trip Guide had the highest pageviews
- Banner ads – 0.10 CTR (13% above benchmark), 926,811 impressions, 841 clicks
- Trip Connect – 1.32 CTR, 519,673 impressions, 6849 clicks

Phase 2 (still underway)

- Banner ads – 0.12 CTR, 633,288 impressions, 731 clicks
- Best performing ad so far is the Malama video
- Trip connect with experiences from across the islands 338,335 impressions, 3354 clicks, 0.99 CTR

Social media July Update

- Facebook top performing posts, Australia
 - o 'Umauma Ziplining,' with 355 total engagements, 53 reactions, 29 comments, 2 shares, 11 post link clicks and 260 other post clicks

- o 'Kalalau Lookout,' with 252 total engagements, 57 reactions, 11 comments, 4 shares, and 180 other post clicks.
- o 'Luxury Escapes Hawai'i episode,' with 205 total engagements, 44 reactions, 5 comments, 4 shares and 152 other post clicks.
- Instagram top performing posts, Australia
 - o 'Kalalau Lookout,' with 284 total engagements, 257 likes, 3 comments and 24 saves.
 - o 'Duke's OceanFest,' with 268 engagements, 258 likes, and 10 saves.
 - o 'Mama's Fish House,' with 125 total engagements, 118 likes, 2 comments and 5 saves.
- Facebook top performing posts, New Zealand
 - o 'Reef-safe sunscreen,' with 35 total engagements, 8 reactions, 1 comment, 1 post link clicks and 24 other post clicks
 - o 'Hulopo'e Bay,' with 28 total engagements, 7 reactions, 2 post link clicks and 19 other post clicks.
 - o 'Experience Volcano Hawai'i Festival,' with 17 total engagements, 3 reactions, 2 comments, and 12 other post clicks.
- Instagram top performing posts, New Zealand
 - o 'Duke's OceanFest,' with 22 total engagements, 20 likes, 1 comment and 1 save.
 - o 'Hulopo'e Bay,' with 21 engagements, 21 likes.
 - o 'Mama's Fish House,' with 20 total engagements, 20 likes.

Travel Trade

Highlights from July

HTO continues to collaborate with key stakeholders to share the aloha and trade education. Due to school holidays in July in many states, trade activities were limited so HTO focused on preparation for our many events and roadshow in August such as Visit USA & Aloha Down Under.

HTO partnered with Waikīkī Collection hosting a webinar for travel advisors. Over 40 agents across Australia & New Zealand attended the session which was promoted via LinkedIn & trade EDM.

Travel Trade Calls Table

| Airline | Wholesaler/TA/TO/OTA | Other | Total |
|----------------|-----------------------------|--------------|--------------|
| 3 | 9 | 6 | 18 |

Summary of travel trade calls by category

- Hawaiian Airlines Australia
- Hawaiian Airlines New Zealand
- Flight Centre
- Travel Associates
- Travel Partners

- Fusion Holidays
- Ignite/MyHawaii
- SmartFlyer
- The Travel Corporation
- Outrigger Hotels & Resorts
- Prince Hawaii Hotels
- Castle Resorts & Hotels
- Waikiki Collection
- 1000Mile Travel
- Helloworld
- Brand USA
- US Consulate
- US Embassy
- Visit USA executive committee

The Travel Junction – Trade Event

To launch the trade co-op campaign with The Travel Junction, HTO attended a travel agent function in Brisbane. 35 travel agents were in attendance at the event where we presented the latest updates from The Hawaiian Islands and launched the booking incentive which will see one agent win a trip to Hawai'i with accommodation provided by Outrigger Resorts

Clients Visits

Many key Trade clients visited the Hawaiian Islands in July which HTO has provided assistance with suggested itineraries, activities, and site visits such as.

Public Relations

Highlights from July

July saw the restart of flights between New Zealand and Hawai'i, and HTO and Hawaiian Airlines hosted four influential media on the first flight on July 4th

The itinerary featured a mix of new experiences along with exciting reminders of what makes Hawai'i so special to the Kiwi traveler. The concept of mālama was also woven into the itinerary and has begun to feature strongly in the resulting coverage.

Also during July, Hawai'i Tourism Oceania worked with media across print, digital and broadcast platforms.

HTO is working with Travel Weekly and KarryOn for a monthly Aloha Friday feature in 2022. Both outlets published the articles throughout June. A press release was sent to media to promote Duke's OceanFest happening in August 2022.

On July 8, we hosted the ASTW lunch event alongside Hawaiian Airlines at Watersedge in the Rocks, Sydney. Approximately 50 travel writers attended, and we shared an update about the Hawaiian Islands. Additionally, Hawaiian Airlines announced that they will select 10 travel writers to receive points for free flights to the Hawaiian Islands.

Dee Dee Dunleavy, a well-known radio host for the Melbourne radio station 3AW covered some of her trip we assisted with on her show on July 14.

On July 23 the Luxury Escapes episode successfully aired on Channel 10 and is available to watch online.

We are in the final stages of the Aloha Down Under Media Lunch Event happening on 23 August 2022. 32 media from top publications such as Escape, International Traveller, Are Media, Travel Weekly and KarryOn have confirmed their attendance.

We continued the conversation with 'We are Explorers' who we will be working with later in the year and are in the process of locking in two journalists/content creators to attend the Food and Wine Festival in October.

We have seen more great pieces of coverage come through from the media famil from Katrina Loble, Kate Webster and Julie Miller with more to come over the next couple of months.

During July, Hawai'i Tourism Oceania assisted the following media:

- Franki Hobson, Are Media
- Heidi Lewis, Writer and Photographer
- Erin Kunkel, Qantas Magazine photographer
- Lynn Gail, Freelance
- NZ restart press trip (Travel Today, Travelinc memo, Stuff.co.nz / Sunday Star Times)

During July, Hawai'i Tourism Oceania had the following meetings:

- Nicole Tapster, PEPR (Outrigger Resorts)
- Damian Martin, Tracks Surfing Magazine
- Franki Hobson, Are Media
- Heidi Lewis, Writer and Photographer
- Lauren Ellis, TODAY
- Jodie Collins, Luxury Escapes
- Elizabeth Hachem, Qantas
- ASTW lunch event attendees
- Virginia Larson, Kia ora magazine (Air NZ inflight)
- Greta Kenyon, Together wedding mag

Overall coverage for July– see KPI Excel sheet

REGENERATIVE TOURISM/DMAP INITIATIVES UPDATE

DMAP Action Items Supported

Protect and preserve culturally significant places and hotspots

- Social Media platforms
- Trade webinars and presentations

Implement a pre- and post-arrival tourism communications program to encourage respectful and supportive behavior

- Consumer eDM
- Trade eDM
- Trade presentations
- Social Media

Develop and implement marketing programs to attract positive-impact travellers who prioritise the environment, culture and investing in our local community

- Trip Advisor
- Expedia

Mālama 'Āina

- Trip Advisor
- MyHawaii
- Expedia
- Vacations & Travel Magazine
- Stuff.co.nz

Promote agritourism and buy local

- Media newsletter

Initiatives to Promote Hawai'i Made Products

- Media Newsletter
 - Buy local: 21 Degrees Estate Cacao Farm
- Aloha Friday Travel Weekly
 - Made with Aloha in Hawai'i
- Travel Today NZ
 - Shop local
- Facebook Australia
 - Merriman's Waimea
 - The Beach House Kaua'i
 - Mama's Fish House
 - Lāna'i Culture and Heritage Centre
 - Honolulu Beerworks
 - Punalulu'u Bake Shop
- Instagram Australia
 - Merriman's Waimea
 - The Beach House Kaua'i
 - Mama's Fish House
 - Lāna'i Culture and Heritage Centre
 - Shave ice (story)
 - Honolulu Beerworks
 - Punalulu'u Bake Shop

- Facebook New Zealand
 - Mama's Fish House
 - Lāna'i Culture and Heritage Centre
 - Merriman's Waimea
 - Kōloa Rum Company
 - Kōkua Sun Care
- Instagram New Zealand
 - Mama's Fish House
 - Lāna'i Culture and Heritage Centre
 - Merriman's Waimea
 - Kōloa Rum Company
 - Kōkua Sun Care

Festivals & Events Promoted

- Media newsletter
 - Aloha Festivals
 - Jack Johnson Live from Hawai'i
 - Kaua'i Marathon and Half Marathon
 - Battle of the Food Trucks on Kaua'i
 - Dukes OceanFest on O'ahu
 - 25th Annual Hawaiian Slack Key Guitar Festival 'Kona Style' on island of Hawai'i
 - Asia Pacific Dance Festival
 - Emma Sharden Hula Festival, Maui
 - Heiva, Kaua'i
- Facebook Australia
 - Experience Volcano Hawai'i
 - International Marketplace Stargazing events
 - Healing Horses Kaua'i
 - Duke's OceanFest
 - Kōloa Plantation Days
- Instagram Australia
 - Experience Volcano Hawai'i
 - International Marketplace Stargazing events
 - Healing Horses Kaua'i
 - Duke's OceanFest
 - Kōloa Plantation Days
- Facebook New Zealand
 - Experience Volcano Hawai'i
 - Duke's OceanFest
- Instagram New Zealand
 - Friday Night fireworks at the Hilton (Story)
 - Experience Volcano Hawai'i

- o Duke's OceanFest

Voluntourism Programs Promoted

- Facebook Australia
 - o Mālama Hawai'i

ISLAND CHAPTERS ENGAGEMENT UPDATE

- Monthly meeting continues with OVB
- Specific OVB joint-planning of Sea Cleaners initiative
- Working with IHVB on We Are Explorers project
- Liaison with various media and fam opportunities

“COMING ATTRACTIONS”

Coming Attractions Table

| What | When | Where |
|--|-------------|--|
| The Travel Junction Co-op | August | Online |
| Wedding Expos | July - Sept | Syd, Brisbane, Melbourne |
| Visit USA Expo | August | Brisbane, Melbourne & Sydney |
| Aloha Down Under | August | Sydney, Brisbane, Melbourne & Auckland |
| COAST Radio shopping campaign | August | O'ahu |
| HTO & Hawaiian Airlines Trade Mālama famil | September | O'ahu & Maui |
| Sea Cleaners Initiative | September | O'ahu |
| Holiday & Travel Expo | October | Sydney |
| We Are Explorers Filming | October | Island of Hawai'i |
| Virtuoso famil | November | TBC |
| Travel Associates Co-op | September | Online and in store |

Hawai'i Tourism Korea

2022 Monthly Market Activity Report – July

MARKET INTELLIGENCE

Economy

- South Korea's exports rose 9.4% year-on-year to \$60.70 billion in July, matching the forecast in a Reuters poll, after a 5.2% rise in the previous month.
- In July, the South Korean exchange rate was 1,309.05 (KRW/USD), up from the previous month's 1,281.95 (KRW/USD).

Outbound Travel Market

- The number of outbound travelers from Korea in June was 412,798, a 419.6% year-on-year increase.
- From July 25, people who have entered Korea from overseas must undergo PCR testing on the first day of entry. Previously, they were required to do a test only within three days of entering the country.
- Korean Air and Asiana Airlines are increasing flights evenly across all routes, including the Americas, Europe, and Asia, in the second half of the year. Asiana Airlines plans to expand supply by operating super-large aircraft such as the A380 on routes with high demand such as Bangkok and Los Angeles.
- LCCs are concentrating on routes to Japan, Southeast Asia, and Oceania, and are resuming services, especially in summer, centered on resorts. Jeju Air and T'way Air have pioneered new routes by operating Incheon-Ulaanbaatar services. T'way Air seeks to improve profitability by injecting its large A330-300 into Singapore, which is a mid- to long-distance route, and Ulaanbaatar and Bangkok, which have high seasonal travel demand. Air Busan plans to establish a dual hub in Incheon and Busan by operating mainly to popular destinations such as Japan, where the proportion of sales is high, and by expanding international routes from Incheon.
- New LCCs are also rapidly preparing to launch international flights. Fly Gangwon plans to service routes to Taiwan, Vietnam, Japan, and Hong Kong consecutively after August. Air Premia is scheduled to launch new services to Ho Chi Minh, LA, and Narita in the second half of the year, and plans to introduce Boeing 787-9 Dreamliner units 2 and 3 in August and September.

Competitive Environment

- New Zealand fully opens its borders on August 1. The New Zealand government will allow visa holders to enter the country, including tourists, workers, and students. Previously, New Zealand allowed entry through special visas to students wishing to study abroad on a limited basis after the pandemic. From May this year, only short-term stays of up to 3 months were possible for countries with visa-free agreements, such as Korea.

Consumer Trends

- According to the Korea Travel Times's online survey, which was conducted during April 29 - May29:

- Travelers' preferences on booking channels for travel agencies/OTAs was high, with 43.4% of the total, followed by portal sites and online shopping malls (26.5%). People who made a reservation directly with an airline or hotel accounted for 22.1%, and only 8% preferred home-shopping or T-commerce channels.
- The most common reasons for using travel agencies or OTAs were "comfortable travel using travel products (54.1%)" and an efficient reservation and payment system (48.5%). Reliable services such as consultation and refund (38.4%) were also main reasons for choosing a travel agency or OTA.
- The top five channels that received the most selections were Hana Tour (46.2%), Mode Tour (29.7%), HotelsCombined (25.1%), Hotels.com (24.5%), and Agoda (20.3%).
- The biggest reason for preferring portal sites, online shopping malls, home-shopping, and direct reservations was found to be 'reasonable price.' The main portal sites and online shopping malls were Naver (64.1%) and Interpark (39.6%).

Travel Trends

- Reservations for overseas flights in June, ahead of the fully-fledged summer peak season, increased by 1908% compared to the previous year and 36% from the previous month, according to Interpark. By major routes, Southeast Asia and Oceania showed a remarkable rise, increasing 91% and 64% month-on-month, respectively.
 - Bangkok is the number one destination for overseas travel this summer. It was followed by Guam, Da Nang, Ho Chi Minh City, and Hanoi in order of popularity. In particular, 11 Southeast Asian cities were ranked in the top 15. LCCs and Southeast Asian airlines have driven demand by resuming services to resorts and conducting special promotions.
 - The destination where reservations for the summer vacation season increased sharply this year was Kota Kinabalu, up 496.6% from the previous month. It was followed by Bangkok (167%), Nha Trang (166%), Cebu (165%) and Da Nang (159%).

Airlift

- Korean Air increased its frequency from the previous 5 weekly to daily flights in July.
- Hawaiian Airlines is operating 5 weekly flights during June and July (and will revert to 4 weekly flights in August)
- Asiana Airlines increased its frequency from the previous 3 weekly to 5 weekly in July.

MARKET ACTIVITY UPDATE

Consumer Direct

- Social Media Campaign: HTK uploaded content in the following areas in July: Made in Hawai'i, Cuisine, Hawai'i's hotels and resorts, Tourism attractions and Mālama Hawai'i. A consumer quiz event was also carried out from July 19 to 24 in collaboration with Baskin Robbins Korea and Interpark Tour. The quiz event reached out to 6,100 followers and 630 of them participated. HTK selected 30 lucky winners and distributed Baskin Robbins ice-cream coupons.
 - Made in Hawai'i: Kohana Distillers (Hawaiian Rum)
 - Hawai'i Hotel & Resort Virtual Tour: Montage Kapalua Resort, Kā'anapali Beach Hotel
 - Mālama Hawai'i: Loko 'eā Foundation
 - Tourist Attraction: Downtown Honolulu, Waikīkī Beach
 - Cuisine: Merrimans O'ahu, Fresh Shave
- Mālama Hawai'i & Kuleana Social Media Ad Campaign: The digital ad campaign continued in July. It promoted: HTA's official Kuleana and Mālama Hawai'i videos; 5 Hawai'i Travel Tips Videos

(culture, ocean safety, ocean animals, ocean conservations, land safety) and Mālama Hawai'i videos (Hawai'i is our Home).

- Made in Hawai'i Brand Co-op with SSG and Bar & Dining Magazine: Planning continues for a live cooking class event for consumers in cooperation with SSG.com, Korea's leading integrated online shopping mall owned by Shinsegae Group, and Bar & Dining, a Korean lifestyle & dining magazine. Before the class, a promotion hashtag event will be held on social networks in early August to increase interest. To convey the Hawai'i vibe, SSG.com will depict Kona coffee and Hawaiian salt in a video for uploading to its web page under the category 'Chef's shopping cart.' A 'Hawai'i Travel Experience Sharing' event for consumers will also be uploaded to SSG.com and Bar & Dining social network channels.

Travel Trade

- Honeymoon Promotion with HA: HTK and HA are preparing a large-scale promotion for eCommerce platform Gmarket to preempt the demand for autumn honeymoon travel to various islands of Hawai'i. Gmarket is a subsidiary of SSG group and is the former eBay Korea. The promotion will run for a month from mid-August, and Hawaiian Airlines' extensive network to various islands and special ticket fares for honeymooners will be emphasized. In addition, Hawaiian Airlines has prepared a Lei service at airports to welcome honeymooners who travel to Neighbor Islands. And Gmarket is preparing to provide additional benefits such as Hawai'i hotel discounts for honeymooners.
- Travel Mission in Planning: Hawai'i Tourism Korea (HTK) is planning to hold its 2022 Hawai'i Travel Mission in November 21-22, 2022, in Seoul, Korea. The mission will provide multiple opportunities to connect Hawai'i partners with Korea's leading travel agents through business meetings and networking events. HTK is working with Meet Hawaii and global MCI participants to prepare helpful programs for Hawai'i's various leisure and MCI industry partners. HTK will send out invitations to industry partners as soon as the program plan is set.
- Kuleana Campaign with KE and 18 travel agencies: As part of pre-travel communication, HTK has cooperated with Korean Air and 18 travel agencies to deliver Hawai'i travel tips to people who purchase Hawai'i air tickets through eDM or Kakao Talk. On the promotion landing page, five Hawai'i travel tips videos (culture, ocean safety, ocean animals, ocean conservations, land safety) with translated subtitles are played sequentially according to the period. The campaign is running from July to September.
- Kuleana Campaign with OZ: HTK also cooperated with Asiana Airlines for a Kuleana Campaign. During July-September, when a consumer purchases an Asiana Airlines ticket online, a banner linking to the travel tips video on HTK's YouTube appears on the booking. And HTK and Asiana Airlines held a giveaway event in July for Hawai'i ticket purchasers. The Hawai'i travel tips video was introduced also through the page. In addition, banners are also exposed through the 'Find My Trip' function on the airline's site to people who have purchased tickets through travel agencies.
- Made in Hawai'i Campaign with KE: To introduce made/produced-in Hawai'i products and increase awareness of the Hawaiian Islands, not only as a travel destination but also as a compelling source of consumer goods, HTK held an online customer event with Korean Air. HTK translated local shopping information on the GoHawai'i website and introduced the link on KE's site for consumers to refer to for shopping information. The event page introduced various Hawaiian products such as chocolate, coffee, honey, and handmade products, as well as information on coffee and cacao

farms as likely travel destinations. The event is open to all Korean Air website members and runs from July to August. The winners will receive a pack of ground Kona coffee.

- Made in Hawai'i Campaign with Baskin Robins 31 and Interpark: Baskin Robins Korea selected Macadamia as Flavor of the Month-July, and released three items utilizing Mauna Loa Macadamia. To introduce made/produced-in Hawai'i products and increase awareness of the Hawaiian Islands, HTK planned a consumer promotion with Baskin Robins Korea and travel agent Interpark. People who purchase macadamia flavors can enter the giveaway event, and the winner will receive a Hawai'i travel voucher. All buyers will receive a Hawai'i travel discount coupon (\$40 value) from Interpark Tour.
 - The number of participants for the event: approx. 530,000 people
 - The number of downloads of Hawai'i travel discount coupons: 30,051
- Regenerative Tour Product Development: HTK is helping Yellow Balloon Tour to develop a regenerative tour product. The agent will introduce Kuleana Travel tips on its website and help customers make a sustainable travel choice by providing information on the sustainable initiatives of hotels included in the product. It will include the Mālama experience program as an option and provide gifts such as eco bags or tumblers as customer benefits. It will be released in mid-August.

Travel Trade Calls

| Airline | Wholesaler/TA/TO/OTA | Other | Total |
|---------|----------------------|-------|-------|
| 3 | 4 | 2 | 11 |

- Met OZ and checked the progress of Kuleana giveaway event and influencer postings
- Met KE and checked Kuleana campaign progress
- Met HA and discussed Honeymoon promotion opportunities
- Met Honeymoon Resort to discuss future co-op opportunities
- Met Tidesquare and asked for H1 room night information
- Met Interpark and Baskin Robins to develop Made in Hawai'i promotion.
- Met Mode Tour to discuss regenerative tour product development.

Public Relations

- Influencer Fam: HTK is planning an influencer Fam in October/November to develop in-depth content for Mālama Hawai'i and Made in Hawai'i campaigns. It will focus on introducing a sustainable and thoughtful way to travel in Hawai'i and feature O'ahu and Hawai'i Island. The content in the resulting coverage through social media networks will be utilized for future marketing programs as well as educational webinars and advertorials, etc.
 The Fam itinerary includes:
 - O'ahu: Diamond Head, Gunstock Ranch, KCC Farmers Market, etc.
 - Hawai'i Island: Hawai'i Volcano National Park, Kona coffee farm, Manta Rays snorkel, etc.
- Magazines' SNS coverage after Group Media Fam: HTK's premium wellness group media Fam visited O'ahu and Maui from June 25 to 30. Participating magazines featured Hawai'i on their SNS channels:
 - Vogue: Montage Kapalua Bay, Drums of the Pacific Lū'au, Maui chocolate Farm, Haleakalā National Park.
 - Cosmopolitan: Kāhala Hotel & Resorts, Bishop Museum, Kualoa Ranch, Four Seasons Resort O'ahu at Ko Olina.
 - Elle: The Kāhala Hotel & Resort, Kualoa Ranch, Bishop Museum, Four Seasons Resort O'ahu at Ko Olina.

- The Olive Magazine: The magazine devoted 8 pages to introduce water sports (Waikīkī Beach), hiking and sailing (Nāpali Coast State Wilderness Park) and Farm to Table restaurants (Kualoa Ranch).
- The Neighbor: The magazine devoted a page to introduce Four Seasons Resort Hualālai, including the attributes of the golf course. It also focused on the quality of the fairways and private lessons from LPGA professional staff.
- Consumer event with Magazine B: HTK discussed collaboration with the publication about an offline event, like a photo exhibition in Sounds Hannam, a popular location in the center of Seoul.

REGENERATIVE TOURISM/DMAP INITIATIVES UPDATE

DMAP Action Items Supported

- As part of pre-travel communication, HTK shared Hawai'i travel tips on the ticket purchase completion screen in cooperation with Asiana Airlines.
- HTK held a consumer giveaway event with Asiana for Hawai'i air ticket buyers and shared Kuleana Hawai'i travel tips.
- HTK, in partnership with Korean Air, sent Hawai'i travel tips to travelers to help ensure responsible travel. Five travel tips videos (culture, ocean safety, ocean animals, ocean conservations, and land safety) with translated subtitles are being played sequentially.
- HTK guided Hanjin Tour to provide sustainable initiatives related to hotels included in its tour product to help customers' make sustainable choices. HTK encouraged Hanjin Tour to introduce the use of BIKI, a shared bicycle system, as an eco-friendly travel method that reduces carbon emissions during travel.
- HTK met Mode Tour and discussed Mālama Hawai'i and Made in Hawai'i themed product development ideas.
- Mālama Hawai'i social events with Asiana Airline were posted on HTK's social media channels.
- Bishop Museum was posted by Cosmopolitan and Elle on their social media channels.

Initiatives to Promote Hawai'i-made Products

- HTK encouraged Hanjin Tour to include visiting farmers' markets in their tour itineraries and highlight Hawai'i made/produce on their website.
- HTK introduced various Hawai'i products such as chocolate, coffee, honey, and handmade products and provided information about coffee and cacao farms as a travel destination through an online customer event in cooperation with Korean Air.
- HTK translated local shopping information on the Go Hawai'i website and introduced the link on the KE website to help consumers refer to Hawai'i shopping information.
- To promote Made in Hawaii products, HTK searched for related products available in Korea and will provide a pack of ground Kona coffee to the winner of the event.

- HTK posted the Made in Hawai'i consumer event with KE on its SNS channel.
- HTK conducted a joint promotion with Baskin Robbins and Interpark to promote macadamia as a Hawaiian specialty.
- To promote macadamia and cooperate with Baskin Robbins, HTK held an SNS quiz event on its Instagram channel. Macadamia Ice creams that are made with Macadamia from Hawai'i were given out to event winners.
- HTK's official social media channels in July (Instagram & Facebook)
 - Kohana Distillers (Hawaiian Rum)
 - Shave Ice from Fresh Shave
 - Farm to Table restaurant using locally grown ingredients (Merrimans O'ahu)

Festivals & Events Promoted

- HTK introduced the Made in Hawai'i festival during a meeting with Interpark.
- HTK introduced the Made in Hawai'i festival during a meeting with Mode Tour.
- Lei Day festival was promoted through the Hawai'i Inside program on YouTube.
- Spam Festival was promoted through the Hawai'i Inside program on YouTube.
- King Kamehameha Day Parade was promoted through the Hawai'i Inside program on YouTube.

