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**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, August 29, 2024, 9:30 a.m.**

Hybrid In-Person & Virtual Meeting

Hawai'i Convention Center
Parking Level | Executive Boardroom A
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815

MINUTES OF THE REGULAR BOARD MEETING

MEMBERS PRESENT:

Mufi Hannemann (Chair), Mahina Paishon (Vice Chair), Kimberly Agas (Zoom), David Arakawa, Stephanie Iona, James McCully, Blaine Miyasato, Roy Pfund, James Tokioka (Ex Officio, DBEDT Director), Chris West (Zoom), Mike White (Zoom)

HTA STAFF PRESENT:

Daniel Nāho'opi'i, Kalani Ka'anā'anā, Caroline Anderson, Jadie Goo, Talon Kishi, Ilihia Gionson, Maka Casson-Fisher, Carole Hagihara

GUESTS:

Jennifer Chun, Luis Salaveria, Erin Khan, Teri Orton, Mari Tait, Jessica Lani Rich, Jeffrey Eslinger, Laci Goshi, Frances Kuba, Daniel Ito, Jon Itomura, Norman Powell, Dennis Rogers, Madison Kerley, Jordan Valencia, Belle Alic, Denise Booth, Tracey Schneider, Shanon Powell, AJ Diggs, Krislyn Hashimoto, M. Jamshida, Sophia Gibson

LEGAL COUNSEL:

John Cole

1. Call to Order

Chair Hannemann called the meeting to order at 9:43 a.m.

2. Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic

Mr. Gionson did the roll call, and all Board members were in attendance. Members who attended via Zoom were by themselves.

3. Opening Protocol

Mr. Casson-Fisher conducted the opening cultural protocol.

4. Report of Permitted Interactions at Informational Meetings or Presentations Not Organized by the Board Under HRS section 92-2.5(e)

There was no input on Permitted Interaction Groups.

5. Approval of Meeting Minutes of the June 25, 2024 Regular Board Meeting

Mr. Arakawa proposed the motion to adopt the minutes, and Ms. Paishon seconded. The motion passed unanimously.

8. Presentations by HTA Community Program Partners

Chair Hannemann introduced presentations by the HTA Community Program Partners, noting that the forthcoming Okinawan Cultural Festival would be a great showcase for the facilities of the HCC. Two recent events, the Pokémon Convention, and the Made in Hawai'i Festival, had shown off the HCC to its best advantage.

Chair Hannemann introduced Mr. Norman Powell, a star of the LA Clippers. This team always made a preview trip to the Islands before their game against the Golden State Warriors, which was scheduled for October 5 at the Stan Sherriff Center.

Mr. Powell greeted the Board members and stated that this was the fifth time the team had visited Hawai'i. The staff and the players always appreciated their time on the islands. The following day, they were to visit Lahaina High School.

Mr. Dennis Rogers, the Vice President of Communications for the LA Clippers, echoed Mr. Powell's thanks and stated that he was proud to visit Hawai'i. He appreciated the Hawaiian culture and was glad to have the opportunity to contribute in return with an in-person experience. He explained that this was his second year to visit Hawai'i with the Clippers. He

recalled that on his first visit in 2016, he was a member of the team playing against the Clippers. He commented that the support for the NBA in Hawai'i was amazing. He and Mr. Powell brought gifts for everyone, including jerseys, personalized Clipper shirts, and basketballs.

Chair Hannemann informed Board members that the Clippers would be joined by Ms. Denise Booth, the Clippers' Chief Diversity and Inclusion Officer, who always worked with the HTA to identify a public school where the Clippers would renovate and upgrade a classroom, emphasizing technology. This year, the recipient school would be Ānuenue Elementary School in Pālolo. The school staff and Principal were excited about the renovations, including renovation of their basketball court. In addition, the Clippers were to hold a basketball clinic.

The Chair added that the Golden State Warriors would be visiting the North Shore, and their coach was the coach of the Olympic team. Chair Hannemann thanked the Clippers for their hospitality when he had recently visited Los Angeles. He had visited their new state-of-the-art facility called the Intuit Dome. He had met the owner of the Clippers as well as the agent for negotiations for their tour of Hawai'i. The Chair noted that Hawaiian-born Bruno Mars had opened the Intuit Dome.

Chair Hannemann thanked Mr. Powell and Mr. Rogers for their visit.

At the request of Vice-Chair Paishon, Chair Hannemann shared Governor Green's comments during a recent visit to Kaua'i about the importance of sports. The Governor stated that he saw sports tourism as a good opportunity for the State to attract high-caliber events such as professional sports and athletic programs; the Governor had expressed his appreciation for the partnership of the HTA.

Mr. Powell introduced his mother to Board members, commenting that she had made him understand that anything was possible and had made sacrifices to ensure his future. Ms. Powell thanked the HTA Board for hosting them and expressed her appreciation for the work of the HTA.

Chair Hannemann noted that the Clippers had visited Kaua'i in previous years, but this year, the HTA had recommended Maui. The Clippers were to visit Lahaina and would call on the mayor during their visit.

Chair Hannemann introduced a presentation about the 42nd Okinawan Festival and welcomed the Festival Chair, Ms. Frances Kuba, and Mr. Jon Itomura, the Hawai'i United Okinawan Association (HUOA) Executive Director. The Chair explained that Ms. Kuba was the President-Elect of HUOA as well as the Chair of the Festival Committee.

Ms. Kuba and Mr. Itomura brought gifts for the Board members and Invited members to join them on Saturday, August 31, from 5.30 p.m. to 9 p.m. for the largest indoor Bon Dance. Awamori distilled spirits from Okinawa would be available, and their special flavors would

combine two cultures. The festival team had brought freshly made special food.

Mr. Arakawa reminded the Board members that Chair Hannemann had been adopted as the tallest Okinawan in 2006 when Okinawans worldwide assembled in Okinawa. Chair Hannemann pointed out that Mr. Arakawa was always conscious of the festival's importance. Members of the vibrant Okinawan community in Hawai'i had never forgotten their roots.

Ms. Kuba gave a slide presentation and noted that the festival could not take place without the support of the HTA. She explained that HUOA was a non-profit 501(c)3 organization with more than 46,000 members in Hawai'i. The HUOA headquarters was in Waipio, and they had recently broken ground on a nearby site for a Starbucks branch.

HUOA supported many community events, such as student exchanges and many festivals, including an annual children's festival, a children's camp, and senior health events. HUOA honored community leaders. Ms. Kuba reminded Board members that Hawai'i and Okinawa had a strong connection. New officers returned to Okinawa every year for an Aisatsu or goodwill visit. In May 2025, the 125th anniversary of Okinawan emigration to Hawai'i will be celebrated, and the whole world will be invited to come to Hawai'i.

Mr. Itomura mentioned that the present community members were fifth or sixth-generation immigrants who had arrived in Hawai'i in 1900. During the present month, six groups of students ranging from junior high school to high school were visiting O'ahu, the Big Island, and Maui. It was heartwarming to see the students not only learning about the historical relationship between the two regions but also understanding the importance of this relationship because Hawai'i and Okinawa shared such a similar history.

The association also ran a program to welcome students from Okinawa to attend high schools in Hawai'i. The hosts would be families with a high school student whom the Okinawan student would shadow. In June, Hawaiian high school students would do the same thing in Okinawa.

