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**ADVISORY BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, January 29, 2026, 9:30 a.m.**

Hybrid Meeting

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

MINUTES OF THE ADVISORY BOARD MEETING

MEMBERS PRESENT:

James McCully (Co-Vice Chair), Kimberly Agas (Co-Vice Chair), Leah Belmonte (Zoom), Mericia Palma Elmore, Terry Fischer, Joel Guy, Troy Lazaro, Danny Ojiri, Lisa Paulson (Zoom), Linda Wong

MEMBER NOT PRESENT:

Lāna'i Tabura, Chris West

HTA STAFF PRESENT:

Caroline Anderson, David Uchiyama, Talon Kishi, Jill Radke, Milton LaFitaga, Christina Tuchman, Carole Hagihara, Lindsay Sanborn

GUESTS:

Jennifer Chun, Aaron Salā, Tom Mullen, Teri Orton, Eric Takahata, Carmela Resuma

LEGAL COUNSEL:

John Cole

1. Call to Order

Co-Vice Chair McCully called the meeting to order at 9:30 a.m.

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

Mr. Uchiyama conducted the roll call, and members were present except for members Tabura and West, who were excused.

3. Opening Protocol

Member Lazaro shared the oli Kunihi Ka Mauna I Ka La'i E to open this meeting.

4. Approval of Meeting Minutes of the December 18, 2025 Advisory Board Meeting

Member Elmore moved the motion to adopt the minutes, and Co-Vice Chair Agas seconded it. The motion passed unanimously.

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

There was no input on Permitted Interaction Groups.

6. CEO Report

Reporting on the activities of the previous month, Ms. Anderson recognized the hard work of the HTA staff to launch the L.A. Rams campaign, especially the Brand Manager for Sports Tourism Mr. Milton Lafitaga, Public Affairs Officer Ms. Jill Radke, and the Brand Manager for Destination Stewardship Ms. Lindsay Sanborn, as well as the teams at Hawai'i Visitors and Convention Bureau (HVCB) and Hawai'i News Now (HNN). She also noted that Dir. Tokioka of the Department of Business, Economic Development, and Tourism (DBEDT) had been very important in ensuring the success of this initiative. Ms. Anderson presented the video, made in partnership with HNN, showcasing the L.A. Rams initiative, and thanked Members Tabura and Fischer for their help with this activation.

Member Fischer stated that, despite the cold weather, it had been a wonderful day with great camaraderie. He had been amazed by the number of people present in the hospitality

area and expressed gratitude to the Outrigger Group for their enthusiasm for sports tourism. Member Fischer added that his mainland companies' involvement in professional sports was due to their responsibility for all professional sports transport in the Los Angeles, Las Vegas, and San Francisco areas.

Ms. Anderson reiterated her thanks to everyone for their input and stated that the L.A. Rams activation was a good opportunity for the HVCB, thanking the HVCB President/CEO, Dr. Aron Salā, and the HVCB COO, Mr. Tom Mullens, for their partnership. She added that the new campaign, *Hawai'i Stays With You*, had been launched during the L.A. Rams activation, remarking on the benefits of its introduction in Los Angeles, Hawaii's top market.

Ms. Anderson reminded Board members that the Brand Team's recent focus had been to execute the new contracts for the Global Marketing Teams (GMTs), including bringing on board the newest member, the Taiwan team, and providing orientation and resources to ensure a strong reentry into the Taiwan market. The Brand Team had also worked on developing and updating the Hawaiian Islands brand guidelines, which were distributed to all GMTs as an essential tool to ensure that the HTA's marketing and communications remained cohesive and on-brand across all platforms. The GMTs had been asked to pivot their efforts toward driving demand and supporting short-term conversion. Ms. Anderson expressed appreciation to Ms. Goo and all the members of the branding team for their diligent work with the GMTs.

Ms. Anderson informed Board members that over the past month, HTA staff had worked closely with State legislators, with Mr. Uchiyama's efforts particularly appreciated. During December 2025, briefings with the House and Senate Tourism Committees were held in preparation for the 2026 legislative session.

The Hawai'i Convention Center (HCC) rooftop repair project had been a major focus of HTA staff over the previous month, and they had also worked closely with the Administrative Office of DBEDT to address procurement issues, especially those related to the major market areas of Kilohana and travel.

Ms. Anderson noted that the HTA staff had provided the 2025 annual report to members of the legislature, adding that all Advisory Board members had also received a copy. The report highlighted Fiscal Year 2025 (FY25) activities and the performance metrics used to track progress.

Ms. Anderson stated that the HTA was recruiting for an administrative position to fill a

vacancy on the finance and procurement team. Mr. Uchiyama added that during the ensuing week, the positions of Contract and Administrative Manager and Vice President of Finance were to be advertised, while the position of Chief Branding Officer was undergoing final approval with the State. The Chief Stewardship Officer position was still being reviewed.

Ms. Anderson informed Board members that Swinerton Builders had signed the contract for the construction portion of the HCC rooftop project in December 2025, and a “town hall meeting” had been held on December 29, 2025, to inform owners of neighboring properties about the upcoming work. Ms. Anderson had been grateful for the assistance of HCC General Manager Ms. Teri Orton and her team. She added that a Blessing of the rooftop had taken place on December 30, 2025 to ensure the safety of staff and construction workers, and there had also been a Blessing of the offices of the HTA, DBEDT Tourism Research, and the HCC.

Ms. Anderson informed Board members that a page showing the progress of the rooftop construction and other repair and maintenance projects had been created on the HTA website, to enable the public to monitor the projects with complete transparency.

Ms. Anderson expressed her gratitude to Dr. Salā, Mr. Mullens of HVCB, and Dir. Tokioka of DBEDT for their collaboration with the HTA on destination management action plans (DMAPs) and on enhancing the Go Hawai‘i app. She added that the visitor survey had been placed online and connected through the app, with the expectation that this would provide the best possible data for the DBEDT Director of Tourism Research, Ms. Chun, and her team, thus ensuring sound decision-making in the visitor industry.

Ms. Anderson informed Board members that the planning team and the destination manager had been reviewing the destination management action plans (DMAPs) and organizing venues for public presentations scheduled for February 2026. Draft plans were expected to be posted on the website on February 9, 2026, and would be shared with Board members once available.

