

From HTA President & CEO Daniel Nahoopii: HTA Response to Representative Quinlan's Email Dated June 15, 2023

Carole Hagihara <Carole@gohta.net>

Fri 12/15/2023 11:58 AM

To: repquinlan@capitol.hawaii.gov <repquinlan@capitol.hawaii.gov>

Cc: Daniel Nahoopii <Daniel@gohta.net>; Sunshine David <s.david@capitol.hawaii.gov>; Carole Hagihara <Carole@gohta.net>

📎 2 attachments (2 MB)

23-24-hta-2023-signature-events_community-enrichment-awardees-nr_rev.pdf; Tourism Management & Marketing Plan FY 2024.pdf;



Ke'ena Kuleana Ho'okipa O Hawai'i
1801 Kalākaua Avenue
Honolulu, HI 96815
kelepona tel (808) 973-2255
kelepa'i fax (808) 973-2253
hawaiitourismauthority.org

December 15, 2023

Aloha Representative Quinlan,

In this letter we address the issues and concerns that you brought to our attention in the email sent June 15, 2023. The bolded sections indicate text from your original email. Our response follows each section.

From: "Rep. Sean Quinlan" repquinlan@capitol.hawaii.gov

Date: June 15, 2023 at 7:43:09 PM CDT

To: Senator Lynn DeCoite sendecoite@capitol.hawaii.gov, James.tokioka@hawaii.gov, Isaac Choy Isaac@gohta.net, Kalani Kaanaana Kalani@gohta.net, luis.p.salaveria@hawaii.gov, sylvia.luke@hawaii.gov, George Kam georgekam@me.com, Daniel Nahoopii daniel@gohta.net, John De Fries JDeFries@gohta.net, Daniel Nahoopii daniel@gohta.net

Cc: repnakamura@capitol.hawaii.gov, Sunshine David s.david@capitol.hawaii.gov, repsaiki@capitol.hawaii.gov, "Rep. Kyle T. Yamashita" repyamashita@capitol.hawaii.gov, sendelacruz@capitol.hawaii.gov

Subject: HTA FY24 Budget Suggestions

Dear All,

Upon further review of HTA's FY24 budget, I have some suggestions and (hopefully) constructive criticism. I will address the line items in descending order, from the top, using the budget column and not the cash flow column. The ones I don't list I either like or at the very least don't have any issues/comments.

\$10,200,000 - These items are all listed under destination management/stewardship, but I feel that for the most part they are not destination management. For some of them, even stewardship might be a stretch.

Resort Area Hawaiian Culture Initiative - I am in favor of live music at our airports, but I am less comfortable with the state paying for it in resort areas.

If you are concerned that the Initiative pays for programming for hotel guests only; “Resort” as used in the Resort Area Hawaiian Cultural Initiative (RAHCI) is not a hotel property but broad geographic area such as Waikīkī. The resort area is defined by zoning guidelines set by each county in Hawai‘i. The RAHCI program brings cultural practitioners, craftsmen, musicians, linguists, and/or other artists to help preserve and perpetuate Hawaiian culture in a way that is respectful and accurate to resort areas across the islands to residents and visitors alike. This program also helps to connect people to place while educating them about the places they’re visiting, which will help to tie into our education efforts around Mālama Hawai‘i, Mālama Ku‘u Home, and Kuleana.

Smart Tourism - This is my favorite thing in this entire budget. Absolutely critical to tie in to our Hawaii visitor mobile app.

HTA also agrees that a comprehensive visitor mobile app is critical to tourism management. To compete and progress as a world-class destination in addition to managing tourism impacts, use of technology for innovation and positive transformation is needed. Investment in Smart Tourism projects will assist in destination management efforts. Smart Tourism uses information and communication technology, mobile communication, artificial intelligence and virtual reality to:

- Improve the efficiency for resource management and crowd management
- Increase sustainability practices and reduce carbon footprint
- Enhance experiences for both residents and visitors
- Manage impacts
- Engage visitors and residents

HTA currently directs visitors to the gohawaii app and gohawaii.com website. The initial program development and research will be conducted through the Kilohana contract for Destination Stewardship Services.

Aloha Aina - Certainly a great thing to do, but is HTA the appropriate expending agency?

This program provides support for community-initiated programs that manage, improve and protect Hawai‘i’s natural environment. Funding will support community projects that align with the HTA Strategic Plan and island DMAP actions to address impacts on natural resources. The relationship to tourism is seen in the following outcomes:

- Tourism helps fund the stewardship of Hawai‘i’s natural resources, parks and cultural sites.
- Visitors rate Hawai‘i as environmentally friendly and sustainable.
- Visitor rate Hawai‘i in having volunteer/give back opportunities.

Attached is the list of projects awarded for CY23.

Community Enrichment - I'm waiting for more specific details on what we are funding

The Community Enrichment Program fosters community-based tourism projects that improve and enrich Hawai‘i’s product offerings. These community-based projects provide unique, authentic, and highly valued visitor experiences and represent activities that are developed by our community, for our community, and are things the community wants to share with our visitors. CEP encourages the development of innovative tourism products.