Mr. Itomura stated that HOUA had recently completed a campaign to help Maui. He noted that the \$672,000 raised was based on the Yen's recent weakness. The amount had initially been much higher. He added that while HOUA had been raising funds for Maui in Hawai'i, there had been prefecture-wide fundraising in Okinawa. Every time he visited Okinawa, he saw collection boxes in every municipality, which were always full. There were donations from the Governor, the Mayors, and residents of Okinawa, with contributions from large corporations and small businesses.

The forthcoming festival would provide hours of entertainment and bring the Hawaiian culture to a worldwide audience, not just people of Okinawan heritage.

Ms. Kuba reminded Board members that the 42nd Okinawan Festival was to take place at the HCC, which the staff already arranged. The theme was "Sharing Uchinanchu Aloha," and more than 3,600 volunteers would completely run the festival. Ms. Kuba urged Board members to

visit the festival. There were to be 15-second promotion slots on HINowDaily.com every day, and the organizers would collaborate with the media outlet throughout the week. The following day, the news outlet was to carry live content from the festival. Statistics showed that there was to be a national TV audience of 223,000, an online audience of 567,000, and social media reaching 3.4 million views.

Ms. Kuba shared the festival map and reminded Board members that the festival offered something for everyone, including children's games, robotics, plants, and T-shirts. Many products had been imported from Okinawa, but local vendors were also supported. There would be two days of continuous live entertainment, including an indoor Bon Dance from 5.30 p.m. to 9 p.m. on Saturday.

Mr. Itomura thanked the HTA for their assistance in organizing the festival to attract all ethnicities.

Chain Hannemann thanked HUOA and noted that this was an excellent example of destination stewardship. This event used to be an annual tradition at Kapiolani Park, and he congratulated the HCC General Manager, Ms. Teri Orton, and her staff for making HCC available. He encouraged all Board members to tell their friends and neighbors about this event. It was an honor for the HTA to be part of this festival, which involved the whole of Hawai'i, not just the Okinawan community. He thanked Mr. Arakawa for ensuring that Board members were informed.

Mr. Arakawa referred to the partnership with local businesses and noted that the Convention Center had created a beer garden as an experiment. He added that they tried to partner with hotels every year to publicize HCC and encourage guests to visit the center. He noted that the previous year, HCC held a sustainability program in which Genki Balls were thrown into the Ala Wai canal to clean up the water environment. Ms. Orton had arranged for this activity to take place during the Okinawan Festival. Mr. Arakawa also noted the hope that Hawaiian Airlines would support the festival at the corporate level.

Mr. Arakawa reminded Board members that the following year, the festival was expected to attract many visitors, not only from Japan but also from South America. The HCC was to carry out some live streaming, and HUOA was picking up suggestions from HCC. Future events at the Convention Center would benefit from the live-streaming experiments conducted during the Okinawan Festival.

Mr. Itomura noted that many of the 3,600 – 4000 festival volunteers would be lodging in area hotels during the coming weekend, some starting early that evening. An oral survey of their lodgings was to be taken.

Chair thanked Ms. Kuba and Mr. Itomura.

6. CEO Report

Chair Hannemann introduced Agenda Item 6, which was to be presented by Mr. Nāho'opi'i.

Mr. Nāho'opi'i explained that his presentation would be very short since most of the information was already in the material provided to Board members.

Mr. Nāho'opi'i informed Board members that King Tuheitia of Aotearoa had recently passed away. The late King had led the delegation from Aotearoa during the recent Festival of Pacific Arts and Culture (FestPAC). Mr. Nāho'opi'i asked Mr. Ka'anā'anā, intimate with the late King's family, to comment.

Mr. Ka'anā'anā stated that the King had passed away peacefully, surrounded by his wife and three children. The family and the whole of the Aotearoa community would be in the prayers of everyone. The late King had been an inspirational leader and a driving force in the Tuuruma Ariki Declaration signed on Kamehameha Day the past June in the Throne Room of 'Iolani Palace. This brought to fruition King Kalakaua's vision of greater cooperation between Pacific Island nations to address issues such as climate change. Hawai'i deeply mourned this loss but knew that his work would continue. Mr. Ka'anā'anā had been privileged to celebrate the 18th anniversary of the King's coronation, during which he had an audience with His Majesty and his family and reaffirmed the relationships between Aoteia and Hawai'i developed during FestPAC.

Mr. Nāho'opi'i asked Mr. Gionson to give some background about the forthcoming Fall Tourism Conference and Fall Tourism Week scheduled for October.

Mr. Gionson said he was looking forward to welcoming everyone in a little over a month. There would be panels, keynote speakers, breakout sessions, and special guests. Between September 30 and October 2, there would be three days of programming at HCC, followed by internal meetings on the afternoon of October 2 with the HTA global marketing teams, who would all be in town. There would be a Board meeting on October 3, and on October 4, all the teams would participate in a FAM on Maui to investigate new and old activities for visitors on the island.

Mr. Gionson informed Board members that registration for the three days of the conference was open at hawaiiourisauthority.org. Ms. Orton and the staff of the HCC were collaborating with Ms. Lee Ann Choy of Pacific Rim Concepts. The HTA staff were developing programming on agritourism, capacity-building, regenerative tourism, use of geolocation insights, and island-by-island marketing strategies. Case studies such as the transformation of Haena State Park were to be presented. Participants will learn about what Hawai'i offers as a world-class arts destination. The second night of the conference would feature a food and wine event and the annual tourism legacy awards. Board members were to be given a special registration link.

Mr. Gionson stated that early registration was \$300, including all events and all meals, increasing to \$375 in two weeks.

Mr. Nāho'opi'i added that the conference was a partnership with the Hawai'i Lodging and

Tourism Association (HLTA), the Hawai'i Visitor and Convention Bureau (HVCB), the Council for Native Hawaiian Advancement (CNHA), and Kilohana. All four agencies had been working on identifying the types of sessions that would benefit members of the various industry sectors. Contractors from international offices and local contractors such as Kilohana and Anthology would participate in working sessions during the week. During the afternoon of Wednesday, October 3, there would be internal meetings focusing on developing strategies and additional training, as well as using additional information from Brand USA, the national marketing organization. The focus would be to investigate how the HTA could fit better into international branding campaigns to take advantage of federal funds put aside for that purpose. Teams would also work with Miles Media, responsible for the website and other marketing issues.

Chair Hannemann congratulated the staff for working hard to plan the conference. He also thanked Board members who had participated in planning meetings or shared their input. The Chair looked forward to the strong perspective of Brand USA. The Assistant Secretary for Tourism in the U.S. Department of Commerce would attend the conference and was to provide remarks as representative of the U.S. Secretary of Commerce.

The Chair also looked forward to the video message to be contributed by Mr. Bill Hornbuckle, the Global Head of MGM. As Chair of the Travel and Tourism Advisory Board, Mr. Hornbuckle was to provide his input on the role of Hawai'i in the tourism industry. Governor Green and other elected officials were expected to participate in panel discussions. Government departments working closely with the HTA would also participate in panel discussions. This was why the Chair had asked for the Board meeting to be scheduled for October 3, rather than the end of September, to take advantage of the presence of all the HTA contractors and partners at the conference. The Board meeting would wind up the Fall Tourism Week. The Chair emphasized the importance of encouraging registration.