Ms. Anderson noted that Ms. Resuma and the Kilohana staff had worked diligently on the Qurator program, adding that in spite of the hopes for its success held by many in the industry and the community, the program was currently on hold due to funding constraints. As of July 2025, eighty-three businesses had received certification. The Qurator website continued to be maintained, and efforts were in progress to identify ways to sustain the program.

Ms. Anderson expressed her appreciation for the efforts of the Meet Hawai'i team, particularly Ms. Whitehead and her staff. The single-property team was congratulated for reaching 107% of their booking goal. Meanwhile, the team was focusing on rebuilding citywide business during HCC's reduced schedule in 2026 and 2027.

Ms. Anderson added that more detailed information was available in the full CEO report.

Co-Vice Chair McCully asked the HCC General Manager, Ms. Orton, to provide information to address questions likely to be raised by legislators during the ongoing legislative session, particularly regarding recently reported cost overruns. The Co-Vice Chair noted that the initial budget was approximately \$50 million, but the CEO report reflected \$87 million, and a senator had recently commented that, with contingencies, the cost might reach \$110 million. Co-Vice Chair McCully stated that he was aware that Ms. Anderson had recently responded to questions from members of the Senate.

Ms. Anderson stated that during the original invitation for bid (IFB) for the first procurement, the proposed budget for rooftop construction was approximately \$52 million. This estimate was based on 75% of the construction documents having been assembled. Although two bids had been received and reviewed by the evaluation team, the IFB had to be cancelled due to technicalities: it originally referred to a one-year project, but further study showed that the work would require two years. As a result, the procurement was reissued as a request for proposal (RFP), allowing selection of a best and final offer (BAFO) from the proposals.

Ms. Anderson explained that the RFP was issued two weeks after the IFB was cancelled, with the project scope and budget remaining unchanged and the timeframe extended to two years. The RFP was issued on April 1, 2025, and bids were received in September. The evaluation team, consisting of Ms. Anderson, Ms. Orton, HCC Director of Operations Ms. Tait, representatives from the Public Works Division of the Department of Accounting and General Services (DAGS), and other consultants providing guidance, had reviewed the proposals. The BAFO had been examined to reduce costs, but the amount remained above the estimated \$52 million budget.

Despite this, the evaluation team determined that it was essential to proceed with the work because the rooftop was the most critical part of the building requiring renovation, due to ongoing leaks that had damaged the walls and building contents, and because the repair had been deferred for years. The team had requested that an architecture firm bring the construction documents to 100% completion, increasing the estimated budget to \$92

million.

The lowest bid was \$87 million and was considered acceptable by both the evaluation committee and Dir. Tokioka of DBEDT.

Co-Vice Chair McCully thanked Ms. Anderson for the detailed information and asked her to explain where the necessary funding would be obtained and how the cost could have increased by almost 80%, from \$52 million to nearly \$90 million.

Ms. Orton explained that the original \$51 million budget was part of the \$64 million allocated to the HTA for the rooftop project and was based on a 75% construction estimate, not the full 100% budget. She added that DAGS typically proceeded with anything above 50%, so 75% was deemed acceptable because costs did not usually fluctuate significantly between 75% and 100%. The increase from \$52 million to \$87 million had occurred when the bidders responded to the RFP for a two-year project. Ms. Orton explained that at this stage of the solicitation process, business for 2026 had already begun to be displaced. It was at this time, during oversight of the project by the former Vice President of Finance, Mr. Isaac Choy, that the need to change the IFB to an RFP became clear to allow a BAFO to be negotiated. This transition had been completed within two weeks.

Ms. Orton explained that Mr. Choy had determined that the only way the solicitation could continue was for the RFP to use the same context and budget as applied in the IFB. Ms. Orton added that, while the State agency had been required to have 100% of the funding in place, she had assumed everyone would understand that changing the project from a one-year to a two-year timeline would necessarily alter the initial budget. The purpose of the change was to allow the project to move forward, since business for 2026 had already been displaced and, as the solicitation for a two-year project began, HCC started to displace 2027 business.

Ms. Orton informed Board members that two companies had submitted the following tenders for the RFP:

Company	Estimate
Nan, Inc.	\$120 million
Swinerton Builders	\$87 million

Although the architect had been asked to return to the construction estimator and bring the documents from 75% to 100% completion, this could not be completed before issuing the second solicitation, because the cost estimator had needed to contact all subcontractors to obtain updated estimates based on the architect's drawings. This process would have required four months to adjust the estimate from 75% to 100%, resulting in a delay that would have prevented commencement of construction on January 1, 2026 and probably causing the displacement of 2028 business.

Ms. Orton explained that the plan had been to use existing funds to cover the difference between the one-year and two-year budgets to keep the process moving. Funds allocated to other projects had been redirected to allow the rooftop repair project to begin in January 2026, but not all legislators were aware of the reallocation. Ms. Orton believed there would not have been sufficient time to reestimate the budget at 100% and then return to the legislature to request additional funding. She stated that the project's start would likely have been postponed by 9 months and that the 2028 business would have been displaced, affecting all hotel partners. She added that 18 citywide events had been displaced over the course of 2 years.

Co-Vice Chair McCully asked whether the reallocation of funds from other projects had been acceptable to the legislature, and Ms. Orton responded that HCC had possessed the necessary funds. She added that DBEDT Dir. Tokioka had sought approval for the diversion of funds from other projects to the rooftop repair project from the Governor and other relevant parties before the project began.

Ms. Anderson added that approval had been sought from the Department of Budget and Finance (B&F) and that the Attorney General had confirmed that this course of action was acceptable.

Co-Vice Chair McCully asked whether the HCC would open in 2028, and Ms. Orton confirmed that it would. He then asked whether the reopening would be a fully completed ceremonial reopening or a tiered opening. Ms. Orton replied that events had already been booked for January 2028, so the reopening would be 100%.

Co-Vice Chair McCully commented that the contingency costs appeared to bring the selected contractor's price close to that of the second contractor at \$120 million, and Ms. Orton responded that these figures represented only construction costs.