Voluntourism Programs Promoted

- HTK helped Hana Card to play the Mālama Hawai'i promotion message, including tree planting donations, on the large screen outside Hana Financial Group's headquarters in the center of Seoul. It will be ongoing until the end of August.
- HTK promoted the activities of the Loko 'ea Foundation through Instagram and Facebook.

ISLAND CHAPTER ENGAGEMENT UPDATE

- Contacted OVB to ask about Sea Cleaners project preparation.

“COMING ATTRACTIONS”

| What | When | Where |
|---|--------------------|--------------|
| Media advertorial campaign | June-August | Korea |
| Made in Hawai'i campaign with KE | July- August | Online |
| Kuelana Campaign with airline/travel agents | July-September | Online/email |
| Honeymoon promotion with HA | August – September | Online |
| Made in Hawai'i brand co-op with SSG | August | Korea |
| Hawai'i Inside Video Creation | Ongoing | Hawai'i |

Hawai'i Tourism China

Monthly Market Activity Report – July 2022

MARKET INTELLIGENCE

Economy

- Currency: July 2022 month-end (ME) rate for Chinese Yuan (CNY) vs. USD was 6.74 vs. 6.71 June 2022 ME rate vs July 2021 ME rate of 6.46.
- GDP: China's YTD June 2022 GDP stood at 56.26 trillion yuan (US\$8.35 trillion) +2.5% YOY, per National Bureau of Statistics (NBS). China's 2022 Q2 GDP stood at 29.24 trillion yuan (US\$4.34 trillion) +0.4%, per NBS.
- China's annual inflation rate climbed to 2.5% in June 2022 from the prior month figure of 2.1% per the NBS. This was the highest since July 2020, with food prices rising the most in 21 months as consumption strengthened further following an improvement in COVID-19 situation.
- As of end June 2022, the Producer Price Index (PPI) was 6.1%, down 0.28% from May 2022 figure of 6.4%.
- In June 2022, China's surveyed urban unemployment rate was 5.5%, an improvement from 5.9% in May 2022. This represents the lowest rate since February 2022, amid continued efforts by the government to revive the momentum of economic recovery by further easing of COVID-curbs. .
- Exports in China increased to a five-month high of US\$331B in June from US\$308B in May of 2022. Overall, China's trade surplus was US\$97.9B in June 2022 (exports of US\$331B less imports of US\$233B). Between June 2021 and June 2022, the exports of China have increased by \$49.9B (17.7%) from \$281B to \$331B, while imports increased by \$3.43B (1.49%) from \$230B to \$233B.
- China has vowed to boost international trade and more charter flights have been and will be organized for Chinese traders to go abroad and for foreign merchants to come to China, allowing more face-to-face contact that is crucial to maintaining trade partners. The latest example was the business charter flight carrying 163 Pakistani businessmen to Yiwu, East China's Zhejiang Province. It was the first charter flight carrying foreign traders to China in 2022, opening a new channel for foreign investors to purchase in China amid the pandemic.

COVID-19 / Omnicron updates

- As of August 3, 2022, 1.26B have been fully vaccinated, or 89.6% of the population. Two doses or more is considered fully vaccinated in China.
- Hong Kong is reducing the amount of time travelers will need to serve hotel quarantine, from seven days down to three starting Friday, August 12, 2022. The traveler will also be required to have four days of home medical surveillance.
- Macau to ease quarantine period for non-Chinese Mainland visitation from August 6, 2022. Macau will shorten the quarantine period for fully-vaccinated visitors coming from Hong Kong, Taiwan and other overseas jurisdictions to the arrangement of "7+3" days from the current arrangement of "10+7" days.

- Multiple places, including Beijing and Shanghai, have started inter-regional recognition of COVID-19 test results as the Chinese central government urged regional authorities to improve test data sharing between each other to enhance the convenience of the public to travel and reduce the impact of epidemic prevention on economic development.
- China's National Immigration Administration (NIA) will continue to adjust and improve entry-and-exit control measures in line with the changing COVID-19 situation to fully meet people's necessary need for cross-border travel. The immigration administration work will also continue to facilitate enterprises' production and operation to promote the country's opening-up, as well as international exchanges and cooperation.

Outbound Travel Market

- China sees 32.3 million entry and exit trips in Q2 2022, showing a quarter-on-quarter increase of 5.64% amid the growing demand of Chinese travelers to go abroad as localized outbreaks have been effectively put under control. According to China's National Immigration Administration revealed late July at a press conference, the immigration administration issued 214,000 regular passports in Q2, a rise of 41.8% compared with Q1 and handled residence certificate applications for about 140,000 foreigners in China, showing a quarter-on-quarter increase of about 50%. Recent positive signs that China is gradually reopening its borders to the world include halving the quarantine time for international inbound travelers and the streamlining of procedures for those coming to the Chinese mainland, which are good news for the rapid resumption of people-to-people exchanges, with students swarming back home and the tourism industry yearning for a possible comeback of international travel.
- Outbound international passenger flights from China are likely to grow by more than 200% month-on-month in August, industry data showed in July, as China continued to relax travel restrictions. Flights to the US in particular are predicted to soar four times, the data showed. A total of 2,845 outbound international flights are scheduled to operate in August, up from 904 in July.
- Beijing is welcoming back direct inbound passenger flights from overseas for the first time in more than two years as China eases parts of what is still the toughest pandemic border regime in the world. Air China Ltd.'s website shows it restarted a direct flight from Paris once a week, while ANA will resume weekly flights from Narita in August. Meanwhile, Etihad Airways PJSC resumed direct flights to the capital in late June after China halved the length of time incoming travelers must spend in a quarantine facility to seven days, state broadcaster China National Radio reported earlier this month.
- Trip.com is reporting healthy growth in bookings in Europe and South-East Asia as well as strong app downloads, helped by its app-first strategy. This year, Trip.com's European sites saw an average monthly growth in traffic of around 10% between April and July. In Asia, countries and regions that have relaxed their travel restrictions have seen an impressive market performance, particularly those in Southeast Asia. Overall, bookings on Trip.com increased by 21% in May and by a further 7.8% in June.
- China holds international travel fair after one-year pause. The 2022 China International Travel Mart (CITM) kicked off on July 22nd in Kunming, capital of southwest China's Yunnan Province, after a hiatus of one year due to the COVID-19 epidemic. Exhibitors from 71 countries and regions attended the event online or offline, and officials from embassies and consulates of 31 countries have also joined the expo.

Competitive Environment

- Fliggy, a travel service platform of Alibaba Group, has tied up with Japanese OTA, AirTrip, to provide Chinese travelers with a booking service of accommodations in Japan. Through API connection, more than 20,000 lists on AirTrip will be provided to more than 300 million Fliggy members in China. Fliggy has decided the business ties-up with AirTrip to meet Chinese travelers' needs for safe and high-quality stay experiences in Japan, expecting full-scale reopening of inbound travel from China to Japan in the future.
- China Eastern Airlines resumed passenger-flight services between Xi'an, in northwest China's Shaanxi Province, and Tokyo, Japan starting July 19. The flight will be China Eastern Airlines' first international passenger flight to resume in Xi'an since December 2021.
- Chinese authorities abolish visa invitation requirements for Germans who intend to resume work in China. The Chinese Embassy in Berlin, Germany, announced that German nationals who intend to apply for a visa to resume work or business in China in the areas of economy and trade, education, science and technology, sports, culture, etc., no longer need to provide an invitation letter. According to China Briefing, the move signals further easing of restrictions on foreign travel and entry into China and will facilitate travel for German business people and visits by the leadership of German companies.
- On August 1, 2022, New Zealand has fully reopened its borders, welcoming tourists, students, and investors including those from China, New Zealand Prime Minister, Jacinda Ardern, said in a speech at the China Business Summit in Auckland on August 1, 2022 that the final staged opening of borders had been an enormous moment, while expressing a strong will to further bilateral cooperation with China.

Consumer and Travel Trends

- An increasing number of people in China are showing interest in sports activities during tours even if sports is not the main objective of their travel. Marathons, cycling, hiking and camping fall in the realm of sports tourism. According to Mafengwo, a travel service and social networking platform, sports-related tourism content in Beijing and Zhangjiakou, Hebei province, increased 145% year-on-year, with the number rising by 600% in Zhangjiakou thanks to the 2022 Winter Olympic Games. Sports tourism is the fastest growing segment of the tourism industry today, with an annual growth rate of about 15% globally. In China, the growth rate is stronger at 30-40%, despite a slow start.
- Five trends characterize this year's summer tourism market. First, tailored trip packages for graduates and families are in great demand, and party-friendly hotels and water parks have become more popular. Second, the demand for private group tours, self-driving tours, RV tours and camping has grown significantly compared with pre-pandemic times. Third, an increasing number of travelers are now more likely to go on longer-distance and trans-provincial tours. And the adjustment of the circuit breaker mechanism in many places has further raised people's travel aspirations. Fourth, natural scenic spots and historically and culturally important sites are attracting more tourists, with many enjoying camping, and engaging in non-team, non-organized sports, or music and education tours. And fifth, more and more tourists are favoring destinations such as Yunnan, Sichuan and Shaanxi provinces and the Xinjiang Uygur autonomous region as well as tropical islands in South China.
- Cultural institutions in China are extending opening hours to meet the needs of the public. As the Chinese government has been placing greater emphasis on the role of museums over the past few years, Chinese museums have started exploring new ways to better carry out their mission, such as

holding events at night. Entering the summer, a diverse range of museums around the country have been extending their opening hours to late at night, some even staying open for a full 24 hours, so people get to see a different side to their collections.

- According to the National Bureau of Statistics, China's aging population is predicted to reach 330 million by 2030, making the "silver generation" its fastest-growing demographic. Compared to Gen Z and millennials, Chinese elderly also have higher discretionary spending and more free time. E-commerce platforms are latching on: Alibaba launched "Taobao for Elders" featuring simplified functions, and JD.com debuted a series of initiatives to encourage digital confidence – including app training for digital payments, booking appointments, and medical consultations. Yet the market appears to be largely untapped, despite Chinese seniors showing interest in health supplements, cosmetics, and jewelry.
- Aircraft leasing is increasingly becoming the preferred option in the global civil aviation industry. In China, out of 4,054 registered passenger planes by the end of 2021, 62% were leased, up from 35% in 2010. By 2021, 15 Chinese-funded aircraft lessors were among the world's top 50, up from just one in 2009. ICBC Aviation Leasing now has business with more than 80 airlines in 38 countries and regions.

Airlift

- Starting from July 29th, 2022, Chinese carrier Sichuan Airlines resumed its operations between Chengdu Shuangliu International Airport (CTU) and Helsinki International Airport (HEL). The route is operated by Airbus A330 aircraft once a week on Fridays.
- Flights to the Chinese port city of Guangzhou are being restarted by Finnair after a gap of more than two years due to the pandemic. A direct weekly Airbus A350 service from Helsinki is being relaunched on September 6. Finnair also runs flights on a weekly basis to China's largest city of Shanghai, as well as a range of Asian cities, including Tokyo and Bangkok.
- For the month of July 2022, global airline capacity is expected to reach 460M, just 12.2% behind July 2019. This represents a continued steady increase month on month, with capacity now 11.6% higher than June 2022, which equates to an increase of 37 million seats. Airline frequency growth this month is dominated by the Chinese carriers who have added back significant volumes this month. China Southern has increase flights by 37.4% from June 2022, China Eastern by 38% and Air China by 40%.

MARKET ACTIVITY UPDATE:

Consumer Direct

- During 1H and early part of 2H of 2022, HTC is continuing to build content into the WeChat B2C mini-program; content information from gohawaii.com and meethawaii.com are being translated and customized for Chinese consumption; the beta launched for the B2C mini-program in April 2022. The final stages are expected to be completed, marketed, promoted and launched fully by end of 3Q 2022.
- As a partner of 2022 U.S. Commercial Service Travel & Tourism group, HTC participated in the U.S. Embassy B2C Roadshow on July 16 2022 in Beijing. Together with American Airlines, United Airlines, Delta, and other US destinations - Arizona Tourism, Visit California, Destination DC, Los Angeles Tourism, Louisiana Office of Tourism, Philadelphia Tourism and Utah Tourism and Hertz Car Rental, Jupiter Legend, over 120 Chinese overseas students and families attended this event

and HTC shared destination information on Hawai'i, responsible tourism and Mālama Hawai'i, travel resources and inter-island and from US mainland to Hawai'i flights information along with promoting macadamia nuts and chocolate macadamia nuts made from Hawai'i. HTC also provided an interactive and education entertainment to Hawaiian culture with a Hula dance performance.

- In July 2022, HTC posted the following across its social media platforms via Weibo, WeChat Official Account, WeChat Video Channel, Douyin, Xiaohongshu:
 - Published the video “Cooking with Intent: Hawai'i Rooted” and the article featured Hawai'i locally made products, which introduced 13 Hawaiian local specialty brands and products. These include: Macadamia Nuts, Coffee, Hawaiian Oatmeal, Baby Food, Drinking Water, Sea Salt Dressing, Beer. And featured a list of 103 “Made in Hawai'i with Aloha” local manufacturers and brands.
 - HTC participated in Ctrip's global "LESS Sustainable Travel Plan" campaign along with other destinations i.e. Canada, New Zealand, Germany, Austria, Thailand, Malaysia, Singapore, Dubai, Los Angles etc. The goal is to help low-carbon travel together, care for the global environment, and care for our common home, the campaign perfectly aligns with HTA's Mālama Hawai'i campaign. The Hawai'i Sustainable Travel Initiative posts were released on both Ctrip and HTC's all social media accounts.

Travel Trade

Travel Trade Calls

| Airline | Wholesaler/TA/TO/OTA | Other | Total |
|---------|----------------------|-------|-------|
| 5 | 21 | 2 | 28 |

- HTC conducted live webinar training on July 13th 2022 to Tuniu Travel (Nasdaq:TOUR) which is a leading online leisure travel company in China that offers a large selection of packaged tours, including organized and self-guided tours, as well as travel-related services for leisure travelers through tuniu.com and mobile platform. Tuniu covers over 420 departing cities throughout China and all popular destinations worldwide. HTC shared the latest COVID travel protocol and Mālama Hawai'i campaign, Community Enrichment Programs and Hawai'i destination information via the webinar interacting with 61 attendees who are the travel specialists of Tuniu Travel and earned 4030 Likes.
- As a partner of 2022 U.S. Commercial Service Travel & Tourism group, HTC participate the U.S. Embassy B2B Roadshow on July 16th in Beijing. HTC reached 21 Chinese trade partners total 30 representatives from out-bound travel agencies, OTAs, airlines, students recruitment agencies, educational tourism agencies and travel trade media, including Tuniu, Mafengwo, Utours, Jingdong Travel, EF Education First, New Oriental Overseas Education, etc.
- HTC conducted travel trade calls with airlines – ANA, American Airlines to discuss future flight information and policy.
- HTC conducted travel trade calls with ITB China to discuss Chinese outbound market and marketing and partnership opportunities at the ITB China Industry Meetup.
- HTC conducted travel trade calls with U.S. Embassy Beijing to discuss roadshow in Beijing and in Chengdu for future arrangement.

- HTC participated “Cultivating Users’ Minds and Planting Travel Seed Seminar”, organized by 6renyou.com which is an innovative online travel bespoke and planning platform on July 26th in Beijing, over 20 global destinations participated the seminar, participants shared and discussed the changing travel trend and its strategies for “planting destination marketing seed” to the pent-up demand and be ready for post covid travel boom.
- HTC met with Dream Air (charter operator) and Hawaiian Airlines in July to discuss direct flights from Honolulu to China. Hawaiian Airlines is in the key position as the fourth U.S. airline to fly to China, joining United Airlines, American Airlines and Delta. The proposal is for Hawaiian Airlines to fly to China three times per week. The earliest that a flight can happen would be in November and HA is in the process to cost out the flight to Dream Air to determine if Dream Air can make it a profitable flight through their sales channels. Dream Air is tapping into the multi-family / student / business traveler customer who needs to fly between U.S. and China.

REGENERATIVE TOURISM/DMAP INITIATIVES UPDATE

DMAP Action Items Supported

- HTC will be working on specific social media content and education materials to incorporate into the quarterly online and offline travel trade training events in Beijing and Shanghai.

Initiatives to Promote Hawai’i Made Products

- HTC has met with some local vendors to discuss strategies to promote their products. HTC recommended to open a Hawai’i marketplace open to all Hawai’i vendors to place their products on Border X, a Chinese platform that provides customers in China to buy USA products and have it delivered to them.
- HTC provided and introduced Hawaiian King Candies and Island Princess product samples to local ground operators handling Chinese to build brand recognition and word of mouth recommendations to their friends, family and relatives (ongoing).
- HTC developed Hawai’i goodie baskets for the U.S. Embassy – Beijing roadshows in Beijing on July 16th, featuring Hawaiian King Candies, Island Princess, Hawaiian Host and Mauna Loa for brand recognition and word of mouth marketing. Chengdu roadshow date TBC (delayed in interim due to covid limitations). Internal poll is being undertaken with the potential participants, including Hawai’i Tourism China, on whether to have a live streaming event for B2C and a virtual conference for B2B.
- HTC published a video and article introducing and featuring 13 Hawaiian local specialty brands and products. These include: Macadamia Nuts, Coffee, Hawaiian Oatmeal, Baby Food, Drinking Water, Sea Salt Dressing, Beer. And featured a list of 103 “Made in Hawai’i with Aloha” local manufacturers and brands.

Festivals & Events Promoted

- HTC is working and developing content for promotion of local festivals and events with specific emphasis on events listed on the Community Enrichment Program. Follow up postings will be done leading up to the various events.
- HTC continued discussions with the Outrigger Duke Kahanamoku Foundation to discuss promotion of Duke’s OceanFest, Waikiki’s Premier Ocean Sports Festival, as well as creation of unique and customized itineraries for future affluent Chinese travelers. HTC created a goodie souvenir bag

featuring Duke and promoted it in the U.S. Embassy Beijing roadshow event in July 2022 with Education USA.

Voluntourism Programs Promoted

- HTC is working and developing content for promotion and awareness of voluntourism programs as listed on gohawaii.com site through the Mālama Hawai'i Program.
- HTC partnered with Ctrip, the largest OTA for Chinese consumers, to push responsible and sustainable travel messages to its over 300 million registered members and over 180 million active users.

ISLAND CHAPTERS ENGAGEMENT UPDATE

- HTC participated on electronic waiver updates for FAM planning with O'ahu, Hawai'i, Maui and Kaua'i island chapters. The electronic waiver update is intended to continue to streamline the processes involved with FAM tours.

COMING ATTRACTIONS

| What | When | Where |
|--|-----------------|------------------|
| Promotion of CEP events, Hawai'i made products, voluntourism | Ongoing | Digital |
| WeChat Mini-Program content build | Ongoing | Digital |
| Digital Content Development for Social Media channels | Ongoing | Multiple Islands |
| Travel Trade luncheon event | TBC (delayed) | Shanghai |
| US Embassy – Chengdu Travel and Tourism Roadshow | TBC (delayed) | Chengdu |
| ITB China Industry Meetup | September 21 | Shanghai |
| ITB China Industry Meetup | September 14-28 | Online |
| Consumer and Travel Trade luncheon and activity event | September (TBC) | Shanghai |



Global MCI Status Report – July 2022

OVERVIEW

North America

It is expected that in the second half of 2022, the meetings, convention, and incentive industry will continue its current pace of recovery. The volume of meetings and events in the U.S. was flat with the forecast in the first quarter but increased by +25.8 percent in the second quarter. According to Tourism Economics, the pace of bookings will slow gradually into 2023 due to shorter booking windows and caution on the part of event organizers. The pace of recovery has been fueled by smaller meetings and events of 200 attendees or less.

According to the Incentive Research Foundation (IRF), the incentive travel business continues to increase in activity after a significant slowdown with 63 percent of the industry expecting significant growth. Nearly two-thirds of the industry show incentive travel is trending up for 2022 and beyond, with 13 percent saying incentive travel will increase by +50 percent over the next 18 months. Incentive planners are the most bullish, with 37 percent seeing incentive travel spend +10 to +49 percent above 2021, and another 22 percent seeing incentive travel up by +50 percent or more over 2021. Destination Management Organizations (DMOs) have the most conservative outlook, likely because of domestic leisure travel and tourism being brisk throughout the latter part of the COVID pandemic.

Asia/Oceania

UFI, the Global Association of the Exhibition Industry, released its July 2022 Global Meetings and Exhibition Barometer research report, with results pointing to a continued recovery for the global meetings and exhibitions industry. According to the report, the pace of recovery is speeding up in 2022, with 70 percent of companies expecting to be operating at normal levels from September onwards. The momentum is expected to continue in 2023. Attendance for the first half of next year is expected to reach 87 percent of pre-pandemic levels (compared to 2019).

As a region, Asia reached this point in May (except for China and Hong Kong). When comparing 2022 to 2019 bookings and revenues, many countries are performing well above average, including Australia (87%), South Korea (82%) and Japan (80%). For projected bookings and revenues for the first half of 2023, most markets are expecting at least 75 percent of 2019 levels, with only Hong Kong (58%) China (69%) and South Africa (72%) expecting lower levels.

CONSUMPTION

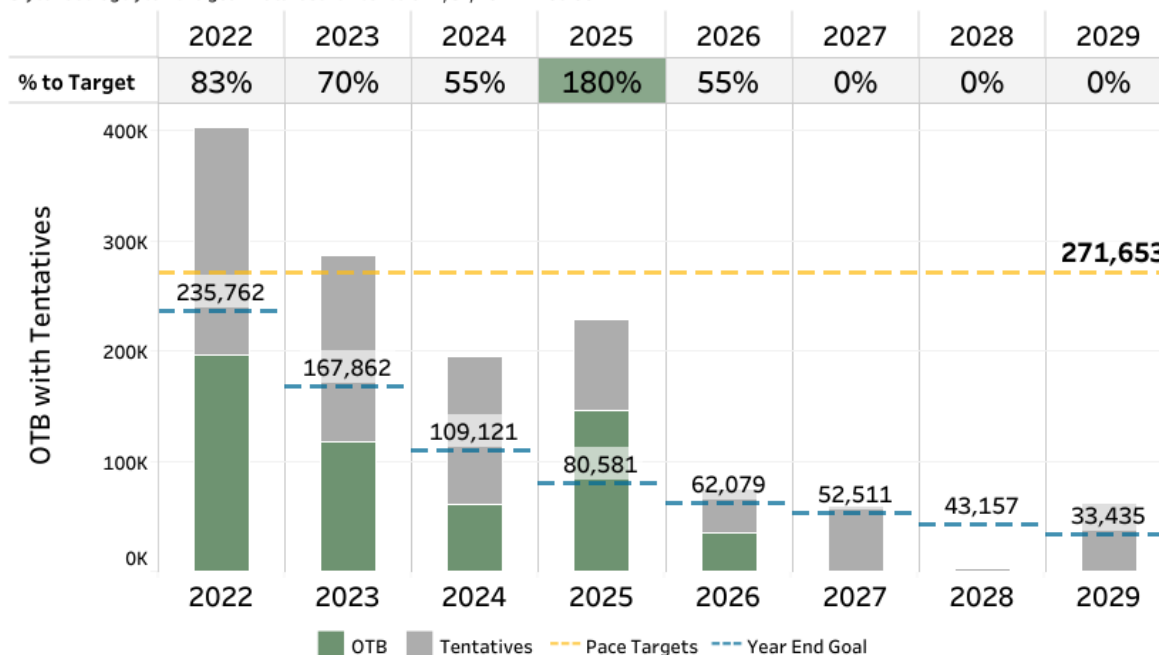
Table 1: FuturePace Report: Hawai'i 8-year Pace (citywide and single property)

Hawai'i 8 Year Future Pace for Citywide and Single Property

All



Number of events and room nights on the books for each year 2022-2029 against a 3-year average year-end goal. Data last refreshed on 7/31/2022 11:05:06 PM



Future Pace for Definite Room Nights

| Year | Pace Room Night | | Variance to Target | Room Night % | | Tentative Room Nights | Pace Room Night Goal |
|------|-----------------|---------|--------------------|--------------|---------|-----------------------|----------------------|
| | OTB | Target | | Variance | LTB | | |
| 2022 | 195,777 | 235,762 | (39,985) | -17% | 75,876 | 207,420 | 271,653 |
| 2023 | 116,845 | 167,862 | (51,017) | -30% | 154,808 | 170,245 | 271,653 |
| 2024 | 60,551 | 109,121 | (48,570) | -45% | 211,102 | 133,959 | 271,653 |
| 2025 | 145,317 | 80,581 | 64,736 | 80% | 126,336 | 82,623 | 271,653 |
| 2026 | 34,378 | 62,079 | (27,701) | -45% | 237,275 | 39,926 | 271,653 |
| 2027 | 0 | 52,511 | (52,511) | -100% | 271,653 | 59,404 | 271,653 |
| 2028 | 0 | 43,157 | (43,157) | -100% | 271,653 | 2,650 | 271,653 |
| 2029 | 0 | 33,435 | (33,435) | -100% | 271,653 | 62,319 | 271,653 |

Future Pace for Definite Bookings

| Year | Pace Booking | | | Booking % Variance | Bookings LTB | Tentative Bookings | Pace Booking Goal |
|------|-------------------|--------|------------------|--------------------|--------------|--------------------|-------------------|
| | Definite Bookings | Target | Booking Variance | | | | |
| 2022 | 158 | 229 | (71) | -31% | 140 | 381 | 298 |
| 2023 | 65 | 97 | (32) | -33% | 233 | 275 | 298 |
| 2024 | 28 | 43 | (15) | -35% | 270 | 110 | 298 |
| 2025 | 26 | 21 | 5 | 24% | 272 | 40 | 298 |
| 2026 | 9 | 11 | (2) | -18% | 289 | 16 | 298 |
| 2027 | 0 | 6 | (6) | -100% | 298 | 5 | 298 |
| 2028 | 0 | 4 | (4) | -100% | 298 | 1 | 298 |
| 2029 | 0 | 3 | (3) | -100% | 298 | 4 | 298 |

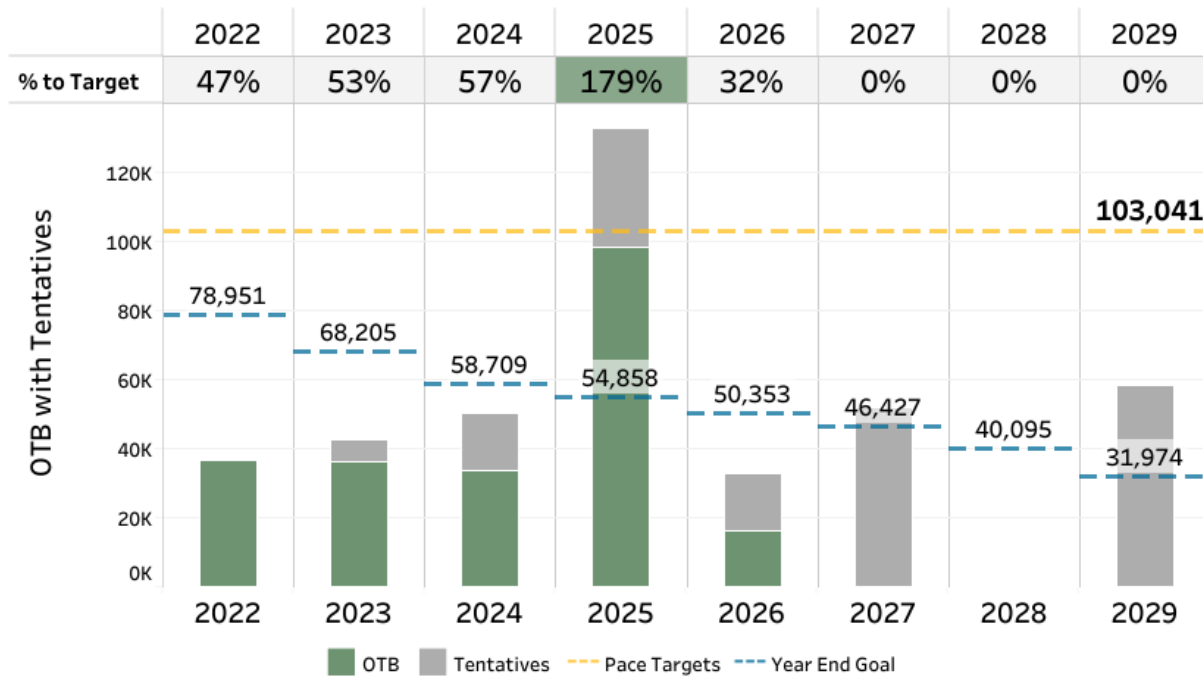
¹ Tables 1 – 4 & 6 and FuturePace format has been updated to a new data platform. There will be future changes to the report as we move forward in our new data platform.

