



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

**HĀLĀWAI KIKOHO'E
VIRTUAL MEETING**

**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY**

Pō'akolu, 2 Kepakemapa 2021, 9:30 a.m.
Thursday, September 2, 2021 at 9:30 a.m.

Hiki i ka lehulehu ke hālāwai pū ma o ka ZOOM.
Webinar will be live streaming via ZOOM.

E kāinoa mua no kēia hālāwai:
Register in advance for this webinar:

https://us06web.zoom.us/webinar/register/WN_LQF-MuVaSbi518z_AJCrRw

Ma hope o ke kāinoa 'ana, e ho'ouna 'ia ka leka uila hō'ōia iā 'oe me ka 'ikepili ho'oku'i hālāwai.
After registering, you will receive a confirmation email containing information about joining the webinar.

Papa Kumumana'o
AGENDA

1. *Ho'omaka*
Call to Order
2. *Wehena*
Opening Cultural Protocol
3. *'Āpono I Ka Mo'o'ōlelo Hālāwai*
Approval of Minutes of the July 29, 2021 Board Meeting
4. *Hō'ike Lālā*
Report of Permitted Interactions at an Informational Meeting or Presentation Not Organized by the Board Under HRS section 92-2.5(c)



5. *Hō'ike, Kūkākūkā A Ho'oholo No Nā Mo'okālā*
Presentation, Discussion and Action on HTA's Financial Report for July 2021
6. *Hō'ike, Kūkākūkā A Ho'oholo No Ka Mo'okālā Kikowaena Hālāwai O Hawai'i*
Presentation, Discussion and Action on the Hawai'i Convention Center FY2022 Budget
7. *Hō'ike A Ka Luna Ho'okele*
Report of the Chief Executive Officer/Chief Administrative Officer/Chief Brand Officer Relating to Staff's Implementation of HTA's Programs During July 2021
8. *Hō'ike No Ko HTA Ho'okō I Ka Papahana Ho'okele Huliau*
Update on HTA's Implementation of Change Management Plan
9. *Hō'ike A Kūkākūkā No Ka Ho'okō I Nā Papahana Mālama 'Āina Ho'okipa*
Update and Discussion on the Implementation and Reporting of the Destination Management Action Plans to the Board
10. *Hō'ike 'Ikepili Noi'i 'Oihana Ho'omāka'ika'i*
Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets
11. *Hō'ike A Ke Kōmike Hokona Kūmau No Ke Kūkākūkā A Ho'oholo*
Report of the *Marketing Standing Committee* with the Committee's Recommendations to Approve the Amended Brand Management Plans for Hawai'i Tourism Korea, Hawai'i Tourism Oceania, Hawai'i Tourism Canada, Hawai'i Tourism Japan and Hawai'i Tourism United States
12. *Hō'ike, Kūkākūkā A Ho'oholo No Nā Hale Ho'olimalima Pōkole Ma O'ahu*
Presentation, Discussion and Action on HTA's Position Relating to the Draft Bill for an Ordinance Relating to Transient Accommodations and Short-Term Rentals on O'ahu.
Presentation by and Discussion with *Mr. Dean Uchida*, Director of Planning and Permitting for the City & County of Honolulu
13. *Kūkākūkā A Ho'oulu I Nā Ka'akālai Ho'omōhala Hou****
Discuss and Develop Potential Strategies for Tourism Recovery Messaging***
14. *Panina*
Closing Cultural Protocol
15. *Ho'oku'u*
Adjournment



***** Aha Ho'okō:** *Ua hiki i ka Papa Alaka'i ke mālama i kekahi hālāwai kūhelu i kū i ka Hawaii'i Revised Statutes (HRS) § 92-4. E mālama 'ia kēia hālāwai kūhelu nei ma lalo o ka § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) no ka pono o ko ka Papa Alaka'i kūkā a ho'oholo 'ana i nā nīnūnē a nīnau i pili i ko ka Papa Alaka'i kuleana me ko ka Papa Alaka'i loio. He hālāwai kūhelu kēia i 'ole paulele 'ia ka 'ikepili a i mea ho'i e mālama kūpono ai ko Hawaii'i 'ano, he wahi i kipa mau 'ia e nā malihini.*

***** Executive Session:** The Board may conduct an executive session closed to the public pursuant to Hawaii'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to HRS § 92-5 (a) (2), § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) for the purpose of consulting with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities; to consider hiring and evaluation of officers or employees, where consideration of matters affecting privacy will be involved; and to discuss information that must be kept confidential to protect Hawaii'i's competitive advantage as a visitor destination.

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

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

Kono 'ia ka lehulehu e komo mai i ka hālāwai a ho'ouna mai i ka 'ōlelo hō'ike kākau 'ia no kēlā me kēia kumuhana i helu 'ia ma ka papa kumumana'o. Hiki ke ho'ouna mai i nā 'ōlelo hō'ike kākau 'ia ma mua o ka hālāwai iā carole@gohta.net a i 'ole ma o ke kelepa'i. Inā pono ke kōkua ma muli o kekahi kīnānā, e ho'omaopopo aku iā Carole Hagihara (973-2289 a i 'ole carole@gohta.net), he 'ekolu lā ma mua o ka hālāwai ka lohi loa.

Members of the public are invited to register to attend the public meeting and provide written testimony on any agenda item. Written testimony may also be provided by submitting the testimony prior to the meeting by email to carole@gohta.net or by facsimile transmission. Any person requiring an auxiliary aid/service or other accommodation due to a disability, please contact Carole Hagihara (973-2289 or carole@gohta.net) no later than 3 days prior to the meeting so arrangements can be made.

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Approval of Minutes of the
July 29, 2021 Board Meeting



**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, July 29, 2021 at 9:31 a.m.
In-Person and Virtual Meeting
Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815**

MINUTES OF REGULAR BOARD MEETING

MEMBERS PRESENT:

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

MEMBER NOT PRESENT:

Sherry Menor-McNamara

HTA STAFF PRESENT:

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

GUESTS:

Charlene Chan, Jennifer Chun, Mike McCartney, Nathan Kam, Erin Khan, John Monahan, Jay Talwar, Jessica Lani Rich, Allison Schaefer, David Baronfeld, Barbara Okamoto, Jeffrey Esslinger, Daniel Nāho'opi'i, Hersh Singer, Ms. Takitani-Puahi, John Reyes, Rick Fried, Kyllie Butts, Malia Sanders, Nancy Neuffer, Teri Orton, Noelle Liew, Faith Rex

LEGAL COUNSEL:

Gregg Kinkley

1. Call to Order:

Chair Kam called the meeting to order at 9:31 a.m. He confirmed the attendance of the Board by roll call.

2. Opening Cultural Protocol

Maka Casson-Fisher opened the meeting with a pule. He shared that in 1840, Kamehameha 'Ekolu – Kauikeaouli signed the constitution to share and limit his powers to commoners. He noted that the Kingdom was later seized by British Captain Paulet in 1843 but was restored five months later. He said that, Kamehameha 'Ekolu – Kauikeaouli spoke the following words “The sovereignty of the land is perpetuated in righteousness” and encouraged everyone to continue such responsibility.

Chair Kam expressed his greetings to John De Fries for his 70th birthday with the latter being given a lei.

3. Approval of Minutes of the June 24, 2021 Board Meeting

Chair Kam requested a motion to approve the minutes of the June 24, 2021 Board Meeting. Daniel Chun made a motion, and it was seconded by Kimi Yuen, and unanimously approved.

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

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

5. Presentation by the Hawai'i State Ethics Commission Regarding an Overview of the State Ethics Code for State Board Members

Chair Kam recognized Nancy Neufer of the Hawai'i State Ethics Commission to provide an update. Atty. Neufer reported that the State Ethics Law is a state law to preserve public confidence in public servants and it applies to state employees, state legislators and state board and commission members. She noted that the Commission provides education, guidance, financial disclosures and enforcement and noted of the penalties that go with violations. She discussed the laws concerning confidential information, gifts/gifts reporting, fair treatment, conflicts of interests, contracts, financial disclosures and post-employment. She added that the State Ethics Code is a minimum standard of behavior for state employees and that state agency may establish stricter policies. Atty. Neufer said that anyone can just call the Commission for guidance about ethics and that all advice will be confidential. She added that more information can be taken from their website and that they have “The High Road” newsletter that comes out periodically which highlights ethics issues.

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

Chair Kam recognized John De Fries, Keith Regan and Kalani Ka'anā'anā to provide an update. Mr. De Fries welcomed anyone who has questions about the CEO report. He acknowledged the completion of the initial restructuring of HTA organization and that this agenda item will be shared each month by the Chief Administrative Officer and Chief Brand Officer. Mr. Ka'anā'anā reported that the Iolani Palace repair has been completed. He noted that Olea Hulu, an HTA community partner, announced a special recognition which highlights the Board's investment in the Hawaiian language for it to thrive. He said that HTA's social media platforms and outreach has a new emphasis in which they've done numerous interviews to ensure awareness of the changes and reorganization taken by HTA. He added that the brand management side is focused on listening to the RMPs and BMPs and understanding the nuances and complexities of what's happening in the market.

Keith Regan recognized the works of Marc Togashi and his team for putting up the financials ready for today's meeting and Caroline Anderson and her staff, for making sure that all of the County DMAPs are completed and ready to be approved. He also recognized Jessica Lani Rich, President and CEO of Visitor Aloha Society of Hawai'i, for her support and work with the safety and security of visitors who are in crisis which reached 14,077 individuals to date. He thanked Ronald Rodriquez, HTA's Procurement Officer, and his team for training and preparing them for the new procurement process. He recognized Chris Sadayasu for his incredible work and support with the team who accepted a new job at the Attorney General's office. Mr. Regan also recognized Caroline Anderson for her 20 years tenure to HTA and Jennifer Chun for being the Manager of the Year with the DBEDT for her incredible dedication and commitment to HTA and Hawai'i.

7. Presentation of Legal, Financial and Operational Impacts of HB862 (Act 001, Special Session 2021) to the Hawai'i Tourism Authority and the Hawai'i Convention Center

Chair Kam recognized Keith Regan to provide an update. Mr. Regan reported that since HB 862 became law, it pushed HTA to a different way of operating its business. He added that they started reviewing the processes that HTA is forced into to be able to use the \$60 million state allocation. He explained that in order to allocate the money, they need to submit a CSFRF form to the Budget and Finance which will be reviewed by him, Mr. De Fries, DBEDT Director, Budget and Finance and the Governor for approval. He explained that based on it being approved or rejected, an allocation is then provided to HTA to be utilized for the purposes outlined in the CSRF form. He noted that the \$60 million is not a direct allocation to HTA but an access that they need to go through the process to utilize it. He

added that the process is in place to ensure that whatever is being requested and spent complies with the requirements of ARPA. He said that B&F and all that are involved in the process must ensure that the funds allocated and spent by any agency is compliant, otherwise the federal government may come back and ask the State for recoupment.

Keith Regan reported that the encumbrance process consists of additional reviews and requests. He noted that the program needs to identify an encumbrance need so they need to contract for something. He added that there should be an approved CSRF form that allocates the money and then it will be reviewed by HTA staff and others. He noted of the procurement process which is now the new 103D requirements. He said that it requires an extensive process and that Mr. Rodriguez, Mr. Togashi and him are going through a specialized training for it while the rest of the staff had gone through a basic training to ensure compliance with the 103D requirements. Mr. Regan said that the procurement component is more complex and will share later. Mr. Regan shared that the B&F requested HTA to submit a CSFRF recovery plan, in addition to the documents, which will eventually become part of the State plan that they need to submit to the federal government as part of their reporting. He noted that they are taking these challenges in a positive approach and making sure that they can accomplish HTA's work in the most efficient and effective manner.

Chair Kam asked for public testimony and there was none.

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

Chair Kam recognized John De Fries to provide an update. Mr. De Fries reported that they are realigning HTA's budget and financials with DBEDT and B&F to reflect the three categories of expenses: (1) personnel, (2) operations, and (3) brand management. He added that DBEDT and B&F approved HTA's personnel budget, with operations budget pending approval. He added that HTA's execs have reviewed the reorganization structure with the staff and the new structure was submitted to DBEDT for approval. He noted that the job description for the new position of Public Affairs Officer has been drafted and submitted while the Senior Brand Manager and Tourism Brand Manager positions are ongoing pending submission to DBEDT and B&F.

John De Fries reported that HTA is preparing a Coronavirus State Fiscal Recovery Funds (CSFRF) plan that meets ARPA requirements to be submitted to the Feds once B&F and DBEDT finalize their processes. He noted that HTA's Chief Admin Officer, Chief Brand Officer and Procurement Officer are participating in mandatory procurement training with the State's Procurement Office. He added that they are working on updating HTA's procedures

to comply with ARPA and DBEDT requirements such as the procurement procedures, RFP templates (including certifications required under ARPA) and ethics procedures. He added that they are also reviewing HTA's bylaws to see if it needed amendment to conform to ARPA and/or HB862 requirements.

Ms. Yuen asked about the hiring process. Mr. De Fries responded that there was no change. Mr. Arakawa clarified that being HTA's President, Mr. De Fries can hire whomever he wanted but that doing the government process isn't necessary. Mr. De Fries responded that they decided to post the job and will take it down to three candidates who will have an interview with him. He added that this includes the CBO and CAO.

Chair Kam asked for public testimony and there was none.

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

Chair Kam recognized Jennifer Chun to provide and update. Ms. Chun reported the June visitor statistics were published that morning and the hotel and vacation rental reports were published earlier. June visitor spending was \$1.4 billion. U.S. West spending is higher than 2019 due to the higher \$PPPD and longer length of stay, not just increased visitor arrivals. She added that they are nearly approaching the June 2019 average daily census with Hawai'i Island's census actually higher than 2019. She said that DOTAX collected \$43.6 million in June bringing it to a preliminary FY21 collection of \$209.1 million which is down 62.7% compared to last fiscal year but is on par with a number of months in the past years. She added that while June occupancy for vacation rentals was higher than hotels, ADR and room night supply for hotels were much higher than vacation rentals.

Jennifer Chun reported that according to the U.S. Travel Association data, the vacation intentions of U.S. residents in the next six months are trending upwards at this time. She noted that U.S. companies are planning to resume domestic travel in the next months. She added that there is overwhelming positive sentiment about travel with 81% of the respondents actually ready to travel and 88 % have plans to travel. Ms. Chun said that travel agency booking pace for the US market is strong for August and September with the latter month being higher than that of the same period in 2019. She added that Q4 of 2021 and Q1 and Q2 of 2022 are ahead with the bookings compared to 2019. She said that there are a lot of pick up for August and September and Q1 and Q2 of 2022. She noted that the booking

pace for O'ahu is a bit higher for August and September while Maui, Kaua'i and Hawai'i Island are a bit lagging for August but strong for September compared to 2019 data.

Ms. Kimura clarified about the softening of the market in Q1 from yesterday's meeting in comparison to the strong booking pace report and about the availability of vacation rentals. Ms. Chun responded that the data is only for travel agency bookings and doesn't include property direct and others. She added that research methodologies for vacation rentals are direct participation by managers of vacation rental units and review of internet websites thus the vacation rentals data is showing the availability for the given month. Mr. Chun added that Ms. Chun's data is about agency bookings and the data from HVCB is on hotels. Mr. Monahan added that the TravelClick data is a direct data from the participating properties and only for hotel bookings only and excluding time shares. Mr. Talwar noted that TravelClick's data is a full sales effort at the hotel level compared to just a channel coming through the travel agency. Mr. Ka'anā'anā asked about the percentage of hotels with regards to accommodations. Ms. Chun responded that she doesn't have the percentage at the moment but that the majority of visitor units are hotels.

10. Report of the Marketing Standing Committee with the Committee's Recommendations to Support three RFPs for the US Major Market Area, Global MCI, Global Support Services for Discussion and Action by the Board

Chair Kam recognized Daniel Chun to provide an update. Mr. Chun reported that the marketing meeting this month had HVCB and HTJ markets present. He noted that air seats for the summer has increased although not back to pre-pandemic levels due to the absence of international carriers and air seats. He said that as for the U.S. traveler sentiment, 51% slightly put their travels on hold due to the COVID delta variant, 41% disagrees of tourists visiting their town, while about 81% are ready to travel.

Daniel Chun reported that HTJ opened their presentation with Olympics gold medalist, Carissa Moore, who delivered a message in Japanese on behalf of Hawai'i. He noted of that the Tourism Recovery Road Map that JATA outlined was met with skepticism in regards to Japan achieving herd immunity in the September to October timeframe and to seeing a relaxation of the travel requirement for travelers returning to Japan with the hope of opening travel in Q4. He noted that HTJ is in a fixed cost budget until November and the Marketing Standing Committee will have an oversight just in case the budget needed to change. Mr. Chun said that the new CBO, Mr. Ka'anā'anā, reported on major area contract updates, the RFP planning going for 2022, the 2022 BMPs and the current budget vs. the actuals for 2021 budget. Mr. Chun added that the Committee recommends support for the

three RFPs.

Mr. Arakawa asked what they meant with timing issues on contracts. Mr. Chun responded that there were a lot of discussions pertaining to Japan with a contract balance of \$3.4 million, what will happen if Japan reopens in December, and if HTA will be able to ask for an extension into the next calendar year for the contract balance. He added that HTA staff will ask DAGS or B&F for the possibilities and the results will be reported in the next meeting. Mr. Ka'anā'anā added that the contract balance of \$3.4 million needs to be expended by December 31, 2021. Ms. Kimura added that the discussion is that they can move around within the same contract like going for natural resources in place of branding.

11. Presentation, Discussion and Approval of the O'ahu Destination Management Action Plan

Chair Kam recognized Caroline Anderson to provide an update. Ms. Anderson acknowledged Amy Asselbaye (Director of Honolulu Office of Economic Revitalization), Noelani Schilling-Wheeler, (Executive Director of the O'ahu Visitors Bureau), meeting facilitators, Cynthia Derosier and Miranda Foley and their Good Juju team for their help in the development of the O'ahu DMAP. She also thanked Nathan Kam and Erin Khan of the Anthology Marketing group, board members, former and present HTA staffs, and the O'ahu DMAP steering committee. She also thanked Hersh Singer, Faith Rex and Daniel Nāho'opi'i of SMS Research for all of their efforts and guidance in writing the whole plan. Mr. Nāho'opi'i shared the 'ōlelo no'ēau that will be placed on the plan – "O'ahu ka 'ōnohi o na kai – Oah'u, the enter of the seas. In the writing of the plan, they worked diligently to respect the input of the community and Steering Committee. He added that they have aligned the O'ahu DMAP with the other island plans for HTA to take on a statewide initiative and ensured that it fell within the 3-year window. He noted that they worked within the realm of what resources are available for HTA, O'ahu and other county agencies.

Caroline Anderson reminded that the DMAPs come from HTA's strategic plan ensuring focus on the destination management and that the residents are in alignment with the development of tourism for their island. She noted that they used the same process for all the other DMAPs with the exception of the O'ahu DMAP with its foundation built on HTA's strategic plan for the County doesn't have one. Ms. Anderson said that the following issues were presented in the DMAP: reduce visitor impacts, desire for collaborative efforts, balance between the needs and wants of residents and visitors, manage the visitor experience, educate the visitors and pivot towards regenerative tourism. She noted that the 10 anchor actions with sub actions can be found in the Board packet and a number of hotspots were also identified. She reminded that HTA serves as a catalyst to bring together State and County agencies, community organizations and private sectors to help mitigate

hotspot sites.

Ms. Yuen said that the discussions in the steering committee were fully passionate and difficult ones but everybody accepted the challenge of managing the visitors better and its impact on the natural and cultural resources. She thanked the island's steering committees in helping get the DMAP in place which ties in perfectly with HTA's reorganization and with the shift to becoming better stewards of the environment. She said that she wholeheartedly supports the plan and it's to be revisited with it being a three-year plan. She noted that perhaps they could change the "Destination" part of the DMAP as HTA is not managing the tourism impacts and not the destination itself.

Ms. Kimura asked the reduction of visitors' car. Ms. Anderson responded that the sub actions are to support the O'ahu's transportation plan and to look at shuttle services on specific sites. Mr. Ching asked about the discussions on limiting visitors at the airport. Ms. Anderson responded that further discussions with the airports division will be made with the airline schedules and landing fees later. Mr. Alameda believes that they can't limit people from flying to Hawai'i and asked for clarifications about it. Mr. Chun responded that the Federal law has control on it so the States can't regulate it. He added that the most control that they have is managing visitor accommodations leaning on the demand and supply equation and controlling the illegal rentals.

Chair Kam asked Mr. De Fries to highlight about visitors and accommodations. Mr. De Fries responded that after their presentation in the Hawai'i Conservation Alliance meeting, they are encouraged to rethink the use of destination in the DMAP as it skews it in favor of the industry versus the community first. He noted that with the interview yesterday, from the 8 million to 10.4 million visitors, there was no net increase in the hotel room inventory thus most of the 2.4 million visitors ended up in the neighborhood where they don't belong. Chair Kam said that it's their responsibility to do what's right and that it will be tracked with the supplies reduced, and then the amount of people coming will be reduced. Mr. Chun said that people will not come to Hawai'i without any place to stay and where they can control the amount of people in island. He added that he agrees in renaming the DMAP because the big hurdle now is on how to communicate it in a way that the community sees and hears about it more and holds HTA accountable to deliver some of the actions. He added that it would be great to have regular updates in the future to see the on it and to show the community of what HTA is doing. Mr. Ka'anā'anā noted that Mr. De Fries, Mr. Regan and himself have been meeting with various folks on the topic and engaging them in the process

Mr. Arakawa said that he supports the O'ahu DMAP and suggested to put the DMAP under a regular agenda item so they get a regular update and to consider creating a planning

committee. Ms. Anderson responded that she's open to have a planning committee and to report on the DMAPs every Board meeting. She noted that they will be having steering committee updates starting next week to advise the steering committee what they've been doing for each of the DMAPs so far.

Chair Kam requested a motion to approve the O'ahu DMAP. Mr. Atkins made a motion and it was seconded by Kimi Yuen, and unanimously approved.

12. Report of the *Budgetary Review Investigative Committee* of their Meeting Held on July 27, 2021

Chair Kam recognized Ben Rafter to provide an update. Mr. Rafter reported that they didn't make any recommendations or approval on anything but did go over the new process for the HTA team to get approval on the budget as HTA is no longer part of the Special Fund. He added that they reviewed the remaining calendar 2021 budget previously approved as well as the initial Calendar 2022 budget. He said that they now have a handle on how to get approval for spending the budget and will start incorporating it into the review meetings moving forward.

13. Discussion and Action to Authorize Staff to Format a Partial Fiscal Year 2022 Budget Using Three Categories: (1) Payroll; (2) Operations; and (3) Brand Marketing; and, Authorize Specific Spending Amounts for each of the Three Categories; and Authorize Staff to Initiate the RFP Process to Expend up to \$28.5m on US Major Market Area, Global MCI, Global Support Services Contracts

Chair Kam recognized Keith Regan to provide an update. Mr. Regan presented the proposal for the Board to consider with the Marketing Standing Committee recommendation supporting the three RFPs: U.S. major market area, global MCI and global support. He noted that these are partial budgets for FY 2022 which incorporates payroll, operations and brand marketing. He added that they already have an approved payroll allocation of \$3.7 million. He said that everything in there is part of the \$60 million ARPA funds. Mr. Regan said that the operating and governance expenses are a little over \$1 million and that they are asking the Board to support allocating up to \$28.5 million for branding. He noted that they are still having ongoing discussions as to allocations. He noted that they're proposing a little over \$33 million as part of the partial budget for FY2022.

Keith Regan reminded that they have two ARPA allocations which are the \$60 million for general HTA operations and \$11.5 million for the Convention Center. He added that there

will be about \$55.7 million left in the \$60 million and \$10.5 million left in the convention center appropriation from the legislature. Mr. Ka'anā'anā noted that he needed more time to go through the details and how the pieces fit together with the existing contracts, the former RFPs and past practices for branding. He added that the constraints is that they need to request the funding through the process with the CSRF so they request for an amount which is up to but not exceeding the \$28.5 million for the three RFPs together.

Mr. Atkins asked for an elaboration of what was already encumbered in the four pillars. Mr. Ka'anā'anā responded that the breakdown is in the March financial reports but can say that they already encumbered everything they needed for the four pillars through either the TAT restart or the Board resolution that was allocated and approved. He noted that the three RFPs requested today are the three things that they were unable to get covered by any other funding for FY2022. Mr. Ching said that it's important for the actual breakout for the average person will just see branding and would be about perception. Mr. Ka'anā'anā responded that he will work with the team to breakout specific work that the contractors are doing to have a better understanding of what marketing means as there are misconceptions that it's a direct advertising or selling vs. the education and coordination which comprise the majority of it.

Ms. Yuen noted that with the education part of marketing, they need to focus on educating visitors about endangered species by playing it on the planes. Mr. Ka'anā'anā responded that the challenge is with the changing technology changing that some planes have removed the inflight screens or seats as people are now relying on their devices more. He noted that the opportunity is to grow paid social media where they're targeting people on the phone. Mr. Chun reiterated the importance of education on all different channels to get the messaging out and to shift the thought of marketing that it isn't necessarily to get people in Hawai'i but about messaging the visitors on how to behave and what's expected of them which is an important work of the HVCB and all GMTs. He added that an important branding that HTA has to maintain. He noted that they've talked about updating the marketing plans yesterday and the HTA staffs are looking at the key marketing objectives in the plans and putting added emphasis on visitor and industry education for responsible travel and regenerative tourism.

Mr. Talwar noted that all of their messaging is about values that shape behaviors so people understand when they come to the communities. He noted of ways to reach the visitors where most airlines let HVCB work on their apps when someone is booking a trip to Hawai'i and they send a messaging like safety protocols into the destination. He added that once they get through such pace, they can move on to the messaging on more

appropriate behavior. He added that they also message these visitors once they're on island thru FB and Instagram. He said that Ms. Anderson sealed the deal with DOT to have the appropriate behaviors played at the airports also and that specific media groups play them pro bono on their video monitors as well.

Ms. Yuen said that if there's a way to reach out to hotel partners to develop a branded HTA Mālama partner which in turn HTA will promote in its marketing efforts. Mr. Atkins asked Mr. Talwar to discuss about his dealings with the wholesalers and hotels. Mr. Talwar said that the Melamedia group or the hotels are getting those videos up in their rooms and property systems in their own branding and would be difficult to move it to HTA branding. Ms. Yuen agreed that as long as the message and the information are consistent, then it's okay. Mr. Talwar added that when the wholesalers and hotels have a reservation confirmation email, they add the link of the video in it. Mr. Chun said that thru HVCB, HTA have set the messaging and that many hotels throughout the State have signed on to the campaign and are using it within their own branding. He noted that he forgot to mention in his report that there were a lot of talks about Mālama Hawai'i and updates with regards to the messaging for both HVCB and HTJ where they can see where media, partners and visitors have connected with it. He added that this is a long-term initiative but they are already starting to see such shift. Mr. Ka'anā'anā said that with HTJ on fixed costs, they were able to get the partners to start getting the messaging and that it's important to get the campaign out now so the wholesalers and others can build it into their stuff and get ahead of the curve as opposed to getting flatfooted if HTA waits for long and miss the opportunity.

Chair Kam requested a motion to approve this particular agenda item. Daniel Chun made a motion and it was seconded by Kimi Yuen, and unanimously approved.

14. Presentation, Discussion and Action on HTA's Financial Reports for May and June 2021

Chair Kam recognized Marc Togashi and Keith Regan to provide an update. Mr. Regan said that Mr. Togashi will be reporting to be able to elaborate the complexities and details involved the process. Mr. Togashi reported that they were able to encumber 99.9% of the contracts that were planned amounting to \$18.4 million Board resolution funds, \$21.4 million TAT restart funds, and \$35.1 million Convention Center contracts sourced from TAT restart funds and reserves. He referred to the chart in the executive summary which explains how some transactions were accounted for the fiscal year. He explained that the encumbrances that were funded from FY21 budget fell into one of two buckets, namely those that were processed and recorded as FY21 (June 30, 2021) which makes the official FY21 HTA Records; and those processed by DAGS as FY22 business (July 1, 2021) which is FY22 records). He explained that the two buckets combined make up HTA's unofficial FY21

record which was funded with HTA's FY21 budget.

Marc Togashi reported that at the beginning of FY21, HTA had \$44.4 million of Board allocation and reserves including \$5 million emergency fund. He noted that on July 1, 2021 after all the funded encumbrances were processed, HTA had \$7.3 million in Board allocations and reserves which comprise the \$5 million emergency fund and \$2.3 million in carry over. He explained that the \$2.3 million carry over will be swept into the general fund on January 1, 2022 leaving HTA with \$5 million emergency fund reserve. He noted that with the amendment of the FY21 budget, the final amount came to be \$77.7 million. Mr. Togashi said that \$44.5 million was encumbered for branding (58%), \$11.2 million for Hawaiian culture (15%), \$8 million for community (10%), \$3.5 million for natural resources (5%) among others. He noted that the Convention Center Enterprise Special Funds has an initial FY21 reserve of \$23.5 million which was purposed for major repair and maintenance projects. He said that by July 1, 2021, it is now \$870,000. He apologized for the January 1, 2022 projected amount as the amount will likely be higher as they continue to collect revenue from HCC operation.

Marc Togashi reported that with the amendments to the CCESF budget during FY21, it ended up amounting to \$42.6 million after taking into account \$16.5 million in TAT restart funds received in June 2021 and \$18.6 million of Board reserves. He noted that the TAT restart fund was spent to encumber AEG's contract for the Convention Center's FY22 operations. He added that the Board reserves were primarily for encumbering AEG's contract but more focused on major repair and maintenance, programs, projects and operating expenses. He noted that the Budget Statement in the packet consists of greater details on the encumbered amount as of June 30 (official record), the total encumbered using FY21 funds (unofficial FY21 transactions sourced from FY21 budget), and the funded programs which supplements the FY22 budget.

Mr. Atkins asked about the \$3 million spent for COVID-19 support. Mr. Togashi responded that there was a legislative bill aimed to reimburse HTA the amount but didn't pass so they don't have those funds.

Chair Kam requested a motion to approve the financial report as presented. Micah Alameda made a motion, and it was seconded by Daniel Chun, and unanimously approved.

15. Closing Cultural Protocol

Mr. Mr. Ka'anā'anā said that July 31st is a Hawaiian National Holiday where Hawaii's sovereignty was restored after the British crown illegally overthrew the government. He

noted that spoken words regarding the sovereignty of the land being perpetuated in righteousness, it is to make sure that people understood that there's a peaceful way forward to make just those things done unjustly. He added that they can do things in a responsible way and restore justice. Maka Casson-Fisher closed the meeting with a pule and a group clap.

16. Adjournment:

The meeting adjourned at 12:50 pm.

Respectfully submitted,



Sheillane Reyes

Recorder

5

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

HAWAII TOURISM

AUTHORITY

Financial Statements – Executive Summary

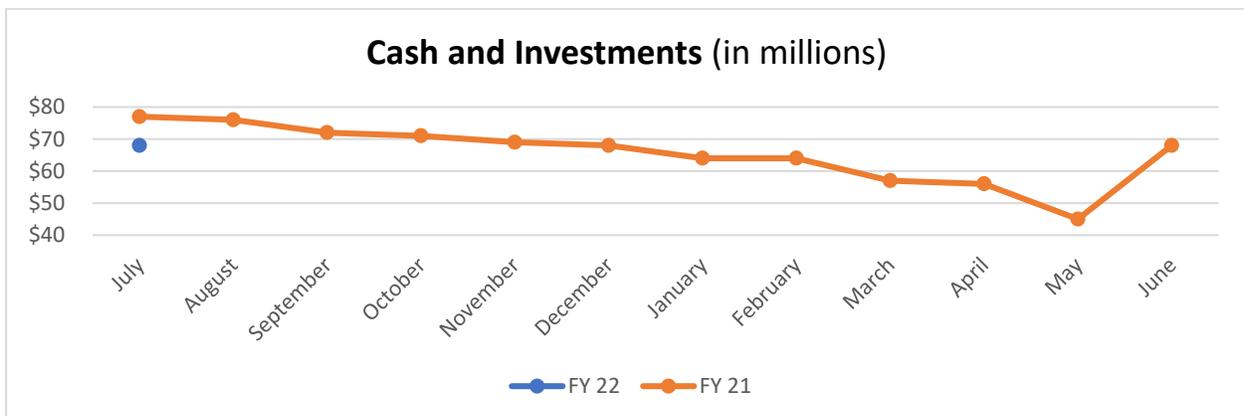
July 1, 2021 – July 31, 2021

Foreword:

- FY21 Transactions Processed in FY22. As noted in HTA’s June 30, 2021 financial statements, some transactions using FY21 funds that we submitted to DAGS in FY21 were processed by DAGS as FY22 business. It is necessary to include these transactions processed in July 2021 in HTA’s official records for FY22 and accordingly are acknowledging that via a separate Budget Statement included in these financial statements for informational purposes only. However, we are including these transactions in HTA’s unofficial FY21 encumbrance records and we will omit these transactions from our focus in FY22 business discussed in these financial statements. Further detail and explanation can be found in HTA’s June 30, 2021 financial statements.
- New Fund Accounts. With HTA now appropriated Federal ARPA funds in FY 2022, we have added two new sections to the Executive Summary to discuss the Tourism Federal (ARPA) Fund and Convention Center Federal (ARPA) Fund.

Tourism Special Fund (TSF):

1. The Tourism Special Fund is set to sunset on January 1, 2022, pursuant to Act 001, 2021 Legislative Special Session, upon which all unencumbered funds will be remitted to the State’s General Fund. The \$5M Emergency Fund will remain with HTA.
2. \$67.9M in cash and investments



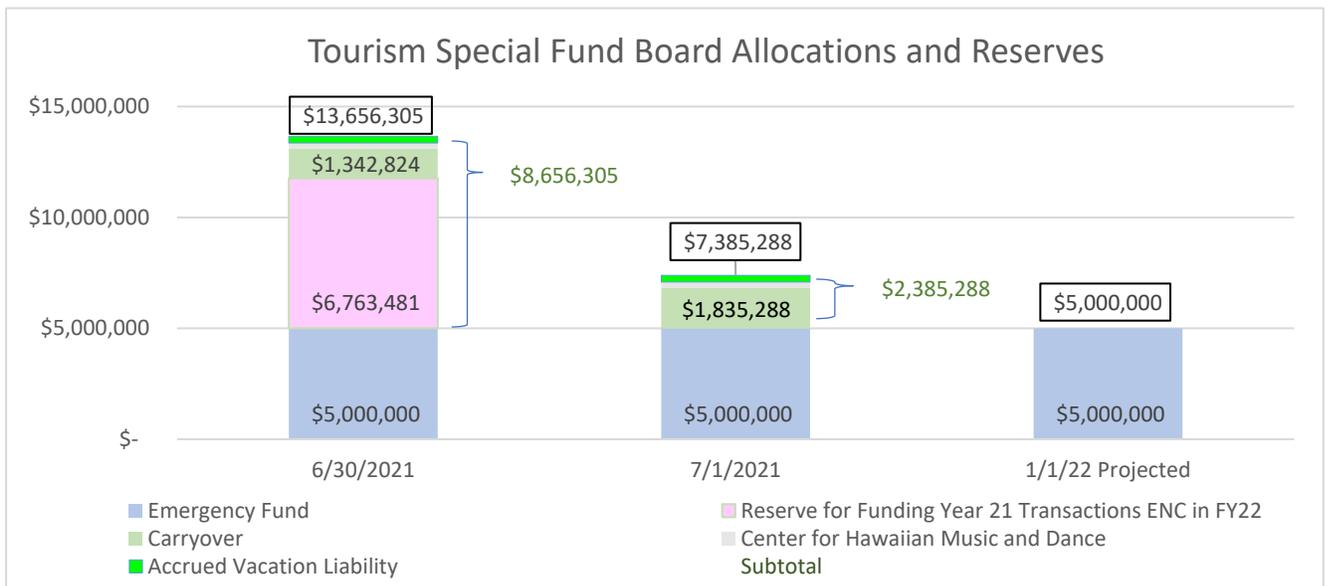
- a. Includes \$5M in Emergency Fund held as investments.
 - i. Approximately \$5.0M held in money market funds
 - ii. Further detail provided in the financial statements (as of June 2021)
- b. Cash remained consistent from June 30, 2021.
- c. We anticipate the cash balance to decrease to \$0 over time once all encumbered funds are expended, except for the \$5M Emergency Fund.

3. HTA's outstanding encumbrances are summarized as follows:

\$60.5M	Prior year encumbrances currently being spent down	
\$0.00	Current year encumbrances remaining	
\$60.5M	Total encumbrances outstanding at July 31, 2021	

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

- 4. In addition to HTA's \$5M Emergency Fund, \$2.3M is reserved as Board allocations as of July 31, 2021. This compares to \$8.6M at the end of last fiscal year. The reduction is due to the FY21 transactions that DAGS processed in FY22, as previously discussed. A supporting schedule is also embedded in these financial statements to provide greater detail. These balances are comprised of the following:



Pursuant to Act 001, Special Session 2021 (HB 862), the Tourism Special Fund will be repealed on January 1, 2022. At that time, any unencumbered funds will return to the State’s General Fund, which we anticipate being approximately \$2.3M. This amount was slightly larger than we originally anticipated heading into FY 2022 due to previously unforeseen reductions to several prior year encumbrances and the timing and process challenges of being able to redeploy those funds.

5. There is no budget for the Tourism Special Fund in FY 2022, as only Federal funds were appropriated.
6. Operating Income (Loss):
 - a. Pursuant to Act 001, Legislative Special Session 2021, HTA is no longer included in the TAT allocation.
 - b. No revenue was earned in July 2021.
 - c. No disbursement of funds to report in July 2021.

Tourism Federal (ARPA) Fund (TFF):

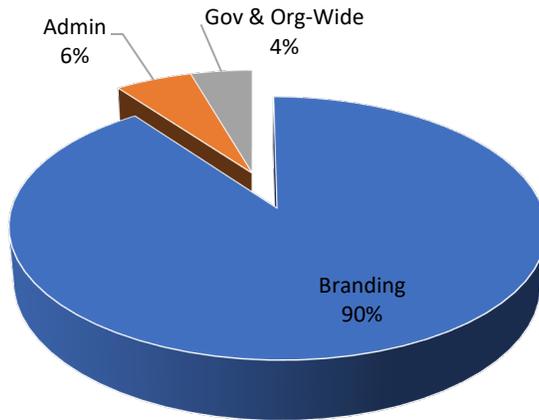
7. \$3.2M in cash (remaining from amount that has been allotted to HTA so far).
8. At its July 2021 meeting, the HTA Board approved a partial FY 2021 budget of \$32.7M. As of July 31, 2021, \$3.2M of the \$32.7M FY2022 budget was utilized/encumbered, or 9.6%.

Below is a summary of the FY 2022 budget based upon Federal reporting categories (titles were paraphrased):

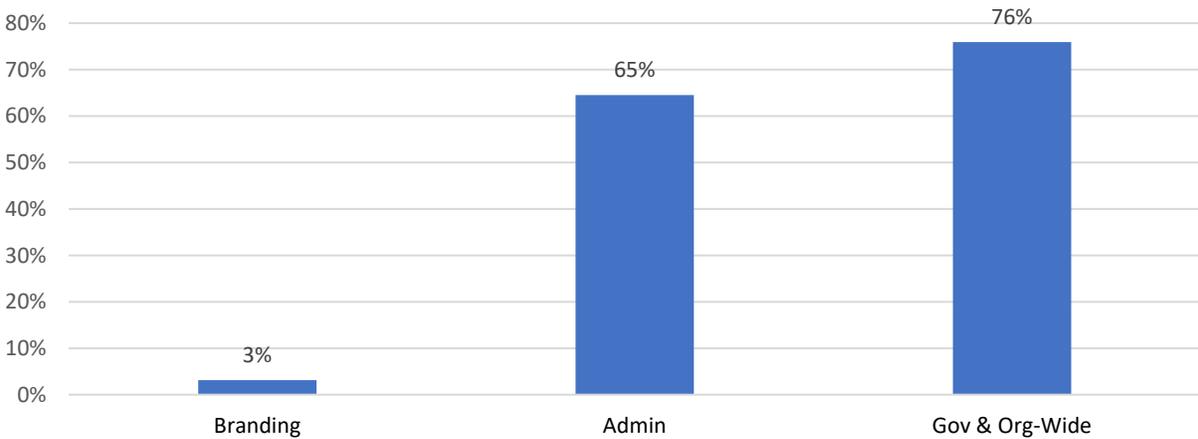
Primary Federal Category	Budget	Encumbered	Remaining
Economic Recovery	28,500,000	-	28,500,000
Continuation of Government Services			
Payroll	3,210,000	3,210,000	-
Operations and Governance	1,000,500	-	1,000,500
	32,710,500	3,210,000	29,500,500

The following are various charts to depict our budget, budget utilization and trends:

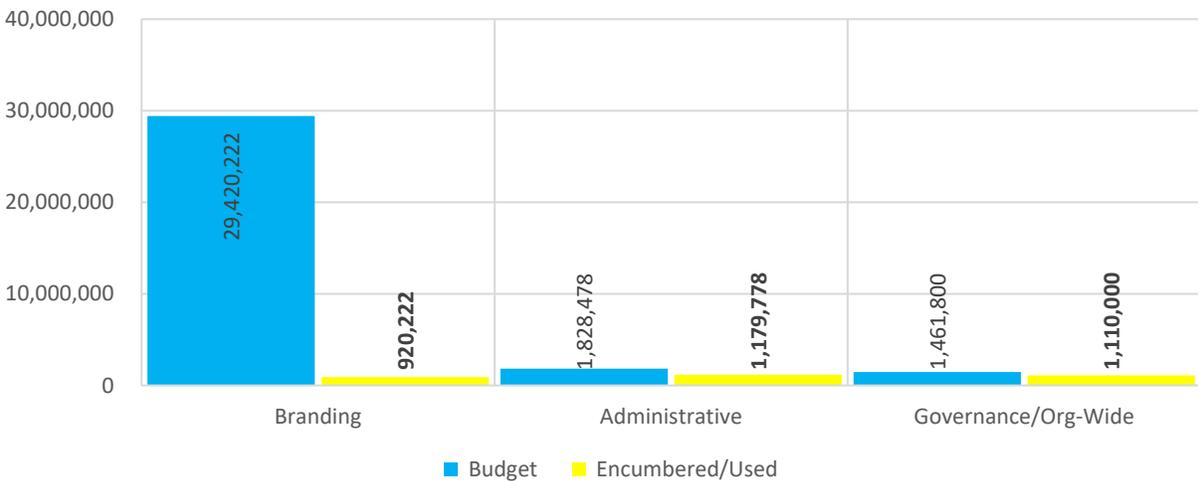
Budget Breakdown - FY 2022

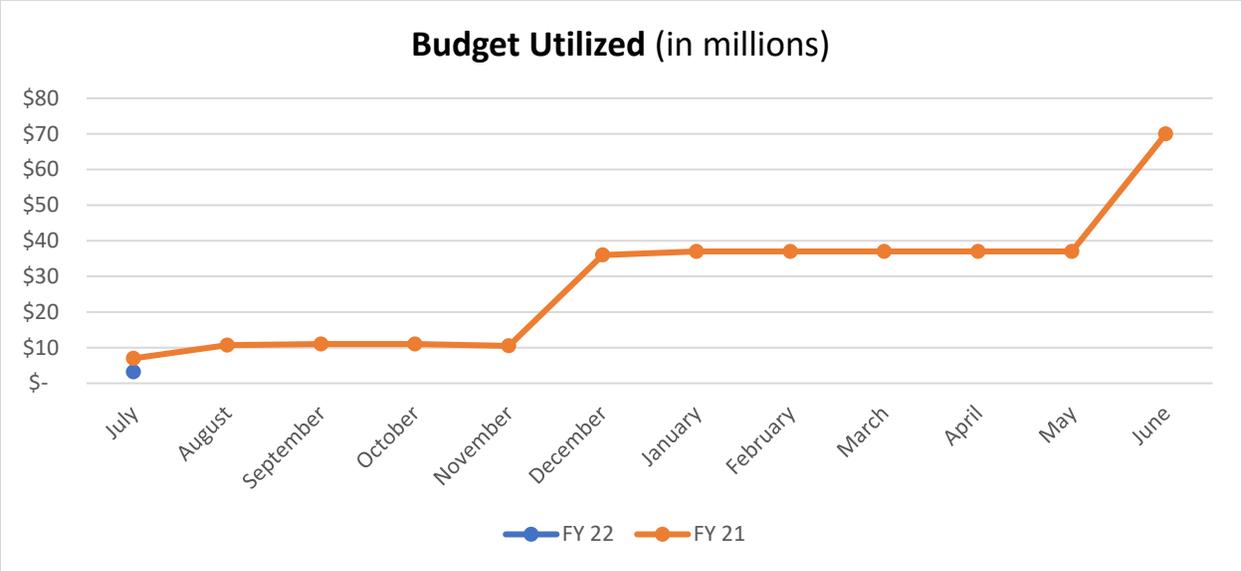


Percentage of Budget Utilized 7/31/21



Budget vs Encumbered as of 7/31/21 (Budget Used)





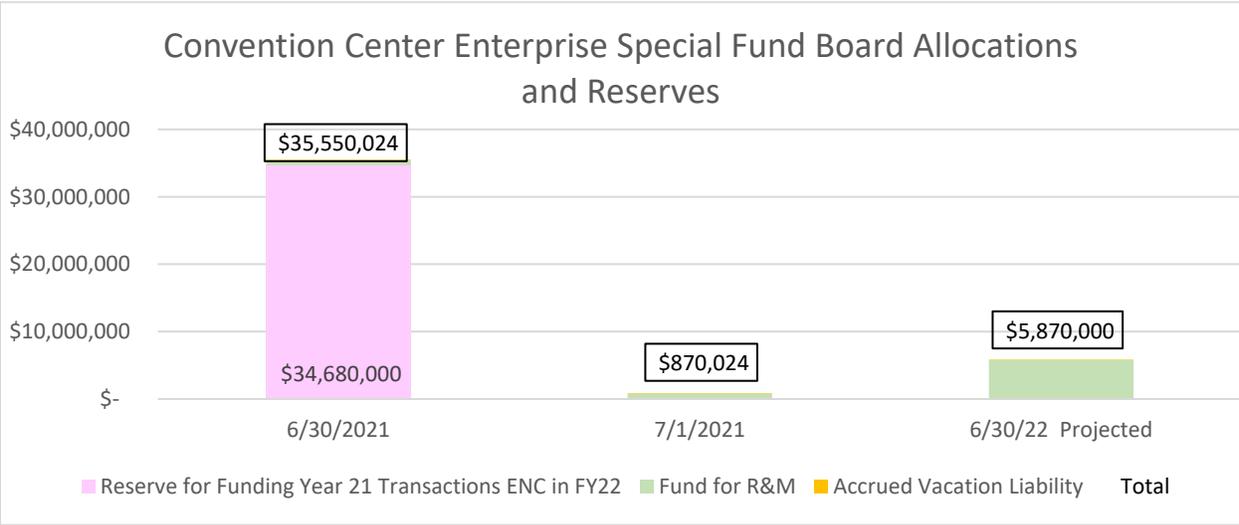
9. No budget reallocations were made in July 2021. A detail of the reallocations made for the reporting period and cumulatively for the fiscal year are typically detailed on the accompanying Budget Reallocation Summary.

10. Operating Income (Loss):

- a. \$3.2M was allotted to HTA in July 2021, which represents ARPA funds HTA will use in FY 2022 for staff's payroll.
- b. Since this is the fund's first year in operation, no Statement of Revenues and Expenditures associated with prior year funds is included.

Convention Center Enterprise Special Fund (CCESF):

- 11. \$36.8M in cash
 - a. Cash remained consistent from June 30, 2021.
- 12. \$20.5M in cash with contractor or with DAGS, for R&M projects (as of June 2021).
 - a. Includes \$2M in Emergency R&M funds
 - b. These funds are encumbered or budgeted toward specific projects such as trellis replacement, house audio upgrades, ballroom gutter and transom glass repair, chiller replacement, exterior planter repairs, and various equipment purchases and upgrades. Of the \$20.5M, approximately \$5.8M has been contracted (as of June 2021).
 - c. The amount of cash remaining with the contractor already takes into account \$3.8M expended on current and future projects (in-progress costs or preliminary work).
- 13. \$870K reserved as Board allocations as of July 31, 2021. This compares to a reserve balance of \$35.5M as of June 30, 2021. The decrease is due to the FY 2021 transactions that were processed by DAGS in July 2021 (as FY 2022 business), discussed earlier. The \$870K remains in the Convention Center Enterprise Special Fund (CCESF), however, HTA is currently unable to spend these funds due to not having an appropriation ceiling in FY 2022. HTA was appropriated \$11M in Federal ARPA funds (Act 88, HB200 State Budget Bill, 2021 Legislative Session), which is separate from the CCESF. The \$870K balance is projected to increase to approximately \$5.8M by June 30, 2022 with the deposit of Convention Center revenues.



14. \$35.9M of prior year outstanding encumbrances currently being spent down.

15. Budget:

- a. No budget has been established for the CCESF's FY 2022, as no expenditure ceiling was appropriated, as discussed earlier.
- b. Note: In FY 2021, HTA used the \$16.5M TAT it received in June 2021 and \$18.6M previously reserved as Board Allocations to fund AEG's FY 2022 contract. Staff advised the Board of its intention to do so at the June 10, 2021 Board meeting, including to deploy reserve funds in an effort to ensure we maximize HCC's ROI and efficiently use any time afforded during the pandemic to address major repair and maintenance. The \$16.5M and \$18.6M were encumbered as follows:

	FY22 HCC Operations - Encumbrance Funded with		
	TAT Restart Funds	Reserve / Board Reso Funds	Total
HCC Facility Operations Expenses	5,517,400	5,169,000	10,686,400
HCC Operating Contingency	-	2,500,000	2,500,000
HCC Local Sales	533,000	-	533,000
Major R&M (from TAT Restart funds)	10,129,600	-	10,129,600
Major R&M (from CCESF Reserves)	-	10,831,000	10,831,000
Property Insurance	320,000	100,000	420,000
	16,500,000	18,600,000	35,100,000

16. Operating Income:

- a. No TAT funds were received in July 2021.
- b. Convention Center Operations
 - i. \$68K operating loss fiscal-year-to-date per HCC financial statements (as of July 2021).

Convention Center Federal (ARPA) Fund (CCFF):

17. \$490K in cash (remaining from amount that has been allotted to HTA so far).

18. The Board approved a \$490K budget for payroll, which was fully encumbered in July 2021.

19. Operating Income:

- a. \$490K was allotted to HTA in July 2021, which represents ARPA funds HTA will use in FY 2022 for staff's payroll.
- b. Since this is the fund's first year in operation, no Statement of Revenues and Expenditures associated with prior year funds is included.

Hawaii Tourism Authority

Balance Sheet

Tourism Special Fund

As of 7/31/21

	<u>Current Year</u>
Assets	
Current Assets	
Checking	62,938,894.26
Petty Cash	5,000.00
Total Current Assets	<u>62,943,894.26</u>
Total Assets	<u><u>62,943,894.26</u></u>
Fund Balance	
Encumbered Funds	
FY 2015 Funds	7,851.29
FY 2016 Funds	6,047.12
FY 2017 Funds	15,706.80
FY 2018 Funds	4,137.03
FY 2019 Funds	577,570.21
FY 2020 Funds	2,709,017.51
FY 2021 Funds	57,238,276.19
Total Encumbered Funds	<u>60,558,606.15</u>
Unencumbered Funds	
Total Unencumbered Funds	2,385,288.11
Total Fund Balance	<u><u>62,943,894.26</u></u>

Hawaii Tourism Authority
Balance Sheet
Convention Center Enterprise Special Fund
As of 7/31/21

	Current Year
Assets	
Current Assets	
Checking	36,811,904.21
Total Current Assets	36,811,904.21
Total Assets	36,811,904.21
Fund Balance	
Encumbered Funds	
FY 2019 Funds	110,894.39
FY 2021 Funds	35,830,985.70
Total Encumbered Funds	35,941,880.09
Unencumbered Funds	
Total Unencumbered Funds	870,024.12
Total Fund Balance	36,811,904.21

Hawaii Tourism Authority
Balance Sheet
Tourism Federal (ARPA) Fund
As of 7/31/21

	<u>Current Year</u>
Assets	
Current Assets	
Checking	<u>3,210,000.00</u>
Total Current Assets	<u>3,210,000.00</u>
Total Assets	<u>3,210,000.00</u>
Fund Balance	
Encumbered Funds	
FY 2022 Funds	<u>3,210,000.00</u>
Total Encumbered Funds	<u>3,210,000.00</u>
Total Fund Balance	<u>3,210,000.00</u>

Hawaii Tourism Authority
Balance Sheet
Convention Center Federal (ARPA) Fund
As of 7/31/21

	<u>Current Year</u>
Assets	
Current Assets	
Checking	490,000.00
Total Current Assets	<u>490,000.00</u>
Total Assets	<u>490,000.00</u>
Fund Balance	
Encumbered Funds	
FY 2022 Funds	490,000.00
Total Encumbered Funds	<u>490,000.00</u>
Total Fund Balance	<u>490,000.00</u>

Hawaii Tourism Authority

Balance Sheet

Emergency Trust Fund

As of 7/31/21

	<u>Current Year</u>
Assets	
Current Assets	
Investments	5,017,941.96
Total Current Assets	<u>5,017,941.96</u>
 Total Assets	 <u><u>5,017,941.96</u></u>
 Fund Balance	
Current year net assets	
	(1,017.12)
Total Current year net assets	<u>(1,017.12)</u>
Prior years	
Total Prior years	5,018,959.08
 Total Fund Balance	 <u><u>5,017,941.96</u></u>

HTA Allocations
FY 2021 and FY 2022 (Projected)

HTA Allocations:

<p>Annual Budgets: -\$60M FY 2022 HTA Tourism Federal (ARPA) Fund [subject to approval]</p> <p>-\$11M FY 2022 Convention Center Federal (ARPA) Fund [subject to approval]</p>

\$5M Emergency Funds	
<p>\$5M Emergency Fund Reserve (Established by Statute as a separate fund, to be used upon declaration of a tourism emergency by the Governor)</p>	<p>\$0M Mandated by Board (designated for use in the event of a significant economic downturn upon Board approval; used to fund FY 21 budget)</p>

	Tourism Special Fund Long-Term Obligations, Commitments and Allocations:			Convention Center Fund Long-Term Obligations, Commitments and Obligations:		
	6/30/2021	7/1/2021	Projected 1/1/2022	6/30/2021	7/1/2021	Projected 6/30/2022
Carryover of FY 2020 to FY 2021 Budget (Use in FY 21)	-	-	-	-	-	-
Reserve for Funding Year 21 Transactions Enc in FY22	6,763,481	-	-	34,680,000	-	-
Carryover	1,342,824	1,342,824	-	790,024	790,024	5,790,000
FY21 Interest, Refunds and Other Income	-	-	-	-	-	-
Encumbrance liquidations	-	492,464	-	-	-	-
Center for Hawaiian Music & Dance	250,000	250,000	-	-	-	-
Accrued Health Liability	-	-	-	-	-	-
Accrued Retirement Liability	-	-	-	-	-	-
Accrued Vacation Liability	300,000	300,000	-	80,000	80,000	80,000
Total Long-Term Obligations and Commitments	8,656,305	2,385,288	-	35,550,024	870,024	5,870,000

TOTAL RESERVES (incl \$5M Emergency Fund) 13,656,305 7,385,288 5,000,000

35,550,024 870,024 5,870,000

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Tourism Federal (ARPA) Fund
FY 2022 Funds
From 7/1/2021 Through 7/31/2021

	Total Budget - MicroiFY 22	Current Period Actual	Current Year Actual	Total Budget Variance - MicroiFY 22
Revenue				
Alloted Federal Funds	60,000,000.00	3,210,000.00	3,210,000.00	(56,790,000.00)
Total Revenue	<u>60,000,000.00</u>	<u>3,210,000.00</u>	<u>3,210,000.00</u>	<u>(56,790,000.00)</u>
Expense				
Branding	29,420,222.00	0.00	0.00	29,420,222.00
Administrative	1,828,478.00	0.00	0.00	1,828,478.00
Governance and Organization-Wide	1,461,800.00	0.00	0.00	1,461,800.00
Total Expense	<u>32,710,500.00</u>	<u>0.00</u>	<u>0.00</u>	<u>32,710,500.00</u>
Net Income	<u>27,289,500.00</u>	<u>3,210,000.00</u>	<u>3,210,000.00</u>	<u>(24,079,500.00)</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Convention Center Federal (ARPA) Fund
FY 2022 Funds
From 7/1/2021 Through 7/31/2021

	Total Budget - MicroiFY 22	Current Period Actual	Current Year Actual	Total Budget Variance - MicroiFY 22
Revenue				
Alloted Federal Funds	11,000,000.00	490,000.00	490,000.00	(10,510,000.00)
Total Revenue	<u>11,000,000.00</u>	<u>490,000.00</u>	<u>490,000.00</u>	<u>(10,510,000.00)</u>
Expense				
Branding	72,958.00	0.00	0.00	72,958.00
Administrative	247,042.00	0.00	0.00	247,042.00
Governance and Organization-Wide	170,000.00	0.00	0.00	170,000.00
Total Expense	<u>490,000.00</u>	<u>0.00</u>	<u>0.00</u>	<u>490,000.00</u>
Net Income	<u>10,510,000.00</u>	<u>490,000.00</u>	<u>490,000.00</u>	<u>(10,020,000.00)</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Tourism Special Fund - **Prior Year Funds**
From 7/1/2021 Through 7/31/2021

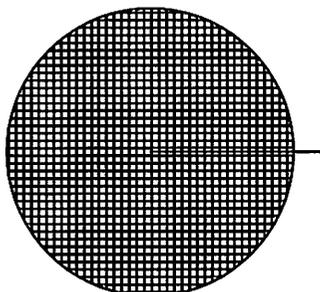
	<u>Total Budget</u>	<u>Current Period Actual</u>	<u>Current Year Actual</u>	<u>Total Budget Variance</u>
Expense				
Perpetuating Hawaiian Culture	11,199,632.00	0.00	0.00	11,199,632.00
Natural Resources	3,447,910.00	0.00	0.00	3,447,910.00
Community	8,462,772.12	0.00	0.00	8,462,772.12
Branding	33,112,516.00	0.00	0.00	33,112,516.00
Sports	160,222.00	0.00	0.00	160,222.00
Safety and Security	770,114.66	0.00	0.00	770,114.66
Tourism Research	2,270,248.83	0.00	0.00	2,270,248.83
Administrative	933,514.62	0.00	0.00	933,514.62
Governance and Organization-Wide	201,675.92	0.00	0.00	201,675.92
Total Expense	<u>60,558,606.15</u>	<u>0.00</u>	<u>0.00</u>	<u>60,558,606.15</u>
Net Income	<u>(60,558,606.15)</u>	<u>0.00</u>	<u>0.00</u>	<u>60,558,606.15</u>

Hawaii Tourism Authority
Statement of Revenues and Expenditures
Convention Center Enterprise Special Fund - **Prior Year Funds**
From 7/1/2021 Through 7/31/2021

	Total Budget	Current Period Actual	Current Year Actual	Total Budget Variance
Expense				
Branding	6,080.00	0.00	0.00	6,080.00
Administrative	19,449.64	0.00	0.00	19,449.64
HCC Operating Expense	13,465,701.52	0.00	0.00	13,465,701.52
HCC Repair and Maintenance	20,960,600.00	0.00	0.00	20,960,600.00
HCC Sales and Marketing / MFF	902,672.93	0.00	0.00	902,672.93
Governance and Organization-Wide	587,376.00	0.00	0.00	587,376.00
Total Expense	<u>35,941,880.09</u>	<u>0.00</u>	<u>0.00</u>	<u>35,941,880.09</u>
Net Income	<u>(35,941,880.09)</u>	<u>0.00</u>	<u>0.00</u>	<u>35,941,880.09</u>

Summary Of Investments

Investment Allocation



0.0%	CASH	41.91
100.0%	CASH EQUIVALENTS	5,017,900.05
100.0%	TOTAL	5,017,941.96

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	41.91	0.00	0	0.00
CASH EQUIVALENTS	5,017,900.05	100.00	502	0.01
Total Fund	5,017,941.96	100.00	502	0.01

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	41.91	41.91	100.00
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
5,017,900.05	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	5,017,900.05	5,017,900.05	100.00
	Total Fund	5,017,941.96*	5,017,941.96*	100.00*

Hawaii Convention Center
Facility
Income Statement
From 7/01/2021 Through 7/31/2021
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Direct Event Income								
Rental Income (Net)	254,933	155,600	99,333	469,003	254,933	155,600	99,333	469,003
Service Revenue	150,990	130,140	20,850	208,005	150,990	130,140	20,850	208,005
Total Direct Event Income	405,922	285,740	120,182	677,007	405,922	285,740	120,182	677,007
Direct Service Expenses	205,826	136,304	(69,523)	186,170	205,826	136,304	(69,523)	186,170
Net Direct Event Income	200,096	149,436	50,660	490,837	200,096	149,436	50,660	490,837
Ancillary Income								
Food and Beverage (Net)	32,426	3,380	29,046	88,632	32,426	3,380	29,046	88,632
Event Parking (Net)	271,674	5,800	265,874	10,879	271,674	5,800	265,874	10,879
Electrical Services	0	0	0	0	0	0	0	0
Audio Visual	1,993	240	1,753	1,007	1,993	240	1,753	1,007
Internet Services	0	0	0	0	0	0	0	0
Rigging Services	0	0	0	0	0	0	0	0
First Aid Commissions	0	0	0	0	0	0	0	0
Total Ancillary Income	306,093	9,420	296,673	100,518	306,093	9,420	296,673	100,518
Total Event Income	506,189	158,856	347,333	591,356	506,189	158,856	347,333	591,356
Other Operating Income								
Non-Event Parking	1,500	0	1,500	0	1,500	0	1,500	0
Other Income	2,577	1,417	1,160	3,073	2,577	1,417	1,160	3,073
Total Other Operating Income	4,077	1,417	2,660	3,073	4,077	1,417	2,660	3,073
Total Gross Income	510,267	160,273	349,993	594,428	510,267	160,273	349,993	594,428
Net Salaries & Benefits								
Salaries & Wages	285,110	360,370	75,260	297,858	285,110	360,370	75,260	297,858
Payroll Taxes & Benefits	78,742	125,893	47,151	84,306	78,742	125,893	47,151	84,306
Labor Allocations to Events	(124,315)	(120,883)	3,432	(171,263)	(124,315)	(120,883)	3,432	(171,263)
Total Net Salaries & Benefits	239,537	365,380	125,843	210,900	239,537	365,380	125,843	210,900
Other Indirect Expenses								
Net Contracted Services	15,546	22,614	7,068	14,716	15,546	22,614	7,068	14,716
Operations	5,989	10,534	4,545	3,675	5,989	10,534	4,545	3,675
Repair & Maintenance	52,800	72,367	19,567	37,462	52,800	72,367	19,567	37,462
Operational Supplies	28,752	30,777	2,025	22,075	28,752	30,777	2,025	22,075
Insurance	12,107	9,379	(2,728)	12,004	12,107	9,379	(2,728)	12,004
Utilities	191,567	138,402	(53,165)	157,863	191,567	138,402	(53,165)	157,863
Meetings & Conventions	1,020	850	(170)	1,101	1,020	850	(170)	1,101
Promotions & Communications	2,527	2,300	(227)	6,000	2,527	2,300	(227)	6,000
General & Administrative	10,373	13,404	3,031	17,459	10,373	13,404	3,031	17,459
Management Fees	18,633	18,633	(0)	18,232	18,633	18,633	(0)	18,232
Other	200	2,166	1,966	314	200	2,166	1,966	314
Total Other Indirect	339,515	321,426	(18,089)	290,901	339,515	321,426	(18,089)	290,901
Net Income (Loss) before CIP Funded Expenses	(68,786)	(526,533)	457,747	92,627	(68,786)	(526,533)	457,747	92,627
CIP Funded Expenses	0	0	0	314	0	0	0	314
Net Income (Loss) from Operations	(68,786)	(526,533)	457,747	92,941	(68,786)	(526,533)	457,747	92,941
Fixed Asset Purchases	0	8,333	8,333	11,073	0	8,333	8,333	11,073
Net Income (Loss) After Fixed Asset Purchases	(68,786)	(534,866)	466,080	81,868	(68,786)	(534,866)	466,080	81,868

Hawaii Convention Center
Facility
Income Statement
From 7/01/2021 Through 7/31/2021
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Revenues								
Food & Beverage	128,636	5,593	123,043	116,429	128,636	5,593	123,043	116,429
Facility	707,410	293,697	413,713	691,966	707,410	293,697	413,713	691,966
Total Revenues	836,046	299,290	536,756	808,395	836,046	299,290	536,756	808,395
Expenses								
Food & Beverage	174,221	92,749	(81,472)	27,797	174,221	92,749	(81,472)	27,797
Facility	730,611	733,074	2,463	687,971	730,611	733,074	2,463	687,971
Total Expenses	904,832	825,823	(79,009)	715,768	904,832	825,823	(79,009)	715,768
Net Income (Loss) before CIP Funded Expenses	(68,786)	(526,533)	457,747	92,627	(68,786)	(526,533)	457,747	92,627
CIP Funded Expenses	0	0	0	314	0	0	0	314
Net Income (Loss) from Operations	(68,786)	(526,533)	457,747	92,941	(68,786)	(526,533)	457,747	92,941
Fixed Asset Purchases	0	8,333	8,333	11,073	0	8,333	8,333	11,073
Net Income (Loss) after Fixed Asset Purchases	(68,786)	(534,866)	466,080	81,868	(68,786)	(534,866)	466,080	81,868

Hawaii Convention Center
Sales and Marketing
Income Statement
From 7/1/2021 Through 7/31/2021
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Other Operating Income								
Other Income	0	0	0	0	0	0	0	0
Total Other Operating Income	0	0	0	0	0	0	0	0
Total Gross Income	0	0	0	0	0	0	0	0
Net Salaries & Benefits								
Salaries & Wages	21,900	22,492	592	12,804	21,900	22,492	592	12,804
Payroll Taxes & Benefits	4,804	6,759	1,955	6,714	4,804	6,759	1,955	6,714
Total Net Salaries & Benefits	26,704	29,251	2,547	19,518	26,704	29,251	2,547	19,518
Other Indirect Expenses								
Net Contracted Services	0	0	0	0	0	0	0	0
Repair & Maintenance	5,450	5,683	233	5,365	5,450	5,683	233	5,365
Utilities	279	300	21	291	279	300	21	291
Meetings & Conventions								
Mileage	0	0	0	0	0	0	0	0
Meals & Entertainment	0	208	208	0	0	208	208	0
Meetings & Conventions	0	3,500	3,500	0	0	3,500	3,500	0
Dues & Subscriptions	0	133	133	88	0	133	133	88
Total Meetings & Conventions	0	3,841	3,841	88	0	3,841	3,841	88
Promotions & Communications								
Site Visit	0	0	0	0	0	0	0	0
Photography	0	1,000	1,000	0	0	1,000	1,000	0
Advertising	0	0	0	0	0	0	0	0
Web Development & Maint	1,218	1,850	632	10,208	1,218	1,850	632	10,208
Market Research	0	0	0	0	0	0	0	0
Promotional	994	175	(819)	(25,000)	994	175	(819)	(25,000)
Attendance Promotion	0	0	0	0	0	0	0	0
Global Outreach	0	0	0	0	0	0	0	0
Total Promotions & Comm	2,212	3,025	813	(14,792)	2,212	3,025	813	(14,792)
Marketing Flexibility Fund	0	0	0	0	0	0	0	0
General & Administrative	247	4,208	3,961	491	247	4,208	3,961	491
Management Fees	0	0	0	0	0	0	0	0
Other	1,047	1,266	219	1,047	1,047	1,266	219	1,047
Total Other Indirect Expenses	9,235	18,323	9,088	(7,510)	9,235	18,323	9,088	(7,510)
Net Income (Loss) from Operations	(35,938)	(47,574)	11,636	(12,008)	(35,938)	(47,574)	11,636	(12,008)
Fixed Asset Purchases	0	0	0	0	0	0	0	0
Net Income (Loss) After Fixed Asset Purchases	(35,938)	(47,574)	11,636	(12,008)	(35,938)	(47,574)	11,636	(12,008)

Hawaii Tourism Authority
 Budget Statement - Summary
 FY 2022
 As of July 31, 2021

Category	Tourism Federal (ARPA) Fund [TFF]				Convention Center Federal (ARPA) Fund [CCFF]			
	Fiscal Year 2022				Fiscal Year 2022			
	Budget	YTD Amount of Budget Used	Balance	Activity for July 31, 2021	Budget	YTD Amount of Budget Used	Balance	Activity for July 31, 2021
Revenues								
TAT Revenue Allocation			-	-	-	-	-	-
Federal ARPA Funds	60,000,000	3,210,000	56,790,000	3,210,000	11,000,000	490,000	10,510,000	490,000
Prior Year Carryover			-	-	-	-	-	-
Availability of \$5M Emergency Fund (Subject to Governor Approval)			-	-	-	-	-	-
Other			-	-	-	-	-	-
	<u>60,000,000</u>	<u>3,210,000</u>	<u>56,790,000</u>	<u>3,210,000</u>	<u>11,000,000</u>	<u>490,000</u>	<u>10,510,000</u>	<u>490,000</u>
Expenditures								
Perpetuating Hawaiian Culture								
Hawaiian Culture Programs			-	-	-	-	-	-
In-House Contracted Staff - Hawaiian Culture			-	-	-	-	-	-
State Employee Salaries - Hawaiian Culture			-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Natural Resources (Statute: \$1M minimum)								
Natural Resources Programs			-	-	-	-	-	-
In-House Contracted Staff - Natural Resources			-	-	-	-	-	-
State Employee Salaries - Natural Resources			-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Community								
Community Programs			-	-	-	-	-	-
In-House Contracted Staff - Community			-	-	-	-	-	-
State Employee Salaries - Community			-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Branding								
Branding Programs	28,500,000		28,500,000	-	-	-	-	-
In-House Contracted Staff - Branding			-	-	-	-	-	-
State Employee Salaries - Branding	920,222	920,222	-	920,222	72,958	72,958	-	72,958
Subtotal	<u>29,420,222</u>	<u>920,222</u>	<u>28,500,000</u>	<u>920,222</u>	<u>72,958</u>	<u>72,958</u>	<u>-</u>	<u>72,958</u>
Sports								
Sports Programs			-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Safety and Security								
Safety and Security Programs			-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Tourism Research								
Tourism Research Programs			-	-	-	-	-	-
In-House Contracted Staff - Tourism Research			-	-	-	-	-	-
State Employee Salaries - Tourism Research			-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Hawai'i Convention Center								
Sales & Marketing			-	-	-	-	-	-
Operations			-	-	-	-	-	-
Major Repair & Maintenance			-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-
Administrative (Statute: Cannot exceed 3.5% = \$2,765,000)								
Operations	648,700		648,700	-	-	-	-	-
In-House Contracted Staff - Admin			-	-	-	-	-	-
State Employee Salaries - Admin	1,179,778	1,179,778	-	1,179,778	247,042	247,042	-	247,042
Subtotal	<u>1,828,478</u>	<u>1,179,778</u>	<u>648,700</u>	<u>1,179,778</u>	<u>247,042</u>	<u>247,042</u>	<u>-</u>	<u>247,042</u>
Organizationwide Costs								
State Employee Fringe	1,110,000	1,110,000	-	1,110,000	170,000	170,000	-	170,000
Organization-Wide	230,000		230,000	-	-	-	-	-
Governance - Board/Others	121,800		121,800	-	-	-	-	-
Subtotal	<u>1,461,800</u>	<u>1,110,000</u>	<u>351,800</u>	<u>1,110,000</u>	<u>170,000</u>	<u>170,000</u>	<u>-</u>	<u>170,000</u>
Total Expenditures	<u>32,710,500</u>	<u>3,210,000</u>	<u>29,500,500</u>	<u>3,210,000</u>	<u>490,000</u>	<u>490,000</u>	<u>-</u>	<u>490,000</u>
Revenues vs Expenditures	<u>27,289,500</u>	<u>-</u>			<u>10,510,000</u>	<u>-</u>		

Program Code	Program Title	Budget - FY22	YTD Encumbered (Budget Used) - FY22	Budget Remaining	July 2021 Activity
HTA Tourism Federal Fund (ARPA)					
Branding					
321	US (formerly North America)	28,500,000.00	0.00	28,500,000.00	0.00
934	State Employee Salaries - Branding	920,222.00	920,222.00	0.00	920,222.00
Subtotal	Branding	29,420,222.00	920,222.00	28,500,000.00	920,222.00
Administrative					
901	General and Administrative	648,700.00	0.00	648,700.00	0.00
930	State Employee Salaries - Admin	1,179,778.00	1,179,778.00	0.00	1,179,778.00
Subtotal	Administrative	1,828,478.00	1,179,778.00	648,700.00	1,179,778.00
Governance and Organization-Wide					
915	Organization-Wide	230,000.00	0.00	230,000.00	0.00
919	Governance - Gen Board/Others	121,800.00	0.00	121,800.00	0.00
931	State Employees Fringe	1,110,000.00	1,110,000.00	0.00	1,110,000.00
Subtotal	Governance and Organization-Wide	1,461,800.00	1,110,000.00	351,800.00	1,110,000.00
Total	Total 262 - Tourism Federal (ARPA) Fund	32,710,500.00	3,210,000.00	29,500,500.00	3,210,000.00
Convention Center Federal Fund (ARPA)					
Branding					
934	State Employee Salaries - Branding	72,958.00	72,958.00	0.00	72,958.00
Subtotal	Branding	72,958.00	72,958.00	0.00	72,958.00
Administrative					
930	State Employee Salaries - Admin	247,042.00	247,042.00	0.00	247,042.00
Subtotal	Administrative	247,042.00	247,042.00	0.00	247,042.00
Governance and Organization-Wide					
931	State Employees Fringe	170,000.00	170,000.00	0.00	170,000.00
Subtotal	Governance and Organization-Wide	170,000.00	170,000.00	0.00	170,000.00
Total	Total 222 - Convention Center Federal (ARPA) Fund	490,000.00	490,000.00	0.00	490,000.00

Budget Reallocation Summary
 FY 2022
 Through July 31, 2021

Budget Line Item	Program Code	Budget	Year-to-Date		July 2021 Activity
			Reallocation	Budget After Reallocations	
Perpetuating Hawaiian Culture					
<i>From:</i>					
None				-	
				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
				-	
				-	
			-		-
Natural Resources					
<i>From:</i>					
None				-	
				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
				-	
			-		-
Community					
<i>From:</i>					
None				-	
				-	
				-	
			-		-
<i>To:</i>					
				-	
				-	
				-	
				-	
			-		-

Budget Reallocation Summary
 FY 2022
 Through July 31, 2021

Budget Line Item	Program Code	Budget	Reallocation	Budget After Reallocations	July 2021 Activity
			-		-
To:				-	
				-	
			-		-
<hr/>					
Administration					
From:					
None				-	
				-	
			-		-
To:				-	
				-	
			-		-
<hr/>					
Governance and Organization-Wide					
From:					
None				-	
				-	
			-		-
To:				-	
				-	
			-		-
<hr/>					
Board Allocations					
From:					
None				-	
				-	
			-		-
			-		-

Hawaii Tourism Authority
Budget Statement
July 1, 2021

Note: This schedule summarizes transactions that were encumbered with FY21 funds, processed by FY22 business. See further discussion in Executive Summary.