Co-Vice Chair McCully asked why there had been such a large difference between the bids,

and Ms. Orton presented an explanatory slide while noting that some contractors had added extra padding for the terrace and for unknown costs. Ms. Orton explained that the project included a contingency, and contingencies were typically designated by DAGS at 3% to 8%. Mr. Choy had used 8.9% for the first solicitation, but DAGS recommended a more conservative approach given the many unknowns in the project, and the contingency was increased to 15%, later reduced to 13%. Ms. Orton explained that the contingency was intended to cover unforeseen expenses, noting that the project cost \$108 million excluding the contingency, with construction costs alone totaling \$87 million. The difference to be covered, inclusive of contingency, was \$45.2 million, as shown on the slide, and this amount had been reallocated from other projects to cover the shortfall.

In response to a question from Co-Vice Chair McCully as to whether using these funds for the rooftop repair would result in the loss of any critical projects, Ms. Orton stated that funds for some projects had already been encumbered and the projects had begun, while funds for other projects were still in the process of being encumbered. A slide was presented showing projects already encumbered and those planned for encumbrance. Ms. Orton explained that some projects had already been modified due to the construction timeline and that, for funding purposes, consultant and design work had been separated from construction. The intention had been to prepare all components so that the projects could begin immediately replacement funds had been obtained.

Ms. Orton presented a slide showing projects scheduled to be encumbered in 2027, with the funds reallocated to the rooftop repair project highlighted in yellow. Design work had already begun on several other projects, but construction was to be postponed. In terms of priority, the largest project was the rooftop between the ballroom and the rooftop terrace deck, which included the transom glass that was completely leaking and required full replacement at a cost of \$22 million. In response to an interjection from Co-Vice Chair McCully, Ms. Orton explained that the project had originally been scheduled to start and finish between 2026 and 2027, but had been postponed because funding was not available. This project was the most important, and other projects might have to be postponed to complete it.

Ms. Orton explained that if the legislature did not award the requested \$55 million, there was a backup plan to seek funding for at least the replacement of the transom glass and the gutter between the ballroom and the rooftop terrace deck. She noted that this funding was currently in the HTA Special Enterprise Fund, and even if the HTA did not wish to request

additional funds during the legislative session, they could request approval to use the funds they already had, totaling \$21 million.

Another HCC account contained approximately \$5.8 million transferred from the HTA, with the original intention of offsetting operating costs for the proposed Center for Hawaiian Music and Dance. The original intention had been to build a Hawaiian Music and Dance museum on the rooftop, but as design and construction estimates progressed, it became clear that the cost would be too high. A bill had already been passed allocating \$1 million annually to HTA to offset the center's operating costs. Because the center had never been built, the funds had accumulated to nearly \$6 million. Some of the funds had been used for art cases in the upstairs gallery, leaving approximately \$5.8 million remaining. Preliminary approval had already been granted to use this money for capital investment projects. Ms. Orton explained that this meant available funds would consist of \$5.8 million plus \$21 million from the Special Enterprise Fund, allowing HCC to complete the ballroom gutter leakage repair.

Noting that the project had already begun, Co-Vice Chair McCully commented that "no battle plan survives the first shots." The Co-Vice Chair requested an update at each Board meeting.

Member Fischer asked whether, when the contractor changed the project from a one-year to a two-year timeline, they had committed to a final completion date and whether penalties for delay had been negotiated. Ms. Orton replied that the contract prescribed penalties of \$15,000 per day of delay.

Expressing the hope that no unforeseen events would delay completion into 2028, Member Fischer noted that the project's cost needed to account for the loss of revenue, as the center would now miss an additional year of revenue from events.

Ms. Orton responded that the contractor had been fully aware of what was at stake throughout numerous meetings. The projected completion date was the end of November 2027, which would give HCC one month to restore the rooms to event-ready condition and complete other projects, such as LED lighting and sound systems.

Ms. Anderson added that HCC and HTA staff had been meeting regularly with the contractor and the project management team to ensure that the project remained on schedule.

Co-Vice Chair McCully reminded members that as an advisory Board, they did not possess auditing authority, but they did have oversight responsibilities over the activities of the HTA

and were expected by the public to exercise them.

Ms. Orton commented that a live feed of construction would be displayed on the HTA website, enabling the public and legislators to monitor the project's progress.

In the absence of additional questions from Board members or the public, Co-Vice Chair McCully proceeded to the next agenda item.

7. Presentation on the Status of the Hawai'i Tourism Authority (HTA) and Hawai'i Convention Center Fiscal Year 2026 Budgets

Co-Vice Chair McCully asked the Interim Vice President of Finance Mr. Talon Kishi to present the financial report.

Mr. Kishi thanked Board members for this opportunity and stated that his next financial update would include the HTA budget and the financial progress of the rooftop project. Mr. Kishi stated that he intended to provide updates on the rooftop project quarterly, and Co-Vice Chair McCully replied that quarterly updates would be satisfactory unless an extraordinary event occurred.

Mr. Kishi presented the FY26 financial results up to December 31, 2025.

Ms. Sanborn noted that Member Paulson had joined the meeting via the online platform.

Mr. Kishi reminded Board members that their information packet contained additional details about finance. Meanwhile, out of the FY26 Tourism operating budget of \$63 million, a total of \$32.687 million had already been used, and Mr. Kishi reminded members that this amount included not only funds already paid to vendors but also outstanding encumbrance balances as of December 31, 2025.

Mr. Kishi outlined the expenses so far for FY26 as follows:

Program	Year to Date (YTD)	FY26 Budget
BED113 Administration and Governance	706,779	3,696,660
BED114 Branding and Marketing	21,749,642	39,249,201

BED115 Sports and Signature Events	4,506,928	7,318,075
BED116 Destination Stewardship and Community	5,188,472	7,923,883
BED117 Regenerative Tourism Development	50,268	3,762,181
BED118 Workforce Development	485,440	1,050,000
Total	32,687,499	63,000,000

Mr. Kishi noted that the following month's finance report would show that the majority of the unused \$17.499 million in the Branding and Marketing account (BED114) would have been used, with the majority of the usage allocated to the new branding and marketing contracts for the period January 1 to June 30, 2026.

Mr. Kishi commented that he had reallocated \$650,000 from the Sports and Signature Events account (BED115) from the Sports Opportunity Fund to Soccer in light of a potential partnership with a women's national soccer league team.