Mr. Nāho'opi'i thanked the Chair for his comments and asked for questions.

Mr. Arakawa thanked Mr. Gionson for the presentation. Mr. Arakawa stated that he worked closely with government departments, and some who wished to be present had not yet been contacted; Mr. Arakawa asked the HTA staff to follow up, especially with the Department of Transportation, whose presence was desirable. He thanked staff for including other departments, such as the Department of Land and Natural Resources (DLNR). The staff members promised that follow-up would be done.

The Chair and Mr. Nāho'opi'i had also been reaching out to their contacts.

Mr. Nāho'opi'i stated that Ms. Orton had asked about the participation of students from the University of Hawai'i TIM School at the tourism conference. Ms. Anderson replied that there was a special rate of \$75 for students. There was also an opportunity for those attending the conference to host a student. Ms. Jennifer Chun was working with all the universities to arrange for student volunteers.

Mr. Gionson added that this included the University of Hawai'i TIM School as well as the departments of tourism at HPU and UIU. Since school was just getting back into session, there would be more engagement during the coming weeks.

Mr. Gionson updated Board members on three tropical storms, Hone, Gilma, and Hector, which were being tracked. Hone had impacted the Hawaiian Islands with rain and wind over the weekend. The HTA staff had been in contact with HIEMA and had communicated with industry partners. Mr. Gionson noted that Storms Gilma and Hector appeared likely to have a lower impact. Staff monitored the storms and engaged with emergency management officials at State and County levels. It was important to share messages, warnings, and helpful tips with industry partners to inform visitors about access to parks, trails, and beaches.

Mr. Nāho'opi'i continued that the remainder of his report concerned the budget. The staff had been involved in budget preparation during the July/August period, focusing on the HTA's overall mission to strategically manage tourism in Hawai'i and balance economic, cultural, and community aspects and natural resources. Balance was important if goals were to be achieved. External conditions were also a factor.

DBEDT recently issued the final statistics for 2023, indicating that a severe condition needed to be considered when planning the budget. Total expenditures had increased nominally by 18%, but if these were adjusted for 17% inflation, actual expenditure was about 10% down on pre-COVID figures. The aim was to increase visitor spending and thus increase tax revenue. This called for different approaches and strategies, such as rebuilding the number of international visitors because they spent more time in Hawai'i during their shorter time there. It was also necessary to increase participation in visitor activities so that spending would increase. Such activities might include participating in tours, attractions, and voluntourism, buying local products, and eating at local restaurants.

Mr. Nāho'opi'i informed Board members that the strategy for the next five years would involve three levels of goals.

For Fiscal Year 25 (FY25) and the beginning of FY26, the focus would be to recover domestic demand and rebuild international demand because international visitors typically spend more and take part in more activities. It was hoped that by FY26/27, destination management programs would be established on each island. The Governor proposed and recently approved the hiring of five destination managers.

The second goal was to focus on the issues emphasized during the governance study and work with communities at the island and County levels to drive progress for each island. Much of destination stewardship dealt with events at the level of the Counties and the islands. It was important to ensure that personnel had a structure for decision-making based on feedback.

The final level was to be implemented in five years. By that time, tourism should be wholly regenerative and would contribute more to communities. The overall impact of visitors would

be positive for residents and communities, creating a type of tourism, such as cultural tourism, which could add dollars at the community level and positively increase expenditure but would not require additional infrastructure or mitigation of environmental damage.

Mr. Nāho'opi'i explained that he had been collaborating with Kilohana to identify programs and find new organizations and types of tourism that could be brought to Hawai'i. All Board members had been working to build the budget, including examination of existing contracts. For FY25, there had been a 10% restriction, which meant that some work had to be reduced or postponed to a future year, hoping to catch up. Frequent messaging was needed to build up awareness and bring about changes in behavior.

Mr. Nāho'opi'i informed Board members that staff had worked with the standing committees and had submitted the budget to the Budget, Finance, and Convention Center (BFCC) Standing Committee. The budget was first to be submitted to the Governor, who would then send it to the Legislature with his recommendations. Some committee-level discussions would take place before getting into budget line items.

Chair Hannemann thanked Mr. Nāho'opi'i.

Ms. Iona informed Board members that she and members of the administration had been inspired by Mr. Gionson's presentation on the island of Kaua'i.

Mr. Gionson thanked Ms. Iona. Mr. Ka'anā'anā explained that the presentation on Kaua'i had been part of a two-day Foundational Technical Assistance program run by Kilohana. The first day had been taken up by high-level discussions about the tourism industry and how small businesses could enter it. On the second day, there were more detailed discussions, extended panel discussions, and a resource fair for partners. Mr. Ka'anā'anā thanked Kilohana, the panelists, and the vendors. Two Foundational Technical Assistance programs had taken place on each of the four major islands, ending with Hawai'i Island during the past week.

Mr. Ka'anā'anā stated that Mr. Gionson had led three sessions and participated in others. Feedback had been positive. Member Pfund informed Board members that Margo had been one of the panelists at the recent session on Hawai'i Island. Industry members had seen how the HTA was transforming tourism. The training sessions were born from the feedback of the Destination Management Action Programs (DMAPs). Thanks were due to Ms. Caroline Anderson, the island chapter staff, and the destination managers of each island. The success of this program was due to team effort. There was room for improvement in attendance, but this was a new program, and there would be more awareness in future years.

Ms. Iona pointed out that many people had participated on Zoom. She had received much positive feedback. County and University staff who participated had assured her that they would make a big effort the next time the program took place.

Mr. Gionson reminded Board members that the program had been born from the technical

needs assessment conducted by Kilohana. This was the Foundational Technical Assistance track, while Community Tourism Collaboratives would be organized for more advanced businesses. Some organizations would be selected to participate in the two threads of community stewardship and regenerative experience development. The program had been recorded on Zoom, and since all the sessions featured different speakers and panelists, the Zoom recordings would form an online library for those unable to attend.

Ms. Iona referred to Chucky “Boy” Chuck and his museum on Kaua’i. Everyone who worked in his shop had been informed. Ms. Iona believed that the Managing Director of the Kaua’i island Chapter and Kaua’i Visitors Bureau Executive Director at HVCB, Ms. Sue Kanoho, would be proud of what had been achieved.

Mr. Ka’anā’anā expressed his appreciation to the Kilohana Director of Destination and their staff and those on the ground team who had worked hard.

7. Board Chair Report

Chair Hannemann informed Board members that he would give just a few highlights since the Board handout contained many details.

Firstly, on the previous day, he attended a wonderful Chamber of Commerce meeting in Kaua’i. The Governor’s speech explained that a healthy State must also contain a healthy tourist economy. The Chair said that the Governor had been lucid in explaining his vision of Hawai’i, of which the tourism industry formed a large part. Chair Hannemann intended to request copies of the Governor’s speech for Board members.

The Chamber of Commerce meeting had been a microcosm of how the Hawai’i community should be. Every sector of Kaua’i was included, and the businesses represented were concerned with tourism and agriculture, health care, and social services. A range of government officials had attended: Mayor Kawakami, Representative Nakamura, and Ms. Sarah Blane, among others. The meeting had been an ideal opportunity to hear about what was happening on Kaua’i. The venue was Outrigger Kaua’i Beach Resort. Topics discussed included destination stewardship, destination marketing, and workforce development. The University of Hawai’i athletic director was present, and this was a reminder that the HTA hoped to do more with the community and sports.