Program Code	Program Title	FY21 Funds Transactions, Processed in FY22
Perpetuating Hawaiian Culture		
201	Kukulu Ola: Living Hawaiian Cultural Prog	-
202	Hawaiian Culture Initiative	-
206	Kahea Program - Harbor Greetings	-
207	Kahea Program - Airport Greetings	-
208	Hawaiian Music and Dance Center	5,948,568
212	Merrie Monarch Hula Festival	-
215	Hawaiian Culture Opportunity Fund	99,995
216	Olelo Hawaii	-
297	Memberships and Dues - Hawaiian Culture	-
717	Monthly Music Series	-
932	Salaries - Hawaiian Culture	-
	Total - Perpetuating Hawaiian Culture	6,048,563
Natural Resources		
402	Aloha Aina (formerly NR and Leg Prov NR)	-
406	Visitor Impact Program	-
407	Hawaii Eco Tourism Association	-
499	In-House Contracted Staff - Natural Resources	-
936	State Employee Salaries - Natural Resources	-
	Total - Natural Resources	-
Community		
700	Community Opportunity	-
701	Community Enrichment Program	-
731	Community-Based Tourism - Oahu	-
732	Community-Based Tourism - Maui County	20,000
733	Community-Based Tourism - Hawaii Island	15,000
734	Community-Based Tourism - Kauai	15,000
797	Memberships and Dues - Community	-
933	State Employee Salaries - Community	-
	Total - Community	50,000
Branding		
4	Cruise Infrastructure Improvements and Arrival Experienc	-
318	gohawaii.com (formerly Online Website Coordination)	-
320	Island Chapters Staffing and Admin	-
321	US (formerly North America)	-
322	Canada	800,000
323	Japan	-
324	Korea	-
325	Oceania	-
329	China	-
331	Meetings, Convention & Incentives	-
339	Global Digital Marketing Strategy (former Intl Online Stra	-
350	Global Mkt Shared Resces (formerly Intellect Prop Data B	-
380	Marketing Opportunity Fund	-
397	Memberships and Dues - Branding	-
398	Travel - Branding	-
723	Hawaii Film Office Partnership	-
934	State Employee Salaries - Branding	-
	Total - Branding	800,000
Sports		
312	PGA Tour Contracts	-
377	Polynesian Football HoF	-
378	UH Athletics Branding Partnership	-
384	Football	-
	Total - Sports	-
Safety and Security		
601	Visitor Assistance Programs	55,000
602	Crisis Management	-
	Total - Safety and Security	55,000

Hawaii Tourism Authority
Budget Statement
July 1, 2021

Tourism Research		
505	Est of Visitor Arrivals by Country by Month	-
506	Infrastructure Research (Accomodations and Airseats)	-
512	Visitor Arrivals and Departure Surveys	(390,082)
513	Evaluation and Performance Studies	-
514	Marketing Research	-
597	Memberships and Dues - Research	-
935	State Employee Salaries - Research	-
	Total - Tourism Research	(390,082)
Administrative		
101	Community-Industry Outreach & Public Relations Svcs	200,000
103	hawaiitourismauthority.org (formerly HTA web/Global Sc	-
901	General and Administrative	-
909	Protocol Fund	-
930	State Employee Salaries - Admin	-
	Total - Administrative	200,000
Governance and Organization-Wide		
915	Organization-Wide	-
919	Governance - Gen Board/Others	-
931	State Employees Fringe	-
	Total - Governance and Organization-Wide	-
	Total	6,763,481

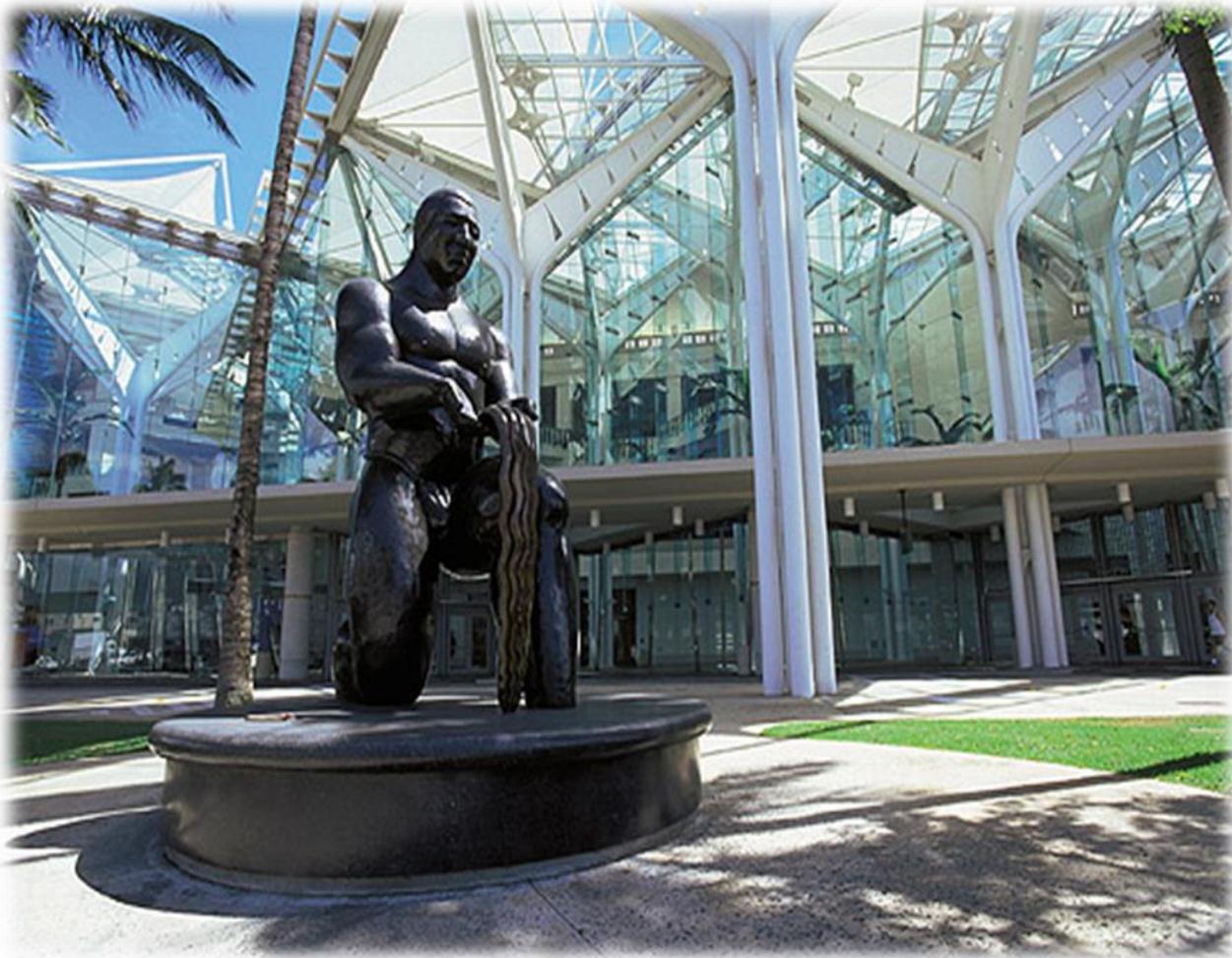
Convention Center Enterprise Special Fund:

Branding		
934	State Employee Salaries - Branding	-
	Total - Branding	-
Administrative		
930	State Employee Salaries - Admin	-
	Total - Administrative	-
HCC Operations		
850	HCC Operating Expense	13,186,400
860	HCC Repair and Maintenance	20,960,600
870	HCC Sales and Marketing / MFF	-
871	HCC Local Sales	533,000
	Total - HCC Operations	34,680,000
Governance and Organization-Wide		
915	Organization-Wide	-
931	State Employees Fringe	-
	Total - Governance and Organization-Wide	-
	Total CCESF	34,680,000

6

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

Hawai'i Convention Center



FY 2022 Local Sales & Marketing Budget

Current Restrictions – Static Events/Indoor Sports

Indoor Events, Meetings, Conventions

TIER:

Non-static events that have more attendees than the social gathering limit.

TIER 4

50% capacity
all guests tested or show proof of full vaccination

TIER 5



100% capacity
all guests tested or show proof of full vaccination
mitigation plan required

NO MORE TIERS

no restrictions

Key:

[Governor's Executive Order 21-05](#) has additional rules for Tier 5.



Mitigation Plan Required



Group size reduced



Reduced capacity

Emergency Order 2021-10

Structured Static Events at Venues. This section applies to structured events at venues (e.g., convention centers, banquet rooms, etc.) for industry and education purposes (“**Structured Events**”). Static events are those in which attendees reserve a seat, attend the seated event, and leave. Examples of static events include business/educational seminars, business meetings, and graduations.

Static Events are prohibited at this time. Must operate as a social gathering limited to 10 indoors/25 outdoors, including all staff, vendors, guests, etc.

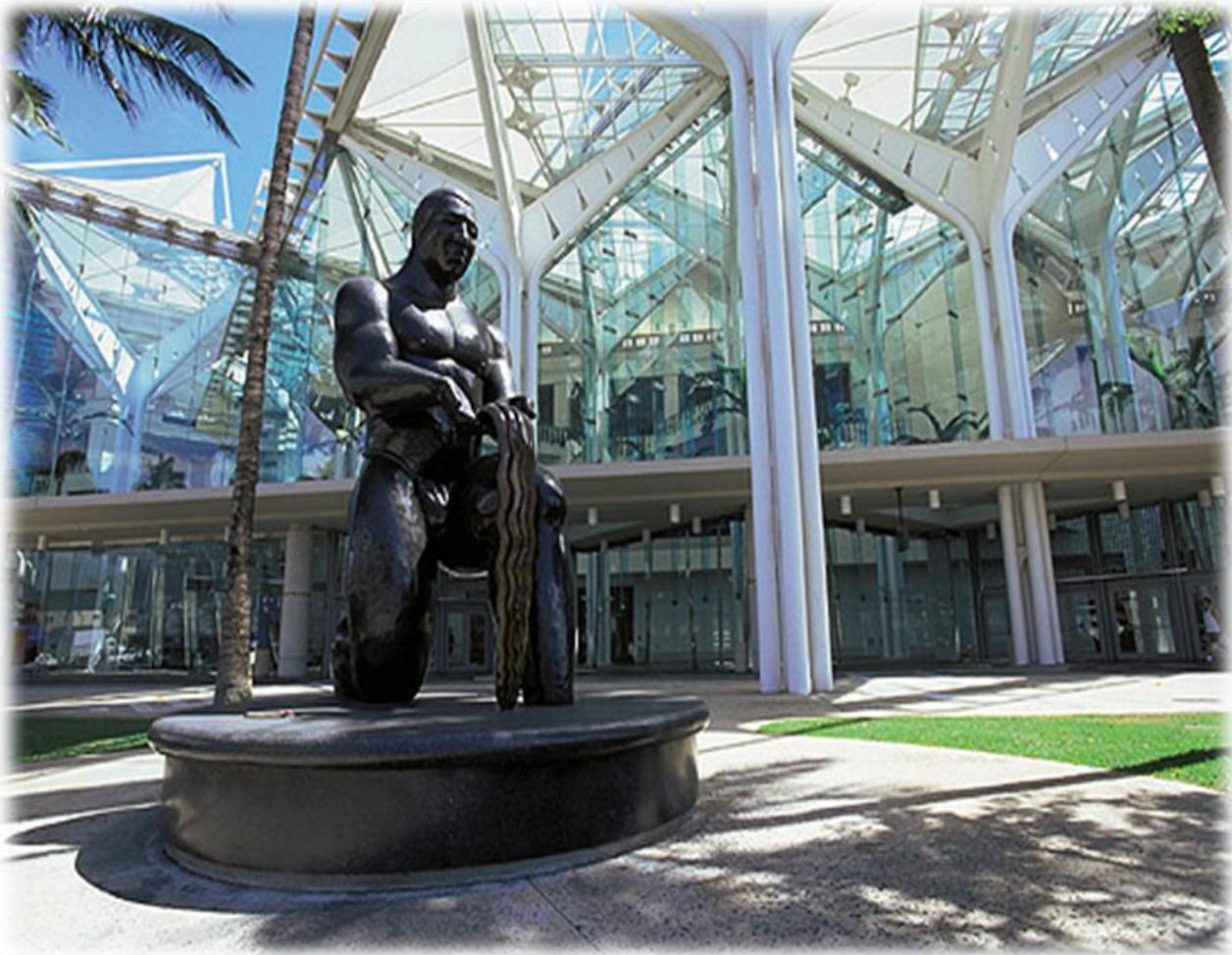
Hawai'i Convention Center

- Operating in a very fluid environment due to the constant changes in restrictions and how this impacts local and CW events
- August 23, 2021 - C&C of Honolulu's updated order restricting large gatherings from August 25 – September 22, 2021, may be extended if necessary. Impacted structured events.
- Impact to HCC, cancellations and revenue impact
 - 2 city-wide corporate event - \$292k in loss revenue
 - 5 local events - \$290k in loss revenue
- Business on the books FY22
 - 43 Definite events, including 6 city-wide events
 - 48 First Option events

FY 2022 Local Sales & Marketing

Expenses	FY 2022 Budget		CY 2021 Budget		Variance	CY 2020 Actual
Salaries & Benefits	71%	\$379,500	66%	\$343,000	\$36,500	\$357,800
Maintenance Agreements	13%	\$68,200	13%	\$66,200	\$2,000	\$69,100
Marketing & Advertising	10%	\$51,200	18%	\$95,000	(\$43,800)	\$69,100
General & Administrative	4%	\$22,500	2%	\$9,500	\$13,000	\$5,100
Other	<u>2%</u>	<u>\$11,600</u>	<u>1%</u>	<u>\$8,100</u>	<u>\$3,500</u>	<u>(\$800)</u>
Total	100%	\$533,000	100%	\$521,800	\$11,200	\$500,300

Hawai'i Convention Center



*FY 2022
Facility
Budget*

FY 2022 Facility Budget Summary

Budget Summary	FY 2022 Budget	CY 2021 Budget	Variance	CY 2020 Actual
Number of Events	100	68	32	55
Gross Revenue	\$7,701,500	\$5,637,300	\$2,064,200	\$7,785,800
Gross Expenses	<u>\$13,218,900</u>	<u>\$9,513,600</u>	<u>\$3,705,300</u>	<u>\$9,934,000</u>
Net Loss	(\$5,517,400)	(\$3,876,300)	\$1,641,100	(\$2,148,200)

Facility Revenue

Revenue	FY 2022 Budget	CY 2021 Budget	Variance	CY 2020 Actual
Rent	\$2,093,800	\$1,814,800	\$279,000	\$2,786,600
Food & Beverage	\$3,291,100	\$2,735,300	\$555,800	\$2,507,400
Event	\$2,299,600	\$1,070,200	\$1,229,400	\$2,407,700
Other	<u>\$17,000</u>	<u>\$17,000</u>	<u>\$0</u>	<u>\$84,000</u>
Total Revenue	\$7,701,500	\$5,637,300	\$2,064,200	\$7,785,700

Facility Revenue

- COVID-19 unknowns and challenges-variants, surges, restrictions, how long will State agencies continue to utilize HCC, international market standstill, and the forecast will now be impacted by recent restriction to shut down all events greater than 10 indoors and 25 outdoors for 28 days, and which of course may be extended if cases do not decline.
- Type of event-drives revenue
 - dependent on business mix - offshore (US, Intl) vs local
 - how many offshore events
 - type (association, corporate, fraternal/religious, sports)
 - size of delegation
 - client budgets
- Local revenue solid base

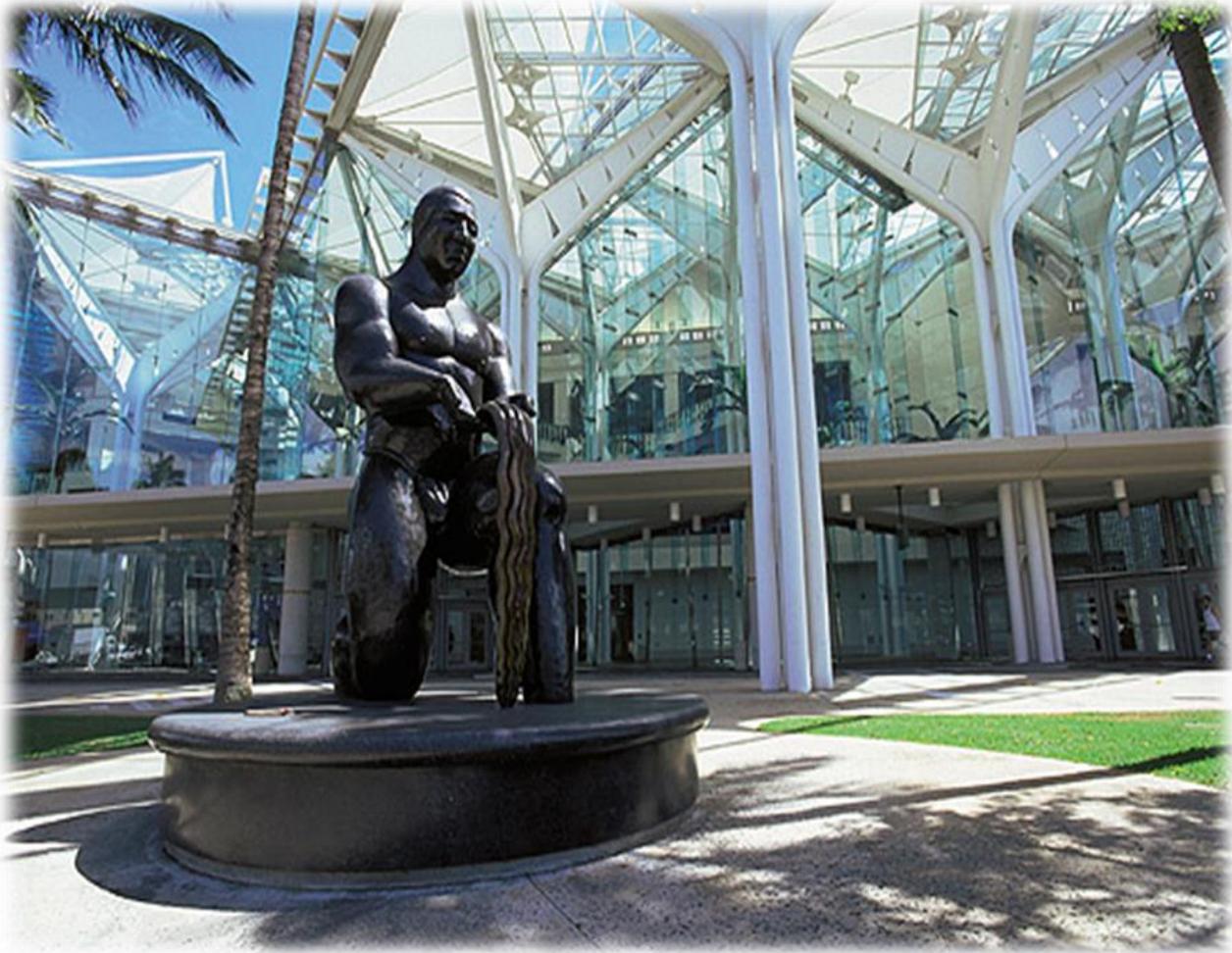
Facility Expenses

Expenses	FY 2022 Budget	CY 2021 Budget	Variance	CY 2020 Actual
Salaries & Benefits, OPS	\$5,001,300	\$3,924,700	\$1,076,600	\$4,231,100
Contracted Labor, OPS	\$1,594,700	\$314,600	\$1,280,100	\$553,000
F&B Direct & Indirect	\$2,532,500	\$1,725,000	\$807,500	\$1,973,500
Utilities	\$1,894,700	\$1,917,400	(\$22,700)	\$1,811,300
R&M, OPS Supplies	\$1,319,000	\$1,040,800	\$278,200	\$912,900
Other (Mgmt Fee; Insurance, G&A, Fixed Assets)	<u>\$876,700</u>	<u>\$591,100</u>	<u>\$285,600</u>	<u>\$452,200</u>
Total Expenses	\$13,218,900	\$9,513,600	\$3,705,300	\$9,934,000

FY 2022 Budget Recap

Hawai'i Convention Center	FY 2022 Budget
Local Sales & Marketing	\$533,000
Facility Operations, Net of F&B	\$10,686,400
Facility Contingency	\$2,500,000
Major Repairs & Maintenance	\$20,960,600
Center for Hawaiian Music & Dance	<u>\$5,948,568</u>
Total	\$40,628,568

Hawai'i Convention Center



*FY 2022
Major R&M
Budget*

Major Repairs & Maintenance

Current and Priority Projects

- **CUMMING managed projects**

- Building Envelope Repairs – Kalakaua Kitchen Wall, 3rd fl Planters, Exterior Building Painting; \$18.7M, FY22
- Kitchen Hood Fire System, Control Panel Upgrade; \$1.1M, FY22
- Slate Tile Repairs; \$2.2M, FY22
- F&B Refrigerator Replacement; \$320k, FY23
- Chiller Replacement; \$4.4M, FY24

- **RIDER LEVETT BUCKNALL managed projects**

- Rooftop Terrace Deck, Planning; tba
- Stairwell 5 and 6 Repairs; \$325k, FY22
- Ballroom Gutter and Soffit Repairs; \$10.6M, FY22
- Parapet Roof Repairs; \$3M, FY22
- Ballroom Roof Repairs; \$2M, FY22
- House Sound Audio System Upgrade; \$1.3M, FY22
- Lobby Water Feature Repairs; \$1.1M, FY24
- Ala Wai Waterfall Repairs; \$1.1M, FY24

- **HCC managed projects**

- Security Camera, NVR, Access Control; \$1.8M, target complete FY22
- Trellis Renovation; \$5M, target complete FY22
- ADA Lift (#310) Replacement; \$100k, target complete FY22
- Banquet Table Upgrade; \$85k, target complete FY22
- Chill Water Pipe Reinsulation; \$250k, FY22
- Air Wall Repairs; \$100k, FY22
- Roll-up Door Replacement; \$225k, FY22
- Xorel Wallpaper Replacement; \$50k, FY22
- Ice Machine Replacement; \$500k, FY22
- IT Network Upgrades; \$125k, FY24
- Theatre 310 and 320 Furnishing and Seating Upgrade; \$1.25M, FY25
- F&B China and Equipment Upgrade; \$3.5M, FY25

Major Repairs & Maintenance Projects Completed

- *Boiler Replacement; \$585k, completed 2020*
- *Ala Wai Waterfall Repairs; \$185k, completed 2020*
- *Chiller 4 Repairs; \$55k, completed 2020*
- *#320 Roof Repairs; \$1.4M, completed 2020*
- *Banquet Chairs and Facility Equipment Upgrade; \$2.25M, completed 2020*
- *Cooling Tower Replacement; \$3.2M, completed 2021*
- *Theatre LED Lighting Upgrade; \$77k, completed 2021*
- *Roof Overflow Drain Repairs; \$16k, completed 2021*
- *Jockey Chiller Repairs; \$28k, completed 2021*



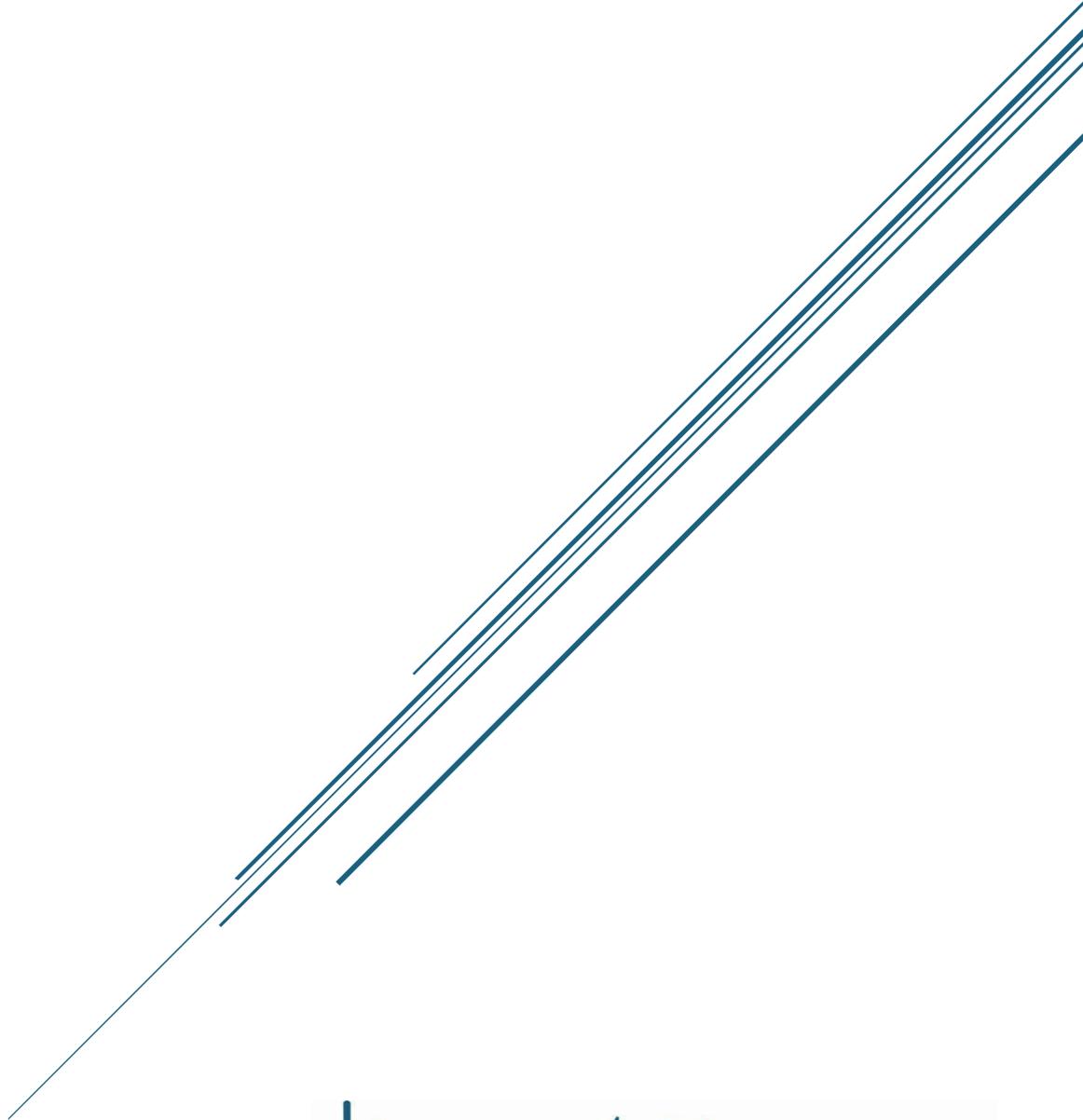
Mahalo Nui Loa

7

Report of the Chief Executive Officer/Chief Administrative
Officer/Chief Brand Officer Relating to Staff's
Implementation of HTA's Programs During August 2021

HTA CEO REPORT

AUGUST 2021



EXECUTIVE SUMMARY

Each month, the Hawai'i Tourism Authority (HTA) provides this report as a resource to the Board and the public to better understand the activities and actions taken by the team in support of the organization's overall mission. HTA's 2025 Tourism Strategic Plan and its four interacting pillars (Natural Resources, Hawaiian Culture, Community, and Brand Marketing) serves as a guide to the team in the various matters worked on during July 2021. Overall, this report provides insight into the actions conducted by the staff to implement the HTA budget previously approved by the Board.

Discussions with stakeholders and the State Department of Land and Natural Resources (DLNR) continue to include the implementation of a statewide reservations system for park access. HTA's natural resource team worked to identify best practices and examples of systems that epitomize the goals outlined in our strategic plan as well as the various Destination Management Action Plans (DMAP) that this system would help fulfill. Furthermore, the team continues to refine the scope of work for the study of enhancing tour guide certifications and licensure regimes for tour guides.

Work continues by the Hawaiian culture team on the Merrie Monarch Festival as well as final contract evaluations for 2020 Kūkulu Ola awardees. Staff also has under its care projects which include the Merrie Monarch Festival Digitization, 'Iolani Palace Repairs, Hawaiian Language Newspaper Digitization, Festival of Pacific Arts and Culture (FestPAC) and the Center for Hawaiian Music and Dance.

HTA staff prepared for the various DMAP Steering Committees meetings to be held during the month of August to share the progress of the islands' DMAP actions. The Summer 2021 DMAP Progress Reports for the islands of Kaua'i, Maui, Hawai'i, Moloka'i and Lāna'i are available on the HTA website. Staff worked with SMS Research for the final draft of the O'ahu DMAP, including obtaining final feedback from the O'ahu Steering Committee. The HTA Board approved the draft O'ahu DMAP at its July 29, 2021 meeting.

The brand team has been working on three RFPs: The RFP for Hawai'i Tourism Destination Brand Marketing Services in the USA Major Market Area (MMA), RFP for Global MCI, and RFP for Global Support Services. A request for use of Coronavirus State Fiscal Recovery Funds (CSFRF) for a total of \$28.5 million to cover all RFPs was submitted to DBEDT and approved by the DBEDT Director on August 6 and now is being routed to the Department of Budget and Finance for further review and approval.

The brand team is also working on the Fall Tourism Update, currently scheduled for October 1, 2021.

In the month of July, two hospitality industry updates were conducted for the County of Hawai'i and the County of Maui on July 14 and 22, respectively.

Pursuant to Act 088, HTA's Tourism Research Division (TRD) was transferred to DBEDT's Research & Economic Analysis Division (READ) effective July 1, 2021, and was renamed the Tourism Research Branch

REPORT OF THE CEO

August 26, 2021

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(TRB). TRB published the June 2021 Visitor Statistics press release and monthly reports, air seat outlook for August – October 2021, June 2021 Hawai'i Hotel Report, and June 2021 Vacation Rental Performance Report. In addition, TRD published weekly Destination Brand Index reports, the weekly Destination Brand Index – Responsible Traveler Segment, weekly Travel Agency Booking Trend reports, and the July 2021 Coronavirus Impact Report, and updated the Symphony Dashboards.

I. CHANGE MANAGEMENT PLAN (NEW SECTION)

During the month of July, the team was focused on identifying and revising position descriptions to align with the adopted Change Management Plan (CMP). In addition, work was started on the draft organizational plan which includes the reassignment of various positions. Numerous staff meetings were held to keep the team informed of the progress of the CMP. The team identified procurement roles throughout the organization and developed a training regimen based on the State Procurement Office (SPO) requirements. Staff were provided instructions to access the SPO's computer-based training (CBT) portal and complete specific sessions by July 31. The CEO, Chief Brand Officer (CBO), and CAO met with various stakeholders to discuss the new organizational structure and changes due to enacted legislation.

II. NATURAL RESOURCES PILLAR

1. Aloha 'Āina (Natural Resources) Program

The implementation of the 2022 cycle of the Aloha 'Āina program has been contracted with the Hawai'i Community Foundation. CON 21033 received the Notice to Proceed from HTA on August 9, 2021. HTA program staff continue to finalize the remaining contract closeout evaluations for the 2020 cycle of the Aloha 'Āina program. There are 34 projects that have concluded the 2020 cycle despite the rough year.

2. DLNR Partnership

Nā Ala Hele staff continue to implement various portions of the project to enhance the resident and visitor experience statewide across 128 trails spanning approximately 855 miles. This is a FY 2020 project that is expected to conclude at the end of 2021. HTA staff continue to work with the Department of Land and Natural Resources (DLNR) leadership and interim Nā Ala Hele program manager, Bill Stormont.

3. Park Reservation and User Fee Program

HTA staff have continued to hold meetings with DLNR, representatives of the Office of the Governor and others to understand the opportunity to implement a state parks reservation system. Through these discussions the team learned that there is a desire to have other assets included in the system beyond just state parks, that could include state trails, county parks and other prominent points of interest. DLNR has paused the rollout of their system until the opportunity is identified and an agreement is reached. It is becoming apparent that a site may need to be built that focuses on the user experience and education that links to existing systems on the back end. There is more work to come.

4. Tour Guide Certification and Licensure

In partnership with the University of Hawai'i (UH) at Mānoa School of Travel Industry Management (TIM) the team plans to study what is currently on the books and what exists, for a better understanding of what other jurisdictions are doing as best practices. The HTA team believes there is an opportunity to study this now for implementation in future years. Due to the delays in negotiating the agreement, shifting budget and other factors beyond HTA's control, the team moved this project to the Native Hawaiian Hospitality Association (NaHHA) for implementation as a part of their CY22 contract which is funded from FY21.

5. Sustainable Tourism Management in Hawai'i Through Certifications, Trainings & Partnerships

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

Operator/Tour Guide Training Program, and 3) Educational Outreach/Partnership Development. PON 20134 received the Notice to Proceed from HTA on August 9, 2021.

6. Universal Reservations System (URS)

HTA has contracted with HVCB to support a manager-level position to oversee the market research, procurement, and development of a robust Universal Reservations System (URS) for statewide leisure activities. CON 20138 received the Notice to Proceed from HTA on July 30, 2021.

III. HAWAIIAN CULTURE PILLAR

1. Kūkulu Ola Program

The implementation of the 2022 cycle of the Kūkulu Ola program has been contracted with the Hawai'i Community Foundation. CON 21033 received the Notice to Proceed from HTA on August 9, 2021. HTA program staff continue to finalize the remaining contract closeout evaluations for the 2020 cycle of the Kūkulu Ola program. There are 33 projects that have concluded the 2020 cycle despite the rough year.

2. Native Hawaiian Hospitality Association

HTA and the Native Hawaiian Hospitality Association (NaHHA) continue to build stronger ties between the Hawaiian community and the tourism industry. NaHHA continues to support HTA staff with Festival of Pacific Arts and Culture (FestPAC) planning and coordination. HTA staff have also concluded conversations with NaHHA on a new expanded scope of work that responds better to current realities in the industry. Supplemental 3 to CON18200 has been executed and the Notice to Proceed has been issued by HTA.

3. Native Hawaiian Festivals and Events

13TH FESTIVAL OF PACIFIC ARTS AND CULTURE (FESTPAC)

The commission for the 13th FestPAC continues its planning and HTA staff are supporting efforts around marketing, public relations, and communications for the festival. The festival commission is now focused on the development of the programming schedule of practices to be offered as part of the festival. Further, SB 696 SD1 HD1 was signed by Governor Ige, which extends the life of the commission through August 31, 2025.

MERRIE MONARCH FESTIVAL 2021 AND DIGITIZATION PROJECT

Event organizers successfully filmed and produced this year's Merrie Monarch Festival held in Hilo, Hawai'i. HTA supported the broadcast that aired during the first week of July. The digitization work of previous festivals is ongoing and expected to be completed by June 2022. The work of digitizing the archived collection has been slowed due to the COVID-19 restrictions as well as the tedious nature of the work.

POP-UP MĀKEKE SEASON 3

HTA is continuing its partnership with the Council for Native Hawaiian Advancement (CNHA) for Season 3 of Pop-up Mākeke. CON 21206 has received the Notice to Proceed from HTA.

SIGNATURE EVENTS

HTA has contracted with the Hawai'i Visitors and Convention Bureau (HVCB) to conduct a Signature Events Program for each county and work with HTA to develop a Request for Proposals (RFP), to be issued in September 2021. CON 21038 received the Notice to Proceed from HTA on July 30, 2021.

4. Center for Hawaiian Music and Dance

During the 2021 legislative session, HTA tracked several bills which would affect the Center for Hawaiian Music and Dance (CHMD). HB321 HD1 and SB926 repeal the allocation of TAT funds to the CHMD. HB1165 and SB916 SD1 amend the language that allowed for the development and operations of the Center for Hawaiian Music and Dance and leaves its location undetermined. HTA staff has paused exploration of a digital/virtual exhibit component to begin with, as clarity is obtained on what will allow the state to meet the challenges faced with the economic recovery from COVID-19.

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

In response to COVID-19 and the various county and state restrictions, HTA staff have finalized a supplemental contract with Bishop Museum that allows more time for work to be completed on “He Aupuni Palapala: Preserving and Digitizing the Hawaiian Language Newspapers.” The goal of this project is to digitize all Hawaiian language newspapers (in all repositories and personal collections). The State of Hawai'i benefits to support programs that preserve and increase access to rare and historical Hawaiian language newspapers to further the understanding and knowledge contained therein. By making readily available these important documents for education, research, and preservation, the project will provide the state with a completely unique and robust resource for Hawaiian language learners and workers to strengthen 'ōlelo Hawai'i. HTA staff were also informed that the scanner, a critical missing tool, needed to advance this work has been ordered. Bishop Museum staff and partner organizations have begun indexing the collections across repositories. Lastly, the project received some positive coverage in local media recently as well.

6. Kāhea Greetings

AIRPORTS

HTA has re-established its partnership with the Department of Transportation Airports Division to implement the Kāhea Greetings program from July 2021 to June 2022 at the Honolulu (HNL), Kahului (OGG), Hilo (ITO), Kona (KOA), and Līhu'e (LIH) airports which will include a combination of Hawaiian music and hula “auana, lei greetings, refreshments, and/or other services to create an authentic Hawaiian experience to be provided to visitors upon their arrival. CON 21039 is awaiting the Notice to Proceed from HTA.

HARBORS

HTA has re-established its partnerships with community organizations to implement the Kāhea Greetings program for the 2022 cycle at Hilo Pier, Kailua Pier, and Nāwiliwili Harbor. Greetings will include but not be limited to entertainment, lei greetings, informational brochures and maps, and other services to create an authentic Hawaiian experience, to be provided each day a cruise ship arrives. CON 21035, CON 21036, and CON 21038 are awaiting the Notice to Proceed from HTA.

IV. COMMUNITY PILLAR

1. *Community*

COMMUNITY ENRICHMENT PROGRAM (CEP)

HTA staff continues to work with the remaining 2020 CEP contractors to obtain final deliverables and close out 2020 contracts.

HOSPITALITY INDUSTRY UPDATES (COUNTY)

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

In the month of July, two hospitality industry updates were conducted for the County of Hawai'i and the County of Maui on July 14 and 22, respectively.

2. *Communication and Outreach*

NEWS RELEASES/REPORTS/ANNOUNCEMENTS

- News Release: HTA Supports Merrie Monarch Festival Broadcast (July 1)
- News Release: New Shuttle Service from Kahului Airport to Resort Areas on Maui (July 1)
- News Release: HTA is Working to Mitigate Visitor Impact on Road to Hāna (July 8)
- News Release: HTA Supports Program to Mitigate Visitor Impacts at Pololū Valley (July 9)
- Report: HTA Hawai'i Hotel Performance Report for June 2021 (July 22)
- News Release: HTA Announces Reorganization Toward Destination Management (July 26)
- Report: HTA Hawai'i Vacation Rental Performance Report for June 2021 (July 27)
- DBEDT News Release: Total Visitor Spending and Arrivals in June 2021 (July 29)

NEWS BUREAU

- Coordinated and assisted with 31 interviews and statements, including:
 - NBC News, Michelle Tak: John De Fries (JDF) on car rental shortage. Also shot and provided b-roll of JDF. (July 1)
 - Honolulu Star-Advertiser, Allison Schaefer: JDF email responses on HTA reorganization (July 2-3)
 - Honolulu Civil Beat, Brittany Lyte: JDF email response on inter-agency collaboration to manage tourism (July 2)
 - KHON, Jenn Boneza: Kalani Ka'anā'anā (KK) interview on passing of Haunani Trask (July 3)

- KHON, Wake Up 2Day: JDF interview on lifting of travel requirements and educating visitors (July 7)
- Honolulu Star-Advertiser, Allison Schaefer: JDF email response to House Speaker Saiki and Senate President Kouchi's discussion on Spotlight Hawai'i that tourism marketing is no longer needed (July 7)
- KITV, Tom George: Kualoa Ranch, Mālama Hawai'i partner, coordinated with the Hawai'i Visitors and Convention Bureau (HVCB) (July 8)
- KHON, David Patterson: Caroline Anderson (CA) interview on Hāna Highway traffic mitigation efforts (July 8)
- Hawai'i Public Radio, Casey Harlow: CA interview on Hāna Highway traffic mitigation efforts (July 8)
- Honolulu Star-Advertiser, Allison Schaefer: CA interview on O'ahu DMAP (July 9)
- Lonely Planet: KK email interview via HVCB on Mālama Hawai'i (July 11)
- Forbes: KK email interview via HVCB on Mālama Hawai'i (July 12)
- Indian Country Today, Aliyah Chavez: KK on influx of tourism and its impact on indigenous communities (July 13)
- KITV, Annalisa Burgos: KK on monk seal incidents and efforts to educate visitors about responsible marine wildlife viewing from afar (July 13)
- KHON, Kristy Tamashiro: KK on monk seal incidents and increased visitor arrivals (July 14)
- Honolulu Star-Advertiser, Rosemarie Bernardo: JDF interview on monk seal incidents (July 14)
- Department of Land and Natural Resources (DLNR) Press Conference: KK on monk seal incidents and efforts to educate visitors about responsible marine wildlife viewing from afar (July 14)
- KITV, Paul Drewes: Meet Hawai'i's John Reyes interview on MCI and Hawai'i Convention Center business (July 14)
- NHK Japan News, Chikyu Maruwakari Sunday News: JDF interview on HTA and post-pandemic recovery (July 15)
- The World Radio News, Amanda McGowen: KK interview on surfing at the Olympics (July 15)
- Hawai'i Public Radio, Ku'uwehi Hiraishi: George Kam interview on long-term plans for Waikiki's beaches (July 19)
- CNBC Business News, Shannon McDonald: JDF interview on destinations responding to influx of travel (July 20)
- Matador Network, Noelle Salmi: KK email interview on surfing at the Olympics (July 22)
- J-Wave, JK Radio Tokyo United: JDF interview on HTA and future of tourism (July 22)
- Travel+Leisure, Sunny Fitzgerald: KK quote via HVCB on responsible travel (July 26)
- KITV, Victoria Cuba: JDF interview on HTA reorganization (July 26)
- KHVH, Rick Hamada Show: JDF interview on HTA and state of tourism (July 27)
- Honolulu Star-Advertiser, Allison Schaefer: JDF interview on airline outlook (July 27)

- Honolulu Star-Advertiser, Spotlight Hawai'i: JDF interview on HTA and state of tourism (July 28)
- Honolulu Civil Beat, Civil Beat IDEAS Live Show: JDF on tourism management (July 28)
- Canadian Travel Press: JDF email interview via Hawai'i Tourism Canada on COVID-19 pandemic, vision for HTA, and regenerative tourism efforts (July 30)
- Assisted with the following media relations:
 - Hawai'i Public Radio, Jason Ubay: Maui ALOHA Shuttle pilot program
 - Honolulu Star-Advertiser, Mark Ladao: Safety concerns and visitor arrivals heading into fourth of July weekend
 - Hawai'i News Now, Rick Daysog: Fielded request for HTA interview following Gov. Ige's announcement of his intent to veto list
 - KITV, Nicole Tam: Unavailable for live morning show interviews regarding the State's lifting of the pre-travel testing requirement for travelers vaccinated in the U.S.
 - Hawai'i Public Radio, Catherine Cruz: Scheduling JDF interview and separate inquiry regarding UberMedia tracking software.
 - Hawai'i Tribune-Herald: Mike Brestovansky: Inclusion of new Trusted Testing Partners from the Philippines and South Korea to the Safe Travels Program, and flights from those markets
 - The Maui News, Melissa Tanji: Maui ALOHA Shuttle pilot program extension
 - KHON, Linda Dela Cruz: Maui ALOHA Shuttle pilot program extension
 - Hawai'i News Now, Samie Solina: Rise in tourism and vaccination exemption
 - Reuter's, Smita Paul: HTA Strategic Plan and sustainable tourism
 - Honolulu Civil Beat, Cassie Ordonio: Impact of social media on tourism
 - Honolulu Star-Advertiser, Allison Schaefer: HVCB contracts, meeting scheduled for September 1
 - KHON, Nikki Schenfeld: Anticipated visitor arrival numbers and illegal vacation rentals
 - Hawai'i News Now, Josh Meeks: O'ahu DMAP

COMMUNITY INITIATIVES AND PUBLIC OUTREACH

- HTA E-Bulletin: Finalized and distributed July 2021 HTA e-Bulletin in English and 'Ōlelo Hawai'i
- HTA O'ahu DMAP: Reviewed and provided edits to the draft O'ahu DMAP
- Hāna Highway Traffic Mitigation
 - Drafted JDF letter to Maui officials, other organizations and hotel concierge about traffic mitigation efforts
 - Assisted with drafting a tips sheet for visitors to help alleviate traffic congestion on Hāna Highway by joining a permitted tour, for distribution to Maui officials, organizations and hotel concierge, and also posted to the HTA website
- Maunawili Falls Trail Closure
 - Distributed Announcement: Maunawili Falls Trail Closure Begins Today (July 15)
 - Posted the announcement on HTA's Facebook, Instagram, and Twitter (July 16)

- Get Around Kaua'i Website
 - Distributed Announcement: New Website Launched for Transportation Options on Kaua'i (July 20)
- Response to Monk Seal Incidents
 - Distributed recut HTA/DLNR/'Ōiwi TV educational PSA video to the tv news stations
 - Posted video on on HTA's Facebook, Instagram, and Twitter
- Henry Kaponō & Friends: Home in the Islands Concert
 - Provided KK quote for news release
 - Reviewed and provided edits to event flyer
 - Drafted e-blast, and decided to hold off on distribution due to rising COVID-19 case counts
- Hawai'i Conservation Conference Speaking Engagement (July 29)
 - Reviewed JDF bio and event description
 - Provided social media handles
- Hawai'i Society of Business Professionals Speaking Engagement (August 19)
 - Focus: HTA and Transformational Change
 - Reviewed JDF bio and event description
- Tourism Summit Aotearoa Speaking Engagement (August 31)
 - Drafted and provided KK bio and headshot
- HTA Surfing Advisory Committee
 - Pitched surfing/water safety video campaign concept in coordination with HVCB during July 20 meeting
 - Discussed potential event surrounding Carissa Moore's homecoming from the Olympics
- University of Hawai'i Alumni Association Partnership
 - Participated in July 7 meeting to discuss UH Football alumni events – UCLA (August 28) and OSU (September 11)
- Miscellaneous Assistance
 - Open Influence: Declined sales pitch regarding social influencers
 - Anaheim Ducks: Forwarded partnership inquiry to HVCB
 - Misty Feder: Provided update on HTA Fall Conference
 - Hawai'i Foundation for Educators: Declined request to amplify benefit concerts on social media

LEGISLATIVE OUTREACH

- Drafted messaging document for upcoming meetings

CRISIS COMMUNICATIONS

- Conducted updates to HTA's website – COVID-19 alerts page
- Monitored July 28 tsunami watch; watch was cancelled

HTA'S SOCIAL MEDIA

Paid Posts on Facebook

- Post on Visitor Capacity information. Flight dates from July 12-19. Total Reach 24,012 | Total Engagements 1,078

Facebook

- Number of followers: 18,553 (+25.98%)
- Engagement rate: N/A
- Daily page engaged users: 6,107
- Posts: 16

Instagram

- Number of followers: 5,066 (+49.75%)
- Engagement rate: N/A
- Number of engagements: 2,914
- Posts: 7

Twitter

- Number of followers: 37,850 (+2.43%)
- Engagement rate: N/A
- Number of engagements: 183
- Posts: 7

Due to Khoros outage, some engagement data for July 2021 is unavailable.

INTER-AGENCY COMMUNICATIONS

- Senate Communications: Provided Barberstock image library for images of Hāna Highway
- Gov. Ige Office: Edited and provided JDF quote for the State's news release announcing pre-travel testing agreements with Philippine Airlines and South Korea's Incheon Airport
- Gov. Ige Office: Drafted and provided tourism messaging for NHK News interview
- Gov. Ige Office: Drafted and provided information on statewide tourism management and specifically along Hāna Highway for The Maui News interview

3. *Safety and Security*

VISITOR ASSISTANCE PROGRAM (VAP)

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

- CON 17031 (S6) – Visitor Aloha Society of Hawai'i (O'ahu) was issued a contract on December 30, 2020, Supplemental #6, which encumbered funds for three-fourths of calendar year 2021 in the amount of \$277,500 (April 1, 2021 to December 31, 2021). HTA has processed a contract extension to fund this program from January 1, 2022 to December 31, 2022.
- CON 17032 (S5) – VASHI – Island of Hawai'i VAP was issued a contract on December 30, 2020, Supplemental #5, which encumbered funds for three-fourths of calendar year 2021 in the amount of \$127,500 (April 1, 2021 to December 31, 2021). HTA has processed a contract extension to fund this program from January 1, 2022 to December 31, 2022.
- CON 17033 (S4) – VASK – Kaua'i VAP was issued a contract on December 30, 2020, Supplemental #6, which encumbered funds for three-fourths of calendar year 2021 in the amount of \$41,250 (April 1, 2021 to December 31, 2021). HTA has processed a contract extension to fund this program from January 1, 2022 to December 31, 2022.
- CON 17034 (S4) – MVCB – Maui VAP was issued a contract on December 30, 2020, Supplemental #6, which encumbered funds for three-fourths of calendar year 2021 in the amount of \$41,250 (April 1, 2021 to December 31, 2021). HTA has processed a contract extension to fund this program from January 1, 2022 to December 31, 2022.

During the month of July:

- Maui County's program handled 15 cases and helped 45 visitors (year-to-date: 78 cases/ 147 visitors). This included visitors primarily from the U.S. West, U.S. East, and Japan markets. The program team also attended meetings at the EOC, Police Commission, Airport, VOAD and car rental committee meetings. The industry assisted with \$8,175 of in-kind contributions.
- Hawai'i County's program handled 25 cases and provided assistance to 69 visitors (year-to-date: 139 cases/ 372 visitors). This included visitors primarily from the U.S. West market, the United Kingdom and South Korea.
- City and County of Honolulu's program handled 60 cases and helped 195 visitors (year-to-date: 425 cases/ 1,156 visitors). This included visitors from California, Washington, North Carolina and other areas of the United States.

- Kaua'i County's program handled 10 cases and provided assistance to 34 visitors (year-to-date: 53 cases/ 146 visitors). All of the visitors assisted were from the U.S. East/West markets.

SNORKEL SAFETY STUDY

The HTA executed a contract with the Hawaiian Lifeguard Association (CON 19171) for \$131,000 to conduct a snorkel safety study. This two-year study was designed to assess the causes and risk factors in snorkel-related fatalities and near fatal drownings. Hawaiian Lifeguard Association (HLA) collected and analyzed data, conducted scientific research, conducted surveys and interviews, and consulted with experts in the appropriate fields. The State of Hawai'i Department of Health and the City and County of Honolulu lifeguards collaborated on the study as well. A final report was received from the HLA and will be published on HTA's website.

V. BRAND MARKETING PILLAR

1. Major Market Area (MMA) Market Conditions

International MMA Border/Entry Restrictions

- As of July 26, Japan's regional governments have accepted the application of vaccine passport for overseas travel. Twelve countries/regions accept the Japan vaccine passport program. This passport exempts the PCR negative test proof and quarantine upon entry to these countries/regions. As of July 31, Japan's vaccination rate reached 23.8% (1st dose: 33.8%). The government expects reaching a 50% vaccination rate by the end of August.
- The Korean government requires a PCR test result with negative confirmation for all arrivals, regardless of nationality including Koreans, as of July 15. The Korean government also announced that 70% of the total population will be vaccinated by September. Approximately 32 million people including those in their 20s to 50s, the main consumers of overseas travel, are expected to complete the second shot of vaccines by November which can be exempted from the quarantine upon returning to Korea.
- The Canadian border will reopen to fully vaccinated travelers from all countries on September 7. With travel restrictions easing, visitor activity is expected to pick up at the end of the summer season. The Canadian carriers have noticed a big increase in the booking of Hawai'i travel, therefore both WestJet and Air Canada have increased its number of seats and launched new non-stop routes from Canada.
- The arrival of the Delta variant of COVID-19 in the Australia and New Zealand region has made the containment of COVID much more challenging. This has been seen in the State of New South Wales, which has seen a growth in community cases and a subsequent lock-down. Recently the government has communicated its commitment to increase the pace of vaccinations and anyone ages 16 and over will be able to book a vaccination beginning September 1. Once everyone has had the opportunity to be vaccinated, and assuming a good uptake, there will then be a phased re-opening which will allow Kiwis who are vaccinated to return with no isolation requirements (if from a low-risk country) or either reduced or home isolation (if from medium risk country). High risk travel will still require managed isolation. The government is talking with some certainty about this taking place in the new year which means that the fourth quarter will see the recommencement of major activity by the outbound industry (airlines, tour ops, travel agents, tourist boards, etc.).

U.S. Domestic Market Conditions

- As the COVID-19 Delta variant surges across the U.S., parts of California are seeing mask mandates being reinstated and there are renewed talks of partial lockdowns. As of the end of July, the state of California remains completely open with no travel restrictions for the time being. Travelers returning to the state are encouraged to follow CDC travel guidance. Washington and Oregon also continue to be open, but both states have recommended all persons wear a

mask in public indoor settings due to the rise in Delta variant cases. New York continues to remain open with no domestic travel restrictions despite the increase in COVID-19 cases, mainly due to the highly transmissible Delta variant. While there have been suggestions that the Northeast region may see the return of travel restrictions due to the rise in cases, no restrictions have been implemented thus far.

MMA Airlift Update

- USA: The forecast for domestic scheduled nonstop air seats to Hawai'i for August-October 2021 will increase by +31.3 percent compared to the same period in 2019, based on flights appearing in Diio Mi. The constant fluidity of seats and flights will continue as the COVID-19 pandemic evolves. An overall increase of flights is expected for U.S. West (+29.9%) and U.S. East (+42.2%).
- Canada: Carriers are currently offering nearly 161,000 seats throughout the second half of 2021, 82% of which are scheduled for Q4. WestJet and Air Canada have increased its number of seats and launched new non-stop routes from Canada.
- Japan: ZIPAIR resumed flights on July 21; ANA will add two Flying Honu on August 9 and 13.
- Korea: Korean Air and Asiana Airlines have announced the cancellation of their charter flight operations for the Thanksgiving holiday due to the negative effect of the Delta variant, while Hawaiian Airlines has increased to three weekly flights (HA 460) from ICN to HNL.

2. *MMA Contract Status*

- USA: Current contract for USA MMA ends on December 31, 2021, with no options to extend. Staff is working on an RFP for the USA MMA for 2022 and intends to release the RFP in August.
- Japan: Current contract for Japan MMA ends on December 31, 2021, with no options to extend. A new one-year contract covering calendar year 2022 using fiscal year 2021 funds has been fully executed. Through July, HTJ has been on a fixed cost payment schedule.
- Canada: Current contract for Canada MMA ends on December 31, 2021, with no options to extend. A new one-year contract covering calendar year 2022 using fiscal year 2021 funds has been fully executed. Through July, HTCAN has been on a fixed cost payment schedule.
- Oceania: Current contract for Oceania MMA ends on December 31, 2023, with two one-year options to extend. A supplemental contract covering calendar year 2022 using fiscal year 2021 funds has been fully executed. Through July, HTO has been on a fixed cost payment schedule.
- Korea: Current contract for Korea MMA ends on December 31, 2022, with two one-year options to extend. A supplemental contract covering calendar year 2022 using fiscal year 2021 funds has been fully executed. Through June, HTK has been on a fixed cost payment schedule. In July, HTK

utilized some program funds approved for the social media program “Aloha Report” as well as a co-op promotion on Mālama Hawai‘i with eight wholesalers.

- China: Due to the COVID-19 pandemic and through no fault of the contractor, the contract for China MMA was terminated on December 31, 2020. A new one-year contract covering calendar year 2022 using fiscal year 2021 funds has been fully executed.

3. *2022 MMA RFP and BMP Outlines*

The brand team is finalizing the RFP for Hawai‘i Tourism Destination Brand Marketing Services in the USA MMA for 2022 and continues to work on the two RFPs for Global MCI and Global Support Services. Concurrently, the team is finalizing the Brand Marketing Plan Outlines for 2022.

4. *MMA Brand Marketing Highlights*

All Global Marketing Team (GMT) members have been directed to pivot towards visitor and industry education, and focus brand marketing to attract high-spending, positive-impact prospects with programs aligned with responsible and regenerative tourism.

- USA: The *Mālama Hawai‘i* brand campaign continued in July, supported by public relations, paid social and search media, travel trade training and education, and a coordinated promotion with the Hawai‘i travel industry to entice travelers with a trip that gives back. Strong traction for the *Mālama Hawai‘i* promotion with industry partners is materializing with more than 100 travel industry and community organizations participating on a statewide basis.
- Japan: Hawai‘i Tourism Japan (HTJ) launched the Hōkūle‘a microsite on July 22 (Japan’s Ocean Day). This site was developed with the Polynesian Voyaging Society and Japanese crews and supporters. The web content includes information on the Pacific Rim Voyage 2022, World “Moananuiākea” Voyage 2014-2017, sustainable lifestyle in Hawai‘i, support and donation for PVS, and more. (Website: <https://www.allhawaii.jp/hokulea>)
- Canada: The *Mālama Hawai‘i* campaign continues to be the main focus of Hawai‘i Tourism Canada’s (HTCAN) efforts to promote sustainable tourism and volunteer opportunities by educating the Canadian market (consumer and trade) about Hawai‘i as a destination, its culture and the need for a more responsible/respectful traveler that will embrace the value of mālama. HTCAN is also proactively working on sharing information regularly with the tourism industry and listening to Travel Advisors’ feedback about consumer behavior and booking trends.
- Oceania: In a positive sign, Australia and New Zealand are talking about future travel, and that when travel does reopen it will be for local residents who are vaccinated. The reopening will also begin with relatively safe destinations such as Hawai‘i. Imagery and messaging that showcases nature, outdoor spaces, beauty and culture helps keep Hawai‘i at the top of the aspiration list for Aussies and Kiwis to visit when the borders reopen.

- Korea: Hawai'i Tourism Korea (HTK) has successfully launched its *Mālama Hawai'i* campaign with major wholesalers in Korea. A total of eight travel agencies participated in the campaign, and each created a Mālama Hawai'i themed web page to feature creative assets provided by HTK, including Mālama Hawai'i images, logo, videos, and localized Mālama Hawai'i messages, as well as Hawai'i tour products. The campaign partners are: Hana Tour, Mode Tour, Hanjin Travel, Verygood Tour, Interpark Tour, YB Tour, KRT and Lotte Tour.

5. *Collaborations and Communications*

- HTA staff continues to communicate with its industry partners to exchange information on market and business development.
- The brand team continues to conduct teleconference meetings with the GMT members to get regular updates on market trends, marketing activities, Hawai'i messaging, airlift development, and visitor and industry education efforts. During these meetings, HTA also conducts financial reviews with the GMT members.
- The brand team participated in an in-person meeting on July 14 to discuss and learn more about team's re-structuring and cross-functioning.
- Brand team members attended several internal Destination Management Action Plan (DMAP) planning meetings.
- HTA staff attended meetings for island-specific MCI updates on July 2 for Hawai'i Island and July 16 for O'ahu.
- HTA staff attended HTJ's Partners' Meeting on July 20. More than 70 industry stakeholders were in attendance.
- HTA staff attended a planning meeting on July 19 with the organizers for the upcoming Travel Weekly Hawai'i Leadership Forum in September.
- HTA staff attended a Hawai'i Green Growth/NaHHA meeting on July 6 to discuss potential partnerships on developing leads for large conventions and congresses related to culture, natural resources, climate and other similar topics. Staff also discussed coordinating the work being done in Hawaiian culture and climate change by strengthening the relationship between the two organizations.
- HTA staff met with the Hawai'i Business Roundtable on July 6 to discuss greater collaboration between the roundtable and HTA.
- HTA staff attended Hāna Maui inter-agency meeting on July 7 to discuss implementation of the Maui DMAP actions related to the Road to Hāna.
- HTA staff participated in the kickoff meeting to launch the Home In The Islands Concert and Film project in partnership with Kapono Inc., DBEDT/Creative Industries, HTA and NaHHA on July 9.
- HTA staff attended a meeting with Representative Jimmy Tokioka to discuss hotel data on July 15.
- HTA staff attended a meeting in support of Senator Lynn DeCoite in her community Townhall on July 15 to discuss the Road to Hāna.
- HTA staff attended a press conference with DLNR on July 16 regarding protection of monk seals and responsible marine wildlife viewing.

- HTA staff attended a joint agency meeting with NOAA, DLNR and other agencies regarding safe viewing of marine life outreach on July 22.
- HTA staff attended a meeting with Councilmember Tamara Paltin on July 30 to discuss over tourism on Maui and possible solutions to possibly partner on.

VI. TOURISM RESEARCH

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

TRB issued the June 2021 monthly visitor statistics on July 29, 2021, including monthly arrivals by country, category expenditures for major markets, and monthly visitor characteristics for each major market area. The press release was issued jointly by DBEDT and HTA, and the files were posted on HTA's and DBEDT's websites.

TRB posted Seat Outlook data tables for August through October 2021-2019 to the Infrastructure Research Section of the HTA website and the Air Seats Capacity Outlook page of the DBEDT website. This report also includes flight information. Updates to air seat schedules were also published during the month.

State, market, and island fact sheets were updated with the June 2021 data and were published on the Monthly Visitor Statistics page of the HTA website and the Market Highlights page on the DBEDT website.

TRB issued the June 2021 Hawai'i Hotel Performance Report on July 22, 2021. The report and related June 2021 data tables were posted to the Infrastructure Research section of the HTA website. The Hawai'i Hotel Performance Report is produced using hotel survey data compiled by STR, Inc., the largest survey of its kind in Hawai'i.

TRB issued the June 2021 Hawai'i Vacation Rental Performance Report on July 27, 2021. The report and related June 2021 data tables were posted to the Infrastructure Research section of the HTA website. This report utilizes data compiled by Transparent Intelligence, Inc.

TRB published the July 2021 YouGov Coronavirus Travel Sentiment report prepared by HVCB. This report focuses on the impact of COVID-19 on U.S. Avid Travelers and provide travel planning trends, attitudes, and demographics.

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

TRB continued publishing weekly Travel Agency Booking Trend reports which feature forward-looking data for U.S., Japan, Canada, and Australia from Global Agency Pro. These reports are posted on the Other Research Section of the HTA website.

TRB is assisting with the State's mandatory 10-day quarantine including, posting of daily transpacific passenger arrival data derived from data provided through the Office of Enterprise Technology Service's Safe Travels Program, providing air service schedules for the Safe Travels Program, and supporting State and county law enforcement and prosecutors.

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

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

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

VII. PLANNING DIVISION (NEW SECTION)

COMMUNITY-BASED TOURISM PROGRAM – DESTINATION MANAGEMENT ACTION PLANS (DMAPS)

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

- Progress Updates to the Kaua’i, Maui Nui and Hawai’i Island DMAPs. Staff prepared for the various DMAP Steering Committees meetings during the month of August to share the progress of the islands’ DMAP actions. The week of July 26, staff met internally with each counties’ Office of Economic Office/Department of Research & Development (including the Maui Mayor’s Liaison) and the executive directors of the island visitors bureau to prepare for the meetings. Attached in the Appendix are the Summer 2021 DMAP Progress Reports for the islands of Kaua’i, Maui, Hawai’i, Moloka’i and Lāna’i. The progress reports look at Phase 1 (calendar year 2021) actions. The reports can also be found on the HTA website.

- Kaua’i DMAP Progress: There are 36 sub-actions in Phase 1 of which 22 (61%) are in progress. Two sub-actions that are identified to start in Phase 2 are also being addressed now in Phase 1.
- Maui Nui DMAP - Maui Progress: There are 23 sub-actions in Phase 1 of which 16 (70%) are in progress and 1 is completed.

