



REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, June 26, 2014
Hawaii Convention Center
1801 Kalakaua Avenue, Honolulu, Hawaii 96815

MINUTES OF REGULAR BOARD MEETING

- MEMBERS PRESENT:** Ron Williams (Chair), Patricia Ewing (Vice Chair), Rick Fried, Patrick Fitzgerald, Victor Kimura, David Rae, Craig Nakamura, Aaron Salā, Lorrie Stone
- MEMBERS NOT PRESENT:** Kelvin Bloom, Jack Corteway, Michael Kobayashi
- HTA STAFF PRESENT:** Caroline Anderson, Mike McCartney, Lynn Bautista, Grace Lee, Brian Lynx, Angela Rodriguez, Michael Story, Jadie Goo, Doug Murdock, Roann Rakta, Marc Togashi
- DEPPUTY ATTORNEY GENERAL:** Gregg Kinkley
- GUEST:** Gary Kai

1. Call to Order

Presiding Officer Ron Williams called the meeting to order at 9:40 a.m.

2. Recognition of Departing Board Members.

Mr. Williams recognized the following departing Board members whose terms expired: Patricia Ewing, Patrick Fitzgerald, Victor Kimura and Kelvin Bloom. Mr. Williams expressed his “mahalo” to the departing Board members and appreciation for the “gifts” they “brought and shared time to help Hawai‘i be a better place.” A maile lei and koa wood bowl were presented to the departing Board members who were present.

Mr. Salā offered a chant regarding a person who sacrificed and “gave a lot to raising a daughter” in recognition of the hard work provided by the departing Board members.

Mr. McCartney also expressed HTA's appreciation to the departing Board members "from the bottom of our hearts;" for their constructive criticism; and, for not making "your business first, but to make Hawai'i first."

Ms. Ewing stated, "great work has been done and glad that it will be continued," and that "there were challenging times but there were great rewards." Mr. Kimura stated that he "hope that going forward, HTA will continue the stewardship of what was good for Hawai'i" and to "always do it pono."

3. Approval of Minutes of Prior Board Meetings

Mr. Salā moved to approve the minutes of the regular board meeting conducted on May 29, 2014. Ms. Ewing seconded the motion, which was unanimously approved by all the board members present and without any revisions or reservations.

4. Report of the Chief Executive Officer Relating to the Implementation of the State Tourism Strategic Plan Initiatives and/or Staffs' Current Assessments of the Major Market Areas

It was noted that a written CEO Report dated June 26, 2014 was in a board folder containing documents related to the various items on the agenda for this board meeting. The board folder was previously made available to the Board members online and offered at the meeting for discussion and questions or comments. The CEO Report included the Marketing Reports from the marketing contractors in each MMA for May 2014 that discussed "Market Intelligence," "Key Initiatives for the Month," and "Coming Attractions"; the HTA staff report on implementing the Legislative Auditor's findings and recommendations; and, a listing of contracts executed by the HTA.

Mr. McCartney introduced Gary Kai, who is the Executive Director of the Hawai'i Business Round Table ("HBRT"). Mr. Kai provided a PowerPoint presentation to the Board and noted that based on the inventory of hotel rooms, the visitor industry may not grow tremendously; and, that new growth will be coming from the "tech sector" through partnerships within the business, government and education communities. He discussed his belief on how we can create a new economic environment for Hawai'i based on his meetings and subsequent knowledge gained from "innovation" leaders in San Diego. The lessons learned from San Diego were that we should "focus on University driven research and innovation"; "support cluster development"; and, to "partner and protect." He discussed a "new vision for Hawai'i" that focused on the assets or "raw materials" offered by "University research and education," such as astronomy/aerospace, ocean sciences, health sciences and wellness, information and data analytics, and sustainability of energy, water, food and climate. He noted that HTA's strategic plan is consistent with the University's research activities.

Mr. Kai discussed the collaborative approach being used in San Diego through the following four economies that make the San Diego region one of the most diverse and dynamic economies in the country: tourism, research, military, and local business. Similarly, Mr. Kai offered a similar collaborative approach for Hawai'i through the collaboration of Hawai'i's tourism, University research, military and local businesses. He noted that the Advanced Maui Optical and Space Surveillance technology conference being held in Hawai'i in September could be a vehicle for Hawai'i's economies to work together. The conference will focus on "space junk" and will bring in visitors from around the world that will focus on scientific research, which would promote Hawai'i's research community.

Mr. Kai continued his presentation by discussing the development of a "Hawai'i Innovation Assets Report," which would be developed with "partners" from business and government. The next steps towards developing a collaborative approach in Hawai'i include the following: complete the Inventory of Research and Innovation Assets in Hawai'i and identify the magnitude of Hawai'i's research and innovation economy; convene a "board" from community based groups to support the research and innovation economy; identify "tech and innovation clusters"; broaden community support of the research and education sector; and, partner with the business community to build for the future and educate the community. Mr. Kai stated "we have so many research clusters already and we just need to make sure that we work together." Mr. McCartney added, "We need to work together to get something done and not just talking and meeting." We can begin by working with the "MAC" and its federal military and civilian community.

Mr. Williams asked what is the "glue" that helps bring together the tourism industry, the Hawai'i businesses, and the military. Mr. Kai responded by noting San Diego's establishment of "Connect," which is an entity consisting of business and government leaders, and an individual who can work hard on bring groups together. He added that our students and tourism employees must be taught and learn about how the tourism, business and MAC "sectors work together."