Attached is the list of projects awarded for CY23.

Kukulu Ola - Also waiting for more details, also wondering if HTA is the appropriate expending agency.

Support for community-initiated projects that preserve the Native Hawaiian culture into the future. Funding will be used to support community projects that align with the HTA Strategic Plan to encourage long term cultural preservation efforts that enhance, strengthen, and perpetuate Hawaiian culture. The program outcome is to see bridges between residents and visitors are created, and residents and visitors throughout the state learn about and experience more Hawaiian culture together.

Attached is the list of projects awarded for CY23.

Signature Events - I'm sure some of these events are visited by tourists, but I'm fairly sure some of them are not. Should there be a stronger nexus between tourism and the events we sponsor?

The HTA's Signature Events program supports major events that have broad appeal and align with Hawai'i's destination's image and brand. These world-class events help Hawai'i to remain competitive, generate media exposure for Hawai'i, increase economic benefits and ensure tourism and communities enrich each other. Signature Events aim to attract attendees and participants from outside the state of Hawai'i with extensive national and international marketing and have a significant economic impact as measured by the number of out-of-state participants.

Attached is the list of projects awarded for CY23.

\$200,000 - Tour guide certification program - Let's have a conversation with the PUC about tying this program to their tour bus regulatory framework

Yes, putting some teeth to the programs that are already in place is important.

\$250,000 - Route development program - We should spend more on this. It all begins and ends with getting on a plane.

We agree that the airline route development is critical to our success particularly in the International Markets.

I'll take everything under perpetuating Hawaiian culture as a group - I love the airport greetings, we should do more of that.

For your awareness, HTA MOA 21039 S3 Kāhea Airport Greetings is with the Department of Transportation- Airports Division. Time of Performance is from September 29, 2023 to September 30, 2024 for the amount of \$350,000. The following chart shows the performances scheduled for each airport for this time period and budget.

Airport	Scheduled performances	Justification for performance schedule	Location of performances	Vendor
Daniel K. Inouye International Airport	Mon – Sat 9:30am-1:30pm (6 performances per week)	Determined by Flight Departure Schedule	Combination of Strolling and/or inside Checkpoint 3 or Mauka Concourse (Sterile Area)	Nahoa Music, LLC Contact: Justin Souza
Kahului Airport	Friday, Sat, Sunday 10:00am – 2:00pm	Determined by Flight Departure Schedule	Inside baggage claim stage (Public Area)	Nahoa Music, LLC

	(3 performances per week)			Contact: Mikey Mina
Ellison Onizuka Kona International Airport at Keahole	Thurs & Friday 11:00am – 3:00pm (2 performances per week)	Determined by Flight Departure Schedule	Combination of strolling and/or Inside Terminal 1 or Terminal 2 Gates (Sterile Area), Baggage Claim or Checkpoint (Public)	Nahoa Music, LLC Contact: Harold Kama Jr.
Lihue Airport	Friday & Saturday 10:00am – 2:00pm (2 performances per week)	Determined by Flight Departure Schedule	Inside Main Lobby of Airport Stage (Sterile Area)	Nahoa Music, LLC Contact: Kekai Chock
Hilo International Airport	Monday 11am – 3:00pm (1 performance per week)	Determined by Flight Departure Schedule	Combination of strolling and/or Inside Main Lobby of Airport- Seating area 1st floor (Sterile Area), Baggage Claim or Checkpoint (Public Area)	Nahoa Music, LLC Contact: Harold Kama Jr.

My concern is that as we try to support Hawaiian culture and olelo Hawaii, are we maintaining that nexus with the visitor industry? I think it's a wonderful idea to digitize our Hawaiian language newspapers of yesteryear, but how do we then share that knowledge and that culture to make a more respectful and informed tourist?

We appreciate the question and will work to more clearly define and maintain that nexus. A great example a program that support Hawaiian community and culture and the visitor experience is our contract with the Native Hawaiian Hospitality Association (NaHHA). Through the curriculum designed and the online and in-person training course conducted by NaHHA, the HTA ensures “a native Hawaiian cultural education and training program is provided for the visitor industry workforce having direct contact with visitors and its related programs” (HRS 201B-7(b)(5) D)

Hawaiian culture a language are the foundations of the Hawaiian Islands brand. Their very existence is what makes Hawai'i unique and differentiates us from our competitive destinations. As such, the visitor industry has a responsibility to reinvest in the Hawaiian culture (people and practices). Another way to describe this may be directly from HRS 201B-7(b)(5) which reads:

Perpetuating the uniqueness of the native Hawaiian culture and community, and their importance to the quality of the visitor experience, by ensuring that:

- A. The Hawaiian culture is accurately portrayed by Hawaii's visitor industry;
- B. Hawaiian language is supported and normalized as both an official language of the State as well as the foundation of the host culture that draws visitors to Hawaii;
- C. Hawaiian cultural practitioners and cultural sites that give value to Hawaii's heritage are supported, nurtured, and engaged in sustaining the visitor industry; and
- D. A native Hawaiian cultural education and training program is provided for the visitor industry workforce having direct contact with visitors; and

Other programs like our partnership with the Bishop Museum “He Aupuni Palapala: The Digitization of Nupepa Kahiko” (Hawaiian Language Newspapers) aim to ensure we have critical resources for the artists/practitioners providing exceptional experiences at our hotel, attractions, etc. Many of the cultural advisors at our hotel properties tell us continually how important the project is and enables them to do their on-property programs.