Progress	Sub-Action No.	Sub-Action
	B.1	Promote Hawai’i’s sunscreen law and educate visitors about proper sunscreen use through the goHawaii app and other visitor education programs.

HVCB and MVCB pushed out messaging encouraging reef safe sunscreen via social media.

Messaging is also on the gohawaii app and on the gohawaii.com site (<https://www.gohawaii.com/experiences/sightseeing/Beaches>)

- Maui Nui DMAP - Moloka’i Progress: There are 23 sub-actions in Phase 1 of which 14 (60%) are in progress.
- Maui Nui DMAP - Lāna’i Progress: There are 24 sub-actions in Phase 1 of which 15 (63%) are in progress and 1 is completed.

Progress	Sub-Action No.	Sub-Action
	F.7	Explore setting up a visitors’ center/kiosk with a main location in town and potentially branches at the harbor and airport dedicated to providing information for all visitors upon arrival.

MVCB installed a digital kiosk on June 29 at the airport. MVCB also looked at installing one at the harbor, but determined it was not feasible.

- Hawai’i Island DMAP Progress: There are 45 sub-actions in Phase 1 of which 33 (73%) are in progress.

- Mitigating Visitor Impact on the Road to Hāna
 - On July 7, HTA held another inter-agency meeting with the County, Maui Police Department, Department of Transportation – Highways Division, Department of Land and Natural Resources – State Parks Division, Haleakalā National Park Service, Maui Visitors and Convention Bureau, and Maui Hotel Lodging Association regarding near-term actions to address impacts to Hāna, Maui.
 - On July 8, HTA issued a press release regarding how HTA is working to mitigate visitor impact on the Road to Hāna along with other state and county agencies and HVCB/MVCB (<https://www.hawaiitourismauthority.org/media/7525/2021-07-08-road-to-hana-nr.pdf>). HTA is encouraging visitors to take a tour to Hāna rather than driving there independently. A list of tour companies is listed on the gohawaii.com site as well as HTA’s website (<https://www.hawaiitourismauthority.org/covid-19-updates/traveling-to-hawaii/tours-to-hana/>). In addition, HTA created “Tips to Mitigate Congestion on the Road to Hāna” document (https://www.hawaiitourismauthority.org/media/7546/tips-to-mitigate-road-to-hana_updated-07162021.pdf) targeted at hotel concierge to share with their guests in case they choose to go to Hāna. This was also shared with Maui’s visitor industry (via MVCB) and HTA’s Global Marketing Team. This was sent out the week of July 13.

- Hāna Virtual Town Hall Meeting. Staff participated in Senator Lynn DeCoite’s virtual Townhall meeting on July 15 regarding Hāna, Maui. The purpose of the meeting was to let the communities know what the state and county are working on to address East Maui traffic and address concerns. John De Fries provided remarks regarding understanding the community’s concerns and steps HTA is taking with destination management. Kalani Ka’anā’anā spoke about the Kuleana and Mālama Hawai’i campaigns. Caroline Anderson shared efforts HTA is doing to communicate with the visitor industry.

- O’ahu DMAP – Approved. Staff worked with SMS Research for the final draft of the O’ahu DMAP, including obtaining final feedback from the O’ahu Steering Committee. The HTA Board approved the draft O’ahu DMAP at its July 29, 2021 meeting. It was sent to the graphic artist for finalization and will be ready for public distribution at the end of August.

- Airport Videos. Staff has been working with DOT-Airports to display HVCB-created Travel Tips (Kuleana) videos at the Daniel K. Inouye International Airport baggage claim area, as well as messaging regarding Mālama Hawai’i on the digital board screens that lead to baggage claim area. They are currently running though some modifications as needed, and staff is working with HVCB on this. Staff is also in discussion with Pacific Media Group for Kahului, Līhu’e, Hilo, Kona airports.

VIII. ARPA UPDATE (NEW SECTION)

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

During the month of July, the team was focused on determining the process to access and utilize the \$60 million in ARPA funds that were provided through legislative action to fund HTA during FY2022. The team met on numerous occasions with Budget and Finance (B&F) and DBEDT to better understand what would be required and how they would like HTA to proceed. A simple flow chart was developed based on these discussions and the expectations set forth by B&F and DBEDT.

Coronavirus State Fiscal Recovery Funds (CSFRF) forms were submitted during the month of July to support HTA's payroll and operational expenses. The payroll CSFRF form in the amount of \$3,700,000 was submitted on June 30 and approved on July 14. The operational expenses CSFRF form in the amount of \$1,00,500 was submitted on July 22 and approval was not received in July. A CSFRF form to support the \$28.5 million request for funding to support the U.S. MMA, Global MCI, and Global Support RFPs was being developed during the month of July with an anticipated submission to be by the second week in August.

IX. ADMINISTRATIVE

Contracts List: Pursuant to Hawai'i Revised Statutes §201B-7 (9), please note that there were no contracts executed during the month of July 2021. HTA staff identified one contract that was inadvertently not included in the previous month's report of executed contracts (June 2021). Please find that contract below:

June 2021 (Amended)						
Contract No.	Contractor	Description	Contract Amount	Total Contract Value	Start Date	End Date
†PON 21023	Lāna'i Culture & Heritage Center	Lāna'i Guide App	\$22,500.00	\$22,500.00	06/07/21	03/31/22

Contract Type: • Sole Source † Procurement Exemption

APPENDICES

Monthly Leisure Marketing Report

July 2021

Hawai'i Visitors & Convention Bureau (USA) 2021 Monthly Leisure Marketing Report – July

Market Intelligence/Market Conditions

Economy

- Economic data released this month was generally positive and consistent, but supply constraints continue to have an impact for the U.S. economy. The Consumer Price Index increased by +0.9 percent in June, its largest monthly increase since June 2008. Over the 12 months ending this June, the CPI has increased by +5.4 percent. The very strong employment growth in July was fueled by restaffing in leisure/hospitality and government. Although those jobs are important and will generate further economic growth, it is fair to say that the huge job gain in July does not necessarily represent a surging economy as much as it represents a re-staffing economy.
- U.S. economic data continues to point to ongoing normalization in the U.S. economy after an extraordinary spring. The push from the last two rounds of fiscal stimulus is fading. Monetary stimulus appears to be nearing a turning point. We expect to see additional fiscal push from infrastructure spending over the next few years, but that will be much less of an immediate jolt to the economy than the direct payments to households according to Robert Dye, Chief Economist, Comerica.
- The Conference Board *Consumer Confidence Index* was relatively unchanged in July, following gains in each of the previous five months.
 - The Index now stands at 129.1 (1985=100), up from 120.0 in June.
 - The *Present Situation Index* based on consumers' assessment of current business and labor market conditions rose from 159.6 to 160.3.
 - The *Expectations Index* based on consumers' short-term outlook for income, business and labor market conditions was virtually unchanged to 108.4, up from 108.5 last month.
- Consumer confidence was flat in July but remains at its highest level since February 2020 (132.6),” said Lynn Franco, Senior Director of Economic Indicators at The Conference Board. “Consumers’ appraisal of present-day conditions held steady, suggesting economic growth in Q3 is off to a strong start. Consumers’ optimism about the short-term outlook didn’t waver, and they continued to expect that business conditions, jobs, and personal financial prospects will improve. Short-term inflation expectations eased slightly but remained elevated. Spending intentions picked up in July, with a larger percentage of consumers saying they planned to purchase homes, automobiles, and major appliances in the coming months. Thus, consumer spending should continue to support robust economic growth in the second half of 2021.”

Outbound Travel Market

- Overall bookings remain strong, but the pace has slowed in the past three weeks due to a lack of lodging and car rental inventory and now with the Delta variant. Staffing continues to be a challenge. Bookings continue to show strength into the holiday season and into spring break/Easter 2022.

Competitive Environment

- *Puerto Rico to Require Vaccination or Testing for all Paid Accommodations.* Puerto Rico is set to soon implement new policies for hospitality companies in response to the rising tide of the Delta variant in the U.S. and around the world. Starting Aug. 16, the U.S. territory will require that both guests and employees of all hotels, guest houses and short-term rentals, including Airbnb and VRBO rentals, must submit either proof of vaccination or a negative COVID-19 test taken within 72

hours of their arrival on property. Those staying longer than one week will need to continue presenting negative tests on a weekly basis. Anyone who flouts the new rules will face up to a \$5,000 fine or six months in jail, with very few exceptions.

- **Bahamas Changes Entry Requirements.** The Bahamas has changed requirements for entry into the country and travel between the islands effective on Friday, Aug. 6, with rules that apply to both cruise passengers and travelers arriving by air. All fully vaccinated travelers and children ages two to 11 years old must test negative for COVID-19 no more than five days prior to arrival. This same rule applies to unvaccinated individuals 12 years and older.
- **United Kingdom.** Effective Aug. 2, vaccinated Americans can enter England, Scotland and Wales without a mandatory quarantine, the British government announced on July 28. Fully vaccinated Americans arriving into England, Scotland and Wales are required to submit a predeparture negative COVID-19 test taken prior to arrival and will need to take a COVID-19 PCR test on day 2 after arrival. Those vaccinated in the U.S. will also need to provide proof of U.S. residency. Northern Ireland hasn't yet announced whether it will update its existing policies for U.S. travelers—currently a 10-day quarantine and three COVID tests, one prior to departure and tests on day 2 and day 8 after arrival. Children age 11 and younger are exempt from the U.K.'s testing requirements for international arrivals. Everyone entering the United Kingdom from abroad must fill out a passenger locator form before arrival, on which they will provide U.K. border control with their contact details, including their phone number and the address of their U.K. accommodation. Unvaccinated Americans arriving in the U.K. are required to quarantine for 10 days and take three COVID tests—one within three days prior to departure to the U.K., and two (reserved in advance) after arrival, on day 2 and day 8 of the 10-day quarantine.

Consumer Trends

- According to PCMA analysis of a Euromonitor International report:
 - **Build Back Better.** Consumers are expecting that companies care beyond revenue and that they protect the health and interest of society and the planet. “Companies should help reshape the world in a more sustainable way, leading a shift from a volume- to a value-driven economy and turning the tide on social inequity and environmental damage,” the authors of the report write. Nearly seven out of 10 business professionals surveyed by Euromonitor said that they expect consumers to be more concerned about sustainability than they were before COVID-19. Prior to COVID, consumers identified reducing plastic waste and food waste as among their top environmental concerns.
 - **Craving Convenience.** This is an easy one. “Digital commerce provides a seamless experience without the in-person component that consumers are familiar with,” according to the report. “High-touch and relationship-driven businesses have an opportunity to test self-serve, touchless, or unattended operations.”
 - **Outdoor Oasis.** Indoor meeting restrictions and the rise of remote working have consumers craving the outdoors. “Consumers still desire socialization and human connection despite health hazards associated with large gatherings,” reads the report. “Dining, exercising, socializing, and relaxing in open-air venues become essential for trapped consumers.” It’s clear that outdoor venues and spaces will have an edge when in-person events return. An additional insight: City dwellers are moving to more rural areas, the report points out. Perhaps that will make second-tier destinations that brand themselves as being close to nature more appealing to consumers.
 - **Playing With Time.** Newfound flexibility as a result of WFH (working from home) provides consumers with more time “but finding the best use of this time can be difficult,” the report points out. “Managing work, family, social, and personal lives is both a challenge and an opportunity.”

Media Trends

- According to Content Stadium:
 - **YouTube-Establish a Consistent Brand.** “Having a strong brand and consistent style helps your audience become familiar with your channel and recognize your videos when they are offered in recommendations. Be sure to develop a clear style and apply it across your thumbnails, graphics, fonts, colors and video titles for best results.
 - **Stay Up-To-Date with Platform Updates.**
 - *Instagram* reversed reach penalty for feed posts re-shared to stories (while it no doubt continues to look for alternative ways to stop people re-sharing feed posts to their stories).
 - *Instagram* now enables creators to tag up to two brands in a single piece of branded content.
 - *Instagram* launched Reels ads in all regions.
 - *Twitter* launched its Twitter Blue subscription service. This service gives users access to a range of additional tweet features and perks for a monthly fee.
 - *Facebook* is rolling out live audio rooms to Facebook Groups and public figures in the U.S.
 - **Let your employees tell your brand story.** Your employees are your best promoters and influencers. Tap into this influence by encouraging them to post about your brand on their own social media channels. This will help increase your reach and amplify your messages. Make it easy for them with ready-made content to share, create fun photo opportunities, or invite them to take over your company accounts for a set period of time to showcase their behind-the-scenes activities.

Airlift

- HTA Airline Seat Capacity Outlook for August-October 2021 was released on Aug. 2. The forecast for domestic scheduled nonstop air seats to Hawai‘i during this period will increase by +31.3 percent compared to the same period in 2019. This projection is based on flights appearing in *Dii Mi*. The constant fluidity of seats and flights will continue as the COVID-19 pandemic evolves. An overall increase of flights is expected from all major market areas: U.S. West (+29.9%) and U.S. East (+42.2%). The situation is being monitored daily and the forecast adjusted accordingly. Note: Beginning in June, HTA began benchmarking airline seat capacity against 2019.

Market Intelligence/Market Conditions Impact on Hawai‘i Travel

- On July 8, the State of Hawai‘i launched its program to eliminate its pre-travel testing/quarantine requirement for domestic travelers to Hawai‘i who have been fully vaccinated in the United States or its Territories. Travelers to Hawai‘i must upload their CDC issued vaccination card to the state’s Safe Travels Program website and have that card with them upon arrival in the State of Hawai‘i. Upload one of three vaccination documents to their Safe Travels Hawai‘i account, prior to traveling to Hawai‘i.
- U.S. West
 - As the COVID-19 Delta variant surges across the country, parts of California are seeing mask mandates being reinstated and there are renewed talks of partial lockdowns. That being said, as of the end of July, the state of California remains completely open with no travel restrictions for the time being. Travelers returning to the state are encouraged to follow CDC travel guidance. Washington and Oregon also continue to be open, but both states have recommended all persons wear a mask in public indoor settings due to the rise in Delta variant cases.

- U.S. East
 - New York continues to remain open with no domestic travel restrictions, despite the increase in COVID-19 cases, mainly due to the highly transmissible Delta variant. While there have been suggestions that the Northeast region may see the return of travel restrictions due to the rise in cases, no restrictions have been implemented as of the end of the month.

Leisure Activity Update

Consumer

- On-line

Digital Campaign July – Estimated Impressions

PARTNERS	Impressions
Search	100,000
<i>Facebook</i>	4,380,664
<i>Instagram</i>	1,090,909
<i>YouTube</i>	5,598,244
<i>Pinterest</i>	1,265,822
Total	12,435,639

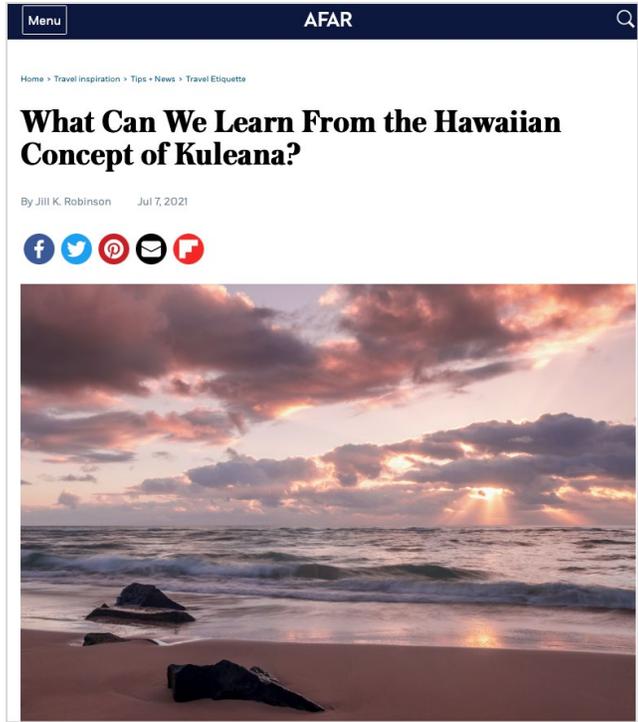
- *Mālama Hawai'i* Brand Campaign
 - The *Mālama Hawai'i* brand campaign continued in July, supported by public relations, paid social and search media, travel trade training and education, and a coordinated promotion with the Hawai'i travel industry to entice travelers with a trip that gives back – to both Hawai'i and to visitors.
 - Strong traction for the *Mālama Hawai'i* promotion with industry partners is materializing with more than 100 travel industry and community organizations participating on a statewide basis. It is proving to be the largest public-private partnership that the Hawai'i industry has collectively supported. At this time, the program continues to gain momentum with interest from even more industry partners who are expected collaborate and contribute to a truly destination-wide effort supporting *Mālama Hawai'i*.
 - Proactive earned media pitching efforts continued to communicate the *Mālama Hawai'i* message to mindful travelers with the inclusion of volunteer opportunities for all visiting content developers. Travel trade efforts also continued to actively educate travel sellers across the country on the benefits their customers will reap by experiencing a deeper connection with Hawai'i.
- Consumer Paid Media
 - On social, the *Mālama Hawai'i* brand campaign continued the rollout of parallel and tune-in content through mid-July. Phase 1 of the media flight ended on July 15 and will pick up again in the fall.

Travel Trade

- Paid Trade Media
 - The Travel Trade campaign continued in July with a flight of digital media that shares the *Mālama Hawai'i* brand messaging with travel advisors, directs them to get the latest updates and learn more about the current destination entry requirements, and invites them to become certified Hawai'i Destination Specialists. Paid endemic media partners include Northstar and TravAlliance and paid social media partners *Facebook* and *Instagram*.
 - Total estimated digital gross impressions - July: 316,000
- Cooperative Marketing Program
 - A statewide cooperative marketing program continued through July to support the industry in the destination's reopening efforts. The program is backed by a flight of tactical, conversion paid media, informed by HVCB first party data, to drive ideal Hawai'i target consumers to the destination co-op landing page where they're exposed to *Mālama Hawai'i* brand messaging and able to link off to the partners' booking offers.

Public Relations

- HVCB
 - As a result of working with journalist Leila Najafi on a visit to Maui and O'ahu, she produced stories in USA Today's *10Best*, titled, "Maui, Oahu or Lanai: Which Hawaiian island is the best for your next vacation?" and "Book your next stay at one of these 10 amazing resorts in Maui." The stories featured various resort partners that hosted her during her visit such as Four Seasons Resort Maui at Wailea; Grand Wailea Maui, A Waldorf Astoria Resort; The Ritz-Carlton, Kapalua; and The Kahala Hotel & Resort. In addition, she included experiences such as Maui Kayak Adventures, Dolphins and You, Hawaii Nautical, Merriman's, Mama's Fish House among others.
 - The HVCB PR team continued to communicate key travel and protocol information to PR industry professionals, local and national broadcast stations, leisure publications, editors and freelance journalists. On July 1, the HVCB PR team drafted and distributed a release titled, "Vaccination Exception Program for Hawai'i-bound Travelers Vaccinated in U.S., Territories" and released via PR Newswire. A second release followed for a quick must-do list for the new vaccination program. Release titled, "New Shuttle Service from Kahului Airport to Resort Areas on Maui" shared a new service that directly impacts the visitor industry on July 2. Another important update shared was the release of the Kama'āina Special Offers Program which announced the launch of a program offering Hawai'i residents new and exciting specials on accommodations, activities, attractions, shopping, dining and more throughout the Hawaiian Islands. To share experiences for travelers to give back and have a more purposeful visit, the team released "Experience a Vacation That Gives Back to The Hawaiian Islands" on July 15.
 - As a result of the statewide Hawai'i Virtual Media Blitz with over 70 media in attendance from June 14-18 and June 21-25, several stories were produced on *Mālama Hawai'i* in an effort to inspire mindful travel. Top-tier publications included *AFAR*, *Forbes*, *SFGate* and *Travel Weekly*.
 - Media coverage highlights:
 - "Hawaii Invites Visitors to Pay It Forward" – *Family Vacationist* – Christine Sarkis – July 2
 - "10 Incredible Waterfall Hikes Around the U.S." – *AFAR* – Adrienne Jordan – July 7
 - "What Can We Learn From the Hawaiian Concept of Kuleana?" – *AFAR* – Jill Robinson – July 7



- “4 ways Hawaii is coping with a tourist influx as COVID-19 restrictions lift “ – *Lonely Planet* – Alicia Johnson – July 14
- “How to Volunteer While Traveling With Your Kids” – *Travel + Leisure* – Ken Budd – July 15



- “The best thing we've ever done in Hawaii: What it means to travel responsibly in the Aloha State” – *SF Gate* – Michele Bigley – July 17
 - “New Hawaii Voluntourism Program Has Visitors Giving Back Through Their Hotel Stays” – *Forbes* – Michele Hermann – July 17
 - “Travel Weekly: New attraction shifts ziplining into a higher gear on Kauai” – *Travel Weekly* – Tovin Lapan – July 18
 - “Maui, Oahu or Lanai: Which Hawaiian island is the best for your next vacation?” – *10Best USA Today* – Leila Najafi – July 20
 - “Book your next stay at one of these 10 amazing resorts in Maui” – *10Best USA Today* – Leila Najafi – July 22
- KVB
 - Kaua'i was featured in:
 - "Best Lighthouses to Visit in the United States" – *FindingDebra.com* (Twitter: 35,000 followers) – July 3
 - "What Can We Learn From the Hawaiian Concept of Kuleana?" – *Afar* (uvpm: 1,000,400) - Jill Robinson – July 7
 - "Pack Your Bags—Top 10 Things to Do in Hawaii's Green Island, Kauai" – *Parade* (uvpm: 1,600,000) – Melanie Haiken – July 18
 - "New attraction shifts ziplining into a higher gear on Kauai" – *Travel Weekly* (uvpm: 277,000) - Tovin Lapan – July 18
 - "A Zip Line for Bikes (Yikes) Opens in Hawaii" – *Frommer's* (uvpm: 207,000) – Zac Thompson – July 19
 - “Is this the ultimate golf course snack?” - *Golfpass* e-newsletter (975,000 subscribers) - Jason Deegan – July 22. Coverage was a result of the Kauai Golf FAM in June 2021.
 - Coordinated a media visit in partnership with HVCB for freelance writer Judy Koutsky, July 29-August 2 for confirmed coverage with *Forbes* highlighting luxury travel, romance, HVCB's *Mālama Hawai'i* Program and unique outdoor experiences on Kaua'i. Coordinated accommodations and activities on behalf of HVCB's program budget.
 - Followed up with media who participated in HVCB's virtual media blitz during the Kaua'i-specific days, June 24-25, to discuss potential stories ideas and gauge interest for future individual media visits.
 - Liaised with 28 media in July:
 - Sarah Sekula, *USA Today*
 - Megan Wiskus-Lim, *Style Magazine*
 - Malorie Mackey, *VIVA GLAM Magazine*
 - David Dickstein, *The Orange County Register*
 - Lisa Corson, *AFAR*
 - Tovin Lapan, *Travel Weekly*
 - Sunny Fitzgerald, *Travel + Leisure*
 - Melanie Haiken, *Parade Magazine*
 - Kylie Ruffino, *Budget Travel*
 - Carolyn Owens, *Tripsavvy*
 - Michelle Winner, *Travel Pulse*
 - Julie Bielenberg, *Rachel Ray*
 - Bill Fink, *TravelAge West*
 - Jay Jones, *Chicago Tribune*
 - Jeanne Cooper, *San Francisco Chronicle*

- Jill Robinson, *AFAR*
 - Karla Bruning, *Shape*
 - Keyla Vascinellos, *Darling Magazine*
 - Marlynn Schotland, *Travel Pulse*
 - Kai Oliver-Kurtin, *Marie Claire*
 - Christine Tran, influencer, *@tourdelust*
 - Cassie Hepler, *ExplorewithCassie.com*
 - Kira Dixon, *Golf Channel*
 - Brodie Smith, influencer, *@brodiesmith21*
 - Kelsey Lowrance, influencer, *@KelseyLowrance*
 - Sam Riggs Bozoian, *Barstool Sports*
 - Bill Pennington, *New York Times*
 - Rob Thomas, *Club + Resort Business Magazine*
- OVB
 - O'ahu was featured in:
 - *AFAR* (uvpm: 643,317). Coverage resulted from media requested assistance from Adrienne Jordan in June 2021. Her article, "10 Incredible Waterfall Hikes Around the U.S." features Waimea Falls and Mānoa Falls.
 - *USA Today* (uvpm: 20,613,846). Coverage resulted from participation in a press trip from Robin Raven in May 2019. Her article, "Snap a photo at these amazing murals across the United States" features Wooden Wave and The Surfjack Hotel & Swim Club.
 - *SF Gate* (uvpm: 9,457,598). Coverage resulted from an individual media visit from Michele Bigley in June 2021. Her article, "The best thing we've ever done in Hawaii: What it means to travel responsibly in the Aloha State" features the *Mālama Hawai'i* campaign, Gunstock Ranch, Loko ia Pa'aiau, Mud Hen Water, MW Restaurant, Waimea Valley, Kaimana Beach Hotel and more.
 - *USA Today* (uvpm: 20,613,846). Coverage resulted from an individual media visit from Leila Najafi in June 2021. Her article, "Maui, Oahu or Lanai: Which Hawaiian island is the best for your next vacation?" features The Ritz-Carlton Residences, Waikīkī. Beach, The Kahala Hotel & Resort, Merriman's, Hawaii Nautical and more.
 - Individual Media Visits
 - Kathryn Romeyn, *Brides* (uvpm: 860,210) O'ahu visit July 4-9
 - David Dickstein, *OC Register* (uvpm: 1,037,780) O'ahu visit July 10-25
 - Wendy O'Dea, *USA Today* (uvpm: 20,613,846) O'ahu visit July 18-24
 - Liaised with 11 media in July:
 - Michele Herrmann, *Forbes*
 - Nina Reeder, *Upscale Magazine*
 - Chris Hau and Lizzie Peirce, *IG @chrishau*
 - David Dickstein, *OC Register*
 - Nancy Sevilla, *Fancy Nancista*
 - Ayako Ishiwari, *HT Japan*
 - Martha Cheng, *Freelance*
 - Rachel-Jean Firachu, *IG @racheloffduty*
 - Owais, *IG @texastasty*
 - Sunny Fitzgerald, *Travel + Leisure*
 - Mike Pilgrim, *Perfect Shot Filmin*

- MVCB
 - Individual Media Visits:
 - Judy Koutsky: *Forbes* (uvpm 183.1Mil). Maui visit July 26-29.
 - Mike Reifeiss and Marko Nikolic, *@Golfholics/YouTube* and Social Media Influencers. Maui visit July 25-Aug. 1.
 - Liaised with and/or provided information or image(s) assistance to the following media:
 - Rachel Jean-Fichau, blogger: *RachelOffDuty* (uvpm: 35K). Setting up itinerary for Maui visit Sept. 7-12.
 - *@HersandHers_* Social Media Influencers. (Followers: 88.5K). Assisting with securing accommodations from Maui visit Aug. 31-Sept. 8.
 - Robert Kaufman, freelance: *Golf Tips Magazine* (circ: 129K) *Napa Valley Register* (uvpm: 662K). Maui Visit Aug. 14-22.
 - Ben Davidson, freelance: *AAA Encompass Magazine* (circ: 400K) and *Coastal Living* (Circ: 4Mil). Setting up itinerary for Maui and Lana'i trip Aug. 8-17.
 - Lina Shah, freelance: *India Times* (circ 60K). Reviewing TAQ for potential visit to Maui in December.
 - Bianca Palumbo, blogger and social media influencer: *Bianca Blogs/Uncorked Corner* (uvpm 2.5K). Assisting with activities for Maui visit Aug. 20-24.

- IHVB
 - The island of Hawai'i was featured in:
 - *KirstenAlana.com* (uvpm: 89), "Learn Blacksmithing at FSHualālai," July 12. Coverage resulting from sending Kirsten the July 2021 of *What's Sizzlin'*.
 - *TIME* (uvmp: 8,606,080), "World's Greatest Places 2021: Island of Hawai'i," July 20. Coverage resulting from assisting Brekke Fletcher with information and contacts.
 - *Western Art & Architecture Magazine* (circ. 49,537), "The Island of Hawai'i," Aug./Sept. Issue. Resulting from assisting Kathy Chin Leong with an individual visit to Hawai'i Island in Jan. 2021.
 - *WesternArtandArchitecture.com* (uvpm: 955), "Wanderings, the Island of Hawai'i," Aug./Sept. 2021. Coverage resulting from assisting Kathy Chin Leong with an individual visit to the island of Hawai'i in Jan. 2021.
 - Liaised with 12 media in July:
 - Anne Lee, *Honolulu Star-Advertiser*
 - Peter Buol, *Hana Hou!*
 - Kathy Chin Leong, *Western Art and Architecture*
 - Marla Cimini, *Freelance Writer*
 - Sarah Sekula, *Freelance Writer*
 - Isabel Burton, *Shape*
 - Devin Traineau, *Travel+Leisure*
 - Ed Rampell, *Freelance Writer for LA Progressive, Hollywood Progressive, San Diego Reader*
 - Maryrose Hicks, *Social Media Influencer*
 - Zoe Aust, *Social Media Influencer*
 - Dana Berez, *Social Media Influencer*
 - Mariann Yip, *Social Media Influencer*

Travel Trade Activities

B2B Meetings, Trade Shows, Training Events

	Airline/Wholesaler/TA/TO/OTA/Other
HVCB	29
KVB	5
OVB	1
MVCB	-
IHVB	4

Summary of Key Activities

- HVCB
 - For the month of July, there were 29 travel trade activities consisting of 22 hosted educational webinars/virtual training sessions for a total of 583 participants, five industry partner meetings with a total of 14 partners, and two trade shows and 50 one-on-one in-person travel advisor appointments. HVCB and the Island Chapters continue to communicate with industry partners and travel advisors regarding updates and changes to the Safe Travels Program; lifted restrictions for those who have been vaccinated and sharing all the important links via the travel agent website, linking to *gohawaii.com* and the DOH accordingly.
 - The team fielded all inquiries received from travel advisors across the United States via the *agents.gohawaii.com* site who required assistance to plan their clients' trips and navigating the Safe Travels program.
 - AAA Northeast hosted a Pau Hana Educational Event with HVCB on July 1 for 12 travel advisors. The event focused on family travel and cultural experiences and featured a presentation and *hula* demonstration and lesson for attendees.
 - HVCB held a virtual office visit with six advisors from Millennium Travel on July 7 and shared information on Hawai'i's Safe Travels Program, *Mālama Hawai'i* and island updates.
 - HVCB conducted a virtual Vendor Talk presentation with Gifted Travel Network July 8 and shared information on Hawai'i's Safe Travels Program, *Mālama Hawai'i* and island updates with 18 travel advisors.
 - HVCB Central and the Island Chapters participated in Global Travel Marketplace, the first in-person event for the firmwide team since the pandemic, July 8-10 in Fort Lauderdale, FL. The team conducted 250 one-on-one meetings with 112 vetted travel advisors with annual personal sales of \$1 million.
 - HVCB was featured on "KHM Today," a virtual talk show for travel advisors on July 14. The interview covered Hawai'i's Safe Travels protocols, *Mālama Hawai'i*, ground transportation alternatives and important updates on advanced reservations for select parks. A total of 215 advisors tuned in to the episode which was recorded for future viewing.
 - HVCB hosted a Hawaiian lū'au-themed meeting for the Association of Westchester Travel Agents (AWTA) on July 20 in Hastings-On-Hudson, NY. In addition to welcoming 41 advisors with fresh flower *lei*, HVCB presented an update on Hawai'i's Safe Travels protocols, *Mālama Hawai'i*, the unique personality types of each island, ground transportation alternatives and important updates on advanced reservations for select parks.
 - HVCB was a gold sponsor for the Western Association of Travel Advisors (WESTA) Owner Meeting, July 23-26, in Puerto Vallarta, Mexico. As part of the sponsorship, HVCB conducted roundtable presentations to all 80 attendees and exhibited at the trade show. Hawai'i suppliers in attendance included ALG Vacations, Delta Vacations and Pleasant Holidays.

- The Cruise360 conference was held on July 28-30 in Hollywood, FL. As a conference sponsor, HVCB conducted a workshop presentation for 103 advisors and reached 933 advisors at the trade show.
 - Virtuoso hosted an HVCB webinar as part of their educational immersion program on July 28 drawing 108 attendees. The focus of the presentation was Hawai'i's Safe Travels protocols, *Mālama Hawai'i* and HVCB's travel advisor resources.
 - Travel agent website *agents.gohawaii.com* update: There were 596 online graduates who completed the Hawai'i Destination Specialist and/or Island Specialist educational courses online, and 737 new registrants signed up for access to online resources. The travel agent database numbers are now up to 35,040 email contacts, which includes 90,377 active U.S. travel advisor profile records.
- KVB
 - Attended Global Travel Marketplace (GMT) Conference in Fort Lauderdale, FL, on July 8-10 and met one-to-one with 50 travel advisors who have had \$1 million or more in annual sales to qualify for GMT. HVCB and Island Chapters were also in attendance.
 - Hosted updates webinar for Master Specialist Agents:
 - 50 agents on July 16
 - 31 agents on July 19
 - Participated in a recorded Family Vacationer Agency podcast and provided island updates on July 22.
 - Presented Kaua'i update for travel agent Facebook Group organized by Kaua'i Master Specialists on July 26 where 46 agents joined.
- OVB
 - OVB attended Global Travel Marketplace in Fort Lauderdale, FL, on July 8-10. There were a select number of top-performing travel advisers/agents who were invited to participate in GTM (Advisers all have \$1 million in annual sales to qualify for GTM). OVB attended networking sessions and had one-on-one meetings with 52 travel agents.
 - Participated on *The Family Vacationer* Podcast, July 28.
 - Apple Leisure Group webinar, July 29 (38 travel advisors). Multi-generation Family Travel.
- MVCB
 - Hosted 3 Webinars with Adelman Vacations, American Airlines Vacation- Liane Augustine's group and United Agents Chicago Center
 - Interview with Family Vacationer
- IHVB
 - Global Travel Marketplace, July 8-10 (Ft. Lauderdale). IHVB met with 50 top travel advisors for one-on-one appointments. GTM pre-qualified and selected travel advisors with \$1M+ in annual sales revenue.
 - Travel Leaders / Lakewood Travel, WA. Destination education.
 - Adelman Vacations Facebook Live, July 6. Destination education.
 - The Family Vacationer Podcast, July 29. Destination, family travel.

Key Performance Indicators - Leisure Market

Consumer

Digital Campaign June Actual Impressions

PARTNERS	Impressions
AdTheorent	4,611,602
<i>Buzzfeed</i>	2,488,946
Complex	2,245,047
Ogury	370,011
Programmatic	3,527,031
Search	187,723
Tremor	2,362,674
<i>Facebook</i>	8,069,668
<i>Instagram</i>	2,740,972
<i>YouTube</i>	1,731,187
<i>Pinterest</i>	7,411,006
Total	35,745,867

Public Relations

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

Impressions and Publicity Values for June

JUNE	Impressions	Publicity Values
Print	66,225,115	\$16,886,621
Online	68,827,662,906	\$27,163,820
Broadcast	718,179,114	\$19,509,456
Total	69,612,067,135	\$63,559,897

Countermeasures

- Governor Ige announced Hawai'i's Safe Travels' Vaccination Exception Program, which began on July 8. It provided another option for travelers from the U.S. and its Territories to bypass the mandatory 10-day quarantine. In support of this update, the Hawai'i Visitors and Convention Bureau broadly disseminated the governor's press release about the new program to airlines, OTAs, media,

travel trade industry, MCI database and Hawai'i partners. A follow-up email was shared to reinforce the message a Safe Travels account is still needed to travel to Hawai'i and the traveler's vaccine information and signed attestations should be completed prior to arrival in the islands. HVCB's call and email teams continued to field and answer questions about requirements for travel to Hawai'i and details about Safe Travels.

- HVCB's 1-800-GoHawaii call center fielded nearly 24,000 calls in July. In addition, HVCB staff and call center agents responded to over 13,000 Safe Travels inquiries to info@gohawaii.com.

Responsible Tourism Update

- Hawaiian Culture
 - The consumer and travel trade enewsletters focused on ways to experience Hawaiian culture through festivals and activities, offering suggestions for events that are scheduled to be held in 2021 and 2022. Island Chapters' webinars, presentations, and other educational activities include components of Hawaiian history and culture.
- Natural Resources
 - The *Mālama Hawai'i* brand campaign continued in July, supported by public relations, paid social and search media, travel trade training and education, and a coordinated promotion with the Hawai'i travel industry to entice travelers with a trip that gives back.
- Community
 - HVCB
 - Smaller community culture events were promoted in the travel trade enewsletter.
 - KVB
 - In response to the current pandemic, executive director Sue Kanoho continued to work regularly with the Kaua'i Emergency Management Agency Office in cooperation with the County of Kaua'i's Mayor and Mayor's office, Kaua'i Police Department and other state and county officials and organizations.
 - KVB assisted the Kaua'i County Office of Economic Development with the new getaroundkauai.com website which provides transportation resources available on island in response to the rental car shortage.
 - Presented island and Safe Travel updates at the Royal Coconut Coast meeting.
 - OVB
 - Participated in a virtual reconnect meeting with the team at Halekulani on July 14.
 - Held the second quarter virtual PR colleagues meeting with hotel partners and activity partners on July 16.
 - Participated in a virtual meeting with the team at Wildside Specialty Tours on July 23.
 - IHVB
 - Continued to support the County cohort team overseeing Pono Communications action plans/steps for the County of Hawai'i's (COH) Tourism Strategic Plan.
- HTA Events and Programs
 - Nothing to report for July

“Coming Attractions” for Leisure Market

	What	When	Where
HVCB	Individual Media Visit: Judy Koutsky (<i>Forbes</i>)	July 19-29	Maui, Hawai'i Island, O'ahu
	Individual Media Visit: Kai Oliver-Kurtin (<i>Marie Claire</i>)	Oct. 5-13	Maui, Lāna'i
	MAST Summer Workshops	Aug. 3-4	Palos Hills & Glen Ellyn, IL
	'Imi 'Ike Hawai'i Seminars with Outrigger Hotels & Resorts, Pleasant Holidays, and Four Seasons Resorts Lāna'i	Aug. 3-5	Downers Grove, Arlington Heights, Northbrook, IL
	Virtuoso Travel Week	Aug. 8-13	Virtual
	Virtuoso Immersion Webinar	Aug. 18	Virtual
	ASTA Global Convention	Aug. 23-26	Chicago, IL
	Long Island Travel Agents Association (LITAA) Meeting – Hawai'i Night	Sept. 1	Farmingdale, NY
	Gifted Travel Network Vendor Presentation	Sept. 7	Virtual
	Midwest 'Ohana Webinars	Sept. 8-9	Virtual
	Travel Weekly Leadership Forum	Sept. 14	Honolulu, HI
	Affluent Traveler Collection Symposium	Sept. 19-21	Marco Island, FL
	Gifted Travel Network Travel Connections Live	Sept. 29	Virtual
KVB	ALG's Global Convention	Oct. 14-17	Cancun, Mexico
	Travel Leaders EDGE Conference	Oct. 18-21	Orlando, FL
OVB	Pleasant Holidays Webinar: Outdoor Adventure / Conscious Traveler / Mālama O'ahu	Aug. 19	Virtual
	Mailpound Webinar	Sept. 1	Virtual
	IPW	Sept. 18-22	Las Vegas, NV
	Pleasant Holidays Webinar: History / Culture	Sept. 22	Virtual
	Mailpound Webinar	Oct. 7	Virtual
	ALG Ascend Conference	Oct. 14-17	Cancún, Mexico
	Travel Leaders National Meeting	Oct.18-21	Orlando, FL
MVCB	None to report		
IHVB	Q3 Consumer Opt-In E-mail	Sept. 22	Online
	Travel Weekly Forum	Sept 14	Honolulu
	ALG Ascend Conference	Oct. 14-17	Cancún, Mexico
	Travel Leaders National Meeting	Oct.18-21	Orlando, FL

Hawai'i Tourism Japan 2021 Monthly Leisure Marketing Report – July

Market Intelligence/Market Conditions

Economy

- **Consumption:** In May, the real consumption increased 11.6% compared to the same period last year, which made a 3 month consecutive increase. Unlike 2020, the increase was contributed by eating-out, outing. [\(source\)](#)
- **Consumer Confidence:** Due to the vaccination progress for senior citizens, company/school vaccination opportunities, the consumer confidence on all categories for June increased 37.4 points.

Consumer Trends

- Based on Sankei Newspaper's survey on June 25-28 (sample: 3,191 pax), 85.1% answered "feel relieved" after vaccinated. Also, the travel is their No.1 choice (72.4%) of their activities under new normal. The travel, eating-out, event participation are expected business growth as "Revenge Consumption". [\(source 1\)](#) [\(source 2\)](#)

Digital Marketing Trend

- **SNS Usage:** The Influencers were asked the information gathering during Tokyo Olympic and 96.9% replied SNS usage. In the response, usage of Instagram was selected over 60% followed by Twitter (39%). The results showed the influencers were using SNS based on the functionality. [\(source\)](#)
- **Generation Z (15-24 years old) Research:** 80% of Generation Z respondents answered the change of spending time with their friends during COVID19. The size of circle of friends are smaller, avoid dense area, activities in open air or outdoor. The average of travel desire after COVID19 was 2.8 times compared to 2.17 times before COVID19. In this generation, the travel will be the key component activities after COVID19. [\(source\)](#)

Media Trends

- **Printed Media:** Due to the high demand on digitalized media, traditional printed media has faced challenges in recent years. However, attaching attractive gift/present in the magazine is well-received by audience and can increase sales. Each printed magazine has a clear target audience and this new initiative can shift them to purchase actual items.

Competitive Environment

Recovery Plan	Las Vegas	Exe. Director of LV Tourism Bureau interviewed and expressed Japan is major part of tourism recovery.
	Australia	Minister for Trade, Tourism and Investment visited Japan to express tourism recovery with Japan government, major travel agencies/airlines.
	France	Announcement of tourism recovery promotion specifically for Japan to increase the business for Golden Week period starting end of 2021 and early 2022.
Vaccination	Guam	Guam Visitors Bureau announced 80% of adult population are now vaccinated. Guam put more promotion providing complementary Trolley service in Tumon for the visitors.
	Canada	Collaboration with JTB x Fuji TV "Vancouver Online tour".

TV Collaboration	Germany	Collaboration with Asahi News Digital “Online global trip at home LIVE”.
Travel Agent Seminar	Indonesia	Tourism seminar 2021 for target travel agents in June: current COVID-19 situation, tourism recovery plans were presented.
	Guam	Travel agent 4 day online seminar “GVB Get Up and Move Webinar” (6/29 – 7/2) with Guam’s stakeholders as presenters.
	Hong Kong	Travel agent online seminar to update on current COVID-19, tourism plan and campaign “Open House” aimed at the end of 2021.

Travel Trends

- **Vaccine Passport:** As of July 26, Japan’s regional governments have accepted the application of vaccine passport for oversea travel. 12 countries/regions including Italy, Turkey, Austria, Thailand (Islands: Phuket, Samui, Pengan & Koh Tao), Germany, Hong Kong have accepted Japan vaccine passport program. This exempts PCR negative test proof and quarantine upon entry to these countries/regions. [\(source\)](#) [\(source\)](#)
- **JATA’s Tourism Recover Roadmap:** Japan Agents Travel Association (JATA) announced at the press conference on July 8 and shared the outbound travel recovery roadmap. With vaccine passport start, the consumer confidence for traveling domestic/international will slowly increase. Under the government plan of vaccination (80% vaccination of Japan population in between late September to early December), JATA expects the ease of entry travel restriction starting from mid-October and outbound travel demands will increase in first quarter of 2022. [\(source\)](#)

JATA Roadmap:

- August: Lobby for ease entry restriction
- October: PR efforts with vaccine passport, safety promotion
- December: Monitor tour with vaccine passport

- **Major Wholesalers Package Tour**

Wholesalers	Stop-Sell until
HIS	9/15
ANA Sales, Hankyu, JALPAK, JTB, KNT-CT	9/30
Club-Tourism	10/31

Airlift

- In the month of July, total 38 flights with 9,564 air seats were operated from Tokyo (Narita & Haneda) and Osaka. Major airlines (ANA, Hawaiian and JAL) and ZIPAIR will service Hawai’i with 43 flights (11,214 seats) in August and 41 flights (10,572 seats) in September.

- **Airlines Operation & Suspension**

Operation	Details
All Nippon Airways (ANA)	2 flights/week from Haneda until 10/31
Hawaiian Airlines (HA)	3 flights/week from Narita & 1 flight from Kansai (total 4 flights per week) until 9/30
Japan Airlines (JAL)	2 flights/week from Haneda until 10/30
ZIPAIR	1 flight/week from Narita starting 7/21, additional flight from 10/1
Suspension	
– Delta Airlines: Haneda until 10/31 & Kansai & Nagoya: until further notice	
– Korean Air: until 8/31	

- | |
|----------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none">- United Airlines: until 9/8- AirAsia: Until further notice |
|----------------------------------------------------------------------------------------------------------------------|

ANA

- To promote Hawai'i route, ANA has placed 10,000 Mile back campaign for the passengers of Tokyo (NRT/HND) – Honolulu between 8/1 and 9/30. [\(source\)](#)
- **A380 Flying Honu Charter Flights:** ANA continued promoting Hawai'i through domestic charter flight in August. Total 7 flights will offer Honolulu flight meal as charter service. [\(source\)](#)
(Operating dates from Narita: 8/2, 7, 16, 21, 23, 28 & 30)

JAL

- JAL will operate larger aircraft with First Class in August (2 flights Haneda departure: 8/7 & 20) and September (5 flights Haneda departure: 9/3, 10, 17, 21 & 24). Total 244 seats (8 First class, 49 Business, 40 Premium, 147 Economy)
- JAL introduced Face Express system service which started on 7/19 for Japan Airlines' international travelers.
- JAL announced the MOU with University of Hawai'i (UH), Shidler Business Collage to invest on workforce development of UH students and innovative activities to build sustainable society for future generation. JAL supports UH internship program as part of the MOU. [\(source\)](#)

ZIPAIR

- ZIPAIR resumed the weekly flight from July 21 and first resumption flight passengers were 48 pax and cargo (12.5 tons, 10% of cargo were for Honolulu and rest are for LA). [\(source\)](#)
- ZIPAIR announced an additional flight from Narita starting in October. [\(source\)](#)

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- The country's fourth state of emergency, which is currently active in Tokyo and Okinawa prefectures until Aug. 22 will be extended to Aug. 31. Also, Metro Tokyo (Chiba, Kanagawa, Saitama) , Osaka and Fukuoka were added in the 2 prefectures until Aug. 31. [\(source\)](#)
- **Vaccination Rate:** As of July 31, the Japan's vaccination rate (completed) reached 23.8% (1st dose: 33.8%). The government expects reaching 50% vaccination rate by end of August.

Leisure Activity Update

Consumer

- **Hōkūle'a Website Launch:** Hōkūle'a microsite was launched on July 22 (Japan's Ocean Day). This site was developed with Polynesian Voyaging Society and Japanese crews and supporters. The purposes of the site are to increase the awareness of Hawaiian value and lifestyle along with Hawai'i's sustainability, to showcase Hawai'i as learning destination, and to utilize the contents for future educational seminars in Japan. The web contents include information of the Pacific Rim Voyage from 2022, the previous world "Moananuiākea" voyage in 2014-2017, introduction of canoe parts, sustainable lifestyle canoes can tell us, support and donation information for PVS, etc. This Hōkūle'a website will be updated continuously to share information of PVS and Hōkūle'a for Japan market. (Website: <https://www.allhawaii.jp/hokulea>)

- **E-newsletter:** HTJ distributed an email magazine on 7/26 to 370,272 consumers. The highlight of the email magazine was Hōkūle‘a website launch. Other contents included Hanauma Bay online system, 51st Ukulele Festival virtual event, online program for July-August by Hawai‘i NPOs, and updated information of COVID-19 in Hawai‘i. The open rate of the email magazine was 21.2%.
- **HTJ Video Distribution:** “Our Islands” HTJ video footage was continuously streamed on digital signage at 75 stores of beauty salons in Japan, with impression of 48,000 in July.
- **Sustainability Awareness:** HTJ’s Mālama Hawai‘i concept was introduced on 7/29 special issue of “marie claire green” which covered SDGs, sustainability and ethical consumption. The magazine was distributed to 300,000 luxury families in throughout Japan.
- **Surfing SNS Campaign:** To take advantage of Olympic surfing competition in Tokyo, HTJ started SNS campaign to share the roots of surfing and ‘Ōlelo Hawai‘i promotion with a quiz. As of end of July, close to 1,700 application were received.
- **HTJ Certified Program:** McDonald’s started HTJ certified annual loco moco burger campaign from 7/28 at all McDonald’s 3,000 stores (app.) nationwide in Japan. The pre-promotion media campaign had started from 7/21 by McDonald’s (no cost to HTJ) with TV CM, SNS, Web banner, and YouTube ads to increase the consumer demand along with Olympic excitement. This year campaign concept is “Hawai‘i Now” to enjoy Hawai‘i ambience while they are in Japan.
- **SNS Live:** On 7/3, HTJ and Japanese hula magazine, HULALe’a had collaborated Instagram live to share the current situation of Hawai‘i and Mālama Hawai‘i. 1,373 views were resulted.
- **Consumer Inquiry:** In the month of July, HTJ received 84 consumer inquiries. 90% of inquiries were COVID19 travel related including Safe Travels Program as well as PCR/Vaccination process.



Consumer Event Activities

- **Mikawa Hawaiian Festival “Ma Hina Luau 2021”**
(July 3 - July 4 / Aichi / 6,350pax):
To increase familiarization of Aloha Program, the event organizer created the Aloha Program information poster and arranged the special booth.



- **Mālama Hawai‘i on Sennan Long Beach**
(July 22 - July 25 / Osaka / est 4,200 pax):
First time ocean conservation event at Sennan area in Osaka. Along with message from Sennan city mayor, HTJ sent message with Mālama Hawai‘i initiatives. “Wear Aloha, Save Aloha.” special booth was set at the event to promote nature conservation. The local artists who designed the shirts were introduced on the panels at the booth and all Aloha shirts were showcased with the explanations of the design concepts.



- **Future Events Support:**
 - **American Festival “Hawai‘i Special Booth”** (Sep 11 - Sep 12 / Tokyo / est 40,000 pax): The event attracting 20s to 50s females, the target audience for Hawai‘i, will be held in mid-

September. HTJ was able to secure complementary booth and brochure stand space for Hawai'i partners. This event will be a great opportunity for the partners to participate promoting Hawai'i together.

- **22nd Hawai'i Hawaiian Festival in Yurihama** (Sep 25 - Sep 26 / Tottori / est 500 pax): Island of Hawai'i's sister city Yurihama town (Old name: Haai town) will conduct Hawaiian Festival in Yurihama in September. HTJ will support the event and will air the Share the Aloha videos and Our Island video at the main stage. Also, HTJ will prepare video message including Mālama Hawai'i to the event participants.

Aloha Program

- **KPI:** In July, there were 130 new Aloha Program members, and 186 members took and passed Hawai'i specialist tests. As of July 31, there are 26,491 specialists (12,298 advanced, 4,380 intermediate, 9,054 beginners and 759 youth) and total 62,636 Aloha Program members.
- **Public Relation:** Aloha Program's community contributions to local NPOs were introduced by HTJ's press release on 7/20. It was shared to 22 online media generating 1,304,955,763 impression and \$93,000 AVE.
- **Education:** In July, Aloha Program two webinars (1: "Birds in Hawai'i" by Mr. Sumio Kondo on 7/2 and 2: "Surfing in Hawai'i" on 7/16 with a professional surfer, Mr. Takayuki Wakita) were conducted and 200 members participated.
- **Information Distribution:** HTJ sent an email magazine to 44,895 members of Aloha Program on 7/29. Contents included the new launch of Hōkūle'a website, Hawai'i specialist exclusive webinar information for August, Aloha Program's support of NPOs, surfing website, HTJ's SNS campaigns for summer, and the third and final collaboration of "Wear Aloha, Save Aloha."

Public Relations

Media Exposures & Press Releases: In the month of July, HTJ generated the following results for media exposures.

Total:

Media Exposure	Impression	AVE
137 exposures	5,092,695,631	\$3,269,283

From Press Release:

Press Release issued	Impression	AVE
3	4,735,347,292	\$327,360

HTJ continued to distribute Mālama Hawai'i message by coordinating radio interviews of Mr. De Fries of Hawai'i Tourism Authority with key radio station J-WAVE's "JK RADIO TOKYO UNITED" and NHK key TV station Nippon TV's morning news "Oha!4 NEWS LIVE."

Date	Content	Coverage	Impression	AVE
7/20	Aloha Program NPO contribution project	23	1,304,964,513	\$93,600
7/21	Hōkūle'a website launch	36	1,886,858,658	\$133,920
7/28	SNS Summer Campaign	25	1,253,960,000	\$93,000

Media Newsletter: HTJ distributed the media newsletter on July 15 with the theme of Made in Hawai'i featuring various certified programs such as Department of Agriculture's Seals of Quality and Department of Business, Economic Development & Tourism's Buy Hawai'i, Give Aloha. Also featured stores and EC sites such as House of Mana Up and Pop-up Mākeke that are selling made in Hawai'i products.

Media Calls: HTJ communicated with 36 media (14 of print editors, 15 broadcasts, and 6 freelance) and shared updates on Hawai'i's current situation as well as Mālama Hawai'i initiatives. It was important to share the information so that once the travel resumes between Hawai'i and Japan, media can feature the initiative with Mālama Hawai'i message.

In Hawai'i, HTJ worked together with the Hawai'i free magazine Lighthouse Hawai'i for the exposure on HTJ's Mālama Hawai'i initiative with POOLO and the type of activities visitors can enjoy on island while learning about Hawaiian culture and giving back to nature. HTJ also arranged an interview with Hawai'i Public Radio which will be aired in early August. HTJ will continue to communicate with local media so they can support HTJ's initiatives and activities to support Hawai'i's community.

Media Site: HTJ added contents relating to made in Hawai'i certification program, farmer's markets, and Hawai'i's fruits and vegetables seasonality.

Travel Trade Activities

- **Mālama Hawai'i through Online Education:** In the month of July, through JATA's seminar, Hawai'i Tsushin Zemi and wholesaler online seminar, HTJ reached out to over 3,500 agents/industry related representatives about Mālama Hawai'i.
- **Online Tour:** Major wholesalers including JTB, H.I.S. and JALPAK have initiated the online tours to showcase Hawai'i's now and promoting Hawaii products through online shopping tours. This is part of their promotion to keep their customers to dream about Hawai'i. HTJ provided information on Made in Hawaii products, local artists, farmer's markets to be added to their online tours.
- **Airlines support of Mālama Hawai'i:** HTJ is discussing with major airlines, ANA, JAL and ZIPAIR to showcase Mālama Hawai'i messages/videos through inflight channels.
- **Destination Knowledge Support:** HTJ suggested Aloha Program as ANA's Hawai'i destination education program and encourages 1,000 cabin attendants to become Hawai'i Specialists. Also, HTJ is negotiating upcoming Mālama Hawai'i video with Japanese subtitle viewing to be mandated for this education program.
- **Agent Staff Training:** HTJ continued receiving the request of online training and presentation for agent staff training.

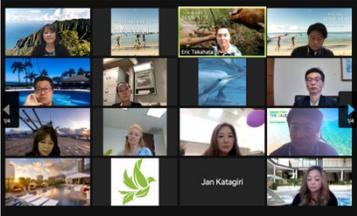
Travel Trade Calls

Airline	Wholesalers/TA/OTA	Other	Total
20	20	31	71

- **Travel Trade Website:** In July, HTJ created 24 columns with 11,287 PV and 4,989 UU.
- **Weekly Mail Magazine:** In July, total 4 email magazines were distributed to approximately 7,803 members with average open rate 45%. These email magazine contents were also picked up by travel trade media, which resulted 16 coverage with 474,739,238 impressions.

- **SNS Reach:** Twitter for travel trade in July: 33 posts with 47,688 impression. The posts included Hōkūle‘a’s website launch, relation between Coral and Sunscreen. These post scontributed the increase of PV and UU on travel trade site.
- **Satellite Office Activities:**
 - HTJ initiated Mālama Hawai‘i PR to satellite offices by providing Mālama Hawai‘i banner to their websites and other channels. Once Mālama Hawai‘i 4 videos with Japanese subtitle are ready to share, HTJ will collaborate with satellite offices for the video distribution.
 - Total 34 columns were posted by satellite offices in July.

Parnters Relations:

- **Japan Hui Partner Meeting:** HTJ conducted a partners meeting on 7/20 and close to 80 representatives participated. In the meeting, HTJ updated current Japan situation and travel industry in Japan’s initiatives. Also, HTJ encouraged partners to promot “Mālama Hawai‘i” campaign for tourism education.
- 
- **Association Meetings**
 - **JHTA Bi-monthly Meeting:** HTJ participated Japan Hawai‘i Travel Association (JHTA) bi-monthly meeting and presented tourism management initiatives by utilize Mālama Hawai‘i campaign. Close to 40 representatives of the JHTA members were reached.
 - **HPCJ Monthly Meeting:** HTJ participated in Hawai‘i Promotion Committee Japan (HPCJ) meeting on 7/15 and provided industry updates and informed current Hawai‘i’s situation including vaccination progress to 65 representatives. The meeting presentation was also featured on travel trade media “Travel Watch” and same article was covered by Yahoo Japan. [\(source\)](#)
 - **Partner Information Distribution:** Through the email magazine, Roberts Hawai‘i’s PCR test center was mentioned and earned 6 media exposures with 163,046,544 impression and \$16,905 AVE. Also, for Mālama Hawai‘i initiatives, HTJ is preparing columns of Kahala Resort and Four Seasons Hualalai to showcase in August.

Mālama Hawai‘i Activities

Travel Advice: HTJ translated the information in Japanese and created the travel advice columns of Road to Hana traffic alert, Kaua‘i shuttle service, Maui shuttle service, and Waianapanapa State Park reservation service on both Allhawaii.jp and travel trade site to increase the awareness for Japan Market. Also, HTJ posted Hanauma Bay’s new reservation system and change of entrance fees for visitors on allhawaii.jp and SNS.



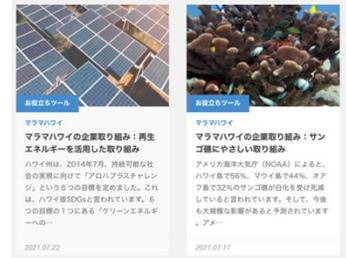
Hawaiian Culture

- **Merrie Monarch Festival:** HTJ shared the online streaming of Merrie Monarch Festival on 7/2-7/4 (JST) on HTJ’s owned media, SNS, and email magazines. HTJ also shared the information of Pop-up Mākeke opened during the festival.
- **Queen Liliuokalani Keiki Hula Festival :** HTJ introduced the virtual livestream of Queen Liliuokalani Keiki Hula Festival held from 7/20 at HTJ’s SNS with total impression of 36,397.

- **Ukulele Festival:** HTJ introduced 51st Ukulele Festival virtual event on HTJ’s owned media, SNS, and email magazines with total reach of 76,962.
- **Virtual Wildest Show in Town:** HTJ shared a virtual music event streamed and held by Honolulu Zoo every Thursday (JST) on SNS to introduce Hawaiian music.
- **2022 King Kamehameha Celebration:** HTJ participated in initial discussion meeting of 150th anniversary of King Kamehameha Celebration in 2022 along with OVB and IHBV. In the meeting, HTJ requested event organizer to provide promotional materials so that HTJ can start preparing and translating in Japanese.

Natural Resources

- In the Mālama Hawai’i section on Travel Trade website, 4 additional columns including ocean conservancy, Hawai’i Made products, coral reef protection and Hawai’i’s renewal energy initiatives were created to increase the awareness of sustainability in Hawai’i. [\(source\)](#)



Community

- **Made In Hawai’i Festival:** HTJ joined the meeting with Made in Hawai’i Festival held in November. HTJ informed the organizer about current virtual shopping tour (i.e. HIS, JALPAK, etc). HTJ will be possibly bringing buyers from Japan to the event in November.
- **Local NPOs:** As the part of Mālama Hawai’i initiatives, local NPOs such as Manoa Heritage Center, Surfrider Foundation, Sustainable Coastlines Hawai’i, and Bishop Museum were introduced on local free paper in Hawai’i called “Lighthouse” on 7/16 with a circulation of 20,000.
- **Sustainable Coastlines Hawai’i involvement:** HTJ collaborated with Sustainable Coastlines Hawai’i’s Japanese educator, Mr. Kimukai to educate ocean conservation in Hawai’i to the Hawai’i Tsushin Zemi attendees along with HTJ’s SDGs presentation in July. HTJ received many positive comments from the attendees on the increase of understanding of Hawai’i SDGs and Responsible Tourism.
- **Hawai’i Tsushin Zemi:** Starting from July 7, a new online education program called “Hawai’i Tsushin Zemi”, targeted not only travel trade representatives, but also educational institutions/educators, media and general public including students. This program consists of 4 series and in July, 2 seminars of Hawai’i’s SDGs and ocean conservancy were presented. Close to 900 participants were educated and informed. Prior to the actual seminar, a press release was issued in June. A total of 50 media exposure with 1,343,200,247 impressions and \$180,749 AVE were resulted. [\(Link\)](#)
- **Expedia TAAP Event:** HTJ participated in Expedia TAAP webinar on July 14 and made presentation about Hawai’i’s current situation and Mālama Hawai’i initiatives. Over 60 Expedia members participated. [\(Event Report\)](#)
- **TPI Hawai’i Seminar:** Travel Plaza International Hawai’i Seminar was conducted on July 16 and HTJ was invited as speaker and showcased Aloha+ Challenge and Mālama Hawai’i website. Total 94 companies with 133 pax participated. This is a great opportunities working with TPI to increase the awareness of Mālama Hawai’i Initiatives. [\(Event Report\)](#)

- **JATA Seminar:** HTJ participated panel discussion with JATA chairman on July 28 to close to 1,100 participants. In the program, HTJ shared Hawai'i's COVID19 prevention, current U.S. market tourism businesses, importance of tourism management to prevent overtourism and negative residents sentiments. As a part of tourism management, Mālama Hawai'i initiatives were showcased along with DMAP and sustainable tourism programs. Wing Travel featured the panel discussion with 115,000 impressions and \$4,960 AVE. ([Wing Travel Jwing](#)) Event report on Travel Trade site: ([Link](#))
- **Partners Collaboration of Mālama Hawai'i initiatives:**
 - **JTB:** Two JTB main package tour pamphlets (November 2021~January 2022) included Mālama Hawai'i messages and images. The circulation for these pamphlets is about 80,000 copies and with digital pamphlet, over 200,000 reaches are expected.
 - **JCB Credit Card:** JCB placed Mālama Hawai'i banner on its web site (17,784 PV & 13,803 UU) to increase the awareness of Responsible Tourism to JCB credit card customers.



Island Chapters Engagement Update

- **Pono Pledge:** HTJ assisted Island of Hawai'i Visitors Bureau on Pono Pledge Japanese translation updates.
- **Hawaiian Islands Message Distributions:** On each SNS, HTJ introduced the beauty and attractiveness of O'ahu, Island of Hawai'i, Maui, and Kaua'i.

Islands	Reach	# posts	Featured contents - Examples
O'ahu	318,439	19	- Shared the new reservation system and rule to watch the ocean conservation movie before entering Hanauma Bay - Announced Queen Liliuokalani Keiki Hula Competition
Island of Hawai'i	204,476	8	- Announced the streaming of Merrie Monarch Festival - Shared the dynamic starry sky to tell the beauty of nature
Maui	40,206	1	- Shared the beautiful beaches of Maui
Kaua'i	41,833	2	- Shared the nature and beauty of Kaua'i with Mermaid Fountain - Shared the surf culture, talk about the roots of surfing with the scenery of Kaua'i

"Coming Attractions" for Leisure Market

What	When	Where
Kansai TV online interview	8/2	Online
Hawai'i online seminar Vol.3	8/4 JST	Online
Aloha Program webinar (Hawaiian mythology)	8/13 JST	Online
Hawai'i online seminar Vol.4	8/18 JST	Online
JTB direct consumer online seminar #1	8/19 JST	Online
Hawai'i online seminar special	8/25 JST	Online
Aloha Program webinar (Kaua'i Museum)	8/27 JST	Online

Hawai'i Tourism Canada

2021 Monthly Leisure Marketing Report – July

Market Intelligence/Market Conditions

Economy

- The Canadian economy has already recovered nearly 80 per cent of the jobs lost during the severe recession last year. But jobs for lower income Canadians remain well below pre-pandemic levels. This unwelcome development could persist through the medium term as some positions—for instance, in bars and restaurants—could be permanently lost.
- Large federal fiscal deficits will persist through the medium term although they will slowly decline. New spending initiatives – including the federal government’s plan to implement a national childcare program – will maintain upward pressure on expenditures.
- A sharp rebound in household spending over the near term is due to households starting to spend some of the huge savings built up over the course of 2020 and the first part of 2021. The composition of spending will change as households will spend less on goods and more on services like travel.
- Canada’s economy will expand by 6.7 per cent this year and 4.4 per cent in 2022. This represents an upgrade from our spring update and partly reflects the generally successful rollout of vaccines that has led to a gradual reopening of the economy and a boost in confidence.
- The loonie continued to gain strength during the first half of 2021, reaching an average of USD \$0.80, a 9.4% increase over 2020.

Outbound Travel Market

- More than 767 thousand trips were recorded throughout Jan-May 2021, compared to 8 million in 2020, and 14.4 million in 2019. Compared to the same period in 2019, overseas activity has declined 94 per cent while transborder trips have fallen 96 per cent. The 2020-21 winter travel season (Nov-Apr) saw 961 thousand Canadians take an outbound trip, compared to 12.8 million in winter 2019-20. Of the recorded activity, 55 per cent of trips were to overseas destinations, a larger share than recorded throughout the same period in 2019-20 (44%) and 2018-19 (43%).
- Just 95 thousand Canadians returned from an overnight transborder trip in May 2021, but this was the largest monthly volume recorded since the onset of the pandemic and the resulting travel restrictions. Even so, the level of activity in May reflects just 5.7 per cent of pre-pandemic volume. Compared to the first five months of 2019, overnight auto trips have declined 94 per cent, while travel by other modes has decreased 96 per cent.

Competitive Environment

- Compared to the same period in 2019, destinations in the Caribbean, Mexico, and Central America recorded a 98 per cent decline in activity throughout the first five months of 2021. There were just 83 thousand arrivals registered during the period, with visits to Mexico accounting for 56 per cent of activity.
- The first five months of 2021 saw just 41 thousand Canadian arrivals in the Asia-Pacific region, a 94 per cent decline compared to 2020, and a 98 per cent drop over 2019. The overall occupancy rate for the period was 13.6 per cent in Thailand, 54.0 per cent in Hong Kong, and 44.9 per cent in Singapore.

Consumer Trends

- Consumer confidence rose to 121.2 in July surpassing the pre-pandemic rating recorded in February 2020 (120.6). With restrictions continuing to ease, Canadians are increasingly confident about their current financial situation and are feeling good about making big purchases. While the jump this month was largely linked to improved ratings in Ontario and Québec, the lower share of pessimistic views overall points to robust consumer spending this summer.

Travel Trends

- Slightly more than 5 thousand Canadians visited Hawai'i throughout the first half of 2021.
- Half of these arrivals occurred in January, before increased travel restrictions were implemented.
- Compared to 2019, direct arrivals have declined by 99% so far this year, while indirect arrivals have fallen 96%.
- The first six months of 2021 saw indirect arrivals decline 96% compared to 2019.
- There were just 2,500 indirect arrivals during the period, compared to almost 29 thousand in 2020 and more than 65 thousand in 2019.
- Independent travellers represented 95% of all visitors so far in 2021, a much higher share than previous years.
- During the period, more than 5 thousand independent travellers were counted (-96%), while package trip volumes fell 99%.
- Compared to 2019, stays in hotels (-97%) registered a smaller decline than stays in condos/timeshares (-99%) and rental homes (-99%).

Media Trends

- Sharethrough launches dynamic video captions

With many mobile users watching video ads on mute, the new service makes content outside of walled garden ecosystems more effective and accessible. In an effort to make video ads more effective, Sharethrough has introduced dynamic captions for better recall and increased engagement. While walled garden video inventory from the likes of Facebook, Instagram, Google/YouTube and TikTok facilitates captioning, video content everywhere else does not.

In response, the omnichannel ad exchange developed True Template Technology, generating captions for video where a headline typically lives, rather than directly embedding them in the video itself. The add-on reportedly increases message comprehension by more than 50% versus ads without captions and makes the content more accessible overall to deaf and hearing-impaired audiences.

Sharethrough's recent merger with District M combined its enhanced video and native products – access to over 40,000 website and mobile applications, as well as connections to all major DSPs – with District M's publisher monetization tools, for formats such as standard display and rich media, as well as web and in-app display. But, according to research from Sharethrough, 75% of mobile users keep their devices muted while a video plays, hampering the overall effectiveness and return of a standard video ad spend.

With the ability to add auto-generated captions becoming the new normal on social media, Sharethrough becomes the first ad exchange to offer a similar feature on the open web. "The number of videos you see playing silently every day has always felt like a wasted opportunity – so many of those videos are not conveying anything to the user," Curt Larson, chief product officer at Sharethrough, tells MiC. "Captions are both user-friendly and tremendously increase advertiser value."

Dynamic video captions – which are value-add and don't cost any more to be turned on – can be activated through any DSP using a Sharethrough Deal ID, or by targeting Sharethrough on the Open Exchange, and all captions are reportedly human verified and there are no custom builds or approvals required.