Table 2: FuturePace Report: Convention Center 8-year Pace (citywide only)

Hawai'i 8 Year Future Pace for Citywide

Number of events and room nights on the books for each year 2022-2029 against a 3-year average year-end goal. Data last refreshed on 7/31/2022 11:05:06 PM

● Citywide
○ Single Property



Future Pace for Definite Room Nights

| Year | OTB | Pace Room Night Target | Variance to Target | Room Night % Variance | LTB | Tentative Room Nights | Pace Room Night Goal |
|------|--------|------------------------|--------------------|-----------------------|---------|-----------------------|----------------------|
| 2022 | 36,718 | 78,951 | (42,233) | -53% | 66,323 | 0 | 103,041 |
| 2023 | 36,381 | 68,205 | (31,824) | -47% | 66,660 | 6,145 | 103,041 |
| 2024 | 33,552 | 58,709 | (25,157) | -43% | 69,489 | 16,911 | 103,041 |
| 2025 | 98,382 | 54,858 | 43,524 | 79% | 4,659 | 34,726 | 103,041 |
| 2026 | 16,310 | 50,353 | (34,043) | -68% | 86,731 | 16,545 | 103,041 |
| 2027 | 0 | 46,427 | (46,427) | -100% | 103,041 | 51,930 | 103,041 |
| 2028 | 0 | 40,095 | (40,095) | -100% | 103,041 | 0 | 103,041 |
| 2029 | 0 | 31,974 | (31,974) | -100% | 103,041 | 58,439 | 103,041 |

Future Pace for Definite Bookings

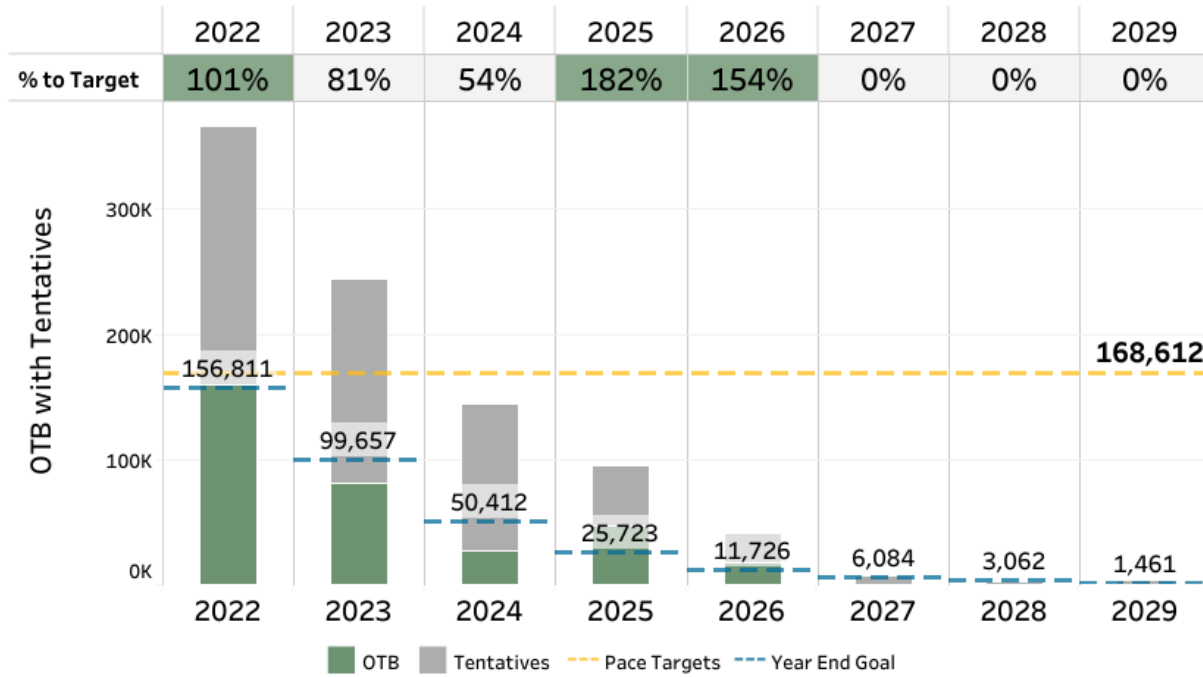
| Year | Definite Bookings | Pace Booking Target | Booking Variance | Booking % Variance | Bookings LTB | Tentative Bookings | Pace Booking Goal |
|------|-------------------|---------------------|------------------|--------------------|--------------|--------------------|-------------------|
| 2022 | 8 | 16 | (8) | -50% | 20 | 0 | 28 |
| 2023 | 4 | 9 | (5) | -56% | 24 | 1 | 28 |
| 2024 | 5 | 7 | (2) | -29% | 23 | 3 | 28 |
| 2025 | 6 | 5 | 1 | 20% | 22 | 3 | 28 |
| 2026 | 1 | 4 | (3) | -75% | 27 | 2 | 28 |
| 2027 | 0 | 3 | (3) | -100% | 28 | 3 | 28 |
| 2028 | 0 | 2 | (2) | -100% | 28 | 0 | 28 |
| 2029 | 0 | 2 | (2) | -100% | 28 | 3 | 28 |

Table 3: FuturePace Report: Single Property 8-year Pace (U.S. only)

Hawai'i 8 Year Future Pace for Single Property

Number of events and room nights on the books for each year 2022-2029 against a 3-year average year-end goal. Data last refreshed on 7/31/2022 11:05:06 PM

○ Citywide
● Single Property



Future Pace for Definite Room Nights

| Year | OTB | Pace Room Night Target | Variance to Target | Room Night % Variance | LTB | Tentative Room Nights | Pace Room Night Goal |
|------|---------|------------------------|--------------------|-----------------------|---------|-----------------------|----------------------|
| 2022 | 159,059 | 156,811 | 2,248 | 1% | 9,553 | 207,420 | 168,612 |
| 2023 | 80,464 | 99,657 | (19,193) | -19% | 88,148 | 164,100 | 168,612 |
| 2024 | 26,999 | 50,412 | (23,413) | -46% | 141,613 | 117,048 | 168,612 |
| 2025 | 46,935 | 25,723 | 21,212 | 82% | 121,677 | 47,897 | 168,612 |
| 2026 | 18,068 | 11,726 | 6,342 | 54% | 150,544 | 23,381 | 168,612 |
| 2027 | 0 | 6,084 | (6,084) | -100% | 168,612 | 7,474 | 168,612 |
| 2028 | 0 | 3,062 | (3,062) | -100% | 168,612 | 2,650 | 168,612 |
| 2029 | 0 | 1,461 | (1,461) | -100% | 168,612 | 3,880 | 168,612 |

Future Pace for Definite Bookings

| Year | Definite Bookings | Pace Booking Target | Booking Variance | Booking % Variance | Bookings LTB | Tentative Bookings | Pace Booking Goal |
|------|-------------------|---------------------|------------------|--------------------|--------------|--------------------|-------------------|
| 2022 | 150 | 213 | (63) | -30% | 120 | 381 | 270 |
| 2023 | 61 | 88 | (27) | -31% | 209 | 274 | 270 |
| 2024 | 23 | 36 | (13) | -36% | 247 | 107 | 270 |
| 2025 | 20 | 16 | 4 | 25% | 250 | 37 | 270 |
| 2026 | 8 | 7 | 1 | 14% | 262 | 14 | 270 |
| 2027 | 0 | 3 | (3) | -100% | 270 | 2 | 270 |
| 2028 | 0 | 2 | (2) | -100% | 270 | 1 | 270 |
| 2029 | 0 | 1 | (1) | -100% | 270 | 1 | 270 |

Glossary of FuturePace Report Terms

Cancelled: The status of a Lead for an event that was once in a Booked or Definite status but now will no longer occur.

Definite: The status of a Lead indicating the event is booked or confirmed. To qualify or count as Definite, the Lead snapshot must show the 'Booked' status type within the selected date range. In addition, the Lead cannot show in a Lost or Cancelled status during the report time frame.

LTB: An acronym for "Left to Book," this term reflects the number of room nights that still need to be booked to reach the Year-End Goal(s).

OTB: An acronym for "On the Books," this designation refers to a confirmed or definite booking.

Pace Target: A performance goal based on the percentage of your Year-End Goal that should be booked as of the report's run date, for a certain month, quarter, or year. The Pace Target reflects the total number of room nights or events that should be booked as of the report's run date.

Tentatives: Business or Leads that have yet to move to a booked or Definite status. In other words, Tentatives are Leads in an unbooked or Lead status in the arrival month/year. For the Long-Term Pace report, Tentatives reflect the current count, as of the report's run date, for the years displayed on the report.

Variance: In the Long-Term Pace report, Variance reflects the OTB (or Cancelled or Tentative) figure minus the Pace Target, as of the report's run date. Positive numbers indicate performance is also positive; negative numbers suggest booking deficiencies.

Variance %: The Variance Percentage, or percentage of variance, reflects the Variance divided by the Pace Target, multiplied by 100 and then expressed as a percentage. Positive percentages indicate performance is also positive; negative numbers suggest booking deficiencies.

Year-End Goal: The Long-Term Pace report includes a 3-Year Average Year-End Goal to establish a benchmark for the years displayed on the report.

SALES PRODUCTION (in the month for any year)

**Table 4: Global MCI Sales Production
July 2022**

Citywide Sales Team Production

Definite Room Nights as of July 2022

| | | |
|----------------------------------|--------------------|--|
| 29,170 58% to YTD goal | 50,589 YTD goal | |
| | 67,450 annual goal | |

Definite detail for July 2022

| Definite Current Month | Definite CYTD | Definite YTD Goal | % Definite to YTD Goal | Definite Comparison Year * | % Definite vs Comparison * |
|------------------------|---------------|-------------------|------------------------|----------------------------|----------------------------|
| 0 | 29,170 | 50,589 | 58% | 39,996 | 73% |

* Comparison year is 2019 until 2023

Tentative Room Nights as of July 2022

| | | |
|-----------------------------------|---------------------|--|
| 136,813 88% to YTD goal | 155,814 YTD goal | |
| | 208,500 annual goal | |

Tentative detail for July 2022

| Tentative Current Month | Tentative CYTD | Tentative YTD Goal | % Tentative to YTD Goal | Tentative Comparison Year * | % Tentative vs Comparison * |
|-------------------------|----------------|--------------------|-------------------------|-----------------------------|-----------------------------|
| 1,050 | 136,813 | 155,814 | 88% | 127,893 | 107% |

* Comparison year is 2019 until 2023

The ongoing auditing and database cleansing may result in changes to previously reported figures.

Single Property Production

Definite Room Nights for July 2022



Definite detail for July 2022

| Definite Current Month | Definite CYTD | Definite YTD Goal | % Definite to YTD Goal | Definite Comparison Year * | % Definite vs Comparison * |
|------------------------|---------------|-------------------|------------------------|----------------------------|----------------------------|
| 15,110 | 68,000 | 62,975 | 108% | 90,186 | 75% |

* Comparison year is 2019 until 2023

Tentative Room Nights for July 2022



Tentative detail for July 2022

| Tentative Current Month | Tentative CYTD | Tentative YTD Goal | % Tentative to YTD Goal | Tentative Comparison Year * | % Tentative vs Comparison * |
|-------------------------|----------------|--------------------|-------------------------|-----------------------------|-----------------------------|
| 39,838 | 289,472 | 234,475 | 123% | 421,680 | 69% |

* Comparison year is 2019 until 2023

The ongoing auditing and database cleansing may result in changes to previously reported figures.

COMMENTS

Sales Production vs. Goals Analysis

In July, Meet Hawai'i held discussions with both customers and stakeholders regarding the reopening of Europe as an alternative to booking Hawai'i especially given the aggressive group rates being offered by some European destinations to MCI customers. Additionally, Hawai'i is becoming ever more expensive to MCI groups with air fares to Hawai'i rising due to increase in jet fuel costs; and hotel RevPAR and ADR topped all U.S. destinations in the first half of 2022.

Year to Date (YTD) production for single property definites is +108 percent of YTD Goal and single property tentative production is at +123 percent of YTD Goal. Single property sellers show strong demand for 2024 and 2025. The Asia/Oceania team reports strong interest by Korea and Oceania MCI customers. Meet Hawai'i Japan indicates continued interest in Hawai'i but weakness of the yen and high Hawai'i airfares are constraining short-term MCI bookings.

YTD citywide production is at 58 percent of definite YTD Goal and 88 percent of tentative YTD Production Goal. Citywide bookings are slowly rebounding as citywide planners are executing on

2020 and 2021 citywide bookings moved to 2022 and beyond due the pandemic. Citywide sellers are seeing interest in 2027 and beyond. The achievement of 88 percent of YTD tentative production is a positive sign as MCI customers are sourcing future citywide programs with Hawai'i with less hesitance and concerns about the pandemic.

Citywide Booking Activity Highlights

Key Definite Bookings

- None to report this month

Key Tentative Leads

| Meeting Begin Date | Market Segment | Tentative Room Nights | Visitor Spending |
|--------------------|----------------|-----------------------|------------------|
| January 2023 | C: Sports | 1,050 | \$10.25M |

Key Cancellations

Citywide

- Convention – a: religious, November 2024 (25,500 room nights)
- Convention – a: religious, November 2024 (25,500 room nights)

Single Property Booking Activity Highlights

Key Definite Bookings

| Meeting Begin Date | Market Segment | Definite Room Nights | Visitor Spending |
|--------------------|----------------------|----------------------|------------------|
| May 2023 | C: Finance, Banking | 4,251 | \$6.16M |
| January 2026 | C: Finance, Banking | 2,560 | \$3.39M |
| January 2022 | C: Consumer Products | 1,651 | \$2.02M |
| February 2024 | C: Medical, Pharm | 1,056 | \$1.15M |
| March 2023 | Confidential | 919 | \$0.96M |

Key Tentative Leads

| Meeting Begin Date | Market Segment | Tentative Room Nights | Visitor Spending |
|--------------------|-------------------|-----------------------|------------------|
| May 2024 | C: High Tech | 4,535 | \$5.18M |
| February 2024 | Confidential | 3,892 | \$3.84M |
| January 2027 | C: Medical, Pharm | 3,594 | \$5.42M |
| June 2023 | C: Medical, Pharm | 2,115 | \$2.22M |
| May 2024 | C: Medical, Pharm | 1,655 | \$2.24M |

Marketing Efforts

- Activity highlights include:
 - Meeting Planner Guide: The statewide digital guide for meeting planners launched in July. Key content and messaging areas include: Introduction with history and culture, Meetings that Mālama (Corporate Social Responsibility), Getting to Hawai'i, Hawai'i Convention Center, six Hawaiian Islands, Incentive Trips, Sales & Services, and sustainability resources.
 - Meet Hawai'i Enewsletter: The first monthly MCI enewsletter communication, Meetings & Mo'olelo, launched in July, reaching 5,476 planners in the database.
 - Sendsites Bid Book: Production work continued a citywide-specific template for the citywide sellers. This digital solution will enable the Meet Hawai'i sales team to easily respond with proposals to event inquiries and RFPs.

Advertising Efforts

- Activity highlights include:
 - Citywide Media Plan: The creative design package for the citywide plan was completed with assets produced for the digital plan launch.
 - Northstar Custom Content Campaign: The first custom content article highlighting the Hawai'i Convention Center and sustainable practices launched July 29.
 - Advertising - July delivery: 178,873 paid social impressions.

Public Relations Efforts

- Activity highlights include:
 - Distributed news release on the Goldschmidt Conference, the premier international meeting on geochemistry, which was held at the Hawai'i Convention Center from July 10-15. The release focused on the conference's community benefits and alignment with Hawai'i's interconnectivity of sustainability, culture, science, and natural resources.
 - Coordinated interview with Hawai'i Public Radio reporter Catherine Cruz and J. Reyes regarding the Goldschmidt Conference on July 13.
 - Drafted and submitted J. Monahan nomination of J. Reyes for Smart Meetings' 2022 Meeting Professionals of the Year.
 - Drafted and uploaded weekly July posts to Meet Hawai'i's LinkedIn page:
 - Post on upcoming Goldschmidt Conference
 - Post on Meetings Today LIVE! on Hawai'i Island
 - Post on Hawai'i Convention Center launching Carbon Offset Program
 - Post on Prevue Magazine Culinary article featuring Hawai'i
- Media coverage highlights:
 - "Hawai'i Tourism Authority could see million-dollar budget bill vetoed by the Governor" – KITV – June 27.
 - "Gov. David Ige targets 30 Hawai'i legislative bills for veto" – Honolulu Star-Advertiser – June 28.
 - "Beyond Van Gogh, The Immersive Experience opens at Hawai'i Convention Center" – KHON – June 28.
 - "Nobel Peace Prize-winning journalist Maria Ressa honored at East-West Center, just as Philippine government shuts down her work" – KITV – June 28.
 - "Hawai'i tourism funding again under threat" – Honolulu Star-Advertiser – June 29.
 - "Culinary Adventures" – Prevue Meetings + Incentives – July/August.
 - "New Immersive-Art Experience Brings Claude Monet's Art to Life" – KHON – July 1.

- ["Editorial: Hawai'i Tourism Authority and the gut-replace"](#) – *Honolulu Star-Advertiser* – July 2.
- ["As Japanese travel slowly ramps up, experts hopeful for future of Hawai'i tourism"](#) – *Hawai'i News Now* – July 6.
- ["LIST: Can you figure out which films these Hawai'i locations played a starring role in?"](#) – *Hawai'i News Now* – July 6.
- ["Gov. Ige vetoes federal funding in budget bill in part to give money to HTA"](#) – *KITV* – July 7.
- ["Hawai'i to host first-ever Cloud Innovation Summit"](#) – *Pacific Business News* – July 12.
- ["Hawai'i Convention Center launches carbon offset program"](#) – *Conference and Meetings World* – July 13.
- ["Large conferences are returning to Hawai'i Convention Center. Here's the outlook on event bookings"](#) – *Hawai'i Public Radio* – July 14.
- ["Mikey Highlights This Weekend's Top Events in Weekly Weekend Report"](#) – *KHON* – July 15.
- ["Hawai'i Convention Center launches carbon-offset program"](#) – *Hawai'i Public Radio* – July 15.
- ["Hawai'i Convention Center Brings More Mahalo to Mother Earth"](#) – *Smart Meetings* – July 18.
- ["Cool Keepsakes from Beyond Monet Will Impress You"](#) – *Honolulu Magazine* – July 18.
- ["Tech View: Disarming disinformation 1 relationship at a time"](#) – *Honolulu Star-Advertiser* – July 19.

- Impressions and Publicity Values for Articles that included Hawai'i:

| | June | June |
|--|--------------------|-------------------------|
| | <u>Impressions</u> | <u>Publicity Values</u> |
| | Print: 313,484 | Print: \$19,219 |
| | Online: 50,735,011 | Online: \$12,974 |
| | Broadcast: 881,567 | Broadcast: \$6,350 |
| | Total: 51,930,062 | Total: \$38,543 |

Table 5: Island Distribution of Single Property Sales- Year-to-Date July 2022

| Island | Tentative Room Nights YTD Actual* | Definite Room Nights Month Actual | Definite Room Nights YTD Actual | Lead-to-Booking Conversion (Room Nights) Actual |
|--------------------|-----------------------------------|-----------------------------------|---------------------------------|---|
| O'ahu | 214,910 | 1,423 | 30,147 | 14% |
| Kaua'i | 102,560 | 4,489 | 9,156 | 9% |
| Maui County | 194,962 | 8,908 | 20,318 | 10% |
| Hawai'i | 159,839 | 290 | 8379 | 5% |
| Total | 672,271 | 15,110 | 68,000 | |

*Tentative room nights do not match those in Table 4 for Single Property because many leads are distributed to more than one island.

'ELELE PROGRAM

Meetings and updates for the month from Deborah Zimmerman, 'Elele Program Director:

Support for Definite Meetings

To help a scientific society develop a strategy to attract Pacific Rim attendance, the 'Elele Director organized zoom calls between different scientific societies: executive director of geographers, and director of materials society and director of electrochemical society. East coast sales director is the account lead.

In support of the geochemical society conference, and the 'Elele Director and the geochemical director participated in a lunch at the Hawai'i Convention Center. East coast sales director is the account lead.

The scientific society of surgeons are hosting their annual meeting at the Waikiki Beach Marriott. In support of this event, the sales administrative manager and the 'Elele director met with Chief of Surgery, and his wife. He was delighted by the record-breaking number of abstract submissions. Sales administrative manager is supporting him with O'ahu for the Chief of Surgery registration materials, and other resources for executing the meeting. The 'Elele Director has been securing donations for program's silent auction. East coast sales director is the account lead.

Support for New Prospective Citywide Meetings

The 'Elele Director participated in a zoom call with the president of an earth sciences society. Also taking part was a representative from the National Academy of Sciences. These individuals are interested in submitting a bid for a future 10-day meeting in August 2027 for about 4,500 participants. At their request, the 'Elele Director put together a Local Organizing Committee (LOC) comprised primarily of faculty from the UH School of Ocean and Earth Sciences. With the LOC in place, the representatives are now approaching a national earth science association for support. East Coast sales director will be the lead on this account.

At the request of East Coast sales director, the 'Elele Director secured a support letter for a citywide bid for the scientific society of biology. The meeting will take place in March 2025 for about 3,000 participants.

In support of a bid for a major medical meeting in November 2027 for about 3500 participants, the 'Elele Director organized a breakfast with representatives from the local chapter and Senior Vice President of Sales from Meet Hawai'i. The 'Elele Director also joined the local association's banquet committee to deepen ties with the medical organization. Midwest sales director is the lead on this account.

Assistant Dean of UH College of Engineering, is interested in hosting the robotics conference at the Hawai'i Convention Center. The meeting will take place in June 2023 for 300 participants. The sales manager at the Hawai'i Convention Center will be the lead on this account.