\$250,000 - WSL 2024 season - Whatever destination management is, the WSL is the opposite of that. For my district on the North Shore, I feel very strongly that they have not been good community partners. When they haven't gotten their way in the past they have resorted to threats and very nasty behavior, and it seems odd to me that we have to subsidize their activities in the mecca of surfing.

“The states partnership with the WSL serves two purposes. The first is to continue to solidify the brand identity of the Hawaiian Islands as the premier surfing destination in the world. As the home and origin of surfing, it is important to continue to support events that broadcast the Hawai'i Islands and tell our brand story across the globe. The second, is to perpetuate Hawaiian culture and create opportunities for local surfers to qualify for major events. The dollars that HTA spends go to support six events, of which four are qualifier series events. This support means those events stay in the islands and locals do not need to spend their own money travelling to other locations for the opportunity to achieve professional status.

Do you have recommendations on how best to find mutual benefit between the North Shore Community and the WSL?

\$2,000,000 - PGA Tour - Red flags all over given current events. We should take a very cautious approach to our continued partnership with the PGA tour. I think we will get a clearer picture over the next couple of months as the DOJ looks into the merger, if that's what you can call it. A suggestion - perhaps instead of partnering with the tour, maybe we partner with golfers who took the high road with LIV, such as Rory McIlroy. This would continue some kind of relationship with the PGA while not having any of our taxpayer money end up in the Saudi PIF.

The objective of golf sponsorship is for the media value generated by a widely broadcast event. Partnership with individual players will not produce the same level of media value and control of the placement and content.

\$18,350,000 - US market - It's very hard to stand in front of my community, which is really suffering the brunt of overtourism, and tell them we're spending \$18 million a year on a market where everyone knows us. I contrast that to the very small amount of money we're spending in China and Taiwan. I understand that the issue to some extent is seats, but I firmly believe we must place a greater focus on the asia pacific market. They spend more and use fewer public resources because they often can't swim and/or do not like going in the sun.

We do agree that we need to invest in building back our Asia Pacific markets as they finally rebuild confidence to travel post COVID-19 restrictions. However, travel recovery is also dependent on airline capacity. Some international airlines might be slow to restore capacity as fleets were retired during COVID-19 and airlines face a shortage of crew and pilots. Also, a problem in China and Japan is the backlog in renewing passports that expired during the lock-down and the time needed for new Chinese travels to obtain U.S. visa. Therefore we cannot justify increasing the funding in China and Taiwan in FY24 until these supporting factors have also recovered.

My biggest issue with this budget is the 35% it claims to spend on destination management. By my calculations, less than 9% of the \$63m we are expending is truly destination management (see attached spreadsheet). What this tells me is that myself, the board, and HTA do not have a common definition of destination management, so perhaps that should be our first endeavor over the coming months.

Destination Management is defined in our Strategic Plan as “attracting and educating responsible visitors; advocating for solutions to overcrowded attractions, overtaxed infrastructure, and other tourism-related problems; and working with other responsible

agencies to improve natural and cultural assets valued by both Hawai'i residents and visitors.”

When I look at the budget it appears to be a little unfocused. We're doing some amazing things in different areas but I'm not sure how well we're tying it all together. In my ideal world, the branding, destination management, and cultural initiatives all overlap and work together hand in glove.

Thank you for recognizing our work. Our budget reflects the programs that have been identified in our Tourism Management & Marketing Plan (see attachment) and developed to support our Strategic Plan. We believe that our programs are integral and work hand in hand. We invest in programs that support natural resources, Hawaiian culture and our community (HTA Strategic Plan). These are the very reasons visitors come to Hawai'i in addition to setting us apart from other competitive destinations. Furthermore, we need to create that desire and intention for people to want to travel to the Hawaiian islands. With many new destinations opening as well as destinations reinvesting in their tourism product, it is important for Hawai'i to deliver on the brand promise and ensure we have the activities, attractions, service, and infrastructure to deliver on a world-class scale. We also strive to shift our industry to a regenerative tourism model, one that is less impactful and contributes positively to community development. Until we can fully accomplish this shit, we need to do destination management . As the lead agency for tourism, we need to be aware of the tourism issues that our communities and industry face and develop solutions to address them in collaboration with the appropriate government agency(s).

 [Destination Management.xlsx](#)

Please contact us if you have further questions.

Mahalo,

ON BEHALF OF DANIEL NAHOPII
HTA Interim President and CEO

Carole Hagihara-Loo

Executive Assistant & Board Liaison
Hawaii Tourism Authority

Hawaii Convention Center
1801 Kalakaua Avenue, Honolulu, Hawaii 96815

web hawaii tourism authority.org

email carole@gohta.net

tel 808 973 2289 **fax** 808 973 2253