Mr. Kishi informed members that the funds from the Regenerative Tourism Development Account (BED117) had been used primarily for salaries and wages, but this account also funded the Community Tourism Collaborative (CTC) and the Foundational Technical Assistance (FTA) programs, both of which were to be operated in partnership with the Council for Native Hawaiian Advancement (CNHA). He added that a supplemental contract, being developed to use up all the funds, was passing through procurement at the State Procurement Office (SPO) and DBEDT.

In reply to a question from Co-Vice Chair Agas about whether all the committees were on track to use their budgets before the end of the fiscal year, Mr. Kishi responded that there were still unallocated funds and a \$6.3 million budget restriction. He had been discussing with the HTA leadership how to use the unallocated funds. With respect to BED114, the marketing contracts already included plans for the use of the restricted funds, so that if the restricted \$3.9 million were released by the Governor, incremental budgets for all the major market areas should be ready to go as soon as the funds were released.

Ms. Anderson added that the HTA staff had presented suggestions to Dir. Tokioka on how to use the unallocated funds and awaited his approval.

Co-Vice Chair McCully thanked Mr. Kishi for his presentation and asked whether Board members or members of the public had questions for him.

In response to a question from Member Paulson about the lower-than-expected expenditures on regenerative tourism, Mr. Kishi stated that the CTC and FTA programs were the two largest projects. The contract for CNHA had been drafted, and supplemental contracts to use up all the funds were moving through procurement with SPO and DBEDT. The expectation was that the contracts would be executed and that the funds would be fully disbursed. The unallocated funds and the budget restrictions were still to be defined, but they were expected to be used up by the end of the fiscal year once Dir. Tokioka's final approval of the HTA proposals was obtained.

8. Presentation and Discussion of Current Market Insights, Conditions, and Strategic Brand Marketing Initiatives to Address Evolving Market Dynamics in Hawai'i and Key Major Hawai'i Tourism Markets

Ms. Jennifer Chun, Director of Tourism Research at DBEDT, informed Board members that the visitor statistics for December 2025 had been published by DBEDT at 9 a.m. that morning, and this had prevented her from sending the information to members in advance, noting that DBEDT always attempted to publish the visitor statistics on the morning of the Board meeting. She added that the Board members' information packet contained a copy of the full presentation, although she would present an abbreviated version. Ms. Chun remarked that she also had market insights, with additional text and background details for each market tracked by DBEDT, and the dashboard product, which was more detailed and included charts for each market.

Explaining her usual reporting structure, Ms. Chun stated that she typically provided three reports: the summary statistics, the market insights, and the dashboard. She referred members to the table of contents in the information packet, noting that in the interest of time, data would not be presented on the purpose of the trip and accommodation choice, as well as summaries of the air seat outlook.

For this month, Ms. Chun also did not present the estimated transient accommodation tax (TAT) expected to be collected by the counties, noting that her data was based on Department of Taxation records and tax liabilities. She estimated that counties should collect 3% of TAT.

In response to a question from Co-Vice Chair Agas about Ms. Chun's use of the phrase "should collect," Ms. Chun explained that the Department of Taxation had been collecting

TAT for some time, but the department was not responsible for collecting the counties' share of taxes. The counties had become responsible for collecting the 3% of TAT allocated to them when the legislature changed the structure of TAT collection. She understood that some counties were more effective than others in collecting their TAT, but she did not have the actual amounts, and DBEDT had not been able to access those figures. For that reason, she used the phrase "should collect."

Co-Vice Chair Agas asked whether it was true that some counties were not collecting TAT, and Ms. Chun replied that articles had appeared in the Star-Advertiser stating that this was the case and citing large figures.

Ms. Chun displayed graphs comparing expenditure and arrivals for 2024 and 2025, noting that December 2025 produced a favorable result despite total visitor arrivals being slightly lower than in December 2024, due to higher expenditure. Ms. Chun noted that the Honolulu Marathon had produced particularly strong results for the Japan market, with visits by athletes and their friends and family, resulting in Japanese arrivals increasing by 8.3% compared with 2024 and expenditures for the Japanese market increasing by 8.4%.

Ms. Chun commented that the year-end results showed a similar pattern, with expenditures per person per day (PPPD) increasing while total arrivals remained flat.

Total arrivals by air for the year, excluding aircrew, Ms. Chun reported, had been essentially flat, with a slight reduction of 0.4%. However, there had been increases throughout the year, and the final results were positive for expenditures and visitor arrivals in the two U.S. markets and Japan. Canada, on the other hand, had experienced a decline, which Ms. Chun attributed to reduced sentiment throughout the year due to the political environment.

Reviewing island-level data, Ms. Chun highlighted Maui's December performance, with increases in both expenditures and arrivals. She expressed hope that this reflected the impact of the ongoing marketing campaign, noting that 2024 had been a difficult year for Maui but that both the number of arrivals and PPPD expenditure had shown significant growth throughout 2025.

Comparing the different islands for the entire year, Ms. Chun noted that O'ahu had shown higher expenditures, but arrivals had remained flat. Kaua'i had shown increases both in expenditure and in the number of arrivals, while expenditure for Hawai'i Island had remained flat with a slight increase in visitor arrivals.

Regarding lodging, Ms. Chun explained that DBEDT produced monthly reports for hotels and

vacation rentals, with the condition that lodging units appearing in either the hotel or timeshare reports would not be included in the vacation rental report. She reported that December had been a good month for hotels, with occupancy up 4.7 percentage points, average daily rate (ADR) up 3.4%, and revenue per available room (RevPAR) up 10.2%. Vacation rentals had not performed as well; occupancy had been flat for December, and ADR had been lower than previously. For year-end 2025, hotels showed modest growth in occupancy and ADR, with RevPAR slightly up. Ms. Chun noted that vacation rentals continued to have lower occupancies but higher ADR than in 2024.

Ms. Chun presented a graph showing a total TAT collection of \$60.5 million for the 10.25% State tax in December 2025, with a preliminary total for FY26 collections of \$376.5 million, slightly lower than in 2024. Given that December collections reflected visitors from November, Ms. Chun pointed out that December visitors' TAT would not be collected until January 2026. She presented a chart summarizing monthly State TAT collections from January 2021 onwards, on which the level for December 2025 was neither the highest nor the lowest.