Globally, Sharethrough's ad exchange provides access to over 25 billion daily display, video, and native impression requests. In Canada, it provides access to publisher connections such as The Globe and Mail, Postmedia and La Presse.

- TikTok Canada activates around new Indigenous creator partnership

The platform ran a cross-country multi-platform media campaign to celebrate Indigenous communities and stories.

The beginning of National Indigenous History Month (NIHM) in June was marked by the tragic discovery of the remains of 215 children at the former site of the Kamloops Indian Residential School on Tk'emlúps te Secwépemc territory – a solemn reminder that there is still much work to be done on truth and reconciliation.

It's the reason TikTok Canada teamed up with Creative Fire, an Indigenous-owned creative consulting agency with offices in Saskatoon, Sask. and Burlington, Ont., to create "#LivingStories," a cross-country OOH and digital campaign that began on June 8 to provide a platform for Indigenous TikTok creators to share their stories.

"#LivingStories" featured stories, histories, experiences, and tales by Indigenous creators that have been passed down by elders and community figureheads. Banners across the app highlighted the slate of storytelling, and live programming helped spotlight Indigenous creators and artists such as James Jones and Gia Pastion, while also highlighting Indigenous-owned small businesses. Indigenous creators were also featured on billboards across Canada.

Mitch White, senior communications lead with Creative Fire, believes TikTok's approach to video makes it a more natural fit for Indigenous storytelling than other social media platforms that are more photo- or text-based. "TikTok is geared towards videos, and storytelling has always been verbal – that's how we have captured and shared our histories and realities," he says.

Given the recent tragic discoveries, it's more important than ever for Indigenous communities to have an outlet to share their stories, experiences, and grief, he says. "Through the month of June and beyond we are trying to put a spotlight on Indigenous peoples and their stories in a way that is culturally appropriate and that resonates with the creators and with the communities."

Nadia Niccoli, director of brand and business marketing at TikTok Canada, explains that even before the tragic discovery of unmarked graves, the platform wanted to create a tentpole campaign that kicked off NIHM to celebrate, educate and amplify the incredibly talented Indigenous creator community on TikTok.

TikTok StickerTo that end, the platform's in-house design and content team introduced two creative features for NIHM, the first being a new effect called "Aurora Burst," which is a combination of the popular "Neon Burst" effect and a stop motion trend featuring the Northern Lights.

The second is the first-ever informational sticker designed by an Indigenous artist for TikTok. It partnered with Patrick Hunter, a two-spirited Ojibway artist originally from Red Lake, Ont., on designing the sticker (pictured, right).

"We are always looking for ways to continue to showcase the diversity of our users and content on the platform, especially as we continue to grow our presence in the market. The goal of all of our brand and community marketing efforts is to highlight the value of the platform at every media touchpoint," Niccoli says.

TikTok Canada's commitment to celebrating Indigenous communities and stories will extend past NIHM, with plans to launch year-round, long-term programs focused on supporting Indigenous creators.

As part of its ongoing commitment, the platform will hold monthly virtual community programming with topics covering TikTok best practices, audience growth strategies, creator wellbeing, and how to work with brands.

Additional initiatives were announced at the #IndigenousTikTok Creator Circle on June 28, a virtual event exclusively for its growing community of Indigenous creators, which featured musical performances, appearances by TikTok creators, celebrity guest's appearances and virtual mingling with the goal of uplifting and celebrating Indigenous communities.

TikTok will be partnering with and contributing \$100,000 to non-profit organizations across Canada that support Indigenous communities focusing on culture, education, youth leadership and youth mental health. This includes support for Indspire's Rivers to Success mentorship program, We Matter's mental wellness resources for Indigenous youth and the National Association of Friendship Centre's Aboriginal Youth Council.

- Facebook limits advertiser targeting to youth

The safety measures also come as the social network adds three major publishers to its news innovation test.

Facebook made two announcements this week that help make its platforms safer, more private, and venues that promote trusted Canadian journalism.

On the ad front, advertisers will now only be able to target ads to people in Canada under the age of 18 (older in certain countries with different local regulations) based on age, gender, and location. Previously available targeting options, such as those based on interests or activity on other apps and websites, will no longer be available to advertisers.

The company says that, while it has always aimed to give users control over these kinds of things in its ad settings, it has heard from advocates that young people may not always be equipped to make these decisions. Facebook has also released a number of other youth-targeted safety features on Instagram, including making profiles of people under 16 private by default.

These changes will apply to Instagram, Facebook and Messenger. Once young people turn 18, they will be notified that advertisers can now reach them and about the tools available to them to control their ad experience.

The second announcement from Facebook this week revealed that The Globe and Mail, local news publisher Black Press Media and Glacier Media have joined the 14 other Canadian publishers participating in the Facebook Journalism Project's News Innovation Test.

The test entails Facebook paying participating publishers for linking to additional news stories not already posted on Facebook to enhance the experience for platform users looking for trusted Canadian news about important topics.

Publishers participating in the test also include BlogTO, Canada's National Observer, The Coast, La coopérative nationale de l'information indépendante, Daily Hive, Le Devoir, Discourse Media, FP Newspapers, Narcity, The Narwhal, SaltWire Network, The Sprawl, The Tyee and Village

Airlift

- There were 14 thousand direct seats offered during the first half of 2021, compared to 183 thousand in 2020 and 307 thousand in 2019.

- After offering seats in January, Air Canada suspended service until August.
- So far this year, WestJet has offered 11 thousand seats, a -91% reduction compared to 2020.
- Carriers are currently offering almost 161 thousand seats throughout the second half of 2021, 82% of which are scheduled for Q4.
- Carriers are currently offering 175 thousand direct seats in 2021.
- This is 14 thousand fewer seats than available throughout 2020 and a little more than one-third of the service offered in 2019 (-64%).
- With travel activity not expected to pick up until much later this year, total visitation is currently projected to reach 130 thousand arrivals, or about one-quarter of the volume registered in 2019 (-76%).
- Following the suspension of air service in summer 2020, Air Canada and WestJet are currently offering 44 thousand direct seats throughout the summer travel season, a 60% decline compared to 2019.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

- Canada's move to mix COVID-19 vaccines as part of a strategy to quickly immunize as much of the population as possible could present travel challenges to millions of people who received different doses. While research has shown that mixing a viral vector vaccine, such as AstraZeneca, followed by an mRNA vaccine, such as Pfizer, produces a significant immune response, some countries, including many in the European Union, don't recognize certain vaccines and vaccine combinations.
- About 9,000 Canadian Border Service Agency workers are preparing to begin job action across the country on Friday and say travellers should expect long lineups and lengthy delays at border crossings and airports.
- Prime Minister Justin Trudeau can't say when Canadians will see an official system that will enable them to show formal proof of their COVID-19 vaccine status while travelling abroad. But whatever program the Trudeau government produces, it will be both "simple and efficient,"
- Canada will start accepting U.S. citizens and permanent residents as soon as August 9. That same day, Canada will also be getting rid of the hotel quarantine for all travellers. The Canadian border will reopen to fully vaccinated travellers from all countries on September 7. Fully vaccinated travellers no longer have to do on-arrival and day eight testing, but they may be subject to random testing at the border.
- Starting August 9, unvaccinated dependents of fully vaccinated travellers will no longer have to complete the full 14-day quarantine. Instead, they will have to follow public health measures for that amount of time, such as avoiding group settings such as school and daycare in the two-weeks following their arrival to Canada.

- Also starting August 9, Airports in Halifax, Quebec City, Ottawa, Winnipeg, and Edmonton will open to international air arrivals.
- Government officials also confirmed Canada will be extending its ban on direct flights to India.
- With travel restrictions easing, visitor activity is expected to pick up at the end of the summer season. Current estimates point to almost 46 thousand visitors throughout May-Oct 2021.

Leisure Activity Update

Consumer

- Air Canada: a coop campaign will be launched in October including the insertion of one of the Mālama videos in two landing pages one with AC and the other with Expedia.
- Air Canada Vacations: HTCAN has been in contact with the tour operator to resume the promotional campaign that was paused at the beginning of the year. HTCAN is looking at the possibility of including the Mālama videos on the ACV website as well as the inflight service.
- WestJet Vacations HTCAN has been in contact with the tour operator to resume the promotional campaign that was paused at the beginning of the year. WestJet flights bound to Hawai'i in September and October will show the "Stewardship of the Land" Mālama video on the inflight service.

TOP PERFORMING POSTS FOR THE MONTH – INSTAGRAM:

POST IMAGE	POST TEXT	IMPRESSIONS	ENGAGEMENT ▼	APPLAUSE	AMPLIFICATION	CONVERSATION	POST CLICKS
	Aerial View of Molokini Crater (Maui) When the moon meets the ocean. 🌙🌊 #VisitMaui #AlohaNorth #hawaii #Maui	3,030	210	203	0	3	0
	Na Aina Kai (Lands by the Sea) is a living mosaic of diverse gardens. 🌿🌴 #VisitKauai	1,643	121	117	0	2	0
	A little birdie told us... you might get distracted by this view! 🌴🌊 #VisitKauai	1,441	107	100	0	6	0

TOP PERFORMING POSTS FOR THE MONTH – FACEBOOK:

POST IMAGE	POST TEXT	IMPRESSIONS	ENGAGEMENT ▼	APPLAUSE	AMPLIFICATION	CONVERSATION	POST CLICKS
	Aerial View of Molokini Crater (Maui) When the moon meets the ocean. 🌙🌊 #VisitMaui	5,707	211	96	5	5	105
	Lighthouse Lihue (Kauai) A little birdie told us... you might get distracted by this view! 🐦 #VisitKauai	4,472	201	124	4	7	66
	Napali Coast Views (Kauai) Approaching paradise. 🌴 #VisitKauai www.gohawaii.com/islands/kauai?	4,273	187	105	7	4	71

TOP PERFORMING POSTS FOR THE MONTH – TWITTER:

POST IMAGE	POST TEXT	IMPRESSIONS	ENGAGEMENT ▼	APPLAUSE	AMPLIFICATION	CONVERSATION	POST CLICKS
	Lighthouse Lihue (Kauai) A little birdie told us... you might get distracted by this view! 🐦 #VisitKauai	N/A	37	12	2	1	22
	Aerial View of Molokini Crater (Maui) When the moon meets the ocean. 🌙🌊 #VisitMaui	N/A	37	22	6	0	9
	Na Aina Kai Botanical Garden (Kauai) Na Aina Kai (Lands by the Sea) is a living mosaic of diverse gardens. 🌿▶	N/A	23	6	2	0	15

Note: The bolded text under 'post text' was not deployed.

Travel Trade

- Hotelbeds.com Campaign: The campaign ran for three months (May, June, and July) given a result of a 101% increase in room nights sales
- Outgoing reach to set up upcoming training sessions with travel agencies across the country.
- Proactively working on sharing information regularly with the tourism industry and listening to Travel Advisors' feedback about consumer behavior and booking trends.
- Get Spoiled Newmarket Drive Inn - In Person Event
On July 28th, 2021, Hawai'i Tourism Canada participated in the first in-person event in Ontario's Newmarket Drive Inn hosted by *Spoiled Agent*. 90 Canadian advisors in attendance had the chance to learn, win prizes & watch a movie. A socially distant Car/Booth was set up for advisors to interact with HTCAN director Lorenzo Campos.

A 6-minute video/presentation featuring messages from HTCAN Account Director Lorenzo Campos and Account Manager Gustavo Inciarte was projected on the big screen in combination with 2 videos from the Mālama Hawaii campaign.

Spoiled Agent also held a virtual show format on July 28th with 275 registered via zoom and 136 in attendance. The event was also broadcasted live on *Spoiled Agent's* Facebook page. A lucky winner among the Travel agents who participated in the virtual event will receive a Hawai'i-themed swag bag.



- The Spoiled agent Hawai'i dedicated landing page has been updated to include information on the Mālama Hawai'i campaign, videos, and travel guides. The page also features a link to the list of hotels, airlines, and volunteer organizations on Kauai, Oahu, Maui, and the island of Hawai'i that offer voluntourism opportunities and special rates as part of the Mālama Hawai'i program.
- The preparations for Aloha Canada 2021 to be held on October 28 have started. A Save the Date message has been sent to the attendees and registration forms have been sent to the possible partners. Agreed with HTA, HTCAN has offered the participating partners the possibility of paying the participation fee in-kind to ease the burden of a cash payment.

Public Relations

- Proactive and reactive pitching with prior approvals from the HTA. Pitching themes include virtual experiences for families during summer break to keep Hawaii top of mind.
- In regular conversations with media to ensure they are updated on all regulations and safety protocols pertaining to COVID testing.
- Spoke with a number of media for potential visits in 2022. A number of journalists would like to start planning for a visit in Q1 and Q2. Discussing potential story angles and shortlisting islands to visit.
- Working with 4 journalists for possible media trips in 2022. Discussing themes and island they would like to visit.
- Coordinated an email interview with John De Fries for Canadian Travel Press. Expected to be published in August.
- Working on a story on Sustainable Travel and Indigenous Tourism for Canadian Traveler. Submitted all the information expected to be published between August and October.

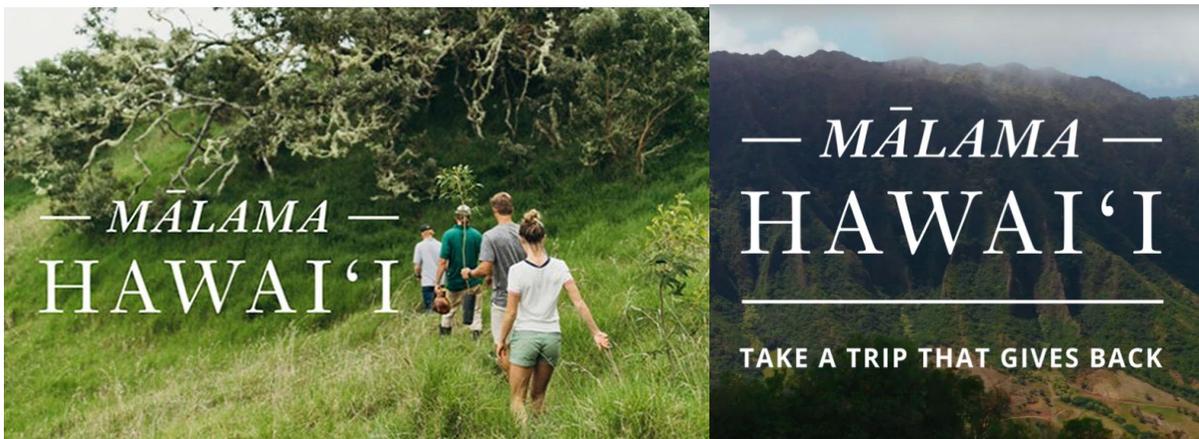
Travel Trade Activities

Travel Trade Calls			
Airline	Wholesaler/TA/TO/OTA	Other	Total
8	28	2	38

- Agents are receiving inquiries from Canadian travelers who intend to travel this winter to Hawai'i for a longer stay. Most of them have a second home in the Islands or are planning to arrange a long-term rental for at least 3 months. Canadians now feel much more confident about traveling again, due to high vaccination rates in Canada and the U.S. as well as lower COVID case counts.
- Travel demand for Hawai'i is continuing to rise, so travel Advisors are encouraging their clients to book their trip early in order to secure the space in accommodations, activities, and most importantly car rental. With so much pent-up demand, travel advisors have noticed some difficulties trying to arrange plans for their clients due to the lack of availability. Some hotels seem to be sold out and activities provided by land tour operators are limited.

Responsible Tourism Update

- Mālama Hawai'i Campaign
The Mālama Hawai'i campaign continues to be the main focus of HTCAN's efforts to promote sustainable tourism and volunteer opportunities.



- Hawaiian culture is the center of the promotion.
- An effort has been made to create awareness in the travel advisors to pass along the message to their clients about visitors being respectful of the communities, traditions, environment, etc. when visiting Hawai'i.
- HTCAN is continuously looking for “greener” partners to engage with.

- HTCAN is discussing with both Canadian carriers the possibility of using the Mālama videos on their in-flight entertainment system.

Island Chapters Engagement Update

- HTCAN is in communication with the Island Chapters. The design of the social posting calendars has been sent for their approval.
- HTCAN has scheduled a monthly call with the IC to update them on the current market situation.
- HTCAN has set the calendar for the Spoiled Agent series.

“Coming Attractions” for Leisure Market

What	When	Where
Educational campaign with Spoiled Agent	August to January	Canada-wide
Digital advertising campaign	August September October	Canada-wide
Air Canada coop campaign	Oct Nov	Canada-wide
Air Canada Vacations campaign	TBD	Canada-wide
WestJet campaign	September October	Canada-wide
Aloha Canada	October	Canada-wide
Trade campaign with Open Jaw	September October	Canada-wide

Hawai'i Tourism Oceania 2021 Monthly Leisure Marketing Report – July

Market Intelligence/Market Conditions

Economy

Australia & New Zealand

The arrival of the Delta variant of Covid-19 in the region has made the containment of Covid much more challenging. This has been seen in particular in the State of New South Wales which has seen a growth in community cases and a subsequent lock-down. It is believed this lockdown will run until at least the end of August

On the positive side, the situation in NSW has highlighted the need to be vaccinated. This has been the key priority for Federal and State governments. August and September will be the biggest months yet for vaccination volumes in line with an increase of supplies arriving in the region.

The Australian government have added detail to the planned roadmap around the re-opening of borders. This will be in line with vaccinated population rates.

During August the New Zealand government will provide more information on their re-opening plan.

New Zealand recently released their unemployment rates which have dropped to just 4%. This reflects a very strong domestic economy and a reduction in immigrant workers.

On the exchange rates, both currencies remain strong against the USD (AUD.75cents & NZD.72cents). The AUD dipped slightly due to recent lockdowns.

Outbound Travel Market

Australia & New Zealand

- In June, Air New Zealand announced new schedules between Auckland and Honolulu, commencing November this year. These have since been delayed slightly (to 1st January) due to the impact of the Delta variant both globally and in the AU/NZ region. This date is in line with Hawaiian Airlines and Qantas who are both offering schedules in late December.
- As far as general outbound travel is concerned, the Trans-Tasman free travel bubble between Australia and New Zealand has been paused to the Covid outbreak in Australia. The only travel bubble that remains operational is between New Zealand and the Cook Islands.

Competitive Environment

Australia & New Zealand

- There has been a reduction in destination advertising over the month due to the regression in travel advances.

Consumer Trends

Australia & NZ

- It is positive to see that both Australia and New Zealand are talking about when travel does open up it will be for local residents who are vaccinated. It will also begin with relatively safe destinations and Hawai'i is certainly seen as a destination that has handle Covid better than most.

Travel Trends

Australia & New Zealand

- Nothing new to report this month

Media Trends

Australia & New Zealand

- Nothing new to report this month

Airlift

Australia & New Zealand

- As above, outlined in the outbound travel section. The planned Dec/Jan restart works well for a Q4 marketing push.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

Australia & NZ

- Activity during the month has provided the opportunity to talk to some industry partners around their position and outlook. It is positive that our key wholesale and retail partners have weathered the storm, albeit with much streamlined organisations. The pausing of the Trans-Tasman bubble has been a set-back for them as this was an important revenue stream, along with domestic and the Cook Islands (NZ)

Leisure Activity Update

Consumer

- **Social media content calendar:** HTO continues to build momentum on Social Media. Posting 2 -3 posts per week and gradually building momentum and increasing post frequency over. The posts have generated a significant amount of engagement. It is promising that there has been virtually no drop-off in the fan base, even though travel to Hawai'i is not possible at present.

Travel Trade

- **Visit USA** – HTO presented as part of the Visit USA July virtual roadshow which also featured a physical element for key industry and travel media. HTO focused on the positive progress being made in Hawai'i along with the Mālama Hawai'i initiative.

Public Relations

HTO continue to maintain relationships with the trade and consumer press and also assist with destination and industry information where relevant and appropriate.

While consumer media coverage has tended to be more locally focussed, we have seen good pick-up of industry news in the travel trade press,

Travel Trade Activities

Travel Trade Calls			
Airline	Wholesaler/TA/TO/OTA	Other	Total
2	2	2	6

Meetings (mix between virtual and physical) with the following partners:
Flight Centre, House of Travel, NZ Herald, Globus Cosmos, Hawaiian Airlines, Air NZ

Responsible Tourism Update

HTO have begun to communicate the Mālama Hawai'i concept and initiative into the local market. This includes inclusion within the social media calendar as well as the July Visit USA trade virtual roadshow.

Island Chapters Engagement Update

HTO continue to liaise with the IC's as required.

"Coming Attractions" for Leisure Market

HTO will continue to provide market intel and continue liaison with key trade, media and political partners.

HTO continues to produce 'evergreen' content in preparation for activation of the recovery marketing plan, including the implementation of a social media calendar.

Hawai'i Tourism Korea

2021 Monthly Leisure Marketing Report – July

Market Intelligence/Market Conditions

Economy

- The Asian Development Bank (ADB) improved its growth outlook for Korea this year to 4% from an estimate in April of 3.5%, citing robust exports and an expansion in facility investment.
- South Korea's exports jumped 29.6 percent on-year in July to a record high, extending their gains to a ninth consecutive month as the global economy maintained a recovery according to the data compiled by the Ministry of Trade, Industry and Energy.
- The composite consumer sentiment index (CCSI) came in at 103.2 for July, down 7.1 points from the previous month, according to the data from the Bank of Korea (BOK) marking the first decline since December last year.
- The Korean real GDP in the second quarter rose 0.7% from the first quarter, and it led to a 3.9% of the economic growth rate in the first half of this year, exceeding the previous forecast by 0.2% points. In particular, private consumption which had shrunk in the aftermath of COVID-19 improved significantly, up 3.5% from the previous quarter as the biggest increase in 12 years since the second quarter of 2009.
- The average USD/WON exchange rate in July was 1,145.66 won, slightly appreciated from the previous rate of 1,122.43 won in June.

Outbound Travel Market

- The number of outbound travelers from Korea in June recorded 79,446, 64.3% year-on-year increase.

Competitive Environment

- The first travel bubble of Korea with Saipan kicked off on July 24 with 6 leisure travelers under the quarantine-free travel arrangement.
- Guam is exempting quarantine to all international travelers from July 4 when submitting PCR negative result issued within 72 hours of arrival or to fully vaccinated travelers. Guam has recently announced to achieve herd immunity recording over 80% of adult vaccination rate.
- France is allowing Korean travelers with PCR negative test result issued within 72 hours of departure. For fully vaccinated visitors, test result is not necessary.

Consumer Trends

- Online shopping in South Korea hit a record high in the second quarter as more people used e-commerce shopping platforms amid a contactless trend caused by the pandemic. The value of online shopping transactions stood at 46.9 trillion won (\$40.8 billion) in the April-June period, up 25.1 percent from a year earlier, according to the data from Statistics Korea. Online shopping of travel-related services rose 35.7 percent to 824 billion won in June due largely to last year's low base and increased activity amid warm weather.

Travel Trends

- Travel platforms are focusing on content commerce while strengthening travel information content instead of travel product content. Not only OTAs but also legacy travel agencies are trying to build a cycle that consumers view, sympathize with, get inspired and book travel from travel content. While previously photos and text content were dominant, short-form videos formatted vertically to fit mobile devices are trending. Also call-to-action functions embedded in such video contents can be converted directly to sales.

Media Trends

- South Korea's top internet portal operator Naver Corp's net profit jumped nearly six times in the second quarter from a year earlier largely due to a stellar performance of its fintech and commerce businesses amid the new coronavirus pandemic. Revenue from its commerce business skyrocketed 42.6 percent in the second quarter on the back of increased online shopping as more people refrained from going outside amid the COVID-19 pandemic. Content sales advanced 28.2 percent on-year during the cited period to 144.8 billion won due to the increased revenues from its webtoons and an increase in global users.

Airlift

- Korean Air and Asiana Airlines announced its cancellation for its charter flight operation for thanksgiving holiday due to the negative effect of Delta Variant in tourism market.
- Hawaiian Airlines has increased to three weekly flights (HA 460) from ICN to HNL on August 1.

Market Intelligence/Market Conditions Impact on Hawai'i Travel

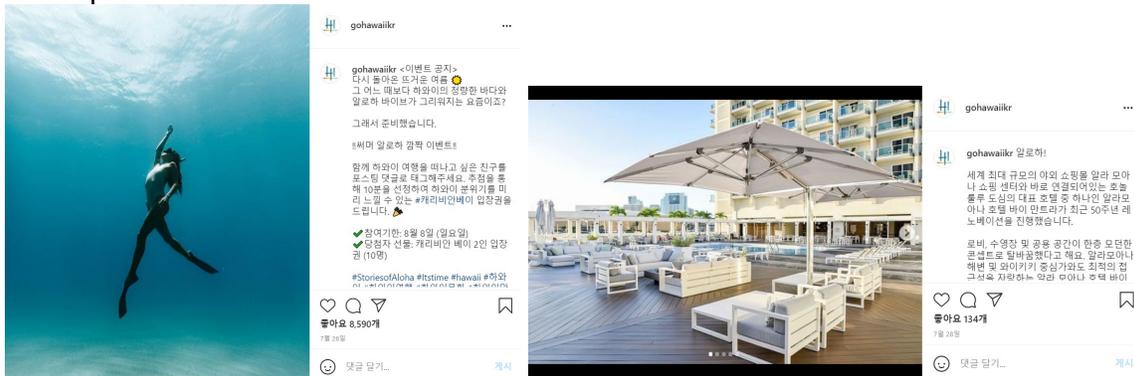
- The Korean government will require a PCR test result with negative confirmation for all arrivals from any country, regardless of nationality including Korea, from July 15.
- Flight operations rose 32% in June compared to the same period of last year, and passenger traffic also rose 40%. This is because the Korean government started exempting quarantine from May for the vaccinated people upon returning to Korea. International flight operations increased by 43% and passenger traffic did by 35.5% compared to last year, and it was the highest passenger traffic since June 2020.
- As the Korean government announced that 70% of the total population will be vaccinated by September, the number of people who can travel abroad is expected to increase sharply from November. Approximately 32 million people including those in their 20s to 50s, the main consumers of overseas travel, are expected to complete the second shot of vaccines by November which can be exempted from the quarantine upon returning to Korea. It will accelerate the resumption of overseas travel in earnest.
- A travel agency specializing in the U.S. has showcased a vaccine tour package and recorded sold-out in a week although its prices were expensive - US\$15,000 for 27 days and US\$9,000 for 11 days. The travel agency said that the most inquiries were from the 30s - 40s having fewer opportunities to be vaccinated yet.
- Korean local travel and leisure platform operator Yanolja completed a \$1.7 billion investment round by sole investor SoftBank Vision Fund 2. The company plans to build and operate an advanced global travel platform by enhancing its automated solutions using artificial intelligence and personalized offerings based on big data, in line with its expansion of its cloud-based hospitality solutions business.

Leisure Activity Update

- HTK COVID-19 Crisis Management:** Effective July 15, ICN Covid-19 Test Center has been added to TTP partners of the State which now allows travelers to receive the test result on the same day as testing before getting on board at the airport in the same day depending on the testing time. HTK has also submitted additional sample result forms from Korea University Hospital and waiting for Koshin University in Busan to submit their modified agreement.

Consumer

- Consumer Promotion with Everland:** As part of consumer co-op promotion in partnership with Caribbean Bay, HTK has launched a social engagement sweepstake event on HTK official Instagram channel. It aims to remind the travelers of the Hawaiian Islands and increase social engagement. The users can enroll for the event by tagging a friend in the comment. Sponsored by Caribbean Bay, 20 tickets will be given to the selected winners and they can participate in the 'Aloha Photoshoot' offline event taking place at Caribbean Bay. In alignment with the campaign, HTK also featured Ala Moana Hotel by Mantra on HTK B2C newsletter and owned social channels (Facebook and Instagram) in appreciation for sponsoring 3 night voucher with breakfast included as the 1st prize for online prize event taking place on Caribbean Bay's official website as a part of this consumer promotion.



- Aloha Report Relaunch on HTK Instagram:** As part of HTK's year-around social campaign #StoriesofAloha, HTK successfully relaunched Aloha Report this July, recording over 10.3K video hits with a great number of likes and comments from followers from teaser video. This program will be rolled out every Friday by uploading a short video featuring the beauty of the Hawaiian Islands. The program aims to increase the number of fan base/interaction by putting out more of local Hawaiian lifestyle and develop contents in a timely manner. It will cover the story on Hawaiian culture, aloha spirit and Mālama Hawai'i programs by engaging a local correspondent, Jinny Lee, a social media influencer living in Hawai'i who has been working with HTK to create weekly video series of "Aloha Report" since 2018.



Travel Trade Activities

Travel Trade Calls

Airline	Wholesaler/TA/TO/OTA	Other	Total
3	8	0	11

- **Airlines:**
 - Met with HA to discuss further responsible tourism promotion plan
 - Met with KE to discuss charter flight and regular flight operation plans as well as possible promotion opportunity in Q3
 - Met with KE to discuss charter flight plan and latest market updates
- **Travel Agencies:**
 - Met with 8 major wholesalers to discuss regenerative tourism promotion – Mālama Hawai'i campaign
 - Met with My Real Trip to discuss promotion opportunity through live commerce channel

Responsible Tourism Update

- HTK has promoted responsible tourism and Mālama Hawai'i through below activities:
 - Consumer e-newsletter
 - Social media posts
 - Mālama Hawai'i campaign with key wholesalers

Coming Attractions for Leisure Market

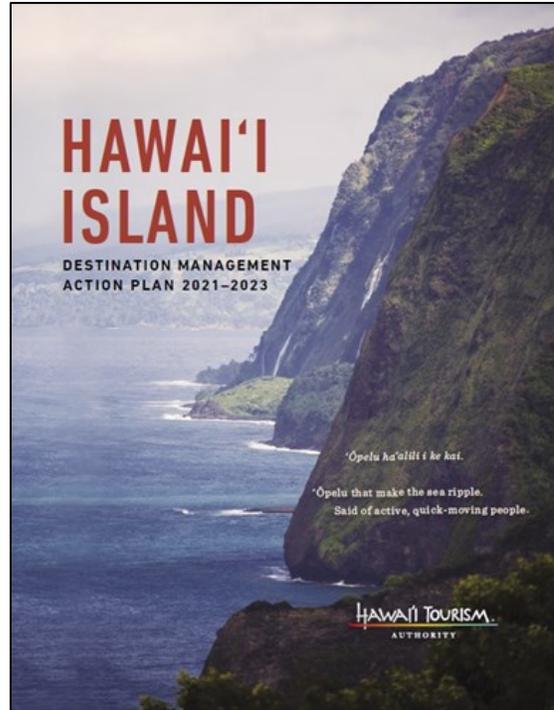
What	When	Where
September social calendar development	4 th week of Aug	Seoul
Mālama Hawai'i Social Campaign (video assets)	Aug – Sep	Seoul
Airline Co-op with HA	Aug - Sept	Seoul
Regenerative Tourism Promotion with Hana Tour	Aug	Seoul

Summer 2021 Progress Report – Hawai‘i Island Destination Management Plan

The Hawai‘i Island Destination Management Action Plan (DMAP) was approved by the Hawai‘i Tourism Authority’s (HTA) board of directors in February 2021. It was released to the public on HTA’s website on April 1, 2021.

This report provides an update on the progress toward fulfilling Hawai‘i Island’s DMAP as of July 30, 2021, specifically the actions identified for Phase 1 (calendar year 2021) implementation. There are 45 sub-actions in Phase 1 of which 33 (73%) are in progress.

Mahalo to the County of Hawai‘i’s Department of Research & Development and the Island of Hawai‘i Visitors Bureau for their support and partnership in moving the Hawai‘i Island DMAP actions forward. HTA also acknowledges the other state, county and federal agencies, nonprofit organizations, and the visitor industry which have been integral to advancing the DMAP efforts.



Legend

Symbol	Definition
	Not Started – Action has not begun.
	Delayed – Action was initially targeted for the identified phase, but then deferred to a later phase.
	In Progress – Action is being worked on.
	Completed – Action is finished being implemented.

Summer 2021 Progress Report – Hawai'i Island DMAP (continued)

Action A. *Protect and preserve culturally significant places and hotspots.*

Progress	Sub-Action No.	Sub-Action
	A.1	Develop and support opportunities to mālama and steward the places and culture of Hawai'i Island for both residents and visitors, including using Native Hawaiian practices of resource and cultural stewardship. <ul style="list-style-type: none">HTA is supporting this action through Request for Proposals (RFPs) from its Kūkulu Ola Program via the Hawai'i Community Foundation to be issued in Fall 2021 for projects in calendar year 2022.The County of Hawai'i is also supporting this through its Department of Research & Development Innovation Grant RFP for FY 2021-2022. Awards were recently made in August 2021.Conservation International is also moving this action through its outreach and education to the public (www.conservation.org/places/hawaii#).
	A.2	Emphasize local area cultural history and expertise to further expand Hawaiian cultural values, knowledge, and language with an emphasis on connection to place. <ul style="list-style-type: none">HTA is supporting this action through its Kūkulu Ola Program RFP.The County also supported this through its Innovation Grant RFP. Awards were recently made in August 2021.Hawai'i Volcanoes National Park is restoring the original Hawaiian place names to its park maps, apps and signs (www.nps.gov/havo/learn/historyculture/place-names.htm).
	A.3	Increase opportunities for community-led initiatives that steward and manage these resources, including closure of areas and managing traffic. <ul style="list-style-type: none">HTA is supporting this action through an RFP from its Aloha 'Āina Program via the Hawai'i Community Foundation to be issued in Fall 2021 for projects in calendar year 2022.The County also supported this through its Innovation Grant RFP. Awards were recently made in August 2021.
	A.4	Work with the different stakeholders to communicate areas that need to be protected with the visitor industry and visitors. <ul style="list-style-type: none">HTA and the Island of Hawai'i Visitors Bureau (IHVB) have been addressing this through the DMAP hotspot initiatives, i.e. Pololū Valley Stewardship Pilot Program as well as the upcoming Waipi'o Valley community convening and discussions with Department of Hawaiian Home Lands regarding Papakōlea (Green Sand Beach).

Summer 2021 Progress Report – Hawai'i Island DMAP (continued)

Action B. Develop resources and educational programs to perpetuate authentic Hawaiian culture and 'Ōlelo Hawai'i.

Progress	Sub-Action No.	Sub-Action
	B.1	Identify and assess proper providers and learning tools.
		<ul style="list-style-type: none"> Through HTA support, the Native Hawaiian Hospitality Association (NaHHA) is compiling an online directory which is anticipated to be released in Fall 2021.
	B.2	Support Hawaiian cultural educational and training programs – including 'Ōlelo Hawai'i (Hawaiian language) for the employees in the visitor industry (e.g. hotels, tour guides).
		<ul style="list-style-type: none"> Through HTA support, NaHHA held a number of online trainings this year (www.nahha.com/training), in addition to its virtual Ka Huina conference which received good attendance (www.nahha.com/kahuina).
	B.3	Develop a recognition program for businesses who complete the Native Hawaiian Hospitality Association (NaHHA) programs (e.g. placards/certification).
	B.4	Actively promote HTA's Ma'ema'e Toolkit to the visitor industry and business communities.
		<ul style="list-style-type: none"> HTA promoted this on its social media pages in Q1 2021.
	B.5	Increase support and opportunities for cultural practitioners and community members to interact. Educate the visitor industry and individual companies about place-based practices to become more place-based.
		<ul style="list-style-type: none"> NaHHA will continue to move this action forward through HTA funding in fiscal year 2022.
	B.6	Support a Tour Guide Certification Program.
		<ul style="list-style-type: none"> HTA is conducting a study with the University of Hawai'i, School of Travel Industry Management for best practices of tour guide certification programs. The County is also supporting this with funding through a pilot program in fiscal year 2022.
	B.7	Continue support of programs and projects that perpetuate the Hawaiian culture with the community and visitors, such as HTA's Kūkulu Ola program.
		<ul style="list-style-type: none"> HTA is supporting this through its Kūkulu Ola Program and Community Enrichment Program via IHVB.
	B.8	Encourage the integration of 'Ōlelo Hawai'i (Hawaiian language) into workforce and adult training programs.
		<ul style="list-style-type: none"> NaHHA will continue to move this action forward through HTA funding in fiscal year 2022. The Hawai'i Island Hotel and Lodging Association also supports this action.

Summer 2021 Progress Report – Hawai'i Island DMAP (continued)

Action C. Support and promote 'āina-based education and practices to protect and preserve our natural resources so that residents and visitors will aloha 'āina.

Progress	Sub-Action No.	Sub-Action
	C.1	<p>Identify, support, and partner with existing and new 'āina-based groups that are protecting and stewarding wahi pana (legendary/celebrated places or landmarks), cultural practices, and people.</p> <ul style="list-style-type: none"> HTA is supporting this through its Aloha 'Āina program. The County's Innovation Grant RFP also addressed this action. Awards were recently made in August 2021.
	C.2	<p>Create opportunities for community members to share in an ongoing way about the impact of tourism as well as the wahi pana, historically significant sites, and sacred sites that need to be protected.</p> <ul style="list-style-type: none"> HTA is supporting this through its Aloha 'Āina program. The County also supported it through its Research & Development (R&D) department's Innovation Grant RFP. Awards were recently made in August 2021.
	C.3	<p>Pilot a certification program, in collaboration with community leadership and the university system, for workers tied to natural resources, cultural resources, and stewardship. Identify and review existing 'āina-based curricula, and create new curricula when necessary, that emphasizes Native Hawaiian knowledge, culture, place, and pono practices-based management. Develop curriculum that is led by efforts from that area and connects firmly to place-based management and stewardship.</p> <ul style="list-style-type: none"> The County is funding a pilot certification program in fiscal year 2022 specifically targeted at tour operators.
	C.4	<p>Support interested 'āina-based groups to serve as interpretive educators, trainers, and/or cultural ambassadors to share cultural knowledge with the guest and visitor industry, tour operators, and other business owners.</p> <ul style="list-style-type: none"> HTA is supporting this through its Aloha 'Āina program. Efforts are also being made by other organizations such as Vibrant Hawai'i (via voluntourism - Mālama Hawai'i initiative) and HI Farm Trails.
	C.5	<p>Support enhanced interpretation and education on Maunakea, including partnership with the Hawaiian community and residents.</p>
	C.6	<p>Work with the different stakeholders to communicate areas that need to be protected in collaboration with the visitor industry and visitors.</p> <ul style="list-style-type: none"> IHVB is coordinating future meetings.

Summer 2021 Progress Report – Hawai'i Island DMAP (continued)

Action D. Connect with community networks and partner with community-based organizations to collaboratively identify sites, set carrying capacities, and implement stewardship plans to protect and preserve our natural resources.

Progress	Sub-Action No.	Sub-Action
	D.1	<p>Build capacity in communities to support increased opportunities for community-led stewardship actions and initiatives to manage resources, such as closing areas or limiting access (visitor and potentially resident) during certain times of the year.</p> <ul style="list-style-type: none"> The County supported this through its Innovation Grant RFP. Awards were recently made in August 2021. Efforts are also being done by the County and IHVB in Waipi'o Valley, and HTA is providing funding to support their efforts.
	D.2	<p>Implement regenerative management strategies, like those found in the kapu system, Hā'ena on Kaua'i, East Maui, and Hanauma Bay on O'ahu. Provide clear opportunities and processes for local communities to participate in visitor access and resource and congestion management in their communities.</p> <ul style="list-style-type: none"> The County issued an RFP for Stewardship Grants. The application period is open through August 31, 2021. HTA is supporting this through its Aloha 'Āina program.
	D.3	<p>Support and advocate for stewardship efforts of coastal waters and beaches that incorporate and emphasize a mauka to makai collaborative approach given broader environmental implications.</p> <ul style="list-style-type: none"> HTA is supporting this through its Aloha 'Āina program.
	D.4	<p>Work with communities in each place to identify the carrying capacity (how many people a place can accommodate without having adverse effects and impacts on the biological resources of that place) of sites and develop a process for ongoing stewardship that is community-led. Explore the creation of pilot projects to find the balance at certain sites.</p> <ul style="list-style-type: none"> The County supported this through its Innovation Grant RFP. Awards were recently made in August 2021. Data is also being collected through HTA/KUPU/DLNR's Pololū Stewardship Pilot program (August 2021-January 2022).
	D.5	<p>Support opportunities that tie in Native Hawaiian practices of resource and cultural stewardship.</p> <ul style="list-style-type: none"> The County issued an RFP for Stewardship Grants. The application period is open through August 31, 2021. HTA is supporting this through its Aloha 'Āina program.
	D.6	<p>Explore policies and regulations that aid in the implementation of stewardship plans and enforcement of critical need areas.</p> <ul style="list-style-type: none"> The County is working on proposing a pilot program.

Summer 2021 Progress Report – Hawai'i Island DMAP (continued)



D.7

Explore implementation of geo-fencing technology to aid management of sites.

- This may be feasible with UM (formerly UberMedia), the goHawaii app and DLNR. HVCB will possibly use beacons tied to the goHawaii app.



D.8

Find ways to support communities who do not know how to deal with “rogue” visitors.

- This is being supported through IHVB efforts.

Action E. Create opportunities for ongoing dialogue, communications, and engagement between the visitor industry, government and communities to improve community-industry relations and better serve the community.

Progress	Sub-Action No.	Sub-Action
	E.1	<p>Develop an education and awareness campaign targeted at residents using traditional and social media vehicles.</p> <ul style="list-style-type: none"> • HTA and IHVB will be working on developing a campaign.
	E.2	<p>Create opportunities for visitor industry, government, and community stakeholders to connect on a regular basis for ongoing dialogue to 1) create shared understanding of the issues that our communities and the visitor industry face; 2) ensure that the visitor industry is supporting a sustainable and healthy Hawai'i Island; and 3) inform about tourism's contributions to the community.</p> <ul style="list-style-type: none"> • HTA and IHVB will be working on this. HTA is creating a new position, Public Affairs Officer.
	E.3	<p>Increase and maintain regular opportunities to collaborate with HTA on its outreach efforts in the community to ensure a more robust and coordinated effort. This includes informing the industry and community about HTA's mission and its resources, and sharing the destination's marketing efforts and activities to orient businesses and communities about HTA, IHVB and the Global Marketing Team's initiatives.</p> <ul style="list-style-type: none"> • HTA is working on this, and is creating a new position for a Public Affairs Officer. • HTA is also looking at holding a Tourism Update in early Fall 2021.

Summer 2021 Progress Report – Hawai'i Island DMAP (continued)

Action F. Implement a comprehensive communications and education plan that facilitates positive community-visitor relations and pono practices, including the Pono Pledge.

Progress	Sub-Action No.	Sub-Action
	F.1	Increase messaging efforts to uplift and improve access to the Pono Pledge, and shift visitor and resident mindsets as they travel around Hawai'i Island.
		<ul style="list-style-type: none"> IHVB created a Pono Pledge video (https://vimeo.com/574616968). Pono Pledge signups have increased significantly and organically.
	F.2	Provide visitors with easy access to messaging, including increasing information pathways and educational materials, related to protecting culture and sense of place (i.e. in-flight videos on in-bound flights in multiple languages; rental cars; radio station public service announcements; podcasts; required place-based visitor orientation, etc.).
	F.3	Continue to encourage and work with visitor industry stakeholders and businesses to integrate the Pono Pledge into their practices, such as business booking reservations, QR codes, phone apps, and monitors at the baggage claim.
	F.4	Collaborate with all segments of the visitor industry and community-based organizations for stewardship opportunities for visitors to leave Hawai'i Island a better place.
		<ul style="list-style-type: none"> This is currently being done with HVCB/IHVB's Mālama Hawai'i campaign/voluntourism program (www.gohawaii.com/malama).

Action G. Promote agritourism, and partner with Hawai'i Island's agriculture industry to support local food security.

Progress	Sub-Action No.	Sub-Action
	G.1	Create, support, and promote agritourism initiatives to connect local producers with visitors; provide visitors an active experience with nature and agriculture; and support legal vacation rentals in rural areas (e.g. farm stays) to alleviate the need for illegal vacation rentals in rural areas.
		<ul style="list-style-type: none"> HTA partnered with GoFarm Hawai'i to update the AgriBusiness Guidebook: Starting an Agri-Tourism Operation (www.hawaiiitourismauthority.org/media/6899/agritourism-agribusiness-guidebook-3921.pdf). HTA issued a call to action for farms to be listed on the Hawai'i Farm Trails App via social media and also issued an announcement in March 2021. HTA supported the Hawai'i Farm Trails App launch on April 22, 2021. HTA partnered with GoFarm Hawai'i for capacity building/networking agritourism tours held on May 22, 2021.

Summer 2021 Progress Report – Hawai'i Island DMAP (continued)

- HTA met with the State Department of Agriculture (DOA) in April and June 2021. HTA is looking at promoting Hawai'i agricultural products via social media with DOA and HVCB/goHawaii.
- HTA is funding another round of capacity building/networking agritourism tours through GoFarm Hawai'i in Fall 2021.
- This action will also be supported through HTA's Community Enrichment Program.



G.2

Encourage the visitor industry (e.g. hotels and restaurants) to buy local produce, products, and goods.

- HTA and its brand management team met with the State Department of Agriculture (DOA) in April and June.
- HTA is looking at promotion of Hawai'i agricultural products via social media with DOA and HVCB/goHawaii.



G.3

Support efforts of local producers to sell their goods online by strengthening online infrastructure, transportation of goods, marketing, and fulfillment of orders.

- The County's Food Systems Coordinator is working on an emergency food plan and coordinates the island's food security programs.

Action H. Invest in community-based programs that enhance quality of life for communities.

Progress	Sub-Action No.	Sub-Action
	H.1	Support community-led and activated efforts and offer capacity building/education opportunities to strengthen Hawai'i Island's product offerings. <ul style="list-style-type: none"> • This is being supported through an RFP for HTA's Community Enrichment Program. The County's R&D department is hiring a Community Well-Being Specialist.
	H.2	Uplift approaches to tourism that are reflective of Hawai'i Island and its different communities. <ul style="list-style-type: none"> • The County's R&D department is hiring a Community Well-Being Specialist.
	H.3	Revisit measures of success and visitor industry activities so that the relationship between increased tourism and resident well-being would lead to an increase in community improvements and benefits. <ul style="list-style-type: none"> • The County's R&D department is hiring a Community Well-Being Specialist and looking at developing a County Well-Being Report.

Summer 2021 Progress Report – Hawai'i Island DMAP (continued)

Action I. Advocate/create more funding sources to improve infrastructure.

Progress	Sub-Action No.	Sub-Action
	I.1	Engage in cohesive infrastructure planning to address community and industry needs, such as incorporating plans to widen bike paths in tandem with other necessary road repairs.
		<ul style="list-style-type: none"> The County's R&D department is working on this and will be reaching out and working with the County's Planning department.
	I.2	Coordinate with government entities, institutional stakeholders, and nearby private landowners.
		<ul style="list-style-type: none"> The County's R&D department is working on this and will be reaching out and working with the County's Planning department.
	I.3	Advocate for CIP projects for infrastructure related to residents and visitors.
		<ul style="list-style-type: none"> The County's R&D department is working on this and will be reaching out and working with the County's Planning department.

Action J. Improve enforcement of vacation rental regulations.

Progress	Sub-Action No.	Sub-Action
	J.1	Confirm the existing baseline of (number of) vacation rentals. Gauge the capacity for current and new rentals.
		<ul style="list-style-type: none"> HTA/IHVB will be working with the County's Planning department and Department of Public Works.
	J.2	Explore ways to improve enforcement.
		<ul style="list-style-type: none"> HTA/IHVB will be working with the County's Planning department and Department of Public Works.
	J.3	Work with the rental platforms (i.e. AirBNB, VRBO) to help with regulation.
		<ul style="list-style-type: none"> HTA/IHVB will be working with the County's Planning department and Department of Public Works.

Summer 2021 Progress Report – Kaua‘i Destination Management Plan

The Kaua‘i Destination Management Action Plan (DMAP) was approved by the Hawai‘i Tourism Authority’s (HTA) board of directors in December 2020. It was released to the public and published on HTA’s website on February 5, 2021.

This report provides an update on the progress toward fulfilling Kaua‘i’s DMAP as of July 30, 2021, specifically the actions identified for Phase 1 (calendar year 2021) implementation. There are 36 sub-actions in Phase 1, of which 22 (61%) are in progress. In addition, two sub-actions that were identified to start in Phase 2 are currently being addressed in Phase 1.

Mahalo to the County of Kaua‘i’s Office of Economic Development and the Kaua‘i Visitors Bureau for their support and partnership in moving the Kaua‘i DMAP actions forward. HTA also acknowledges the other state, county and federal agencies, nonprofit organizations, and the visitor industry which have been integral to advancing the DMAP efforts.



Legend

Symbol	Definition
	Not Started – Action has not begun.
	Delayed – Action was initially targeted for the identified phase, but then deferred to a later phase.
	In Progress – Action is being worked on.
	Completed – Action is finished being implemented.

Summer 2021 Progress Report – Kaua‘i DMAP (continued)

Action A: Focus policy efforts on appropriate behavior that will instill value in both visitors and residents for our natural and cultural resources (mālama ‘āina).

Progress	Sub-Action No.	Sub-Action
	A.1	Include Department of Land and Natural Resources (DLNR) on all discussions and find ways for state and county departments to work together.
		<ul style="list-style-type: none"> HTA added a DLNR representative to the Steering Committee. HTA will be scheduling an HTA/DLNR/County/KVB meeting in September 2021.
	A.2	Explore and implement a universal user fee model to help offset maintenance costs at beaches and parks. Advocate for the adjustment of usage fees (camping permits) to target different levels of users and instill better management of illegal users.
		<ul style="list-style-type: none"> During the 2021 Legislative Session, SB666 SD2 (companion bill HB805) established a green fee surcharge of \$20 on transient accommodations for the purposes of funding workforce programs and services that promote certain environmental goals. It also established a conservation workforce special fund. This bill did not move forward. County assessments are currently being done for County parks and trails (as of 7/30/2021).
	A.3	Support and promote DLNR’s App (DLNRtip) which allows citizens to help with enforcement and creates public awareness.
		<ul style="list-style-type: none"> HTA promoted the app on its social media platforms on 8/2/2021.
	A.4	Identify and provide more informational signage at cultural sites, beaches and hiking spots for safety, education, and a great experience.
	A.5	Educate tour operators and boating companies about proper etiquette to deter ocean and reef pollution.
		<ul style="list-style-type: none"> HTA is funding the Sustainable Tourism Association of Hawai‘i’s Sustainable Tour Operator Certification Program (https://www.sustainabletourismhawaii.org/certification)
	A.6	Advocate for more stringent and intentional inspections/enforcement of camping/hiking gear and shoes upon arrival at the airport.
	A.7	Support awareness and education of appropriate behavior towards endangered species such as Hawaiian monk seals, sea turtles, Newell’s Shearwaters, kōloa maoli (native ducks) and native birds.
		<ul style="list-style-type: none"> Educational videos were posted on HTA’s and GoHawaii’s social media platforms. HTA also held interagency meetings with National Oceanic and Atmospheric Administration and DLNR. HTA is working to have the videos played on flights, at the airport, and on hotel channels.
	A.8	Advocate for increased ranger presence and enforcement at county and state parks.
		<ul style="list-style-type: none"> The County advocated with its Parks department, and they are now fully staffed.

Summer 2021 Progress Report – Kaua‘i DMAP (continued)

	A.9	Conduct assessment of North Shore beach accesses and remediate to assure use for subsistence and traditional uses.
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Action B. Collaborate with State of Hawai‘i Department of Land & Natural Resources (DLNR) to develop and implement policies to increase monitoring and enforcement efforts.

Progress	Sub-Action No.	Sub-Action
	B.1	<p>Include DLNR on all discussions and find ways for state and county departments to work together.</p> <ul style="list-style-type: none"> HTA added a DLNR representative to the Steering Committee. HTA will be scheduling an HTA/DLNR/County/KVB meeting in August 2021.
	B.2	<p>Advocate state/county partnerships with organizations to steward sites. Explore HTA’s role in being a liaison between DLNR and Hawaiian lineage descendants for land stewardship.</p> <ul style="list-style-type: none"> HTA initially considered its role to be a liaison as suggested above, and after much deliberation, it was decided that it’s not HTA’s role and focus. The County currently assists stewards on county sites. The State hasn’t provided much assistance to stewards of state sites with the exception of Polihale. HTA will review the list of state sites and determine potential stewardship opportunities.
	B.3	<p>Advocate for DLNR staff training and education. Committee agreed to refine this action to now read: Provide updates to DLNR and ensure the DLNR staff have the latest updates/briefs.</p> <ul style="list-style-type: none"> The County and KVB will be leading this effort, with HTA providing support.
	B.4	<p>Advocate for increased state funding within DLNR for natural resource protection, watershed management, maintenance and development of trail networks, and protection of shoreline and nearshore marine resources, all paired with increased island-specific control and input in such efforts.</p>
	B.5	<p>Encourage DLNR to review regulations for commercial boat and kayak tours along the Nāpali Coast, including schedules and capacity at the Kikiaola Boat Harbor and Port Allen. Implement restrictions if deemed necessary.</p>

Summer 2021 Progress Report – Kaua'i DMAP (continued)

Action C. Invest in Hawaiian cultural programs and identify funding sources that enhance the visitor experience and connect both tourism and communities.

Progress	Sub-Action No.	Sub-Action
	C.1	Develop training programs relating to Hawaiian textiles and weaving targeted at visitors and locals.
		<ul style="list-style-type: none"> This is being supported through a Request for Proposals (RFP) from HTA's Kūkulu Ola Program via Hawai'i Community Foundation to be issued in Fall 2021 for projects in calendar year 2022.
	C.2	Work with hotels to provide cultural and history classes that guests can attend. Examples include lei making or making poi.
		<ul style="list-style-type: none"> HTA will be restarting its Resort Area Hawaiian Cultural program in FY 2022 to fund cultural programs at resort areas, and Native Hawaiian Hospitality Association (NaHHA) to facilitate cultural advisors meetings.
	C.3	Develop a video to educate groups (corporate, weddings, other larger parties) about cultural values and respecting the 'āina and ocean. Encourage viewership of the video.
		<ul style="list-style-type: none"> KVB will be developing and promoting this video.
	C.4	Support activities like kanikapila songfests featuring Hawai'i's music and musicians.*
		<ul style="list-style-type: none"> This is being supported through an RFP from HTA's Kūkulu Ola Program via Hawai'i Community Foundation, in addition to HTA's Community Enrichment Program via Kaua'i Visitors Bureau, to be issued in Fall 2021 for projects in calendar year 2022.
	C.5	Support educational programs at cultural sites and invest time into mālama sacred sites such as heiau and resources such as the kai (ocean).*
		<ul style="list-style-type: none"> This is being supported through an RFP from HTA's Kūkulu Ola Program and Aloha 'Āina Program via Hawai'i Community Foundation to be issued in Fall 2021.
	C.6	Connect Hawaiian culture organizations with the visitor industry to help grow, enhance, design their programs and offering. Explore creating a resource team.
	C.7	Develop ways to bridge cultural practitioners with the visitor industry and small businesses, such as connecting to meetings, conventions and incentives markets, ground operators, destination management companies, festivals and events. Explore the creation of a resource list of cultural practitioners.
		<ul style="list-style-type: none"> NaHHA is compiling an online directory which is anticipated to be released in Fall 2021.

*This action was to begin in Phase 2 but we are addressing it earlier.

Summer 2021 Progress Report – Kaua’i DMAP (continued)

Action D: Focus policies that address overtourism by managing people while on Kaua’i.

Progress	Sub-Action No.	Sub-Action
	D.1	Assess and set specific site visitor limits and create site management plans/develop and implement tourism capacity management models at “hotspot” areas. Allot rest days for hotspot areas.
	D.2	Pilot a reservation system to manage capacity of visitors and explore feasibility of expanding to other hotspot areas. <ul style="list-style-type: none"> DLNR State Parks implemented a Hā’ena State Park reservation system in April 2021. DLNR is also working on a third reservation system at Lē’ahi (Diamond Head) State Park on O’ahu, and will be establishing a statewide parks reservation system thereafter, that could also help other state parks, like Kōke’e. HTA is also establishing a Universal Reservation System/Portal.
	D.3	Continue the county’s stringent shut down of illegal transient vacation rentals (TVRs), such as the partnership with Airbnb and Expedia. <ul style="list-style-type: none"> The County is doing this.
	D.4	Explore and understand land use, zoning and permitting to manage number of future visitor accommodations on Kaua’i based on current infrastructure and improve infrastructure. Create a white paper to document findings.
	D.5	Explore ways to count and manage the movement of visitors and residents at identified hotspot areas to prevent the degradation of natural resources, alleviate congestion, and manage the area. Strive for a systematic mechanism to monitor different areas. <ul style="list-style-type: none"> HTA is currently tracking visitation at hotspots and other popular visitor areas with UM (formerly UberMedia). HTA created a “Symphony Dashboard” for each island to gauge not only visitor statistics but visitation to the top 30 points of interest around the island. (https://www.hawaiiitourismauthority.org/research/symphony-dashboards)

Summer 2021 Progress Report – Kaua'i DMAP (continued)

Action E: Encourage low-impact green rides to improve the visitor experience, reduce island traffic, increase small business opportunities, and meet climate action goals.

Progress	Sub-Action No.	Sub-Action
	E.1	<p>Foster and promote diverse mobility choices so that visitors may elect alternatives to renting cars for their entire stay.</p> <p>The Steering Committee refined this action further to read: Foster and promote diverse mobility choices for visitors.</p> <ul style="list-style-type: none"> On July 20, 2021, the County through HTA funding launched GetAroundKauai.com, a new website aimed at informing both visitors and residents of the various transportation options available on Kaua'i. It was created in response to the rental car shortage, but has a broader goal of providing people with the resources they need to make more sustainable transportation choices. In addition, the County is looking at working with hotels and resorts to decouple the parking fee from the resort fee.
	E.2	<p>Continuously examine the movement of visitors around the island, including popular visitor attractions and beach destinations, and encourage the development of public-private shuttle systems from the airport and in major Visitor Destination Areas (VDAs).</p> <ul style="list-style-type: none"> On July 20, 2021, the County through HTA funding launched GetAroundKauai.com, a new website aimed at informing both visitors and residents of the various transportation options available on Kaua'i. It was created in response to the rental car shortage, but has a broader goal of providing people with the resources they need to make more sustainable transportation choices. State of Hawai'i Department of Business, Economic Development, and Tourism, KVB and the County also worked with private industry ground transportation companies to encourage shuttle service from the airport to the Visitor Destination Areas.
	E.3	<p>Meet with and discuss with rental car agencies and car sharing companies to provide electric vehicles, and increase incentives to install EV chargers at the airport and at potential high-use car share locations.</p> <ul style="list-style-type: none"> The County is seeking federal funding for EV superchargers and EV buses, and is also looking to submit a grant to see how EV modes can work together.
	E.4	<p>Create incentives for visitors to choose alternative transportation options such as separating parking costs from resort fees and implementing paid parking at beaches and other parking-limited destinations.</p>

Summer 2021 Progress Report – Kaua’i DMAP (continued)

Action F: Increase communication, engagement and outreach efforts with the community, visitor industry, and other sectors.

Progress	Sub-Action No.	Sub-Action
	F.1	Explore new ways to communicate with the residents and visitor industry to share information and increase understanding. Create a communications plan.

- HTA and KVB are working on this effort.

Action G: Develop educational materials for visitors and new residents to have respect for our local cultural values.

Progress	Sub-Action No.	Sub-Action
	G.1	Create a list of organizations to work with to build an educational program.

	G.2	Review existing publications that address respect for Kaua’i’s local culture values. Explore the creation of a “Kaua’i 101” curriculum for visitors and new residents.
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- The County created “Tips from Aunty Lani: How to travel with Aloha” on GetAroundKauai.com.
- There are planned Kaua’i 101 “sessions” from *Leadership Kaua’i*.

	G.3	Work with Hawaiian cultural practitioners when developing education materials so that the Hawaiian culture is portrayed accurately for the visitors.
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	G.4	Create an educational video about entering Hawai’i and the history, culture, people and environment of Kaua’i. Look at the feasibility of an inflight video, and playing it at the airport.
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- KVB will be producing a video and determining the appropriate vehicles to display it on.

	G.5	Explore developing content for social media – “home grown media” – to showcase Kaua’i local culture.
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Summer 2021 Progress Report – Kaua‘i DMAP (continued)

Action H: Promote “Shop Local” to visitors and residents.

Progress	Sub-Action No.	Sub-Action
	H.1	Expand the Kaua‘i Made products Program, market, promote, and brand beyond Kaua‘i’s shores. Explore an “Aloha for Kaua‘i” type of online-portal.
		<ul style="list-style-type: none"> HTA provided funds to the County to establish the retail/networking space, <i>Alakoko</i>, for Kaua‘i Made products. It will be located on Rice Street and is anticipated to open in October/November. The County is trying to get more businesses to participate in the <i>Kaua‘i Made</i> program. The Meetings, Conventions & Incentives (MCI) market has been using the <i>Kaua‘i Made</i> program, and some hotels/resorts have been bringing <i>Kaua‘i Made</i> businesses onto their properties. HTA has also advised its Global Marketing Team to promote <i>Kaua‘i Made</i> products and buying local.

Action I: Support Diversification of Other Sectors.

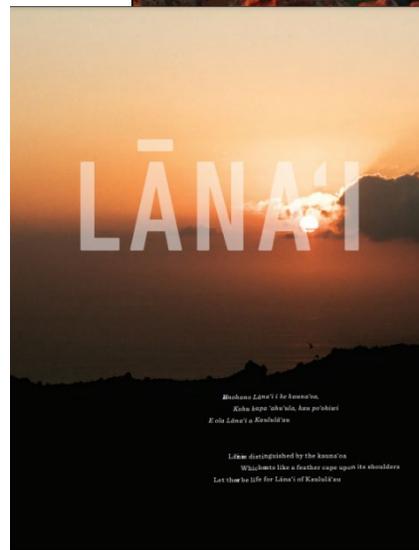
Progress	Sub-Action No.	Sub-Action
	I.1	Support and preserve Kaua‘i’s agriculture industry, such as value-added products, and agritourism through amended rules/regulations
		<ul style="list-style-type: none"> HTA partnered with GoFarm Hawai‘i to update the AgriBusiness Guidebook: Starting an Agri-Tourism Operation. https://www.hawaii tourism authority.org/media/6899/agritourism-agribusiness-guidebook-3921.pdf HTA issued a call to action for farms to be listed on the Hawai‘i Farm Trails App via social media and also issued an announcement in March 2021. https://www.hawaiifarmtrails.com/ HTA supported the Hawai‘i Farm Trails App launch on April 22, 2021. HTA partnered with GoFarm Hawai‘i for capacity building/networking agritourism tours held on May 22, 2021. HTA met with the State Department of Agriculture (DOA) in April and June 2021. HTA is looking at promoting Hawai‘i agricultural products via social media with DOA and HVCB/goHawaii. HTA is funding another round of capacity building/networking agritourism tours through GoFarm Hawai‘i in early 2022. The County is using ARPA funds to get farmers certified to sell is agriculture products. This action will also be supported through HTA's Community Enrichment Program.

Summer 2021 Progress Report – Lāna‘i Destination Management Plan (DMAP)

The Lāna‘i Destination Management Action Plan (DMAP) was approved by the Hawai‘i Tourism Authority’s board of directors in January 2021. The Maui Nui DMAP which incorporates the Lāna‘i DMAP was released to the public on March 4, 2021.

This report provides an update on the progress toward fulfilling Lāna‘i’s DMAP as of August 18, 2021, specifically the actions identified for Phase 1 (calendar year 2021) implementation. There are 24 sub-actions in Phase 1 of which 15 (63%) are in progress and one has been completed.

Mahalo to the County of Maui’s Office of Economic Development, Office of the Mayor’s Community Liaison for tourism and natural resources, and the Maui Visitors and Convention Bureau for their support and partnership in moving the Maui DMAP actions forward. HTA also acknowledges the other state and county agencies, nonprofit organizations, and the visitor industry which have been integral to advancing the DMAP efforts.



Legend

Symbol	Definition
	Not Started – Action has not begun.
	Delayed – Action was initially targeted for the identified phase, but then deferred to a later phase.
	In Progress – Action is being worked on.
	Completed – Action is finished being implemented.

Summer 2021 Progress Report – Lānaʻi DMAP (continued)

Action A. Engage partners to determine a path forward that will enhance interisland transportation options for both residents and visitors.

Progress	Sub-Action No.	Sub-Action
	A.1	Advocate for airlines, County, HDOT and FAA to restore affordable and dependable air and sea transportation to viable levels that meet the needs of the community.

- The County is researching the U.S. government's Essential Air Service program, which was enacted to guarantee that small communities have access to airline service that would otherwise have no scheduled service at all.

Action B. Develop partnerships and programs with resorts and other tourism businesses to improve and enhance community relationships.

Progress	Sub-Action No.	Sub-Action
	B.1	Facilitate discussions with Four Seasons, Sensei, and Hotel Lānaʻi management to explore ways to increase guest interactions and engagements with Lānaʻi City.

- HTA/Maui Visitors and Convention Bureau (MVCB) and the County met with Pūlama Lānaʻi to look into this action further on August 18, 2021. Pūlama Lānaʻi advised that their resort shuttle stops in town, next to Hotel Lānaʻi and Lānaʻi Culture and Heritage Center. They also encourage their guests to download the Lānaʻi Guide App.

	B.2	Encourage more resort staff and guests to participate in community workdays and volunteer opportunities.
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- HTA/MVCB and the County met with Pūlama Lānaʻi to look into this action further on August 18, 2021. Pūlama Lānaʻi is open to their staff and guests participating in such activities. However, right now, as COVID-19 is on the upswing again, they will need to wait until it is safer to gather.

	B.3	Facilitate the conversation with hotels to coordinate marketing efforts with the community and small businesses based upon HVCB's Mālama Hawaiʻi program.
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- HTA/MVCB and the County met with Pūlama Lānaʻi to look into this action further on August 18, 2021. Further discussion is needed with Four Seasons.

	B.4	Create opportunities for residents to feel welcome at resort properties. Continue to invite Lānaʻi artists and crafts people to do workshops and fairs at the resort properties.
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- HTA/MVCB and the County met with Pūlama Lānaʻi to look into this action further on August 18, 2021. Pūlama Lānaʻi is open to this post-pandemic. Currently, the resort is only open to guests due to COVID-19 protocols.

Summer 2021 Progress Report – Lānaʻi DMAP (continued)

Action C. Enhance and encourage the use of the Lānaʻi Culture & Heritage Center’s (LCHC) Guide App as a primary part of the travel protocol for traveling to the island.

Progress	Sub-Action No.	Sub-Action
	C.1	Identify appropriate places to visit and integrate into the app.
		<ul style="list-style-type: none"> HTA executed a contract with the Lānaʻi Culture and Heritage Center (LCHC) for enhancement of the Guide App. The contract will end in March 2022.
	C.2	Develop functionality of app to indicate potentially dangerous areas/trails that are closed or roads under construction.
		<ul style="list-style-type: none"> HTA executed a contract with LCHC for enhancement of the Guide App. The contract will end in March 2022. LCHC anticipates the app enhancement being completed by December 2021.
	C.3	Involve merchants to promote app and guide activities.
		<ul style="list-style-type: none"> HTA executed a contract with LCHC for enhancement of the Guide App in addition to working with the merchants to promote the app. The contract will end in March 2022.
	C.4	Encourage visitors to respect the land, the people and the lifestyle on Lānaʻi.
		<ul style="list-style-type: none"> HTA executed a contract with LCHC for enhancement of the Guide App. The contract will end in March 2022.

Action D. Encourage sustainable tourism practices on Lānaʻi.

Progress	Sub-Action No.	Sub-Action
	D.1	Form a work group to brainstorm and develop solutions that are sustainable and oriented toward protection and preservation of Lānaʻi natural resources.
		<ul style="list-style-type: none"> Maui Visitors and Convention Bureau’s (MVCB) Destination Manager who began on August 16, 2021 will be working on this.
	D.2	Present solutions for implementation.

Summer 2021 Progress Report – Lāna‘i DMAP (continued)

Action E. Promote Lāna‘i City to increase spending that goes to residents and small businesses.

Progress	Sub-Action No.	Sub-Action
	E.1	Invite members of the community and businesses to be a part of an advisory group to guide messaging and campaigns to develop a unique brand for Lāna‘i City. <ul style="list-style-type: none">MVCB's Destination Manager will be responsible for coordinating this, and will include the Lāna‘i Chamber of Commerce.
	E.2	Continue to promote day trips and one-day festivals that are popular with Maui residents. Start at mid-day so visitors can come in on the morning ferry. Develop new festivals if needed. <ul style="list-style-type: none">MVCB is currently promoting day trips.
	E.3	Make transportation to Lāna‘i City easier for resort guests, and others that arrive via ferry and the airport.

Summer 2021 Progress Report – Lāna‘i DMAP (continued)

Action F. Encourage and enable visitors to plan a meaningful daytrip or stay on Lāna‘i that is respectful to the land, the people and the lifestyle on Lāna‘i.