LOST BUSINESS

Table 6a: Citywide Lost Business July 2022

Lost Bookings

| Meeting Begin Date | Market Segment | Lost Room Nights | Visitor Spending |
|--------------------|----------------|------------------|------------------|
| February 2025 | A: Scientific | 6,848 | \$57.64M |

Table 6b: Single Property High Profile Lost Business July 2022

Lost Bookings

| Meeting Begin Date | Market Segment | Lost Room Nights | Visitor Spending |
|--------------------|------------------------------|------------------|------------------|
| October 2023 | A: Scientific | 2,988 | \$3.40M |
| January 2024 | C: Business Services, Cons.. | 1,225 | \$0.90M |
| April 2024 | C: Insurance | 2,575 | \$5.42M |
| January 2023 | C: Manufacturing, Distrib. | 511 | \$0.32M |
| July 2023 | C: Business Services, Cons.. | 2,480 | \$4.10M |

MAJOR SALES AND MARKETING ACTIVITIES

Meet Hawai'i participated in the following MCI events for the month:

- Client promotional events
 - None to report this month
- Educational events
 - Professional Convention Management Association (PCMA) Spark, Somewhere Nowhere, NY, July 26
 - Executive Women International (EWI), Honolulu, HI, July 13
 - Corporate Event Marketing Association (CEMA) Summit, Nashville, TN, July 31
- Trade shows
 - None to report this month
- Sales blitzes
 - None to report this month
- Major site visits and familiarization (FAM) tours with clients and potential clients
 - 1 site, O'ahu
 - 2 sites Island of Hawai'i
 - 1 site Maui

FUTURE SALES AND MARKETING ACTIVITIES

Meet Hawai'i will participate in the following MCI events in the upcoming months:

| August 2022 | | |
|--------------------|--|-------------|
| August 5 | Sonesta Kaua'i Resort – Customer Event, Kaua'i, HI | FAM |
| August 7-13 | Utah and/or California Sales Blitz | Sales Blitz |
| August 8-10 | Connect Marketplace, Detroit, MI | Tradeshow |

| | | |
|-----------------------|---|-------------------|
| August 15 | Financial & Insurance Conference (FICP), Toronto, CA | Tradeshow |
| August 16-17 | Canadian Meetings Expo - Canadian Key Incentive Account Reception, Toronto, CA | Tradeshow |
| August 19-25 | Fairmont Orchid and Mauna Lani Auberge – Medtronic Diabetes Presidents’ Club 2024, Waimea, HI | FAM |
| August 20-24 | American Society of Association Executives (ASAE) Annual Meeting & Exposition, Nashville, TN | Educational Event |
| August 30-September 2 | Maritz Global Events, NEXT, Tampa, FL | Tradeshow |
| August 1-3 | Corporate Event Marketing Association (CEMA) Summit, Nashville, TN | Educational Event |
| September 2022 | | |
| September 7 | Destination Celebration Minneapolis, Minneapolis, MN | Tradeshow |
| Sept 7-13 | Hilton Waikoloa Village, Site, Waikoloa Village, HI | Site |
| September 10-13 | Customer Experience, Honolulu HI | FAM |
| September 10-12 | Worldwide Exhibition for Incentive Travel, Meetings and Events (IMEX), Las Vegas, NV | Tradeshow |
| September 12-15 | Farm Foundation Site Inspection, Hilo, HI | Site |
| September 16-19 | Destination of Hawai’i Pre FAM, Hilo HI | FAM |
| September 19-21 | Destination of Hawai’i, Kaanapali, Maui, HI | Tradeshow |
| September 19-23 | Wailea Beach Resort – Post FAM, Waikoloa Village, HI | FAM |
| October 2022 | | |
| October 6-7 | Destination Celebration Milwaukee, WI | Tradeshow |
| October 11-13 | Worldwide Exhibition for Incentive Travel, Meetings and Events (IMEX), Las Vegas, NV | Tradeshow |

CONVENTION CENTER PERFORMANCE

Table 7: Convention Center Performance – June 2022 Year-to-Date

| PERFORMANCE MEASURE | YTD | TARGET | VARIANCE |
|----------------------|--------------|--------------|----------|
| Occupancy | 29% | 20% | 9% |
| Total Events | 98 | 53 | 45 |
| Total Attendance | 128,674 | 47,498 | 81,176 |
| Visitor Spending | \$58,770,867 | \$58,770,867 | \$0 |
| Tax Revenue | \$6,876,192 | \$6,876,192 | \$0 |
| Revenue per Attendee | \$33.89 | \$101.16 | -\$67.27 |

COMMENTS

There were 8 events and 18 materialized in the month ended June 30, 2022. Beyond Monet, marks the second year in a row for an art immersive experience event at the HCC.

For the calendar year to date, the HCC has met or exceeded performance measures in all categories with the exception of Revenue per Attendee which has been diluted due to more actual attendees than budgeted for various events for the year to date including sports event in January 2022 (3,500 budgeted attendees vs 9,575 actual attendees), the pick up another sports event in March 2022 (6,631 attendees), the pickup of restaurant event in March 2022 (5,000 attendees), anime event (4,000 budgeted attendees and 17,820 actualized) and Beyond Monet.

DEFINITIONS

- **Single Property Group:** A group that can be booked into a single hotel for both guest rooms and meeting space.
- **Citywide Group:** A group that books Hawai'i Convention Center for meeting space; and which needs two or more hotels and has a minimum of 1,000 out-of-town attendees.
- **Group Bookings:** The total number of group room nights booked for the future. A group is defined as needing a minimum of 10 hotel rooms.
- **MCI and Non-MCI Bookings:** Both MCI and Non-MCI Bookings must primarily be off-shore bookings requiring attendees to stay in visitor accommodations. An MCI booking is an association or corporate meeting, convention or incentive program that requires meeting space. A Non-MCI booking requires off-site meeting space or no meeting space, or is public/consumer-facing like expos, sporting events, etc.
- **Definite Room Night:** Room nights associated with groups that have a signed contract or letter of commitment with the convention center and or a signed contract with a hotel.
- **Tentative Room Night:** Room nights associated with groups that have indicated interest in holding a meeting or convention in Hawai'i and a lead has been sent to the convention center and/or the hotels. Citywide leads are considered tentative when space is blocked at the convention center. Includes leads generated by partners at HTUSA coordinated trade shows.
- **Economic Impact:** The direct and induced spending generated from a group meeting in Hawai'i. The economic impact formulas are based on research of attendee spending patterns.
- **Lead-to-Booking Conversion:** Conversion of tentative leads into definite bookings as measured by dividing tentative room nights generated in the month/year by definite room nights for the same month/year.
- **Consumed Room Night:** Room nights generated from groups that have convened in Hawai'i. For citywide events, this figure is calculated from the number of attendees. For single property meetings, the figure is the contracted room nights.
- **Goal:** A level of achievement that has been determined through the goal setting process that includes industry stakeholders and the HTA board.
- **International Markets:** Current areas of focus for international groups. These markets are supported by contractors of HTA.
- **New to Hawai'i – New Business:** A group that has never met or has not had a single property meeting in Hawai'i over the past five years or a citywide meeting within the past 10 years.
- **Repeat Business:** A group that has had a single property meeting in Hawai'i within the past five years or a citywide meeting in Hawai'i within the past 10 years.
- **Island Distribution:** The breakdown of room nights that have been booked on the neighboring islands. This includes Maui, Kaua'i, O'ahu and the Island of Hawai'i.
- **Pace:** A calculation that evaluates the annual sales activity level by comparing production to the same time frames for previous years. This calculation shows if the current year-to-date room night bookings are at the same or higher/lower levels than the past year.
- **Need Period:** A future timeframe where the projections for room night demand are lower, therefore warranting specific sales strategies to attract business.
- **Lost Business:** A group where a lead has been generated due to client interest and Hawai'i was not chosen for the meeting or convention.

- **Total Events:** Total licensed events held at the Hawai'i Convention Center.
- **Total Attendance:** Total delegate attendees at licensed events at the Hawai'i Convention Center.
- **Visitor Spending:** State economic impact of offshore licensed events.
- **Tax Generation:** State tax generation of offshore licensed events.

9

Presentation, Discussion, and Action on the
HTA's Financial Report July 2022

9.1

Financial Statements – Executive Summary as of July 31, 2022



AUTHORITY

Financial Statements – Executive Summary
As of July 31, 2022

Foreword:

- Fund Accounts. HTA’s major funds are the following:
 - Tourism Federal Fund (ARPA TFF) – Official Name: HTA CSFRF Subaward
 - Tourism Special Fund (TSF)
 - Convention Center Federal Fund (ARPA CCFF) – Official Name: Convention Center CSFRF Subaward
 - Convention Center Enterprise Special Fund (CCESF)
- Remaining FY 2022 Budget. HTA currently can continue encumbering its FY 2022 ARPA funds until June 2023. **The amount of remaining FY 2022 Tourism Federal Fund (ARPA) appears to be high, however is attributed to various circumstances that affected the timing of encumbering these funds. These funds will be encumbered in FY 2023. Examples of funds we anticipate encumbering include:**
 - US MMA RFP, which is currently ongoing; and
 - \$1.5M Sports RFP that was cancelled in FY 2022 and will likely be reissued in FY 2023.
- Tracking of Cross-Year Encumbrances. The formatting of the financial statements has changed from prior years because we are now working with Federal funds that can be encumbered in more than one fiscal year. The change in format reflects the need to track such cross-year transactions.
- FY23 Funding. Although the HTA Board has approved the \$60M FY 2023 budget, the Governor has vetoed HB1147, 2022 Legislature, that would have appropriated those General funds. The Governor’s veto was the result of questions on the constitutionality of the bill. HTA staff is currently working with the Governor’s administration on releasing FY 2023 ARPA funds as a substitution for the General funds. Accordingly, we do not yet present a FY 2023 budget as part of these financial statements.

Tourism Federal Fund (ARPA TFF):

1. \$33.0M in cash (remaining from amount that has been allotted to HTA so far). Cash remained consistent from June 30, 2022.

2. The release of TFF funds for HTA use is accomplished through an approval process that includes approval by the Governor (CSFRF approval), the State's Department of Budget & Finance's (B&F) and the HTA Board of Directors. Below is a summary of the status of those approvals:

| | Gov Approved | B&F Funds Release | | Board Approved | Encumbered |
|---|--------------|-------------------|------------|----------------|------------|
| | (CSFRF) | Requested | Approved* | Amount | |
| Hawaiian Culture | - | 1,565,500 | 1,565,500 | 1,815,500 | 500,000 |
| Natural Resources | - | 665,000 | 665,000 | 665,000 | 100,000 |
| Community | 27,289,500 | 735,500 | 735,500 | 404,500 | 120,000 |
| Branding | 28,500,000 | 33,563,000 | 33,563,000 | 33,894,000 | 20,176,155 |
| Sports | - | 4,344,889 | 4,344,889 | 4,344,889 | 2,594,889 |
| Safety & Security | - | 900,000 | 900,000 | 900,000 | 146,945 |
| Research | - | 60,000 | 60,000 | 60,000 | - |
| Planning | - | 2,005,200 | 2,005,200 | 2,005,200 | 491,530 |
| Admin | 648,700 | 1,199,111 | 1,199,111 | 1,199,111 | 391,398 |
| Governance and Org-Wide | 351,800 | 529,001 | 529,001 | 529,001 | 209,052 |
| Payroll | 3,210,000 | 7,132,799 | 7,132,799 | 7,332,799 | 6,505,671 |
| | | | | | |
| | 60,000,000 | 52,700,000 | 52,700,000 | 53,150,000 | 31,235,640 |
| | | | | | |
| *Based on original submittals to B&F. HTA is not required to seek B&F's approval for subsequent budget reallocations. | | | | | |
| However, HTA notifies B&F of significant changes from original plans. | | | | | |

B&F has approved HTA's extension request to allow the encumbering and expenditure of the \$60M ARPA funds by June 30, 2023.

3. Over several meetings, the HTA Board approved a partial FY 2022 budget of \$53.1M, further detailed below.

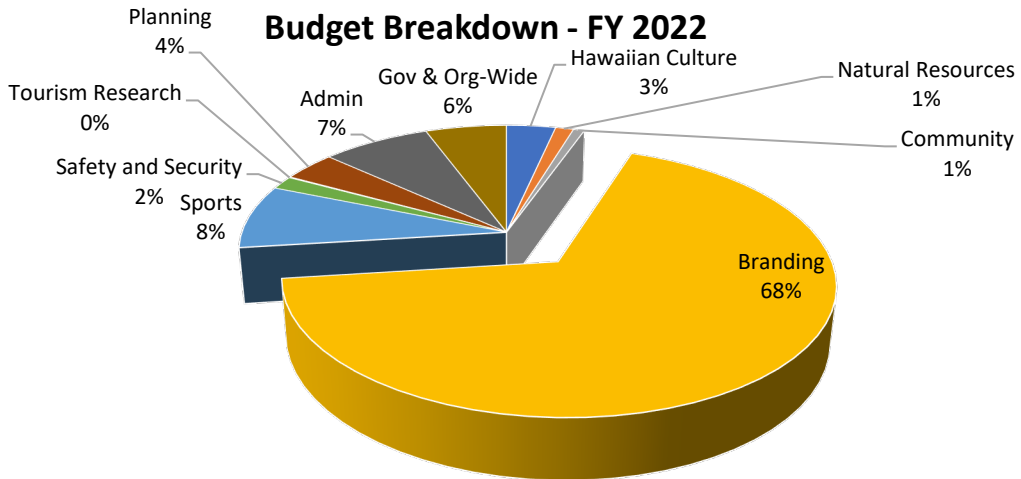
| | Incremental Approved at Meeting | Cumulative Budget Approved | Description |
|------------------------|---------------------------------|----------------------------|---|
| June 11, 2021 Meeting | 1,000,000.00 | 1,000,000.00 | Payroll |
| July 2021 Meeting | 32,200,500.00 | 33,200,500.00 | Branding, Payroll, Admin and Governance |
| September 2021 Meeting | 1,787,889.00 | 34,988,389.00 | Cruise and Sports |
| November 2021 Meeting | 8,086,611.00 | 43,075,000.00 | Most other programs |
| December 2021 Meeting | 5,300,000.00 | 48,375,000.00 | Programs previously identified as needing further clarification to Board's questions. |
| January 2022 Meeting | 475,000.00 | 48,850,000.00 | NAHHA FY23 |
| June 2022 Meeting | 4,300,000.00 | 53,150,000.00 | Release of funds for FY23 payroll, admin and governance costs, bringing to current. |

Through July, \$6,850,000 of programs presented as part of HTA’s initial FY 2022 budget has been deferred or will be reprogrammed for other purposes, resulting in a FY 2022 budget of \$53,150,000 approved to date. As of July 31, 2022, \$31.2M of the \$53.1M FY2022 budget was utilized/encumbered, or 59%.

Below is a summary of the FY 2022 budget based upon Federal reporting categories (titles were paraphrased). In April 2022, B&F approved HTA’s request to reclassify Federal eligibility categories from “Negative Economic Impacts” to “Revenue Loss (Revenue Replacement).”

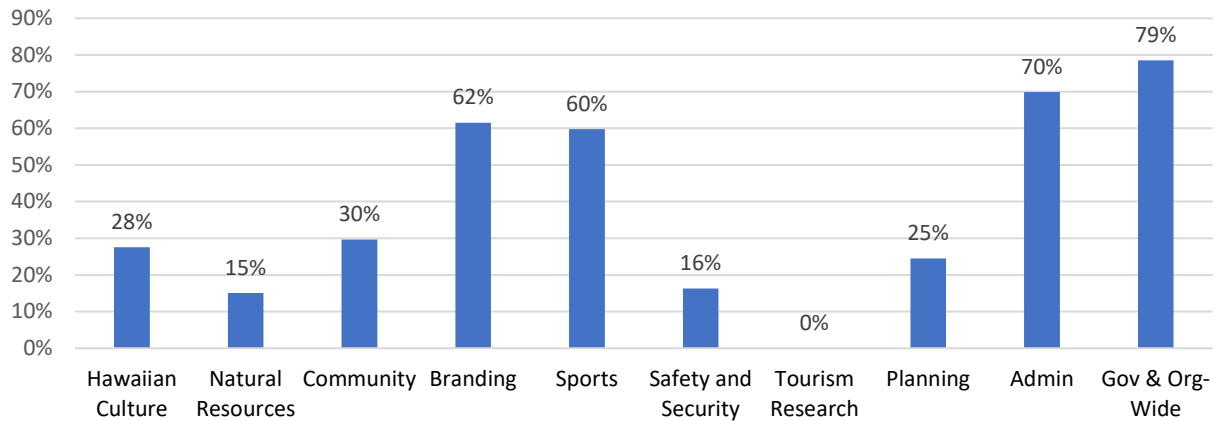
| Primary Federal Category | Budget | Encumbered | Remaining |
|-------------------------------------|-------------------|-------------------|-------------------|
| Revenue Replacement | 45,817,201 | 24,729,970 | 21,087,231 |
| Continuation of Government Services | | | |
| Payroll | 7,332,799 | 6,505,671 | 827,128 |
| | <u>53,150,000</u> | <u>31,235,640</u> | <u>21,914,359</u> |
| | | | |

The following are various charts to depict our FY 2022 budget, budget utilization and trends. It is important to note that \$6.85M of HTA’s budget has been deferred for approval as of the date of these financial statements, and accordingly are not reflected here below. Additionally, a more balanced budget would be evident when considering the contracts for FY 2022 services that HTA encumbered using FY 2021 funds (sourced from June 2021 TAT revenue and HTA Board Resolution funds). Further, the majority of Major Market Area contracts within the Branding budget are to be used toward Branding Education programs to promote responsible and regenerative tourism.

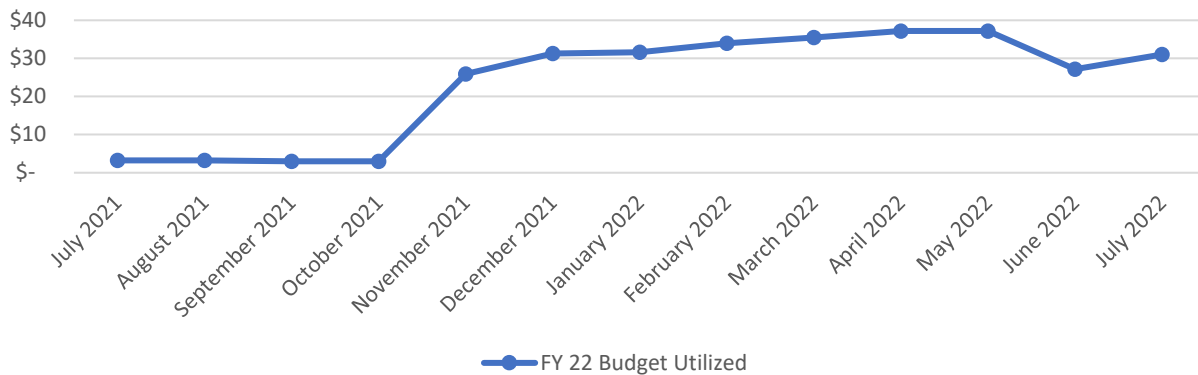


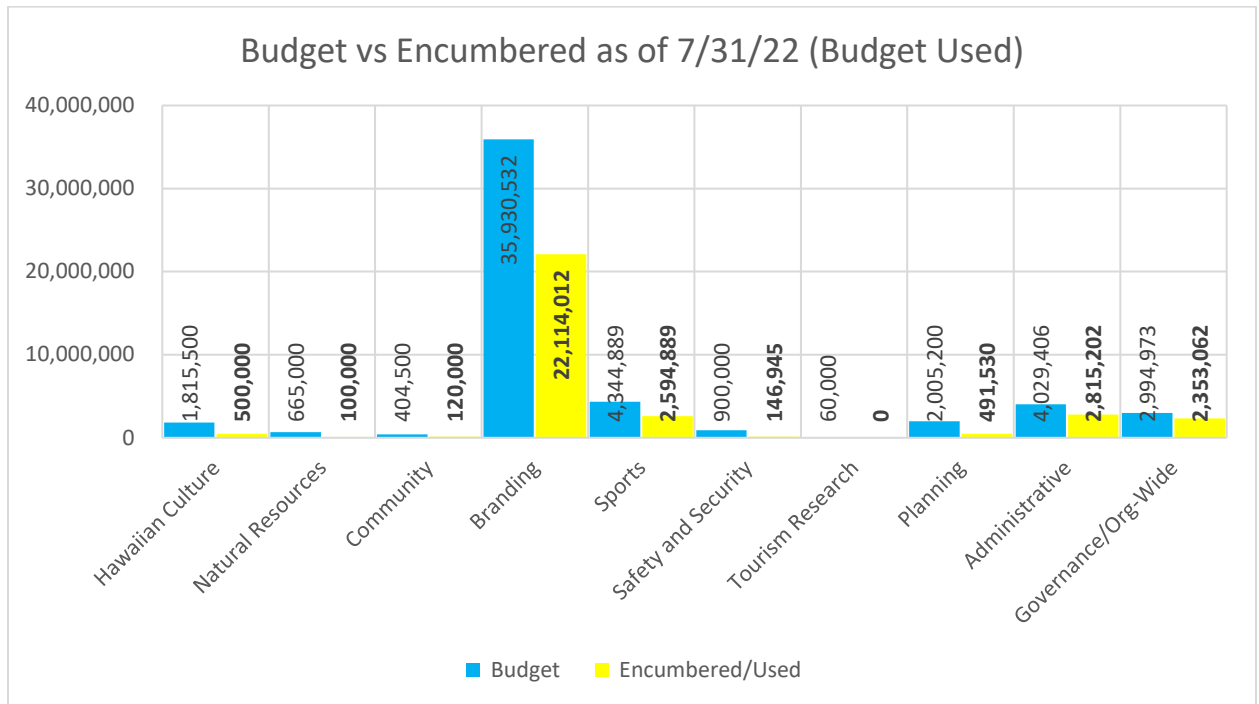
- The breakdown of funds would change when including funds not yet

Percentage of Budget Utilized 7/31/22



Budget Utilized (in millions)



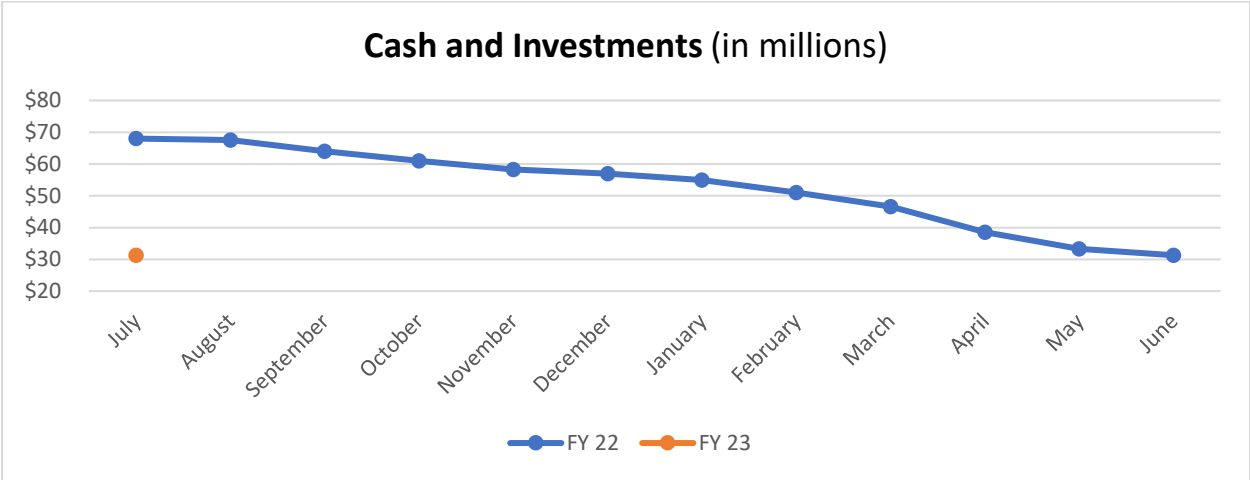


4. No budget reallocations to report for July 2022. A detail of the budget reallocations made for the reporting period and cumulatively for the fiscal year is provided on the accompanying Budget Reallocation Summary.
5. Operating Income (Loss):
 - a. Cumulatively from the beginning of FY 2022 (prior year), \$48.4M has been allotted to HTA through July 31, 2022, which represents ARPA funds HTA is using for staff's payroll, program, admin and governance costs.
 - b. Cumulatively, \$15.4M has been expended through July 2022.
 - c. Since HTA can continue to encumber off the FY 2022 budget in FY 2023, a single Statement of Revenues and Expenditures is presented, which displays both current year and cumulative activity. Typically, separate statements would be presented for current year and prior year funds.

Tourism Special Fund (TSF):

- 6. The Tourism Special Fund sunset on January 1, 2022, pursuant to Act 001, 2021 Legislative Special Session, upon which all unencumbered funds are available for remitting to the State’s General Fund. The \$5M Emergency Fund remains with HTA.

- 7. \$31.4M in cash and investments. The cash balance is earmarked primarily for contract encumbrances made from the FY 2021 budget. The FY 2021 budget was funded by HTA’s reserves that were bolstered by cancelled and reduced contracts due to the pausing of TAT distributions to HTA at the onset of the pandemic and a one-time TAT cash distribution in June 2021. In FY 2023, we continue to spend down previously encumbered funds within the TSF.

