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ADVISORY BOARD MEETING

HAWAI'I TOURISM AUTHORITY

Wednesday, March 25, 2026, 9:30 a.m.

Hybrid Meeting

MINUTES OF THE ADVISORY BOARD MEETING

MEMBERS PRESENT:	Kimberly Agas (Co-Vice Chair, Zoom), James McCully (Co-Vice Chair), Leah Belmonte (Zoom), Mericia Palma Elmore (Zoom), Terry Fischer, Joel Guy, Troy Lazaro, Danny Ojiri, Linda Wong
MEMBER NOT PRESENT:	Leah Belmonte, Lānaʻi Tabura, Chris West
HTA STAFF PRESENT:	Caroline Anderson, David Uchiyama, Talon Kishi, Jadie Goo, Carole Hagihara, Lindsay Sanborn, Jill Radke
GUESTS:	Jennifer Chun, Teri Orton, Allison Schaefers, Aaron Salā, Tom Mullen, Lynn Whitehead (Zoom), Sue Kanoho (Zoom), Eric Takahara, Ayako Ishinari
LEGAL COUNSEL:	John Cole

1. Call to Order

Co-Vice Chair McCully called the meeting to order at 9:31 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 all members were present except for Members Leah Belmonte, Lānaʻi Tabura, and Chris West who were excused.

3. Approval of the Minutes of the February 26, 2026 Advisory Board Meeting

Member Lazaro proposed the motion to adopt the minutes, and Member Ojiri seconded it. The motion passed unanimously.

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

There was no input on Permitted Interaction Groups.

5. CEO Report

Ms. Anderson expressed hope that everyone had remained safe during the storms of the previous week.

Reflecting on the upcoming retirement of Ms. Sue Kanoho, Ms. Anderson expressed her appreciation for Ms. Kanoho's dedication to the people of Kauaʻi and the state of Hawaiʻi. Ms. Anderson referred to Ms. Kanoho's feisty spirit, wishing her well on her travels with her husband and for whatever the future might hold. Ms. Anderson recalled Member Lazaro's comment on Ms. Kanoho's achievements for the visitor industry of Kauaʻi while weathering many storms and economic recovery situations, and yet she had always been available for both visitors and residents.

Saying "Mahalo!" Ms. Kanoho recalled that she had worked with the Hawaiʻi Visitor and Convention Bureau (The HVCB) at the Kauaʻi Visitor Bureau (KVB) for 29 years. She expressed her gratitude for the opportunity to work with the HTA staff and Board members and commented that she would miss her encounters with Ms. Goo and Ms. Anderson, who had been with her the whole time. Ms. Kanoho assured Board members that her heart was always with the visitor industry and that she would not fail to stay connected with the HTA, especially regarding the Destination Management Action Plan (DMAP). She thanked the HTA Board and staff, as well as the HVCB and Island Chapters, noting that the past 29 years had been wonderful and she would miss all her colleagues. She extended her particular thanks to Member Lazaro for his beautiful words.

Ms. Anderson stated that staff had been very involved in mitigating storm impacts and expressed appreciation to Mr. Uchiyama for his presence and collaboration with the HAIMA team, noting that Ms. Radke had worked with various other agencies to disseminate messages and coordinate efforts, with assistance from the HVCB. She acknowledged that the situation had not been easy and that the work was not yet complete, and emphasized that Board members should be aware that the HTA staff were working diligently on the recovery effort.

Hawaiʻi Convention Center (HCC) Rooftop Terrace Repair Project

Ms. Anderson referred members to the project update in the CEO report and commented on the hard work of Swinerton Builders, the construction contractors. With demolition commencing, she noted that the contractors had been very responsive to the challenging weather conditions. Ms. Anderson also thanked the HCC General Manager, Ms. Orton, and her staff, along with the management team, RLB. The team had adjusted as needed during the recent heavy rain. Ms.

Anderson stated that the project had remained on target financially and she would continue to provide updates to the Advisory Board.

Ms. Orton reported that the previous two weeks had been very difficult at the HCC with leaks everywhere, forcing staff to engage in leak-mitigation efforts throughout the entire building, not only on the rooftop terrace. Swinerton Builders had been requested to provide a person on watch 24 hours a day during the storm, and their staff had been on the rooftop at 2 or 3 a.m. during heavy rain squalls. Ms. Orton explained that up to 27 sump pumps had been operating on the roof, and that roughly nine inches of rain had fallen over the two weekends, with enough water pumped out to fill an Olympic-size pool. Because demolition had been completed, the structure was open, and although the builders had attempted to put in place mitigation and leak-prevention measures, the volume of rain made water intrusion inevitable. However, construction was now back on track, and the pumps were working to remove water from the roof.