Progress	Sub-Action No.	Sub-Action
	F.1	<p>Develop consistent messaging, campaign and content to encourage and enable visitors to plan a meaningful daytrip or stay on Lāna‘i and for visitors to begin learning about Lāna‘i’s unique history, culture and community. Include where to get information once on Lāna‘i and where not to go. Responsible Lāna‘i visit.</p> <ul style="list-style-type: none"> This is currently being done.
	F.2	<p>Create educational videos or audio files to be played on ferry, airlines/airport and hotels. Identify the current video projects.</p> <ul style="list-style-type: none"> MVCB has created the Mālama Maui video, and is still working to get it onto the ferry.
	F.3	<p>Create brochures for distribution by Lāna‘i businesses, hotels and kiosks.</p> <ul style="list-style-type: none"> MVCB's Destination Manager will be responsible for this.
	F.4	<p>Work with the community and businesses to develop online and social media content.</p> <ul style="list-style-type: none"> MVCB's Destination Manager will be responsible for this.
	F.5	<p>Describe what activities need to be arranged ahead of time such as reserving a 4-wheel drive vehicle.</p> <ul style="list-style-type: none"> MVCB's Destination Manager will be responsible for this.
	F.6	<p>Prior to visitors reaching Lāna‘i, provide information on a through multiple means. Communications vehicles could include: an enhanced gohawaii.com Lāna‘i webpage to help visitors plan their trip/day on Lāna‘i ahead of time; have informational iPads available on the ferry; have a person who can assist visitors going to Lāna‘i in Lahaina Harbor ferry line; brochures to distribute; etc.</p> <ul style="list-style-type: none"> MVCB installed a digital kiosk on June 29, 2021. MVCB produced and distributed the Mālama Maui brochure to businesses in June.
	F.7	<p>Explore setting up a visitors’ center/kiosk with a main location in town and potentially branches at the harbor and airport dedicated to providing information for all visitors upon arrival.</p> <ul style="list-style-type: none"> MVCB installed a digital kiosk on June 29 at Kahului Airport. MVCB also looked at installing one at the harbor, but determined it was not feasible.

Summer 2021 Progress Report – Lāna‘i DMAP (continued)

Action G. Develop and implement a process whereby visitors to Lāna‘i acknowledge to protect, respect, and learn about Lāna‘i cultural and natural resources, and community during their visit through the Mālama Maui County Pledge.

Progress	Sub-Action No.	Sub-Action
	G.1	Support and promote the Mālama Maui County Pledge.
		<ul style="list-style-type: none"> MVCB produced the Mālama Maui rack card with specific information on Lāna‘i. A video was also produced and is available. MVCB is working to get the video played on the ferries.
	G.2	Strengthen and foster the connection with Lāna‘i. Some level of sustainable and responsible tourism as an overall theme.

Action H. Discourage activity companies from dropping off visitors who use Lāna‘i beaches and facilities without contributing to maintenance of the beaches and facilities.

Progress	Sub-Action No.	Sub-Action
	H.1	Identify and implement the best way(s) to discourage this activity.
		<ul style="list-style-type: none"> HTA will coordinate a meeting with the appropriate state and county agencies, Hulopo‘e Beach Park Council and MVCB.

Action I. Educate visitors on activities and events available on Lāna‘i focused on cultural and natural resources. These activities could include fishpond restoration, koa tree planting, etc.

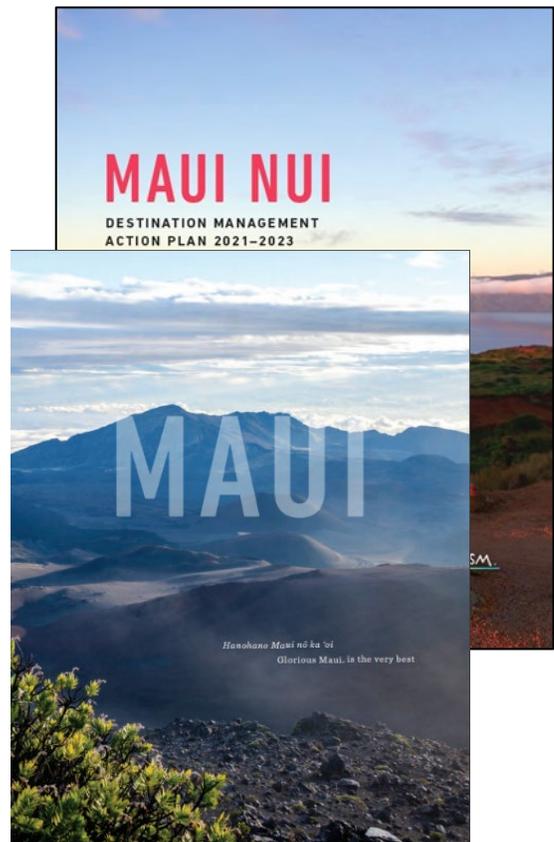
Progress	Sub-Action No.	Sub-Action
	I.1	Support the development of marine science/natural resources seminars and workshops here that can be attended by residents and tourists to tailor a more educational type of vacation.
		<ul style="list-style-type: none"> HTA is supporting this action through a Request for Proposal (RFP) from its Aloha ‘Āina Program via Hawai‘i Community Foundation, in addition to its Community Enrichment Program (CEP) via MVCB, to be issued in Fall 2021 for projects in calendar year 2022. HTA contracted with Sustainable Tourism Association of Hawai‘i in June 2021 to certify sustainable tour operators (www.sustainabletourismhawaii.org/certification/).
	I.2	Encourage community service opportunities.
		<ul style="list-style-type: none"> HVCB’s Mālama Hawai‘i program addresses this action (www.gohawaii.com/malama). However, no hotels on Lāna‘i are participating at this time. HTA is also supporting this action through RFPs from its Aloha ‘Āina program and CEP.

Summer 2021 Progress Report – Maui Destination Management Plan

The Maui Destination Management Action Plan (DMAP) was approved by the Hawai'i Tourism Authority's (HTA) board in December 2020. The Maui Nui DMAP was released to the public on March 4, 2021.

This report provides an update on the progress toward fulfilling Maui's DMAP as of July 30, 2021, specifically the actions identified for Phase 1 (calendar year 2021) implementation. There are 23 sub-actions in Phase 1 of which 16 (70%) are in progress and one has been completed.

Mahalo to the County of Maui's Office of Economic Development, Office of the Mayor's Community Liaison for tourism and natural resources, and the Maui Visitors and Convention Bureau for their support and partnership in moving the Maui DMAP actions forward. HTA also acknowledges the other state, county and federal agencies, nonprofit organizations, and the visitor industry which have been integral to advancing the DMAP efforts.



Legend

Symbol	Definition
	Not Started – Action has not begun.
	Delayed – Action was initially targeted for the identified phase, but then deferred to a later phase.
	In Progress – Action is being worked on.
	Completed – Action is finished being implemented.

Summer 2021 Progress Report – Maui DMAP (continued)

Action A. Implement a responsible tourism marketing communications program to educate visitors pre- and post-arrival about safe and respectful travel.

Progress	Sub-Action No.	Sub-Action
	A.1	Develop and implement a coordinated marketing and branding plan that defines and amplifies Regenerative tourism on Maui Island. <ul style="list-style-type: none">• The Hawai'i Visitors & Convention Bureau (HVCB)/Maui Visitors and Convention Bureau (MVCB) addresses this action through its Mālama Hawai'i campaign and creation of the Mālama Hawai'i videos released in May 2021 (www.gohawaii.com/malama). There are approximately 30 partners on Maui.• This action has also been incorporated into the HTA Global Marketing Team's Brand Management Plan (marketing plan).
	A.2	Review and enhance the goHawaii app to include more island specific features such as real time information, road closures, events, local etiquette, resource protection, and areas that are off-limits. A geo-targeted app is desired. <ul style="list-style-type: none">• HVCB launched the goHawaii app in late June 2021 (https://bit.ly/GoHawaii-App).• MVCB is also exploring the use of beacons that are geo-tagged, to be placed at strategic high-traffic points. Messaging will be done through the app and can be controlled and changed instantaneously. The island of Maui will be the pilot for this project.
	A.3	Encourage usage of the updated goHawaii app in the implementation of the marketing/branding plan (including social media). Encourage partners to also promote the goHawaii app and other visitor education programs. <ul style="list-style-type: none">• HVCB is pushing out the goHawaii app to its members, partners and platforms.• HTA is also pushing messaging through its social media platforms and its Global Marketing Team.• The County will add to the Maui Wayfinding site, and will link the goHawaii app. (beta site: www.mauiwayfinding.com)
	A.4	Continue public service announcements about being a responsible visitor on incoming flights and at airports. Ensure continued funding for program. <ul style="list-style-type: none">• HTA and HVCB discussed this with various airlines. Some airlines, like Hawaiian Airlines, are playing PSA videos.• HTA in discussions with Pacific Media Group to play the Travel Tips videos.• At Kahului Airport, HTA's Water Safety ("Respect our ocean. Know Your Limits") static boards are on display.

Summer 2021 Progress Report – Maui DMAP (continued)

Action B. Initiate, fund and continue programs to protect the health of ocean, fresh water and land-based ecosystems and biosecurity.

Progress	Sub-Action No.	Sub-Action
	B.1	Promote Hawai'i's sunscreen law and educate visitors about proper sunscreen use through the goHawaii app and other visitor education programs. <ul style="list-style-type: none">HVCB and MVCB pushed out messaging encouraging reef safe sunscreen via social media.Messaging is also on the goHawaii app and on the gohawaii.com site (www.gohawaii.com/experiences/sightseeing/Beaches).
	B.2	Explore the capacity limits at hotspots through science-based data. Continue educating the community and visitors about the importance of limiting numbers to ensure the hot spots can be sustained and thrive. <ul style="list-style-type: none">HTA is currently tracking visitation at hotspots and other popular visitor areas with UM (formerly UberMedia). DLNR is also a user of this data from HTA.HTA created a "Symphony Dashboard" for each island, including Maui, to gauge not only visitor statistics but visitation to the top 30 points of interest around the island. (www.hawaiiitourismauthority.org/research/symphony-dashboards)The County's Emergency Management Department is exploring an electronic program for hotspots, for example: Red/yellow/green indicator at trailhead or hotspot, or notification of rain in certain areas.
	B.3	Pilot a reservation system (e.g., East Maui Reservation and Itinerary System) to support a sustainable capacity of visitors and explore the feasibility of expanding capabilities to other hotspots on the island <ul style="list-style-type: none">The Department of Land and Natural Resource's State Parks Division implemented a reservation system at Wai'anapanapa State Park on March 1: https://dlnr.hawaii.gov/dsp/parks/maui/waianapanapa-state-park.HTA is also supporting a statewide reservation system/portal.
	B.4	Encourage and if needed provide incentives to visitor industry partners for recycling, wastewater reuse, organic land care, and renewable energy installation. Recognize those partners who have exceeded expectations. <ul style="list-style-type: none">This is currently being done through the State's Department of Business, Economic Development and Tourism (DBEDT) Green Business Program.HTA is reviewing the County's programs.

Summer 2021 Progress Report – Maui DMAP (continued)

Action C. Continue to reach out to the community to understand resident sentiment, increase communications to residents, and foster collaboration.

Progress	Sub-Action No.	Sub-Action
	C.1	Hold regular town hall meetings to include both community members, stakeholders, and industry partners. <ul style="list-style-type: none">MVCB's new Destination Manager will be taking the lead on this, targeting one or two meetings by the end of the year, with the first meeting in Oct./Nov.
	C.2	Increase awareness of tourism benefits such as jobs, small business successes, local/Maui workforce; how resident concerns are being viewed and addressed; and how it correlates with Maui's overall economy. Use town hall meetings addressed in C.1. as one vehicle for these messages. <ul style="list-style-type: none">HTA and MVCB are working on this. HTA funds have been provided to MVCB for a campaign.MVCB is looking at vehicles to push messaging out featuring residents with testimonials on why the visitor industry is important to them.

Summer 2021 Progress Report – Maui DMAP (continued)

Action D. Continue to offer cultural education and training programs to enhance and perpetuate aloha, mālama and kuleana, and the authentic Hawai'i experience.

Progress	Sub-Action No.	Sub-Action
	D.1	Explore funding and scholarships to increase tour guide certification program participation as pilot project for future compulsory culture and language training programs.
	D.2	Work with UH MCC to increase and promote visitor industry training programs.
	D.3	Explore options and identify community organizations that can work with industry partners to foster locations for educational sites for learning that supports practitioners: apprentice type of programs to ensure proper, quality learning. <ul style="list-style-type: none"> This could be done via a request for proposal (RFP) via HTA's Kūkulu Ola program being managed by the Hawai'i Community Foundation for projects in calendar year 2022.
	D.4	Continue to offer and promote cultural education workshop series for visitor industry and other businesses. <ul style="list-style-type: none"> The Native Hawaiian Hospitality Association held a number of online trainings this year (www.nahha.com/training, in addition to the virtual Ka Huina conference (www.nahha.com/kahuina) which received good attendance.

Action E. Develop Regenerative Tourism initiatives.

Progress	Sub-Action No.	Sub-Action
	E.1	Support and incentivize product development to create more packages with opportunities to not only learn about Hawai'i but to also make the place better. <ul style="list-style-type: none"> HVCB's Mālama Hawai'i campaign efforts support this action (www.gohawaii.com/malama). HTA is also supporting this action through RFPs from HTA's Kūkulu Ola Program and Aloha 'Āina Program via the Hawai'i Community Foundation in addition to HTA's Community Enrichment Program via MVCB to be issued in Fall 2021 for projects in calendar year 2022.
	E.2	Identify and promote cross-discipline activities into product development (i.e., invasive species eradication, planting taro, wildlife preservation and environmental protection for visitors and residents)

Summer 2021 Progress Report – Maui DMAP (continued)

Action F. Develop and promote initiatives to improve the experience of transportation & ground travel.

Progress	Sub-Action No.	Sub-Action
	F.1	<p>Support the efforts of Maui Metropolitan Planning Organization on decreasing traffic (Hele Mai).</p> <ul style="list-style-type: none"> • “Park Maui,” the County’s island-wide comprehensive parking management plan, is in progress.
	F.2	<p>Work with hotels and other employers to stagger shift times to mitigate traffic congestion.</p>
	F.3	<p>Identify ways to increase availability of rental cars in the resort areas for on-demand use.</p> <ul style="list-style-type: none"> • Currently, there is an off-site car rental facility at Kapalua Airport.
	F.4	<p>Together with HDOT-Airports explore options to reduce the number of flights arriving near the same time to reduce the related impact of high traffic volume between the airport and resort areas.</p> <ul style="list-style-type: none"> • According to DOT-Airports, this is regulated by the Federal Aviation Administration (FAA) and it is difficult to change flight schedules. If a slot is open, DOT-Airports will need to let them in.

Action G. Ensure more direct benefits to residents from tourism.

Progress	Sub-Action No.	Sub-Action
	G.1	<p>Encourage hotels and restaurants to prioritize purchases from local suppliers to support recovery efforts and recognize those who are helping.</p> <ul style="list-style-type: none"> • HTA/County is working on collecting information from the hotels on the percentage currently being purchased from local suppliers. • An example of an organization implementing this action is Mahi Pono, which allocated farm acres to restaurants/hotels to grow crops specific to their chefs’ needs. The chefs can choose what to grow as long as it can be grown there.
	G.2	<p>Develop a master list of locally grown and value-added products that can be accessed by hotels and restaurants to know more easily what is available. The list can include local growers; co-ops; volume of product available; list of food products (Chamber); other manufactured/value-added products]</p>

Summer 2021 Progress Report – Maui DMAP (continued)

Action H. Have HTA and the county advocate for consistent enforcement of laws and progress report(s) on enforcement.

Progress	Sub-Action No.	Sub-Action
	H.1	Advocate for increased enforcement of current laws

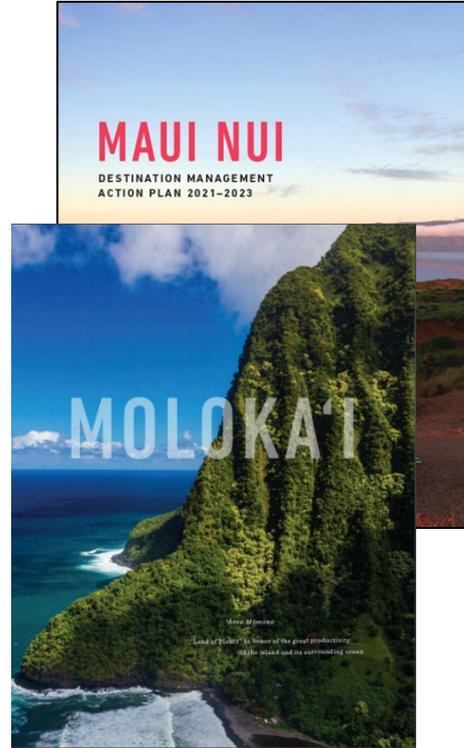
- HTA has been convening meetings with the County, Maui Police Department (MPD), DLNR, DOT-Highways, the National Park Service, MVCB, and Maui Hotel and Lodging Association to address visitor impact on Hāna Highway.
- DOT-Highways installed no parking signs including verbiage of the fines. MPD increased its presence and ticket citations in June/July.

Summer 2021 Progress Report – Moloka‘i Destination Management Plan

The Moloka‘i Destination Management Action Plan (DMAP) was approved by the Hawai‘i Tourism Authority’s (HTA) board of directors in December 2020. The Maui Nui DMAP which incorporates the Moloka‘i DMAP was released to the public on March 4, 2021.

This report provides an update on the progress of Moloka‘i’s DMAP as of July 30, 2021, specifically the actions identified for Phase 1 (calendar year 2021) implementation. There are 23 sub-actions in Phase 1 of which 14 (60%) are in progress.

Mahalo to the County of Maui’s Office of Economic Development, Office of the Mayor’s Community Liaison for tourism and natural resources, and the Maui Visitors and Convention Bureau for their support and partnership in moving the Moloka‘i DMAP actions forward. HTA also acknowledges the other state, county and federal agencies, nonprofit organizations, and the visitor industry which have been integral to advancing the DMAP efforts.



Legend

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	Not Started – Action has not begun.
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	Completed – Action is finished being implemented.

Summer 2021 Progress Report – Moloka‘i DMAP (continued)

Action A. Develop communication and education programs to encourage responsible visitor behaviors.

Progress	Sub-Action No.	Sub-Action
	A.1	Assess the feasibility of a visitor center open every day and fully staffed. <ul style="list-style-type: none">HTA is working with DOT-Airports to set up an Aloha Ambassador Volunteer Program at Moloka‘i Airport.
	A.2	Develop Moloka‘i specific content for communications pieces to educate visitors about what to expect on Moloka‘i, including types of activities that are available as well as rules, sites where access is not allowed, safety rules, list of resources, etc. The content should also describe a process of mutual respect between residents and visitors. <ul style="list-style-type: none">Maui Visitors and Convention Bureau (MVCB) is setting up a Moloka‘i Advisory Group.
	A.3	Develop a process that incoming visitors are highly encouraged to watch an orientation video at the Moloka‘i Airport.
	A.4	Explore other means of delivering orientation information to guests, pre-arrivals (i.e., videos on goHawaii.com, YouTube, printed materials to business and visitor touchpoints).
	A.5	Work with landowners and promote use of existing reservations systems to access sensitive areas (hotspots). <ul style="list-style-type: none">HTA has gathered a list of sites with reservation systems, and will do further follow up on the feasibility of listing them on the gohawaii.com website.

Summer 2021 Progress Report – Moloka‘i DMAP (continued)

Action B. Support the growth of Moloka‘i businesses by encouraging new product development focused on regenerative tourism, while continuing support of traditional leisure tourism, to increase jobs for residents.

Progress	Sub-Action No.	Sub-Action
	B.1	<p>Support existing businesses to remain viable until visitor industry stabilizes - anticipated to be Summer 2021. This could take the form of offering workshops on recovery, different aspects of capacity building, grants, and/or temporary offices/workspaces.</p> <ul style="list-style-type: none"> • The County of Maui implemented a program with CARES funds and issued grants. • Through the County's Maui Business Resource Center (Maui) and the Kuha‘o Business Center (Moloka‘i), capacity-building webinars were conducted virtually in Q1 and Q2 of 2021. There are plans to continue these offerings.
	B.2	<p>Support the creation of new businesses (and existing businesses looking to grow or transition into new areas) that can offer desired experiences and services to visitors and provide more job stability for residents.</p> <ul style="list-style-type: none"> • The County is planning to assist small businesses again with American Rescue Plan (ARPA) funds. However, this will be targeted at “store fronts” rather than home-based businesses. • Through the County's Maui Business Resource Center (Maui) and the Kuha‘o Business Center (Moloka‘i), capacity-building webinars were conducted virtually in Q1 and Q2 of 2021. There are plans to continue these offerings.
	B.3	<p>Community-based businesses, organizations and tourism providers to identify regenerative tourism activities that could be offered to visitors and then amplified through product development and marketing programs.</p> <ul style="list-style-type: none"> • HTA is supporting this action through a Request for Proposal (RFP) from its Kūkulu Ola Program and Aloha ‘Āina Program via Hawai‘i Community Foundation (HCF) in addition to HTA's Community Enrichment Program via MVCB to be issued in Fall 2021 for projects in calendar year 2022.

Summer 2021 Progress Report – Moloka‘i DMAP (continued)

Action C. Promote Moloka‘i to attract kama‘āina and specific visitor segments who appreciate and understand the Moloka‘i lifestyle.

Progress	Sub-Action No.	Sub-Action
	C.1	<p>Invite members of the community, cultural experts and businesses to be a part of an advisory group to guide messaging and campaigns to evolve the positioning of Moloka‘i towards a cultural and educational experience in addition to a leisure vacation destination.</p>
<ul style="list-style-type: none"> MVCB's newly hired Destination Manager will be responsible for coordinating a Moloka'i Advisory Group. The first meeting is targeted for October/November. 		
	C.2	<p>Develop marketing programs for on-island businesses to attract earnest visitors who value, appreciate, want to learn about, be inspired by, and experience local cultures and lifestyles of Moloka‘i.</p>
<ul style="list-style-type: none"> HVCB's GoHawaii App encourages movement to local businesses. HTA will provide a list of the Community Enrichment Program, Kūkulu Ola Program and Aloha 'Āina Program recipients and other projects to its Global Marketing Team to promote. 		
	C.3	<p>Target marketing towards groups that match with the experiences that Moloka‘i has to offer.</p> <ul style="list-style-type: none"> - Kama‘āina visitors who better understand the lifestyle and experience Moloka‘i has to offer. - Retreat groups. - Repeat visitors to Moloka‘i. <p>Visitors looking to take part in agritourism and cultural tourism activities. Explore further the Hunter segment who can also help manage the deer population.</p>
<ul style="list-style-type: none"> HTA advised its Global Marketing Team – Hawai‘i Visitors and Convention Bureau (HVCB), Hawai‘i Tourism Japan, Hawai‘i Tourism Oceania, Hawai‘i Tourism Canada, and Hawai‘i Tourism Korea – of the type of visitors Moloka‘i desires. 		

Summer 2021 Progress Report – Moloka‘i DMAP (continued)

Action D. Enhance resident-visitor relations by strengthening existing cultural/community-based organizations and activities.

Progress	Sub-Action No.	Sub-Action
	D.1	Develop voluntourism activities that give visitors opportunities to participate with local nonprofit organizations in Lo‘i Kalo, Loko l‘a, conservation, and restoration activities. <ul style="list-style-type: none"> HTA is supporting this action through RFPs from its Aloha ‘Āina Program and Community Enrichment Program.
	D.2	Support and strengthen existing events and create new events by local community experts for both residents and visitors. Ensure cultural events are run by someone with relevant experience. <ul style="list-style-type: none"> HTA is supporting this action through RFPs from its Kūkulu Ola Program and Community Enrichment Program. HTA anticipates holding a Festivals and Events seminar in Fall 2021.
	D.3	Guide event organizers and visiting groups (retreat groups, sports organizations/teams) to ensure they interact with the island in a sustainable manner that enhances the environment.
	D.4	Involve more Moloka‘i residents and Moloka‘i-based tourism related businesses in developing events.
	D.5	Encourage cultural practitioners with generational ties to Moloka‘i to participate and lead in business efforts and events, to support continued cultural practices on island. <ul style="list-style-type: none"> HTA will update its RFP criteria to incorporate this action.
	D.6	Identify clean-up/restoration projects that could be implemented to support residents and tourists alike (see A.3). <ul style="list-style-type: none"> HVCB’s Mālama Hawai‘i campaign identifies these opportunities at: http://www.gohawaii.com/malama. HTA is also supporting this action through RFPs from its Aloha ‘Āina Program and Community Enrichment Program.
	D.7	Identify and evaluate options on how the fishponds can play a larger role in uniting the community and visitors.
	D.8	Hold regular town hall meetings to include both community, stakeholders, and industry partners, to share updates on the benefits and trade-offs of tourism for Moloka‘i, through multiple modes of communication (not just online).

Summer 2021 Progress Report – Moloka'i DMAP (continued)

Action E. Provide accommodations that meet the needs of the target segments.

Progress	Sub-Action No.	Sub-Action
	E.1	Identify community infrastructure that needs improvement/revitalization.
	E.3	Seek public-private partnership to improve and revitalize existing accommodations to meet the needs of target segments. (e.g. tentalows, The Lodge, Kaluako'i , DHHL – Coconut Grove, Lanikila)

Action F. Engage partners to determine a path forward that will enhance interisland transportation options for both residents and visitors.

Progress	Sub-Action No.	Sub-Action
	F.1	<p>Advocate for airlines, County, HDOT and FAA to restore affordable and dependable air and sea transportation to viable levels that meet the needs of the community.</p> <ul style="list-style-type: none"> The County is researching the U.S. government's Essential Air Service program enacted to guarantee that small communities have access to airline service that would otherwise have no scheduled service at all.
	F.2	Consider whether there are options to increase services during high demand events without increasing impact to the natural resources.

10

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



Market Insights – July 2021

The HTA Monthly Market Insights reports on the most recent key performance indicators that the Hawai'i Tourism Authority (HTA) uses to measure success. The following measures provide indicators of the overall health of Hawai'i's visitor industry and help to gauge if the HTA is successfully attaining its goals.

Report on Economic Impact

During July 2021, most passengers arriving from out-of-state and traveling inter-county could bypass the State's mandatory 10-day self-quarantine with a valid negative COVID-19 NAAT test result from a Trusted Testing Partner prior to their departure to Hawai'i through the Safe Travels program. In addition, individuals who were fully vaccinated in the United States could bypass the quarantine order beginning July 8. There were no inter-county travel restrictions in July. The U.S. Centers for Disease Control and Prevention (CDC) enforced restrictions on cruise ships through a "Conditional Sail Order", a phased approach for the resumption of passenger cruises to mitigate the risk of spreading COVID-19 onboard.

For the first seven months of 2021, Hawai'i's tourism economy experienced:

- Total visitor spending: \$6.60 billion. There is no comparative visitor spending data available for the first seven months of 2020. Visitor spending declined 37.5 percent from \$10.55 billion in the first seven months of 2019.
- Visitor Arrivals: 3,631,400, up 66.7 percent compared to the first seven months of 2020. Total arrivals decreased 41.1 percent when compared to 6,166,392 visitors in the first seven months of 2019.
- For FY2022 through July 2021, the state collected \$64.1 million in TAT, a 1,030.9 percent increase compared to \$5.7 million collected in FY 2021 through July 2020 (Preliminary data from Dept of Taxation).
- Flights: 27,435, Seats: 5,636,071; 16,737 flights and 3,719,238 seats in the first seven months of 2020, versus 36,410 flights and 8,004,342 seats in the first seven months of 2019.

Table 1: Overall Key Performance Indicators – Total (Air + Cruise) – YTD July 2021 vs. YTD July 2020

	YOY Rate	2020 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	N/A	N/A†	6,599.6*	9,711.8
Daily Spend (\$PPPD)	N/A	N/A†	185.1*	185.4
Visitor Days	70.1%	20,959,257	35,658,276	52,372,004
Arrivals	66.7%	2,178,796	3,631,400	5,510,247
Daily Census	70.9%	98,400	168,199	143,485
Airlift (scheduled seats)	52.4%	3,679,486	5,608,390	11,882,593

†July year-to-date 2020 visitor spending statistics were not available, as there was no fielding between April through October 2020 due to COVID-19.

*January – June 2021 visitor spending statistics were revised.

DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

Table 2: Overall Key Performance Indicators – Total (Air + Cruise) – YTD July 2021 vs. YTD July 2019

	YOY Rate	2019 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	-37.5%	10,553.0	6,599.6 [‡]	9,711.8
Daily Spend (\$PPPD)	-5.1%	195.0	185.1 [‡]	185.4
Visitor Days	-34.1%	54,121,582	35,658,276	52,372,004
Arrivals	-41.1%	6,166,392	3,631,400	5,510,247
Daily Census	-34.1%	255,290	168,199	143,485
Airlift (scheduled seats)	-29.5%	7,949,967	5,608,390	11,882,593

[‡]January – June 2021 visitor spending statistics were revised.

[‡]DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

Figure 1: Monthly Visitor Expenditures (\$mil) – 2021 vs. 2020

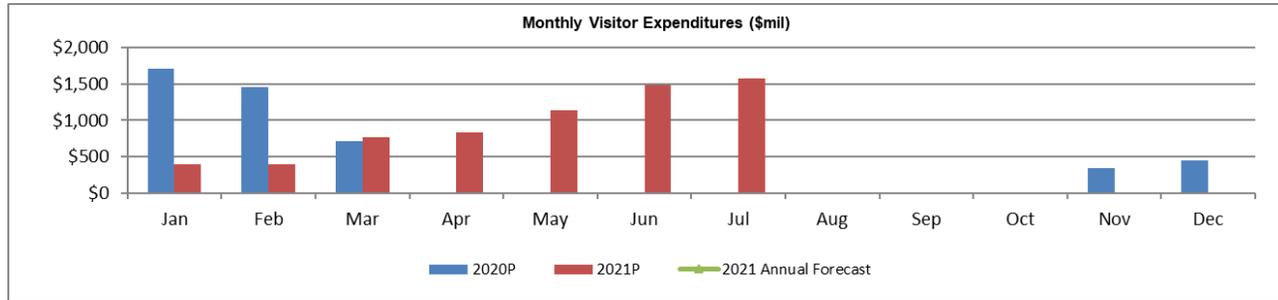
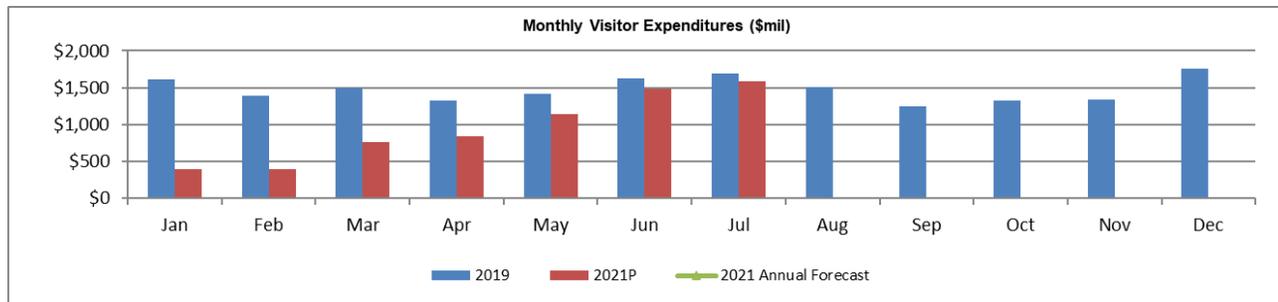


Figure 2: Monthly Visitor Expenditures (\$mil) – 2021 vs. 2019



Major Market Areas (MMAs)

USA

Table 3: Key Performance Indicators - U.S. Total (YTD July 2021 vs. YTD July 2020)

	YOY Rate	2020 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	N/A	N/A [†]	6,339.3 [‡]	7,833.4
Daily Spend (\$PPPD)	N/A	N/A [†]	185.0 [‡]	184.1
Visitor Days	132.2%	14,758,323	34,263,715	42,553,079
Arrivals	139.5%	1,472,076	3,525,269	4,403,876
Daily Census	133.3%	69,288	161,621	116,584
Airlift (scheduled seats)	96.6%	2,763,704	5,434,609	9,830,792

[†]July year-to-date 2020 visitor spending statistics were not available, as there was no fielding between April through October 2020 due to COVID-19.

[‡]January – June 2021 visitor spending statistics were revised.

[‡]DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

Table 4: Key Performance Indicators - U.S. Total (YTD July 2021 vs. YTD July 2019)

	YOY Rate	2019 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	-9.8%	7,026.5	6,339.3*	7,833.4
Daily Spend (\$PPPD)	-1.1%	187.1	185.0*	184.1
Visitor Days	-8.7%	37,548,277	34,263,715	42,553,079
Arrivals	-15.1%	4,150,848	3,525,269	4,403,876
Daily Census	-8.7%	177,115	161,621	116,584
Airlift (scheduled seats)	-5.0%	5,719,985	5,434,609	9,830,792

*January – June 2021 visitor spending statistics were revised.

†DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

- Strong employment growth in July was fueled by restaffing in leisure/hospitality and government, however, the job gain in July does not necessarily represent a surging economy.
- The Conference Board Consumer Confidence Index was relatively unchanged in July, following gains in each of the previous five months. The Index now stands at 129.1 (1985=100), up from 120.0 in June. The Present Situation Index based on consumers' assessment of current business and labor market conditions rose from 159.6 to 160.3. The Expectations Index based on consumers' short-term outlook for income, business and labor market conditions was virtually unchanged to 108.4, up from 108.5 last month.
- Overall bookings remain strong, but the pace has slowed in recent weeks due to a lack of lodging and car rental inventory and now with the Delta variant. Bookings continue to show strength into the holiday season and into spring break/Easter 2022. However, staffing continues to be a challenge.
- The forecast for domestic scheduled nonstop air seats to Hawai'i for August - October 2021 will increase by +31.3 percent as compared with the same time period in 2019. The projection is based on flights appearing in Diio Mi airline schedules. Due to COVID-19, the constant fluidity in scheduled air seats is expected to continue in all major market areas including U.S. West (+29.9%) and U.S. East (+42.2%). The situation is being monitored and the forecast adjusted accordingly.

US WEST

Table 5: Key Performance Indicators - U.S. West (YTD July 2021 vs. YTD July 2020)

	YOY Rate	2020 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	N/A	N/A†	4,148.7*	4,850.7
Daily Spend (\$PPPD)	N/A	N/A†	180.4*	173.0
Visitor Days	157.0%	8,952,187	23,003,385	28,031,536
Arrivals	159.8%	940,780	2,444,526	3,002,696
Daily Census	158.2%	42,029	108,507	76,799
Airlift (scheduled seats)	97.8%	2,413,613	4,773,466	8,530,031

†July year-to-date 2020 visitor spending statistics were not available, as there was no fielding between April through October 2020 due to COVID-19.

*January – June 2021 visitor spending statistics were revised.

†DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

Table 6: Key Performance Indicators - U.S. West (YTD July 2021 vs. YTD July 2019)

	YOY Rate	2019 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	1.0%	4,106.5	4,148.7*	4,850.7
Daily Spend (\$PPPD)	3.8%	173.8	180.4*	173.0
Visitor Days	-2.6%	23,629,088	23,003,385	28,031,536
Arrivals	-10.2%	2,720,989	2,444,526	3,002,696
Daily Census	-2.6%	111,458	108,507	76,799
Airlift (scheduled seats)	-4.5%	4,998,109	4,773,466	8,530,031

*January – June 2021 visitor spending statistics were revised.

†DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

- In July 2021, 578,629 visitors arrived from the U.S. West, well above the 12,890 visitors (+4,388.9%) in July 2020, and exceeding the July 2019 count of 462,676 visitors (+25.1%). U.S. West visitors spent \$961.0 million in July 2021, which surpassed the \$669.8 million (+43.5%) spent in July 2019. Higher average daily visitor spending (\$186 per person, +12.4%) and a longer average length of stay (8.95 days, +2.1%) also contributed to the growth in U.S. West visitor expenditures compared to 2019.
- Through the first seven months of 2021, there were 2,444,526 visitors from the U.S. West compared to 940,780 visitors (+159.8%) in the first seven months of 2020, versus 2,720,989 visitors (-10.2%) in the first seven months of 2019. Total visitor spending was \$4.15 billion up 1.0 percent from \$4.11 billion in the first seven months of 2019.

US EAST

Table 7: Key Performance Indicators - U.S. East (YTD July 2021 vs. YTD July 2020)

	YOY Rate	2020 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	N/A	N/A†	2,190.5*	2,982.6
Daily Spend (\$PPPD)	N/A	N/A†	194.5*	205.4
Visitor Days	93.9%	5,806,136	11,260,330	14,521,543
Arrivals	103.4%	531,296	1,080,743	1,401,180
Daily Census	94.9%	27,259	53,115	39,785
Airlift (scheduled seats)	88.8%	350,091	661,143	1,300,761

†July year-to-date 2020 visitor spending statistics were not available, as there was no fielding between April through October 2020 due to COVID-19.

*January – June 2021 visitor spending statistics were revised.

†DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

Table 8: Key Performance Indicators - U.S. East (YTD July 2021 vs. YTD July 2019)

	YOY Rate	2019 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	-25.0%	2,919.9	2,190.5*	2,982.6
Daily Spend (\$PPPD)	-7.3%	209.8	194.5*	205.4
Visitor Days	-19.1%	13,919,189	11,260,330	14,521,543
Arrivals	-24.4%	1,429,858	1,080,743	1,401,180
Daily Census	-19.1%	65,657	53,115	39,785
Airlift (scheduled seats)	-8.4%	721,876	661,143	1,300,761

*January – June 2021 visitor spending statistics were revised.

†DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

- There were 272,821 visitors from the U.S. East in July 2021, compared to 7,516 visitors (+3,530.0%) in July 2020, and 243,498 visitors (+12.0%) in July 2019. U.S. East visitors spent \$558.8 million in July 2021 compared to \$510.7 million (+9.4%) in July 2019. A longer length of stay (9.94 days, +2.6%) also contributed to the increase in U.S. East visitor

expenditures. Daily spending (\$206 per person) was lower compared to July 2019 (\$216 per person).

- Through the first seven months of 2021, there were 1,080,743 visitors from the U.S. East compared to 531,296 visitors (+103.4%) in the first seven months of 2020, versus 1,429,858 visitors (-24.4%) in the first seven months of 2019. Total visitor spending was \$2.19 billion, a decrease of 25.0 percent from \$2.92 billion in the first seven months of 2019.

CANADA

Table 9: Key Performance Indicators – Canada (YTD July 2021 vs. YTD July 2020)

	YOY Rate	2020 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	N/A	N/A [†]	29.8 [‡]	449.3
Daily Spend (\$PPPD)	N/A	N/A [†]	169.4 [‡]	168.6
Visitor Days	-91.5%	2,060,489	175,638	2,664,375
Arrivals	-95.2%	155,915	7,432	195,431
Daily Census	-91.4%	9,674	828	7,300
Airlift (scheduled seats)	-86.3%	164,881	22,508	245,510

[†]July year-to-date 2020 visitor spending statistics were not available, as there was no fielding between April through October 2020 due to COVID-19.

[‡]January – June 2021 visitor spending statistics were revised.

^{*}DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

Table 10: Key Performance Indicators – Canada (YTD July 2021 vs. YTD July 2019)

	YOY Rate	2019 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	-95.7%	692.9	29.8 [‡]	449.3
Daily Spend (\$PPPD)	2.4%	165.4	169.4 [‡]	168.6
Visitor Days	-95.8%	4,188,907	175,638	2,664,375
Arrivals	-97.8%	342,474	7,432	195,431
Daily Census	-95.8%	19,759	828	7,300
Airlift (scheduled seats)	-93.1%	324,056	22,508	245,510

[‡]January – June 2021 visitor spending statistics were revised.

^{*}DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

- In July 2021, 1,999 visitors arrived from Canada, compared to 94 visitors (+2,018.9%) in July 2020, versus 26,939 visitors (-92.6%) in July 2019. Visitors from Canada spent \$5.5 million in July 2021 compared to \$50.1 million (-88.9%) in July 2019.
- Through the first seven months of 2021, there were 7,432 visitors from Canada compared to 155,915 visitors (-95.2%) in the first seven months of 2020, versus 342,474 visitors (-97.8%) in the first seven months of 2019. For the first seven months of 2021, total visitor spending was \$29.8 million, a drop of 95.7 percent from \$692.9 million in the first seven months of 2019.
- Travelers to Canada, including returning Canadian nationals, were required to take a COVID-19 molecular test upon arrival and another test toward the end of their mandatory 14-day quarantine if not fully vaccinated. If fully vaccinated with the vaccines approved by Health Canada, travelers can enter the country with just a negative PCR 72 hours previously to boarding test without having to quarantine. All travelers were required to submit their travel and contact information, including a suitable quarantine plan, electronically via ArriveCAN before boarding their flight.
- Canada's economy is projected to expand by 6.7 percent this year and 4.4 percent in 2022. This represents an upgrade from the spring update and partly reflects the generally

successful rollout of vaccines that has led to a gradual reopening of the economy and a boost in confidence.

- Consumer confidence rose to 121.2 in July surpassing the pre-pandemic rating recorded in February 2020 (120.6). With restrictions continuing to ease, Canadians are increasingly confident about their current financial situation and are feeling good about making big purchases. While the jump this month was largely linked to improved ratings in Ontario and Québec, the lower share of pessimistic views overall points to robust consumer spending this summer.
- Travel demand for Hawai'i is continuing to rise, so travel Advisors are encouraging their clients to book their trip early in order to secure the space in accommodations, activities, and most importantly car rental. With so much pent-up demand, travel advisors have noticed some difficulties trying to arrange plans for their clients due to the lack of availability. Some hotels seem to be sold out and activities provided by land tour operators are limited.

JAPAN

Table 11: Key Performance Indicators – Japan (YTD July 2021 vs. YTD July 2020)

	YOY Rate	2020 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	N/A	N/A [†]	38.9 [‡]	454.4
Daily Spend (\$PPPD)	N/A	N/A [†]	217.0 [‡]	227.4
Visitor Days	-89.7%	1,734,782	179,451	1,998,302
Arrivals	-96.5%	294,348	10,265	347,802
Daily Census	-89.6%	8,145	846	5,475
Airlift (scheduled seats)	-84.2%	466,072	73,641	1,187,421

[†]July year-to-date 2020 visitor spending statistics were not available, as there was no fielding between April through October 2020 due to COVID-19.

[‡]January – June 2021 visitor spending statistics were revised.

^{*}DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

Table 12: Key Performance Indicators – Japan (YTD July 2021 vs. YTD July 2019)

	YOY Rate	2019 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	-96.8%	1,218.9	38.9 [‡]	454.4
Daily Spend (\$PPPD)	-9.5%	239.8	217.0 [‡]	227.4
Visitor Days	-96.5%	5,083,982	179,451	1,998,302
Arrivals	-98.8%	868,821	10,265	347,802
Daily Census	-96.5%	23,981	846	5,475
Airlift (scheduled seats)	-93.6%	1,146,682	73,641	1,187,421

[‡]January – June 2021 visitor spending statistics were revised.

^{*}DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

- There were 2,817 visitors from Japan in July 2021, compared to 54 visitors (+5,162.0%) in July 2020, versus 134,587 visitors (-97.9%) in July 2019. Visitors from Japan spent \$11.2 million in July 2021 compared to \$186.5 million (-94.0%) in July 2019.
- Through the first seven months of 2021, there were 10,265 visitors from Japan compared to 294,348 visitors (-96.5%) in the first seven months of 2020, versus 868,821 visitors (-98.8%) in the first seven months of 2019. For the first seven months of 2021, total visitor spending was \$38.9 million, a drop of 96.8 percent from \$1.22 billion in the first seven months of 2019.
- Japan's economy grew 0.3 percent in April - June from the previous quarter, equal to an annualized pace of 1.3 percent, the Cabinet Office announced recently, as corporate capital spending turned positive despite consumer spending remained sluggish amid COVID-19.

- Japan has been speeding up vaccination for its citizens. As of August 15, vaccination rate went up to 30.9 percent and the first shot completion rate reached over 40 percent.
- Japan government announced the extension of the state of emergency to September 12 covering 13 prefectures.
- According to Japan National Tourism Organization (JNTO), Japanese outbound for July 2021 counted 43,200 passengers (-97.4% vs 2019).
- JATA's Tourism Recover Roadmap: Japan Agents Travel Association (JATA) held a press conference on July 8 and shared its outbound travel recovery roadmap. JATA expects the ease of entry restriction starting from mid-October and increased demand for outbound travel in first quarter of 2022.
- Airline Operation July: 38 flights with 9,564 seats; August: 43 flights with 11,214 seats; September: 41 flights with 10,572 seats. ANA: Has launched a 10,000 Mile back campaign for passengers of Tokyo (NRT/HND) – Honolulu flights between 8/1 and 9/30.

OCEANIA

Table 13: Key Performance Indicators – Oceania (YTD July 2021 vs. YTD July 2020)

	YOY Rate	2020 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	N/A	N/A [†]	5.2 [‡]	202.8
Daily Spend (\$PPPD)	N/A	N/A [†]	239.8 [‡]	258.0
Visitor Days	-96.2%	569,819	21,566	786,033
Arrivals	-97.8%	60,866	1,320	82,654
Daily Census	-96.2%	2,675	102	2,154
Airlift (scheduled seats)	-100.0%	95,737	0	137,772

[†]July year-to-date 2020 visitor spending statistics were not available, as there was no fielding between April through October 2020 due to COVID-19.

[‡]January – June 2021 visitor spending statistics were revised.

*DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

Table 14: Key Performance Indicators – Oceania (YTD July 2021 vs. YTD July 2019)

	YOY Rate	2019 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	-99.0%	505.5	5.2 [‡]	202.8
Daily Spend (\$PPPD)	-9.4%	264.7	239.8 [‡]	258.0
Visitor Days	-98.9%	1,909,670	21,566	786,033
Arrivals	-99.4%	203,308	1,320	82,654
Daily Census	-98.9%	9,008	102	2,154
Airlift (scheduled seats)	-100.0%	290,505	0	137,772

[‡]January – June 2021 visitor spending statistics were revised.

*DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

- There were 96 visitors from Australia in July 2021 who came on domestic flights. Direct flights from Australia continued to be suspended. In comparison there were 17 visitors in July 2020, versus 27,177 visitors in July 2019. The Australian government continued to impose a ban on all overseas travel for Australians unless an exemption was granted. Residents returning to Australia were required to undergo a mandatory 14-day quarantine.
- Through the first seven months of 2021, there were 361 visitors from Australia, compared to 50,106 visitors (-99.3%) in the first seven months of 2020, versus 159,887 visitors (-99.8%) in the first seven months of 2019.
- There were 256 visitors from New Zealand in July 2021 who arrived on domestic flights. Direct flights from New Zealand continued to be suspended. In comparison, there were 33 visitors in July 2020, versus 10,254 visitors in July 2019. The New Zealand government

advised New Zealanders to refrain from travel overseas due to COVID-19 health risks and travel restrictions. Residents returning to New Zealand were required to complete at least 14 days of quarantine and test negative for COVID-19 before entering the community.

- Through the first seven months of 2021, there were 959 visitors from New Zealand, compared to 10,760 visitors (-91.1%) in the first seven months of 2020, versus 43,421 visitors (-97.8%) in the first seven months of 2019.
- The arrival of the COVID-19 Delta variant in the region has made the containment of the pandemic much more challenging. This has been seen in particular in the State of New South Wales which has seen a growth in community cases and a subsequent lock-down. It is believed this lockdown will run until at least the end of August.
- The situation in New South Wales has highlighted the need to be vaccinated. This has been the key priority for Federal and State governments. August and September will be the biggest months yet for vaccination volumes in line with an increase of supplies arriving in the region.
- New Zealand recently released their unemployment rates which have dropped to just 4 percent. This reflects a very strong domestic economy and a reduction in immigrant workers.
- On the exchange rates, both currencies remain strong against the USD (AUD.75cents & NZD.72cents). The AUD dipped slightly due to recent lockdowns.

EUROPE

Table 15: Key Performance Indicators – Europe (YTD July 2021 vs. YTD July 2020)

	YOY Rate	2020 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	N/A	N/A [†]	12.9 [‡]	106.4
Daily Spend (\$PPPD)	N/A	N/A [†]	171.8 [‡]	146.7
Visitor Days	-72.4%	271,966	75,070	725,338
Arrivals	-75.5%	20,562	5,045	55,102
Daily Census	-72.3%	1,277	354	1,987
Airlift (scheduled seats)	N/A	N/A	N/A	N/A

[†]July year-to-date 2020 visitor spending statistics were not available, as there was no fielding between April through October 2020 due to COVID-19.

[‡]January – June 2021 visitor spending statistics were revised.

*DBEDT 2021 annual forecast (Quarter 1, 2021).

Table 16: Key Performance Indicators – Europe (YTD July 2021 vs. YTD July 2019)

	YOY Rate	2019 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	-91.4%	149.9	12.9 [‡]	106.4
Daily Spend (\$PPPD)	6.0%	162.1	171.8 [‡]	146.7
Visitor Days	-91.9%	924,647	75,070	725,338
Arrivals	-92.9%	71,034	5,045	55,102
Daily Census	-91.9%	4,362	354	1,987
Airlift (scheduled seats)	N/A	N/A	N/A	N/A

[‡]January – June 2021 visitor spending statistics were revised.

*DBEDT 2021 annual forecast (Quarter 1, 2021).

- In July 2021, there were 1,203 visitors from the United Kingdom, France, Germany, Italy and Switzerland. In comparison, 74 visitors came in July 2020, versus 16,059 visitors who came in July 2019. In Germany, returning German nationals, with proof of COVID-19 vaccination could bypass testing and quarantine, unless they returned from areas where COVID-19 variants were prevalent. Those who returned from high-risk countries were required to self-quarantine for 10 days. In the United Kingdom, fully vaccinated U.K. nationals who returned from a country not on the red travel list, did not have to self-quarantine but were required to

provide proof of a negative COVID-19 test within 72 hours of departure, proof of vaccination status, and complete a U.K. passenger locator form. Those not fully vaccinated were mandated to self-isolate at home for 10 days and take COVID-19 tests on the second and eighth days of their quarantine at their own expense.

- Through the first seven months of 2021, there were 5,045 visitors from Europe, compared to 20,562 visitors (-75.5%) in the first seven months of 2020, versus 71,034 visitors (-92.9%) in the first seven months of 2019.

OTHER ASIA

Table 17: Key Performance Indicators – Other Asia (YTD July 2021 vs. YTD July 2020)

	YOY Rate	2020 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	N/A	N/A [†]	19.9 [‡]	NA
Daily Spend (\$PPPD)	N/A	N/A [†]	162.3 [‡]	NA
Visitor Days	-75.1%	493,710	122,726	NA
Arrivals	-87.0%	57,129	7,437	NA
Daily Census	-75.0%	2,318	579	NA
Airlift (scheduled seats)	-84.6	86,695	13,344	127,746

[†]July year-to-date 2020 visitor spending statistics were not available, as there was no fielding between April through October 2020 due to COVID-19.

[‡]January – June 2021 visitor spending statistics were revised.

*DBEDT 2021 annual forecast is not available. 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change

Table 18: Key Performance Indicators – Other Asia (YTD July 2021 vs. YTD July 2019)

	YOY Rate	2019 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	-96.0%	494.7	19.9 [‡]	NA
Daily Spend (\$PPPD)	-44.5%	292.7	162.3 [‡]	NA
Visitor Days	-92.7%	1,690,174	122,726	NA
Arrivals	-96.5%	213,606	7,437	NA
Daily Census	-92.7%	7,973	579	NA
Airlift (scheduled seats)	-95.3%	283,987	13,344	127,746

[‡]January – June 2021 visitor spending statistics were revised.

*DBEDT 2021 annual forecast is not available. 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change

- In July 2021, there were 2,073 visitors from Other Asia (China, Hong Kong, Korea, Singapore, Taiwan) compared to 63 visitors in July 2020, versus 30,931 in July 2019.
- Through the first seven months of 2021, there were 7,437 visitors from Other Asia, compared to 57,129 visitors in the first seven months of 2020, versus 213,606 visitors in the first seven months of 2019.

KOREA

Table 19: Key Performance Indicators – Korea (YTD July 2021 vs. YTD July 2020)

	YOY Rate	2020 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	N/A	N/A [†]	18.6 [‡]	127.0
Daily Spend (\$PPPD)	N/A	N/A [†]	241.5 [‡]	278.2
Visitor Days	-77.9%	349,479	77,146	456,698
Arrivals	-91.5%	41,688	3,537	55,102
Daily Census	-77.8%	1,641	364	1,251
Airlift (scheduled seats)	-81.3%	71,175	13,344	214,534

[†]July year-to-date 2020 visitor spending statistics were not available, as there was no fielding between April through October 2020 due to COVID-19.

[‡]January – June 2021 visitor spending statistics were revised.

*DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

Table 20: Key Performance Indicators – Korea (YTD July 2021 vs. YTD July 2019)

	YOY Rate	2019 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	-93.3%	277.2	18.6*	127.0
Daily Spend (\$PPPD)	-12.7%	276.5	241.5*	278.2
Visitor Days	-92.3%	1,002,759	77,146	456,698
Arrivals	-97.3%	129,707	3,537	55,102
Daily Census	-92.3%	4,730	364	1,251
Airlift (scheduled seats)	-92.8%	185,663	13,344	214,534

*January – June 2021 visitor spending statistics were revised.

*DBEDT 2021 annual forecast (Quarter 1, 2021). 2021 seats forecast based on Diio Mi flight schedules as of July 26, 2021, subject to change.

- There were 1,108 visitors from Korea in July 2021. Of that number, 797 arrived on direct flights from Korea and 311 came on domestic flights. In comparison, there were 16 visitors in July 2020, versus 19,209 visitors in July 2019. Returning Korean nationals in July 2021 who completed full vaccination and tested negative for COVID-19 (within 72 hours prior to entering Korea; and on the 6th or 7th day after entering Korea) were exempted from the mandatory 14-day quarantine.
- Through the first seven months of 2021, there were 3,537 visitors from Korea, compared to 41,688 visitors (-91.5%) in the first seven months of 2020, versus 129,707 visitors (-97.3%) in the first seven months of 2019.
- In order to prevent the spread of variant virus, the Korean government extended the Level 4 guidelines in Seoul metropolitan area until August 22 under which private gatherings of three or more people are banned after 6 p.m.
- The International Monetary Fund (IMF) raised Korea’s economic growth forecast again for this year to 4.3 percent from 3.6 percent, 0.7 percent points up in 3 months, in its latest report as the global economy has been recovering and Korea’s strong exports and domestic demand have supported the economy revive.
- The average USD/WON exchange rate in July was 1,145.66 won, slightly appreciated from the previous rate of 1,122.43 won in June.
- As the Korean government announced that 70 percent of the population will be vaccinated by September with at least the first shot, the number of fully vaccinated people who can travel abroad is expected to increase sharply from November. Approximately 32 million people are expected to complete the second shot by November who will be exempted from quarantine upon returning to Korea.
- Korean Air cancelled the operation of charter flights for ICN-HNL route (KE053) during the Chuseok period in September and officially announced to resume 3 weekly ICN-HNL flights in November.
- Asiana Airlines is planning to resume ICN-HNL route in November.
- Hawaiian Airlines increased air service from two weekly flights to three weekly flights (HA 460) from ICN to HNL, on every Wednesday, Friday and Sunday starting August 1.

LATIN AMERICA

Table 21: Key Performance Indicators – Latin America (YTD July 2021 vs. YTD July 2020)

	YOY Rate	2020 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	N/A	N/A [†]	9.7 [‡]	NA
Daily Spend (\$PPPD)	N/A	N/A [†]	194.8 [‡]	NA
Visitor Days	-26.7%	67,994	49,835	NA
Arrivals	-24.4%	5,227	3,952	NA
Daily Census	-26.4%	319	235	NA
Airlift (scheduled seats)	N/A	N/A	N/A	N/A

[†]July year-to-date 2020 visitor spending statistics were not available, as there was no fielding between April through October 2020 due to COVID-19.

[‡]January – June 2021 visitor spending statistics were revised.

*DBEDT 2021 annual forecast is not available.

Table 22: Key Performance Indicators – Latin America (YTD July 2021 vs. YTD July 2019)

	YOY Rate	2019 YTD	2021 YTD	2021 Annual Forecast*
Visitor Spending (\$mil)	-73.1%	36.1	9.7 [‡]	NA
Daily Spend (\$PPPD)	-11.7%	220.7	194.8 [‡]	NA
Visitor Days	-69.5%	163,529	49,835	NA
Arrivals	-74.7%	15,608	3,952	NA
Daily Census	-69.5%	771	235	NA
Airlift (scheduled seats)	N/A	N/A	N/A	N/A

[‡]January – June 2021 visitor spending statistics were revised.

*DBEDT 2021 annual forecast (Quarter 1, 2021).

- There were 1,199 visitors from Mexico, Brazil and Argentina in July 2021, compared to 113 visitors in July 2020, versus 2,831 visitors in July 2019. In Argentina, all ports of entry remained closed to most non-resident foreign nationals. Legal residents authorized to travel were required to complete a health affidavit within 48 hours before returning to Argentina, provide a negative COVID-19 result from a test taken within 72 hours before travel, and self-quarantine for 10 days. In Mexico, the land border between the U.S. and Mexico continued to be closed until at least August 21, 2021 to non-essential crossings, but not commerce. Returning Mexican nationals who traveled by air were subject to temperature checks and health screening. Those exhibiting symptoms may be subject to additional health screening and/or quarantine.
- Through the first seven months of 2021, there were 3,952 visitors from Latin America, compared to 5,227 visitors (-24,4%) in the first seven months of 2020, versus 15,608 visitors (-74.7%) in the first seven months of 2019.

ISLAND VISITATION:

- **Oahu:** There were 453,654 visitors to O‘ahu in July 2021, compared to 15,776 visitors in July 2020, versus 598,986 visitors in July 2019. Visitor spending was \$633.8 million, down 15.4 percent from \$749.4 million in July 2019.

Through the first seven months of 2021, there were 1,773,528 visitors to O‘ahu compared to 1,260,920 visitors (+40.7%) in the first seven months of 2020, versus 3,624,222 visitors (-51.1%) in the first seven months of 2019. For the first seven months of 2021, total visitor spending of \$2.69 billion¹ was a 43.6 percent decrease from \$4.78 billion in the first seven months of 2019.

- **Maui** There were 282,715 visitors to Maui in July 2021, compared to 2,585 visitors in July 2020, versus 307,834 visitors in July 2019. While there were fewer visitors in July 2021 compared to two years ago, a longer length stay (8.35 days, +8.3%) contributed to \$504.0 million (-0.4%) in visitor spending, just slightly below the \$506.0 million spent in July 2019.

Through the first seven months of 2021, there were 1,266,870 visitors to Maui compared to 609,402 visitors (+107.9%) in the first seven months of 2020, versus 1,830,367 visitors (-30.8%) in the first seven months of 2019. For the first seven months of 2021, total visitor spending was \$2.23 billion¹, down 28.2 percent from \$3.11 billion in the first seven months of 2019.

- **Hawai‘i Island:** There were 149,372 visitors to Hawai‘i Island in July 2021, compared to 3,700 visitors in July 2020, versus 173,899 visitors in July 2019. Although there were fewer visitors in July 2021 compared to two years ago, a longer length of stay (8.65 days, +23.0%) contributed to increased visitor spending in July 2021 (\$234.1 million, +5.8%), compared to July 2019 (\$221.3 million).

Through the first seven months of 2021, there were 635,234 visitors to Hawai‘i Island compared to 398,417 visitors (+59.4%) through year-to-date 2020, versus 1,054,260 visitors (-39.7%) in the first seven months of 2019. Total visitor spending was \$999.2 million¹ for the first seven months of 2021, down 27.4 percent from \$1.38 billion in the first seven months of 2019.

- **Kaua‘i:** There were 115,946 visitors to Kaua‘i in July 2021, compared to 1,397 visitors in July 2020, versus 139,157 visitors in July 2019. Visitor spending was \$191.2 million, a 5.0 percent decline from \$201.3 million in July 2019.

Through the first seven months of 2021, there were 361,668 visitors to Kaua‘i compared to 285,010 visitors (+26.9%) in the first seven months of 2020, versus 825,696 visitors (-56.2%) in the first seven months of 2019. For the first seven months of 2021, total visitor spending was \$606.1 million¹, a decrease of 48.0 percent from \$1.16 billion in the first seven months of 2019.

¹ January – June 2021 visitor spending by island statistics were revised.

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jul-21** Preliminary

Visitor Industry Performance Measures

Market: **OVERALL**

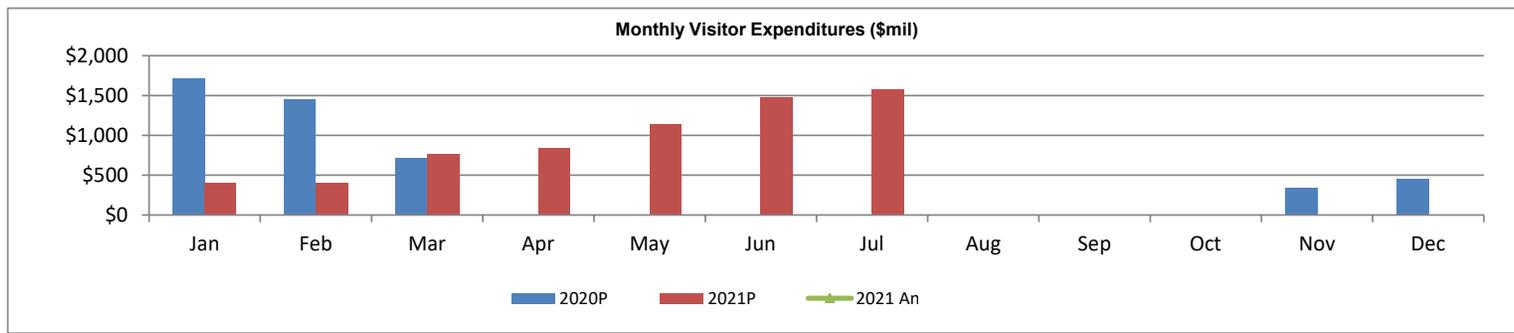
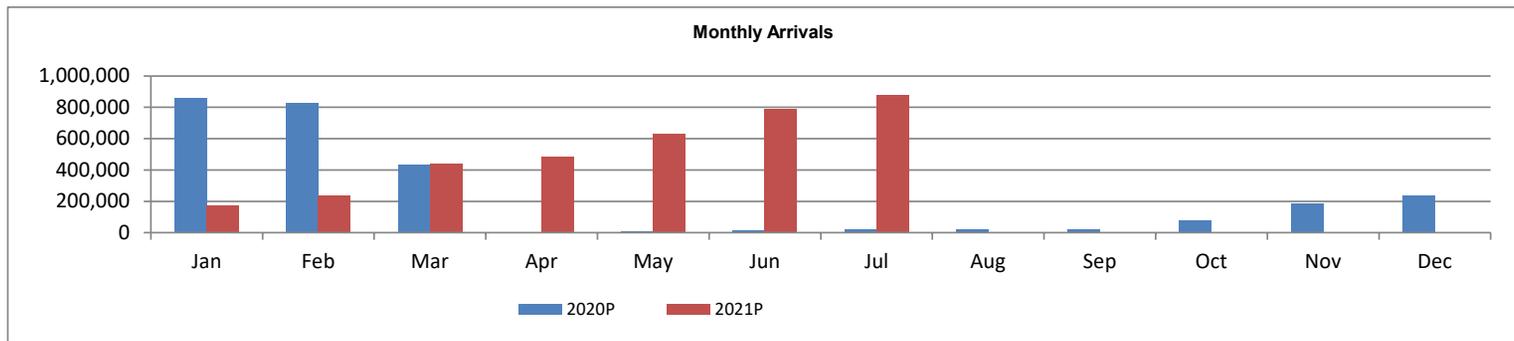
Key Performance Indicators

	YOY Rate	Jul'20 YTD	Jul'21 YTD	Annual Forecast*
Visitor Spending (\$mil) [†]	N/A	N/A	6,599.6	9,711.8
Daily Spend (\$PPPD) [†]	N/A	N/A	185.1	185.4
Visitor Days	70.1%	20,959,257	35,658,276	52,372,004
Arrivals	66.7%	2,178,796	3,631,400	5,510,247
Daily Census	70.9%	98,400	168,199	143,485
Airlift (scheduled seats)	52.4%	3,679,486	5,608,390	11,527,465

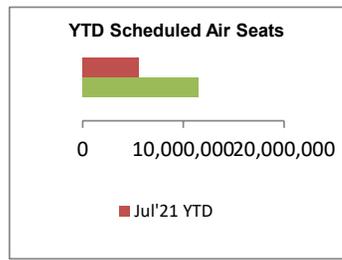
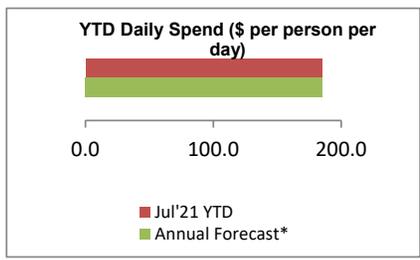
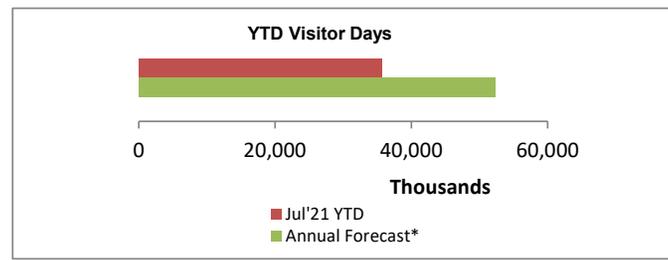
	YOY Rate	YTD
O'ahu	40.7%	1,773,528
Maui	107.9%	1,266,870
Moloka'i	-8.3%	13,497
Lāna'i	58.2%	23,885
Kaua'i	26.9%	361,668
Hawai'i Island	59.4%	635,234

* DBEDT Annual Forecast as of Q1 2021; 2021 seats forecast by HTA based on Diio Mi flight schedules as of July 26, 2021, subject to change.
[†] July YTD 2020 visitor spending statistics were not available, as there was no fielding between April through October due to COVID19. January-June 2021 visitor spending statistics were revised.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

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Visitor Industry Performance Measures

Market: **U.S. TOTAL**

Key Performance Indicators

	YOY Rate	Jul'20 YTD	Jul'21 YTD	Annual Forecast*
Visitor Spending (\$mil) [†]	N/A	N/A	6,339.3	7,833.4
Daily Spend (\$PPPD) [†]	N/A	N/A	185.0	184.1
Visitor Days	132.2%	14,758,323	34,263,715	42,553,079
Arrivals	139.5%	1,472,076	3,525,269	4,403,876
Daily Census	133.3%	69,288	161,621	116,584
Airlift (scheduled seats)	96.6%	2,763,704	5,434,609	10,528,567

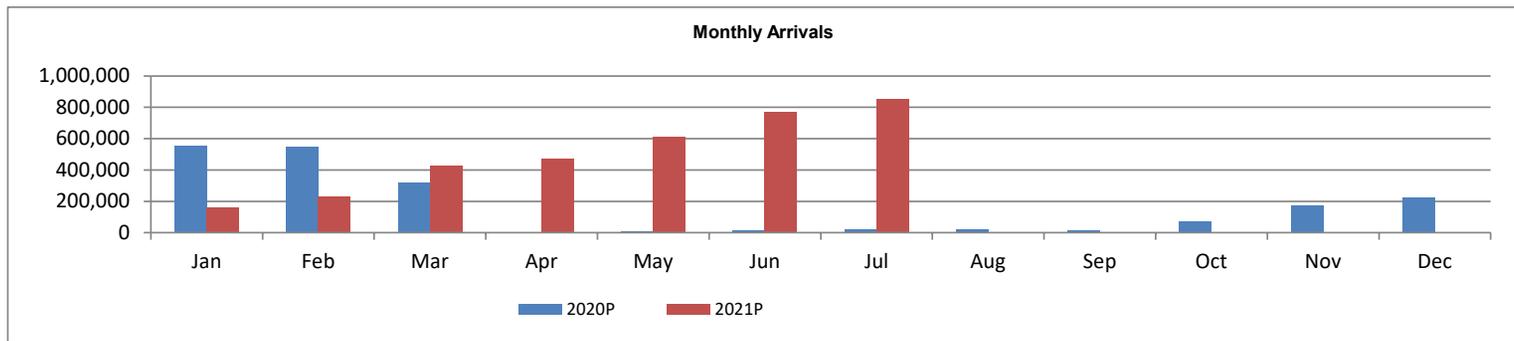
	YOY Rate	YTD
O'ahu	135.0%	1,706,463
Mau'i	155.9%	1,238,315
Moloka'i	29.4%	13,011
Lāna'i	96.9%	23,120
Kaua'i	49.6%	353,417
Hawai'i Island	115.0%	619,962

* DBEDT Annual Forecast as of Q1 2021; 2021 seats forecast by HTA based on Diio Mi flight schedules as of July 26, 2021, subject to change.

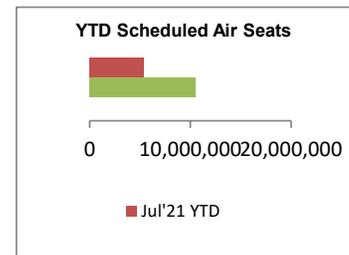
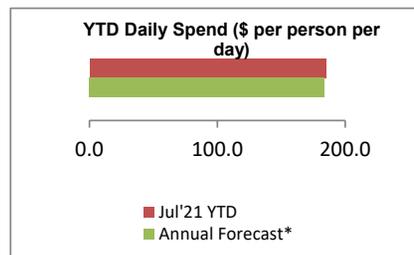
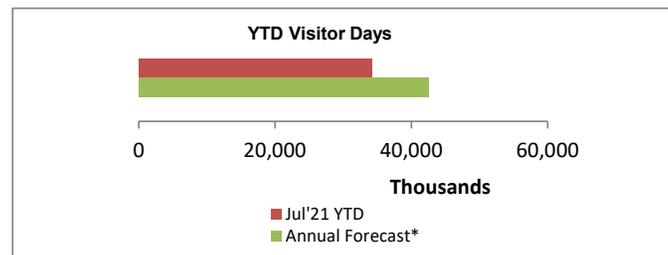
† July YTD 2020 visitor spending statistics were not available, as there was no fielding between April through October due to COVID19.