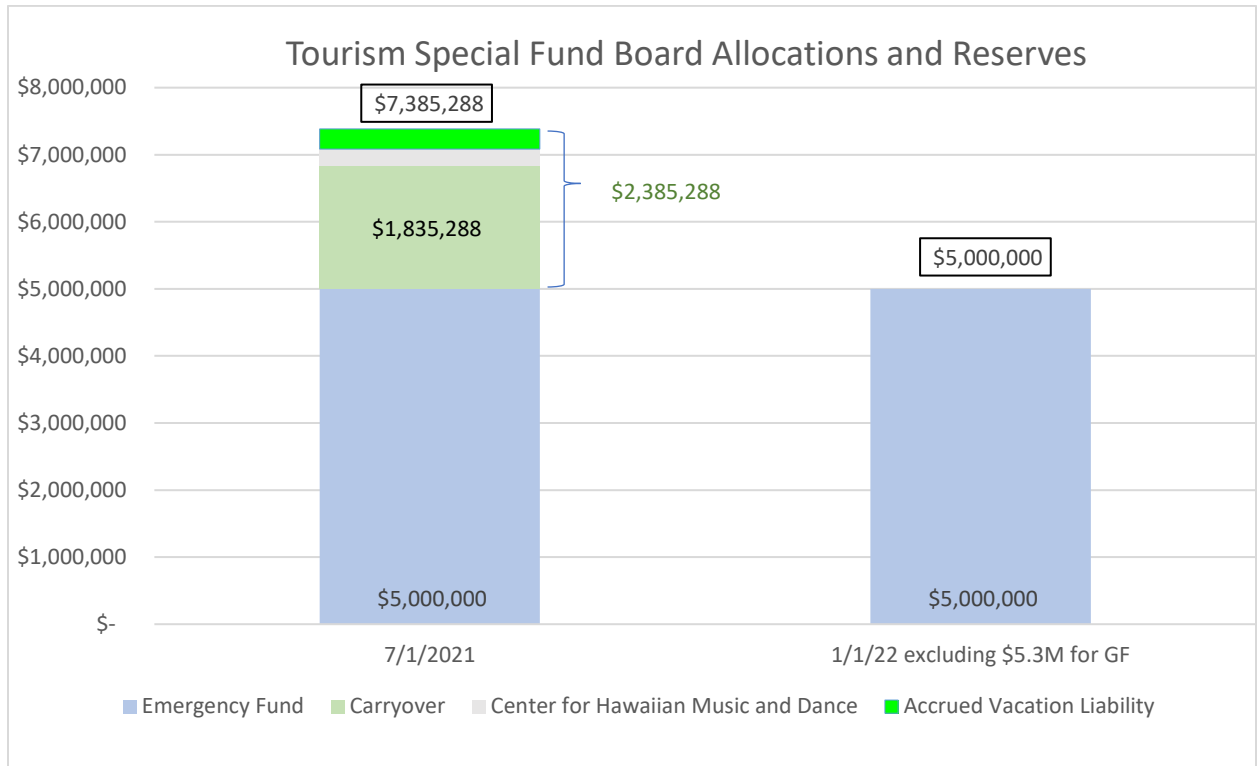


- a. Includes \$5M in Emergency Fund held as investments.
 - i. Approximately \$1.0M held in money market funds and \$4M held in US Treasury notes laddered in approximately 3-month intervals.
 - ii. Further detail provided in the financial statements
 - b. Cash remained consistent from June 30, 2022.
 - c. We anticipate the cash balance to decrease to \$0 over time once all encumbered funds are expended, except for the \$5M Emergency Fund.
8. HTA’s outstanding encumbrances are summarized as follows:

| | | |
|---------|--|--|
| \$21.0M | Prior year encumbrances currently being spent down | |
| \$0.00 | Current year encumbrances remaining | |
| \$21.0M | Total encumbrances outstanding at July 31, 2022 | |

Staff routinely makes a concerted effort to liquidate older encumbrances that should no longer be encumbered and that is reflected here.

9. In addition to HTA's \$5M Emergency Fund, approximately \$5.3M in unencumbered funds is available to return to the State's General Fund as a result of the sunset of the Tourism Special Fund, Pursuant to Act 001, Special Session 2021 (HB 862) This balance has grown from the \$2.3M on July 1, 2021 (start of FY22) to the current amount due to efficiencies realized from unspent contracts that were previously encumbered.



10. With its sunset, there is no budget for the Tourism Special Fund in FY 2023.

11. Operating Income (Loss):

- a. Pursuant to Act 001, Legislative Special Session 2021, HTA is no longer included in the TAT allocation.

- b. In the one-month period ended July 31, 2022, \$50.2K of investment income was earned.

Convention Center Federal Fund (ARPA CCFF):

- 12. \$10.2M in cash (remaining from amount that has been allotted to HTA). Cash remained consistent from June 30, 2022.
- 13. Over several meetings, the HTA Board approved the \$11M budget for FY 2022's Convention Center ARPA funds, further detailed below.

| | Incremental Approved at Meeting | Cumulative Budget Approved | |
|-----------------------|--|---|--|
| June 2021 Meeting | 162,000 | 162,000 | Interim Payroll funding |
| July 2021 Meeting | 328,000 | 490,000 | Payroll for remainder of year |
| February 2022 Meeting | 10,510,000 | 11,000,000 | Remainder of budget, primarily for R&M |
| June 2022 Meeting | 0 | 11,000,000 | Reallocated to fund FY23 operations due to HB1147 (2022) veto, bringing to current |

In April 2022, B&F approved HTA's request to extend the period of performance from June 2022 to June 2023, as anticipated from prior discussions.

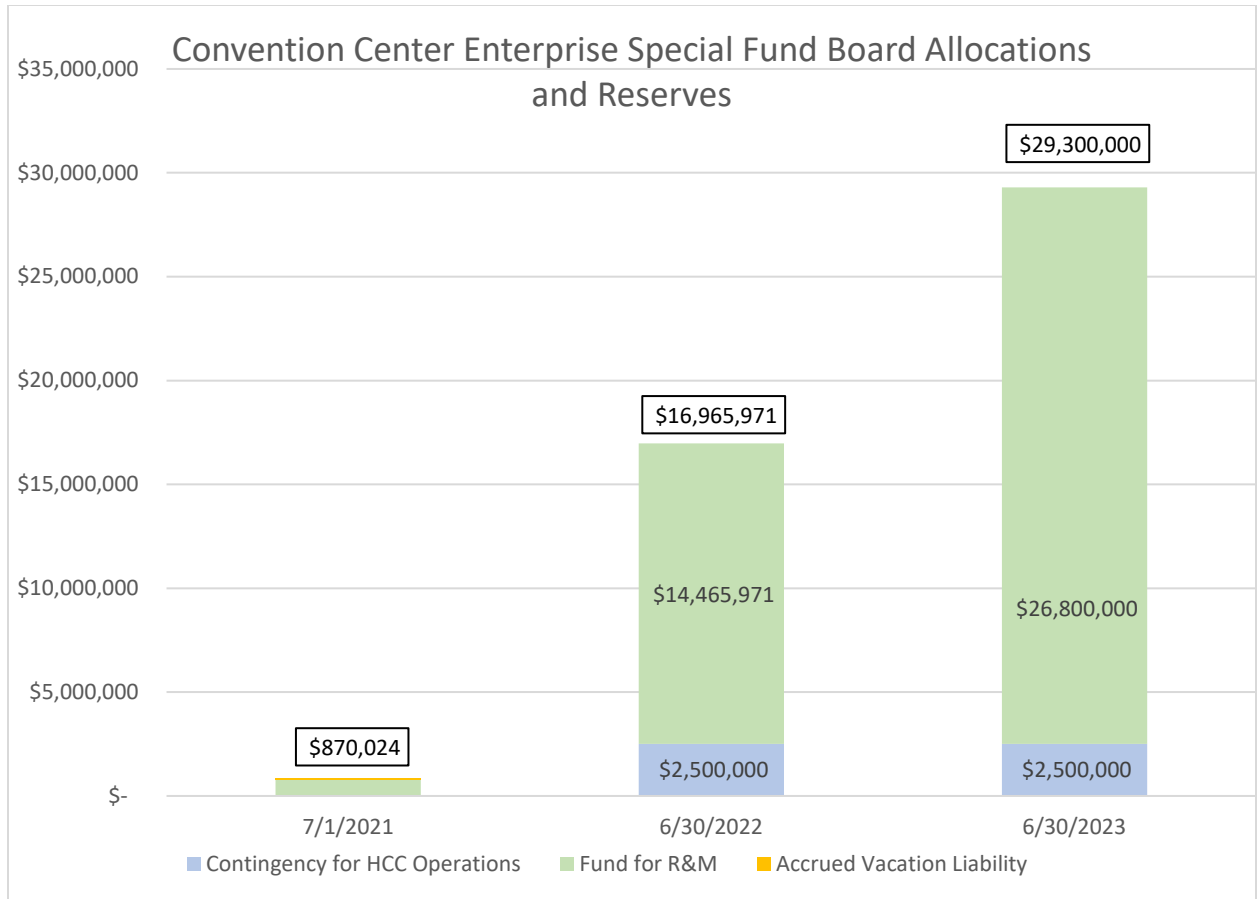
- 14. No budget reallocations were made in July 2022.
- 15. Operating Income:
 - a. Cumulatively from the beginning of FY 2022 (prior year), \$11M of ARPA funds has been allotted, which represents ARPA funds HTA used in FY 2022 for staff's payroll and, provided the earlier-noted budget reallocation, will fund FY 2023 expenditures of the Convention Center.
 - b. Since HTA can continue to encumber off the FY 2022 budget in FY 2023, a single Statement of Revenues and Expenditures is presented, which displays both current year and cumulative activity. Typically, separate statements would be presented for current year and prior year funds.

Convention Center Enterprise Special Fund (CCESF):

16. \$23.9M in cash. Cash decreased by \$9M from June 30, 2022 due to \$10.1M in disbursements for Convention Center facility major R&M program, partially offset by \$1M in HCC fiscal year 2022 operations revenue and \$32.4K in investment income.

17. \$37.4M in cash with contractor or with DAGS, for R&M projects (as of July 2022).
 - a. Includes \$2M in Emergency R&M funds
 - b. These funds are encumbered or budgeted toward specific projects such as kitchen wall rehabilitation and exterior planter repairs, exterior building painting, house audio upgrades, ballroom gutter and transom glass repair, chiller replacement, and various equipment purchases and upgrades. Of the \$37.4M, approximately \$2.4M has been contracted (as of July 2022).
 - c. The amount of cash remaining with the contractor already accounts for \$2.4M expended on current and future projects (in-progress costs or preliminary work).

18. \$18M reserved as Board allocations as of July 31, 2022, of which \$2.5M is earmarked as a facility operations contingency reserve and \$15.5M is earmarked for the Convention Center's major R&M program as supported by specific projects under its 6-Year Plan. This \$18M compares to a reserve balance of \$16.9M as of June 30, 2022. The increase is due to the approximate \$1.1M in revenue recorded in July 2022. \$11M in TAT revenue will be deposited into the CCESF in FY 2023, pursuant to HRS 237D, as amended by Act 1 of the 2021 Legislative Special Session, which allowed for the continued deposit of TAT into the CCESF. Funds will accumulate in the CCESF during FY 2023 without the ability to spend these funds due to the CCESF not having an appropriation ceiling in FY 2023. With the \$11M in TAT, we forecast the amount reserved as Board allocations to grow to \$29M-\$29.5M by June 2023. No significant Convention Center revenues will be collected due to a change in the management contract with AEG/ASM that will require the contractor's use of revenues to pay for costs (netting cash flow). This contract change is particularly necessary with no CCESF expenditure ceiling for the second consecutive year.



19. \$5.9M of prior year outstanding encumbrances currently being spent down.

20. Budget:

- a. No budget has been established for the CCESF in FY 2023, as no expenditure ceiling was appropriated, as discussed earlier.

21. Operating Income:

- a. No TAT funds were received in July 2022.
- b. Convention Center Operations
 - i. Note: HTA's FY 2023 operating subsidy to the Convention Center through the first month of the fiscal year was \$187K per HCC financial statements (as of July 2022). We budgeted for a \$5.4M operating subsidy for FY 2023. Funded by FY22's encumbrance as discussed above.

EDA Grant:

22. The Board's \$14M budget was approved in June 2022 and we are working with the EDA to approve HTA's Grant Administration Plan.

Hawaii Tourism Authority
Balance Sheet
Tourism Federal (ARPA) Fund
As of 7/31/22

| | <u>Current Year</u> |
|--------------------------|-----------------------------|
| Assets | |
| Current Assets | |
| Checking | 33,007,548.12 |
| Total Current Assets | <u>33,007,548.12</u> |
| | |
| Total Assets | <u><u>33,007,548.12</u></u> |
| | |
| Fund Balance | |
| Encumbered Funds | |
| FY 2022 Funds | 15,842,978.67 |
| Total Encumbered Funds | <u>15,842,978.67</u> |
| Unencumbered Funds | |
| Total Unencumbered Funds | 17,164,569.45 |
| | |
| Total Fund Balance | <u><u>33,007,548.12</u></u> |

Hawaii Tourism Authority

Balance Sheet

Tourism Special Fund

As of 7/31/22

| | <u>Current Year</u> |
|--------------------------|-----------------------------|
| Assets | |
| Current Assets | |
| Checking | 26,360,907.76 |
| Total Current Assets | <u>26,360,907.76</u> |
| | |
| Total Assets | <u><u>26,360,907.76</u></u> |
| | |
| Fund Balance | |
| Encumbered Funds | |
| FY 2015 Funds | 6,830.35 |
| FY 2016 Funds | 6,047.12 |
| FY 2017 Funds | 15,706.80 |
| FY 2018 Funds | 4,137.03 |
| FY 2019 Funds | 37,461.33 |
| FY 2020 Funds | 808,039.15 |
| FY 2021 Funds | 20,121,371.08 |
| Total Encumbered Funds | <u>20,999,592.86</u> |
| Unencumbered Funds | |
| Total Unencumbered Funds | 5,361,314.90 |
| | |
| Total Fund Balance | <u><u>26,360,907.76</u></u> |

Hawaii Tourism Authority
Balance Sheet
Convention Center Federal (ARPA) Fund
As of 7/31/22

| | Current Year |
|--------------------------|---------------|
| Assets | |
| Current Assets | |
| Checking | 10,248,890.96 |
| Total Current Assets | 10,248,890.96 |
| | |
| Total Assets | 10,248,890.96 |
| | |
| Fund Balance | |
| Encumbered Funds | |
| FY 2022 Funds | 10,070,285.27 |
| Total Encumbered Funds | 10,070,285.27 |
| Unencumbered Funds | |
| Total Unencumbered Funds | 178,605.69 |
| | |
| Total Fund Balance | 10,248,890.96 |

Hawaii Tourism Authority
Balance Sheet
Convention Center Enterprise Special Fund
As of 7/31/22

| | <u>Current Year</u> |
|--------------------------|-----------------------------|
| Assets | |
| Current Assets | |
| Checking | 23,921,672.05 |
| Total Current Assets | <u>23,921,672.05</u> |
| | |
| Total Assets | <u><u>23,921,672.05</u></u> |
| | |
| Fund Balance | |
| Encumbered Funds | |
| FY 2019 Funds | 110,894.39 |
| FY 2021 Funds | 5,771,724.93 |
| Total Encumbered Funds | <u>5,882,619.32</u> |
| Unencumbered Funds | |
| Total Unencumbered Funds | 18,039,052.73 |
| | |
| Total Fund Balance | <u><u>23,921,672.05</u></u> |

Hawaii Tourism Authority

Balance Sheet

Emergency Trust Fund

As of 7/31/22

| | <u>Current Year</u> |
|-------------------------------|--------------------------------|
| Assets | |
| Current Assets | |
| Investments | 5,021,566.42 |
| Total Current Assets | <u>5,021,566.42</u> |
| Total Assets | <u><u>5,021,566.42</u></u> |
| Fund Balance | |
| Current year net assets | |
| | 7,541.70 |
| Total Current year net assets | <u>7,541.70</u> |
| Prior years | |
| Total Prior years | 5,014,024.72 |
| Total Fund Balance | <u><u>5,021,566.42</u></u> |

HTA Allocations
FY 2022 and FY 2023

HTA Allocations:

Annual Budgets:

-\$60M FY 2023 HTA ARPA Funds (subject to release by Governor)

-No FY23 budget for Convention Center (\$11M TAT, however no expenditure ceiling appropriation)

\$5M Emergency Funds

\$5M Emergency Fund Reserve (Established by Statute as a separate fund, to be used upon declaration of a tourism emergency by the Governor)

\$0M Mandated by Board (designated for use in the event of a significant economic downturn upon Board approval; used to fund FY 21 budget)

Convention Center Enterprise Special Fund:

| | 7/1/2021 | 6/30/2022 | Projected 6/30/2023 |
|--|----------------|-------------------|------------------------|
| Carryover for HCC Operations | - | 2,500,000 | 2,500,000 |
| Reserve for Funding Year 21 Transactions | - | - | - |
| Funds for 6-Year R&M Plan | 790,024 | 14,465,972 | 26,800,000 |
| Accrued Vacation Liability | 80,000 | - | - |
| | <u>870,024</u> | <u>16,965,972</u> | <u>29,300,000</u> * |

*With no expenditure ceiling appropriated in FYs 2022 and 2023, HTA is currently unable to spend these funds.

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Fiscal Year 2022 Funds - Tourism Federal Fund
From 7/1/2021 Through 7/31/2022

| | <u>Budget</u> | <u>Cumulative Actual</u> | <u>Budget Variance</u> | <u>Current Period Actual</u> | <u>FY 2023 Actual</u> |
|-------------------------------|----------------------|------------------------------|----------------------------|----------------------------------|---------------------------|
| Revenue | | | | | |
| Alloted Federal Funds | 60,000,000.00 | 48,400,000.00 | (11,600,000.00) | 60,000.00 | 60,000.00 |
| Total Revenue | <u>60,000,000.00</u> | <u>48,400,000.00</u> | <u>(11,600,000.00)</u> | <u>60,000.00</u> | <u>60,000.00</u> |
| Expense | | | | | |
| Perpetuating Hawaiian Culture | 1,815,500.00 | 0.00 | 1,815,500.00 | 0.00 | 0.00 |
| Natural Resources | 665,000.00 | 0.00 | 665,000.00 | 0.00 | 0.00 |
| Community | 404,500.00 | 100,000.00 | 304,500.00 | 0.00 | 0.00 |
| Branding | 35,930,532.00 | 10,995,317.79 | 24,935,214.21 | 0.00 | 0.00 |
| Sports | 4,344,889.00 | 2,344,889.00 | 2,000,000.00 | 0.00 | 0.00 |
| Safety and Security | 900,000.00 | 46,944.92 | 853,055.08 | 0.00 | 0.00 |
| Tourism Research | 60,000.00 | 0.00 | 60,000.00 | 0.00 | 0.00 |
| Planning | 2,005,200.00 | 35,033.23 | 1,970,166.77 | 0.00 | 0.00 |
| Administrative | 4,029,406.00 | 965,602.64 | 3,063,803.36 | 0.00 | 0.00 |
| Governance and Org-Wide | <u>2,994,973.00</u> | <u>904,664.30</u> | <u>2,090,308.70</u> | <u>0.00</u> | <u>0.00</u> |
| Total Expense | <u>53,150,000.00</u> | <u>15,392,451.88</u> | <u>37,757,548.12</u> | <u>0.00</u> | <u>0.00</u> |
| Net Income | <u>6,850,000.00</u> | <u>33,007,548.12</u> | <u>26,157,548.12</u> | <u>60,000.00</u> | <u>60,000.00</u> |

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Prior Year Funds - Tourism Special Fund
From 7/1/2022 Through 7/31/2022

| | <u>Budget</u> | <u>Current Year Actual</u> | <u>Budget Variance</u> | <u>Current Period Actual</u> |
|-------------------------------|------------------------|--------------------------------|----------------------------|----------------------------------|
| Revenue | | | | |
| Interest and Dividends | 0.00 | 50,207.67 | 50,207.67 | 50,207.67 |
| Total Revenue | <u>0.00</u> | <u>50,207.67</u> | <u>50,207.67</u> | <u>50,207.67</u> |
| Expense | | | | |
| Perpetuating Hawaiian Culture | 6,809,550.50 | 0.00 | 6,809,550.50 | 0.00 |
| Natural Resources | 1,781,000.00 | 0.00 | 1,781,000.00 | 0.00 |
| Community | 1,192,966.00 | 0.00 | 1,192,966.00 | 0.00 |
| Branding | 10,397,551.18 | 0.00 | 10,397,551.18 | 0.00 |
| Sports | 18,000.00 | 0.00 | 18,000.00 | 0.00 |
| Safety and Security | 92,094.23 | 0.00 | 92,094.23 | 0.00 |
| Tourism Research | 455,211.72 | 0.00 | 455,211.72 | 0.00 |
| Administrative | 253,219.23 | 0.00 | 253,219.23 | 0.00 |
| Total Expense | <u>20,999,592.86</u> | <u>0.00</u> | <u>20,999,592.86</u> | <u>0.00</u> |
| Net Income | <u>(20,999,592.86)</u> | <u>50,207.67</u> | <u>21,049,800.53</u> | <u>50,207.67</u> |

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Fiscal Year 2022 Funds - Convention Center Federal Fund
From 7/1/2021 Through 7/31/2022

| | <u>Budget</u> | <u>Cumulative Actual</u> | <u>Budget Variance</u> | <u>Current Period Actual</u> | <u>FY 2023 Actual</u> |
|-------------------------------|----------------------|------------------------------|----------------------------|----------------------------------|---------------------------|
| Revenue | | | | | |
| Alloted Federal Funds | 11,000,000.00 | 11,000,000.00 | 0.00 | 0.00 | 0.00 |
| Total Revenue | <u>11,000,000.00</u> | <u>11,000,000.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Expense | | | | | |
| Branding | 72,458.00 | 6,079.86 | 66,378.14 | 0.00 | 0.00 |
| Administrative | 247,042.00 | 207,964.14 | 39,077.86 | 0.00 | 0.00 |
| Governance and Org-Wide | 1,334,845.00 | 537,065.04 | 797,779.96 | 0.00 | 0.00 |
| HCC Operating Expense | 5,406,900.00 | 0.00 | 5,406,900.00 | 0.00 | 0.00 |
| HCC Repair and Maintenance | 2,970,455.00 | 0.00 | 2,970,455.00 | 0.00 | 0.00 |
| HCC Sales and Marketing / MFF | 968,300.00 | 0.00 | 968,300.00 | 0.00 | 0.00 |
| Total Expense | <u>11,000,000.00</u> | <u>751,109.04</u> | <u>10,248,890.96</u> | <u>0.00</u> | <u>0.00</u> |
| Net Income | <u>0.00</u> | <u>10,248,890.96</u> | <u>10,248,890.96</u> | <u>0.00</u> | <u>0.00</u> |

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Prior Year Funds - Convention Center Enterprise Special Fund
From 7/1/2022 Through 7/31/2022

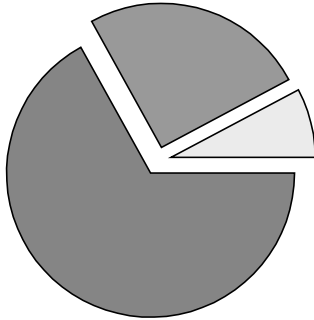
| | <u>Budget</u> | <u>Current Year Actual</u> | <u>Budget Variance</u> | <u>Current Period Actual</u> |
|-------------------------------|------------------------|--------------------------------|----------------------------|----------------------------------|
| Revenue | | | | |
| Interest and Dividends | 0.00 | 32,377.55 | 32,377.55 | 32,377.55 |
| HCC Revenue | 0.00 | 1,040,703.47 | 1,040,703.47 | 1,040,703.47 |
| Total Revenue | <u>0.00</u> | <u>1,073,081.02</u> | <u>1,073,081.02</u> | <u>1,073,081.02</u> |
| Expense | | | | |
| Governance and Org-Wide | 296.52 | 0.00 | 296.52 | 0.00 |
| HCC Operating Expense | 5,512,649.87 | 0.00 | 5,512,649.87 | 0.00 |
| HCC Repair and Maintenance | 10,129,600.00 | 10,129,600.00 | 0.00 | 10,129,600.00 |
| HCC Sales and Marketing / MFF | 369,672.93 | 0.00 | 369,672.93 | 0.00 |
| Total Expense | <u>16,012,219.32</u> | <u>10,129,600.00</u> | <u>5,882,619.32</u> | <u>10,129,600.00</u> |
| Net Income | <u>(16,012,219.32)</u> | <u>(9,056,518.98)</u> | <u>6,955,700.34</u> | <u>(9,056,518.98)</u> |