Mr. McCartney continued his presentation of the CEO Report by noting the possible veto on a bill allowing HTA to "write its own checks." In regards to Turtle Bay, HTA is meeting the Attorney General to begin the process of acquiring the easement and issuing the bond, including the hiring of a bond counsel. He concluded his presentation by noting that a "draft strategic plan will be finalized at the committee level."

5. Review of Recent and Upcoming Permitted Interactions

Upon request by Mr. Williams, no Board member reported on any recent or upcoming permitted interaction.

6. Presentation and Discussion on Visitor Statistics

Mr. McCartney reported the current visitor statistics have not been finalized yet because we want to confirm current data. He discussed the following topics of what he presents at community meetings that focuses on moving forward and the need to improve sales and airlift: the purpose of tourism is to provide jobs, access to the world, and to provide Hawai'i with a sense of purpose; visitor arrival capacity at the airports is challenging because airlines routing are occurring all at "one time"; visitor spending on each island; the total visitor accommodation units by type and noting that less than half of the units are hotel rooms; tax revenues contributed by visitors; and, competing destinations are copying Hawai'i. The next steps for Hawai'i's tourism industry is to recognize it is a "new world and we need to work together." We need to "invest in the destination" and "diversity." He distributed the following handouts to the Board entitled "By Island Arrival Analysis" and "By Island Room Analysis."

Mr. Fitzgerald was present at this time.

7. Approval of HTA's Financial Reports

Mr. Togashi reported that there were "no anomalies" presented in the financial statements as of April 30, 2014. Mr. Fitzgerald made a motion to approve the HTA financial reports as of April 30, 2014. Ms. Ewing seconded the motion, which was unanimously approved without objection or reservation.

At this time, Mr. Williams acknowledged the Mr. Fitzgerald's contributions to the HTA to help make Hawai'i a better place. Mr. Fitzgerald stated that the Board "cares with what it does" and to continue to act with "pono"- "if you do something right, things will work out."

8. Presentation, Discussion and Approval of HTA Brand Management Plan

Mr. Story noted that the HTA's "Brand Management Plan 2015," updated June 20, 2014, was previously distributed to the Board and being presented at this time to solicit the Board's comments and approval. Mr. Story, Ms. Anderson and Ms. Rodriguez collaborated to provide an oral presentation summarizing the HTA Brand Management Plan by discussing the following

topics stated in the Plan: overview and background of the strategic plan, including its guiding principles and assessment of the current state of the Hawaii brand; the Plan's execution strategy; the manner in which HTA will maintain its brand through the Hawaiian Culture Execution Plan, the Natural Resources Execution Plan, the Career Development Execution Plan, and the Safety & Security Program Execution Plan; the manner in which HTA will enhance the visitors' Hawai'i experience through the Product Enrichment Program Execution Plan, the Product Development Execution Plan, the Signature Events Execution Plan, and the Greetings Program (Kahea) Execution Plan; the manner in which the HTA will manage its brand through the Access Execution Plan, the Major Market Management Execution Plan, the Business Destination Management Plan, the Brand Development Projects Execution Plan, and the gohawaii.com Execution Plan; and, how tourism research and planning would be utilized under the Brand Management Plan through the Visitor Arrivals, Characteristics and Expenditures Execution Plan, the Data Dissemination Execution Plan, the Infrastructure Research Execution Plan, the Evaluation and Performance Measures Execution Plan, the Marketing Research Execution Plan, and the statewide Tourism Strategic Plan. During the discussion of each specific execution plan being utilized to implement the Brand Management Plan, Mr. Story, Ms. Anderson and Ms. Rodriguez stated the need for each of the execution plan and the outcomes that HTA would be looking for from each execution plan.

Mr. Story distributed a document entitled "HTA Execution Plan," which depicts HTA's key roles to "orchestrate the merging of marketing experiences"; to "communicate what differentiates Hawai'i from other destinations; and, to "make sure we accomplish this in an appropriate and sustainable manner, always having our people, place and culture in the front of our minds." He emphasized that the Brand Management Plan "is a living document" and one addition we plan to make in the coming month is the inclusion of the individual major market area contractors' Brand Management Plan, which was previously referred to as the Annual Tourism Marketing Plan.

Mr. Williams emphasized that the current Brand Management Plan is a "living document" and "can be adjusted as we move forward."

Mr. Kimura stated that the Plan needs "tangible measures," especially the evaluation of signature and product development events. Staff needs to do a "site visit" and visit each product development event. Mr. Kimura offered to provide his "notes" to Mr. McCartney regarding his evaluations. Mr. McCartney stated "staff needs to have actual experience in evaluations and not take observations of third parties."

Mr. Fitzgerald made a motion to approve the Brand Management Plan 2015 as updated on June 20, 2014. Mr. Salā seconded the motion, which was unanimously approved without objection by all the Board members present.

Mr. Rae referred to a handout distributed by Mr. McCartney entitled “By Island Arrival Analysis” and asked whether visitation by residents to the neighbor islands is “significant and counted.” He also referred to the previous presentation by Mr. Kai and noted, “We need to reach out to the military as a resident population that can visit the neighbor islands.” Mr. McCartney responded that he would be asking Mr. Nahoopii to provide a response to Mr. Rae’s question. Mr. Williams stated that “kamaaina traffic” to the neighbor islands is “very important” and that the military is treated as “kamaaina.”

9. Adjournment

Mr. Fitzgerald moved, and seconded by Mr. Rae, to adjourn the meeting. The motion was unanimously approved. The meeting was adjourned at 11:20 a.m.

Recorded:



Winfred Pong
Recorder