Ms. Orton added that another issue involved planters, which had previously been excavated. These were either to be re-waterproofed or to be redesigned for another purpose to avoid the need for irrigation. During the storms, the slow leaks from the planters had become fast leaks, and numerous barrels were now catching water around the HCC. Despite these challenges, the facility remained operational and hosted a large volleyball tournament the previous weekend. Ms. Orton added that the project to replace the escalators was progressing, and exterior painting was nearing completion.

Upon being asked by Co-Vice Chair McCully whether the HCC could be redesigned as water follies, Ms. Orton remarked that the rooftop had indeed effectively become a swimming pool. She praised the contractors for their professional and timely intervention.

Destination Management Action Plans (DMAPs)

Ms. Anderson stated that the advisory groups were reviewing the DMAPs for each island and would bring it to the Board for final review and approval. The Strategic Plan has been submitted to Dir. Tokioka of the Department of Business, Economic Development, and Tourism (DBEDT), and the next step would be approval by the Governor.

Spring Tourism Update

Ms. Anderson noted that the Spring Tourism Update scheduled for April 1 might be affected by venue issues, but she encouraged all Board members to register and attend, even if virtually. Tourism Day at the Capitol had been rescheduled for April 10, and she expressed her hope that all Board members would attend.

Ms. Anderson stated that she would consult Ms. Goo regarding branding matters and thanked Ms. DeGaia and Ms. Chun for their work on the Destination App, noting that visitor surveys were underway.

Ms. Chun reported that the Tourism Survey was live, although the expected volume of data was not being received because visitors had to complete the online survey before submitting it. In contrast, they could submit partially completed paper surveys. This meant that some visitors believed they had completed the survey when they had not actually submitted it. The team was working to address that issue. Deputy Director Altaviro from the airport was working with the airlines to educate passengers and encourage them to complete the survey. Ms. Chun reminded Board members that it had also taken some time for passengers to become accustomed to the online arrival method launched the previous year so she believed that the visitor survey would ultimately be successful.

The HTA Acting Brand Manager, Ms. Goo, greeted Board members and provided updates on the Global Marketing Teams' (GMT) efforts in the new campaign, "Hawaiʻi Stays With You." She stated that all the foreign-language markets had completed their translations of the new assets and had begun rolling out the campaign in February. Year-to-date results were still early and provisional, but there was already strong momentum.

Canada

The Canada team had identified a winter Olympic opportunity, and the new campaign had aired on CBC Ontario for two weeks the previous month, generating more than 440,000 impressions. In March, the team launched home billboards in downtown Calgary and Toronto, targeting all high-value travelers. The travel-trade team had engaged through dedicated posts, collaboration with travel-trade media, and a partnership with Hilton, reaching more than 800 travel-trade accounts.

Japan

Hawaiʻi Tourism Japan (HTJ) had deployed the new message across all owned digital channels, including YouTube, Facebook, Instagram, and all hawaii.jp websites, with results shown in the accompanying materials. The latest videos shown at the Aloha Market Tokyo at Haneda Airport, and the slide displayed the airport activation with a screenshot of the dedicated campaign webpage.

Korea

The Korea team found home-shopping TV channels highly effective and partnered with Very Good Tour and Yellow Balloon Tour to promote Hawaiʻi tour packages, with videos shown on the channels. Social media platforms such as YouTube, Instagram, and Facebook have been effective in the Korean market, particularly KakaoTalk, which was uniquely Korean and reached more than 95% of Korean smartphone users, making it central to direct communication and engagement with potential travelers. In the travel-trade sector, the team had mapped out a series of webinars with tour operators, with the first, held the previous Wednesday with Yellow Balloon, reaching 42 agents.

China

The China team had similarly found social media to be both cost-efficient and effective, activating all the key Chinese platforms, WeChat, Weibo, Douyin, and Xiaohongshu, and generating more than 390,000 impressions from a single video. The team planned to air the remaining videos gradually to extend and maximize their shelf life. In the travel trade sector, six training sessions were conducted to roll out the new campaign, reaching almost 600 agents.