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Fiscal Year 2022 Funds - EDA Tourism Grant Fund
From 7/1/2022 Through 7/31/2022

| | <u>Budget</u> | <u>Current Year Actual</u> | <u>Budget Variance</u> | <u>Current Period Actual</u> |
|-------------------------|------------------------|--------------------------------|----------------------------|----------------------------------|
| Expense | | | | |
| Natural Resources | 7,950,000.00 | 0.00 | 7,950,000.00 | 0.00 |
| Community | 20,000.00 | 0.00 | 20,000.00 | 0.00 |
| Branding | 4,540,000.00 | 0.00 | 4,540,000.00 | 0.00 |
| Planning | 770,000.00 | 0.00 | 770,000.00 | 0.00 |
| Administrative | 331,907.00 | 0.00 | 331,907.00 | 0.00 |
| Governance and Org-Wide | <u>412,465.00</u> | <u>0.00</u> | <u>412,465.00</u> | <u>0.00</u> |
| Total Expense | <u>14,024,372.00</u> | <u>0.00</u> | <u>14,024,372.00</u> | <u>0.00</u> |
| Net Income | <u>(14,024,372.00)</u> | <u>0.00</u> | <u>14,024,372.00</u> | <u>0.00</u> |

Summary Of Investments

Investment Allocation



| | | |
|--------|------------------|---------------------|
| 9.2% | CASH | 461,606.94- |
| 30.1% | CASH EQUIVALENTS | 1,511,161.65 |
| 79.1% | FIXED INCOME | 3,976,680.00 |
| 100.0% | TOTAL | 5,026,234.71 |

Investment Summary

| | Market Value | % | Estimated Income | Current Yield |
|-------------------------|---------------------|---------------|------------------|---------------|
| CASH | 461,606.94- | 9.18- | 0 | 0.00 |
| CASH EQUIVALENTS | 1,511,161.65 | 30.07 | 22,970 | 1.52 |
| FIXED INCOME | 3,976,680.00 | 79.12 | 88,750 | 2.23 |
| Total Fund | 5,026,234.71 | 100.00 | 111,720 | 2.22 |

Schedule Of Investments

| UNITS | DESCRIPTION | BOOK VALUE | MARKET VALUE | % OF CATEGORY |
|--------------|--|--------------|--------------|---------------|
| | CASH | 1,947.75 | 1,947.75 | 0.42- |
| | DUE TO BROKERS | 492,617.19- | 492,617.19- | 106.72 |
| | ACCRUED INCOME | 29,062.50 | 29,062.50 | 6.30- |
| | TOTAL CASH | 461,606.94-* | 461,606.94-* | 100.00* |
| | CASH EQUIVALENTS | | | |
| | CASH MANAGEMENT | | | |
| 1,511,161.65 | DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND | 1,511,161.65 | 1,511,161.65 | 100.00 |
| | FIXED INCOME | | | |



Statement Period
Account Number

07/01/2022 through 07/31/2022
BANK OF HAWAII
AGENT U/A DATED 10/31/2018 FOR
HAWAII TOURISM AUTHORITY -
TOURISM EMERGENCY TRUST
FUND

Schedule Of Investments

| UNITS | DESCRIPTION | BOOK VALUE | MARKET VALUE | % OF CATEGORY |
|---------------------------------|---|----------------------|----------------------|----------------|
| U S TREASURY OBLIGATIONS | | | | |
| 500,000 | US TREASURY NOTES .125% 10/31/2022 | 496,445.31 | 497,225.00 | 12.50 |
| 500,000 | US TREASURY NOTES 2.375% 01/31/2023 | 499,394.53 | 498,635.00 | 12.54 |
| 500,000 | US TREASURY NOTES 2.75% 04/30/2023 | 499,531.25 | 499,065.00 | 12.55 |
| 500,000 | US TREASURY NOTES 2.75% 07/31/2023 | 498,730.47 | 498,865.00 | 12.54 |
| 500,000 | US TREASURY NOTES 2.875% 10/31/2023 | 498,496.09 | 499,650.00 | 12.56 |
| 500,000 | US TREASURY NOTES 2.5% 01/31/2024 | 495,058.59 | 496,600.00 | 12.49 |
| 500,000 | US TREASURY NOTES 2.25% 04/30/2024 | 491,738.28 | 494,200.00 | 12.43 |
| 500,000 | US TREASURY NOTES NOTE 2.125% 07/31/2024 | 492,617.19 | 492,440.00 | 12.38 |
| | TOTAL U S TREASURY OBLIGATIONS | 3,972,011.71* | 3,976,680.00* | 100.00* |
| | Total Fund | 5,021,566.42* | 5,026,234.71* | 100.00* |

Hawaii Convention Center
Facility
Income Statement
From 7/01/2022 Through 7/31/2022
(In Whole Numbers)

| | Current Month Actual | Current Month Budget | Variance | Current Month Prior Year | YTD Actual | YTD Budget | Variance | YTD Prior Year |
|--|-------------------------|-------------------------|------------------|-----------------------------|------------------|------------------|------------------|-----------------|
| Direct Event Income | | | | | | | | |
| Rental Income (Net) | 309,152 | 464,490 | (155,339) | 254,933 | 309,152 | 464,490 | (155,339) | 254,933 |
| Service Revenue | 113,689 | 125,541 | (11,852) | 150,990 | 113,689 | 125,541 | (11,852) | 150,990 |
| Total Direct Event Income | 422,841 | 590,031 | (167,190) | 405,922 | 422,841 | 590,031 | (167,190) | 405,922 |
| Direct Service Expenses | 214,458 | 270,758 | 56,300 | 205,826 | 214,458 | 270,758 | 56,300 | 205,826 |
| Net Direct Event Income | 208,383 | 319,273 | (110,890) | 200,096 | 208,383 | 319,273 | (110,890) | 200,096 |
| Ancillary Income | | | | | | | | |
| Food and Beverage (Net) | 379,280 | 543,314 | (164,034) | 32,426 | 379,280 | 543,314 | (164,034) | 32,426 |
| Event Parking (Net) | 108,875 | 305,600 | (196,725) | 271,674 | 108,875 | 305,600 | (196,725) | 271,674 |
| Electrical Services | 0 | 1,240 | (1,240) | 0 | 0 | 1,240 | (1,240) | 0 |
| Audio Visual | 45,737 | 7,380 | 38,357 | 1,993 | 45,737 | 7,380 | 38,357 | 1,993 |
| Internet Services | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rigging Services | 0 | 61,000 | (61,000) | 0 | 0 | 61,000 | (61,000) | 0 |
| First Aid Commissions | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Ancillary Income | 533,892 | 918,534 | (384,642) | 306,093 | 533,892 | 918,534 | (384,642) | 306,093 |
| Total Event Income | 742,275 | 1,237,807 | (495,532) | 506,189 | 742,275 | 1,237,807 | (495,532) | 506,189 |
| Other Operating Income | | | | | | | | |
| Non-Event Parking | 0 | 583 | (583) | 1,500 | 0 | 583 | (583) | 1,500 |
| Other Income | 7,835 | 4,875 | 2,960 | 2,577 | 7,835 | 4,875 | 2,960 | 2,577 |
| Total Other Operating Income | 7,835 | 5,458 | 2,377 | 4,077 | 7,835 | 5,458 | 2,377 | 4,077 |
| Total Gross Income | 750,111 | 1,243,265 | (493,154) | 510,267 | 750,111 | 1,243,265 | (493,154) | 510,267 |
| Net Salaries & Benefits | | | | | | | | |
| Salaries & Wages | 356,980 | 465,865 | 108,885 | 285,110 | 356,980 | 465,865 | 108,885 | 285,110 |
| Payroll Taxes & Benefits | 94,251 | 139,866 | 45,615 | 78,742 | 94,251 | 139,866 | 45,615 | 78,742 |
| Labor Allocations to Events | (60,088) | (101,306) | (41,218) | (124,315) | (60,088) | (101,306) | (41,218) | (124,315) |
| Total Net Salaries & Benefits | 391,143 | 504,425 | 113,282 | 239,537 | 391,143 | 504,425 | 113,282 | 239,537 |
| Other Indirect Expenses | | | | | | | | |
| Net Contracted Services | 48,813 | 37,440 | (11,373) | 15,546 | 48,813 | 37,440 | (11,373) | 15,546 |
| Operations | 8,319 | 11,533 | 3,214 | 5,989 | 8,319 | 11,533 | 3,214 | 5,989 |
| Repair & Maintenance | 54,557 | 89,300 | 34,743 | 52,800 | 54,557 | 89,300 | 34,743 | 52,800 |
| Operational Supplies | 34,448 | 61,614 | 27,165 | 28,752 | 34,448 | 61,614 | 27,165 | 28,752 |
| Insurance | 23,095 | 21,872 | (1,222) | 12,107 | 23,095 | 21,872 | (1,222) | 12,107 |
| Utilities | 290,244 | 229,187 | (61,057) | 191,567 | 290,244 | 229,187 | (61,057) | 191,567 |
| Meetings & Conventions | 2,307 | 8,742 | 6,435 | 1,020 | 2,307 | 8,742 | 6,435 | 1,020 |
| Promotions & Communications | 5,902 | 4,550 | (1,352) | 2,527 | 5,902 | 4,550 | (1,352) | 2,527 |
| General & Administrative | 30,359 | 22,892 | (7,467) | 10,373 | 30,359 | 22,892 | (7,467) | 10,373 |
| Management Fees | 19,033 | 19,033 | (0) | 18,633 | 19,033 | 19,033 | (0) | 18,633 |
| Other | 2,209 | 10,983 | 8,774 | 200 | 2,209 | 10,983 | 8,774 | 200 |
| Total Other Indirect | 519,286 | 517,146 | (2,140) | 339,515 | 519,286 | 517,146 | (2,140) | 339,515 |
| Net Income (Loss) before CIP Funded Expenses | (160,319) | 221,694 | (382,013) | (68,786) | (160,319) | 221,694 | (382,013) | (68,786) |
| CIP Funded Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Net Income (Loss) from Operations | (160,319) | 221,694 | (382,013) | (68,786) | (160,319) | 221,694 | (382,013) | (68,786) |
| Fixed Asset Purchases | 27,052 | 25,000 | (2,052) | 0 | 27,052 | 25,000 | (2,052) | 0 |
| Net Income (Loss) After Fixed Asset Purchases | (187,371) | 196,694 | (384,065) | (68,786) | (187,371) | 196,694 | (384,065) | (68,786) |

Hawaii Convention Center
Facility
Income Statement
From 7/01/2022 Through 7/31/2022
(In Whole Numbers)

| | Current Month Actual | Current Month Budget | Variance | Current Month Prior Year | YTD Actual | YTD Budget | Variance | YTD Prior Year |
|---|-------------------------|-------------------------|-------------------------|-----------------------------|-------------------------|-----------------------|-------------------------|------------------------|
| Revenues | | | | | | | | |
| Food & Beverage | 642,283 | 947,733 | (305,450) | 128,636 | 642,283 | 947,733 | (305,450) | 128,636 |
| Facility | 603,171 | 1,006,969 | (403,798) | 707,410 | 603,171 | 1,006,969 | (403,798) | 707,410 |
| Total Revenues | <u>1,245,454</u> | <u>1,954,702</u> | <u>(709,248)</u> | <u>836,046</u> | <u>1,245,454</u> | <u>1,954,702</u> | <u>(709,248)</u> | <u>836,046</u> |
| Expenses | | | | | | | | |
| Food & Beverage | 384,767 | 556,371 | 171,604 | 174,221 | 384,767 | 556,371 | 171,604 | 174,221 |
| Facility | 1,021,006 | 1,176,637 | 155,631 | 730,611 | 1,021,006 | 1,176,637 | 155,631 | 730,611 |
| Total Expenses | <u>1,405,772</u> | <u>1,733,008</u> | <u>327,235</u> | <u>904,832</u> | <u>1,405,772</u> | <u>1,733,008</u> | <u>327,235</u> | <u>904,832</u> |
| Net Income (Loss) before CIP Funded Expenses | <u>(160,319)</u> | <u>221,694</u> | <u>(382,013)</u> | <u>(68,786)</u> | <u>(160,319)</u> | <u>221,694</u> | <u>(382,013)</u> | <u>(68,786)</u> |
| CIP Funded Expenses | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Net Income (Loss) from Operations | <u>(160,319)</u> | <u>221,694</u> | <u>(382,013)</u> | <u>(68,786)</u> | <u>(160,319)</u> | <u>221,694</u> | <u>(382,013)</u> | <u>(68,786)</u> |
| Fixed Asset Purchases | <u>27,052</u> | <u>25,000</u> | <u>(2,052)</u> | <u>0</u> | <u>27,052</u> | <u>25,000</u> | <u>(2,052)</u> | <u>0</u> |
| Net Income (Loss) after Fixed Asset Purchases | <u><u>(187,371)</u></u> | <u><u>196,694</u></u> | <u><u>(384,065)</u></u> | <u><u>(68,786)</u></u> | <u><u>(187,371)</u></u> | <u><u>196,694</u></u> | <u><u>(384,065)</u></u> | <u><u>(68,786)</u></u> |

9.2

Budget Reallocation Summary
FY2022 ARPA Funds (TFF)
Through July 31, 2022

Budget Reallocation Summary
 FY 2022 ARPA Funds (TFF)
 Through July 31, 2022

| Budget Line Item | Program Code | Original Budget | Cumulative To-Date (Since Inception of Award) | | July 2022 Activity |
|---|--------------|-----------------|---|----------------------------|--------------------|
| | | | Reallocation | Budget After Reallocations | |
| Perpetuating Hawaiian Culture | | | | | |
| <i>From:</i> | | | | | |
| Hawaiian Culture Opportunity Fund | 215 | 200,000 | (150,000) | 50,000 | |
| | | | | - | |
| | | | | - | |
| | | | (150,000) | | - |
| <i>To:</i> | | | | | |
| Resort Area Hawaiian Culture Initiative | 718 | - | 400,000 | 400,000 | |
| | | | | - | |
| | | | | - | |
| | | | | - | |
| | | | | - | |
| | | | 400,000 | | - |
| Natural Resources | | | | | |
| <i>From:</i> | | | | | |
| None | | | | - | |
| | | | | - | |
| | | | | - | |
| | | | - | | - |
| <i>To:</i> | | | | | |
| | | | | - | |
| | | | | - | |
| | | | | - | |
| | | | - | | - |
| Community | | | | | |
| <i>From:</i> | | | | | |
| Community Product Capacity Building | 702 | 500,000 | (331,000) | 169,000 | |
| | | | | - | |
| | | | | - | |
| | | | (331,000) | | - |
| <i>To:</i> | | | | | |
| | | | | - | |
| | | | | - | |
| | | | | - | |
| | | | | - | |

Budget Reallocation Summary
 FY 2022 ARPA Funds (TFF)
 Through July 31, 2022

| Budget Line Item | Program Code | Original Budget | Reallocation | Budget After Reallocations | July 2022 Activity |
|--------------------------|--------------|-----------------|--------------|----------------------------|--------------------|
| Board Allocations | | | | | |
| <i>From:</i> | | | | | |
| None | | | - | - | - |
| | | | - | | - |

9.3

Budget Statement Summary

FY 2023

As of July 31, 2022

Hawaii Tourism Authority
 Budget Statement - Summary
 FY 2023
 As of July 31, 2022

| Category | 2022 Tourism Federal Fund - ARPA (TFF) | | | | 2023 ARPA Funding (contingent on release of funds by Governor) | | | | 2022 EDA Grant | | | |
|--|--|------------------------|-------------------|------------------------|--|------------------------|-------------------|------------------------|------------------------------|------------------------|-------------------|------------------------|
| | Fiscal Year 2022 and FY 2023 | | | | Fiscal Year 2023 | | | | Fiscal Year 2022 and FY 2023 | | | |
| | Budget | Cumulative Budget Used | Balance | Activity for July 2022 | Budget | Cumulative Budget Used | Balance | Activity for July 2022 | Budget | Cumulative Budget Used | Balance | Activity for July 2022 |
| Revenues | | | | | | | | | | | | |
| TAT Revenue Allocation | | | - | - | | | - | - | | | - | - |
| Federal Funds | 60,000,000 | 48,400,000 | 11,600,000 | 60,000 | 60,000,000 | - | 60,000,000 | - | 14,024,372 | - | 14,024,372 | - |
| Prior Year Carryover | - | - | - | - | - | - | - | - | - | - | - | - |
| Availability of \$5M Emergency Fund (Subject to Governor Approval) | - | - | - | - | - | - | - | - | - | - | - | - |
| Other | - | 210 | (210) | - | - | - | - | - | - | - | - | - |
| Total Revenues | 60,000,000 | 48,400,210 | 11,599,790 | 60,000 | 60,000,000 | - | 60,000,000 | - | 14,024,372 | - | 14,024,372 | - |
| Encumbrances | | | | | | | | | | | | |
| Perpetuating Hawaiian Culture | | | | | | | | | | | | |
| Hawaiian Culture Programs | 1,815,500 | 500,000 | 1,315,500 | - | 5,600,000 | - | 5,600,000 | - | - | - | - | - |
| In-House Contracted Staff - Hawaiian Culture | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 1,815,500 | 500,000 | 1,315,500 | - | 5,600,000 | - | 5,600,000 | - | - | - | - | - |
| Natural Resources | | | | | | | | | | | | |
| Natural Resources Programs | 665,000 | 100,000 | 565,000 | - | 2,000,000 | - | 2,000,000 | - | 7,200,000 | - | 7,200,000 | - |
| In-House Contracted Staff - Natural Resources | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 665,000 | 100,000 | 565,000 | - | 2,000,000 | - | 2,000,000 | - | 7,200,000 | - | 7,200,000 | - |
| Community | | | | | | | | | | | | |
| Community Programs | 404,500 | 120,000 | 284,500 | - | 5,114,000 | - | 5,114,000 | - | 1,520,000 | - | 1,520,000 | - |
| In-House Contracted Staff - Community | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 404,500 | 120,000 | 284,500 | - | 5,114,000 | - | 5,114,000 | - | 1,520,000 | - | 1,520,000 | - |
| Branding | | | | | | | | | | | | |
| Branding Programs | 33,894,000 | 20,176,155 | 13,717,845 | - | 36,133,000 | - | 36,133,000 | - | 4,000,000 | - | 4,000,000 | - |
| In-House Contracted Staff - Branding | - | - | - | - | - | - | - | - | - | - | - | - |
| State Employee Salaries - Branding | 2,036,532 | 1,937,857 | 98,675 | 1,116,310 | - | - | - | - | 540,000 | - | 540,000 | - |
| Subtotal | 35,930,532 | 22,114,012 | 13,816,520 | 1,116,310 | 36,133,000 | - | 36,133,000 | - | 4,540,000 | - | 4,540,000 | - |
| Sports | | | | | | | | | | | | |
| Sports Programs | 4,344,889 | 2,594,889 | 1,750,000 | - | 3,967,000 | - | 3,967,000 | - | - | - | - | - |
| Subtotal | 4,344,889 | 2,594,889 | 1,750,000 | - | 3,967,000 | - | 3,967,000 | - | - | - | - | - |
| Safety and Security | | | | | | | | | | | | |
| Safety and Security Programs | 900,000 | 146,945 | 753,055 | - | 600,000 | - | 600,000 | - | - | - | - | - |
| Subtotal | 900,000 | 146,945 | 753,055 | - | 600,000 | - | 600,000 | - | - | - | - | - |
| Tourism Research | | | | | | | | | | | | |
| Tourism Research Programs | 60,000 | - | 60,000 | - | 65,000 | - | 65,000 | - | - | - | - | - |
| In-House Contracted Staff - Tourism Research | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 60,000 | - | 60,000 | - | 65,000 | - | 65,000 | - | - | - | - | - |
| Planning | | | | | | | | | | | | |
| Planning Programs | 2,005,200 | 491,530 | 1,513,670 | - | 1,521,000 | - | 1,521,000 | - | 20,000 | - | 20,000 | - |
| In-House Contracted Staff - Planning | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 2,005,200 | 491,530 | 1,513,670 | - | 1,521,000 | - | 1,521,000 | - | 20,000 | - | 20,000 | - |
| Administrative | | | | | | | | | | | | |
| Operations | 1,199,111 | 391,398 | 807,713 | - | 653,700 | - | 653,700 | - | 214,907 | - | 214,907 | - |
| In-House Contracted Staff - Admin | - | - | - | - | - | - | - | - | - | - | - | - |
| State Employee Salaries - Admin | 2,830,295 | 2,423,804 | 406,491 | 1,450,517 | - | - | - | - | 117,000 | - | 117,000 | - |
| Subtotal | 4,029,406 | 2,815,202 | 1,214,204 | 1,450,517 | 653,700 | - | 653,700 | - | 331,907 | - | 331,907 | - |
| Organizationwide Costs | | | | | | | | | | | | |
| State Employee Fringe | 2,465,972 | 2,144,010 | 321,962 | 1,355,972 | - | - | - | - | 412,465 | - | 412,465 | - |
| Organization-Wide | 220,000 | 105,000 | 115,000 | - | 250,583 | - | 250,583 | - | - | - | - | - |
| Governance - Board/Others | 309,001 | 104,052 | 204,949 | - | 172,918 | - | 172,918 | - | - | - | - | - |
| Subtotal | 2,994,973 | 2,353,062 | 641,911 | 1,355,972 | 423,501 | - | 423,501 | - | 412,465 | - | 412,465 | - |
| Payroll | | | | | | | | | | | | |
| State Employee Fringe | - | - | - | - | 1,355,973 | - | 1,355,973 | - | - | - | - | - |
| State Employee Salaries - All Employees | - | - | - | - | 2,566,826 | - | 2,566,826 | - | - | - | - | - |
| Subtotal | - | - | - | - | 3,922,799 | - | 3,922,799 | - | - | - | - | - |
| Total Encumbrances | 53,150,000 | 31,235,640 | 21,914,360 | 3,922,799 | 60,000,000 | - | 60,000,000 | - | 14,024,372 | - | 14,024,372 | - |
| Revenues vs Encumbrances | 6,850,000 | 17,164,570 | | | | | | | | | | |