Ms. Chun presented a graph showing airport throughput in December 2025, based on passengers passing through TSA checkpoints, adding that these figures included both passengers flying into the State and inter-island travelers. Every airport except Kona had experienced higher throughput during December.

Comparing aircraft load factors in 2024 and 2025, Ms. Chun noted that domestic flights had operated at 93% in December 2025, a level similar to that in December 2024. Load factors for international flights had been slightly lower than in December 2024.

Ms. Chun presented a slide showing data from Customs and Border Protection (CBP) that demonstrated the significant drop in visitation during the COVID pandemic, noting not only that Hawai'i did not appear in the current State rankings but also that Honolulu did not appear in the port rankings. Before the pandemic, Honolulu had been one of the highest-ranked ports.

Ms. Chun informed Board members that the DBEDT forecast for the fourth quarter of FY26 predicted slow, modest growth in visitor spending, driven mainly by price increases, and that a more detailed account of each market and a forecast for each were included in the members' information pack.

Ms. Chun displayed information from a weekly syndicated report available on the HTA

website showing visitor insights from individuals who had identified themselves as “responsible.” In the survey, these persons were asked about their “intent to travel” and their “consideration to travel” to various islands in the State. Ms. Chun presented a graph showing a 2-week moving average that extended from early 2025 to January 23, 2026, with two lines representing “consideration” and “intent,” respectively, for U.S. market results. Ms. Chun reminded Board members that the line for “consideration” was always expected to be higher than the line for “intent.” She emphasized the stability of the U.S. data, with “intent to travel” remaining at around 10–12% and “consideration to travel” to Hawai‘i remaining at around 60%. Notes on geopolitical events had been appended to the graph, and Ms. Chun asked members to note that these events appeared to have little effect on the U.S. market.

Presenting a similar graph for the Japanese market, Ms. Chun observed that it was much more volatile and more strongly influenced by announcements from the U.S. administration. However, there had been a general upward trend with increased consideration of visiting toward the end of 2025.

Ms. Chun noted that the corresponding graph for the Canada market demonstrated less volatility, although political announcements still had an impact. She referred members to similar information on Korea and Australia in the Board information packet.

Co-Vice Chair McCully thanked Ms. Chun for her presentation and invited Board members to ask questions.

In response to a question from Member Guy about the period when Honolulu ranked higher among arrival ports, Ms. Chun stated that this was in 2019, before the COVID pandemic, adding that the port’s ranking had not recovered since then and clarifying that this ranking concerned only international arrivals. Ms. Chun noted that Hawai‘i had lagged behind the rest of the U.S. in regaining international markets. She commented that India had become a major visitor market for the U.S. overall, but Hawai‘i received very few Indian visitors. With respect to the markets of interest to Hawai‘i, such as Canada, Ms. Chun believed that the situation was not too unfavorable in that Hawai‘i’s loss in Canadian arrivals had been smaller than the overall loss in Canadian air travel to the U.S. She added that there had been a significant decline in the Canadian “drive” market, but she had not included drive-market data because it was not relevant to Hawai‘i.

Member Fischer asked whether Ms. Chun had identified any correlation between the U.S. dollar and the Canadian dollar, explaining that he operated a business in Calgary, Alberta,

which was affected by declines in the Canadian dollar's value, making travel costly for Canadians. Stating that he believed that the blame often attributed to administration policies was more relevant to drive traffic, Member Fischer commented that Canadians still wished to travel but were discouraged by the low value of the Canadian dollar and asked whether Ms. Chun's team had correlated these trends.

Ms. Chun replied that she had not conducted formal statistical regression analyses, but she stated that exchange rates affected visitation across all international markets and that DBEDT monitored exchange rates for each market. She added that changes in exchange rates often caused softening in the market. She understood that Canadians traveled extensively within Canada but did not visit the U.S. as frequently as previously.

Member Fischer stated that his Canadian Rockies operation had experienced a good summer, largely due to American visitors who benefited from the exchange rate, which effectively provided a 40% discount on their vacation. He noted that the Bank of Canada exchange rate graph, placed beside the Canadian arrivals graph, showed some similarities, adding that these changes were significant and that he would be curious to see what would happen next, suspecting a recovery.

Ms. Chun responded that the DBEDT forecast considered both the exchange rate and consumer confidence data issued by the Conference Board of Canada.

In response to a question from Member Ojiri about the measurement of "intent to travel," Ms. Chun explained that DBEDT used the results of a daily syndicated survey in which respondents were asked whether they intended to travel to a particular destination. She referred members to her report in the information pack, noting that the follow-up question asked respondents which destination among those they were considering they would actually travel to. She reminded Board members that the respondents in this survey were individuals who had selected Hawai'i as a destination and who characterized themselves as "responsible travelers." They had signed up for research panels, which sometimes offered incentives for participation. Ms. Chun clarified that the same individuals did not respond every day, adding that the results might differ slightly if the survey reflected the general population of Japan, for example, but DBEDT was focusing on individuals who believed themselves to be responsible travelers because this is HTA's target market. She noted that graphs for the entire market were also available on the research section of the HTA website.

Member Ojiri commented that it would be interesting to examine the entire market rather than only the responsible traveler segment, and that it would be useful to plot the exchange

rate as an additional line on the graph, since it would affect some markets more than others.

Member Elmore thanked Ms. Chun for the statistics. She observed that there appeared to be more stability and less volatility in the U.S. market, adding that Canada and Japan sometimes showed an inverse relationship. Referring to a point around October 2025 on the intent/consideration graph for Japan, Member Elmore asked why the “intent” line occasionally touched the “consideration” line.

Ms. Chun replied that she believed the lines touching had been coincidental, explaining that the lines were plotted on the same graph to make comparison easier. She added that she hoped the individuals who had indicated in October that they were planning to visit Hawai‘i had been intending to travel in December for the Marathon, clarifying that respondents were not asked when they planned to travel, only whether they intended to visit at some point in the future.