January-June 2021 visitor spending statistics were revised.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jul-21** Preliminary

Visitor Industry Performance Measures

Market: **U.S. WEST**

Key Performance Indicators

	YOY Rate	Jul'20 YTD	Jul'21 YTD	Annual Forecast*
Visitor Spending (\$mil) [†]	N/A	N/A	4,148.7	4,850.7
Daily Spend (\$PPPD) [†]	N/A	N/A	180.4	173.0
Visitor Days	157.0%	8,952,187	23,003,385	28,031,536
Arrivals	159.8%	940,780	2,444,526	3,002,696
Daily Census	158.2%	42,029	108,507	76,799
Airlift (scheduled seats)	97.8%	2,413,613	4,773,466	9,240,552

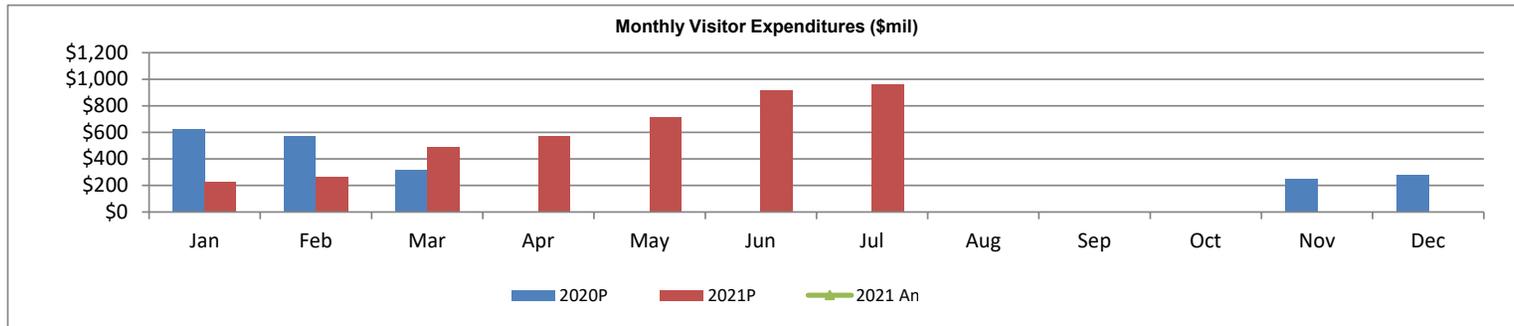
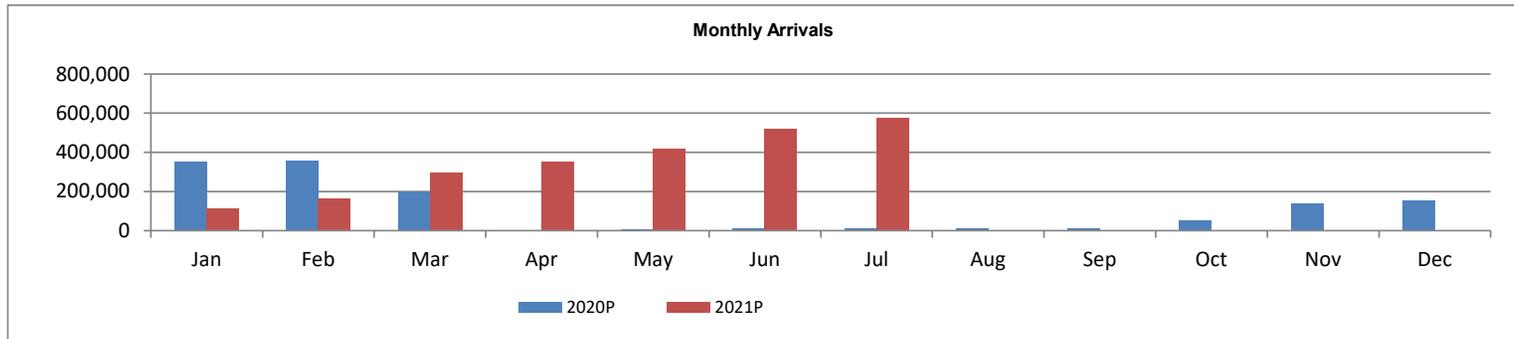
	YOY Rate	YTD
O'ahu	155.3%	1,085,620
Maui	191.5%	871,776
Moloka'i	41.5%	8,465
Lāna'i	122.4%	13,883
Kaua'i	68.7%	243,862
Hawai'i Island	136.4%	422,435

* DBEDT Annual Forecast as of Q1 2021; 2021 seats forecast by HTA based on Diio Mi flight schedules as of July 26, 2021, subject to change.

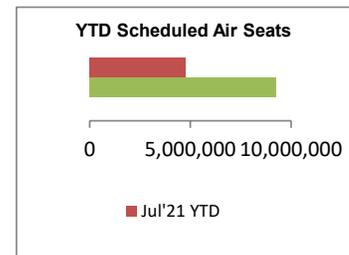
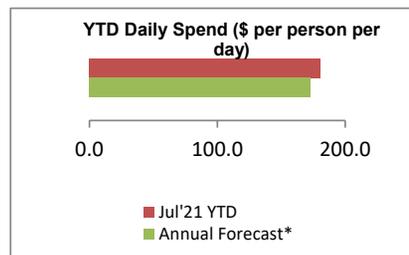
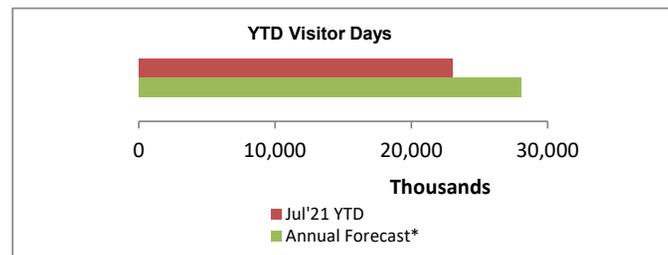
† July YTD 2020 visitor spending statistics were not available, as there was no fielding between April through October due to COVID19.

January-June 2021 visitor spending statistics were revised.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jul-21** Preliminary

Visitor Industry Performance Measures

Market: **U.S. EAST**

Key Performance Indicators

	YOY Rate	Jul'20 YTD	Jul'21 YTD	Annual Forecast*
Visitor Spending (\$mil) [†]	N/A	N/A	2,190.5	2,982.6
Daily Spend (\$PPPD) [†]	N/A	N/A	194.5	205.4
Visitor Days	93.9%	5,806,136	11,260,330	14,521,543
Arrivals	103.4%	531,296	1,080,743	1,401,180
Daily Census	94.9%	27,259	53,115	39,785
Airlift (scheduled seats)	88.8%	350,091	661,143	1,288,015

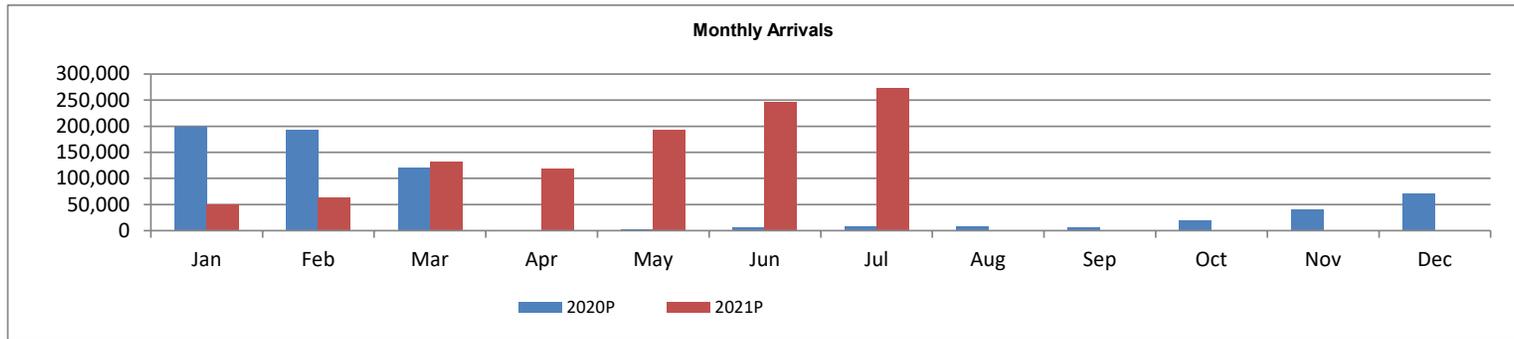
	YOY Rate	YTD
O'ahu	106.3%	620,843
Mauī	98.3%	366,538
Moloka'i	11.6%	4,546
Lāna'i	68.1%	9,237
Kaua'i	19.6%	109,556
Hawai'i Island	80.1%	197,527

* DBEDT Annual Forecast as of Q1 2021; 2021 seats forecast by HTA based on Diio Mi flight schedules as of July 26, 2021, subject to change.

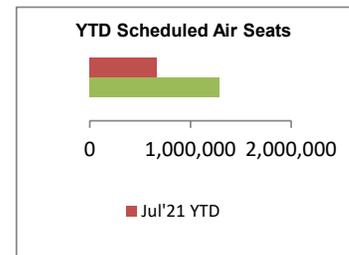
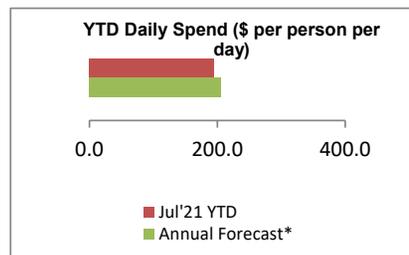
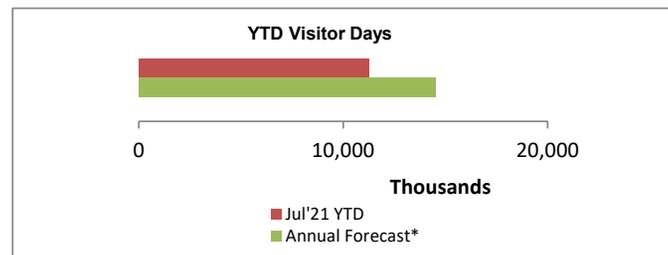
† July YTD 2020 visitor spending statistics were not available, as there was no fielding between April through October due to COVID19.

January-June 2021 visitor spending statistics were revised.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jul-21** Preliminary

Visitor Industry Performance Measures

Market: **CANADA**

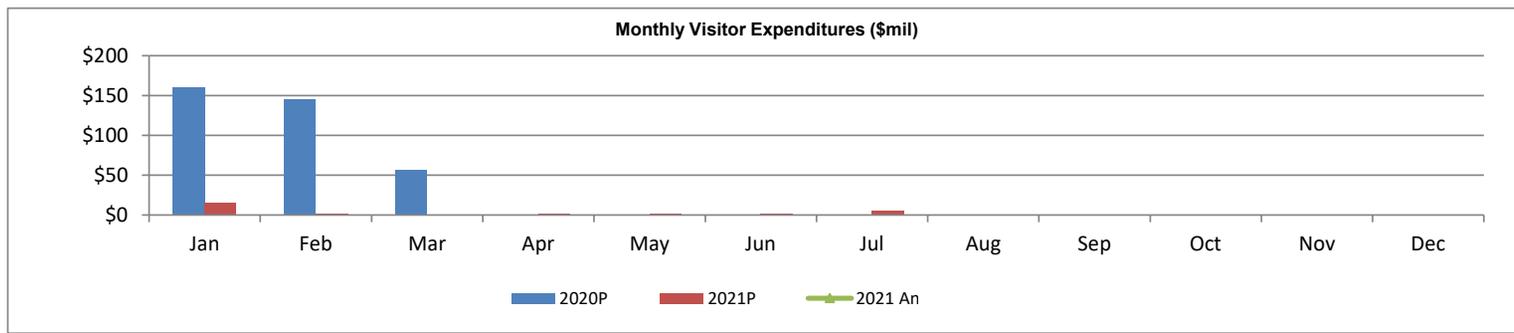
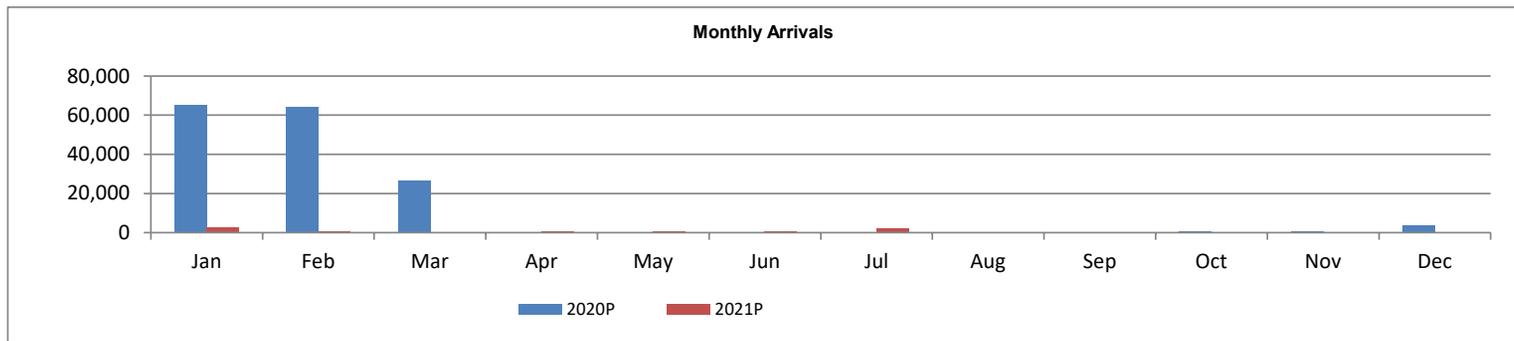
Key Performance Indicators

	YOY Rate	Jul'20 YTD	Jul'21 YTD	Annual Forecast*
Visitor Spending (\$mil) [†]	N/A	N/A	29.8	449.3
Daily Spend (\$PPPD) [†]	N/A	N/A	169.4	168.6
Visitor Days	-91.5%	2,060,489	175,638	2,664,375
Arrivals	-95.2%	155,915	7,432	195,431
Daily Census	-91.4%	9,674	828	7,300
Airlift (scheduled seats)	-86.3%	164,881	22,508	164,506

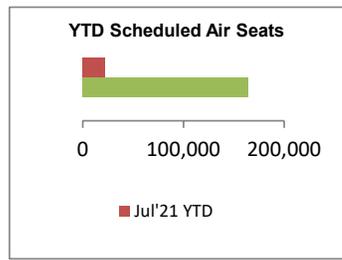
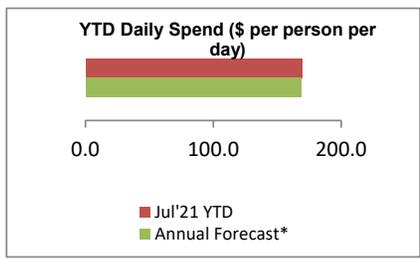
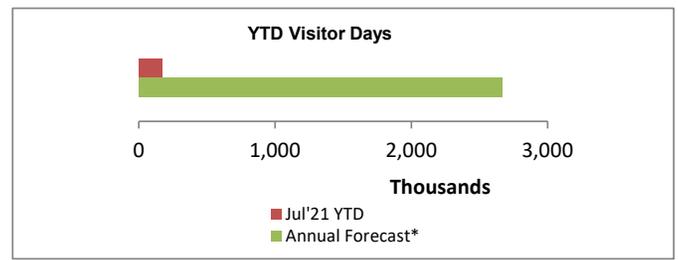
	YOY Rate	YTD
O'ahu	-95.4%	2,827
Maui	-94.8%	3,668
Moloka'i	-96.3%	38
Lāna'i	-96.4%	56
Kaua'i	-98.2%	417
Hawai'i Island	-96.0%	1,436

* DBEDT Annual Forecast as of Q1 2021; 2021 seats forecast by HTA based on Diio Mi flight schedules as of July 26, 2021, subject to change.
[†] July YTD 2020 visitor spending statistics were not available, as there was no fielding between April through October due to COVID19. January-June 2021 visitor spending statistics were revised.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jul-21** Preliminary

Visitor Industry Performance Measures

Market: **JAPAN**

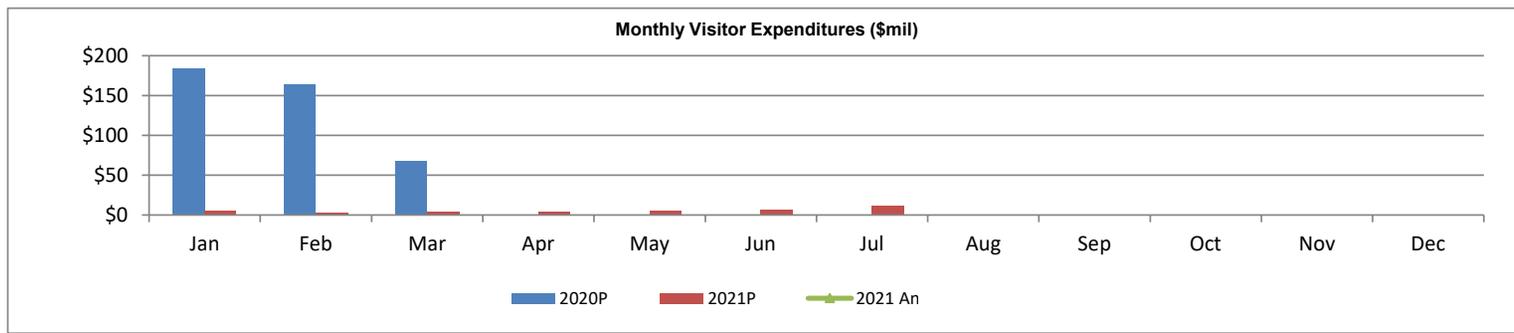
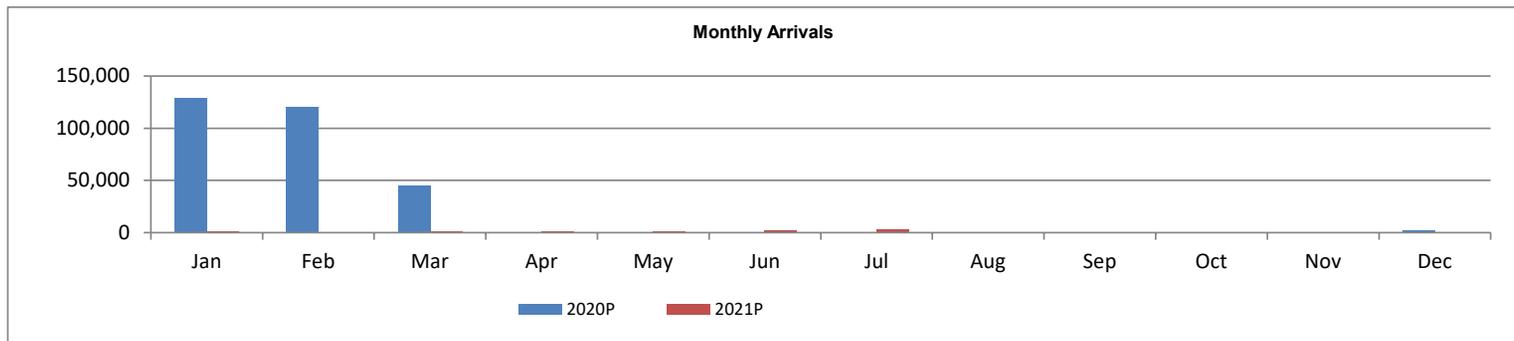
Key Performance Indicators

	YOY Rate	Jul'20 YTD	Jul'21 YTD	Annual Forecast*
Visitor Spending (\$mil) [†]	N/A	N/A	38.9	454.4
Daily Spend (\$PPPD) [†]	N/A	N/A	217.0	227.4
Visitor Days	-89.7%	1,734,782	179,451	1,998,302
Arrivals	-96.5%	294,348	10,265	347,802
Daily Census	-89.6%	8,145	846	5,475
Airlift (scheduled seats)	-84.2%	466,072	73,641	505,887

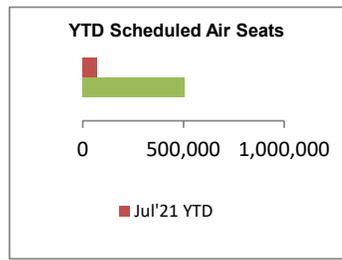
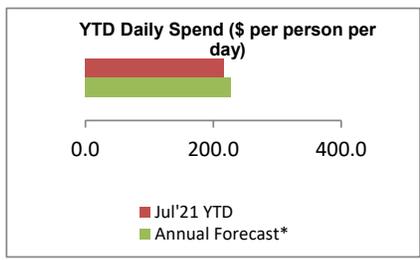
	YOY Rate	YTD
O'ahu	-96.4%	9,869
Maui	-96.6%	276
Moloka'i	-98.4%	7
Lāna'i	-92.6%	10
Kaua'i	-96.5%	130
Hawai'i Island	-99.1%	330

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[†] July YTD 2020 visitor spending statistics were not available, as there was no fielding between April through October due to COVID19. January-June 2021 visitor spending statistics were revised.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

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Visitor Industry Performance Measures

Market: **OCEANIA**

Key Performance Indicators

	YOY Rate	Jul'20 YTD	Jul'21 YTD	Annual Forecast*
Visitor Spending (\$mil) [†]	N/A	N/A	5.2	202.8
Daily Spend (\$PPPD) [†]	N/A	N/A	239.8	258.0
Visitor Days	-96.2%	569,819	21,566	786,033
Arrivals	-97.8%	60,866	1,320	82,654
Daily Census	-96.2%	2,675	102	2,154
Airlift (scheduled seats)	-100.0%	95,737	0	27,706

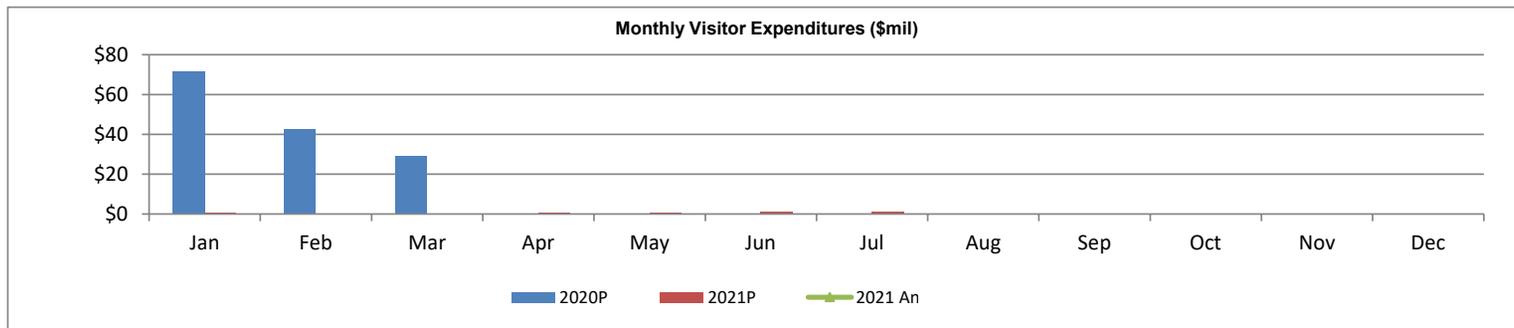
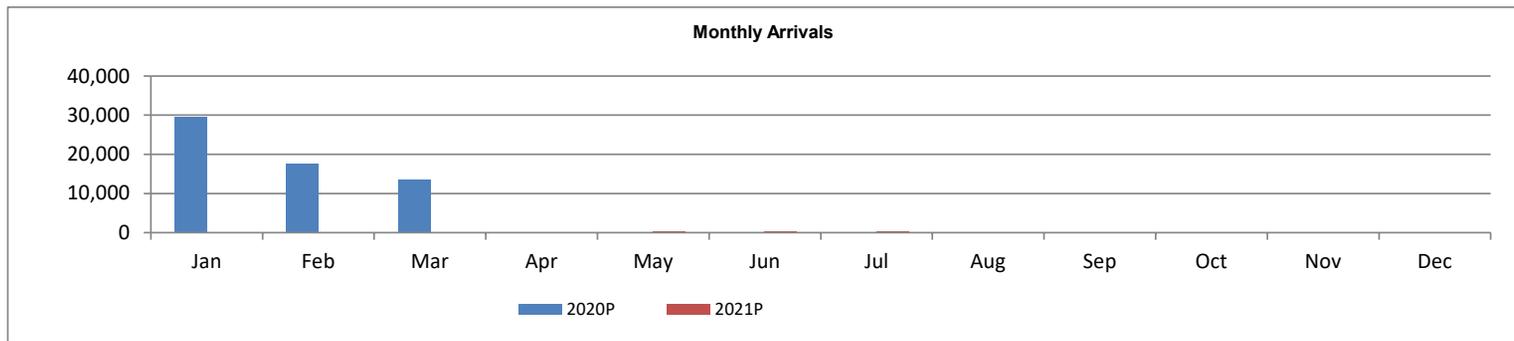
	YOY Rate	YTD
O'ahu	-98.8%	743
Maui	-95.5%	387
Moloka'i	-98.1%	16
Lāna'i	-97.8%	19
Kaua'i	-96.2%	192
Hawai'i Island	-96.6%	261

* DBEDT Annual Forecast as of Q1 2021; 2021 seats forecast by HTA based on Diio Mi flight schedules as of July 26, 2021, subject to change.

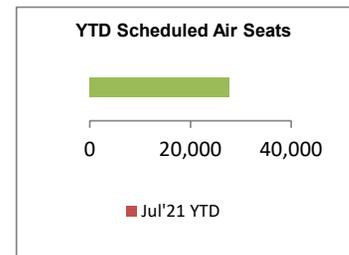
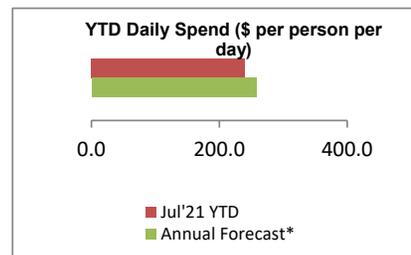
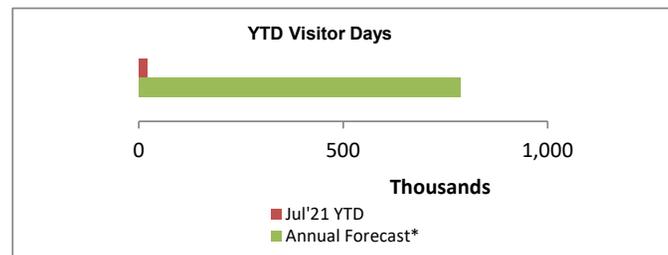
† July YTD 2020 visitor spending statistics were not available, as there was no fielding between April through October due to COVID19.

January-June 2021 visitor spending statistics were revised.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jul-21** Preliminary

Visitor Industry Performance Measures

Market: **EUROPE**

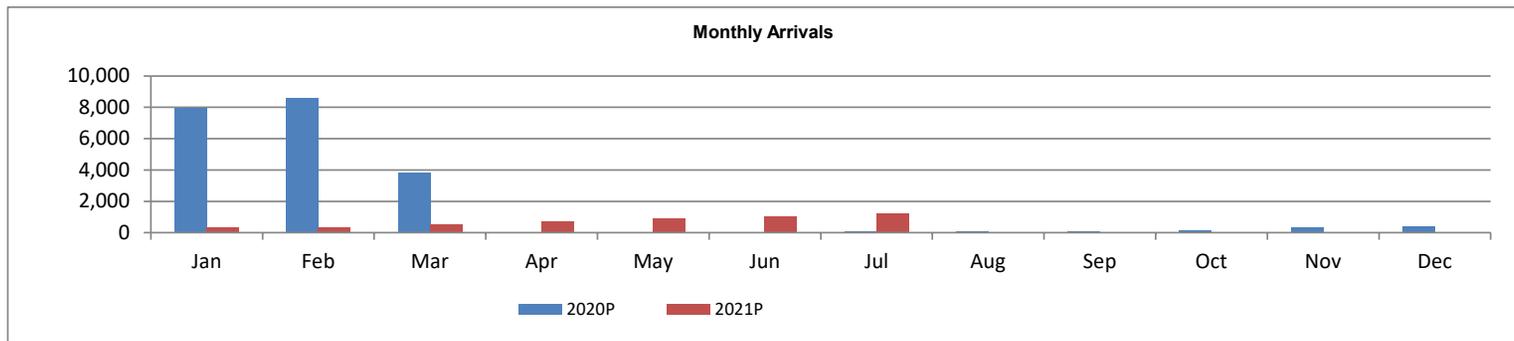
Key Performance Indicators

	YOY Rate	Jul'20 YTD	Jul'21 YTD	Annual Forecast*
Visitor Spending (\$mil) [†]	N/A	N/A	12.9	106.4
Daily Spend (\$PPPD) [†]	N/A	N/A	171.8	146.7
Visitor Days	-72.4%	271,966	75,070	725,338
Arrivals	-75.5%	20,562	5,045	55,102
Daily Census	-72.3%	1,277	354	1,987
Airlift (scheduled seats)	N/A	N/A	N/A	N/A

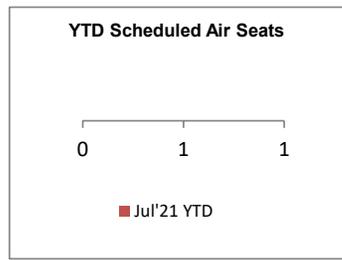
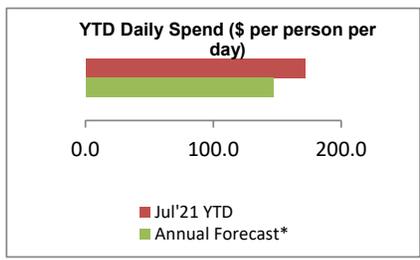
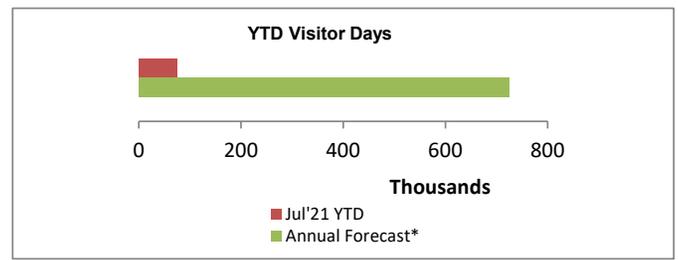
	YOY Rate	YTD
O'ahu	-81.1%	2,810
Maui	-80.7%	1,607
Moloka'i	-89.4%	38
Lāna'i	-78.7%	52
Kaua'i	-87.0%	641
Hawai'i Island	-83.7%	1,065

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[†] July YTD 2020 visitor spending statistics were not available, as there was no fielding between April through October due to COVID19. January-June 2021 visitor spending statistics were revised.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jul-21** Preliminary

Visitor Industry Performance Measures

Market: **OTHER ASIA**

Key Performance Indicators

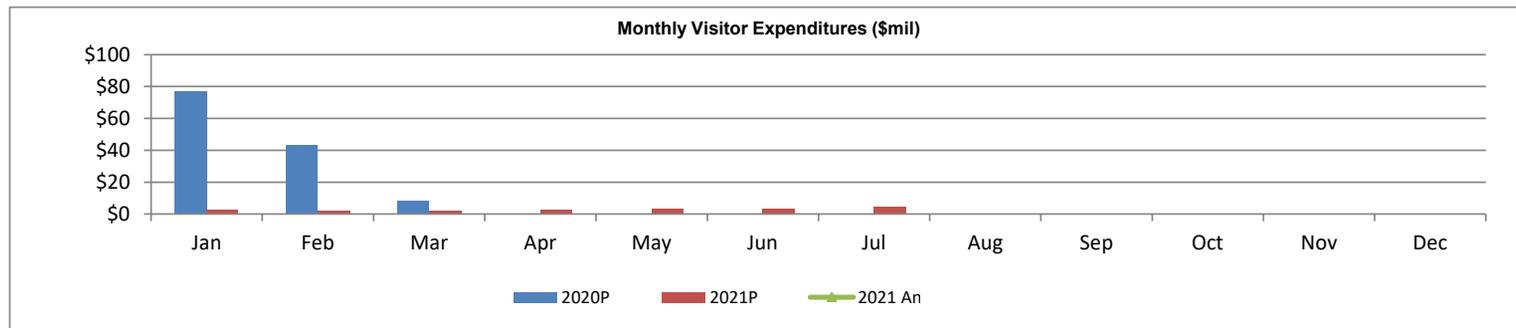
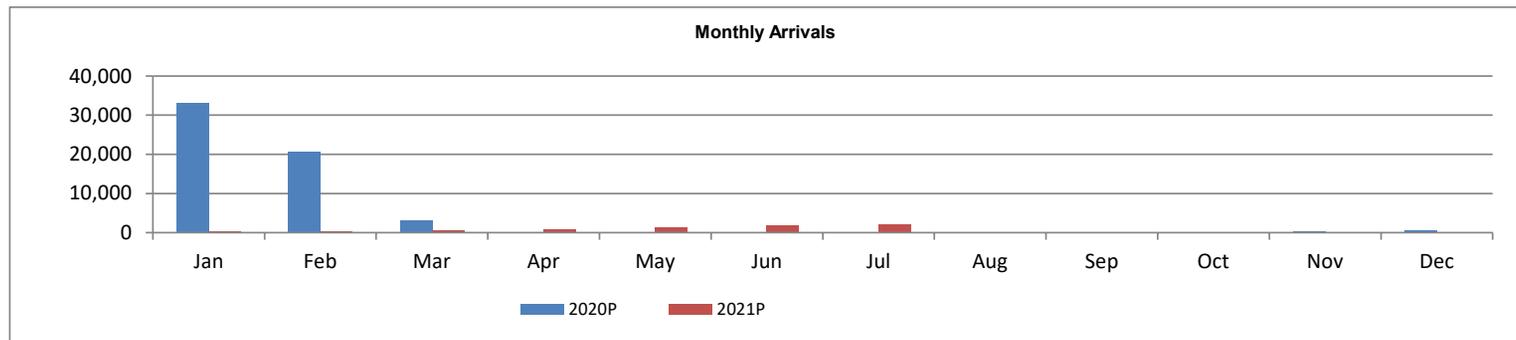
	YOY Rate	Jul'20 YTD	Jul'21 YTD	Annual Forecast*
Visitor Spending (\$mil) [†]	N/A	N/A	19.9	N/A
Daily Spend (\$PPPD) [†]	N/A	N/A	162.3	N/A
Visitor Days	-75.1%	493,710	122,726	N/A
Arrivals	-87.0%	57,129	7,437	N/A
Daily Census	-75.0%	2,318	579	N/A
Airlift (scheduled seats)	-84.6%	86,695	13,344	117,842

	YOY Rate	YTD
O'ahu	-89.2%	6,027
Maui	-84.4%	1,234
Moloka'i	-79.4%	34
Lāna'i	-69.1%	62
Kaua'i	-74.5%	527
Hawai'i Island	-89.1%	1,259

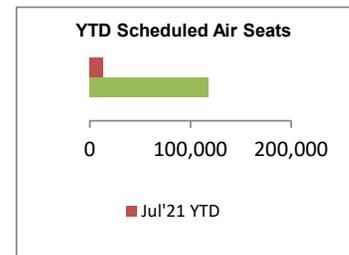
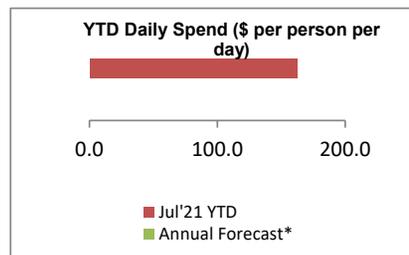
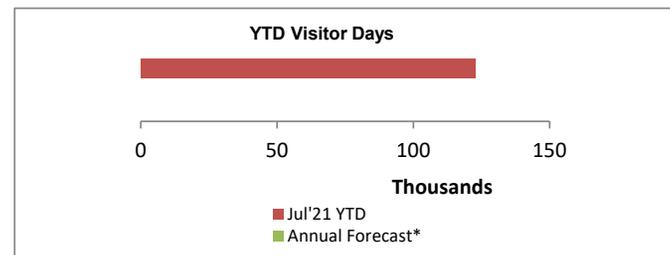
* DBEDT Annual Forecast as of Q1 2021; 2021 seats forecast by HTA based on Diio Mi flight schedules as of July 26, 2021, subject to change.

† July YTD 2020 visitor spending statistics were not available, as there was no fielding between April through October due to COVID19. January-June 2021 visitor spending statistics were revised.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jul-21** Preliminary

Visitor Industry Performance Measures

Market: **KOREA**

Key Performance Indicators

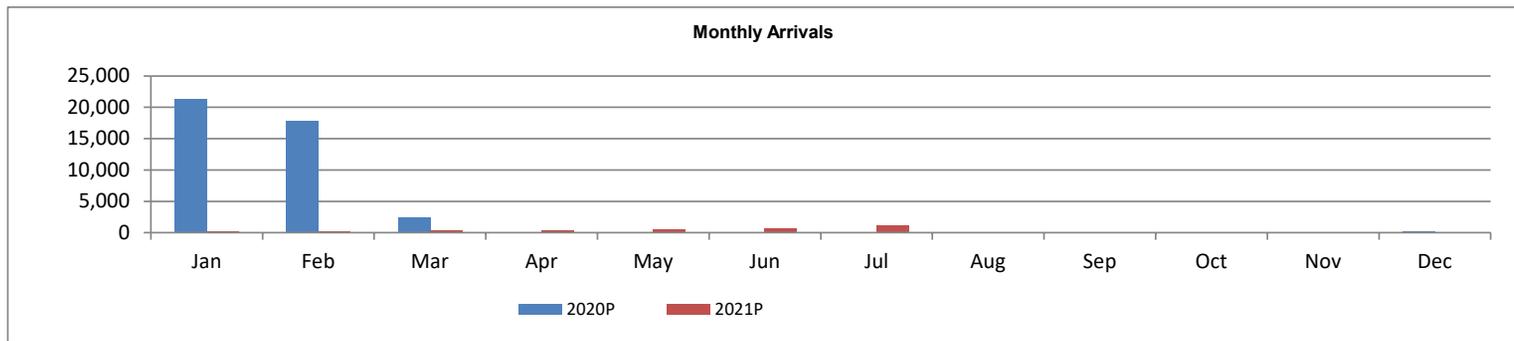
	YOY Rate	Jul'20 YTD	Jul'21 YTD	Annual Forecast*	Arrivals	YOY Rate	YTD
Visitor Spending (\$mil) [†]	N/A	N/A	18.6	127.0	O'ahu	-92.4%	3,111
Daily Spend (\$PPPD) [†]	N/A	N/A	241.5	278.2	Mau	-91.5%	353
Visitor Days	-77.9%	349,479	77,146	456,698	Moloka'i	-93.2%	4
Arrivals	-91.5%	41,688	3,537	55,102	Lāna'i	-91.0%	8
Daily Census	-77.8%	1,641	364	1,251	Kaua'i	-88.6%	137
Airlift (scheduled seats)	-81.3%	71,175	13,344	111,416	Hawai'i Island	-94.3%	345

* DBEDT Annual Forecast as of Q1 2021; 2021 seats forecast by HTA based on Diio Mi flight schedules as of July 26, 2021, subject to change.

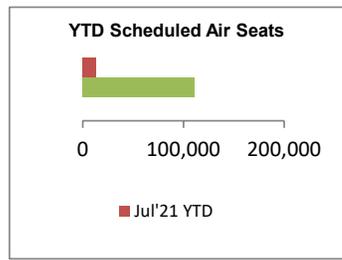
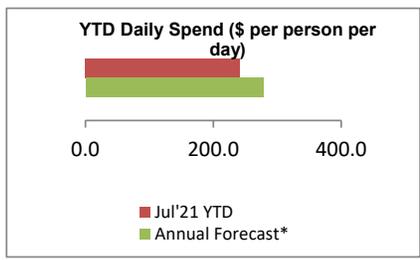
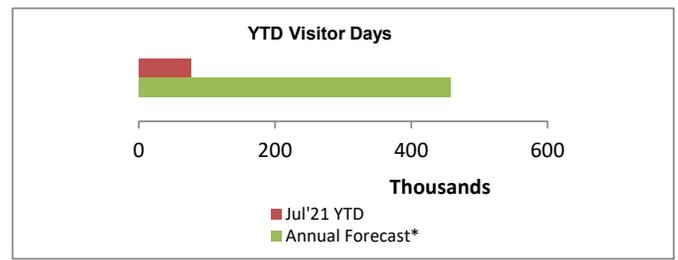
† July YTD 2020 visitor spending statistics were not available, as there was no fielding between April through October due to COVID19.

January-June 2021 visitor spending statistics were revised.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

HTA Key Performance Indicators Dashboard

Hawai'i Tourism Authority Report Date: **Jul-21** Preliminary

Visitor Industry Performance Measures

Market: **LATIN AMERICA**

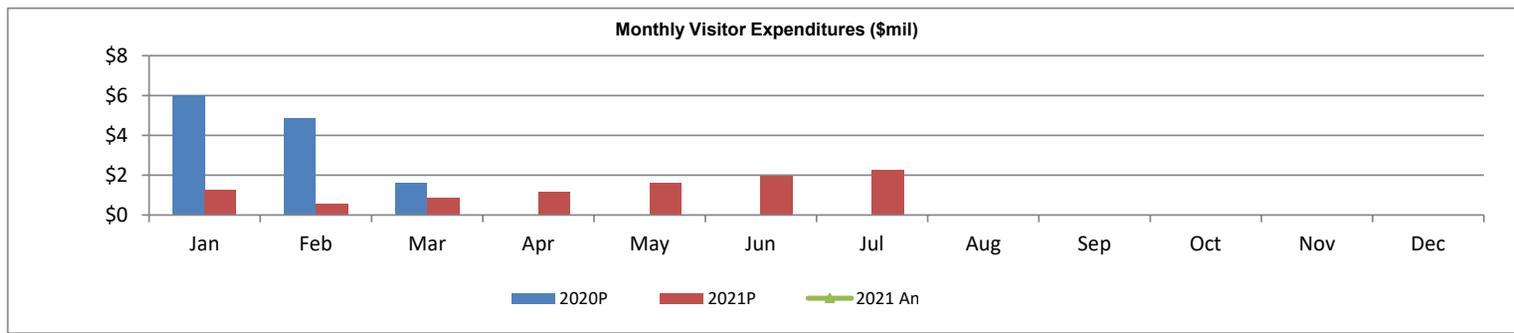
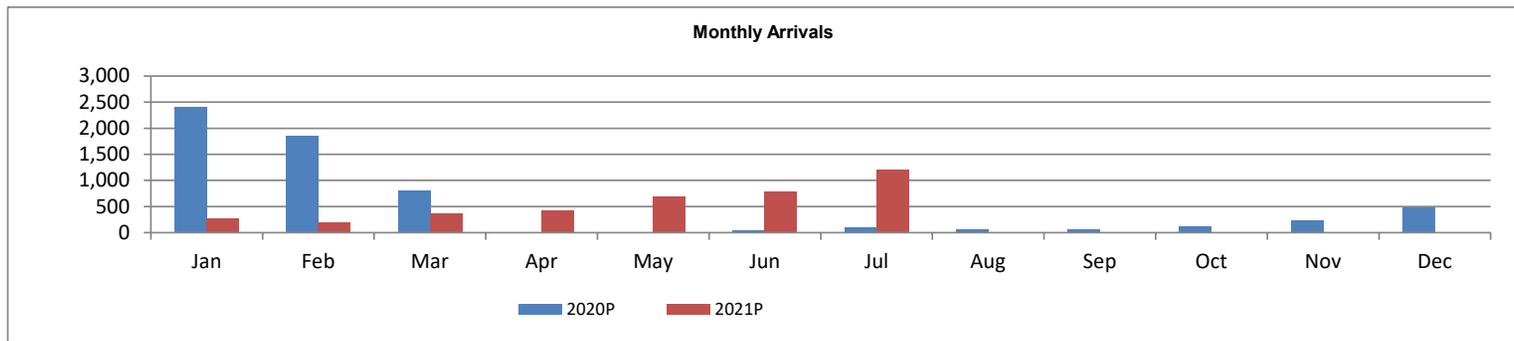
Key Performance Indicators

	YOY Rate	Jul'20 YTD	Jul'21 YTD	Annual Forecast*
Visitor Spending (\$mil) [†]	N/A	N/A	9.7	N/A
Daily Spend (\$PPPD) [†]	N/A	N/A	194.8	N/A
Visitor Days	-26.7%	67,994	49,835	N/A
Arrivals	-24.4%	5,227	3,952	N/A
Daily Census	-26.4%	319	235	N/A
Airlift (scheduled seats)	N/A	N/A	N/A	N/A

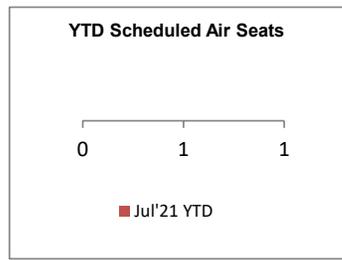
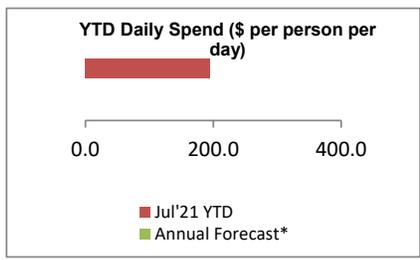
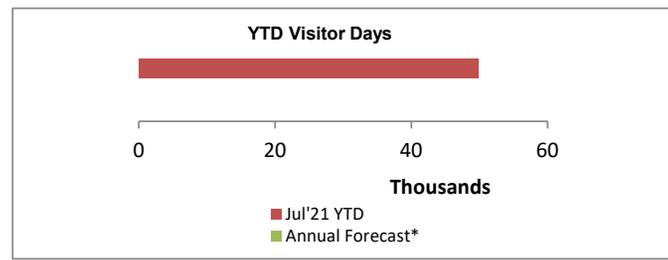
	YOY Rate	YTD
O'ahu	-35.2%	2,541
Maui	-13.3%	1,501
Moloka'i	42.1%	29
Lāna'i	-4.5%	48
Kaua'i	-49.1%	291
Hawai'i Island	-2.5%	833

* DBEDT Annual Forecast as of Q1 2021; 2021 seats forecast by HTA based on Diio Mi flight schedules as of July 26, 2021, subject to change.
[†] July YTD 2020 visitor spending statistics were not available, as there was no fielding between April through October due to COVID19. January-June 2021 visitor spending statistics were revised.

Monthly Indicators



Annual Indicators



* Excludes Supplemental Business Expenditures

11

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

11.1

Hawai'i Tourism Korea



2021 BMP UPDATE

HTA MARKETING STANDING COMMITTEE MEETING 9.1.2021

Irene Lee

Korea Country Manager of Hawai'i Tourism Korea

MARKET SITUATION

MARKET SITUATION 1

Korea General Economy

- Forecasted Korean economic growth in 2021: 4.3% (recorded 3.9% growth in the first half)
- Currency exchange: USD 1 = KRW 1,173.50 (as of August 27; appreciated vs. LY)
- Korea's exports in July surged 30% to \$55.4 billion on-year, the highest figure in history

Korea COVID-19 cases (as of August 27, 2021)

- Total number of confirmed cases: 243,317
- Average no. of new daily confirmed cases past 1 week: 1,787
- Total number of vaccination: 1st shot - 27,727,639 (54%) / 2nd shot - 13,780,926 (27%)
- The government extended the Level 4 guidelines in Seoul metropolitan area until September 22 under which private gatherings of three or more people are banned after 6 p.m. in order to prevent the spread of variant virus.

MARKET SITUATION 2

Korea vaccination timeline

- Free vaccination to all citizens targeting reaching herd Immunity by November:
 - ✓ 70% of the total population will be vaccinated with at least first shot by September
 - ✓ Approximately 32 million people will be fully vaccinated and able to travel abroad from November

Travel Restrictions

- **Special travel advisory** for Koreans to avoid non-essential overseas trips **till September 13**
- **PCR negative test result mandatory for all arrivals:** from July 15, Korea requires a PCR negative test result taken in 72 hours prior to boarding regardless of nationality and vaccination status
- **Exemption from 14-day quarantine:** those who have been fully vaccinated in Korea 2 weeks prior to departure are exempted from the mandatory 14-day quarantine if tested negative and must undergo additional 2 PCR tests after arrival

MARKET SITUATION 3

Outbound market condition

- International flight operations in June: 43% increase YoY
- Passenger traffic in June: 35.5% increase YoY
- Number of Korean travelers to Hawai'i in first half of 2021: 2,429 pax (compared to 506 pax from the second half of 2020)
- Airlines are preparing to resume key international routes and sales & content marketing for overseas travel is resuming following the gradual travel demand recovery

Air seat synopsis

	Aug to Oct 2021	Nov 2021	Dec 2021	# of Seats Aircraft
Hawaiian Airlines (HA460)	3 flights/w	3 flights/w	3 flights/w	277 seats (A330)
Korean Air (KE053)	-	3 flights /w	5 flights /w	276 seats (A330) 368 seats (B747)
Asiana Airlines (OZ232)	-	3 flights/w	3 flights/w	311 seats (A350)

MARKET SITUATION 4

General Travel Sentiment

- Honeymooners are starting to make actual booking to destinations where quarantine is exempted such as Hawai'i and the Maldives departing this year
- Travel influencers are actively uploading new contents traveling to as far as Europe and U.S.

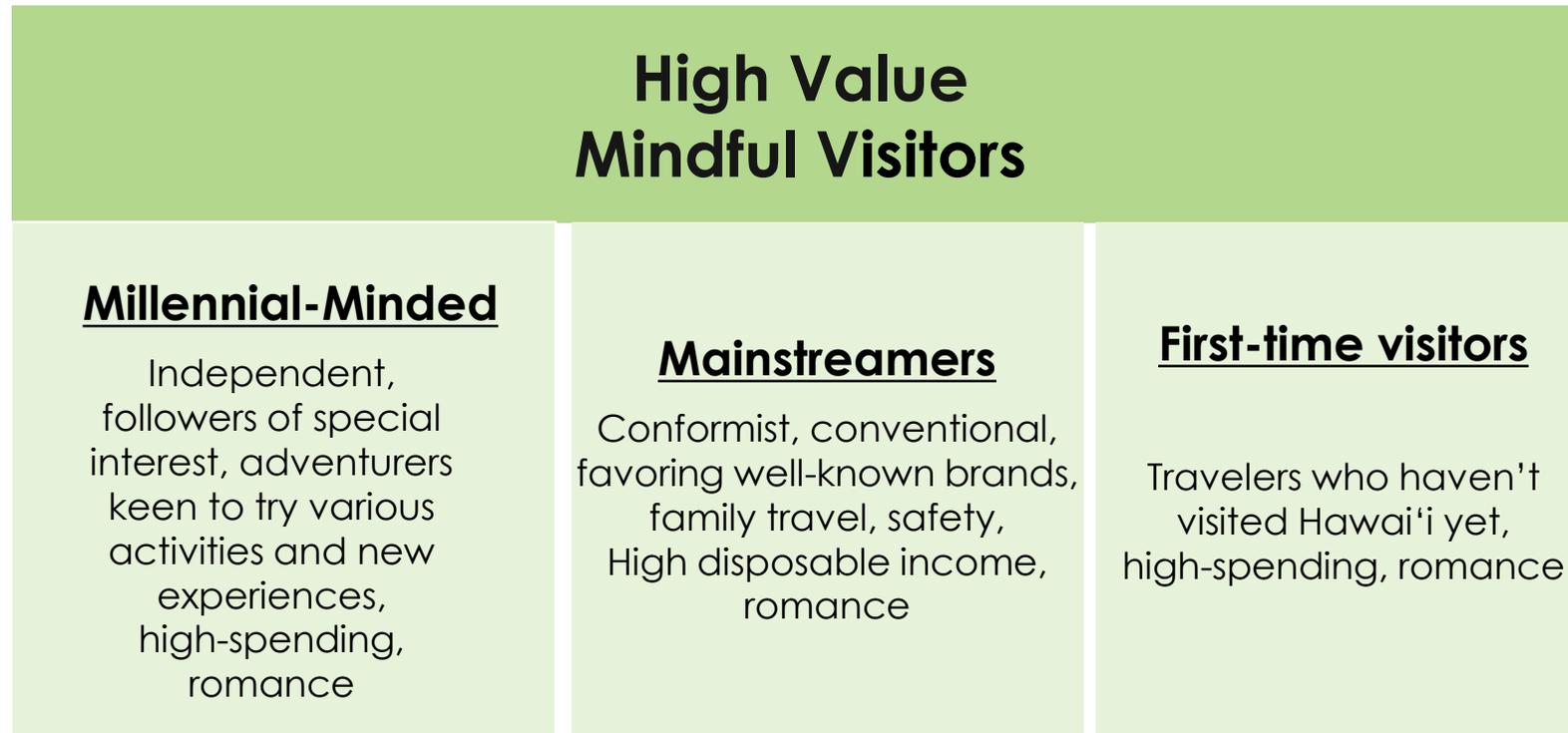
Competitive destinations

- **France** is allowing Korean travelers with PCR negative test result issued within 72 hours of departure. For fully vaccinated visitors, test result is not necessary.
- **Australia** launched its B2B online platform, Australia 365 On Demand, for industry partners for training and sharing information.

TARGET AUDIENCE

TARGET AUDIENCE

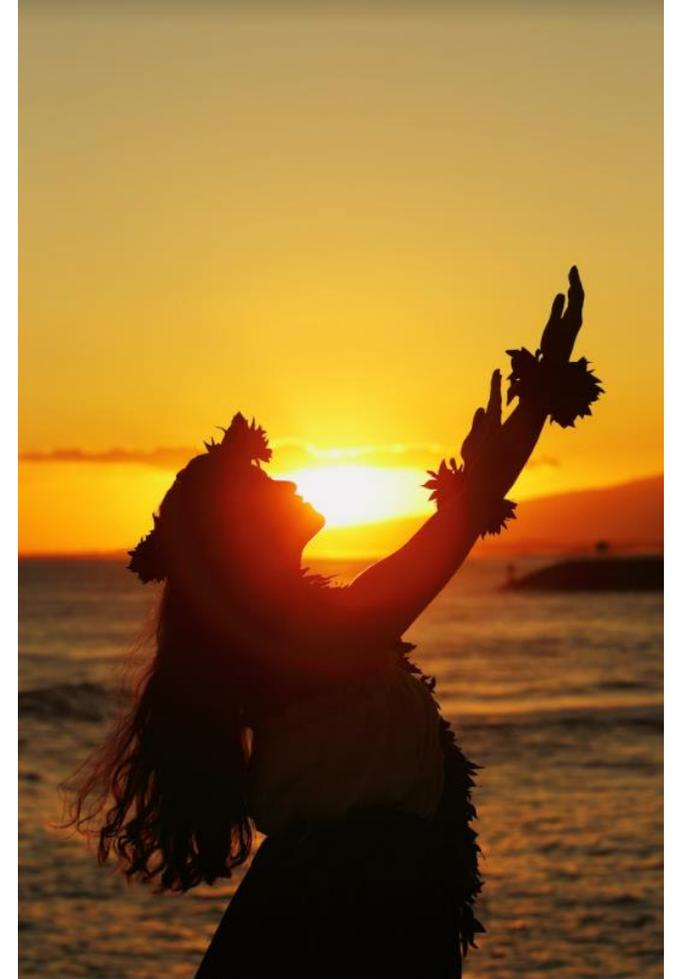
- Hawai'i Tourism Korea will target **high value mindful visitors** under the COVID-19 recovery stage along with four key strategic pillars
- Key geographic Area: Seoul and Busan



RECOVERY STRAGETY

CORE BRANDING MESSAGE

- Intensively implement Mālama Hawai'i message to both B2B and B2C market
- Promote Hawai'i as a sustainable destination to visit after October after getting vaccination



KEY RECOVERY STRATEGY

- ✓ Incorporate Mālama Hawai'i in all activities and utilize HTA assets in Korean market
- ✓ Deliver Hawai'i's 4 strategic pillars to Korean consumers
- ✓ Refresh the images of Hawai'i as a sustainable and clean destination
- ✓ Inspire the Korean travelers to Hawai'i and drive business to local communities
- ✓ Revitalize the market demand at the appropriate time with industry partners

KEY CAMPAIGNS/PROGRAMS

KEY CONSUMER PROGRAM 1

#StoriesofAloha Social Campaign (Influencer program)

- **Target:** FIT Travelers
- **Objective:** activate social media promotion to educate consumers on Mālama Hawai'i and also to remind of the Hawaiian Islands as the ideal travel destination for post COVID-19 era
- **Components:**
 - generate social buzz in partnership with sustainable consumer brands and influencers
 - inspire Korean travelers with Mini Aloha Report involving an influential correspondent living in the Hawaiian Islands
- **Timeline:** Q3 and Q4
- **Projected outcome:** social media value of \$1.2M (increase in the number of IG followers and engagement)
- **Budget:** \$30,000



KEY CONSUMER PROGRAM 2

Digital Recovery Consumer Co-op Campaign with Naver Travel+ (Digital marketing program)

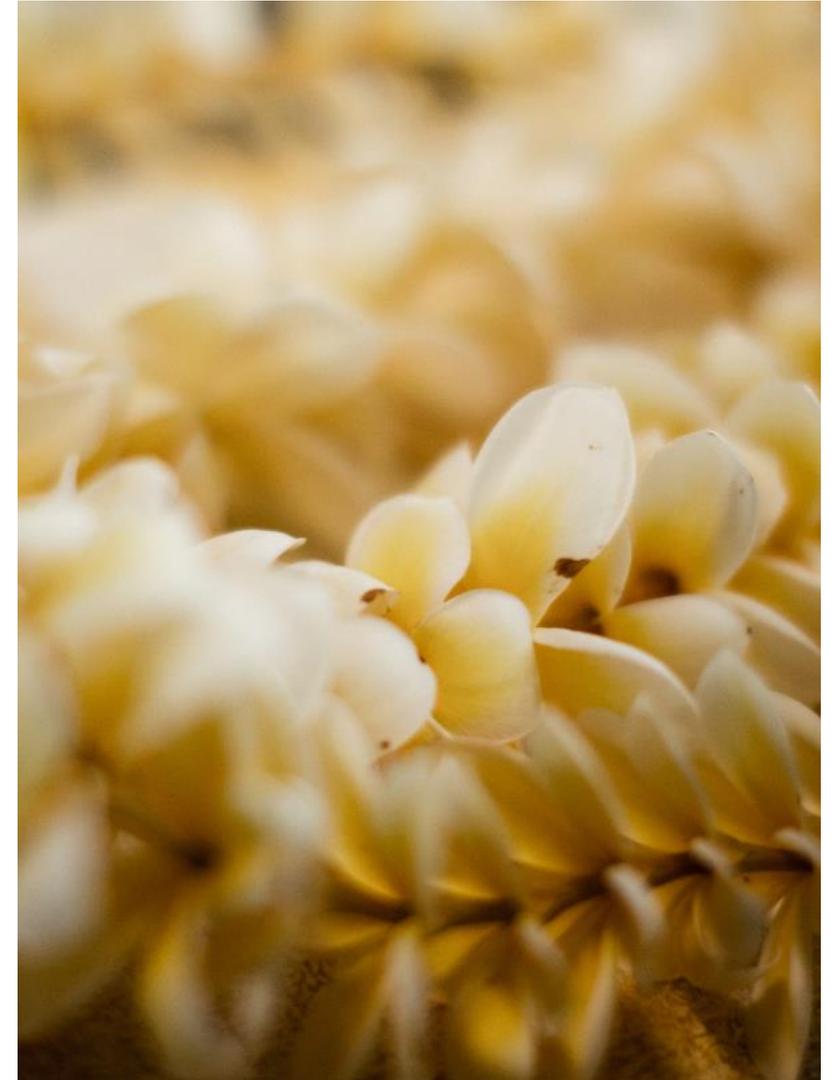
- **Target:** Potential travelers
- **Objective:** to publish series of Hawai'i content to educate consumers on Mālama Hawai'i
- **Components:** publish series of posts which embracing the theme of HTA's 4 strategic pillars and Mālama Hawai'i message
- **Timeline:** September to December
- **Projected outcome:** PR Value of \$600,000
- **Budget:** \$9,000



KEY TRADE PROGRAM 1

Travel trade education program

- **Target:** industry partners especially key travel agents
- **Objective:** execute an educational program designed to foster Korean travel agents who can better represent the authentic kuleana and Mālama Hawai'i
- **Components:** conduct a series of webinars in quarterly basis
- **Timeline:** September, December
- **Projected outcome:** 20 travel agencies to complete the program of the year
- **Budget:** \$10,000



KEY TRADE PROGRAM 2

Airline co-op

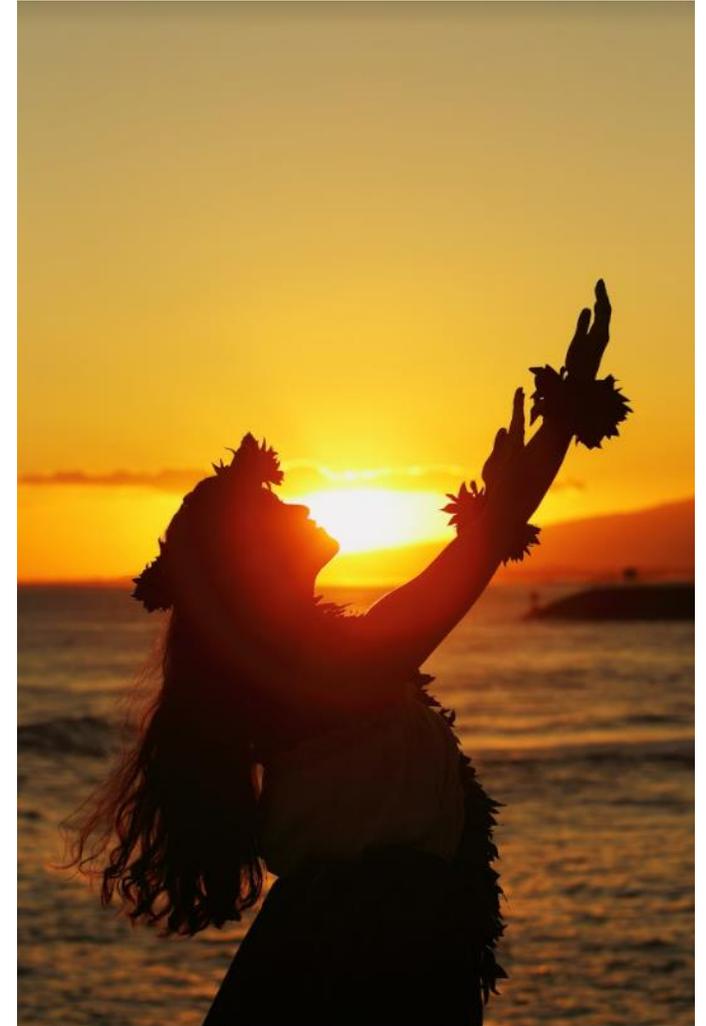
- **Target:** FIT / PKG consumers
- **Objective:**
 - deliver Mālama Hawai'i message to its consumers
 - boost ticket sales of ICN-HNL route in partnership with HA, KE and OZ
- **Components:** develop tailored consumer or sales promotion that fits each airlines target market
- **Timeline:** November & December
- **Projected outcome:** increase ticket sales of ICN-HNL route of respective airlines
- **Budget:** \$37,500



KEY TRADE PROGRAM 3

Regenerative tourism co-op promotion with major wholesalers and OTA

- **Target:** FIT / PKG consumers
- **Objective:** to position Hawai'i as a top of the mind destination for post pandemic period
- **Program components:**
 - inspire potential travelers to visit Hawaiian Islands delivering the message of Mālama Hawai'i
 - encourage major travel agencies to develop and sell Hawai'i tour products
- **Expected partners:** Key wholesalers and OTAs
- **Timeline:** November & December
- **Projected outcome:** develop Hawai'i FIT & PKG tour products
- **Budget:** \$33,500



KEY MCI PROGRAM 4

Meet Hawai'i 'Ohana Meeting

- **Target:** incentive groups
- **Objective:** to implement Mālama Hawai'i concept to major MCI partners and to position the Hawaiian Islands as the ideal travel destination for MCI business in post pandemic period
- **Components:** arrange sales meetings with key MCI partners including MCI specialized travel agencies and major corporates
- **Projected outcome:** meeting with minimum 15 partners
- **Timeline:** December
- **Budget:** \$2,500



PROPOSED BUDGET

PROPOSED BUDGET JULY – DECEMBER

	Annual Budget	Jan-Jun Actual	Bal for Jul-Dec	Jul	Aug	Sept	Oct	Nov	Dec
Fixed Costs	118,500	59,250	59,250	9,875	9,875	9,875	9,875	9,875	9,875
Program Budget	181,500	3,000	178,500	18,000	9,000	11,000	9,000	75,000	56,500
Total	300,000	61,845	238,155	27,875	18,875	20,875	18,875	84,875	66,375

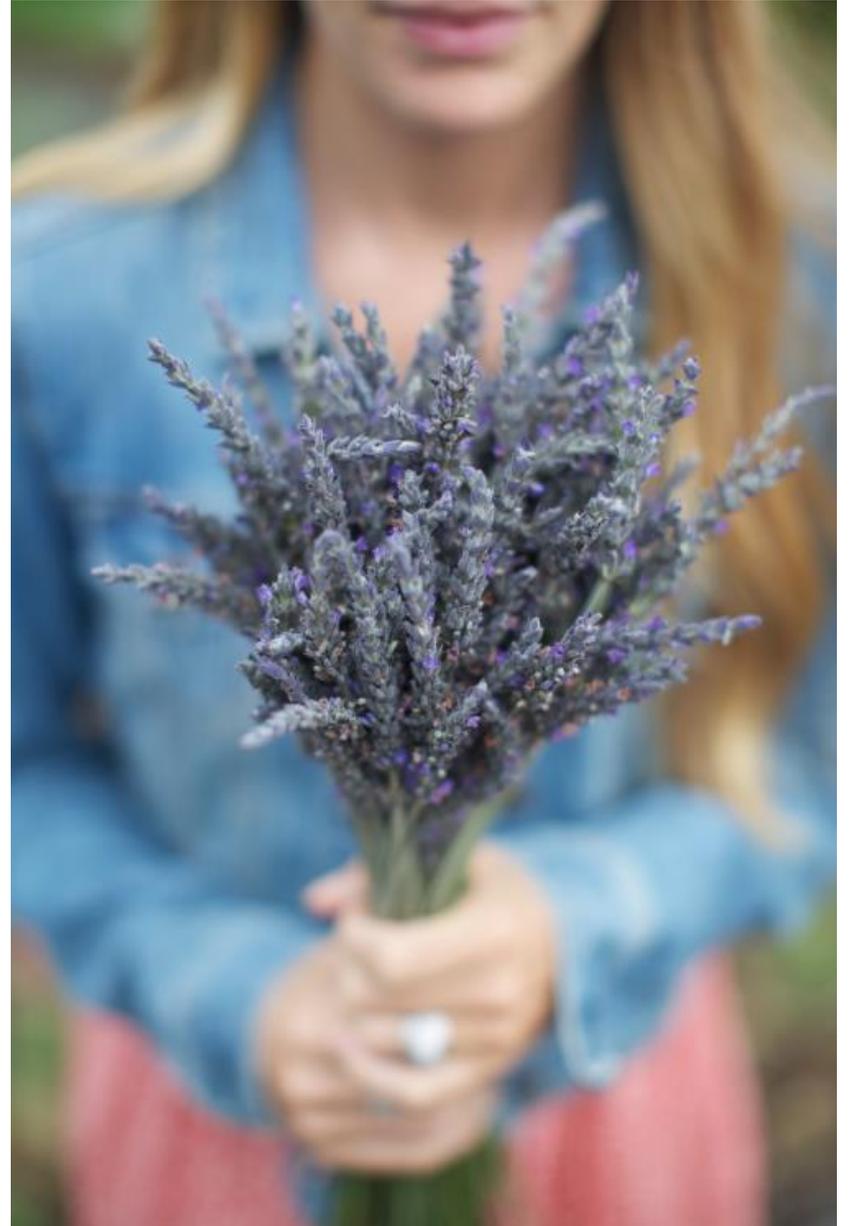
PERFORMANCE MEASURES

UPDATED PERFORMANCE MEASURES

Category	Sub-category	Annual Target		Semi-Annual Target			
		2021		Jan - Jun		Jul - Dec	
		Updated	Previous	Updated	Previous	Updated	Previous
PR	Publicity Value	2,260,000	2,040,000	510,000	510,000	1,750,000	1,530,000
	Media FAM	1	-	-	-	1	-
Trade	Trade FAM	1	1			1	1
	Edu Sessions	5	5	2	2	3	3
Social Media	Impressions	40,635	37,800	18,900	18,900	21,735	18,900
	Fan Count	21,447	18,447	17,647	17,647	21,447	18,447
MCI	Edu Sessions	2	2		1	2	1
	Room Nights	-	400	-		-	400

MAHALO NUI LOA!

KAMSA-HAMIDA!