9.4

Budget Statement
FY 2022
As of July 31, 2022

| Program Code | Program Title | Budget FY22 | Total Amount of Budget Used | Remaining Balance | Monthly Activity Actual and Enc |
|--------------------------------------|---|----------------------|-----------------------------|----------------------|---------------------------------|
| <i>Tourism Federal Fund</i> | | | | | |
| Perpetuating Hawaiian Culture | | | | | |
| 202 | Hawaiian Culture Initiative | 475,000.00 | 0.00 | 475,000.00 | 0.00 |
| 203 | Ma'ema'e HTA | 50,000.00 | 0.00 | 50,000.00 | 0.00 |
| 204 | Market Support | 50,000.00 | 0.00 | 50,000.00 | 0.00 |
| 214 | Legacy Award Program | 25,000.00 | 0.00 | 25,000.00 | 0.00 |
| 215 | Hawaiian Culture Opportunity Fund | 50,000.00 | 0.00 | 50,000.00 | 0.00 |
| 216 | Olelo Hawaii | 500,000.00 | 500,000.00 | 0.00 | 0.00 |
| 217 | FESTPAC | 250,000.00 | 0.00 | 250,000.00 | 0.00 |
| 297 | Memberships and Dues - Hawaiian Culture | 500.00 | 0.00 | 500.00 | 0.00 |
| 298 | Travel - Hawaiian Culture | 15,000.00 | 0.00 | 15,000.00 | 0.00 |
| 718 | Resort Area Hawaiian Cultural Initiative | 400,000.00 | 0.00 | 400,000.00 | 0.00 |
| Subtotal | Perpetuating Hawaiian Culture | 1,815,500.00 | 500,000.00 | 1,315,500.00 | 0.00 |
| Natural Resources | | | | | |
| 406 | Visitor Impact Program | 350,000.00 | 50,000.00 | 300,000.00 | 0.00 |
| 407 | Hawaii Eco Tourism Association | 50,000.00 | 50,000.00 | 0.00 | 0.00 |
| 416 | Wahi Pana Series | 250,000.00 | 0.00 | 250,000.00 | 0.00 |
| 498 | Travel - Natural Resources | 15,000.00 | 0.00 | 15,000.00 | 0.00 |
| Subtotal | Natural Resources | 665,000.00 | 100,000.00 | 565,000.00 | 0.00 |
| Community | | | | | |
| 702 | Community Product Capacity Building (forn | 169,000.00 | 0.00 | 169,000.00 | 0.00 |
| 797 | Memberships and Dues - Community | 500.00 | 0.00 | 500.00 | 0.00 |
| 798 | Travel - Community | 15,000.00 | 0.00 | 15,000.00 | 0.00 |
| 802 | Current Workforce Development (Industry | 100,000.00 | 0.00 | 100,000.00 | 0.00 |
| 803 | Future Workforce Development (LEI) | 120,000.00 | 120,000.00 | 0.00 | 0.00 |
| Subtotal | Community | 404,500.00 | 120,000.00 | 284,500.00 | 0.00 |
| Branding | | | | | |
| 004 | Cruise Infrastructure Improvements and Ai | 100,000.00 | 100,000.00 | 0.00 | 0.00 |
| 010 | HTUS/HTJ Campaign Effectiveness Study | 270,000.00 | 260,000.00 | 10,000.00 | 0.00 |
| 012 | Rebranding of the Hawaiian Islands | 1,000,000.00 | 0.00 | 1,000,000.00 | 0.00 |
| 013 | Creative Agency | 250,000.00 | 0.00 | 250,000.00 | 0.00 |
| 014 | Pono Travel Education Program | 400,000.00 | 400,000.00 | 0.00 | 0.00 |
| 102 | Hawai'i Tourism Summit | 231,000.00 | 5,251.30 | 225,748.70 | 0.00 |
| 317 | Convention Center Sales & Marketing - City | 2,600,000.00 | 2,600,000.00 | 0.00 | 0.00 |
| 318 | gohawaii.com (formerly Online Website Co | 1,790,000.00 | 232,500.00 | 1,557,500.00 | 0.00 |
| 319 | MCI MFF | 850,000.00 | 850,000.00 | 0.00 | 0.00 |
| 320 | Island Chapters Staffing and Admin | 1,500,000.00 | 0.00 | 1,500,000.00 | 0.00 |
| 321 | US (formerly North America) | 21,000,000.00 | 12,750,000.00 | 8,250,000.00 | 0.00 |
| 331 | Meetings, Convention & Incentives | 1,900,000.00 | 1,900,000.00 | 0.00 | 0.00 |
| 339 | Global Digital Marketing Strategy (former I | 713,000.00 | 300,000.00 | 413,000.00 | 0.00 |
| 350 | Global Mkt Shared Resces (formerly Intelle | 787,000.00 | 592,500.00 | 194,500.00 | 0.00 |
| 380 | Marketing Opportunity Fund | 293,000.00 | 32,655.00 | 260,345.00 | 0.00 |
| 397 | Memberships and Dues - Branding | 160,000.00 | 137,265.00 | 22,735.00 | 0.00 |
| 398 | Travel - Branding | 50,000.00 | 15,983.04 | 34,016.96 | 0.00 |
| 934 | State Employee Salaries - Branding | 2,036,532.00 | 1,937,857.48 | 98,674.52 | 1,116,310.00 |
| Subtotal | Branding | 35,930,532.00 | 22,114,011.82 | 13,816,520.18 | 1,116,310.00 |
| Sports | | | | | |
| 312 | PGA Tour Contracts | 2,177,889.00 | 2,177,889.00 | 0.00 | 0.00 |
| 343 | LPGA | 500,000.00 | 250,000.00 | 250,000.00 | 0.00 |
| 378 | UH Athletics Branding Partnership | 167,000.00 | 167,000.00 | 0.00 | 0.00 |
| 379 | Sports Programs - Unallocated (Sports RFP | 1,500,000.00 | 0.00 | 1,500,000.00 | 0.00 |
| Subtotal | Sports | 4,344,889.00 | 2,594,889.00 | 1,750,000.00 | 0.00 |
| Safety and Security | | | | | |
| 601 | Visitor Assistance Programs | 500,000.00 | 0.00 | 500,000.00 | 0.00 |
| 602 | Crisis Management | 100,000.00 | 46,944.92 | 53,055.08 | 0.00 |
| 603 | Lifeguard Program | 200,000.00 | 0.00 | 200,000.00 | 0.00 |
| 604 | Preventative Programs | 100,000.00 | 100,000.00 | 0.00 | 0.00 |
| Subtotal | Safety and Security | 900,000.00 | 146,944.92 | 753,055.08 | 0.00 |
| Tourism Research | | | | | |
| 506 | Infrastructure Research (Accomodations ar | 60,000.00 | 0.00 | 60,000.00 | 0.00 |
| Subtotal | Tourism Research | 60,000.00 | 0.00 | 60,000.00 | 0.00 |
| Planning | | | | | |
| 652 | Planning Tools and Assessments | 410,000.00 | 111,585.32 | 298,414.68 | 0.00 |
| 653 | Hotspot Mitigation | 500,000.00 | 0.00 | 500,000.00 | 0.00 |
| 654 | Program Evaluation | 500,000.00 | 377,584.69 | 122,415.31 | 0.00 |
| 655 | Community Engagement | 175,000.00 | 0.00 | 175,000.00 | 0.00 |
| 656 | Community Tourism Collaborative | 400,000.00 | 0.00 | 400,000.00 | 0.00 |
| 697 | Memberships and Dues - Planning | 3,200.00 | 0.00 | 3,200.00 | 0.00 |
| 698 | Travel - Planning | 17,000.00 | 2,360.22 | 14,639.78 | 0.00 |
| Subtotal | Planning | 2,005,200.00 | 491,530.23 | 1,513,669.77 | 0.00 |
| Administrative | | | | | |
| 101 | Community-Industry Outreach & Public Rel | 200,000.00 | 200,000.00 | 0.00 | 0.00 |
| 103 | hawaiiourismauthority.org (formerly HTA) | 100,000.00 | 24,546.80 | 75,453.20 | 0.00 |
| 901 | General and Administrative | 848,700.00 | 157,520.05 | 691,179.95 | 0.00 |
| 930 | State Employee Salaries - Admin | 2,830,295.00 | 2,423,803.66 | 406,491.34 | 1,450,517.00 |
| 998 | Travel - Admin | 50,411.00 | 9,331.95 | 41,079.05 | 0.00 |
| Subtotal | Administrative | 4,029,406.00 | 2,815,202.46 | 1,214,203.54 | 1,450,517.00 |
| Governance and Org-Wide | | | | | |

| Program Code | Program Title | Budget FY22 | Total Amount of Budget Used | Remaining Balance | Monthly Activity Actual and Enc |
|---|--------------------------------------|----------------------|-----------------------------|----------------------|---------------------------------|
| 915 | Organization-Wide | 220,000.00 | 105,000.00 | 115,000.00 | 0.00 |
| 919 | Governance - Gen Board/Others | 309,001.00 | 104,052.35 | 204,948.65 | 0.00 |
| 931 | State Employees Fringe | 2,465,972.00 | 2,144,009.77 | 321,962.23 | 1,355,972.00 |
| Subtotal | Governance and Org-Wide | 2,994,973.00 | 2,353,062.12 | 641,910.88 | 1,355,972.00 |
| Approved | FY 2022 Funds | 53,150,000.00 | 31,235,640.55 | 21,914,359.45 | 3,922,799.00 |
| Adjustments - Funds Not Yet Released by Board: | | | | | |
| Funds Not Yet Approved by the Board | | 6,850,000.00 | 0.00 | 6,850,000.00 | 0.00 |
| Total | FY 2022 Funds | 60,000,000.00 | 31,235,640.55 | 28,764,359.45 | 3,922,799.00 |
| Convention Center Federal Fund | | | | | |
| Branding | | | | | |
| 934 | State Employee Salaries - Branding | 72,458.00 | 12,613.84 | 59,844.16 | 0.00 |
| Subtotal | Branding | 72,458.00 | 12,613.84 | 59,844.16 | 0.00 |
| Administrative | | | | | |
| 930 | State Employee Salaries - Admin | 247,042.00 | 226,060.43 | 20,981.57 | 0.00 |
| Subtotal | Administrative | 247,042.00 | 226,060.43 | 20,981.57 | 0.00 |
| Governance and Org-Wide | | | | | |
| 915 | Organization-Wide | 1,164,845.00 | 1,164,845.00 | 0.00 | 0.00 |
| 931 | State Employees Fringe | 170,000.00 | 72,220.04 | 97,779.96 | 0.00 |
| Subtotal | Governance and Org-Wide | 1,334,845.00 | 1,237,065.04 | 97,779.96 | 0.00 |
| HCC Operating Expense | | | | | |
| 850 | HCC Operating Expense | 5,406,900.00 | 5,406,900.00 | 0.00 | 0.00 |
| Subtotal | HCC Operating Expense | 5,406,900.00 | 5,406,900.00 | 0.00 | 0.00 |
| HCC Repair and Maintenance | | | | | |
| 860 | HCC Repair and Maintenance | 2,970,455.00 | 2,970,455.00 | 0.00 | 0.00 |
| Subtotal | HCC Repair and Maintenance | 2,970,455.00 | 2,970,455.00 | 0.00 | 0.00 |
| HCC Sales and Marketing / MFF | | | | | |
| 871 | HCC Local Sales | 968,300.00 | 968,300.00 | 0.00 | 0.00 |
| Subtotal | HCC Sales and Marketing / MFF | 968,300.00 | 968,300.00 | 0.00 | 0.00 |
| Total | FY 2022 Funds | 11,000,000.00 | 10,821,394.31 | 178,605.69 | 0.00 |
| EDA Tourism Grant | | | | | |
| Natural Resources | | | | | |
| 408 | Outdoor Recreation (DLNR) | 7,200,000.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | Natural Resources | 7,200,000.00 | 0.00 | 0.00 | 0.00 |
| Community | | | | | |
| 656 | Community Tourism Collaborative | 750,000.00 | 0.00 | 0.00 | 0.00 |
| 736 | Urban Trails | 750,000.00 | 0.00 | 0.00 | 0.00 |
| 798 | Travel - Community | 20,000.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | Community | 1,520,000.00 | 0.00 | 0.00 | 0.00 |
| Branding | | | | | |
| 300 | Branding - Unallocated | 4,000,000.00 | 0.00 | 0.00 | 0.00 |
| 934 | Salaries - Branding | 540,000.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | Branding | 4,540,000.00 | 0.00 | 0.00 | 0.00 |
| Planning | | | | | |
| 698 | Travel - Planning | 20,000.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | Planning | 20,000.00 | 0.00 | 0.00 | 0.00 |
| Administrative | | | | | |
| 901 | Administrative | 214,907.00 | 0.00 | 0.00 | 0.00 |
| 930 | Salaries - Admin | 117,000.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | Administrative | 331,907.00 | 0.00 | 0.00 | 0.00 |
| Governance and Org-Wide | | | | | |
| 931 | Fringe Benefits | 412,465.00 | 0.00 | 0.00 | 0.00 |
| Subtotal | Governance and Org-Wide | 412,465.00 | 0.00 | 0.00 | 0.00 |
| Total | FY 2022 Funds | 14,024,372.00 | 0.00 | 0.00 | 0.00 |

10

Presentation, Discussion, and Action to
Amend HTA's FY 2022 and FY 2023 Budgets

FY 2022 Budget:

(Use funds not yet released by the Board, to instead fund community-type programs that would have been funded by the FY 2023 budget; other reallocations.)

| | | | | | |
|-----------|--------------|--|----------------------------------|--------------------|---|
| #1 | From: | TBD Unallocated Budget (originally for Smart Destination Website / Consultant) | (6,400,000) | — (6,400,000) | } Move \$6.4M from Unallocated/Unreleased FY22 Budget to Community-Type Programs |
| | To: | 201 Kukulua Ola: Living Hawaiian Cultural Progm | 1,500,000 | } 6,400,000 | |
| | | 402 Aloha Aina | 1,500,000 | | |
| | | 701 Community Enrichment Program | 1,700,000 | | |
| | | 700 Signature Events | 1,700,000 | | |
| #2 | From: | 318 gohawaii.com | (800,000) | — (800,000) | } Move \$800K from FY22 gohawaii.com to Kahea Airport Greetings and Cruise |
| | To: | 207 Kahea Airport Greetings | 700,000 | } 800,000 | |
| | | 004 Cruise Industry Consultant Services | 100,000 | | |
| | Total | | <u> </u> - | | |

FY 2023 Budget:

(Move funding for those FY 2023 programs to unallocated.)

| | | | | | |
|-----------|--------------|---|----------------------------------|----------------------|--|
| #3 | From: | 201 Kukulua Ola: Living Hawaiian Cultural Progm | (1,500,000) | } (6,400,000) | } Move funding for those FY23 programs to unallocated |
| | | 402 Aloha Aina | (1,500,000) | | |
| | | 701 Community Enrichment Program | (1,700,000) | | |
| | | 700 Signature Events | (1,700,000) | | |
| | To: | 200 Hawaiian Culture Programs - Unallocated | 1,500,000 | } 6,400,000 | |
| | | 400 Natural Resources Programs - Unallocated | 1,500,000 | | |
| | | 705 Community Programs - Unallocated | 3,400,000 | | |
| #4 | From: | TBD-1 Ho'okipa Malihini Initiative | (700,000) | } (800,000) | |
| | | 004 Cruise Industry Consultant Services | (100,000) | | |
| | To: | 200 Hawaiian Culture - Unallocated | 700,000 | } 800,000 | |
| | | 300 Branding - Unallocated | 100,000 | | |
| | Total | | <u> </u> - | | |

11

Presentation and Discussion on an
Update of Upcoming HTA Procurements

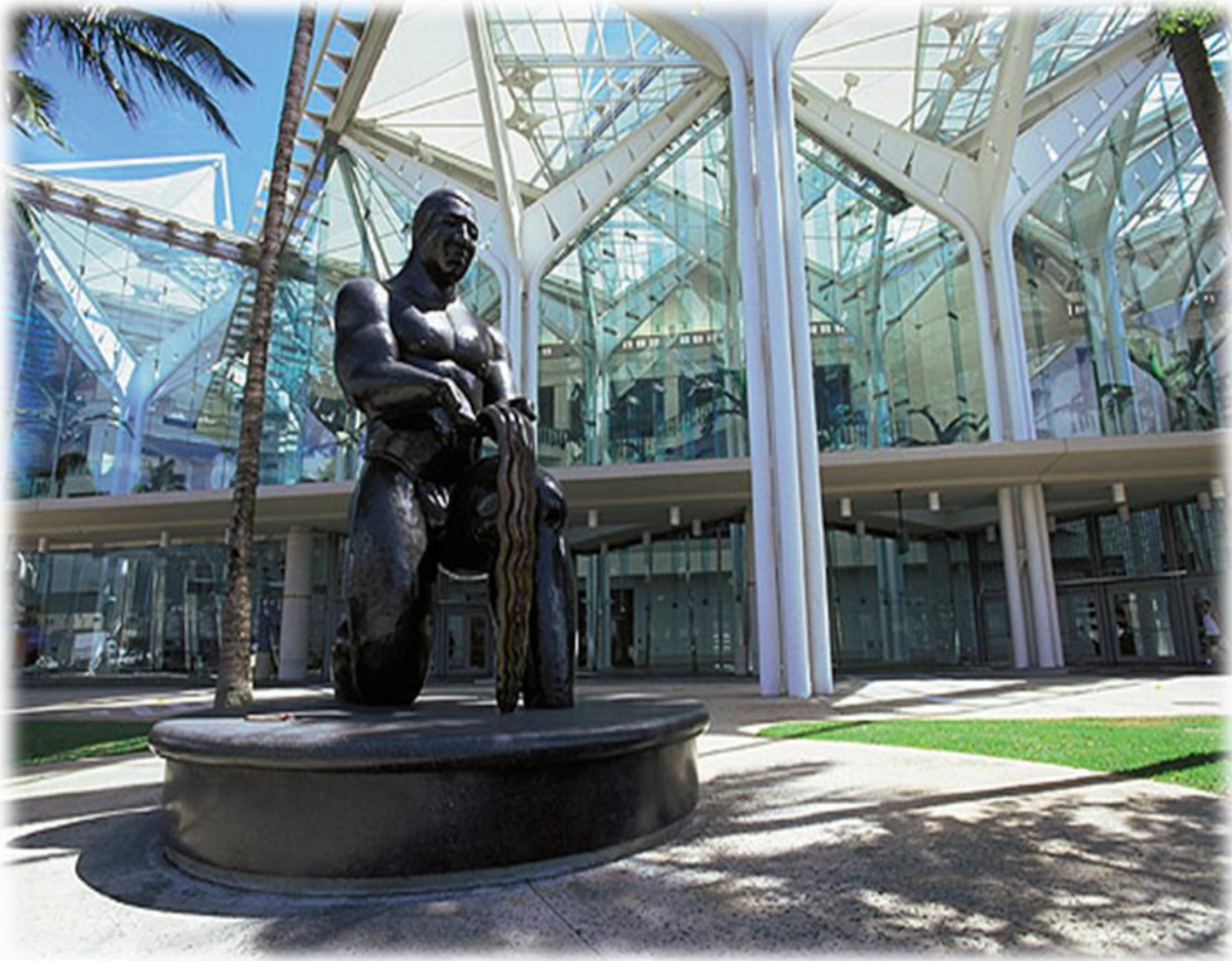
Update of Upcoming HTA Procurements

| RFP | Value | Projected Issue Date | Work Need to Begin |
|--|-------------|----------------------|--------------------|
| Japan MMA | \$6,500,000 | Mid September | 1/1/23 |
| Canada MMA | \$800,000 | Mid September | 1/1/23 |
| China MMA | \$120,000 | Mid October | 1/1/23 |
| HCC Management | N/A | November | 7/1/23 |
| Community Program Administrative Services | \$6,400,000 | Mid September | 11/1/22 |

13

Presentation, Discussion, and Action on the
Hawai'i Convention Center's July 2022 Financial
Report and Update on the Hawai'i Convention
Center's 6-Year CIP Plan

Hawai'i Convention Center



Update for
July 2022
for
(August 2022 meeting)

Financial Update

| | Jul-22 Actual | FY 2023 Reforecast | FY 2023 Budget | Variance | FY 2022 Actual | CY 2019 Actual |
|---------------------------|------------------|-----------------------|-------------------|--------------|-------------------|-------------------|
| Facility Occupancy | 46% | 30% | 30% | 0% | 29% | 32% |
| Facility Number of Events | 22 | 203 | 200 | 3 | 213 | 238 |
| Facility Gross Revenue | \$1,245,500 | \$11,239,500 | \$13,041,400 | -\$1,801,900 | \$7,256,700 | \$16,866,900 |
| Facility Gross Expenses | -\$1,432,800 | -\$17,023,900 | -\$18,448,300 | \$1,424,400 | -\$11,842,500 | -\$17,649,200 |
| Facility Net Loss | -\$187,300 | -\$5,784,400 | -\$5,406,900 | -\$377,500 | -\$4,585,800 | -\$782,300 |
| Local S&M Gross Expenses | -\$43,300 | -\$968,300 | -\$968,300 | \$0 | -\$522,600 | -\$5,315,000 |
| HCC Net Loss | -\$230,600 | -\$6,752,700 | -\$6,375,200 | -\$377,500 | -\$5,108,400 | -\$6,097,300 |

ROI July 2022

HCC Revenue + State Revenue + Tax Revenue
= \$22.1M

HCC Expense + HVCB MCI Expense = \$1.4M

***ROI = For every dollar spent,
\$11.53 returned to the State***

Definite Citywide Bookings for FY 2023

| Start Date | End Date | Event Name | Forecast Attendance | Contracted Rooms | EI Value | Tax Generation |
|------------|------------|--|---------------------|------------------|---------------------|--------------------|
| 7/1/2022 | 7/3/2022 | Pacific Rim Championship 2022 (Jam on It) | 1,600 | 1,000 | \$5,048,727 | \$590,701 |
| 7/10/2022 | 7/15/2022 | Goldschmidt Conference 2022 | 2,500 | 5,100 | \$13,129,182 | \$2,154,234 |
| 10/19/2022 | 10/28/2022 | 2022 Applied Superconductivity Conference | 1,800 | 4,670 | \$11,960,948 | \$1,399,435 |
| 11/7/2022 | 11/16/2022 | Confidential Association Meeting | 3,500 | 8,371 | \$23,728,741 | \$2,776,263 |
| 4/11/2023 | 4/23/2023 | American Roentgen Ray Society | 2,500 | 3,844 | \$18,342,486 | \$2,146,071 |
| | 5 | Total | 11,900 | 22,985 | \$72,210,084 | \$9,066,704 |

Citywide Future Pace Report

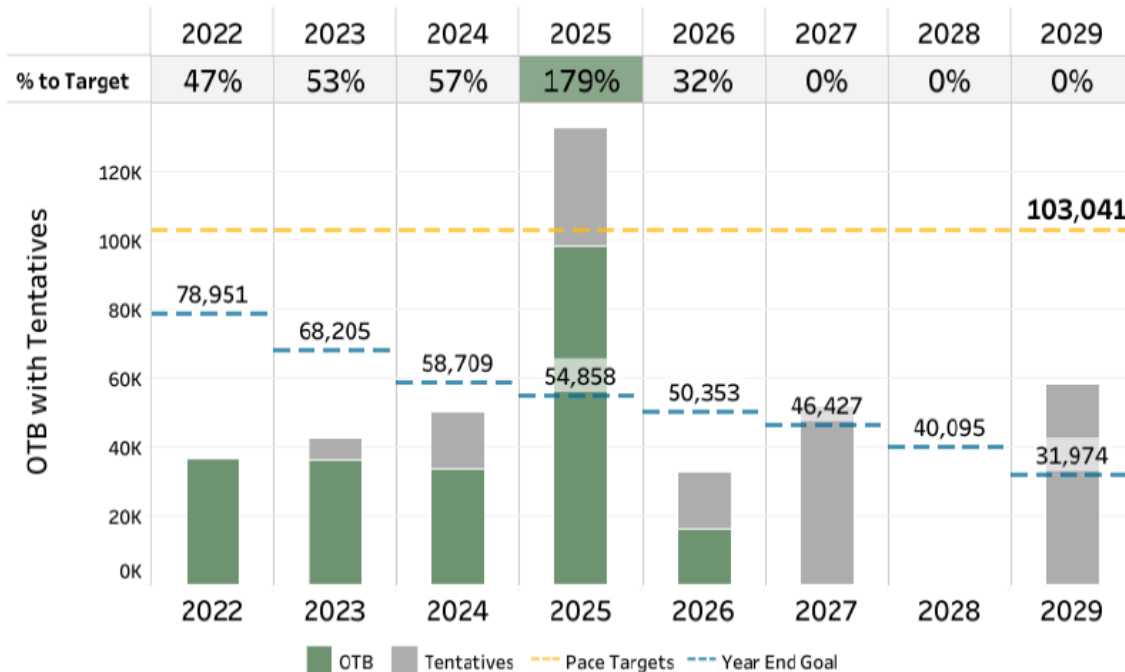
Source: HVCB/Meet Hawai'i Status Report (as of July 31, 2022)

Long Term Pace Report

Hawai'i 8 Year Future Pace for Citywide

Number of events and room nights on the books for each year 2022-2029 against a 3-year average year-end goal. Data last refreshed on 7/31/2022 11:05:06 PM

● Citywide
○ Single Property



Future Pace for Definite Room Nights

| | Pace Room Night OTB | Pace Room Night Target | Variance to Target | Room Night % Variance | Tentative Room Nights LTB | Pace Room Night Goal |
|------|---------------------|------------------------|--------------------|-----------------------|---------------------------|----------------------|
| 2022 | 36,718 | 78,951 | (42,233) | -53% | 66,323 | 103,041 |
| 2023 | 36,381 | 68,205 | (31,824) | -47% | 66,660 | 103,041 |
| 2024 | 33,552 | 58,709 | (25,157) | -43% | 69,489 | 103,041 |
| 2025 | 98,382 | 54,858 | 43,524 | 79% | 4,659 | 103,041 |
| 2026 | 16,310 | 50,353 | (34,043) | -68% | 86,731 | 103,041 |
| 2027 | 0 | 46,427 | (46,427) | -100% | 103,041 | 103,041 |
| 2028 | 0 | 40,095 | (40,095) | -100% | 103,041 | 103,041 |
| 2029 | 0 | 31,974 | (31,974) | -100% | 103,041 | 103,041 |

Future Pace for Definite Bookings

| | Definite Bookings | Pace Booking Target | Booking Variance | Booking % Variance | Tentative Bookings LTB | Pace Booking Goal |
|------|-------------------|---------------------|------------------|--------------------|------------------------|-------------------|
| 2022 | 8 | 16 | (8) | -50% | 20 | 28 |
| 2023 | 4 | 9 | (5) | -56% | 24 | 28 |
| 2024 | 5 | 7 | (2) | -29% | 23 | 28 |
| 2025 | 6 | 5 | 1 | 20% | 22 | 28 |
| 2026 | 1 | 4 | (3) | -75% | 27 | 28 |
| 2027 | 0 | 3 | (3) | -100% | 28 | 28 |
| 2028 | 0 | 2 | (2) | -100% | 28 | 28 |
| 2029 | 0 | 2 | (2) | -100% | 28 | 28 |

The ongoing auditing and database cleansing may result in changes to previously reported figures.

Recent Events @ Hawai'i Convention Center

- Monet: The Immersive Experience (June 13-Aug 14), 37,000 forecast attendees
- 5-0 Volleyball Tournament & Poly Fest (July 21-23), 6,000 attendees
- Hawaii Stars Presents - After the Point (August 20), 800 attendees



Upcoming Local/Citywide Events

- Na Kupuna Nights (August 27), 400 attendees
- International Society of Neurochemistry-APSN 2022 Meeting (August 27 – September 1), 400 attendees
- Okinawan Festival (September 3 - 4), 35,000 attendees



A poster for Na Kupuna Nights, presented by the Hawaiian Music Perpetuation Society. The title 'Na Kupuna Nights' is in a large, white, serif font, with 'SEASON 2 • CONCERT 4' below it. A photo of three performers is featured. The text 'Celebrating Na Kupuna of Mele Hawai'i' is written below the photo. The event details are listed on the right side.

Saturday, August 27, 2022
Hawai'i Convention Center
3:30 pm - 8:00 pm
Ticket options:
\$79 Dinner Ticket
Includes concert, dinner, and parking
\$128 Kupuna + Kōkua Ticket
Includes concert seating for 2, 1 dinner to share, and parking
\$49 Cocktails Only Ticket
Includes concert, cash bar, and parking
\$49 Online Concert Ticket
Includes dedicated link to event via online streaming

Schedule

| | |
|-------------|--|
| 3:30-8:00pm | E Kō'oi Kākou "We Go Shop" featuring Hawaiian-Inspired Vendors |
| 4:00-4:45pm | Kani Ka Pā w/ PAA |
| 5:00pm | Doors Open |
| 5:00pm | Bar Opens |
| 5:15pm | Opening protocol |
| 5:15pm | Dinner served Hawaiian Food |
| 6:00-7:30pm | Nā Makamaka Jerry Santos and Friends |
| 7:45pm | Closing protocol |

Nā Makamaka – Jerry Santos and Friends
These legendary Hawaiian music icons have been entertaining their world-wide following for decades and have amassed an impressive collection of Nā Hōkū Hanohano Awards. Jerry Santos and Hauana'i Apollonia are Lifetime Achievement recipients and Inductees to the Hawaiian Music Hall of Fame. Join us for a truly magical evening!