Mr. Uchiyama asked whether there was any follow-up to determine whether those who had intended to travel had actually done so. Ms. Chun stated that the follow-up question in the survey asked whether respondents planned to visit Hawai‘i within the next 12 months, but the survey did not ask whether they had actually traveled. She noted that traveler profiles were available on the HTA website and that there was extensive data available for the U.S. market in particular, citing substantial data available for the specific personas selected by Hawai‘i Tourism (HT) USA. Ms. Chun noted that there was also significant data for the total Japan market, but the personas selected by HT Japan were more narrowly defined so that the reports could not be published as frequently. She added that, in contrast to the weekly report under discussion, the monthly U.S. report asked whether respondents had visited Hawai‘i in the previous 12 months, which island they had visited, and provided more detail on attributes that contributed to the value of a vacation. Ms. Chun stated that she would be happy to present the market profiles in the next report.

Co-Vice Chair McCully brought two points to the Board's attention. Firstly, he believed that members had understood why he had asked Ms. Chun to present these reports, and he hoped this could continue in future meetings. Secondly, he believed that this was objective data that the Advisory Board needed to receive. He also added that, given the density of the material, he believed that members would understand why a break had been taken before Ms. Chun’s report.

Noting that no public questions had been submitted online, Co-Vice Chair McCully thanked

Ms. Chun and asked Mr. Uchiyama to present a report on airline load factors.

Mr. Uchiyama reminded Board members that Hawai'i airfare and vacation costs were strongly influenced by changes in the exchange rate and oil prices. He explained that normal seasonality was approaching in Hawai'i, with flight reductions and softening seat inventory expected during April, May, and June. He reported downsizing from Canada and from Las Vegas, Seattle, and San Jose to Honolulu, but noted some increase in business from Alaska Airlines out of Burbank, which had previously been served by Aloha Airlines. He added that Southwest Airlines was to enter Burbank in August and Ontario in June and expressed the hope that these additions would continue beyond the summer season. Mr. Uchiyama also noted that Southwest was to institute a flight between Hilo and Las Vegas, adding that this direct flight from Hilo to the U.S. mainland was a necessity.

Reviewing booking pace for the first 18 days of the month, Mr. Uchiyama reminded Board members that this was historically the peak season for Hawai'i. Statewide booking pace was up 7%, O'ahu was up 4%, Maui was up 24%, and Hawai'i Island was up 2%, while Kaua'i was down 4%. Consistent with the high season, group business booking pace was up 2%.

Ms. Goo stated that, according to the Chinese zodiac, 2026 was the Year of the Horse, associated with growth, opportunity, and transformation. She noted that, as Ms. Anderson had mentioned, the entire global marketing team had been very busy during the holiday season, with the GMTs focusing on driving travel demand and short-term conversion. Ms. Goo explained that marketing strategies and tactics in each market were specifically tailored to the audience, the market segment, and local conditions.

Ms. Goo stated that many marketing initiatives had been highlighted in the monthly CEO report, with the results of each initiative included. She noted that a consistent strategy across all markets had been collaboration with strategic partners, including airlines, hotels, online travel agents (OTAs), wholesalers, and shopping malls, which enabled the GMTs to extend reach and engagement with potential travelers and maximize market impact. Describing the new campaign, "*Hawai'i Stays With You*," Ms. Goo noted that, in addition to the successful kickoff during the L.A. Rams Activation, the campaign materials had been shared with the GMTs. All international markets were translating and adding subtitles to the videos that would be issued during the first quarter of the year, and the results of this campaign would be shared in future reports.

Mr. Fischer asked about the Alaska-Hawaiian consolidation and the resulting reduction in Hawaiian Airlines flights, which he perceived as entailing a significant price increase.

Mr. Uchiyama responded that after the consolidation of Hawaiian and Alaska Airlines schedules, there had been an immediate backfill from other airlines such as Southwest, United, and Delta. He noted that while it was easy to place seat inventory into the reservation system, it was a different matter to fulfill those seats with actual aircraft serving the Hawaiian Islands. From a seasonality standpoint, he explained that conditions typically softened from April and May onward, and this was being closely monitored. Mr. Uchiyama added that the Alaska-Hawaiian combination had begun to draw back from certain air routes, but it was possible that the addition of the Hilo service was a sign that Southwest might make a stronger play for Hawai'i as a destination.

Referring to other airlines, including United, Delta, and American Airlines, Mr. Uchiyama stated that Hawai'i needed the East Coast connection and had lost some of it with Hawaiian Airlines. American Airlines usually added service on a seasonal basis in addition to United's Chicago-Hawai'i flight. He emphasized that Hawai'i needed to work to encourage airlines to maintain these flights year-round, adding that route maintenance had to be monitored, particularly to identify areas where load factors were beginning to decline. Mr. Uchiyama emphasized the importance of Hawaii's marketplace response in helping carriers strengthen their load factors, noting that similar considerations apply to the international market.

Referring to Ms. Chun's report on load factors, Member Ojiri stated that airlift needed to be stabilized because Hawai'i was a group of islands for which air service was essential. He noted that the load factors appeared healthy but added that if Hawai'i intended to grow markets from certain geographical regions, it needed to be aware of these figures. Member Ojiri stated that a load factor of over 85% would make it difficult to secure additional business, as everything depended on yield. Airlines began raising prices, and airfare was the highest cost component of visiting Hawai'i. He stated that the visitor industry needed to look ahead and consider both how to maintain relationships with airlines and also how to oversee airline development for the State. He added that domestic and international markets were distinct environments and that these factors should be monitored by the Advisory Board.

Mr. Fischer agreed with Member Ojiri, noting that airline consolidation and flight reductions had led to fewer flights and higher demand, causing price increases that could result in a drop in visitors even if marketing plans were exemplary. He stated that this was a concern because Hawai'i was highly dependent on airlift, adding that he had not welcomed the Hawaiian-Alaska consolidation.

Mr. Uchiyama affirmed the logic of both members and explained that when there was a carrier based in the islands, all other carriers sought to maintain their market share, so they kept their seat inventory in the Hawai'i market. Now that Hawaiian-Alaska was more fluid, and Alaska was transferring all its 787s to expanded international service, many other carriers were considering raising fares to boost yield.

Co-Vice Chair McCully thanked Mr. Uchiyama and asked for questions from the public. He stated that one more agenda item would be taken, after which lunch would be distributed in place.

9. Reports from the Standing Committees:

a. Administrative

i) Discussion and/or Action to Approve Policy #100-03 Code of Conduct Policy

Co-Vice Chair McCully referred to the report from the Administrative Standing Committee (ASC) and asked whether Board members had been able to review it.