Taiwan

Hawaiʻi had resumed marketing in Taiwan in January 2026, and the team had returned strongly with social-media activation and partnerships with travel-trade and media outlets. The previous month, they had partnered with JAL and NCL to launch Hawaiʻi cruise packages. They had also hosted a press event at which the new campaign material had reached 50 travel-trade and media outlets as well as several influencers.

Europe

The team had focused their campaign on the travel-trade sector, sending a newsletter to more than 800 travel-trade professionals across Europe, and continuing to integrate the new campaign material into all education and engagement efforts with travel advisors, sharing assets and inviting partners to amplify the message.

Oceania

The Oceania team leveraged high-profile events such as the Ocean Film Festival in both Australia and New Zealand, with 27 screenings featuring the new campaign videos, reaching more than 15,000 potential travelers. The Brand USA Roadshow across New Zealand showcased the campaign to 500 travel agents.

Ms. Goo summarized her presentation by informing Board members that the campaign rollout was well underway across international markets, with strong early traction on social and digital media and in the travel-trade sector. Additional results were expected to be built in the coming months.

Ms. Anderson thanked Ms. Goo for her report.

6. Review and Discussion on Current Legislative Bills

Co-Vice Chair McCully introduced the HTA Public Affairs Officer, Ms. Jill Radke, noting that the bills under consideration had been discussed in detail at the previous meeting. This would be a less detailed presentation that would provide an opportunity for Board members and the public to suggest other issues to be considered in the course of testimony. He stated that the HTA's testimony would be based on the motion passed at the January session setting out priorities for the types of bills that would be supported, adding that a resolution had been passed to the effect that the HTA would be represented before the Legislature and the Executive by the President/CEO and other persons mentioned in the resolution, or their assignee.

Ms. Radke stated that she was the assignee of the President/CEO to speak at the present meeting, adding that when she wrote testimony, it was always signed off by the President/CEO. She commented that, typically, Ms. Anderson or Mr. Uchiyama testified, but Ms. Radke could be assigned to do so, although this had not happened so far.

Co-Vice Chair McCully stated that, in addition to answering questions before legislative hearings, another important aspect of the process was walking the hallways and speaking with staff and legislators. He asked whether Ms. Radke engaged in this practice, and she replied that she did not unless accompanied by Ms. Anderson or Mr. Uchiyama.

Co-Vice Chair McCully explained that he wished to understand how engaged Ms. Radke was in the legislative process. Noting that she had been with the HTA since June 2025, Ms. Radke responded that she was engaged through Ms. Anderson and Mr. Uchiyama, and that her role for the most part involved compiling information, obtaining advice from stakeholders and leadership, and ensuring that she accurately communicated the HTA's intent in their testimony.

Ms. Anderson explained that at present, the team walking the halls and meeting with legislators consisted of herself, Mr. Uchiyama, and Mr. Kishi. She added that Ms. Radke was instrumental in crafting testimony, and the entire team met every week to review the bills and resolutions and to determine the material to be included in their testimony.

Co-Vice Chair McCully observed that the HTA had a limited number of employees, so if Ms. Radke had shown herself capable of the task, she could be included in the team walking the hallways to become better acquainted with the concerns of legislators and thereby grow into her role.

Member Fischer cited his experience with the American Bus Association in Washington, D.C. This organization had a government affairs officer who spent most of each day visiting Capitol Hill committee members, depending on the status of current agenda items. Member Fischer noted that although one might visit legislators with a specific purpose, it was also beneficial simply to walk around and interact with people. He considered this a form of insurance, in the sense that the organization did not always refer to a specific concern but was instead building relationships to ensure that, when a concern did arise, the relationship already existed. He agreed with Co-Vice Chair McCully's comments, particularly given the limited staff numbers, and stated that Ms. Radke had the capacity to walk the halls independently if there were specific initiatives for the HTA.

Ms. Radke thanked the Board members for their confidence in her and stated that she looked forward to being assigned such work by Ms. Anderson.

HB 1950 HD1 Relating to the Transient Accommodations Tax (TAT)

Ms. Radke reminded members that this was the most important bill from the HTA's perspective because it addressed both future and past challenges. The bill had the potential to resolve these issues by restoring a percentage of the TAT to the tourism industry. She explained that when the TAT was first implemented in 1986, before the creation of the HTA, the intent was for the TAT to be reinvested in the visitor industry to mitigate the negative impacts of tourism. Ms. Radke believed that the agreement with the hotels was that the tax would be reinvested in the visitor industry and for the benefit of the community, creating a clear nexus between the use of TAT revenues and tourism so that the advantages of tourism would be more apparent.