11.2

Hawai'i Tourism Oceania



2021 BMP UPDATE

**HTA MARKETING STANDING COMMITTEE MEETING
9.1.2021**

Darragh Walshe
Account Director

MARKET SITUATION



MARKET SITUATION OVERVIEW

- Strong domestic economies from Covid elimination approach
- Low unemployment
- Strong currency versus USD
- Recent arrival of Delta strain of Covid-19 has meant the return of community cases (still low from a global perspective)
- Much of AU & NZ has thus entered a lockdown status

MARKET SITUATION

TRAVEL RESTART

- The Governments of both Australia and New Zealand have announced plans to re-open travel and tourism
- This has been welcomed positively by the travel industry
- Re-opening is linked to having the majority of the population vaccinated by the end of the year
- For AU, travel will begin for those vaccinated once the 80% threshold is met. The estimate for this is predicted to be the end of the year
- For NZ, travel will begin for those vaccinated in the new year, with some trial programs prior

MARKET SITUATION

AIRLINES & COMPETITION

- Key airline partners remain present and active in the market
- Current air schedules between AU/NZ and HNL reflect the following (subject to the situation)

Late Dec (Qantas and Hawaiian Airlines) Early Jan (Air New Zealand)

- The Trans Tasman 'bubble' (between AU & NZ) and Cook Islands – NZ bubble are both currently paused
- The sector most active at present is cruising and coach touring which has a longer planning and booking window
- Q4 is being seen as an extremely busy period for international travel marketing
- Key destinations are continuing to operate their trade education programs. This activity is likely to increase as we move towards the end of the year.

TARGET AUDIENCE

TARGET AUDIENCE

Mindful Millennials

- Couples or groups of friends
- Interests include activities, experiencing a different culture and do their bit for the planet, too.

Fun and Fit Families

- Parents with school-aged children.
- Safe, family friendly, soft adventure, cultural activities

Curious Couples

- 50+ Empty Nesters & Retirees
- Likely to travel in shoulder or low seasons
- Interested in 'local' culture, cuisine, made in Hawai'i.



RECOVERY STRATEGY



REGENERATIVE TOURISM FOCUS

Visitors
who
CARE

Visitors
who are
AWARE

Visitors
who
SHARE

Activity aligned to awareness

- Digital Marketing
- Advertising
- PR stories
- Direct Communication
- Partnerships aligned to community, culture and mālama
- Pre & post arrival messaging
- Smart social

REGENERATIVE TOURISM FOCUS

Visitors
who
CARE

Visitors
who are
AWARE

Visitors
who
SHARE

Activity promoting the sharing of experiences

- Media & Influencers with the right audience and who share our values
- Promotions which encourage sharing of personal experiences from both local Hawai'i residents and visitors
- Strong social network presence
- Partnerships with social media special interest groups
- Trade campaigns with partners who are aligned with our target audience
- Pre & post arrival messaging
- Hashtag focus

KEY CAMPAIGNS/PROGRAMS



TRADE & MEDIA EDUCATIONAL WORKSHOPS

Trade & Media Events Destinalional Showcase Regenerative Tourism themes

- Audience: Travel Trade & Trade Media
- Introduction of the mālama concept to the trade and media through events in key cities
- These events will act as the 're-launch' of the destination getting our key trade and media partners ready to promote the destination
- Budget US\$30,000
- Timing Nov-Dec



MĀLAMA HAWAI‘I

Trade & Industry partnerships

- Audience: Mindful Millennials; Curious Couples; Fun & Fit Families
- Work with trade partners on education of experiences aligned with mālama principles for future product placement
- Trade activity and face to face re-connection with key travel agents, introducing them to mālama concept
- Identify key product managers and journalists for Q1 mālama – focused familiarization
- Content partnership around the principles of mālama
- Blog series based on the concept of mālama
- Budget US\$20,000
- Timing Oct-Dec

PR and Digital Push



INFINITE EXPERIENCES CAMPAIGN

Influencer famil

- Audience: Mindful Millennials; Curious Couples
- Content aligned to Mālama Hawai'i and Infinite Experiences
- The influencer part of this campaign will begin in Q1 2022
- In Q4 we will begin seeding content aligned with infinite experience across social, our blog and newsletters
- We will begin negotiations with the influencers who will take part
- We will also use Q4 to arrange and book the itineraries for each influencer
- Budget US\$40,000
- Reach 1 million
- Timing Oct-Feb

Audience polls



Live streaming



PROPOSED BUDGET



PROPOSED BUDGET JULY - DECEMBER

	Annual Budget	Jan-Jun Actual	Bal for Jul-Dec	Jul	Aug	Sept	Oct	Nov	Dec
Fixed Costs	\$182,887	\$80,423	\$102,464	\$12,866	\$12,866	\$12,866	\$12,866	\$25,500	\$25,500
Program Budget	\$217,113	\$6,739	\$210,374	\$0.00	\$0.00	\$0.00	\$15,000	\$97,500	\$97,874
Total	\$400,000	\$87,162	\$312,838	\$12,866	\$12,866	\$12,866	\$27,866	\$123,000	\$123,374

PERFORMANCE MEASURES

PERFORMANCE MEASURES

Consumer Ad Measures	
Digital Reach	1,000,000
Digital Gross Impressions - Total Audience	2,000,000
Public Relations Measures	
...Publicity Value	528,862
...Number of Impressions	2,467,962
Trade Education	
No. of Trade Education Sessions	15
No. of Participants	980
No. of Agents Completed Online Training Program	600

PERFORMANCE MEASURES

Social Media Metrics	
Facebook Total Impressions Gained	1,443,188
Instagram Total Impressions Gained	741,491
MCI Room Nights	
Total Citywide MCI Tentative Room Nights	2,800
Total Single Property MCI Tentative Room Nights	1,000
Total Single Property MCI Definite Room Nights	250

11.3

Hawai'i Tourism Canada



CANADA

2021 BMP UPDATE

HTA MARKETING STANDING COMMITTEE MEETING

9.1.2021

Lorenzo Campos
Account Director

MARKET SITUATION



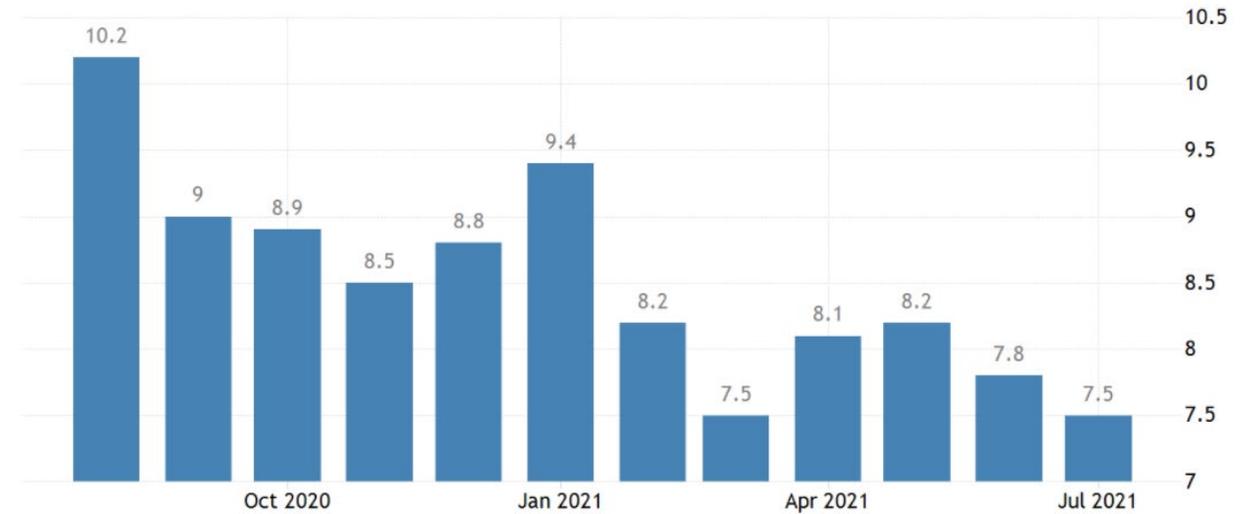
ECONOMIC OVERVIEW

- Canadian federal government's fiscal response +C\$435 billion or 19.7% of GDP
- Wage subsidy program extended to November 2021
- Canadian dollar strong around USD\$0.79

- Consumer confidence back to pre-pandemic levels
- The Bank of Canada's interest rate 0.25%

FEDERAL ELECTION SEPTEMBER 30th

Economic Indicators	2020p	2021f	2022f	2023f
Real GDP, market prices (2012 \$) (% change)	-5.3%	5.3%	3.5%	1.3%
Personal Disposable Income (2012 \$) (% change)	8.0%	-2.6%	1.0%	1.8%
Household Spending (2012 \$) (% change)	-6.4%	4.6%	5.2%	2.5%
CAD/USD	\$1.34	\$1.30	\$1.28	\$1.26



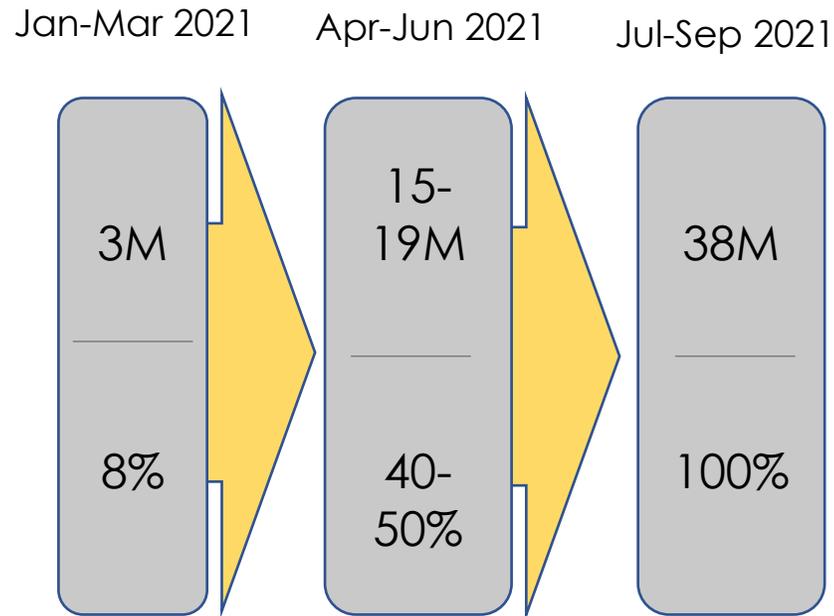
SOURCE: TRADINGECONOMICS.COM | STATISTICS CANADA

Source: Conference Board of Canada economic Forecast 2021



KEY TRENDS

Canada's COVID-19 Immunization Timeline



Information is based on regulatory approval and anticipated delivery schedules of vaccine supply
Source: Health Canada

- 52M (82%) doses of COVID-19 vaccines (Moderna, Pfizer-BioNTech, Astra-Seneca)*
- September 2021 target (100%)
- 19,170 active cases currently*
- Fewer travel restrictions
 - No quarantine for double vaxxed
 - PCR test

AIRLIFT



165.5K seats for the Winter 2021/2022

- **Resumes September:**
 - YVR-HNL
 - YVR-OGG
- **Resumes December:**
 - YVR-KOA
 - YYZ-HNL
 - YYC-OGG
- **New routes: NON STOP FLIGHTS**
 - YYC-HNL
 - YYZ-OGG
 - YUL-HNL (Montreal)



- Planning month by month
- Stopped the service to Hawai'i on May 2
- Flight restart September

MARKET CONDITIONS

TRAVEL SENTIMENT

- Pent-up demand
- Flexibility in booking required
- Safety & health protocols (BUSA)
- Intentions (YouGov)
 - Friends & Family
 - Multi-generational
 - Beach Trip
 - Hike/walk holiday in countryside

COMPETING DESTINATIONS' ACTIVITY

- Jamaica: trade training webinars, consumer advertising (TV, social, POP), trade events, fams
- Cayman Islands: paid social and training webinars
- Visit Florida: training webinars, virtual events,
- Mexico: disengaged promotion from different destinations and hotel chains

TARGET AUDIENCE



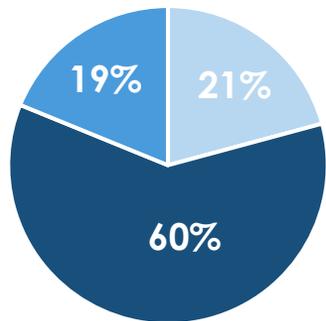
TARGET AUDIENCE

Priority Markets:

1. **British Columbia**
2. **Alberta**
3. **Ontario**
4. **Québec**
5. **Rest of Canada**

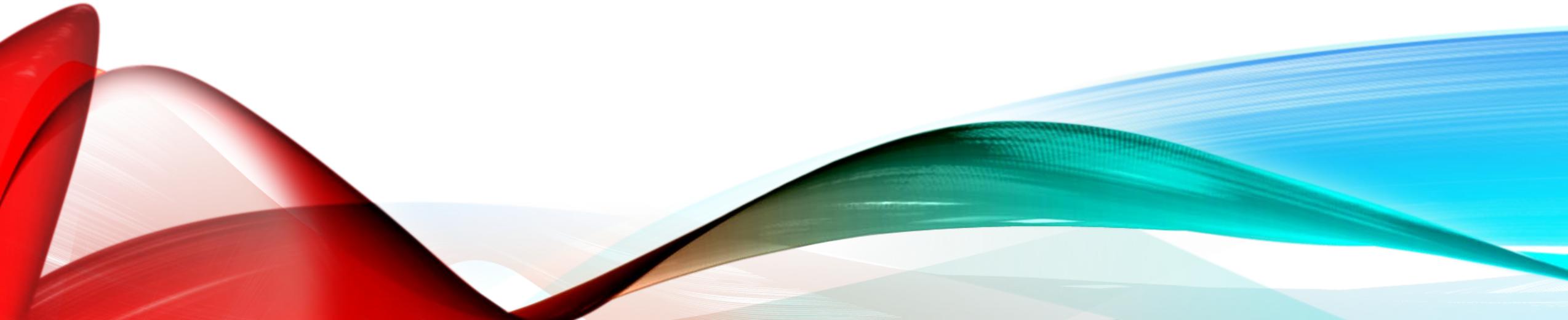


■ 18-34 ■ 35-64 ■ 65+



Source: Numeris RTS Canada Spring '19

RECOVERY STRATEGY



CORE BRANDING MESSAGE

Branding

Hawaiian Culture

Natural Resources

Community

Mālama Hawai'i



STRATEGY

Mālama
Hawai'i

- Digital/social campaign
- Airline campaigns
- Webinar series
- Aloha Canada
- Dedicated newsletters

Consumer

Travel Trade

MCI

KEY CAMPAIGNS



KEY CAMPAIGNS

- **Digital/social campaign:**

Budget - \$52,653

Dates: Aug, Sep, Oct

Expected outcome: 8,000,000+ digital gross impressions of the Mālama videos.
Will educate the travelers through videos and images on the value of Mālama.

- **Coop campaigns:**

Budget: Air Canada \$25,000; WestJet \$10,100; TravelBrands \$10,000

Dates: Nov, Dec

Expected outcome: 10,000,000+ impressions on paid and owned media promoting responsible travel in Hawai'i

HTCAN will collaborate with the 3 most important tour operators in the country (WestJet Vacations, Air Canada/Expedia and TravelBrands) to promote the travel to the islands including elements like the Mālama videos.

KEY CAMPAIGNS

- **Campaign with Costco Travel:**

Budget - \$15,000

Date: November

Expected outcome: TBD

HTCAN will partner with Costco Travel and use the Mālama videos to promote the responsible travel in their warehouses and its travel site.

- **Public Relations:**

Budget - \$12,000

Dates: December

Expected outcome: 4 to 6 individual media fams with journalists that target our audience and can talk about responsible travel and Mālama.

HTCAN will work with media with a more responsible approach and journalists that can produce and communicate the value of Mālama to their readers.

KEY CAMPAIGNS

- **Travel Trade Media:**

Budget - \$13,000

Dates: Sep., Oct

Expected outcome: 200+ enrolments & up to 8,000 views

A campaign that will encourage travel agents to become Hawai'i Destination Specialists and educate through the concept of Mālama.

- **Webinar series with Spoiled Agent:**

Budget \$4,000

Dates: Sep, Oct, Dec, Jan

Expected outcome: 600+ trained agents

A series of six webinars targeting the Canadian agents including an overview/update of the state, a cultural webinar by NaHHA and one webinar from each Island Chapter focusing on culture.

KEY CAMPAIGNS

- **Aloha Canada (virtual):**

Budget: \$34,000

Date: October 28

Expected outcome: 500+ attendees (trained)

The event will gather 20 partners, the four Island Chapters and cultural elements provided by NaHHA.

- **Trade and consumer shows:**

Budget: Air Canada Vacations \$1,500 WestJet Vacations \$1,000

Dates: September

Expected outcome: 200+ appointments plus 1,000+ attendees that will download the material.

HTCAN will participate in the tour operator shows highlighting the importance of the responsible travel.

KEY CAMPAIGNS

- **Inaugural flight event YUL-HNL:**

Budget: \$10,293

Date: December

HTCAN is planning to host an in-person event in Montreal before the launch of the YUL-HNL flight with top media and your operators to educate the market about the kind of traveler that the destination is looking for and the efforts we are doing to Mālama Hawai'i in every way.

PROPOSED BUDGET



PROPOSED BUDGET JULY - DECEMBER

	Annual Budget	Jan-Jun Actual	Bal for Jul-Dec	Jul	Aug	Sept	Oct	Nov	Dec
Fixed Costs	86,220	89,948	86,220	14,370	14,370	14,370	14,370	14,370	14,370
Program Budget	0	0	223,832	0	21,747	42,000	124,592	13,100	22,393
Total	400,000	89,948	310,052	14,370	36,117	56,370	138,962	27,470	36,763

PERFORMANCE MEASURES



BMP PERFORMANCE MEASURES

	Original Annual Target	Original Semi-Annual Targets	Updated Annual Target	Updated Semi-Annual Targets		YTD
Leisure Travel Trade						-
...Trade Shows						-
No. of Trade Shows	4	0	4	3	0	3
No. of Appointments	200	0	200	150	0	150
...Travel Trade FAMs						-
No. of Travel Trade FAMs	1	0	1	0	0	0
No. of Participants	10	0	10	0	0	0
...Trade Education						-
No. of Trade Education Sessions	6	0	6	6	0	6
No. of Participants	700	0	700	700	0	700
No. of Agents Completed Online Training Program	405	202	203	405	202	203
Industry Collaboration						-
No. of Meetings with Hawai'i Industry Partners	24	12	12	24	12	12
No. of Hawai'i Industry Partners Met With	24	12	12	24	12	12



HAWAII TOURISM™

CANADA

11.4

Hawai'i Tourism Japan



2021 BMP UPDATE

**HTA MARKETING STANDING COMMITTEE MEETING
9.01.2021**

Eric Takahata
Managing Director

MARKET SITUATION

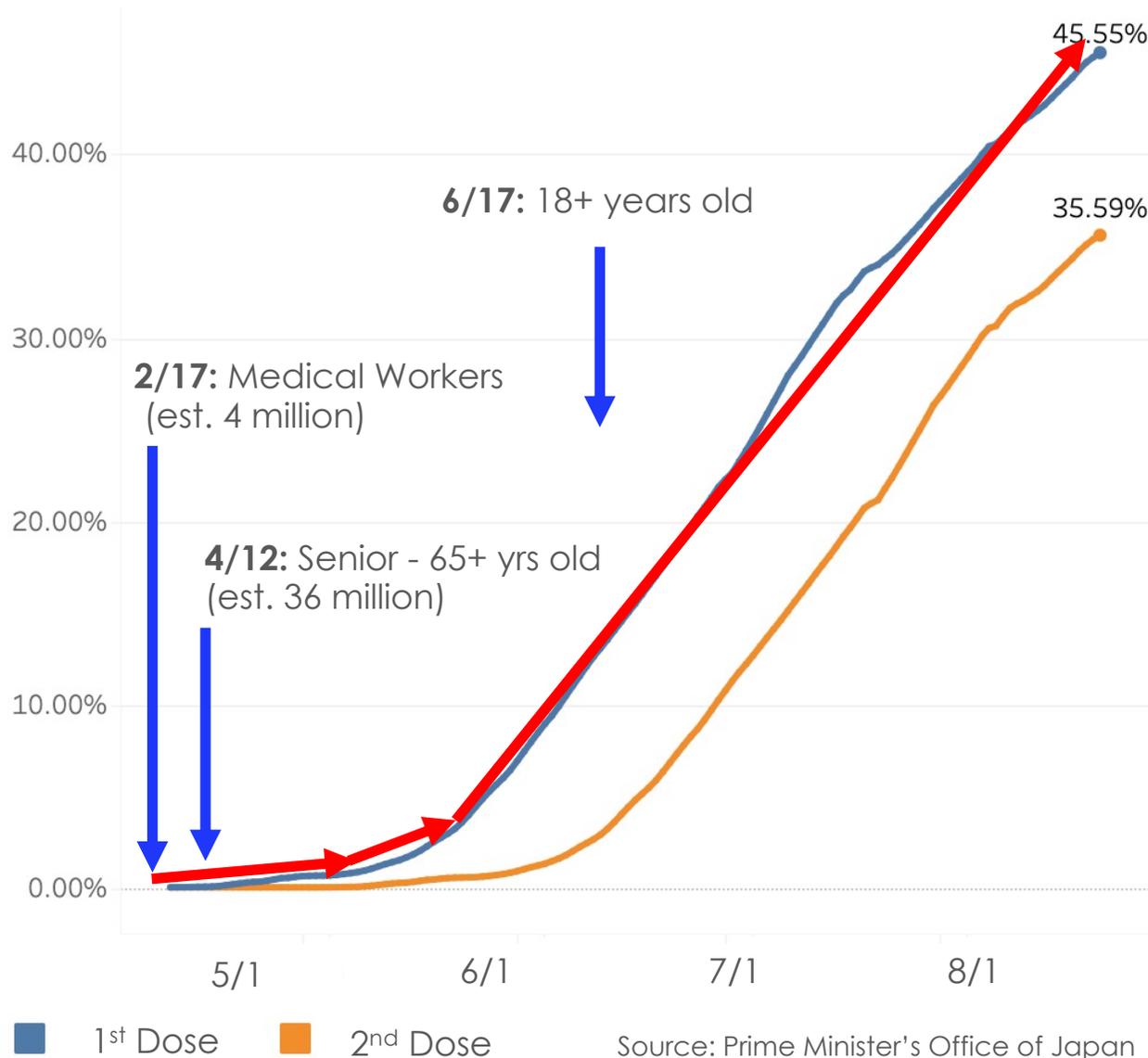


GENERAL ECONOMY



- Japan GDP rebounds in Q2 with 1.3% annualized growth
- Consumption rose 0.8% in April-June (vs Previous Qtr)
- Capital expenditure increased 1.7% (vs Previous Qtr)
- Domestic demand contributed 0.6% point to GDP growth
- Exports rose 2.9% in April-June (vs Previous Qtr) in a sign the global recovery continued to underpin Japan's economy

JAPAN VACCINATION PROGRESS



- State of emergency extended until 9/12 to 13 prefectures
- Japan government target 80% vaccination by December

Vaccination progress (as of Aug. 25)

	U.S.	Hawai'i	Japan
Initiated	61.0%	70.6%	45.55%
Completed	51.7%	62.3%	35.59%

VACCINATION CERTIFICATES

- Vaccine passport program started **July 26** for oversea travel
- Applications filed in the **municipalities**, the certificates will be issued **free of charge**
- The Foreign Ministry's website features **23 countries and regions** (as of 8/19) that have eased quarantine measures for those with a vaccine passport. (i.e. Guam, Singapore, Korea)



新型コロナウイルスワクチン接種証明書
Vaccination Certificate of COVID-19

姓(旧姓) / 名(別名)
 [Surname(Former Surname) / Given Name(Alternative Given Name)]
 患者(土田) / 良子(花子)
 [KANJA(TSUCHIDA) / YOSHIKO(HANAKO)]

生年月日 [Date of birth (YYYY-MM-DD)]
1985-02-19

国籍 [Nationality]:
JAPAN

旅券番号 [Passport Number]:
TR123456



1回目 [First Dose]:	2回目 [Second Dose]:
ワクチン種類 [Vaccine Type]: C19-mRNA	ワクチン種類 [Vaccine Type]: C19-mRNA
メーカー [Manufacturer]: ファイザー [Pfizer]	メーカー [Manufacturer]: ファイザー [Pfizer]
製品名 [Product Name]: コミナティ [Cominaty]	製品名 [Product Name]: コミナティ [Cominaty]
製造番号 [Lot number]: CTMAVXXXX	製造番号 [Lot number]: CTMAVXXXX
接種日時 [Vaccination Date]: 2021-05-30	接種日時 [Vaccination Date]: 2021-06-25
接種国 [Country of vaccination]: 日本 [JAPAN]	接種国 [Country of vaccination]: 日本 [JAPAN]

証明書発行機関 [Certificate Issuance Authority]

○○県●●市長
 [Mayor of ●● City, ○○ Prefecture]

日本国厚生労働大臣
 [Minister of Health, Labour and Welfare, Government of Japan]

証明書ID [Certificate Identifier]
XXXXXX-XXXXXXXX-XXXXXX

証明書発行日 [Issue Date]
2021-06-21

MARKET CONDITIONS ~AIRLIFT (AUGUST/SEPTEMBER)~



August

Op Airline Name	Flight #	Origin Code	Total Flights	Seats
All Nippon Airway	NH 186	HND	6	1,476
All Nippon Airway	NH 184	NRT	2	1,040
Hawaiian Airlines	HA 822	NRT	14	3,892
Hawaiian Airlines	HA 450	KIX	4	1,112
Japan Airlines	JL 74	HND	13	2,534
ZIPAIR Tokyo	ZG2	NRT	4	1,160
Total			43	11,214

Total Flights # by airport
 ❖ Haneda-19
 ❖ Narita-20
 ❖ Kansai-4
10 to 11 flights per week

September

Op Airline Name	Flight #	Origin Code	Total Flights	Seats
All Nippon Airway	NH 186	HND	8	1,968
Hawaiian Airlines	HA 822	NRT	13	3,614
Hawaiian Airlines	HA 450	KIX	5	1,390
Japan Airlines	JL 74	HND	10	2,150
ZIPAIR Tokyo	ZG2	NRT	5	1,450
Total			41	10,572

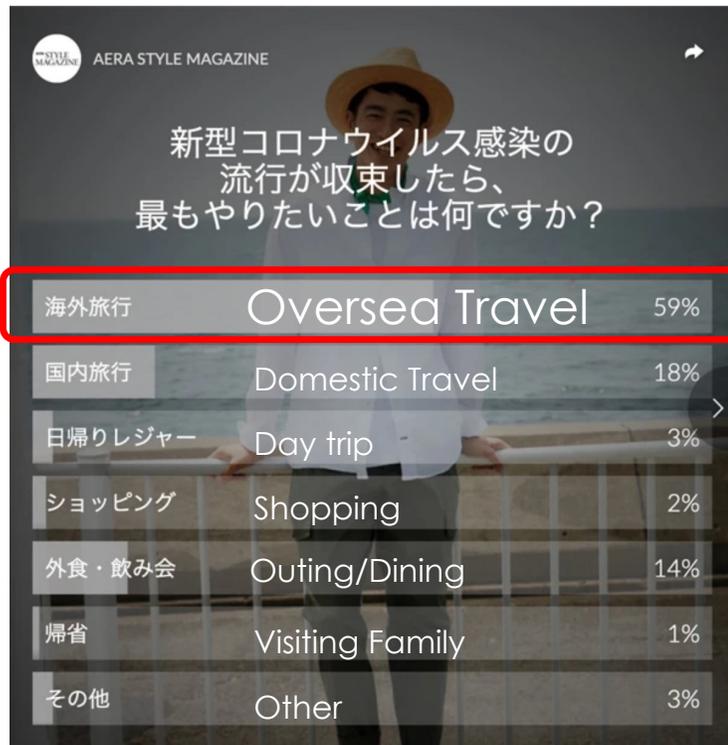
Total Flights # by airport
 ❖ Haneda-18
 ❖ Narita-18
 ❖ Kansai-5
10 to 11 flights per week

CONSUMER SENTIMENT

AERA STYLE MAGAZINE

Q: What activity would you like to do after COVID-19 is over

A: No. 1: Oversea Travel



Expedia.co.jp

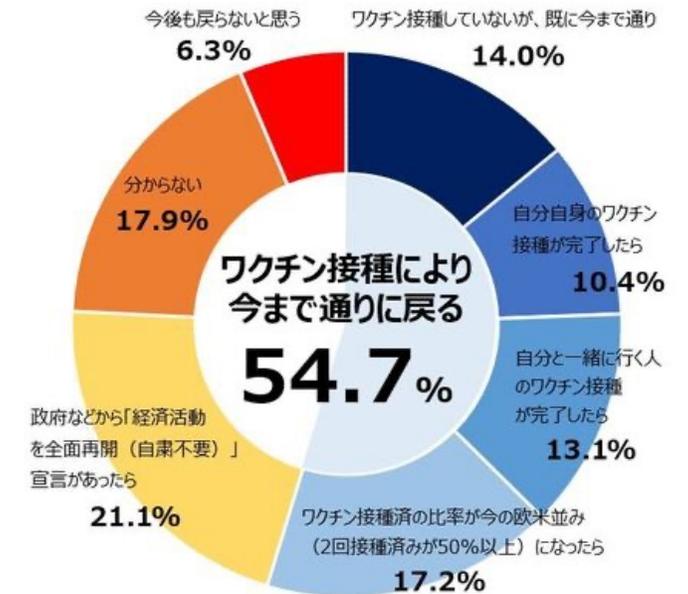
Search Ranking for Dec-Jan

- #1: O'ahu
- #2: Okinawa
- #3: Bangkok

Expedia 【日本】		
エクスペディア旅行先検索ランキング		
	8月~9月	12月~1月
1	沖縄	オアフ島 (アメリカ)
2	東京	沖縄
3	北海道 札幌、ニセコ除く	バンコク (タイ)
4	大阪	東京
5	札幌	大阪
6	静岡	シンガポール
7	京都	バリ島 (インドネシア)
8	長野	台北
9	千葉 舞浜、成田	京都
10	福岡	プーケット (タイ)

Q: What is the most important factor for domestic travel recovery?

A: 54.7% answer vaccination



MS&Consulting Co., Ltd. (Sample size: 1,057)

OTHER DESTINATIONS TOURISM RECOVERY

Destination	Category	Details
Korea	Event	- Online Korea Summer Festival & SNS campaign
Taiwan	Event	- Taiwan promotion event held (8/5-10) in Tokyo
Hong Kong	Ease Restriction Travel Trade efforts	- Accepting entry with Vaccine passport from 8/9 - Shorten the quarantine period to 7 days - Tourism support funds (\$3.79 Mil HKD) to Hong Kong travel industry
Guam	Tourism Recovery	- 80% adults completed vaccine - Operating complementary trolley in Tumon area as tourism recovery initiative
Australia	Event	- B2B Online Olympic event (meet with Olympian) - "Australia My Bucket List" special site launch and SNS campaign
New Zealand	Tourism Reopen plan	- Government expressed inbound tourism recovery from early 2022

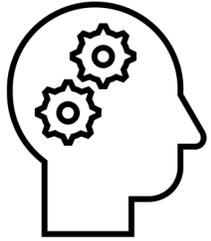
RECOVERY STRATEGY



— MĀLAMA —
HAWAII

地球にやさしい旅を

RECOVERY STRATEGY



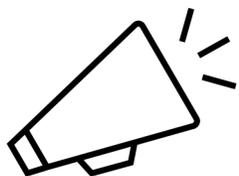
- Reinforce Hawai'i's new tourism direction and messaging in the Japan market



- Communicate with industry partners to adopt a unified message while developing responsible and sustainable experiences for visitors that promote the movement towards regenerative tourism



- Educate visitors to be mindful travelers
- Continue reinforcing messages to direct consumers and industry partners



KEY CAMPAIGNS/PROGRAMS



TARGET AUDIENCES

- Hawai'i repeat visitors
- Japanese hula communities
- New-normal workers who have more flexibility and disposable income
- Timeshare owners
- Japanese corporations with SDG framework and dedicated budget to drive CSR initiatives (MICE)
- Top ranked schools which focus on science, environmental education and cultural exchange (MICE)

3 KEY CAMPAIGN/PROGRAMS

1

On island infrastructure development and community engagement

2

Direct consumer initiatives

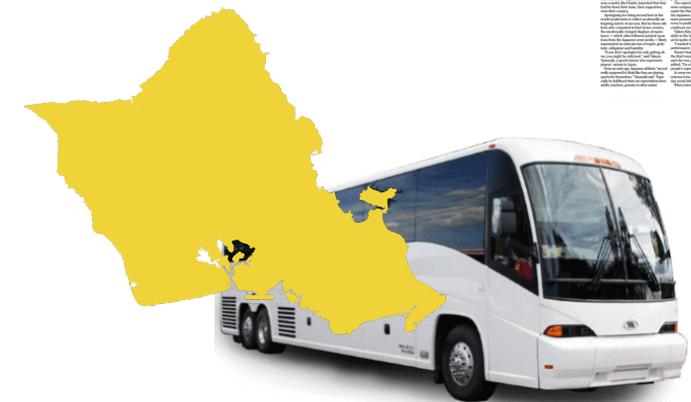
3

Travel trade programs

KEY CAMPAIGN/PROGRAMS

1. On island infrastructure development & community engagement

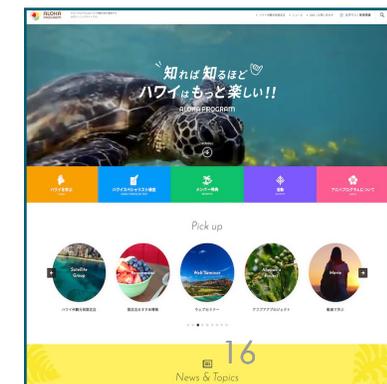
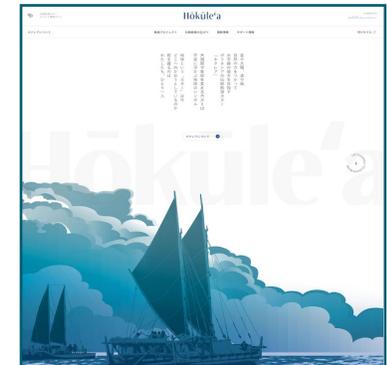
- HTA/State Agency Online Reservation system assistance (Budget: \$300,000)
- Local community engagement through local media (Budget: \$200,000)
- O'ahu Visitor Shuttle Bus Initiative (Budget: \$1,138,804)



KEY CAMPAIGN/PROGRAMS

2. Direct consumer initiatives

- “Mālama Hawai‘i” microsite development & video production and distribution (Budget: \$200,000)
- Hōkūle‘a Initiative Preparation and education (Budget: \$50,000)
- Hawaiian Culture: Aloha Program Education Program (Budget: \$60,000)

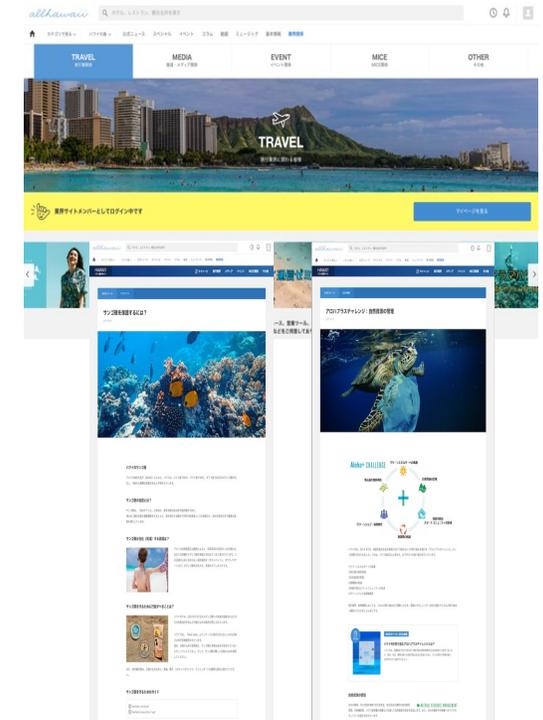
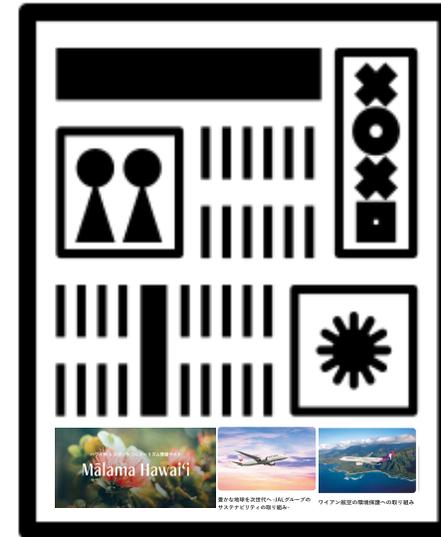


Reach	Impression	AVE
20,621,149	13,202,036,841	\$9,319,800

KEY CAMPAIGN/PROGRAMS

3. Travel trade programs

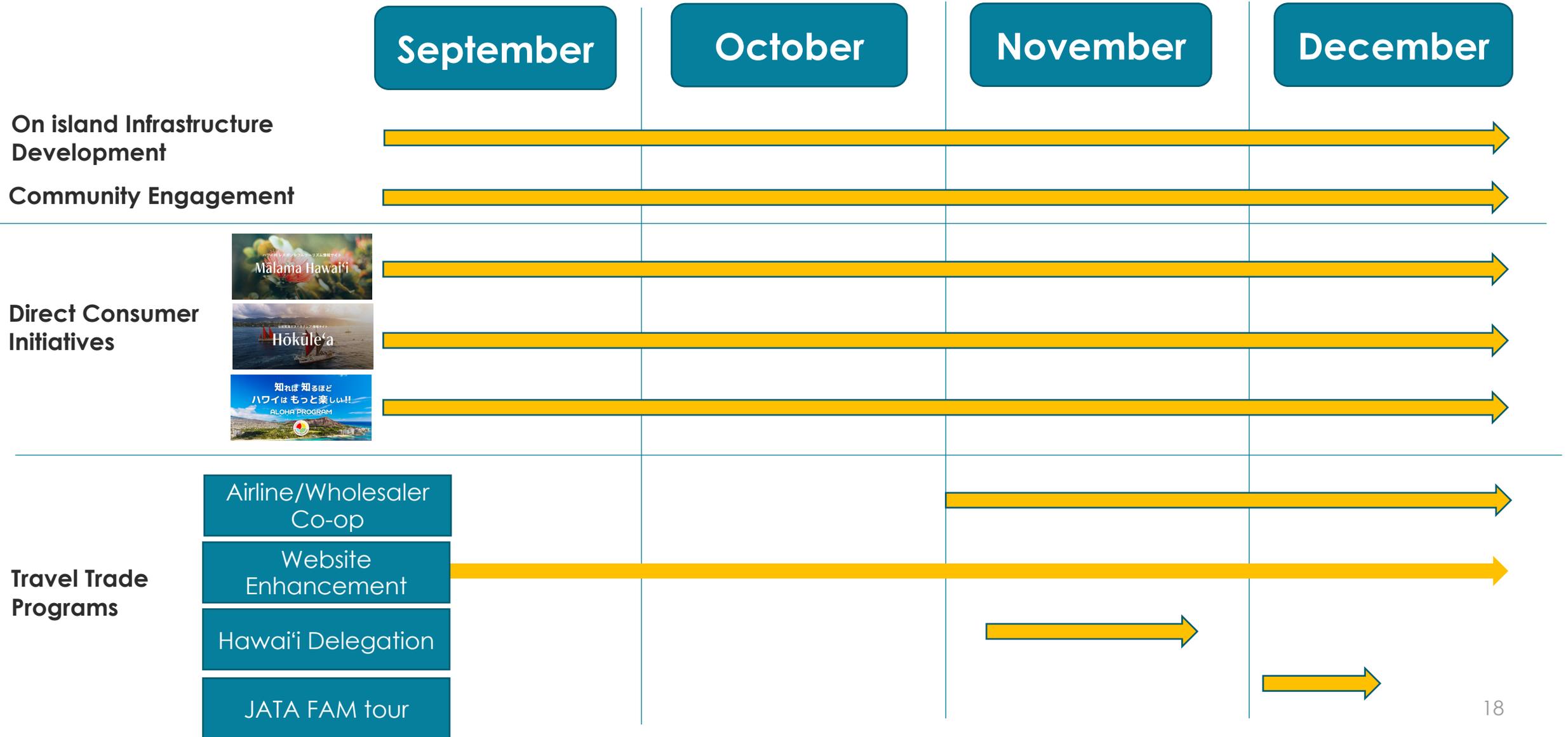
- Airline Co-op (Budget: \$200,000)
- Wholesaler Co-op (Budget: \$100,000)
- Hawai'i Delegation (Budget: \$100,000)
- JATA FAM tour (Budget: \$50,000)
- Enhancement on travel trade education through our travel trade website (Budget: \$50,000)



Goal: to increase the bookings from Year-end 2021 toward Spring 2022



CAMPAIGNS TIMELINES



PROPOSED BUDGET



PROPOSED BUDGET JULY - DECEMBER

	Annual Budget	Jan-Jun Actual	Bal for Jul-Dec	Jul	Aug	Sept	Oct	Nov	Dec
	\$2,051,196	\$1,032,715	\$1,018,481	\$165,082	\$169,667	\$170,933	\$170,933	\$170,933	\$170,933
Program Budget	\$2,448,804	\$0	\$2,448,804	\$0	\$0	\$145,015	\$303,750	\$1,278,750	\$721,289
Total	\$4,500,000	\$1,032,715	\$3,467,285	\$165,082	\$169,667	\$315,948	\$474,683	\$1,449,683	\$892,222

PERFORMANCE MEASURES



PROPOSED PERFORMANCE MEASURES

5

	Annual Target Most Recent (REV 2/17)	Annual Target Updated on 8/18	Semi-Annual Targets Updated on 8/18	
			Jan-Jun	Jul-Dec
LEISURE MEASURES				
Consumer Ad Measures				
TV Reach	NA	8,608,000	NA	8,608,000
Print Reach	16,350,250	16,350,250	5,605,250	10,745,000
Digital Reach	214,497,272	14,119,448	-	14,119,448
Radio Reach	3,826,100	2,164,600	1,832,300	332,300
TV Gross Impressions	NA	21,201,600	NA	21,201,600
Print - Total Audited Circulation	4,671,500	4,671,500	1,601,500	3,070,000
Digital Gross Impressions - Total Audience	104,363,816	21,312,720	-	21,312,720
Radio Gross Impressions	9,450,467	5,346,562	4,525,781	820,781
Out of Home Gross Impressions	6,736,800	1,122,800	-	1,122,800
Public Relations Measures				
...Publicity Value				
Print	1,330,000	1,330,000	\$330,000	\$1,000,000
Online	3,699,600	3,809,600	\$1,599,600	\$2,210,000
Broadcast	10,180,000	13,500,000	\$3,200,000	\$10,300,000
...Number of Impressions				
Print	3,090,000	3,090,000	1,050,000	2,040,000
Online	18,350,000,000	26,000,000,000	6,600,000,000	19,400,000,000
Broadcast	274,000,000	352,000,000	74,000,000	278,000,000
Social Media Metrics				
INSTAGRAM				
Total Impressions Gained	3,556,536	5,581,536	1,036,536	4,545,000
Total Interactions Gained	265,440	315,440	97,440	218,000
Total Fan Count	148,200	149,700	141,200	149,700
Increase in Fans	12,800	14,300	5,600	8,700
Total Posts	215	240	95	145

11.5

Hawai'i Tourism USA



2021 BMP UPDATE

**HTA MARKETING STANDING COMMITTEE MEETING
9.01.2021**

MARKET SITUATION

MARKET SITUATION

General Economy

- U.S. economy remains at the highest levels since February 2020; but has leveled out due to the increase in COVID-19 cases and the delta variant.
- Consumer spending will continue to support robust economic growth for the remainder of 2021.
- Unemployment in July 2021, dropped to a 16-month low of 5.4%

COVID-19 Cases (on August 29, 2021)

- U.S. - 156,886 new cases for a total of 38,875 million.
- Hawaii - 720 new cases for a total of 62,949.

Vaccination Timeline (on August 29, 2021)

- U.S. - 173.8 million U.S. residents are fully vaccinated (52.0% of the U.S. population)
- Hawaii - 897,632 Hawaii residents are fully vaccinated (63.1% of all residents)

MARKET SITUATION

INBOUND TRAVEL RESTRICTIONS

Inbound Travel Restrictions

- CDC recommends that non-vaccinated U.S. residents refrain from taking domestic trips. <https://www.cdc.gov/coronavirus/2019-ncov/travelers/travel-during-covid19.html>
- Residents who are fully vaccinated with an FDA-authorized vaccine or a vaccine authorized for emergency use by the World Health Organization can travel safely within the United States.
- Wearing a mask over your nose and mouth is required on planes, buses, trains, and other forms of public transportation traveling into, within, or out of the United States and while indoors at U.S. transportation hubs such as airports and stations. <https://www.cdc.gov/coronavirus/2019-ncov/travelers/face-masks-public-transportation.html>

MARKET SITUATION

TRAVEL SENTIMENT, COMPETITION

General Travel Sentiment

- As the Delta variant continues, 54% of U.S. travelers report they are less interested to travel now.
- However, the population that does desire to travel, is still strong with over 50% of them expecting to take at least one overnight trip through November.
- 66% of the U.S. traveling population are now fully vaccinated.

Competitive Destination Activity

- *Puerto Rico* now requires vaccination or testing for all paid accommodations. The U.S. territory now requires that both guests and employees of all hotels, guest houses and short-term rentals, including Airbnb and VRBO rentals, must submit either proof of vaccination or a negative COVID-19 test taken within 72 hours of their arrival on property.
- *United Kingdom*. In early August, vaccinated Americans can now enter England, Scotland and Wales without a mandatory quarantine. Fully vaccinated Americans arriving into England, Scotland and Wales are required to submit a predeparture negative COVID-19 test taken prior to arrival

MARKET SITUATION – AIR SEATS

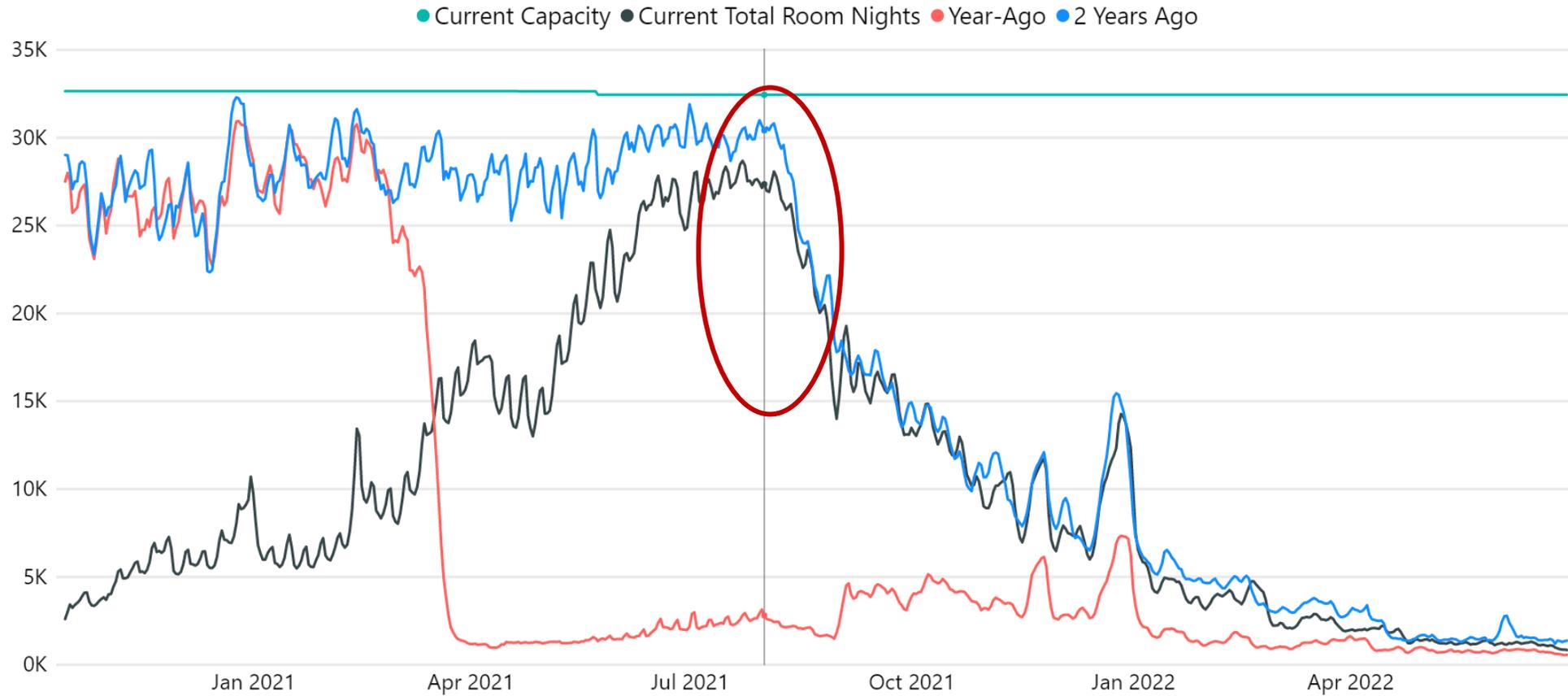
U.S. Air Seats – as of August 29, 2021

	# of SEATS September 2019	# of SEATS September 2021P	% Change	# of SEATS October 2019	# of SEATS October 2021P	% Change	# of SEATS November 2019	# of SEATS November 2021P	% Change	# of SEATS December 2019	# of SEATS December 2021P	% Change
O'ahu	382,095	473,823	24.0%	399,574	474,413	18.7%	395,176	477,853	20.9%	456,929	507,938	11.2%
Maui	197,711	271,277	37.2%	211,816	277,397	31.0%	209,739	274,495	30.9%	250,970	314,244	25.2%
Kona	64,956	119,681	84.2%	72,590	125,465	72.8%	78,213	124,913	59.7%	98,565	147,153	49.3%
Kaua'i	63,608	100,317	57.7%	72,357	103,172	42.6%	77,342	103,379	33.7%	87,481	116,502	33.2%
Hilo	3,486	4,117	18.1%	4,648	3,938	-15.3%	3,818	4,319	13.1%	4,316	5,146	19.2%
Total	711,856	969,215	36.2%	760,985	984,385	29.4%	764,288	984,959	28.9%	898,261	1,090,983	21.5%

MARKET SITUATION

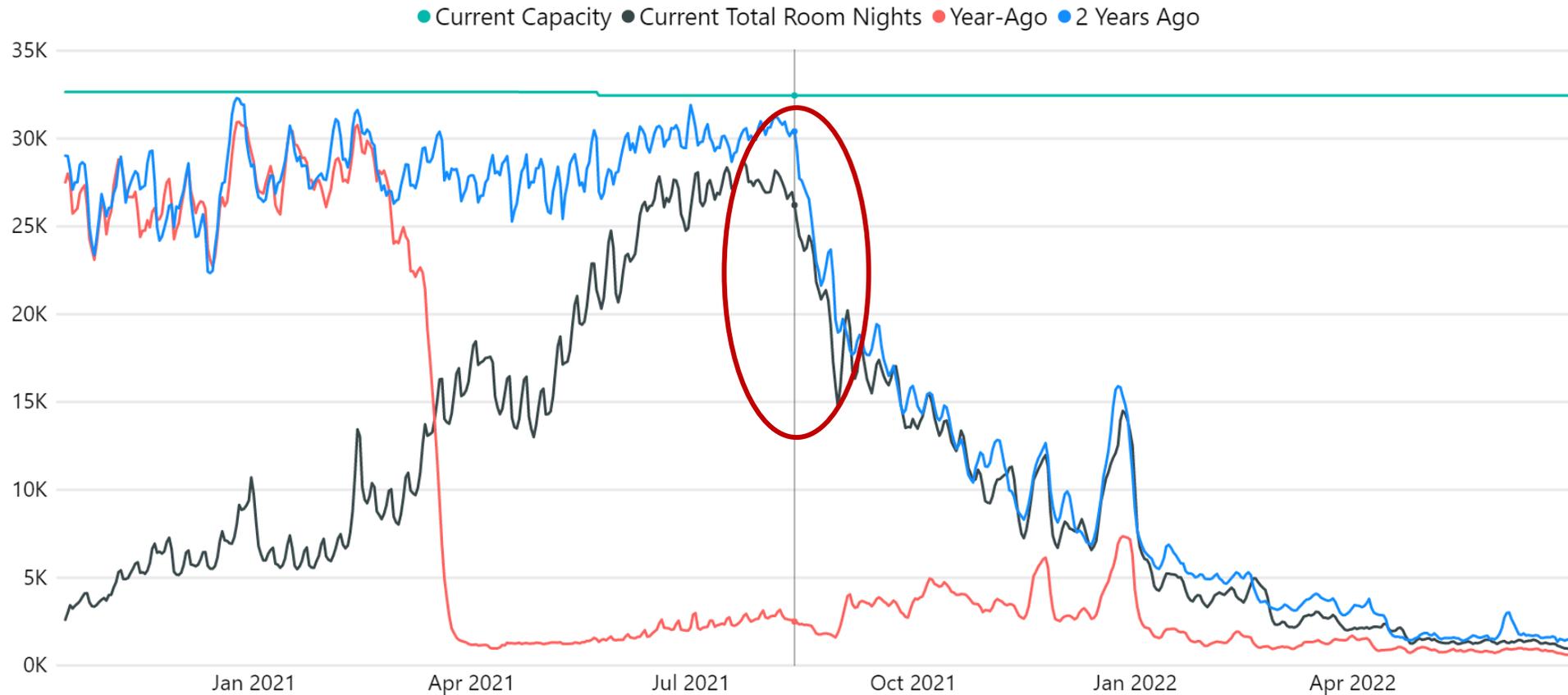
TRAVEL SENTIMENT – HOTEL BOOKING PACE

Statewide Total Room Nights on the Books
October 2020 through July 2022 YOY (as of August 1, 2021)



MARKET SITUATION TRAVEL SENTIMENT – HOTEL BOOKING PACE

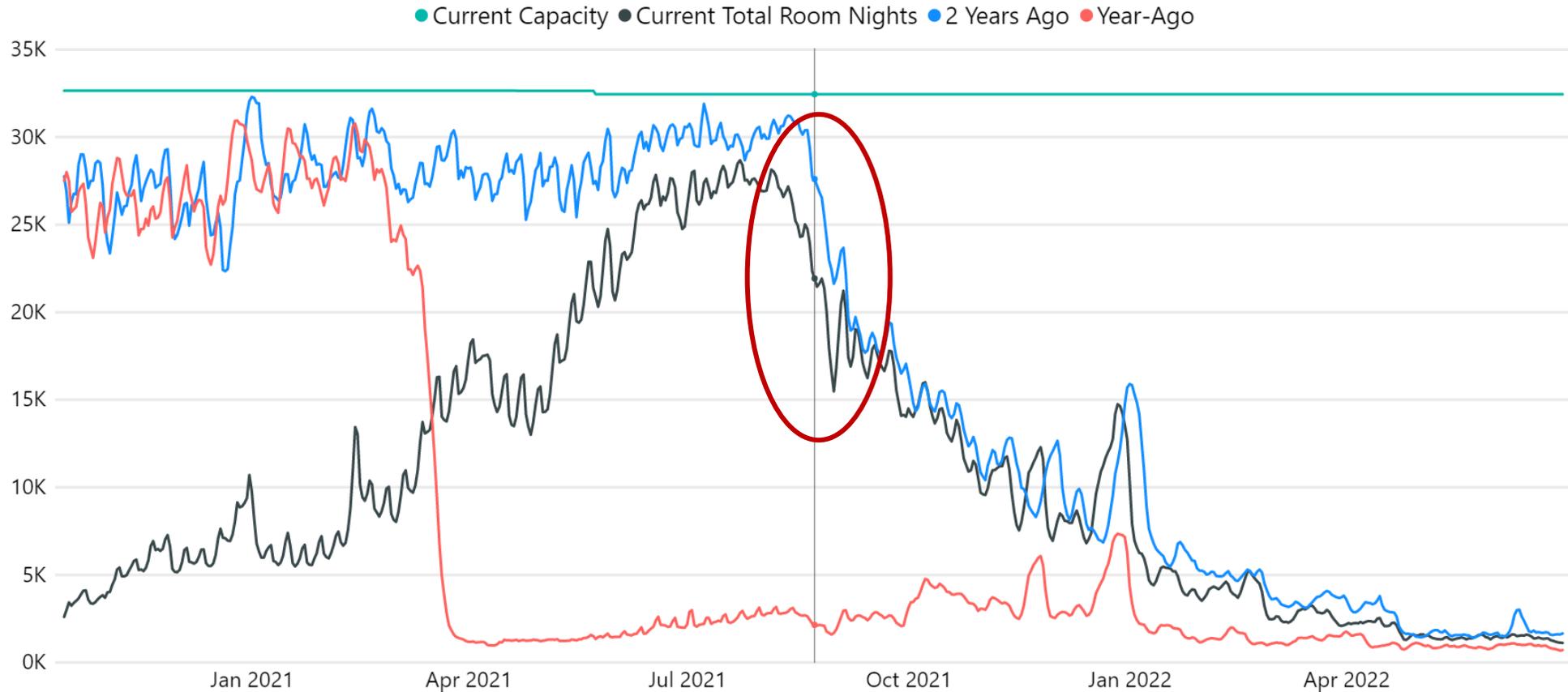
Statewide Total Room Nights on the Books
October 2020 through July 2022 YOY (as of August 8, 2021)



MARKET SITUATION

TRAVEL SENTIMENT – HOTEL BOOKING PACE

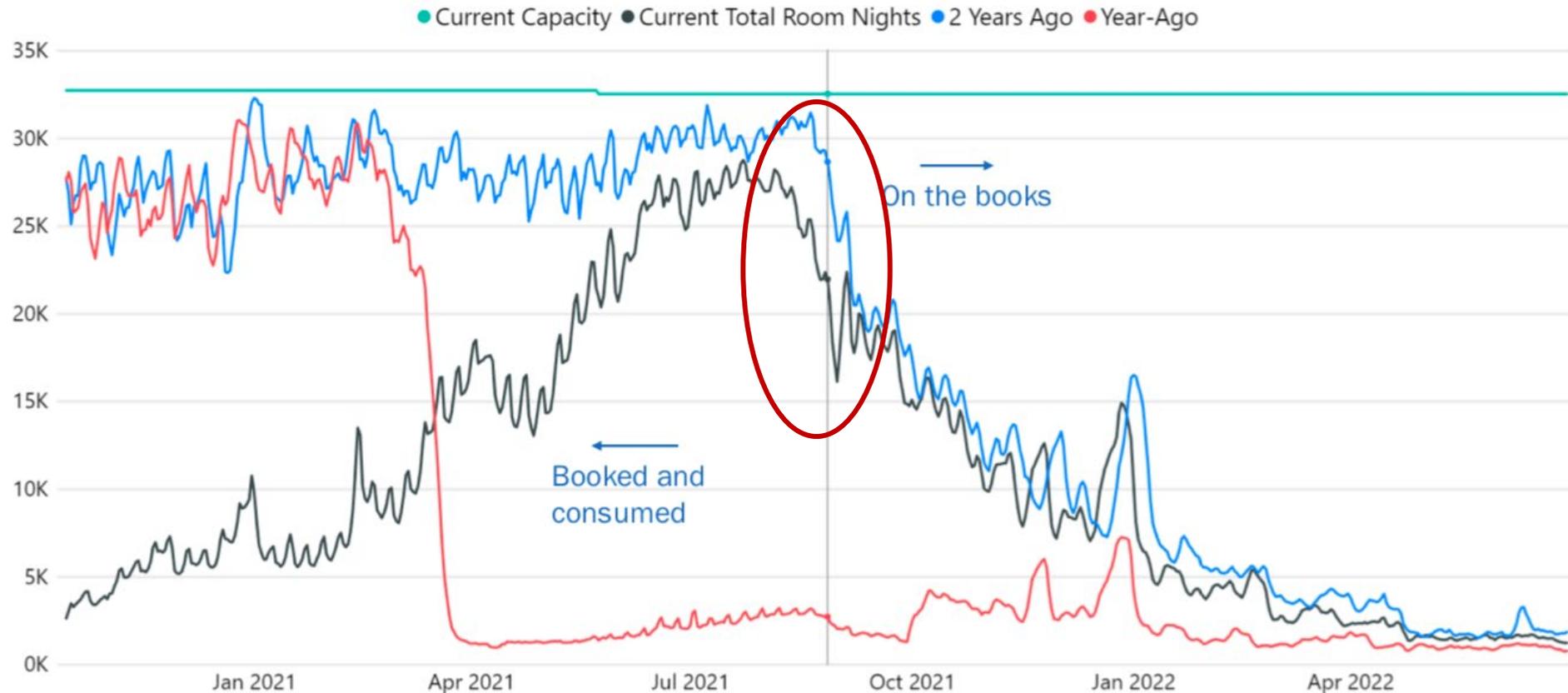
Statewide Total Room Nights on the Books
October 2020 through July 2022 YOY (as of August 15, 2021)



MARKET SITUATION

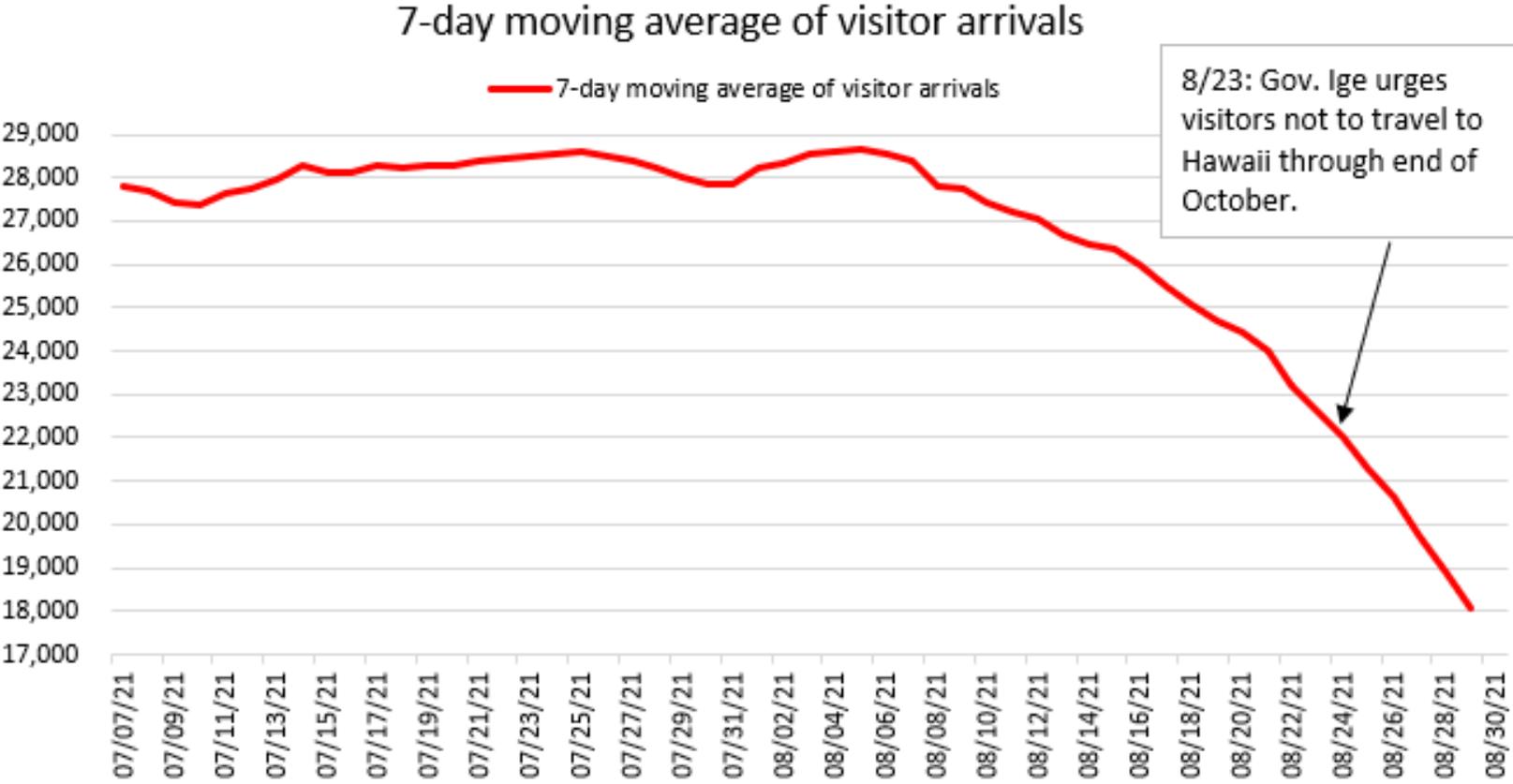
TRAVEL SENTIMENT – HOTEL BOOKING PACE

Statewide Total Room Nights on the Books
October 2020 through July 2022 YOY (as of August 22, 2021)



MARKET SITUATION

ESTIMATED DAILY VISITOR ARRIVALS



Source: HVCB analysis of HTA information derived from data provided through Office of Enterprise Technology Service's Safe Travels

TARGET AUDIENCE

TARGET AUDIENCE GENERAL ATTITUDES

*The **Mindful Visitor** is someone who cares about the environment, enjoys going to a vacation destination with many activities, as well as learning about foreign cultures.*

- I like to learn about foreign cultures (166)
- I prefer an active vacation with many activities (208)
- People often ask my advice when it comes to planning their vacations (139)
- I would rather spend money on traveling than other products (136)
- I Consider myself a Green Advocate (253)
- I am a super influential consumer when it comes to Environmentally friendly products (336)
- I am interested in finding out how I can help the environment (170)

TARGET AUDIENCE KEY DEMOGRAPHICS

MINDFUL RETURN VISITOR

% Male	58%
% Female	42%
Age (Median)	40
HHI (Median)	\$160k
% Married	70%
% Children in the HH (Under 18)	57%
Education Level	52%: Bachelor's Degree 32%: Post- Graduate Degree
Employment Status	91% Employed

The average age of the Mindful Return Visitor is 40. 70% are married and many of them have a higher education degree.



RECOVERY STRATEGY



RECOVERY STRATEGY MĀLAMA HAWAI‘I

*Position the Hawaiian Islands to **attract mindful visitors** – those who will **responsibly comply with the health and safety recommendations** in place, while **respectfully seeking positive connections** with the local community.*

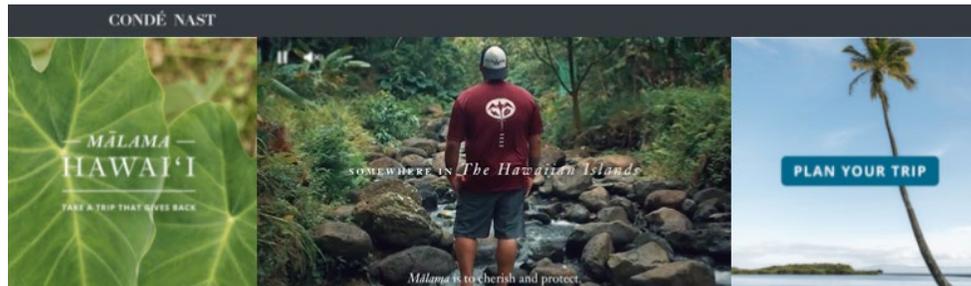
MĀLAMA HAWAI'I CAMPAIGN

- Campaign Objectives/Projected Outcomes – Increase awareness and appropriate behaviors of mindful travel in Hawai'i
- Campaign Timeline – July – December 2021

KEY CAMPAIGNS/PROGRAMS

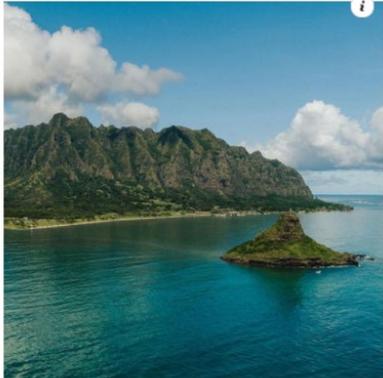


CONDÉ NAST TRAVELER



Condé Nast Traveler with Hawaii – gohawaii.com (Default) Sponsored

There's never been a better time to give back. With the Malama Hawaii program, earn a free night in a hotel, special discounts, and more.



CNTRAVELER.COM
Give Back, Travel Better
There are many ways to malama.