Member Guy proposed a motion to adopt the Code of Conduct #100-03, and Member Lazaro seconded the motion.

Co-Vice Chair McCully asked for testimony or questions from the online public and reminded Board members that, even as members of an advisory board, the code of conduct was significant, requiring that every comment or statement be in the best interests of the HTA, since Board members were perceived as representing the HTA. This was particularly true when it came to any government or legislative interaction. Co-Vice Chair McCully reminded members of the importance of care in identifying actions that were perceived as officially representing the HTA.

Co-Vice Chair McCully asked Mr. Uchiyama to conduct a roll-call vote, and the motion was carried unanimously.

ii) Discussion and/or Action to Adopt Board Resolution 2026-01 for the Delegation of Authority to Present Policy Positions

Co Vice Chair McCully explained that the HTA Board had previously addressed the delegation of authority to present policy positions during the Fall, but certain adjustments had been necessary given its current status as an advisory Board. He asked whether members had reviewed the report and whether there was any discussion. Seeing no contributions, and speaking as Chair of the ASC, Co-Vice Chair McCully drew attention to

two specific sections of the resolution:

- The fourth paragraph of the document requires that any position be taken under the guidance of the Director of DBEDT;
- The paragraph beginning “BE IT FURTHER RESOLVED,” whose language referred to specific individuals. This interpretation was affirmed by Deputy Attorney General Cole who stated that these individuals could represent the HTA’s policy positions.

Co-Vice Chair McCully reminded members that many of them had acquaintances in the legislature, and it was important to remain mindful of the present resolution during conversations with such acquaintances or when they were called to testify. AG Cole advised that if such conversations occurred and questions were asked, members should identify themselves as members of the Advisory Board. If they were asked about an issue not covered in the resolution, they should make clear that they were speaking on their own behalf and not on behalf of the HTA or its Advisory Board.

Co-Vice Chair McCully noted that nine items upon which the HTA had a policy position were covered in the resolution, adding that these items might be of particular interest during the current legislative session. He emphasized that a standard condition was the HTA’s request to regain its dedicated funding, as denoted by the phrase “annual deposit” in bulleted item #3. Although there had been little legislative interest in this issue, he emphasized that Board members needed to continue raising it, as it would provide a core foundation for a more secure future for the HTA. Co-Vice Chair McCully noted that bills in the present session would seek to change the nature of the HTA and its advisory Board, and might replace them. He reminded members that if they were called to discuss such matters, they should remember that the issue was not covered in the resolution. They were free to express personal opinions, but any official position must defer to the Director of DBEDT’s guidance.

Co-Vice Chair McCully asked for further discussion from members, then called for a motion to adopt the resolution.

Co-Vice Chair Agas moved to adopt the resolution, and Member Guy seconded the motion. Co-Vice Chair McCully asked for any public comment or testimony, and hearing none, called for a roll-call vote.

Mr. Uchiyama conducted the roll-call vote, and the motion carried unanimously.

iii) Discussion and/or Action Regarding the Advisory Board's Roles and Responsibilities

Co-Vice Chair McCully noted that the ASC report outlined the Advisory Board's key responsibilities, beginning with the hiring of the CEO and continuing with performance evaluation and other duties. He asked whether members had had a chance to review the document and whether there had been any discussion. Seeing none, he asked for a motion to adopt the report.

Co-Vice Chair Agas moved to adopt the report, and Member Wong seconded the motion. Co-Vice Chair McCully asked for public testimony or questions online, and, hearing no further discussion, he asked Mr. Uchiyama to conduct the roll-call vote. The motion was carried unanimously.

iv) Status on the HTA President and CEO Search

Co-Vice Chair McCully reminded Board members that the permitted interaction group (PIG) was the appropriate venue for discussions concerning the CEO selection, although he contended that both the Advisory Board and the ASC were also responsible for discussing the basis on which the PIG operated. He believed that the job description for the CEO should be discussed by the entire Board rather than solely by the PIG, which represented only a portion of the Board. He emphasized that candidates could be evaluated only based on the job description agreed upon by the Advisory Board.

Co-Vice Chair McCully stated that this topic would be placed on the agenda for the next Board meeting. Reports would be requested from AG Cole, the Department of Human Resources, DBEDT, and administrative staff at the HTA. The Co-Vice Chair intended to review previous job descriptions and to hear from members of HTA who had been present during the tenure of previous CEOs, since each former CEO had brought particular strengths and weaknesses to the position. He believed it was important to understand the pitfalls and advantages that previous CEOs had encountered before describing the responsibilities that might be either easily achievable or unattainable.

For example, Co-Vice Chair McCully noted that the statutory language identified the CEO's first responsibility as representing the HTA to the legislature and the executive branch, including the Governor. The Co-Vice Chair believed that the importance of obtaining dedicated funding and procurement exemptions effectively placed the CEO in the role of quasi-lobbyist. He noted that, based on the advice of the DBEDT Director, the HTA currently

had the same budget as before, but the CEO might need to request additional funding from the Director of DBEDT or the Governor. The CEO might need to persuade the chairs of subject-matter committees, as well as the chairs of the Ways and Means, Finance, and Tourism committees in the legislature. Co-Vice Chair McCully believed that this should be a priority criterion in the CEO job description and reminded Board members that during his discussion with a representative of Bishop & Co., he had learned that this aspect of the CEO's function had not been prioritized in the search conducted by the company.

Co Vice Chair McCully reminded members of the timeline for selecting the CEO, stating that the January responsibility was to review the job description to determine whether changes were required in light of HTA's new structure and compensation structure. He explained that the PIG would decide whether the updated job description should be sent to those on the Bishop & Co. list and reminded members that the PIG could not report to the Board until it had a final report, which would be a recommendation regarding candidates to be considered for the CEO position.

Co-Vice Chair McCully stated that a major issue would be the extent of the differences between the new job description and the former one, adding that the February goal of the PIG was to review the candidates who remained interested in the position, based on the new HTA statute and the new project description. The March goal was to begin face-to-face interviews, either in person or virtually. He noted that, at that point, the applicants' identities would become publicly available and added that by then the legislative session would be in full swing. Given that bills were before the legislature that might change the status of the HTA, the Board could pause the CEO search, out of respect for the applicants, to avoid wasting their time or jeopardizing their futures.