Chair Hannemann’s second point concerned the saturation mission in Southern California. He thanked the Board for approving the expenditure of \$1.6 million for this exercise. This could not have come at a better time since this area was Hawai’i’s most important domestic market. The HVCB and Mr. Jay Talwar had worked tirelessly to help consumers understand that there was a new message: “The People, the Place, the Hawaiian Islands.” Visitors needed to return to Hawai’i. The Chair appreciated the involvement of Governor Green, Mayor Bissen, and some elected officials. The private sector was engaged and ready to be part of the campaign either by

partnership or support. Incentives were to be laid out, using digital or social media, to persuade consumers that this was a good time to return to Hawai'i.

The Chair informed Board members that the following week, some legislators were to take part in a trip to Tokyo, and Mr. Eric Takahata, the Managing Director of Hawai'i Tourism Japan, would be involved. This visit would take advantage of the Tokyo Expo, Asia's largest tourism trade show, scheduled for the same period. There will be key meetings with partners in Japan to underscore the importance of the Japan market. The Chair acknowledged the importance of the marketing suggestions made by Mr. Miyasato, the Chair of the Branding Standing Committee.

Chair Hannemann's third point concerned the budget. He sought opinions and comments from several quarters and appreciated the work done by Mr. Arakawa and the BFCC Committee. However, he believed that the budget was an important issue that required input from everyone. He reminded Board members about the challenges of the previous session after two years when the HTA had been defunded. Obtaining a \$63 million budget, funds to hire a new CEO and increase their salary, and funds to hire a new Chief Branding Office and raise their salary, as well as a recurring budget with a base from which to start every year, had been an achievement which many people had previously described as impossible.

The Chair stated that he had invited the Hawai'i Director of Finance, Mr. Luis P. Salaveria, to make a presentation to the Board during an Executive Session later in the present meeting. Director Salaveria was to explain the financial outlook and the administration's plan for the future. Dir. Salaveria was the person upon whom the Governor relied for fiscal policies and budget strategy. He was to join Board members for lunch and then address them at 1 p.m., after which there would be a robust discussion about the budget and related matters.

There were no questions either from Board members or from the public online.

9. Presentation on HTA Destination Stewardship

Mr. Ka'anā'anā introduced Mr. Daniel Ito (Communications and Marketing Director from CNHA), who would give the presentation on destination stewardship and noted that this followed on from the previous account of stewardship activities organized by Kiloana.

Mr. Ito explained that he was standing in for Mr. Tyler Gomes. He thanked Mr. Gionson for the information about tropical storm tracking and noted that he, Mr. Gionson, and Mr. Ka'anā'anā had experienced Storm Hone firsthand. He thanked the Board members for their kind words about the Foundational Technical Assistance program and noted that the Board handout contained detailed information.

'Umeke, the application portal, opened on August 1, and so far, 85 applications have been received, of which four were already submitted. The most popular sector of activity was

community enrichment, cited by 44 applications. Seven in-person information sessions had been scheduled, and six had taken place, one on each island and two on Hawai'i Island, with a total attendance of 48 people. Lanai's in-person session had to be changed to a virtual session because there was no registration. Finally, nine people attended the Lanai virtual session. Two other virtual sessions had taken place with a total of 188 registrants. Again, community enrichment was the most popular topic. An information booth would be set up at the Native Hawaiian Convention scheduled from September 17 to 19, allowing people to talk directly to the destination stewardship director about possible issues with their application or the portal. The portal was to close at 4.30 p.m. on September 20.

Mr. Ito informed Board members that Foundational Technical Assistance (FTA) workshops had been held on all the islands, and he thanked Ms. Iona for praising the Kaua'i FTA program. He pointed out that Ms. Rebecca Soon and her team from Solutions Pacific & Ward Research were doing a fabulous job.

Referring to Mr. Gionson's comments, Mr. Ito confirmed that Community Tourism Collaboratives (CTC) had just been rolled out, and both technical assistance and funding were to be awarded to nine selected organizations. Awards ranged from \$18,500 to \$50,000. The gohawaii.com website carried the press release; details were included in the Board handout.

Kilohana had recently launched Qurator, a quality assurance program. Mr. Ito noted that 110 organizations had registered, and 21 were already certified. As with any new program, there were some bugs to be rectified, and there was a slight lag between businesses applying and being certified, but this was corrected. The quality assurance manager, Mr. John Peel, had attended Destinations International in Tampa, FL. The program was well known among the sustainability and DEI professionals at Destinations International, attesting to the efficacy of the public relations department.

As requested by the HTA and the Destination Stewardship Director, more Visitor Education Post Arrival Marketing (VEPAM) displays would be shown at baggage claims to promote partnership events, focusing on curating multicultural experiences. These advertisements were to go live on September 2 at baggage claims and digital platforms.

Mr. Ito asked for questions and comments from Board members.

Vice-Chair Paishon thanked Mr. Ito for his presentation and asked whether there were major barriers or challenges that the Board should help to address. Mr. Ito replied that the work had been very robust as they had moved into the third quarter, and he believed that support might be needed to work alongside Miles Media to update content on the website and the Qurator program. He knew that the Destination Stewardship Director was well aware of the issues. Mr. Ito hoped that the issue could be resolved so that content could be displayed faster.

Vice-Chair Paishon thanked Mr. Ito and asked Mr. Ka'anā'anā and Ms. Anderson the same question.

Mr. Ka'anā'anā replied that the issues related to resources. Upon initially looking at the scope of the work, the best judgments had been made with the available information. Still, the Kilohana contract had just passed its first anniversary, signed on August 4, 2023. Resources were tight for Kilohana in terms of both finances and staff. 'Umeke was a collective program of the HTA signature events. Considering community enrichment, Kahu 'Āina, Kukulu Ola, and resort area Hawaiian culture initiative alone, there were 158 contracts, and only four or five positions were authorized within the approved scope of work. This meant that staffing was very tight. Firstly, the need for more resources was reflected in the FY26 request. Secondly, they were trying to improve how content was transferred from the stewardship side onto the various programs.

Mr. Ka'anā'anā informed Board members that the gohawaii.com website would be revamped under the FY26 budget. This website was a powerful tool that created good engagement. Some users stayed on its pages for an extended period, and it was clear that visitors were using the site. The intention was to add the seal for Qurator to Gohawaii.com so that the 21 now-certified businesses could be listed.

10. Report of the 2024 Legislative Permitted Interaction Group

Member McCully reminded Board members that in September 2023, a Permitted Interaction Group (PIG) was established to deal with matters in the 2024 legislature. He also reminded members that PIGs operated on tasks, not on calendar schedules. This would be their second report and the third of their required actions. The public could review the report at a subsequent "Sunshine" meeting.

The report of the PIG described the session outcomes of three bills.

Bill 1800 was the HTA budget bill, allocating \$63 million in operating funds, an expenditure ceiling of \$34 million for the Hawai'i Convention Center (HCC), and \$64 million in bond funding for HCC repairs. This had been a great result compared with the outcomes of previous sessions. The Legislature had imposed restrictions by defining program IDs, which will be discussed in future sessions.