Learn More

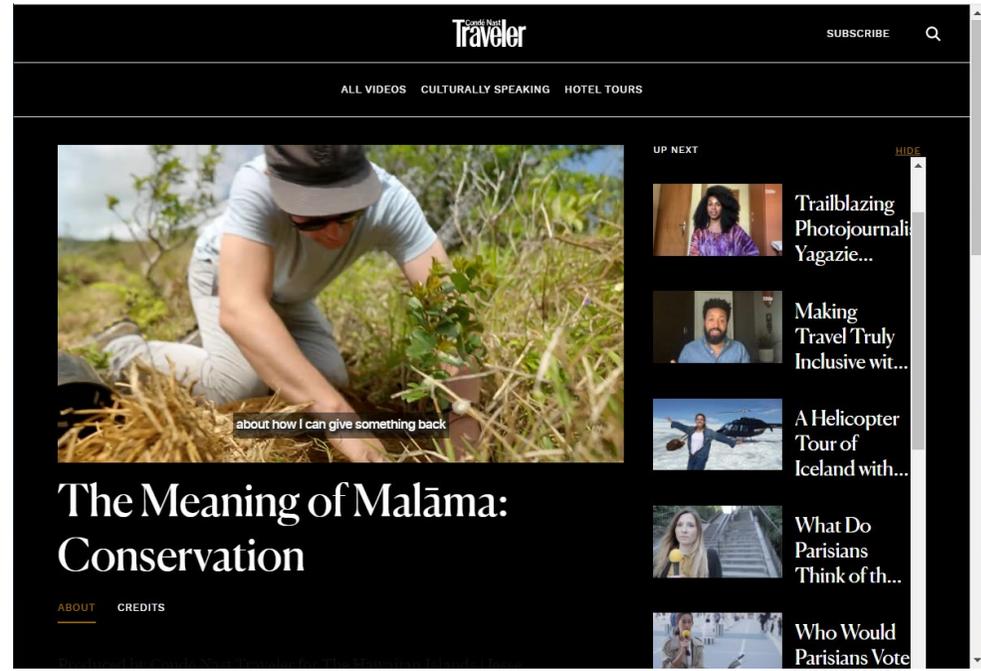
Condé Nast Traveler with Hawaii – gohawaii.com (Default) Sponsored

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Jesse Ashlock
US Editor in Chief, Condé Nast Traveler

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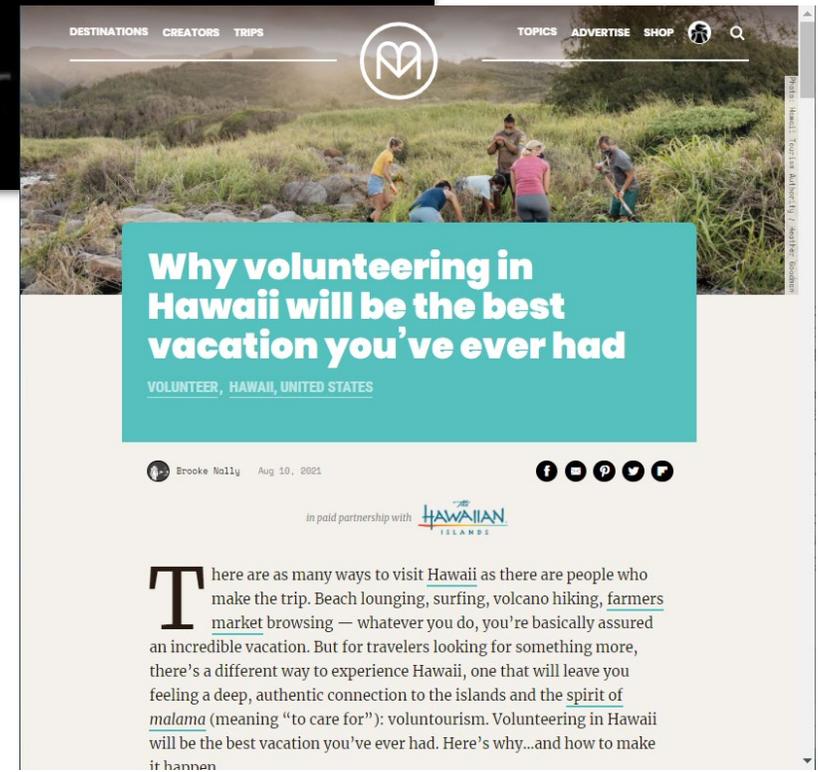
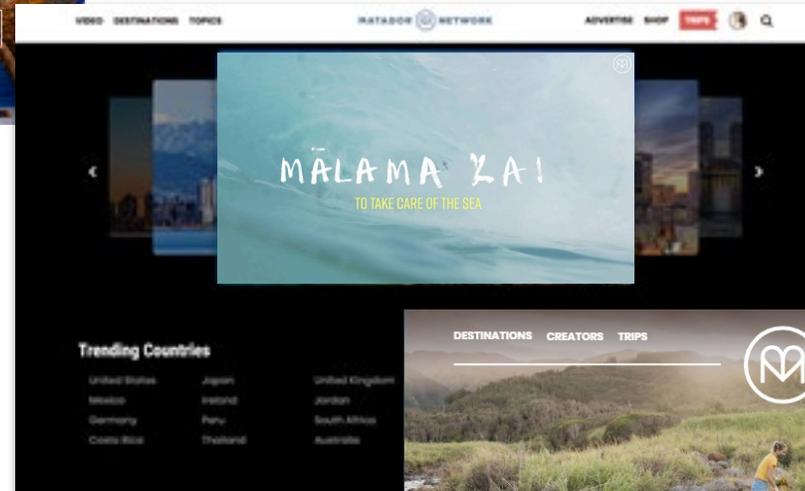
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about how I can give something back

The Meaning of Malāma: Conservation

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PROPOSED BUDGET

PROPOSED BUDGET JULY – DECEMBER (LEISURE)

	Annual Budget	Jan-Jun Actual	Bal for Jul-Dec	Jul	Aug	Sept	Oct	Nov	Dec
Fixed Costs	\$4,959,300	\$2,525,078	\$2,434,222	\$405,700	\$405,700	\$405,700	\$405,700	\$405,700	\$405,722
Program Budget	\$9,645,700	\$3,636,481	\$6,009,219	\$350,000	\$1,300,000	\$2,000,000	\$1,700,000	\$470,000	\$189,219
Total	\$14,605,000	\$6,161,559	\$8,443,441	\$755,700	\$1,705,700	\$2,405,700	\$2,105,700	\$875,700	\$594,941

PROPOSED BUDGET JULY – DECEMBER (GLOBAL MCI)

	Annual Budget	Jan-Jun Actual	Bal for Jul-Dec	Jul	Aug	Sept	Oct	Nov	Dec
Fixed Costs	\$1,853,550	\$903,369	\$950,181	\$158,000	\$158,000	\$158,000	\$158,000	\$158,000	\$160,181
Program Budget	\$541,450	\$207,246	\$334,204	\$38,000	\$45,000	\$80,000	\$38,000	\$72,000	\$61,204
Total	\$2,395,000	\$1,110,615	\$1,284,385	\$196,000	\$203,000	\$238,000	\$196,000	\$230,000	\$221,385

PERFORMANCE MEASURES

PERFORMANCE MEASURES LEISURE

Revised Measures	2021 Annual Target	Jan-June Target	July-Dec Target
No. of mtgs with HI industry partners	25	14	11
No. of Hawai'i Industry Partners Met with	74	39	35

PERFORMANCE MEASURES MEET HAWAI'I

Revised Measures	2021 Annual Target	Jan-June Target	July-Dec Target
MCI Trade Show appts	355	170	185
MCI FAMs			
# of FAMs	6	2	4
# of participants	50	16	34
MCI Education			
# of sessions	2	2	0
# of participants	90	90	0
# Sales Calls	1,520	560	960
Citywide Room Nights			
Citywide Tentative	190,000	68,000	122,000
Citywide Definite	40,000	0	40,000
Citywide New to HI	15,000	0	15,000

PERFORMANCE MEASURES MEET HAWAI'I (CONT.)

Revised Measures	2021 Annual Target	Jan-June Target	July-Dec Target
Single Property Room Nights			
SP Tentative	200,000	100,000	100,000
SP Definite	125,000	25,000	100,000
SP New to HI	65,000	12,000	53,000
Out-of-State Attendees	12,000	3,512	8,488
New Mtgs/Conv. Brought in	41	12	29

12

Presentation, Discussion and Action on HTA's Position Relating to the Draft Bill for an Ordinance Relating to Transient Accommodations and Short-Term Rentals on O'ahu.
Presentation by and Discussion with *Mr. Dean Uchida*, Director of Planning and Permitting for the City & County of Honolulu

**Short Term Rental (Bed and Breakfast {B&Bs} and Transient Vacation Units {TVUs}) Bill
Summary (August 25, 2021)**

- The existing +/-800 STRs (B&B and TVU) with nonconforming use certificates (NUC) will be allowed to continue but will need to register under the new system. The following is a estimated breakdown of the number of units in each of the various zoning districts:

Zoning	Number of Existing NUC Units
Residential	115
A-1 (Low Density) Apartment Zoned	33
A-2 (Medium Density) Apartment Zoned	24
Waikiki	
Apartment Precinct	484
Apartment Mixed Use Precinct	137
Total	793

- No new STRs will be permitted in residential areas
- Only registered STRs will be allowed to advertise units rented for less than 180 consecutive days. Duration is consistent with State definition of “Transient Accommodations” pursuant to Chapter 237D Hawaii Revised Statutes:
 - "Transient accommodations" means the furnishing of a room, apartment, suite, single family dwelling, or the like to a transient for less than one hundred eighty consecutive days for each letting in a hotel, apartment hotel, motel, condominium or unit as defined in chapter 514B, cooperative apartment, dwelling unit, or rooming house that provides living quarters, sleeping, or housekeeping accommodations, or other place in which lodgings are regularly furnished to transients.
- New STRs will only be allowed in areas adjacent to and associated with existing resort zoned property and adjacent Apartment zoned properties (Kuilima, Ko Olina, Makaha and Waikiki) as follows:
 - **Kuilima**—STRs will be allowed in the Resort Zoned District and the A-1 (Low Density) Apartment Zoned District adjacent to the Resort.
 - **Ko Olina**—STRs will be allowed on portions of the A-1 (Low Density) and A-2 (Medium Density) Apartment Zoned Districts adjacent to the Resort.
 - **Makaha**—STRs will be allowed in the Resort Zoned Districts in Makaha Valley.
 - **Waikiki:**
 - STR’s will be allowed in the Resort Mixed Use Precinct in Waikiki Special District.
 - STR’s and Hotels will be allowed in the Gold Coast Area of the Diamond Head Special District—individual properties will need to apply for up zoning from A-2 (Medium Density) Apartment Zoned District to Resort.

- STR's and Hotels will be allowed in the Apartment Precinct and Apartment Mixed Use Precinct in Waikiki Special District; however, individual properties will have 3 years to up zone their property to Hotel/Resort. The intent is to keep this area in long-term apartment leases for workers and resident in Waikiki.
- All STRs will have to register with the city and the certificate of registration number or their NUC number will be required in advertisements
- All newly registered STRs and existing NUC transient vacation units (TVU) will be assessed at the hotel and resort rate for real property purposes.
- All existing non-conforming B&Bs will be taxed at the B&B rate
- A New Short Term Rental Enforcement Branch will be created in DPP (seven positions). New enforcement procedures are being overhauled to better equip inspectors to investigate and enforce violations of the Land Use Ordinance, including provision related to STRs
- The DPP will receive proceeds from the STR fines and the difference in the real property tax collection from the current rate to the new rate to be used specifically for STR enforcement. The intent is to keep the funding source revenue neutral to the City.



A BILL FOR AN ORDINANCE

RELATING TO TRANSIENT ACCOMMODATIONS

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Findings and Purpose. Short-term rentals are disruptive to the character and fabric of our residential neighborhoods; they are inconsistent with the land uses that are intended for our residential zoned areas and increase the price of housing for Oahu's resident population by removing housing stock from the for-sale and long-term rental markets. The City Council finds that any economic benefits of opening-up our residential areas to tourism are far outweighed by the negative impacts to our neighborhoods and local residents.

In 2019, the City passed Ordinance 19-18, allowing a limited number of new bed and breakfast homes and requiring certain short-term rentals to comply with registration requirements, development standards and other regulations. However, some of the provisions in Ordinance 19-18 have proven themselves to be impractical and have resulted in enforcement problems. To address these problems, it is necessary to improve upon Ordinance 19-18 by simplifying the City's approach to regulating short-term rentals and other transient accommodations.

The purpose of this Ordinance is to better protect the City's residential neighborhoods and housing stock from the negative impacts of short-term rentals by providing a more comprehensive approach to the regulation of transient accommodations within the City and creating additional sources of funding for the administration and enforcement of the City's short-term rental and transient accommodations laws.

SECTION 2. Section 8-7.1, Revised Ordinances of Honolulu 1990, as amended, is amended to read as follows:

“Sec. 8-7.1 Valuation - Considerations in fixing.

- (a) The director of budget and fiscal services shall cause the fair market value of all taxable real property to be determined and annually assessed by the market data and cost approaches to value using appropriate systematic methods suitable for mass valuation of real property for ad valorem taxation purposes, so selected and applied to obtain, as far as possible, uniform and equalized assessments throughout the city.



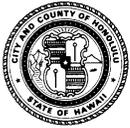
A BILL FOR AN ORDINANCE

- (b) So far as practicable, records shall be compiled and kept which shall show the methods established by or under the authority of the director, for the determination of values.
- (c) (1) Real property shall be classified into the following general classes, upon consideration of its highest and best use, and upon other criteria set forth in this section:
- (A) Residential;
 - (B) Hotel and resort;
 - (C) Commercial;
 - (D) Industrial;
 - (E) Agricultural;
 - (F) Preservation;
 - (G) Public service;
 - (H) Vacant agricultural
 - (I) Residential A; and
 - (J) Bed and breakfast home.
- (2) In assigning real property to one of the general classes, the director shall give major consideration to the districting established by the city in its general plan and zoning ordinance, specific class definitions or criteria set forth in this section, and such other factors which influence highest and best use.
- Notwithstanding the city's zoning district classification, the director shall assign to the agricultural class any real property classified as tree farm property under HRS Chapter 186.
- (3) When real property is subdivided into condominium units, each unit and its appertaining common interest:



A BILL FOR AN ORDINANCE

- (A) Shall be deemed a parcel and assessed separately from other units; and
- (B) Shall be classified as follows:
 - (i) If the unit has a single, legally permitted, exclusive actual use, it shall be classified upon consideration of the unit's actual use into one of the general classes in the same manner as real property; or
 - (ii) If the unit has multiple, legally permitted uses; it shall be classified:
 - (aa) Upon consideration of the unit's highest and best use into one of the general classes in the same manner as real property; or
 - (bb) Residential, only upon approved dedication as provided in Section 8-7.5 when the unit is legally permitted multiple exclusive uses including residential use; or
 - (iii) If the unit is a condominium parking unit or a condominium storage unit, it shall be classified residential, only upon approved dedication when the unit is used in conjunction with a unit in residential use within the project.
- (4) Notwithstanding any provision contained in this subsection, a condominium unit that is used at any time during the assessment year as a time share unit, shall be classified for the following tax year as hotel and resort[~~unless:~~
 - (A) ~~The unit is on property zoned as apartment, apartment mixed use, apartment precinct, or apartment mixed use precinct;~~
 - (B) ~~The property on which the unit is located does not include a lobby with a clerk's desk or counter with 24-hour clerk service facilities for registration and keeping of records relating to persons using the property; and~~



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~~(C) The unit is part of a condominium property regime established pursuant to HRS Chapter 514A, as it read prior to its repeal on January 1, 2019, or HRS Chapter 514B.~~

~~If the requirements of paragraphs (A), (B) and (C) are met, the time share unit shall be classified as residential. For purposes of this subdivision, "assessment year" means the one-year period beginning October 2nd of the previous calendar year and ending October 1st, inclusive, of the calendar year preceding the tax year, and "time sharing" has the same meaning as defined in Section 21-10.1].~~

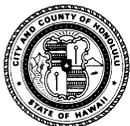
(5) "Vacant agricultural" means a parcel, or portion thereof, that would otherwise be classified agricultural by the director upon major consideration of the districting established by the city in its general plan and zoning ordinance and of such other factors that influence highest and best use, but which parcel, or portion thereof:

- (A) Has no residential buildings; and
- (B) Is not dedicated for agricultural purposes.

If a portion of a parcel is dedicated as vacant agricultural, the remainder of the parcel that is zoned agricultural must be dedicated for agricultural use.

(6) Notwithstanding any provision contained in this subsection, all real property actually used by a public service company in its public service business shall be classified public service. For purposes of this subsection, "public service company" means a public utility, except airlines, motor carriers, common carriers by water, and contract carriers, where:

- (A) "Public utility" includes every person who may own, control, operate, or manage as owner, lessee, trustee, receiver, or otherwise, whether under a franchise, charter, license, articles of association, or otherwise, any plant or equipment, or any part thereof, directly or indirectly for public use, for the transportation of passengers or freight, or the conveyance or transmission of telecommunications messages, or the furnishing of facilities for the transmission of intelligence by electricity by land or water or air within the state, or between points within the state, or for the production, conveyance, transmission, delivery, or furnishing of



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light, power, heat, cold, water, gas, or oil, or for the storage or warehousing of goods, or the disposal of sewage; provided that the term:

- (i) Includes any person insofar as that person owns or operates a private sewer company or sewer facility;
- (ii) Includes any telecommunications carrier or telecommunications common carrier;
- (iii) Does not include any person insofar as that person owns or operates an aerial transportation enterprise;
- (iv) Does not include persons owning or operating taxicabs, as defined in this subsection;
- (v) Does not include common carriers transporting only freight on the public highways, unless operating within localities or along routes or between points that the Public Utilities Commission of the State of Hawaii finds to be inadequately serviced without regulation under this chapter;
- (vi) Does not include persons engaged in the business of warehousing or storage unless the Public Utilities Commission of the State of Hawaii finds that regulation thereof is necessary in the public interest;
- (vii) Does not include:
 - (aa) The business of any carrier by water to the extent that the carrier enters into private contracts for towage, salvage, hauling, or carriage between points within the state and the carriage is not pursuant to either an established schedule or an undertaking to perform carriage services on behalf of the public generally; and
 - (bb) The business of any carrier by water, substantially engaged in interstate or foreign commerce, transporting passengers on luxury cruises between



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points within the state or on luxury round-trip cruises returning to the point of departure;

- (viii) Does not include any person who:
 - (aa) Controls, operates, or manages plants or facilities for the production, transmission, or furnishing of power primarily or entirely from non-fossil fuel sources; and
 - (bb) Provides, sells, or transmits all of that power, except such power as is used in its own internal operations, directly to a public utility for transmission to the public;
- (ix) Does not include a telecommunications provider only to the extent determined by the Public Utilities Commission of the State of Hawaii, pursuant to applicable state law;
- (x) Shall not include any person who controls, operates, or manages plants or facilities developed pursuant to applicable state law for conveying, distributing, and transmitting water for irrigation and such other purposes that shall be held for public use and purpose; and
- (xi) Shall not include any person who owns, controls, operates, or manages plants or facilities for the reclamation of wastewater; provided that:
 - (aa) The services of the facility shall be provided pursuant to a service contract between the person and a state or county agency and at least 10 percent of the wastewater processed is used directly by the state or county which has entered into the service contract;
 - (bb) The primary function of the facility shall be the processing of secondary treated wastewater that has been produced by a municipal wastewater treatment facility that is owned by a state or county agency;
 - (cc) The facility shall not make sales of water to residential customers;



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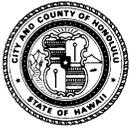
- (dd) The facility may distribute and sell recycled or reclaimed water to entities not covered by a state or county service contract; provided that, in the absence of regulatory oversight and direct competition, the distribution and sale of recycled or reclaimed water shall be voluntary and its pricing fair and reasonable. For purposes of this subparagraph, “recycled water” and “reclaimed water” mean treated wastewater that by design is intended or used for a beneficial purpose; and
- (ee) The facility shall not be engaged, either directly or indirectly, in the processing of food wastes;
- (B) “Motor carrier” means a common carrier or contract carrier transporting freight or other property on the public highways, other than a public utility or taxicab;
- (C) “Contract carrier” means a person other than a public utility or taxicab which, under contracts or agreements, engages in the transportation of persons or property for compensation, by land, water, or air;
- (D) “Carrier” means a person who engages in transportation, and does not include a person such as a freight forwarder or tour packager who provides transportation by contracting with others, except to the extent that such person oneself engages in transportation;
- (E) “Taxicab” means and includes:
 - (i) Any motor vehicle used in the movement of passengers on the public highways under the following circumstances, namely, the passenger hires the vehicle on call or at a fixed stand, with or without baggage for transportation, and controls the vehicle to the passenger’s destination; and
 - (ii) Any motor vehicle having seating accommodations for eight or less passengers used in the movement of passengers on the public highways between a terminal, i.e., a fixed stand, in the city of Honolulu, and a terminal in a geographical district outside the limits of the city of Honolulu, and vice versa,



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without picking up passengers other than at the terminals or fixed stands; provided that passengers may be unloaded at any point between terminals; and provided further that this definition relating to motor vehicles operating between terminals shall pertain only to those motor vehicles whose operators or owners were duly licensed under any applicable provision of law or ordinance and doing business between such terminals on January 1, 1957;

- (F) “Telecommunications carrier” or “telecommunications common carrier” means any person that owns, operates, manages, or controls any facility used to furnish telecommunications services for profit to the public, or to classes of users as to be effectively available to the public, engaged in the provision of services, such as voice, data, image, graphics, and video services, that make use of all or part of their transmission facilities, switches, broadcast equipment, signaling, or control devices; and
 - (G) “Telecommunications service” or “telecommunications” means the offering of transmission between or among points specified by a user, of information of the user’s choosing, including voice, data, image, graphics, and video without change in the form or content of the information, as sent and received, by means of electromagnetic transmission, or other similarly capable means of transmission, with or without benefit of any closed transmission medium, and does not include cable service as defined under applicable state law.
- (d) Whenever land has been divided into lots or parcels as provided by law, each such lot or parcel shall be separately assessed.
 - (e) When a parcel of land that has been classified as agricultural is improved with a single-family dwelling and has been granted a home exemption for the tax year, that portion of the parcel that is used for residential purposes shall be classified as residential. This classification shall:
 - (1) Apply only to that portion used for residential purposes;
 - (2) Not exceed 5,000 square feet of land and the buildings and improvements on that land; and



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- (3) Remain in effect only so long as the property qualifies for a home exemption.

- (f) When a parcel of land that has been classified as preservation is improved with a single-family dwelling and has been granted a home exemption for the tax year, that portion of the parcel which is used for residential purposes shall be classified as residential. This classification shall:
 - (1) Apply only to that portion used for residential purposes;
 - (2) Not exceed 5,000 square feet of land and the buildings and improvements on that land; and
 - (3) Remain in effect only so long as the property qualifies for a home exemption.

- (g) (1) In determining the value of buildings, consideration shall be given to any additions, alterations, remodeling, modifications or other new construction, improvement, or repair work undertaken upon or made to existing buildings as the same may result in a higher assessable valuation of said buildings; provided, however, that any increase in value resulting from any additions, alterations, modifications, or other new construction, improvement or repair work to buildings undertaken or made by the owner occupant thereof pursuant to the requirements of any urban redevelopment, rehabilitation, or conservation project under the provisions of Part II of HRS Chapter 53, shall not increase the assessable valuation of any building for a period of seven years from the date of certification as hereinafter provided.
 - (2) It is further provided that the owner occupant shall file with the director, in the manner and at the place which the director may designate, a statement of the details of the improvements certified in the following manner:
 - (A) In the case of additions, alterations, modifications or other new construction, improvement or repair work to a building that is undertaken pursuant to any urban redevelopment, rehabilitation or conservation project as hereinabove mentioned, the statement shall be certified by the mayor or any governmental official designated by the mayor and approved by the council, that the additions, alterations, modifications, or other new construction, improvements,



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or repair work to the buildings were made and satisfactorily comply with the particular urban development, rehabilitations, or conservation act provision; or

(B) In the case of maintenance or repairs to a residential building undertaken pursuant to any health, safety, sanitation or other governmental code provision, the statement shall be certified by the mayor or any governmental official designated by the mayor and approved by the council, that:

(i) The building was inspected by them and found to be substandard when the owner or occupant made the claim; and

(ii) The maintenance or repairs to the buildings were made and satisfactorily comply with the particular code provision.

(h) (1) Notwithstanding the provisions of subsection (c)(2), properties operating as transient vacation units ~~[in accordance with Section 21-4.110-1, and which have a valid nonconforming use certificate, shall be classified based on their underlying zoning]~~ must be classified as hotel and resort.

(2) ~~[Real Property operating as transient vacation units as otherwise permitted under Chapter 21 must be classified as hotel and resort.]~~ Notwithstanding the provisions of subsections (c)(2), properties operating as bed and breakfast homes must be classified as bed and breakfast home.

~~[(3) For purposes of this subsection, "transient vacation unit means the same as defined in Section 21-10.1.]~~

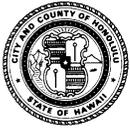
(i) "Residential A" shall mean a parcel, or portion thereof, which:

(1) Is improved with no more than two single family dwelling units; and

(A) Has an assessed value of \$1,000,000 or more;

(B) Does not have a home exemption; and

(C) Is zoned R-3.5, R-5, R-7.5, R-10 or R-20 or is dedicated for residential use;



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- (2) Is vacant land zoned R-3.5, R-5, R-7.5, R-10 or R-20 and has an assessed value of \$1,000,000 or more; or
- (3) Is a condominium unit with an assessed valuation of \$1,000,000 or more and does not have a home exemption.

Residential A excludes any parcel, or portion thereof, improved with military housing located on or outside of a military base.

- (j) For purposes of this ~~sub~~section, “bed and breakfast home” has the same meaning as defined in Section 21-10.1, and includes bed and breakfast homes with current nonconforming use certificates.
- (k) For the purposes of this section, “transient vacation unit” shall have the same meaning as defined in Section 21-10.1, and includes transient vacation units with current nonconforming use certificates.”

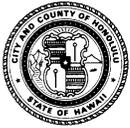
SECTION 3. Article 2A of Chapter 21, Revised Ordinances of Honolulu 1990, as amended, is repealed.

SECTION 4. Section 21-1.40, Revised Ordinances of Honolulu 1990, as amended, is amended to read as follows:

Sec. 21-1.40 Appeals.

Appeals from the actions of the director in the administration of the provisions of the LUO shall be to the zoning board of appeals as provided by Section 6-1516 of the charter. Appeals shall be filed within 30 days of the mailing or service of the director's decision. For the purposes of this section:

- (a) The date of mailing or service shall be the date on which an action of the director is placed into the United States mail, for actions of the director that do not need to be served by registered or certified mail;
- (b) For actions of the director that are served by registered or certified mail, the date of mailing or service shall be the date on which the registered or certified mail is received, as indicated by the return receipt for the mailing or other records of the United States Postal Service;
- (c) For actions of the director that are served by physical delivery to a person or a person’s residence, place of employment, or usual place of business,



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the date of service shall be the date of delivery, as established by an acknowledgment of service signed by the person taking delivery of the director's action or a sworn declaration made by the person responsible for effecting the service of the director's action by the means identified in this paragraph;

- (d) For actions of the director that are served by physical posting of a copy of an action of the director upon the property where the violation has occurred, the date of the service shall be the date of posting, as established by a sworn declaration made by the person responsible for effecting the service of the director's action by the means identified in this paragraph;
- (e) For actions of the director that are served by publication, the date of service shall be the date on which the last required publication is made;
- (f) For actions of the director that are delivered by fax, email, or other means of electronic transmission, the date of service shall be the date on which the director's action is transmitted to the correct email address, fax number, or other electronic address for the person served, as established by a fax receipt; email receipt; email response that acknowledges receipt of the email; or other reasonable proof of the successful transmission of electronic delivery to the addressee.
- (g) For persons who have made a written request notice of a director's action concerning a particular project, property, or applicant before the director's action is issued, the date of service shall be determined according to paragraphs (a) through (f) of this section; and
- (h) For persons who have requested notice of a director's action concerning a particular project, property, or applicant after the director's action has been issued to the applicant, the date of service shall be the earlier of date on which the director's action was served upon the applicant in accordance with subsections (a) through (f), or, the date on which the director's action was served on the person requesting notice of the director's action in accordance with subsections (a) through (f).

SECTION 5. Section 21-2.150-2, Revised Ordinances of Honolulu 1990, as amended, is repealed.



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SECTION 6. Article 2 of Chapter 21, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new Section 21-2.150-2 to read as follows:

“Sec. 21-2.150-2 Administrative enforcement.

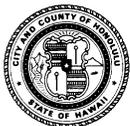
- (a) Enforcement authority. In addition to seeking criminal prosecution under Section 21-2.150-1, the director may enforce violations of this chapter, administrative rules that are adopted by the director to administer this chapter, and the conditions of any permits or approvals granted under the same by issuing an enforcement order authorized by this section.
- (b) Persons responsible for violations. The owners of real property, buildings, and premises that are used in violation of the legal authorities identified in subsection (a) shall be liable for any violations on their property and are responsible for complying with any enforcement order issued by the director concerning the same. In addition, persons that have possession or control of the real property, building, or premises on which a violation exists may be held liable for the violation and held responsible for complying with the director’s order. Persons who cause, contribute to, or benefit from a violation, in whole or in part, may also be held liable for such violations and will be responsible for complying with enforcement orders issued by the director. For the purposes of this section, “persons” means natural persons or legal persons including but not limited to trusts, corporations, partnerships, and limited liability companies.
- (c) Joint and several liability. If the director determines that more than one person is liable for a violation, the director may issue one enforcement order to all responsible persons or separate orders to persons or groups of persons that are responsible for the violation. Persons that are issued an order pursuant to this section are jointly and severally liable for the violations described in the director’s order, such that each person will be independently liable for the full extent of the violation and responsible for complying with the order.
- (d) Service of enforcement orders issued by the director. The director may serve an enforcement order issued pursuant to this section by registered or certified mail, with return receipt requested, addressed to the last known address of each violator identified in the order. The director may also serve an order issued under this section by delivering a copy of the order to the violator in person, or by leaving a copy of the order at the violator’s residence, place of employment, or usual place of business, or by physically posting a copy of the order in a prominent location on the property in a conspicuous manner which is likely to be discovered, only if due diligence was used in attempting to serve the person



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personally or by registered or certified mail. If the director is not able to serve the order by any of the methods described in this section, the director may then serve the order on one or more violators by publishing a copy of the order once each week for two consecutive weeks in a daily or weekly publication that is in circulation within the City. Where one or more violators that are identified in an order have the same mailing address, place of residence, place of employment or usual place of business, the delivery of one copy of the order shall be effective upon all persons named in the order that can be served at the place where the order has been delivered.

- (e) Types of enforcement orders. The director may issue the following types of enforcement orders: (1) notice of violation and order to correct; (2) notice of order and imposition of fines; (3) consent order; and (4) order to show cause.
- (f) Notice of violation and order to correct. The director may issue a notice of violation and order to correct to the persons identified in subsection (b). In addition to any other information or requirements deemed appropriate by the director, a notice of violation and order to correct shall:
- (1) Identify the persons to whom the order is addressed;
 - (2) State the address or location of the violation;
 - (3) Identify the specific ordinance, rule, or condition that has been violated;
 - (4) Provide a concise description of the violation;
 - (5) State the actions that are necessary to correct the violation;
 - (6) Order the violator to correct the violation by a specific date;
 - (7) Identify the penalties that will be imposed for the violation if it is not corrected by the deadline for correction established pursuant to subsection (e)(6); and
 - (8) Order the violator to send a written notification to the director reporting the correction of the violation when the violator believes that the violation is cured.
- (g) Notice of order and imposition of fines. The director may issue a notice of order and imposition of fines to the persons identified in subsection (b). In addition to



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any other information or requirements deemed appropriate by the director, a notice of order and imposition of fines shall:

- (1) Identify the persons to whom the order is addressed;
 - (2) State the address or location of the violation;
 - (3) Identify the specific ordinance, rule, or condition that has been violated;
 - (4) Provide a concise description of the violation;
 - (5) State the actions that are necessary to correct the violation;
 - (6) Order the person to correct the violation by a specific date;
 - (7) Require the persons to pay a civil fine of up to \$25,000.00 per violation identified in the order;
 - (8) Require the persons to pay a civil fine of up to \$25,000.00 per day, for each day the violation remains uncorrected after the deadline for correction established pursuant to subsection (f)(6);
 - (9) Order the violator to send a written notification to the director reporting the correction of the violation when the violator believes that the violation is cured; and
 - (10) Inform the violator that the order can be appealed to the Zoning Board of Appeals in accordance with Section 21-1.40.
- (h) Consent Orders. The director is authorized to enter into consent orders, based on reasonable assurances of voluntary compliance from persons that have been issued a notice of violation and order to correct. A consent order shall be signed by the director and the persons who have agreed to voluntarily correct a violation, state the specific actions to be taken to correct the violation, and state the dates by which each action will be completed. The director may enforce the terms of consent orders pursuant to this section, including judicial enforcement pursuant to subsection (n). The failure to comply with the requirements of a consent order shall be punishable by a civil fine of up to \$100,000.00 per violation, with each day(s) of noncompliance treated as a separate violation.



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- (i) Order to show cause. Whenever the director has cause to believe that a violation is taking place or threatening to take place, the director may issue an order to show cause to the persons identified in subsection (b). An order to show cause shall:
- (1) Be accompanied by a proposed notice of violation and order to correct or notice of order and imposition of fines;
 - (2) Require the respondents to appear before the director at a specified place and time and admit to the facts in the proposed order or show cause as to why the proposed notice of violation and order to correct or notice of order and imposition of fines should not be issued; and
 - (3) Inform the respondents that they have the right to hire an attorney and be represented by an attorney in the show cause proceedings before the director.

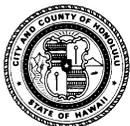
Persons that are served with an order to show cause will be required to appear before the director in a show cause hearing and shall have the burden of proving that the proposed notice of violation and order to correct or notice of order and imposition of fines should not be issued because it is based on an erroneous findings of material fact, an incorrect interpretation of the law, arbitrary and capricious decision-making, or an abuse of discretion. If the respondents to a show cause order are not able to prove that the proposed notice of violation and order to correct or notice of order and imposition of fines should not be issued, the director may issue the proposed notice of violation and order to correct or notice of order and imposition of fines to the respondents or allow the respondents to enter into a consent order with the department. If a respondent to a show cause order does not appear before the director at the required place and time, the facts in the proposed notice of violation and order to correct or notice of order and imposition of fines will be deemed admitted by the respondent and the director may issue the proposed notice of violation and order to correct or notice of order or order and imposition of fines to the respondent that has failed to appear at the show cause hearing.

- (i) Duration of violation. A violation that is identified in an enforcement order issued under this section will continue until it is deemed corrected by the director. The director may impose separate or additional penalties for each day that a violation remains uncorrected after the date the deadline for correction state in the enforcement order. However, separate enforcement orders will not be required to impose additional penalties for ongoing violations.



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- (k) Procedure for closing violations. Persons that are subject to an enforcement order issued by the director are responsible for notifying the director of the correction of any violations identified in the enforcement order. Notifications sent to the director shall be in writing, dated, and signed by the person reporting the correction to the director. When a violator informs the director that a violation is corrected, the director shall promptly review the violation and respond to the violator by acknowledging the violation is corrected or by identifying the additional actions that are necessary to correct the violation. If a person subject to an enforcement order corrects a violation and fails to promptly notify the director of the violation's correction, the date of correction will be the date on which the director is provided written notice of the correction unless the violator is able to establish, to the satisfaction of the director, that the violation was corrected on an earlier date.
- (l) Additional penalties for illegal short-term rentals. In addition to the enforcement actions and penalties authorized by subsections (a) through (i), if the director determines that a person has violated any of the provisions in this chapter relating to bed and breakfast homes or transient vacation units, any rule adopted by the department pertaining to bed and breakfast homes or transient vacation units, or the conditions of any nonconforming use certificate or certificate of registration issued by the department for a bed and breakfast home or transient vacation, the director may impose an additional civil fine on the responsible persons, in an amount up to the highest daily rate at which the bed and breakfast home or transient vacation unit in issue has been advertised or offered for rent as a bed and breakfast home or transient vacation unit. When a bed and breakfast home or transient vacation unit is advertised or offered for rent for less than 180 consecutive days without displaying or specifying the daily rates for the rental, the additional penalty authorized by this section shall be determined by pro rating the rental price for the property based on any known advertisement or offer for the rental of the dwelling unit for less than 180 days and the total rental price for the same, excluding any taxes passed on to the renter. The additional civil fine authorized by this section may be imposed as a daily fine, applicable to each day a dwelling unit is used, advertised, or offered as a bed and breakfast home or transient vacation unit in violation of the provisions in this chapter relating to bed and breakfast homes or transient vacation units, the department's rules relating to bed and breakfast homes or transient vacation units, or the conditions of a nonconforming use certificate or certificate of registration issued by the department.
- (m) Opportunity for contested case hearing. Notwithstanding anything to the contrary, no civil fine or penalty authorized by this chapter shall be due and



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owing to the city until the opportunity for a contested case hearing pursuant to Section 21-1.40 has expired or been exhausted.

- (n) Judicial enforcement of enforcement orders. The director may institute a civil action in any court of competent jurisdiction for the enforcement of any enforcement order issued pursuant to this section. Where the civil action has been instituted to enforce the civil fine imposed by said order, the director need only show that the notice of violation and order were served, that a civil fine was imposed, the amount of the civil fine imposed and that the fine imposed has not been paid.

SECTION 7. Section 21-2.150-3, Revised Ordinances of Honolulu 1990, as amended, is amended to read as follows:

“Sec. 21-2.150-3 ~~[Depository of]~~ Deposit and use of fees, ~~[and]~~ civil penalties, and taxes relating to bed and breakfast homes or transient vacation units.

- (a) Notwithstanding any other ordinance to the contrary, ~~[payments of]~~ fees and civil penalties relating to bed and breakfast homes ~~[or]~~ and fees and civil penalties relating to transient vacation units shall be deposited into a special account of the general fund, to be appropriately named by the department of budget and fiscal services, and used by the department of planning and permitting for expenses related to the administration and enforcement of the provisions of this chapter relating to bed and breakfast homes and transient vacation units.

- (b) Notwithstanding any ordinance to the contrary, beginning in the 2022 tax year and in all tax years thereafter, up to \$3,125,000.00 in real property taxes collected annually by the city for the bed and breakfast tax classification and the hotel and resort tax classification shall be placed into the special fund identified in subsection (a) and used by the Department of Planning and Permitting for the administration and enforcement of the provisions of this chapter relating to bed and breakfast homes and transient vacation units.

SECTION 8. Table 21-3, Revised Ordinances of Honolulu 1990, as amended, is amended by amending the “bed and breakfast homes” and “transient vacation units” entries to read as follows:



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“TABLE 21-3 MASTER USE TABLE

In the event of any conflict between the text of this Chapter and the following table, the text of the Chapter shall control. The following table is not intended to cover the Waikiki Special District; please refer to Table 21-9.6(A).

- KEY:** Ac = Special accessory use subject to standards in Article 5
 Cm = Conditional Use Permit-minor subject to standards in Article 5; no public hearing required (see Article 2 for exceptions)
 C = Conditional Use Permit-major subject to standards in Article 5; public hearing required
 P = Permitted use
 P/c = Permitted use subject to standards in Article 5
 PRU = Plan Review Use

ZONING DISTRICTS																					
USES (Note: Certain uses are defined in Article 10.)	P-2	AG-1	AG-2	Country	R-20, R-10	R-7.5, R-5, R-3.5	A-1	A-2	A-3	AMX-1	AMX-2	AMX-3	Resort	B-1	B-2	BMX-3	BMX-4	I-1	I-2	I-3	IMX-1

DWELLINGS AND LODGINGS

Bed and Breakfast Homes			[P/e]	[P/e]	[P/e ³]	[P/e ³]	P/c ³	P/c ³	[P/e ³]	[P/e ³]	[P/e ³]	[P/e ³]	P/c ³				[P/e ³]	[P/e ³]					
Transient Vacation Units							P/c ³	P/c ³					P/c ³										

SECTION 9. Table 21-3, Revised Ordinances of Honolulu 1990, as amended, is amended by amending the footnotes to Table 21-3 to read as follows:

“Notes:

Where a proposed use is not specifically listed above, the director shall review the proposed use and, based on its characteristics and its similarity to the uses listed above, shall determine the regulatory requirements for that use.

¹ Commercial use subject to special density controls (see Table 21-3.3 and Section 21-3.90-1 (c)(4)).

² Commercial use subject to special density controls (see Table 21-3.5 and Section 21-3.140-1(c)).



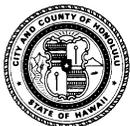
A BILL FOR AN ORDINANCE

³ Bed and breakfast homes and transient vacation units allowed by Table 21-3 are subject to the development standards and location restrictions established in Article 5. Notwithstanding any contrary provisions in this chapter, bed and breakfast homes and transient vacation units that do not have ~~[are prohibited and may not operate without]~~ a valid nonconforming use certificate or certificate of registration are not allowed in areas where the applicable development plan or sustainable communities plan prohibits ~~[or does not permit]~~ the establishment of new bed and breakfast homes or transient vacation units; provided that this note shall not prohibit the renewal of a valid certificate of registration originally issued prior to a subsequent development plan amendment that prohibits bed and breakfast homes or transient vacation units in a development plan area.

SECTION 10. Section 21-4.110-1, Revised Ordinances of Honolulu 1990, as amended, is amended to read as follows:

“Sec. 21-4.110-1. Nonconforming use certificates for transient vacation units.

- (a) The purpose of this section is to permit certain transient vacation units that have been in operation since prior to October 22, 1986, to continue to operate as nonconforming uses subject to obtaining a nonconforming use certificate as provided by this section. This section applies to any owner, operator, or proprietor of a transient vacation unit who holds a valid nonconforming use certificate issued pursuant to this section on the effective date of this ordinance.
- (b) The owner, operator, or proprietor of any transient vacation unit who has obtained a nonconforming use certificate under this section shall apply to renew the nonconforming use certificate in accordance with the following schedule: (1) Between September 1, 2000 and October 15, 2000; then (2) Between September 1 and October 15 of every even-numbered year thereafter. Each application to renew shall include proof that (i) there were in effect a State of Hawaii general excise tax license and transient accommodations tax license for the nonconforming use during each calendar year covered by the nonconforming use certificate being renewed and that there were transient occupancies (occupancies of less than 30 days apiece) for a total of at least 35 days during each such year and that (ii) there has been no period of 12 consecutive months during the period covered by the nonconforming use certificate being renewed without a transient occupancy. Failure to meet these conditions will result in the denial of the application for renewal of the nonconforming use certificate. The requirement for the 35 days of transient occupancies shall be effective on January 1, 1995 and shall apply to renewal applications submitted on or after January 1, 1996.



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- (c) The owner, operator, or proprietor of any transient vacation unit who has obtained a nonconforming use certificate under this section shall display the certificate issued for the current year in a conspicuous place on the premises. In the event that a single address is associated with numerous nonconforming use certificates, a listing of all units at that address holding current certificates may be displayed in a conspicuous common area instead.
- (d) The provisions of Section ~~[21-5.730(c)]~~ 21-5.730.4 shall apply to advertisements for transient vacation units operating under a nonconforming use certificate pursuant to this section.^[1]

SECTION 11. Section 21-4.110-2, Revised Ordinances of Honolulu 1990, as amended, is amended to read as follows:

“Sec. 21-4.110-2 Bed and breakfast homes--Nonconforming use certificates.

- (a) The purpose of this section is to permit certain bed and breakfast homes, that have been in operation since prior to December 28, 1989, to continue to operate as nonconforming uses subject to obtaining a nonconforming use certificate as provided by this section. This section applies to any owner, operator, or proprietor of a bed and breakfast home who holds a valid nonconforming use certificate issued pursuant to this section on August 1, 2019.
- (b) The owner, operator, or proprietor of any bed and breakfast home who has obtained a nonconforming use certificate under this section shall apply to renew the nonconforming use certificate in accordance with the following schedule: (1) between September 1, 2000 and October 15, 2000; then (2) between September 1 and October 15 of every even-numbered year thereafter. Each application to renew shall include proof that (i) there were in effect a State of Hawaii general excise tax license and transient accommodations tax license for the nonconforming use for each calendar year covered by the nonconforming use certificate being renewed and that there were bed and breakfast occupancies (occupancies of less than 30 days apiece) for a total of at least 28 days during each such year and that (ii) there has been no period of 12 consecutive months during the period covered by the nonconforming use certificate being renewed without a bed and breakfast occupancy. Failure to meet these conditions will result in the denial of the application for renewal of the nonconforming use certificate. The requirement for the 28 days of bed and breakfast occupancies shall be effective on January 1, 1995 and shall apply to renewal applications submitted on or after January 1, 1996.

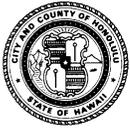


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- (c) Section 21-5.350 relating to home occupations shall not apply to bed and breakfast homes.
- (d) Those bed and breakfast homes for which a nonconforming use certificate has been issued and renewed, as required, pursuant to this section shall operate pursuant to the following restrictions and standards:
 - (1) Detached dwellings used as bed and breakfast homes shall be occupied by a family and shall not be used as a group living facility. Rooming shall not be permitted in bed and breakfast homes.
 - (2) No more than two guest rooms shall be rented to guests, and the maximum number of guests permitted within the bed and breakfast home at any one time shall be four.
 - (3) There shall be no exterior signage that advertises or announces that the dwelling is used as a bed and breakfast home.
 - (4) One off-street parking space shall be provided for each guest room, in addition to the required spaces for the dwelling unit.
 - (5) The provisions of Section [~~21-5.730(e)~~] 21-5.730.4 shall apply to advertisements for the bed and breakfast home.
- (e) The owner, operator, or proprietor of any bed and breakfast home who has obtained a nonconforming use certificate under this section shall display the certificate issued for the current year in a conspicuous place on the premises.”

SECTION 12. Section 21-5.360, Revised Ordinances of Honolulu 1990, as amended, is repealed.

SECTION 13. Chapter 21, Article 5, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new Section 21-5.360 to read as follows:



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“Sec. 21-5.360 Hotels and Hotels Units.

- (a) Hotel units must be used or offered to provide dwelling or lodging accommodations to transient guests. Hotel units may not be used as transient vacation units or bed and breakfast homes.
- (b) Hotel units must be booked by guests through a centralized hotel booking system that is managed by the hotel operator or through the hotel front desk, provided that this section will not prohibit the booking of hotel units through third party services or technologies that make bookings through the central hotel operated booking system or hotel front desk.
- (c) Rental rates for all hotel units must be determined by the hotel operator or the manager of the hotel’s centralized booking service. Hotels and third party booking services may not provide discounted rental rates to the owners of condominium hotel units or hotel guests arranged for by the owners of condominium hotel units unless the same discounted rates are available to members of the general public that are not condominium hotel unit owners or guests of condominium hotel unit owners. This section does not apply to bookings for hotel units that are part of a legally established time-share program.
- (d) Hotels and hotel units that have existing certificates of occupancy for hotel uses shall comply with subsections (b) and (c) within two years of the effective date of this ordinance. Hotels and hotel units that obtain certificates of occupancy for hotel uses after the effective date of this ordinance must comply with the subsections (b) and (c) immediately.”

SECTION 14. Chapter 21, Article 5, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new Section 21-5.360.1 to read as follows:

“Sec. 21-5.360.1 Condominium hotels.

Units in a condominium-hotel must be part of the hotel’s room inventory, available for rent to the general public. Hotels and third party booking services may not provide discounted rental rates to the owners of condominium hotel units or hotel guests arranged for by the owners of condominium hotel units unless the same discounted rates are available to members of the general public that are not condominium hotel unit owners or guests of condominium hotel unit owners. The use of a condominium-hotel unit as a primary residence or usual place of abode is ~~not~~ allowed.”



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____

BILL _____

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SECTION 15. Chapter 21, Article 5, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new Section 21-5.360.2 to read as follows:



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“Sec. 21-5.360.2 Specialty Hotels.

(a) Transit related Hotels. Hotels shall be permitted in the I-2 intensive industrial district and IMX-1 industrial-commercial mixed use district provided:

- (1) They are within one-half mile by the usual and customary route of vehicular travel from the principal entrance of an airport utilized by commercial airlines, having regularly scheduled flights. For Honolulu International Airport, the principal entrance shall be the intersection of Paiea Street and Nimitz Highway.
- (2) They have frontage on a major or secondary street or highway.
- (3) They have a minimum lot area of 15,000 square feet and minimum lot width of 70 feet.
- (4) The maximum floor area ratio shall be 2.0.
- (5) Parking requirements of at least one space per two lodging or dwelling units shall be provided.
- (6) Front yards shall have a minimum depth of 10 feet, and except for necessary driveways and walkways, shall be maintained in landscaping.
- (7) Signs shall conform to the sign requirements applicable within B-2 community business district regulations.

(b) Business travel hotels. Hotels shall be permitted in the BMX-3 community business district provided:

- (1) They are located within the Primary Urban Center Development Plan, the Ewa Development Plan, or the Central Oahu Sustainable Communities Plan areas as established by Chapter 24.
- (2) Hotel with more than 180 dwelling and/or lodging units shall require a conditional use permit (Major).
- (3) When eating or drinking establishments, meeting facilities, retail establishments or other commercial establishments are on the same zoning lot, these uses shall be treated as separate permitted uses for purposes of this chapter.



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- (4) Multifamily dwellings and hotel use shall not be permitted on the same floor level.
- (5) No hotel unit shall be used as a time share.

SECTION 16. Section 21-5.730, Revised Ordinances of Honolulu 1990, as amended, is repealed.

SECTION 17. Chapter 21, Article 5, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new Section 21-5.730.1 to read as follows:

“Sec. 21-5.730.1 Bed and breakfast homes and transient vacation units.

- (a) Bed and breakfast homes and transient vacation units are permitted in the portions of the A-2 medium-density apartment zoning district located in the Gold Coast area of the Waikiki Special District shown in Exhibit A and in the portions of the A-1 low-density apartment zoning district, and A-2 medium-density apartment zoning district located in the Kuilima and Ko’olina Resort areas shown in Exhibits C and -B, respectively, Resort zoned property in Makaha Valley, and the Resort Mixed Use Precinct in the Waikiki Special District, subject to the restrictions and requirements in Article 5 of this chapter.
- (b) The provisions of this chapter shall not eliminate or supersede private restrictive covenants or other restrictions that prohibit the use of real property as a bed and breakfast home or transient vacation unit.”

SECTION 18. Chapter 21, Article 5, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new Section 21-5.730.2 to read as follows:

“Sec. 21-5.730.2 Registration, eligibility, application, renewal and revocation.

- (a) Registration required. Bed and breakfast homes and transient vacation units must be registered with the department. Each natural person, as distinguished from legal persons and legal entities, may own no more than one dwelling or lodging unit that is registered as a bed and breakfast home or transient vacation unit. Bed and breakfast homes and transient vacation units that have a valid nonconforming use certificate issued under Sections 21-4.110-1 or 21-4.110-2 will be counted as registered dwelling units for the purposes of this section. Legal entities other than natural persons are not eligible to register a bed and breakfast home or transient vacation unit with the department.



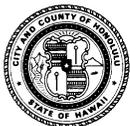
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- (b) Duration of registration and registration fees. Registration shall be effective for a period of one year beginning on the date a certificate of registration is issued by the department and must be renewed annually before expiration. The application cost for an initial registration is \$5,000.00 and the application cost for renewing a registration is \$2,500.00
- (c) Application requirements. Applications shall be made in a form prescribed by the department and demonstrate the applicant's ability to operate the proposed bed and breakfast home or transient vacation unit in compliance with Sections 21-5.730.1 and 21-5.730.3. The director shall adopt rules pursuant to Chapter 91, HRS, detailing information required to be submitted with an initial application under this Section, which shall include, but not be limited to:
- (1) The property owner's general excise tax and transient accommodations tax license numbers for the proposed rental;
 - (2) A title report for the property that will be used to operate the bed and breakfast home or transient vacation unit. The title report must be issued or updated within thirty (30) days of its submission to the department and identify all persons that own an interest in the property;
 - (3) A certificate of insurance showing that the property has the insurance coverage required by Section 21-5.730.3;
 - (4) For a proposed bed and breakfast home only, evidence that the property owner has obtained or been approved for a homeowner exemption pursuant to Section 8-10.4; and
 - (5) The informational binder required pursuant to Section 21-5.730.3, which does not need to include a certificate of registration for the proposed bed and breakfast home or transient vacation unit at the time of submission to the director for the purposes of this paragraph.
- (d) Issuance of certificate of registration. Upon determining that the requirements of Sections 21-5.730.1 through 21-5.730.3 have been met, the director may cause a certificate of registration to be issued to the owner of the property on which the bed and breakfast home or transient vacation unit will be located. Certificates of registration will be personal to the owner, will not run with the land, and may not be transferred to any other person.



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- (e) Applications for renewing certificates of registration. The holder of a current certificate of registration may apply to renew their certificate of registration up to three months prior to the expiration of the same, but in no case after their certificate of registration has expired. Renewal applications shall be made in a form prescribed by the department and update any information that was previously provided to the department that is no longer accurate or correct. The director shall adopt rules pursuant to Chapter 91, HRS, detailing information and requirements for renewal applications. In addition to any requirements established by the department's rules, applications for the renewal of certificates of registration shall include:
- (1) A tax clearance certificate issued by State of Hawaii, Department of Taxation which certifies the payment of general excise and transient accommodations taxes for rentals during the previous tax year;
 - (2) A tax clearance certificate issued by the City Department of Budget and Fiscal Services that certifies that real property taxes were assessed at the rates required by Section 8-7.1 and paid in full during the preceding tax year;
 - (3) If there has been any change in the ownership of the property used for the bed and breakfast home or transient vacation unit, an updated title report issued within thirty (30) days of its submission to the department; and
 - (4) A certificate of insurance documenting that the owner has maintained the insurance coverage required by Section 21-5.730.3 throughout the entire term of the preceding registration period.
- (f) Registration renewal. The director may approve an application for the renewal of a certificate of registration and issue a new certificate of registration to the owner of the property used as a bed and breakfast home or transient vacation unit if the director determines that the applicant and property continue to meet the requirements of Sections 21-5.730.1 and 21-5.730.3.
- (g) Revocation and nonrenewal. If the owner of the property for a bed and breakfast home or transient vacation unit receives more than two enforcement orders for violations of Section 21-5.730.1 or 21-5.730.3 within a one-year period or otherwise demonstrates that they are not able to operate a bed and breakfast home or transient vacation unit without causing significant negative impacts to people and areas in the vicinity of their rental, the director may revoke their certificate of registration by issuing a revocation order to the property owner. The



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director may also refuse to renew a certificate of registration if an applicant has been issued one or more enforcement orders for violating Sections 21-5.730.1 or 21-5.730.3 within one year of applying for a certificate renewal and has not adequately addressed the violation to the satisfaction of the director. The authority to revoke a certificate of registration or refuse to renew a certificate of registration granted to the director by this section shall be in addition to and not in lieu of other authority granted to the director by this Chapter.”

SECTION 19. Chapter 21, Article 5, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new Section 21-5.730.3 to read as follows:

“Sec. 21-5.730.3 Use and development standards for bed and breakfast homes and transient vacation units. All bed and breakfast homes and transient vacation units except those that are allowed to operate in accordance with a nonconforming use certificate issued under Sections 21-4.110-1 or 21-4.110-2 must comply with the following standards and requirements.

- (a) Occupancy limits and sleeping arrangements. All overnight guests at the bed and breakfast home or transient vacation unit must be registered with the owner or operator of the bed and breakfast home or transient vacation unit. Sleeping accommodations for all guests must be provided in bedrooms, and no more than two adults may use any bedroom in the bed and breakfast home or transient vacation unit for sleeping purposes. The total number of adult overnight guests at a bed and breakfast home or transient vacation unit shall not exceed twice the number of bedrooms provided to guests for sleeping accommodations.

- (b) Onsite parking required. All parking for bed and breakfast homes and transient vacation units must be provided on all-weather surfaces on the same zoning lot as the bed and breakfast home or transient vacation unit unless the rental is located in a multifamily dwelling with off-site parking approved by the department. Persons associated with bed and breakfast homes and transient vacation units (e.g., overnight guests, owners, operators, service providers and visitors) may not park their vehicles on or along public streets abutting the zoning lot on which the bed and breakfast home or transient vacation unit is located.

- (c) Smoke and carbon monoxide detectors required. All bedrooms provided to guests and hallways connected to guest bedrooms must be equipped with functioning smoke and carbon monoxide detectors.

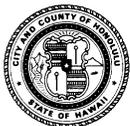
- (d) Noise restrictions and quiet hours. Between the hours of 10:00 p.m. and 7:00 a.m., no noise from a bed and breakfast home or transient vacation unit may be



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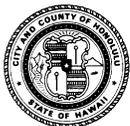
audible from common areas in a multifamily dwelling or from areas outside of the zoning lot on which the bed and breakfast home or transient vacation unit is located. For the purposes of this subsection, audible means perceivable by a person without the use of sound detecting technologies or audio aides.

- (e) Current tax licensing required. The owner of the property on which a bed and breakfast home or transient vacation unit is located must have, and keep current at all times, general excise and transient accommodations tax licenses for their bed and breakfast home or transient vacation unit.
- (f) Insurance coverage required. The owner of a bed and breakfast home or transient vacation unit must maintain a minimum of \$1,000,000.00 in commercial general liability insurance at all times. In addition to any supplemental insurance coverage selected by the owner, such insurance coverage must include coverage for:
- (1) Bodily injury and property damage arising out of the condition of the premises or the negligent acts of the business and persons providing services to the business. For the purposes of this subsection, bodily injury shall include mental injuries and emotional distress whether or not such harm is accompanied by other physical or bodily harm;
 - (2) Personal and advertising injury arising out of liability for libel, malicious prosecution, wrongful eviction, wrongful entry, public disclosure of private facts, and invasion of privacy; and
 - (3) Necessary and reasonable medical, surgical, ambulance, hospital, professional nursing and funeral expenses for a person injured or killed in an accident taking place on the insured's premises.
- (g) Gatherings restricted. The property on which a bed and breakfast home or transient vacation unit is located may not be used for gatherings of ten or more people who are not registered as overnight guests at the bed and breakfast home or transient vacation unit unless the director designates the bed and breakfast home or transient vacation unit as eligible for gatherings.
- (1) Gatherings eligible property. The director may only designate a property with a bed and breakfast home or transient vacation unit as eligible for gatherings if the type of gatherings proposed by the applicant are permitted as a principal or accessory use of the zoning lot on which the bed and breakfast home or transient vacation unit is located.



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- (2) If the director finds that the circumstances of the property and the applicant’s proposed measures to mitigate the impacts of gatherings on nearby people and properties reasonably ensure that the proposed gatherings will not result in significant negative impacts to nearby people or properties, the director may designate the bed and breakfast home or transient vacation unit as eligible for gatherings.
- (3) Conditions of approval. The director may impose any conditions deemed necessary to mitigate the impacts of gatherings on nearby persons and properties at the time the director designates a property as eligible for gatherings, or upon a reconsideration of the director’s decision to designate the property as eligible for gatherings. Standard conditions for properties designated as eligible for gatherings may include restrictions on the number of people allowed at the property, restrictions on the types of gatherings allowed at the property, restrictions or prohibitions on the use of sound amplifying devices, parking requirements, and requirements for additional insurance coverages.
- (h) Informational binder required. The owner of a bed and breakfast home or transient vacation unit shall create a binder labeled “For the Safety and Convenience of You and Your Neighbors” and cause the same to be placed and maintained in a conspicuous location within the bed and breakfast home or transient vacation unit at all times. The binder should provide guests with guidance on being respectful of neighbors and information that will help guests to respond appropriately to emergencies. The binder must be provided for review and inspection to the director upon request. The informational binder required by this subsection must include the following documents and information:
- (1) A floor plan of the dwelling unit used as a bed and breakfast home or transient vacation which identifies the location of all bedrooms provided to guests, the maximum occupancy of each bedroom, and the location of all fire exits.
- (2) For bed and breakfast homes and transient vacation units that are not located in a multifamily dwelling, a parking plan that shows the location and number of parking stalls that are available to persons associated with the bed and breakfast home or transient vacation unit (e.g., owners, guests, visitors and service providers), or for bed and breakfast homes or transient vacation units located within a multifamily dwelling, a parking plan that identifies the location and number of parking stalls within the multifamily dwelling building that may be used by persons associated with



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the bed and breakfast home or transient vacation unit. Parking plans for multifamily dwellings may be provided in narrative form without illustrations or graphics; parking plans for all other bed and breakfast homes and transient vacation units must contain illustrations, drawn to scale, which show the size of designated parking spaces and their location on the zoning lot for the bed and breakfast home or transient vacation unit.

- (3) Instructions for trash collection and disposal, which include the dates and times of scheduled trash collections.
- (4) A copy of the house rules for the bed and breakfast home or transient vacation unit. House rules for all bed and breakfast homes or transient vacation units must impose quiet hours between 10:00 p.m. and 7:00 a.m. and prohibit the parking of vehicles associated with the bed and breakfast home or transient vacation unit in all areas other than the parking spaces identified in the parking plan required by paragraph (h)(2).
- (5) A list of emergency contacts, which must include a 24-hour phone number for the owner of the bed and breakfast home or transient vacation unit, the Honolulu Police Department, the Honolulu Fire Department, the Hawaii Poison Control Center, and the website address for the Hawaii Emergency Management Agency.
- (6) A copy of the certificate of insurance for the bed and breakfast home or transient vacation unit;
- (7) Copies of the general excise and transient accommodations tax licenses for the bed and breakfast home or transient vacation unit; and
- (8) A copy of the certificate of registration for the bed and breakfast home or transient vacation unit issued by the department.”

SECTION 20. Chapter 21, Article 5, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new Section 21-5.730.4 to read as follows:

“Sec. 21-5.730.4 Advertisements, regulation, and prohibitions.

(a) Definitions. As used in this Section:

“Advertisement” means the display or transmission of any communication that may cause a reasonable person to understand that a dwelling unit or property is



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available for rent. Advertisements include, by way of example and without limitation, written and spoken words, e-mails, text messages, electronic and hard copy publications, flyers, handbills, signs, websites, and expressive images.

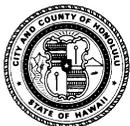
“Person” means a natural person or legal person, and includes all types of business and legal entities, including, by way of example and without limitation, associations, corporations, estates, individuals, limited liability companies, non-profit organizations, partnerships, and trusts.

(b) Regulation of advertisements for bed and breakfast homes and transient vacation units. Advertisements for all bed and breakfast homes and transient vacation units are subject to this subsection.

(1) It is unlawful for any person to advertise or cause the advertisement of a bed and breakfast home or transient vacation unit without including in the advertisement the tax map key number and the nonconforming use certificate number or the registration number assigned to the bed and breakfast home or transient vacation unit.

(2) It is unlawful for any person to advertise or cause the advertisement of a dwelling unit that is not a registered bed and breakfast home or transient vacation unit pursuant to Section 21-5.730.2 or operating pursuant to a nonconforming use certificate for a term of less than 180 consecutive days. Any written communication advertising the rental of a dwelling unit that is not registered with the department pursuant to Section 21-5.730.2 or operating pursuant to a nonconforming use certificate must include the following statement: “This property may not be rented for less than 180 consecutive days. Rental prices will not be reduced or adjusted based on the number of days the rental is used or occupied.”

(c) Advertisements as evidence of rental activities. An advertisement that does not comply with subsection (b)(2) is prima facie evidence that the property being advertised is used as a bed and breakfast home or a transient vacation unit. If an enforcement order is issued to a property owner for using their property as an illegal bed and breakfast home or transient vacation unit based on an advertisement, the property owner will have the burden of establishing that their property has not been used as a bed and breakfast home or transient vacation unit.



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- (d) Exemptions. The following are exempt from the provisions of this Section:
- (1) Legally established hotels,
 - (2) Legally established time-sharing units, as provided in Section 21-5.640; and
 - (3) Publishing companies and internet service providers will not be held responsible for the content of advertisements that are created by third parties.”

SECTION 21. Chapter 21, Article 5, Revised Ordinances of Honolulu 1990, as amended, is amended by adding a new Section 21-5.730.5 to read as follows:

“Sec. 21-5.730.5 Violations, complaint, response, and enforcement.

- (a) Complaint relating to short-term rentals. Any person may submit a written complaint to the director reporting a suspected violation of the provisions of Sections 21-5.730.1 through 21-5.730.4. A complaint submitted to the department pursuant to this section must:
- (1) Identify the address of the suspected bed and breakfast home or transient vacation unit, including the apartment or unit number of the dwelling unit if it is located in a multifamily dwelling;
 - (2) State all of the facts that cause the complainant to believe that a violation has occurred;
 - (3) Identify the provisions of Sections 21-5.730.1 through 21-5.730.4 that have been violated; and
 - (4) Provide the complainant’s name and mailing address.
- (b) Response to complaints. Within 30 days of receiving a complaint that complies with subsection (a), the director must provide a written response to the complainant either:
- (1) Declining jurisdiction over the complaint, in which case the complainant may pursue judicial relief pursuant to Section 46-4(b), HRS;



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- (2) Explaining why the complaint does not describe an apparent violation of Sections 21-5.730.1 through 21-5.730.4. A response issued under this subsection may be appealed to the Zoning Board of Appeals pursuant to Section 21-1.40; or
- (3) Advising the complainant that the director has initiated an investigation of the complaint.”

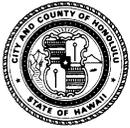
SECTION 22. Table 21-9.6(A), Revised Ordinances of Honolulu 1990, as amended, is amended by amending the entries for “bed and breakfast home,” “hotel,” and “transient vacation unit” as follows:

“Table 21-9.6(A) Waikiki Special District Precinct Permitted Uses and Structures			
Use or Structure	Precinct		
	Apartment	Resort Mixed Use	Public
Bed and breakfast homes	[Pe]	P/c	
Hotel*	P/c	P P/c	
Transient Vacation Units		P/c	
*Ability to up zone to Hotel use in the Apartment Precincts shall sunset three (3) years from the adoption of this ordinance.			

SECTION 23. Chapter 21, Article 10, Revised Ordinances of Honolulu 1990, as amended, is amended by deleting the definitions of “booking service” and “hosting platform.”

~~["Booking service" means any reservation or payment service provided by a person that facilitates a transaction between an owner, operator, or proprietor of a bed and breakfast home or transient vacation unit, and a prospective user of that bed and breakfast home or transient vacation unit, and for which the person collects or receives, directly or indirectly through an agent or intermediary, a fee from any person in connection with the reservation or payment services provided for by the transaction.~~

~~“Hosting platform” means a person that collects or receives a fee from any person for booking services through which an owner, operator, or proprietor of a bed~~



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~~and breakfast home or transient vacation unit may offer use of the bed and breakfast home or transient vacation unit. Hosting platforms typically, but not necessarily, provide booking services through an online platform that allows the owner, operator, or proprietor to advertise the bed and breakfast home or transient vacation unit through a website provided by the hosting platform, and the hosting platform conducts a transaction by which potential users arrange the use of and payment for the bed and breakfast home or transient vacation unit, whether the payment is made directly to the owner, operator, or proprietor, or to the hosting platform.”]~~

SECTION 24. Chapter 21, Article 10, Revised Ordinances of Honolulu 1990, as amended, is amended by amending the definitions of “bed and breakfast home”, “hotel”, and “transient vacation unit” to read as follows:

““Bed and breakfast home” means a use in which overnight accommodations are advertised, solicited, offered, or provided~~[, or a combination of any of the foregoing,]~~ to ~~[guests]~~ transient occupants, for compensation, for periods of less than ~~[30]~~ 180 consecutive days~~[,]~~ in the same ~~[detached]~~ dwelling unit ~~[as that]~~ occupied by ~~[an]~~ the owner~~[, lessee, operator, or proprietor]~~ of the ~~[detached]~~ dwelling unit. For purposes of this definition:

- (1) ~~[G]~~compensation includes, but is not limited to, monetary payment, services, or labor of guests;
- (2) Accommodations are advertised, solicited, offered or provided to guests for the number of days that are used to determine the price for the rental; and
- (3) Month to month holdover tenancies resulting from the expiration of long-term leases of more than 180 days are excluded.

“Hotel” means a building or group of buildings containing lodging and/or dwelling units ~~[offering]~~ that are used to offer transient accommodations to guests.~~[,]~~ A hotel building or group of buildings must contain ~~[and]~~ a lobby, clerk’s desk or counter with 24 hour clerk service, and facilities for registration and keeping of records relating to hotel guests. A hotel may also include accessory uses and services intended primarily for the convenience and benefit of the hotel’s guests, such as restaurants, shops, meeting rooms, and/or recreational and entertainment facilities.

““Transient vacation unit” means a dwelling unit or lodging unit that is advertised, solicited, offered, or provided~~[, or a combination of any of the foregoing, for compensation]~~ to transient occupants, for compensation, for periods of less than [30]



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180 consecutive days, other than a bed and breakfast home. For purposes of this definition,

- (1) [C]compensation includes, but is not limited to, monetary payment, services, or labor of guests;
- (2) Accommodations are advertised, solicited, offered or provided to guests for the number of days that are used to determine the price for the rental; and
- (3) Month to month holdover tenancies resulting from the expiration of long-term leases of more than 180 days are excluded.

SECTION 25. Chapter 21, Article 10, Revised Ordinances of Honolulu 1990, as amended, is amended by adding new definitions for “condominium hotel” and “hotel unit” to read as follows:

““Condominium hotel” means a hotel in which one or more hotel units are designated for separate real property interests created by a declaration of condominium property regime. separate ownership and the remainder of which is designated for common ownership solely by the owners of the hotel units subject to a condominium property regime.”

“Hotel unit” means a dwelling unit or a lodging unit located in a hotel building.”

SECTION 26. Ordinance material to be repealed is bracketed and stricken. New ordinance material is underscored. When revising, compiling or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.

SECTION 27. Severability. If any provision or application of this ordinance is held invalid, the remainder of this ordinance and its application to other persons or circumstances shall not be affected.



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII

ORDINANCE _____

BILL _____

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SECTION 28. This ordinance shall take effect on _____, 2021.

INTRODUCED BY:

DATE OF INTRODUCTION:

Honolulu, Hawaii

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____ day of _____, 2021

Rick Blangiardi, Mayor
City and County of Honolulu