Co-Vice Chair McCully stated that the PIG was proceeding despite being somewhat constrained by the bills being tracked in the legislature. He asked for discussion, questions, or observations, and none were offered.

10. Discussion and/or Action on Revisions to the Standing Committee Charters

Co-Vice Chair McCully asked whether any standing committees had reports for the Advisory Board, and, in response to a question from Member Elmore, the Co-Vice Chair noted that he intended that this would be a permanent agenda item to enable the chairs of the standing committees to present issues for discussion. There were no questions from the online public on this agenda item.

11. Review and Discussion on Current Legislative Bills

Co-Vice Chair McCully introduced agenda item 11 and stated that a roll-call vote was not required. The item was to be presented by the HTA Public Affairs Officer (PAO), Ms. Jill Radke, and the Co-Vice Chair welcomed Ms. Radke to her first presentation before the Board. He noted that the information pack contained a three-page summary of approximately 20 bills, reminding members that only about 10% of bills typically became law.

Ms. Radke informed members that she and Mr. Uchiyama had coordinated their presentations, stating that since the beginning of the 2026 legislative session, HTA staff had already participated in hearings with the Ways & Means (WAM) and Finance Committees. She noted that many questions had been raised about the status of the CEO recruitment, sports marketing, cruise lines, and the additional \$3 million requested for FY27. Ms. Radke added that the questions about the HCC had already been discussed in the present meeting.

Ms. Radke explained that the review had been a team effort involving Mr. Uchiyama, Mr. Kishi, Ms. Goo, Ms. Hagihara, Ms. Anderson, and the entire HTA staff, who collaborated to provide information to legislators, with program managers supplying details about their programs. Ms. Radke commented that her role was to draft testimony relating to legislation, but that the work required collaboration and coordination with other agencies involved.

Ms. Radke remarked that the HTA had begun preparing for the 2026 legislative session in October 2025. She noted that the previous day, she, Mr. Uchiyama, Ms. Goo, and Ms. Anderson had met to review 43 bills that had been identified as relevant because HTA had been named in them, because they related to tourism, or because they had appeared in a keyword search. After an initial review, the list was narrowed to the 27 bills included in the information packet, for which HTA was most likely to be asked to submit testimony or provide comment. Ms. Radke apologized that they had not yet spent much time on these bills but stated that she would provide a brief overview, expressing the hope that members would consult the details online using the provided reference numbers.

Bill reference	Notes
HB2268 SB3087	Bills giving the HTA the ability to work in the film production marketing area

Bill reference	Notes
HB2403 SB32367	Bills reducing the number of members of the HTA Advisory Board to seven and changing the method of appointment.
HB1944 SB2906 HB2447	Structure and governance proposals, including a carry-over bill that would convert the HTA to a non-profit, along with another bill carried over from 2024 that would create a Tourism Liaison Officer in the Governor's office
HB 1947 SB2807	A second carry-over from 2024 aimed at splitting up the HTA into divisions of DBEDT and DLNR, respectively, moving destination management, including DMAPs, into DLNR
SB2235	A new bill requiring visitors to view an environmental video to connect to the free Wi-Fi at Hawai'i airports
HB1590	A carry-over from 2025 relating to vacation rentals, ascribing rental enforcement to the HTA, and assigning the HTA to control illegal rentals as part of their best practices efforts
SB2131	A carry-over bill dealing with Japan tourism and its funding
SB982	A carry-over from 2025 that would establish a state hotel
HB1950	A new bill establishing the State-led Marketing and Branding Special Fund, to which a portion of the TAT would be allocated
SB2074	A carry-over bill relating to the lease of naming rights for state facilities, including the stadium facility and the HCC, aimed at generating revenue
SB2577	A bill relating to sports tourism and requiring DBEDT to conduct a study of potential economic benefits and costs of sports tourism in the State, requiring reporting, and creating a special fund surcharge
SB634	A carry-over from 2024, creating a fee on cruise passengers to be used for infrastructure for the cruise line
SB2698	A carry-over from 2025 requiring the Department of Transportation to assess a per-passenger head fee for cruise ships, different from present legislation, and entailing changes to the TAT cruise legislation.
SB241 SB2483	TAT-specific bills
HB1800 SB2500	Bills related to the State budget

Bill reference	Notes
SB2200	Similar to bills that had been proposed in 2025 to establish a Hawai'i Urban Planning Museum
SB3228	A new bill relating to sustainable tourism infrastructure that would establish an infrastructure matching grant program within DBEDT
SB2483	A bill relating to the environment and membership of the Hawai'i Climate Change Mitigation and Adaptation Commission.
SB2072	A bill similar to bills introduced in 2025 to sponsor a Michelin Guide for restaurants statewide

Ms. Anderson reminded Board members that some of the bills described in the preceding summary as “carry-over bills” might not be exactly the same bill, although they might have similar wording and provisions as bills that had been proposed in previous legislative sessions. Ms. Radke agreed and noted that she had been using “carry-over” in a general sense, not in a legal sense. She had also described bills as companion bills when their content appeared similar, but they might not necessarily be legally defined as such. Ms. Radke noted that the list in the information packet contained a duplicate: SB2577 was listed twice, meaning the actual number of bills was 26. An additional bill was to be introduced on the day of the present meeting and would be included in the summary later.

Co-Vice Chair McCully commented that the first page was most relevant to the Board’s concerns about the CEO search. While many of the measures on subsequent pages related to management of tourism in the State, those on the first page related to management of the HTA and the Advisory Board. The Co-Vice Chair advised members that bills sponsored by chairs of subject committees or the speaker were most likely to be heard. He added that the legislature was likely to run out of time and only one or two bills relating to the HTA were likely to proceed to conference, where they would be fully discussed. Co-Vice Chair McCully encouraged members to contact Ms. Anderson or Ms. Radke for further explanations of events in the legislature.

Co-Vice Chair McCully asked for questions for Ms. Radke, and hearing none, he thanked her for her presentation.

12. Adjournment

Co-Vice Chair McCully asked whether there was any further discussion before adjourning the meeting, and hearing none, he adjourned the meeting at 11:54 a.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheillane Reyes".

Sheillane Reyes
Recorder