Bill 3364 related to destination management and modified some powers and duties of the HTA, along with increases in restrictions and limitations as compared with the original vision in which powers were to be transferred and the HTA given a mission to manage and govern tourism for the State.

Bill 2659 related to regenerative tourism and gave requirements for the State Planning Act about the functional plan. However, it did not establish any specific funding for regenerative tourism, and it could be construed as an unfunded mandate, which the Board had discussed.

The PIG completed its work and discussed, as a recommendation to the Board, the re-establishment of a legislative PIG in the context of an ongoing discussion in the Board relating

to committees and PIGs.

Regarding the calendar, this PIG was empaneled in September 2023, and its report will be considered at the September Board meeting. Mr. McCully pointed out that it was not too late to reconvene another PIG.

The PIG concluded that a legislative PIG should be a constant group that is concerned with legislative matters because the HTA was a creature of the Legislature. While the HTA operated as an attached agency to DBEDT and the Governor, their statute, 201B, was completely the decision of the Legislature, which was the origin of the authority's existence.

Mr. McCully believed it was important that this recommendation be made and noted that almost half the Minutes of the previous meeting concerned housekeeping issues about committees, PIGs, and elections, as opposed to governing tourism in the State, which was the *kuleana* of the HTA. Instead, the Board had become enmeshed in details that were of little interest to the general public but were vital to the effective operations of the HTA, so it had to be done. Mr. McCully did not believe that the HTA had the luxury of refusing to engage in these activities, but he noted, for the record, that none of that was on the agenda for the present Board meeting. Mr. McCully pointed out that it was important for the HTA to conduct its *kuleana* by keeping its committees and PIGs up and running. The consensus of the PIG was not to direct the Board to do anything unless the Board would conclude how committees and groups were to be managed.

Chair thanked Mr. McCully for the work of the legislative PIG.

11. Report and Update by the BRANDING STANDING COMMITTEE of their Meeting Held on August 19, 2024 and August 27, 2024

a. Discussion and Action on Sports Opportunities for FY 2025

Chair Hannemann asked Mr. Miyasato to present this agenda item.

Mr. Miyasato thanked the Chair and explained that he would lead more discussions than presentations.

Mr. Nāho'opi'i referred to the item in the information binder with details about sports discussed during the Branding Standing Committee meeting. In general, the Branding Standing Committee was requesting approval of FY25 sports activities to date, both those that were identified by specific budget line items in the budget granted by the legislature, as well as activities that were to be funded from the sports opportunity fund, which concerned a broader range of activities.

Mr. Nāho'opi'i informed Board members that the items concerned were listed in the last table on page 2. All of these items have been approved by the Branding Standing Committee, as follows:

- The L.A. Clippers match was to take place later in October and was to be funded from the sports opportunity fund, line item 346, at \$750,000.
- The PGA Tour came under budget line item 312 and was to cost \$2.038 million.
- The LPGA Lotte Championship was scheduled for November at \$250,000.
- World Surf League was to be funded from the sports opportunity fund and would cost \$300,000.
- The UH Big West Tournament Partnership had its own budget line item 346, which was to cost \$167,000.
- The HTA sports consultant would be funded from the sports opportunity fund and cost \$100,000.

The Branding committee had recommended hiring a sports consultant because the HTA constantly received proposals involving sports. The intention was to be more active and to regard this as a sales opportunity to form contracts with sports and entertainment, in line with regenerative tourism to benefit the community. The consultant would be expected to identify appropriate venues and then seek out requests for proposals (RFPs) instead of the present situation where the HTA waited for proposals to come. The authority did not possess all the required expertise in-house, so it was preferable to employ a person who understood the nuances of negotiations and community benefits.

Mr. Nāho'opi'i added that a brand manager position would still be necessary to organize the paperwork and manage the contracts once the initial negotiations were completed. The sports consultant would also work with the HTA to develop and complete the sports strategy. The last sports strategy had been developed in 2022. The HTA needed to take a closer and more global look at sports and entertainment to identify and target markets and organizations as much as were done for other sales and conventions. The sports consultant would also work with Meet Hawai'i because there would be many packaging and group sales opportunities. Such a campaign had not previously been conducted. Mr. Nāho'opi'i stated that on the assessment of marketing research, \$100,000 would be the maximum overall cost, including expenses such as travel to events and conferences.

Mr. Nāho'opi'i stated that the Board was asked to approve a total expenditure for sports of \$3.605,850 from FY25 funds for the budget line items summarized as follows:

Partnership	Amount	Budget Line Item
2024 HTA x L.A. Clippers	\$750,000	376
2024 PGA Tour Events	\$2,038,850	312
LPGA Lotte Championship	\$250,000	343
World Surf League	\$300,000	374
UH–Big West Tournament Partnership	\$167,000	378
HTA Sports Consultant	\$100,000	346
Total	\$3,605,850	

Chair Miyasato proposed a motion to ask the HTA Board to approve expenditures of \$3,605,850 from FY25 funds for the corresponding budget line items previously detailed. Vice-Chair Paishon seconded the motion.

Mr. Miyasato added that hiring a sports consultant would be a way to develop synergy between local, national, and international sports. Mr. Nāho‘opi‘i added that including youth sports was an example of focusing on destination stewardship.

Mr. Miyasato mentioned that, in his opinion, the partnership with the LA Clippers was a solid example of this. Although this was a national team, it visited Hawai‘i to give back to the community. He hoped this relationship could be replicated with other sports teams.

Mr. Nāho‘opi‘i added that minimum guidelines for evaluating proposals must now include a community contribution in terms of dollar amount and community impact.

Dir. Tokioka informed Board members that he had accompanied the Lieutenant Governor on a visit to Korea the previous week. During this visit, they met with Chairman Shin from Lotte, who informed them that the Lotte LPGA event on West O‘ahu would be extended for three more years.

Chair Hannemann responded that after the former sports consultant had left the HTA, his desk had held a stack of proposals from all over the world for sports events in Hawai‘i. It was an appropriate time for a consultant to help review these proposals. The HTA staff had many good ideas and experience in hosting events, but in-house expertise was necessary. The HTA had to be on the lookout for new sporting activities, such as Pickleball.

Mr. Gionson conducted the roll call vote, and the motion was carried unanimously.

b. Presentation and/or Discussion Regarding Destination Management Application and Relation to Branding and Marketing

Mr. Miyasato had requested that this agenda item consider the Gohawaii app, major discussions about the digital Ag form, and the “Quinlan initiative,” which concerned the app for destination management. Mr. Miyasato hoped that the Board would carefully consider the use

of resources now that the Gohawaii app was to be revamped. This would be an appropriate time to discuss amalgamating everything by joining this with the app, which has now been approved and budgeted.

Mr. Miyasato stated that he was not proposing a motion but was suggesting that the discussion should be sent back to the Branding Standing Committee to find a proprietor for the amalgamated app and a clear definition of what it was to achieve. The proprietor would then be given the autonomy to develop the app, and the Board would line up behind the initiative.

Mr. Arakawa commented that this was a great concept and a way to view situations as opportunities. He favored this approach whereby an existing contract or program was modified slightly to benefit from the change in opportunity. He looked forward to seeing the progress of this concept.