Ms. Radke noted that, upon its creation, the HTA was assigned a percentage of the TAT, which was increased at that time to finance the HTA and its services. Over the years, the HTA initially continued to receive a percentage of the TAT, but that percentage was eventually replaced with a flat rate. As a result, tourism spending through the Tourism Special Fund (TSF) had remained flat in dollar terms, unadjusted for inflation, and the percentage-based structure had been abandoned. Resident sentiment had not improved in proportion to the increase in tourism spending. The present bill sought to restore the percentage so that a portion of the TAT would be paid into a special fund to support both visitor industry marketing and destination management, which was one of the HTA's major concerns.

Ms. Radke stated that the HTA believed the bill would restore the relationship between tourism and the mitigation of its impacts on resident sentiment, which the HTA believed affected the visitor experience and the value proposition. She noted that everyone who had worked in the visitor industry, particularly in resorts, was familiar with the recurring scenario in which a visitor asked about the TAT, which increased each year, and whether it was optional, followed by questions about its purpose. Previously, it was much clearer that the tax was reinvested in the visitor industry to improve parks, beaches, and airports, but over time the connection had become less clear. The bill would help restore that connection, even though it would not solve every problem. Ms. Radke noted that the percentage amount was currently blank and would be discussed in the testimony, but it could also be considered later when the budget is reviewed. She invited comments from Board members.

Member Lazaro stated that he was also passionate about this issue and emphasized the importance of a clear understanding, noting that visitors should also be aware of the economy's reliance on tourism to support parks and infrastructure. He observed that visitors wanted all facilities but did not want to pay the TAT, and he felt that Ms. Radke had engaged with this issue. He asked how Board members could help.

Ms. Radke stated that it was helpful for legislators to hear perspectives from the many people affected by tourism, including practical examples of the lack of clarity surrounding the TAT, resulting in visitors' misunderstandings. She added that it was also important to convey, from the residents' perspective, the close connection between tourism's contributions to the community and the financial resources of the TAT. Such information would help legislators make better decisions.

Ms. Anderson emphasized the need to explain to legislators the importance of a dedicated funding source from the TAT. Such funding would enable better planning, greater flexibility, and the possibility of residents seeing that visitor funds are reinvested in the community, including brand promotion and destination management.

Ms. Radke suggested that practical examples, expressed in dollar terms and comparing the periods before and after 2022, could demonstrate that the absence of dedicated funding made Hawaiʻi less competitive. She noted that several legislators had raised questions, indicating that the structure of marketing budgets was unclear, particularly for resorts with national marketing budgets. Her own experience had shown that a Hawaiʻi resort often had to compete for a share of the national marketing budget. If the State were not investing in marketing, the resort would lose out to other destinations that were investing. She added that Puerto Rico was currently investing significant State funds to support tourism, and national organizations had observed that the return on each dollar invested in Puerto Rico was much higher than the return on each dollar invested in Hawaiʻi. She believed that sharing this type of experience with legislators would be helpful.

Co-Vice Chair McCully asked whether the dedicated funding was intended solely for the HTA budget rather than for the Hawaiʻi Convention Center (HCC), and Ms. Radke replied that the dedicated funding was intended for marketing and destination management, implying that there were some overlapping areas, such as Meetings, Conventions, and Incentives (MCI).

HB 1590 HD3 Relating to Vacation Rentals
This bill concerned a vacation rental compliance tool that would enable the HTA to promote legal vacation rentals.

SB 2577 SD2 Relating to Sports Tourism
This bill concerned the benefits and costs of sports tourism.

HB 1800 HD1 Relating to the State Budget & SB 2500

Ms. Radke explained that these two bills related to the HTA budget, and in the most recent version of HD1, two sections of the HTA request had been removed. One of these was the $3 million request for additional sports tourism funding, which had been removed from the House bill as it proceeded to the Senate.

Mr. Kishi provided additional details, explaining that for BED114, Branding and Marketing, there were two amendments as follows:

Reductions		Additions	
Budget	**Amount**	**Budget**	**Amount**
Japan marketing	$500,000	Air route development	$300,000
U.S. marketing	$200,000	China marketing	$100,000
		Korea marketing	$100,000

The net result was a $200,000 reduction for BED114. These amendments were still under discussion with the Legislature.