Na Kupuna Nights is a festive event filled with delicious food and 'ono' Hawaiian music. Also featured are various local vendors with Hawaiian-made and inspired products. Don't miss out on this opportunity to come together, talk story, and support one another.

For Information, email: info@HMPSHawaii.com
For Tickets, visit: www.HMPSHawaii.com

Logos for Hawaiian Music Perpetuation Society, Hawaii Convention Center, and other sponsors are at the bottom.

Definite Local Bookings for next 3 months

| | August 2022 | | | |
|----|-------------------|-----------------|--|----------------------------|
| | Start Date | End Date | Description | Forecast Attendance |
| 1 | 08/01/22 | 08/01/22 | Second Look Meeting | 1,400 |
| 2 | 08/03/22 | 08/03/22 | Self Mastery – Playing to Win with Matt De La Cruz | 450 |
| 3 | 08/04/22 | 08/05/22 | Indo-Pacific Maritime Security Exchange | 90 |
| 4 | 08/06/22 | 08/06/22 | USAV Member Management Meeting | 60 |
| 5 | 08/06/22 | 08/06/22 | Tonga High School 75th Anniversary Ball | 750 |
| 6 | 08/12/22 | 08/12/22 | Lopez/Lee Wedding | 150 |
| 7 | 08/12/22 | 08/13/22 | Office on Equality and Access to the Courts - Basic Orientation Workshop | 100 |
| 8 | 08/12/22 | 08/12/22 | PB (Provisional Broker) /BIC (Broker In Charge) Round Table | 200 |
| 9 | 08/13/22 | 08/13/22 | HPH Summer Student Research Program - Scientific Presentation | 100 |
| 10 | 08/17/22 | 08/17/22 | 2022 RNDC USA Holiday Tradeshow | 900 |
| 11 | 08/19/22 | 08/20/22 | 2022 HSTA Summer Leadership Conference | 400 |
| 12 | 08/20/22 | 08/20/22 | Hawaii Stars Presents - After the Point | 500 |
| 13 | 08/21/22 | 08/21/22 | Tsuruda Organizational Open | 490 |
| 14 | 08/24/22 | 08/24/22 | alliantgroup Lunch and Learn | 50 |
| 15 | 08/25/22 | 08/26/22 | Storm Water Quality Workshops | 400 |
| 16 | 08/26/22 | 08/27/22 | 2022 Magic Island Hawaii Classic Volleyball Tournament | 500 |
| 17 | 08/27/22 | 08/27/22 | Na Kupuna Nights | 400 |
| 18 | 08/27/22 | 09/01/22 | International Society of Neurochemistry-APSN 2022 Meeting | 400 |
| 19 | 08/27/22 | 08/27/22 | NALC Branch 860 Retirement Party | 220 |

Cont...

Definite Local Bookings for next 3 months

| September 2022 | | | | |
|----------------|-------------------|-----------------|--|----------------------------|
| | Start Date | End Date | Description | Forecast Attendance |
| 1 | 08/31/22 | 09/15/22 | US National Sake Appraisal | 50 |
| 2 | 09/03/22 | 09/04/22 | 40th Annual Okinawan Festival | 35,000 |
| 3 | 09/03/22 | 09/04/22 | 2022 Japan Education Fair | 400 |
| 4 | 09/05/22 | 09/05/22 | Institutional Purchasing Food and Product Trade Show | 400 |
| 5 | 09/09/22 | 09/09/22 | Professional Community Day Session 1 | 150 |
| 6 | 09/09/22 | 09/09/22 | Servco Annual Celebration Dinner | 600 |
| 7 | 09/10/22 | 09/11/22 | Jurassic Adventure | 5,000 |
| 8 | 09/10/22 | 09/10/22 | HAIS Education Fair | 1,000 |
| 9 | 09/10/22 | 09/10/22 | Destiny MMA | 500 |
| 10 | 09/17/22 | 09/17/22 | World Wide Dreambuilders Regional Rally | 1,300 |
| 11 | 09/22/22 | 09/23/22 | Aloha Festivals - Float Building | 200 |
| 12 | 09/24/22 | 09/24/22 | Hula Halau 'O Kamuela 20th Anniversary Ho'ike | 1,200 |
| 13 | 09/24/22 | 09/25/22 | Hawaii World Class Wedding Expo | 3,150 |
| 14 | 09/24/22 | 09/25/22 | CGTV Auditions | 220 |
| 15 | 09/27/22 | 09/28/22 | Hawaii Agriculture Conference | 400 |

Cont...

Definite Local Bookings for next 3 months

| October 2022 | | | | |
|--------------|-------------------|-----------------|---|----------------------------|
| | Start Date | End Date | Description | Forecast Attendance |
| 1 | 10/01/22 | 10/01/22 | HPMG Annual Dinner | 800 |
| 2 | 10/03/22 | 10/05/22 | School Safety Conference | 800 |
| 3 | 10/08/22 | 10/08/22 | Universal ShowQueen Pageant...The Ultimate in Boy Beautiful | 1,000 |
| 4 | 10/09/22 | 10/09/22 | Gay Bowl XXII Closing Reception | 800 |
| 5 | 10/12/22 | 10/12/22 | Kalani High School PSAT Testing | 370 |
| 6 | 10/14/22 | 10/14/22 | 2022 SHRM Hawaii Annual Conference | 400 |
| 7 | 10/15/22 | 10/15/22 | WorldRemit Hawaii Concert | 1,000 |
| 8 | 10/15/22 | 10/15/22 | Trinity Kings 11 | 800 |
| 9 | 10/17/22 | 10/18/22 | Stars of Oceania | 300 |
| 10 | 10/17/22 | 10/17/22 | PFA Hawaii | 1,000 |
| 11 | 10/18/22 | 10/18/22 | Global Breadfruit Summit | 300 |
| 12 | 10/18/22 | 10/18/22 | 2022 Fall Honolulu National College Fair - NACAC | 5,000 |
| 13 | 10/19/22 | 10/19/22 | Lecture Hosted by Japan Hawaii Travel Association | 150 |
| 14 | 10/19/22 | 10/19/22 | Schools of the Future (Jamf Pre-Conference Sessions) | 30 |
| 15 | 10/20/22 | 10/21/22 | Schools of the Future Conference | 1,500 |
| 16 | 10/20/22 | 10/20/22 | Schools of the Future - HCF Dinner | 50 |
| 17 | 10/24/22 | 10/26/22 | Pacific Tech 2022 | 130 |
| 18 | 10/26/22 | 10/26/22 | Yamamoto Organizational Open | 350 |
| 19 | 10/28/22 | 10/28/22 | Water Resilience in Hawaii, A UH Innovation Conference | 200 |
| 20 | 10/28/22 | 10/28/22 | Professional Community Day - Session 2 | 150 |
| 21 | 10/31/22 | 11/03/22 | TRY Group 2022 | 100 |

HCC Carbon Offset Program

- A first-of-its-kind program that provides carbon offset opportunities for all meetings and events.
- Through the planting of endemic Hawaiian trees, a meeting at the Hawai'i Convention Center can be 100% carbon neutral.
- This is an expansion of the Center's [One Million Trees](#) initiative, which partners with the world's only program to reforest native and endemic trees in Hawai'i for certified carbon credits.

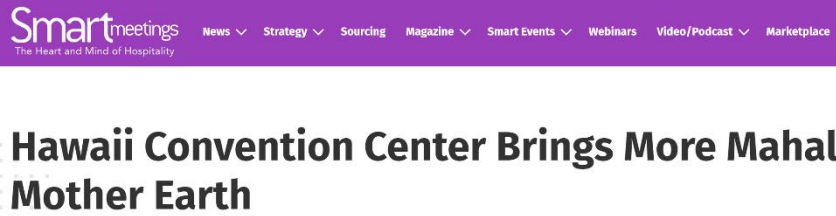


HCC Carbon Offset Program PR Coverage



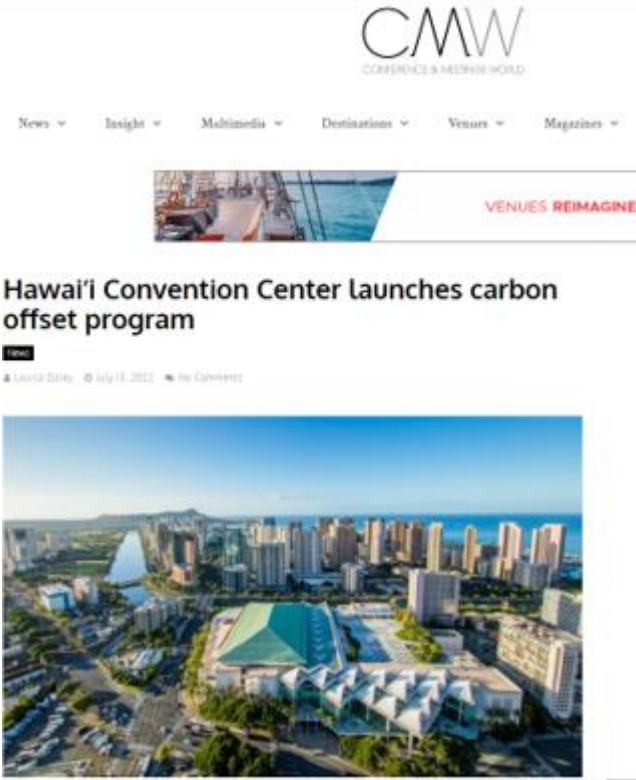
The screenshot shows the top portion of a news article on the Hawaii Public Radio website. The header includes the KHPR logo and the slogan "All Things Considered". The main headline reads "Hawai'i Convention Center launches carbon-offset program". Below the headline, it states "Hawaii Public Radio | By Casey Harlow" and "Published July 15, 2022 at 4:25 PM HST". There are social media icons for Facebook, Twitter, LinkedIn, and Email. A red "LISTEN" button with a play icon and a "1:01" duration is visible.

Hawaii Public Radio



The screenshot shows the top portion of a news article on the Smart Meetings website. The header features the "Smart Meetings" logo with the tagline "The Heart and Mind of Hospitality" and a navigation menu with items like News, Strategy, Sourcing, Magazine, Smart Events, Webinars, Video/Podcast, and Marketplace. The main headline reads "Hawaii Convention Center Brings More Mahalo to Mother Earth".

Smart Meetings



The screenshot shows the top portion of a news article on the Conference & Meetings World website. The header includes the "CMW" logo and the tagline "CONFERENCE & MEETINGS WORLD". The main headline reads "Hawai'i Convention Center launches carbon offset program". Below the headline, it states "Local Daily" and "July 18, 2022". There is a "VENUES REIMAGINE" banner with an image of a ship. A large aerial photograph of the Hawaii Convention Center building is featured below the text.

Conference & Meetings World

Carbon Offset Participation FY23

| Start Date | End Date | Description | Carbon Offset Equivalent Trees | |
|------------|----------|--|--------------------------------|--------------|
| 07/26/22 | 07/27/22 | Hawaii State Judiciary Bar Exams | 221.29 | 2.63 |
| 08/12/22 | 08/12/22 | Lopez/Lee Wedding | 13.34 | 0.16 |
| 08/12/22 | 08/12/22 | PB (Provisional Broker) /BIC (Broker In Charge) Round Table | 5.02 | 0.06 |
| 08/20/22 | 08/20/22 | Hawaii Stars Presents - After the Point | 57.01 | 0.68 |
| 08/21/22 | 08/21/22 | Tsuruda Organizational Open | 7.66 | 0.09 |
| 08/24/22 | 08/24/22 | alliantgroup Lunch and Learn | 4.07 | 0.05 |
| 08/27/22 | 08/27/22 | Na Kupuna Nights | 13.33 | 0.16 |
| 09/10/22 | 09/10/22 | Destiny MMA | 16.24 | 0.19 |
| 09/24/22 | 09/25/22 | CGTV Auditions | 12.54 | 0.15 |
| 10/14/22 | 10/14/22 | 2022 SHRM Hawaii Annual Conference | 74.68 | 0.89 |
| 10/15/22 | 10/15/22 | Trinity Kings 11 | 31.58 | 0.38 |
| 10/17/22 | 10/17/22 | PFA Hawaii | 16.22 | 0.19 |
| 10/18/22 | 10/18/22 | 2022 Fall Honolulu National College Fair - NACAC | 165.99 | 1.98 |
| 10/19/22 | 10/19/22 | Schools of the Future (Jamf Pre-Conference Sessions) | 1.01 | 0.01 |
| 10/28/22 | 10/28/22 | Water Resilience in Hawaii, A UH Innovation Conference | 23.25 | 0.28 |
| 10/31/22 | 11/03/22 | TRY Group 2022 | 41.93 | 0.50 |
| 11/16/22 | 11/16/22 | Protect Our Water Conference | 13.82 | 0.16 |
| 11/17/22 | 11/17/22 | Cancer Survivorship Conference | 19.74 | 0.23 |
| 11/26/22 | 11/26/22 | Super Saturday Showcase | 53.74 | 0.64 |
| 12/10/22 | 12/10/22 | JROTC Military Ball | 41.96 | 0.50 |
| 12/17/22 | 12/17/22 | 120th Anniversary of Immigration - America Opening Concert | 14.88 | 0.18 |
| 01/07/23 | 01/07/23 | Navy Exchange Pearl Harbor Holiday Paina | 14.39 | 0.17 |
| 01/12/23 | 01/12/23 | 2023 Sony Open Dinner | 803.89 | 9.57 |
| 01/14/23 | 01/16/23 | TransPacific Volleyball Championships 2023 | 889.18 | 10.59 |
| 02/24/23 | 02/25/23 | HPD Promotional Exams | 485.85 | 5.78 |
| 04/21/23 | 04/21/23 | UH College of Engineering Annual Banquet | 41.96 | 0.50 |
| 04/21/23 | 04/22/23 | Hawaii's Active Seniors Expo 2023 | 282.08 | 3.36 |
| 04/25/23 | 04/25/23 | 20th Annual Youth Xchange Awards Banquet | 85.75 | 1.02 |
| 04/29/23 | 04/30/23 | World Wide Group Spring Leadership 2023 | 94.06 | 1.12 |
| 06/03/23 | 06/04/23 | Punahou School Project Grad | 57.56 | 0.69 |
| 06/26/23 | 06/28/23 | 2023 20th International Conference on Ubiquitous Robots (UR) | 84.38 | 1.00 |
| | | Total | 3,688.39 | 43.91 |

Repair and Maintenance Projects Update

Repair & Maintenance Projects

6-Year Plan (page 1)

| Project # | Project Title | Estimated Project Cost | Prior Expenses to July 2022 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | Total |
|-----------|--|------------------------|-----------------------------|---------------|---------------|------------|--------------|------------|------|---------------|
| 001 | Rooftop Terrace Deck Temporary Repair | \$ 15,000,000 | \$ - | \$ 15,000,000 | | | | | | \$ 15,000,000 |
| | Rooftop Terrace Deck Temporary Repair (Previous planning) | | \$ 626,152 | | | | | | | \$ 626,152 |
| 003 | Building Envelope Repairs (Kalākaua Kitchen, 3rd fl planters, planters, ext) | \$ 18,632,703 | \$ 268,745 | \$ 8,189,126 | \$ 10,174,832 | | | | | \$ 18,632,703 |
| 007 | Kitchen Hood Control Panel Replacement | \$ 421,249 | \$ 18,142 | \$ 403,107 | | | | | | \$ 421,249 |
| 008 | F&B Refrigerator, 3rd floor (#348) Replacement | \$ 319,004 | \$ 14,047 | \$ - | \$ - | \$ - | \$ 304,957 | | | \$ 319,004 |
| 009 | Slate Tile Repair | \$ 2,142,108 | \$ 12,963 | \$ 2,129,145 | | | | | | \$ 2,142,108 |
| 010 | Chiller Replacement | \$ 4,639,656 | \$ 98,480 | \$ 4,007,051 | \$ 534,125 | | | | | \$ 4,639,656 |
| 011 | Ballroom Gutter, Foyer Transom Glass Repair and Soffit Repair | \$ 10,635,599 | \$ 25,873 | \$ 2,000,000 | \$ 8,609,726 | | | | | \$ 10,635,599 |
| 012 | Parapet Roof Repairs | \$ 3,004,559 | \$ 10,404 | \$ 1,000,000 | \$ 1,994,155 | | | | | \$ 3,004,559 |
| 013 | Ballroom Roof Repairs | \$ 2,143,187 | \$ 6,712 | \$ 1,000,000 | \$ 1,136,475 | | | | | \$ 2,143,187 |
| 014 | Lobby Water Feature | \$ 1,035,800 | \$ 1,985 | \$ - | \$ 253,946 | \$ 779,869 | | | | \$ 1,035,800 |
| 015 | House Sound Audio System Upgrade | \$ 1,344,650 | \$ 9,183 | \$ 1,335,467 | | | | | | \$ 1,344,650 |
| 016 | Camera, NVR and Access Control | \$ 2,001,733 | \$ 1,559,914 | \$ 441,819 | | | | | | \$ 2,001,733 |
| 022 | Chill Water Pipe Reinsulation | \$ 250,000 | \$ - | \$ 250,000 | | | | | | \$ 250,000 |
| 023 | Air Wall Repairs | \$ 400,000 | \$ - | \$ 400,000 | | | | | | \$ 400,000 |
| 024 | Roll-up Door Replacement | \$ 225,000 | \$ 23,656 | | \$ 201,344 | | | | | \$ 225,000 |
| 025 | Ballroom and Meeting Room Wallpaper Replacement | \$ 450,000 | \$ - | \$ 450,000 | | | | | | \$ 450,000 |
| 026 | IT Network Upgrades | \$ 125,000 | \$ - | \$ - | \$ - | \$ 55,000 | \$ 70,000 | | | \$ 125,000 |
| 027 | Ice Machines Replacement | \$ 500,000 | \$ - | \$ - | \$ - | \$ 500,000 | | | | \$ 500,000 |
| 028 | Theatre 310 and 320 Furnishings Upgrade | \$ 750,000 | \$ - | \$ - | \$ - | \$ - | \$ 375,000 | \$ 375,000 | | \$ 750,000 |
| 029 | Theatre 310 and 320 Seating Upgrade | \$ 500,000 | \$ 155 | \$ - | \$ - | \$ - | \$ 249,845 | \$ 250,000 | | \$ 500,000 |
| 030 | FB China and Equipment Upgrade | \$ 3,500,000 | \$ - | \$ - | \$ - | \$ - | \$ 3,500,000 | | | \$ 3,500,000 |
| 031 | Ala Wai Waterfall Repair | \$ 1,013,271 | \$ 1,985 | \$ - | \$ 1,011,286 | | | | | \$ 1,013,271 |
| 036 | Water Intrusion Remediation | \$ 400,000 | \$ - | \$ 400,000 | | | | | | \$ 400,000 |
| 037 | Exterior Security Camera Upgrade | \$ 150,628 | \$ 628 | \$ 150,000 | | | | | | \$ 150,628 |

Repair & Maintenance Projects

6-Year Plan (page 2)

| Project # | Project Title | Estimated Project Cost | Prior Expenses to July 2022 | FY23 | FY24 | FY25 | FY26 | FY27 | FY28 | Total |
|-----------|--|------------------------|-----------------------------|----------------------|----------------------|---------------------|---------------------|---------------------|-------------------|----------------------|
| 040 | Exterior Planter Repair | \$ 2,313,660 | \$ - | \$ - | \$ 2,313,660 | | | | | \$ 2,313,660 |
| 041 | Children's Courtyard Repair | \$ 250,000 | \$ - | \$ - | \$ 250,000 | | | | | \$ 250,000 |
| 042 | Kahakai/Atkinson Drywell Rehabilitation | \$ 250,000 | \$ - | \$ - | | | \$ 250,000 | | | \$ 250,000 |
| 043 | Air Handler Unit 9 and 10 Replacement | \$ 300,000 | \$ - | \$ - | | \$ 300,000 | | | | \$ 300,000 |
| 044 | Fire Sprinkler Line Refurbishment | \$ 270,000 | \$ - | \$ - | | | \$ 70,000 | \$ 100,000 | \$ 100,000 | \$ 270,000 |
| 045 | Escalator and Elevator Refurbishment | \$ 1,000,000 | \$ - | \$ - | | | \$ 200,000 | \$ 200,000 | \$ 200,000 | \$ 600,000 |
| 046 | LED Light Upgrade | \$ 1,700,000 | \$ - | \$ - | | \$ 500,000 | \$ 200,000 | \$ 500,000 | \$ 500,000 | \$ 1,700,000 |
| 047 | Lighting Control System Replacement | \$ 200,000 | \$ - | \$ - | \$ 200,000 | | | | | \$ 200,000 |
| 048 | Electrical Harmonics Testing | \$ 100,000 | \$ - | \$ - | | | | \$ 100,000 | | \$ 100,000 |
| 049 | Main Kitchen Dishwasher Replacement | \$ 300,000 | \$ - | \$ 300,000 | | | | | | \$ 300,000 |
| 050 | Main Kitchen Flooring Replacement | \$ 2,000,000 | \$ - | \$ - | | | | \$ 2,000,000 | | \$ 2,000,000 |
| 051 | PBX System Replacement | \$ 200,000 | \$ - | \$ - | | | | \$ 200,000 | | \$ 200,000 |
| 052 | Ride-on Sweeper Replacement | \$ 55,000 | \$ - | \$ - | \$ 55,000 | | | | | \$ 55,000 |
| 053 | Forklift | \$ 25,000 | \$ - | \$ - | | \$ 25,000 | | | | \$ 25,000 |
| 054 | Boardroom Upgrade | \$ 1,000,000 | \$ - | \$ - | | | \$ 1,000,000 | | | \$ 1,000,000 |
| 055 | Elevator #2 Upgrade | \$ 250,000 | \$ - | \$ - | | \$ 250,000 | | | | \$ 250,000 |
| 056 | Lobby Glass Panels | \$ 170,000 | \$ - | \$ 170,000 | | | | | | \$ 170,000 |
| 057 | ADA Ramp for Stages | \$ 40,000 | \$ - | \$ 40,000 | | | | | | \$ 40,000 |
| 058 | Kitchen Hood Fire Suppression System Replacement | \$ 735,119 | \$ 18,770 | \$ 716,349 | | | | | | \$ 735,119 |
| | | | | | | | | | | |
| | GRAND TOTAL | \$ 80,742,926 | \$ 2,697,794 | \$ 38,382,064 | \$ 26,734,549 | \$ 2,409,869 | \$ 6,219,802 | \$ 3,725,000 | \$ 800,000 | \$ 80,969,078 |

Repair & Maintenance Projects Completed

- *Boiler Replacement; \$585k, completed 2020*
- *Ala Wai Waterfall Repairs; \$185k, completed 2020*
- *Chiller 4 Repairs; \$55k, completed 2020*
- *#320 Roof Repairs; \$1.4M, completed 2020*
- *Banquet Chairs and Facility Equipment Upgrade; \$2.25M, completed 2020*
- *Cooling Tower Replacement; \$3.2M, completed 2021*
- *Theatre LED Lighting Upgrade; \$77k, completed 2021*
- *Roof Overflow Drain Repairs; \$16k, completed 2021*
- *Jockey Chiller Repairs; \$28k, completed 2021*
- *ADA Lift Replacement, \$71.5k, completed 2021*
- *Emergency Generator Repairs, \$32k, completed 2021*
- *Window Repairs – Vandalism, \$177k, completed 2021*
- *Leak Repairs – December 2021 / January 2022, \$396k, completed 2022*
- *Chiller Repairs – \$69.3k, completed 2022*
- *Trellis Renovation - \$5k, completed 2022*

A close-up photograph of a sailboat's rigging. The image shows a wooden mast, white ropes, and a wooden boom with a sail. The text "Mahalo Nui Loa" is overlaid in white. The background is slightly blurred, showing other boats and greenery.

Mahalo Nui Loa

Tentative

Local Bookings for Next 3 Months

| Start Date | End Date | Event Name | Forecast Attendance |
|------------|----------|---|---------------------|
| 09/23/22 | 09/25/22 | Word of Life Christian Center | 800 |
| 09/25/22 | 09/25/22 | Na Kupuna Nights | 400 |
| 09/28/22 | 09/28/22 | Toastmasters in Tourism | 100 |
| 10/07/22 | 10/07/22 | HBR Candidate & Agent Forum | 495 |
| 10/30/22 | 10/30/22 | Na Kupuna Nights - Malio Concert | 400 |
| 11/02/22 | 11/03/22 | Honeymoon Friends Filming | 0 |
| 11/18/22 | 11/18/22 | Kaiser Permanente - Sales Team Building Meeting | 90 |
| 11/19/22 | 11/19/22 | Emergency Medical Technician I Written Test | 400 |