Referring to the Ag form, Dir. Tokioka pointed out that different sectors of government were involved. The Department of Agriculture needed the form, and the HTA needed the information. Groups had been meeting both separately and collectively. Dir. Tokioka did not know whether the HTA had been involved in any of the meetings. He attended the meetings that pertained to him. He would ensure that the Department of Agriculture and DBEDT would invite the HTA to meetings so that they could communicate. Dir. Tokioka added that he often spoke with Ms. Chun.

Mr. Nāho'opi'i responded that he also often spoke with Ms. Chun. During the previous week, an IBM AI conference involving Senator Wakai took place, and discussions were held about issues related to digitization.

Dir. Tokioka emphasized the importance of having everyone at the same table. The Lieutenant Governor had spearheaded some of this work, and several departments hoped to discontinue using paper forms.

Mr. Miyasato repeated his assertion that the new system had to have a proprietor.

Dir. Tokioka responded that it was unfortunate that different project pieces were moving in different directions.

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

Chair Hannemann reconvened the meeting and called members to order. He invited the Director of Tourism Research, Ms. Jennifer Chun, to make a presentation.

Ms. Chun explained that the package contained so much information that she would present only highlights. She stated that, as Mr. Nāho'opi'i had said, the annual visitor research report for 2023 had just been published. She pointed out that some statistics might have changed because the previous reports were preliminary, and the present reports were final.

Ms. Chun presented graphics comparing visitor arrivals and expenditures for July 2024 with July 2023 and July 2019. She noted that there had been a small increase in expenditure compared with the previous July. Still, the decrease in the number of monthly arrivals for July 2024 reflected ongoing market softness. There had been an increase in expenditure for visitors from the U.S. West but not from other markets. Japan had continued to improve, but the figures were still much lower than pre-pandemic figures.

Ms. Chun reported that spending for both West and East U.S. markets had increased slightly, but Japanese visitors' spending was still flat compared to previous years. However, she noted that the average daily census for visitors from Japan was about 3000 more than the previous July.

Ms. Chun stated that the island trend is as much as usual, with O'ahu doing well, Kaua'i and Hawai'i Island doing better, but Maui, Molokai, and Lanai are still lagging behind.

The airport throughput statistics supplied by the Transportation Security Authority increased during July but decreased slightly. Ms. Chun stated that July was usually a peak for tourism, but the load factors for domestic and international travel were slightly lower than those for 2023. Regarding lodging, the occupancy level had been slightly higher than the previous year. Still, the average daily rate (ADR) was lower than the previous July, so the Revenue Per Available Room (RevPAR) was also lower.

There had been lower occupancy for the vacation rental market but a slightly higher rate than in 2023. Most visitors stayed at hotels rather than rentals.

Ms. Chun's report contained detailed information about the markets, but she repeated Mr. Nāho'opii's statement that the international market needed to recover.

Charts of the Japan outbound market from 2010 to 2032, as forecast by Oxford Economics, showed the impact of the pandemic and predicted the recovery of the Japan market in 2025. Japanese travelers preferred nearby destinations such as China, Korea, and Taiwan. The U.S. was down on the preference scale, but growth was good compared to the previous year. In 2014, Hawai'i represented 9.2% of the international destinations of Japanese travelers, but in 2023, it had dropped to 5.8%. In 2014, Hawai'i represented over a third of U.S. destinations for the Japan market at 34.9%, but in 2023, this share had reduced to 32.1%.

Corresponding data for the Canada market showed that recovery from the impact of the pandemic was expected during 2024. The top destination for the Canada market was the USA. During 2014, Hawai'i represented 1.6% of all international destinations, but in 2023, this had dropped to 1.5%. Hawai'i represented 1.7% of all U.S. destinations in 2014 and 1.8% of all U.S. destinations in 2023. Ms. Chun commented that these figures appeared small because although the USA was a top destination for Canadians, they visited Hawai'i less. There had been a slight improvement in 2023 for Hawai'i.

Oxford Economics expected that the Korean outbound market would recover in 2025. Korean travelers also preferred nearby destinations such as Japan and China. Hawai'i's market share of all international travel from Korea had been 1.1% in 2014 and 0.8% in 2023. However, Hawai'i's share of U.S. travel from Korea had been 9.0% in 2014 and 9.1% in 2023. The reduction in Hawai'i's share of international travel during 2023 resulted from the increase in Korean outbound travel while the U.S. market share remained steady.

For outbound travel from the Australia market, recovery was expected during 2024. Australian travelers also preferred to visit nearby destinations but would make longer journeys to visit the U.K. The U.S. was midway in the ranking of international travel for the Australia market. Hawai'i's market share of all international travel was 3.3% in 2014 and 1.8% in 2023. Hawai'i's market share of U.S. travel had been 10.7% in 2014 and had held steady at 10.5% in 2023.

Outbound travel from China was expected to recover in 2025. Chinese travelers preferred to visit nearby destinations such as Hong Kong, Macau, Thailand, Japan, and Korea. Ms. Chun explained that she had chosen 2014 as the comparison year because there had been no direct service then. Chinese travelers' travel to Hawai'i was now more difficult because they had to pass through the U.S. before visiting Hawai'i. The China team hoped that more direct flights would be scheduled. Hawai'i's share of China's international market was 0.3% in 2014 and 0.1% in 2023. Hawai'i's share of U.S. travel had been 4.0% in 2014 and 2.0% in 2023.

Ms. Chun explained that China had the largest international outbound, but Hawai'i represented a very small share of the market. Compared to China, Korea, Australia, and Japan had greater potential for visitors, although actual arrivals were very different.

The six-month outlook still lagged behind pre-pandemic levels, although the U.S. market lagged less than other markets. Japan was far behind, but Canada was ahead for November, while Korea was forecast to perform well in January compared with pre-pandemic levels.

Ms. Chun's report gave detailed six-month forecasts for Japan, Canada, Korea, Australia, China, and New Zealand.

Regarding the islands, O'ahu seemed to be doing well in all markets. Kaua'i and Hawai'i Island were also holding steady, while Maui remained at a reduced level.

Mr. Nāho'opi'i expressed the hope that Ms. Chun would report to the Board every month.

Mr. Miyasato referred to Ms. Chun's mentioning an additional 3000 daily visitors from Japan. He observed that the market had flipped from more inbound Japan to more outbound Hawai'i during the downturn.

Studying the daily census of the average number of people in the State at any given time, Ms. Chun noted that during July 2024, there had been a daily average of 13,000 visitors from Japan in the State, compared with 10,000 at the same time the previous year. However, although July was expected to be a good month for tourism, in 2019, the daily average for July was 25,740,

almost twice the present number. There had been anecdotal accounts of a larger number of Japanese visitors during July 2024, which seemed true.

Mr. Miyasato mentioned that the statistics appeared to demonstrate that the additional funding allocated to the Japan market had been justified.

Ms. Chun responded that there had been 16000 more arrivals from Japan during 2024 than the previous year.

Mr. Nāho'opi'i referred to insights from his recent visit to Korea that seasonality seemed to be about to change, with more bookings in January than previously. This was why the Lotte Championship was now scheduled for November, which the sponsors felt was a better time than February or March. The target market was the luxury outbound traveler, and the advantage of the November period was that this did not conflict with the summer peak season. Mr. Nāho'opi'i noted that there had been many Chinese visitors on his flight. The plane was full, and many one-stop visitors from China were using the service. The HTA staff had been working with the China marketing team to encourage one-stop travel, transiting through Haneda, Narita, or Seoul, with convenient flight times.