For BED115 Sports, Mr. Kishi noted that, as Ms. Radke had mentioned, the $3 million request for additional sports funding had been reduced to $1 as a placeholder. At the same time, the Legislature continued to consider the matter.

For BED116, $7,620,000 had been added for the Stewards Program as part of the Green Fee Advisory Council's recommendation for the HTA, while the airport Kahea greetings program had been reduced by $300,000. Mr. Kishi believed that this reduction was the result of miscommunication, and the HTA leadership intended to reach out to the Legislature to clarify the matter with the hope of restoring the funding. The reduction occurred because a project to create digital information boards had already been completed. Mr. Kishi stated that these changes had resulted in a net addition of $7,320,000 for BED116.

Lastly, Mr. Kishi explained that the Capital Investment Program (CIP) request had been reduced to zero dollars, both for the CIP funds and for the HCC Special Fund request.

In response to a request from Co-Vice Chair McCully, Mr. Kishi stated that Ms. Orton had asked whether the $22 million request for the HCC Special Fund had been reduced to zero, and he confirmed that it had. Ms. Orton had been concerned because the intention had been to use that money for a roof-related leak project in the transom area. The rooftop terrace deck and the transom-glass foyer area in front of the exhibition halls were both affected, and the $22 million was intended to resolve that problem. As a result, the project would have to be delayed, although they still hoped to appeal to the Legislature.

Ms. Orton explained that the $22 million requested was from the Special Enterprise Fund, which consisted of funds already held by the HTA. This was not an additional request beyond what had already been allocated for the rooftop repair, but was a request for the Legislature to lift the expenditure ceiling to allow the funds to be used for the leak mitigation project.

Ms. Anderson stated that appointments were to be arranged with members of the Ways & Means (W&M) and Tourism Committees to explain the importance of these projects.

Ms. Orton added that this would be one of the next major leak-related projects following the rooftop project, and, if the issue were not resolved, the entire fourth-floor center concourse would leak. With the leakage extending to the third-floor center concourse, it would result in continued use of trash bins during events when it rained. Because the HTA already had the funds, it was hoped that, even if the $55 million needed for other upgrades and repairs was not made available, the funds already in the HTA's possession could be used to execute this large leak-related project during the modified event schedule. Ms. Orton added that the project would require removing and replacing the entire rooftop using a crane, and she appealed to Board members to persuade the Legislature to lift the expenditure ceiling to allow the HTA to use the funds already in its account. She emphasized that this was the ideal time to execute the project, because otherwise they would have to work around events, repeatedly stopping and restarting construction, and it was essential to prepare for the complete reopening of the HCC in 2028.

Ms. Radke stated that, in response to a question from legislators, Ms. Orton had replied that the HCC would still leak severely if the $22 million were not made available to repair the transom glass, and that leakage would continue in all the communal areas on the third and fourth floors.

Co-Vice Chair McCully asked Ms. Radke to prepare a report for the Board, as HB1800 would still be under debate at the next Board meeting. He requested Ms. Anderson, Mr. Kishi, Ms. Orton, and Ms. Radke to compile a pro forma report outlining the amounts associated with the various variables and, in narrative form, the consequential actions for each budget segment. He gave examples such as “total rooftop repair,” “total additional repairs to escalators,” and “additional $22 million repair,” and asked for the total aggregate cost. The Co-Vice Chair invited the team to speculate on the financial consequences of failing to conduct these repairs, even though detailed information might not be available.

Referring to the overall budget and the proposed reductions, Mr. Takahara of Hawaiʻi Tourism Japan (HTJ) explained that their organization worked extensively with the Japanese government, the Japanese Ministry of Tourism, the Japan Association of Travel Agencies, and all suppliers and airlines serving Japanese visitors to Hawaiʻi. HTJ was often asked by these agencies to explain the reasoning behind certain decisions, and they had previously responded that there simply wasn't enough money, but he hoped to be able to provide a more compelling explanation.

Mr. Takahara stated that stakeholders were working hard to support Japanese visitation to Hawaiʻi, noting that the Governor of Hawaiʻi had often visited Japan to seek investment for the State and had secured investment in a rail project for the Department of Transportation (DoT) and in the energy sector. Japan had been investing in these and other sectors in Hawaiʻi since the late 1970s and 1980s. Mr. Takahara had hoped that a clearer explanation of how decisions for each market had been reached, including how the amount of each reduction was determined, would provide a better perspective, as it was difficult to understand why Hawaiʻi was pulling back from the Japan market when Japan continued to invest in Hawaiʻi. He added that the Ministry of Tourism had been asking how and why the cuts had occurred and whether a formula had been used to determine the exact amounts.