Chair Hannemann responded that the Korea market seemed to be holding steady. He knew that from a national perspective, there was an emphasis on Japanese travel, so arranging additional incentives for Japanese visitors should be possible. The very active Hawai'i campaign in Japan should have an impact. Six legislative leaders were to travel to Japan in September, which would allow them to hold discussions with Hawai'i travel partners there. There was a big push for Chinese travel to the U.S. at the national level, and the figures were encouraging. The Chair thanked Ms. Chun for her report.

Dir. Tokioka stated that Mr. Nāho'opi'i would agree that the Governor of Jeju Island in Korea considered Jeju the Hawai'i of Asia. Hawai'i was much appreciated in Jeju and there were "Aloha" signs in stores showing that residents felt connected to Hawai'i. The Jeju Governor had been very insightful about the visitor industry. The Governor had explained that young people in Korea and Jeju could not travel far because of the currency's weakness, but it was everyone's dream to visit Hawai'i. Dir. Tokioka had discussed marketing dollars, and the Governor explained that the association raised money. Regarding Chinese travel, Director Ed Sniffen worked hard to arrange a direct flight from Hainan (China) to Hawai'i. The Governor of Hainan had met with Dir. Sniffen three months earlier and was focusing on direct travel. However, this could only be arranged at the Federal level. Dir. Tokioka thanked Ms. Chun for her report.

Dir. Tokioka noted that on his own Korean Airlines flight, the front of the plane was full, but the back was only half full. This showed that wealthy visitors traveled, but those without money were not. He noted that Mr. Nāho'opi'i and his team had flown with Hawaiian Airlines.

Ms. Iona mentioned speaking with some entertainers on Kaua'i, and she reminded Board members that the HTA supported the Merrie Monarch. The Chair added that this would be a

good opportunity for the Branding committee. Both Jeju and Hainan loved Hawai'i. The Chair would appreciate a Korean drama series being filmed in Hawai'i.

Mr. Miyasato pointed out that he hoped the Branding Committee would take advantage of opportunities to leverage all resources and drive a budget based on connections. Chair Hanneman replied that Korea was a perfect place, and their liking for Hawai'i was shown by their renaming a location Aikiki after Waikiki.

Mr. Miyasato stated that certain brands created magic in deference to Ms. Agas. He had visited Hiroshima, and the result of the trip was that 50 people were to visit Hawai'i Island the following month. Replicating that friendship would create memorable moments. He noted that the Branding Standing Committee had an excellent opportunity to harness all ideas.

Chair Hannemann suggested going on to Agenda Items 13b and c. Mr. Arakawa agreed, stating that some aspects of Agenda Item 13a would be discussed in the Executive Session because they involved contracts and other sensitive issues.

13. Report and Update by the BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE of their Meetings Held on August 6, 2024, August 20, 2024, and August 26, 2024

a. Discussion and Action on HTA's Fiscal Year 2026 and 2027 Legislative Budget Proposal, Process, Issues, and Request

This item was deferred after items 13a and 13b, and will be discussed in the Executive Session.

b. Discussion and Action on HTA's Financial Report for July 2024

Mr. Arakawa introduced this item and stated that the BFCC committee had not reviewed it, so this would be the first time it had been considered. He stated that Mr. Kishi, the Budget and Fiscal Officer for the HTA, would present the Financial Report.

Mr. Kishi pointed out that July was usually a slow month because of the close of the previous fiscal year. He usually advised vendors that payments were likely to be postponed at this time so that the books could be closed. This advice would enable vendors to plan accordingly.

He stated that the budget for FY24 had been \$60 million, and the HTA was on track to spend \$59.4 million as of July 31. \$6.9 million was still encumbered, comprising \$1 million in branding and \$5.2 million in destination management. \$639,000 was unspent and unencumbered, comprising about \$227,000 in branding and \$365,000 in salaries. During July, a major MMA contractor had been paid \$1.8 million.

Mr. Kishi stated that the balance sheet showed \$64 million remaining from the tourism general fund, including FY25 funds that had not yet been allotted as of July. The tourism special fund contained \$8.4 million, but those funds were restricted. The balance sheet also showed \$2 million in the HCC general fund and another \$47.7 million in the HCC enterprise special fund.

The 2024 legislature had permitted to spend \$34 million for FY25 operations, repairs, and maintenance. \$14.6 million had been allocated for the HCC roof repair project, comprising about \$900,000 encumbered, and \$13.7 million for other roof-related repairs. In the EDA ARPA tourism grant, about \$9 million remained, split between the outdoor recreation program organized in partnership with the DLNR and other HTA programs connected with that. Lastly, \$772,000 remained in the tourism emergency general fund, most of which has been spent on Maui recovery efforts.

Mr. Kishi invited questions.

Mr. McCully asked when the emergency fund was to be topped up again. Mr. Kishi explained that he had been investigating this issue but had not received a definite answer, having asked DBEDT, B&F, and even DAGS. One suggestion had been to request the Legislature. Mr. Isaac Choy, the Vice President of Finance, advised discussing this situation with the staff of DOTAX (Dept. of Taxation) or B&F. VP Choy believed it should be possible to replenish the fund when requested. It was important to solve this problem because the statute required the emergency fund to be maintained at \$5 million. Mr. McCully felt that it should not be necessary to request the Legislature. However, just in case, he would include it in the legislative request, but at the same time, he would speak with staff at DOTAX so that the fund could be replenished immediately. He asked whether Attorney Cole had recalled any discussion on this subject from the previous year.

AG Cole responded that the emergency fund was mentioned in the statute defining the distribution of transient accommodations tax (TAT). The statute stated that the emergency fund should be maintained at \$5 million, but the timing was unclear. AG Cole promised to work this out with B&F.

Mr. McCully stated that he recalled the Maui situation and the expectation of immediate replenishment of the emergency fund. However, some said that it would be an annual top-up. Ms. Paishon replied that there had been discussion about this issue.

Mr. McCully pointed out that the HTA would be remiss and unprepared for possible emergencies if the emergency funds were not replenished.

Mr. Nāho'opi'i responded that he had asked Mr. Kishi to follow up, but because this was the first time the emergency fund had been deployed, the State seemed unsure how to replenish it. The HTA staff had been working diligently over the past couple of months because of emergencies that had recently occurred, and it was important to be sure that the money would be immediately available for the next emergency.

Mr. McCully commented that he would be concerned about suggesting that replenishing the emergency fund would require legislative action or appropriation when the statutory language did not prescribe this. This prerogative should not be conceded to the legislature.

Mr. Nāho'opi'i suggested that the question could be posed to Director Salaveria during his visit to the Board.

Mr. Arakawa stated that a process had been set up whereby the Board would vote to declare an emergency, their recommendation would be submitted to the Governor, and the Governor would sign a declaration of an emergency, thus opening up the fund for use by the HTA. It seemed reasonable to Mr. Arakawa that the process would work as Mr. McCully had outlined. He noted that now would be a good time to clarify this in light of the hurricanes approaching Hawai'i.

Dir. Tokioka explained that he had recently discussed with his peers at the various State departments and agencies. However, VP Choy strongly believed that the emergency fund could be replenished whenever the request was made, and this would be a top priority.

Mr. Arakawa proposed a motion to approve the HTA's Financial Report for Fiscal 2024. Mr. McCully seconded the motion. There were no questions either from Board members or online.

Mr. Gionson conducted the roll call vote, and the motion was carried unanimously.

c. Discussion and Action on the Hawai'i Convention Center's July 2024 Financial Report and Update on the Hawai'i Convention Center's 6-Year Repair and Maintenance Plan

Mr. Arakawa proposed a motion to approve the HCC July 2024 Financial Report and Update on the HCC 6-year Repair and Maintenance Plan. Vice-Chair Paishon seconded the motion.

This item had been discussed at the previous BFCC meeting.

Mr. Arakawa asked the General Manager of the HCC, Ms. Terri Orton, to present the report.

Ms. Orton noted that July had been the first month of the new fiscal year. HCC had hosted 18 events in July, one more than budgeted. These events included one Citywide event, the International Indoor Air Convention, and seventeen local events; some were new and repeat events. Four events outperformed the budgeted food and beverage expectations, giving total facility revenue for July \$1.7 million, exceeding the budget by about \$300,000. This resulted in a net loss of \$309,100, \$223,000 less than the budgeted amount.

Ms. Orton believed that HCC had off to a good start, and the reforecast for this year showed a strong top line and bottom line. About 18 Citywide events were scheduled for the current fiscal year, slightly less than the previous year, but a strong finish for FY25 was expected.

The report for the first month showed that for every dollar spent, the center had returned \$2.36 to the State. Ms. Orton noted that for FY24, the return on investment (ROI) had been \$14.64 with 21 Citywide's, while for FY23, the ROI had been \$4.19 with seven Citywide's. This showed the importance of Citywide events to overall economic impact and tax generation. With 18 Citywide events scheduled in FY25, about \$355 million in economic impact and \$41 million in tax generation was expected. Ms. Orton believed there was a strong year ahead.

Ms. Orton highlighted some recent local events, including the return of Nā Hōkū Hanohano Awards in August. The International Pokémon Convention had brought in nearly 70,000 people, and Ms. Orton noted that the event was very well organized. The HCC staff had learned a lot from the organizers, particularly about organizing crowd control. This had been a very successful and lucrative event.

The Made in Hawai'i Festival attracted about 70,000 visitors, and many vendors said this was their event of the year. Some vendors sold out on day one, caught unprepared by the unexpectedly high sales volume. This was an example of local residents supporting local residents.

At least 50,000 participants were expected at the forthcoming Okinawan Festival. Ms. Orton informed Board members that, for the first time, HCC had created an Awamori Garden. The engineering department had been very busy making the 50- by 70-foot booth resemble a garden with hedges. The Okinawan Festival had partnered with some Honolulu breweries, and the Awamori Garden would be marketing craft beers, including Li Hing Saltzer, as well as serving specialty cocktails,

Ms. Orton informed Board members that Comic Con was a repeat event, and this was the smaller of the two Comic Cons that this organizer planned with HCC and Kawaii Kon being the larger. The meeting of the American Fishery Society was a Citywide event scheduled for mid-September. Ms. Orton's report highlighted events scheduled for the following three months and reproduced a press release highlighting HCC's banner year.

Ms. Orton assured Board members that the HCC staff would work hard to replicate the good results of the previous year and that they would be confident that they could finish with another strong year.

The report listed events that had participated in the center's carbon offset program in which a total of 371 legacy trees had been planted to date, equivalent to the absorption of 359.31 metric tonnes of CO₂.

Ms. Orton pointed out that Board members must have seen the new paint in which color accents had been added to the exterior of the building. All the lights in the center were being changed to LED lights, which would reduce utility costs. The flooring of the main kitchen was to be replaced, and this was done one section at a time while waiting for a period when the center would be less busy. A major project was the repair of the waterproofing of the planters on the third floor and along the grand staircase, a process involving the excavation of all these planters.

The report contained a list of current repair and maintenance projects, broken down into those providing better guest experience and those providing greater department efficiency.

Regarding upcoming projects, the modernization of the escalator would probably be scheduled

for 2026, when the center would be partially closed for construction. The Board information packet listed the six-year capital improvement projects.

Ms. Orton highlighted some forthcoming homegrown events, beginning with the center's first pickleball tournament, scheduled for November 1 – 3. The pickleball courts were to be blessed on Wednesday, October 30, and all Board members would be invited. Invitations were to be sent out, and the Chair hoped to invite some legislators. The second pickleball tournament was scheduled for April, and three inquiries had been received about future pickleball events. Ms. Donna Ching, the President of the O'ahu Pickleball Association, had been featured on the front page of Midweek and had mentioned the forthcoming tournament. The center was to partner with Ms. Ching and the O'ahu Pickleball Association to manage open play events, for which courts would be laid down in the exhibition hall.

Another homegrown event, "Twas the Light before Christmas," was scheduled from Black Friday to January 1, 2025, and would be the HCC's and the HTA's first immersive experience. All the equipment for immersive shows had been purchased, and the intention was to mount at least two per year. Ms. Orton believed that this event would be spectacular. Creative planning was still in progress, in partnership with Paquin Entertainment, the company that did "Beyond Monet" and "Beyond Van Gogh" a few years ago. This was a true partnership in which ticket sales would be shared.

Chair Hannemann thanked Ms. Orton for her wonderful report. Recalling the Intuit Arena, he asked about the maximum capacity for a first-class concert in the HCC.

Ms. Orton replied that concerts could be held in the HCC and that staff from the corporate office's live entertainment division had looked into the possibility. Not many concerts were held in convention centers because they were not designed for that and usually had poor acoustics. EDM concerts were popular in convention centers. Ms. Orton stated that up to 15,000 seated guests had been fitted into the facility, and there could also be a standing room. For the American Dental Association, they had seated 14,000 participants with screens throughout. She pointed out that the sound quality was not ideal but could be improved by laying carpet, although this was very expensive.

Chair Hanneman asked whether movies had previously been shown on the rooftop. Ms. Orton replied that because of inclement weather, the movie shows had been moved into the ballroom, and the air-conditioning made clients prefer the ballroom.

Mr. Arakawa invited questions and comments and, on receiving none, asked Mr. Gionson to conduct the roll call vote.

Mr. Gionson conducted the roll call vote on the motion, which was carried unanimously.

Chair Hannemann declared a recess.

[Executive Session]

14. Adjournment

After returning from the Executive Session, Mr. Ka'anā'anā wished Ms. Kaho'ohanohano, the Senior Brand Manager, a happy birthday. He congratulated Ms. Agas' managed hotel, Disney Aulani Resort and Spa, for a happy 13th anniversary.

Mr. Arakawa, the Budget, Finance, and Convention Center (BFCC) Standing Committee chair, would like to defer agenda item 13A to the next meeting. It is to allow the staff and all the committee members more time to review the budgets, and it is with the understanding of the budget deadline of mid-September. Committee members should be aware of the upcoming meetings before September 15. Chair Hannemann agreed with the agenda deferral.

The meeting adjourned at 2:30 p.m.

Respectfully submitted,



Sheillane Reyes
Recorder