Ms. Radke thanked Mr. Takahara and informed Co-Vice Chair McCully that she had no answer to Mr. Takahara’s question.

Co-Vice Chair McCully asked which report the legislative committee had been reviewing when they considered increases and reductions in the budget for HB1800, and Mr. Kishi responded that they were considering Form A, which was the budget request submitted through DBEDT, the Department of Budget and Finance (B&F), and the Governor’s Office to the Legislature. It had been submitted in September 2025.

In response to a question from Co-Vice Chair McCully about the final markup of the budget request, Mr. Kishi stated that there were many checkpoints at B&F and the Governor’s Office where additions and subtractions were made, and the final version had been submitted to the Legislature in January 2026. At that time, the latest amendments had been made through HB1800 HD1, which had been published two weeks earlier. He offered to provide the budget worksheets if the Board preferred.

Ms. Radke noted that although they submitted the budget, the HTA staff did not know the exact reasons for the amendments, and she could not provide a clear explanation to Mr. Takahara.

Mr. Kishi stated that the Legislature would reach out with questions, and he believed that for some legislators, the reasoning was philosophical. One idea that had been mentioned and that the HTA staff were trying to address concerned foreign exchange rates and the perceived cost-benefit to the State of the stronger dollar relative to the yen. If Board members and the HTA leadership could work to dispel that idea, it might be possible to regain the $500,000 for the Japan market. In addition, some legislators remained focused on the perceived downtrend and extended recovery period for the Japanese market, which led them to believe that funds should be directed to other markets with greater short-term recovery potential, whether that belief was accurate or not.

Co-Vice Chair McCully asked about the philosophical approach and suggested reviewing the argument and tying it to HB1950 and dedicated funding, noting that the strength of the HTA Board’s former structure as a governing Board with dedicated funding had been that such decisions were made transparently under the Sunshine Law. He asked how some of that integrity could be restored and noted that decisions were made around the Board table with integrity by members of the public, since Board members were themselves members of the public.

Referring to earlier comments, Mr. Takahara stated that HTJ had submitted responses to the philosophical view. He believed this was a short-term benefit and that whatever was saved in the short term would likely be lost in the mid- to long-term, adding that this could also apply to other markets. Mr. Takahara stated that Hawaiʻi risked losing market share in Japan since the trend line in Japan was not downward and had been upward in both arrival numbers and spending since 2022. Referring to the debate over whether to use 2019 as a benchmark, he noted that the Ministry of Tourism in Japan did not use it, instead focusing on year-on-year growth because it was not easy to reverse the effects of a global pandemic. Mr. Takahara hoped the Board would consider these issues, adding that although a small amount could be saved on marketing at present, damage would be caused by losing market share to other destinations that were accelerating their marketing to Japan.

Ms. Radke reminded Board members that the HTA did not support an increase in the TAT. She added that the bill concerning lodging establishments providing personal care products in small plastic containers was still under discussion, as was the bill concerning agrotourism, along with three additional bills relating to the TAT: HB1949, HB2618 HD1, and SB2921.

SB 2921 SD1 Relating to State Fund

Mr. Kishi explained that it was important to make a detailed review of SB2921, which concerned the transfer of excess balances from various non-general funds and programs into the General Fund, adding that this effectively raided the HTA coffers, including the HCC Special Fund (HCCSF) that had recently been discussed in relation to the roof project, the Tourism Emergency Special Fund (TESF), and the remaining balance in the Tourism Special Fund (TSF). The $5 million in the TESF and the $22 million in the HCCSF were at risk of being returned to the General Fund, with a potential loss to the HTA of almost $30 million.

Co-Vice Chair McCully thanked Ms. Radke and Mr. Kishi for their contributions.

Stating that the Legislature had responded to the budget that had been presented to the Board in the closed session of the previous meeting, and referring to Mr. Takahara's comment, Member Ojiri commented that he believed that the Board should communicate to the Legislature how these cuts were likely to affect the market, along with the potential losses and implications for the State.

Mr. Kishi stated that both the Japan and U.S. markets were expected to suffer reductions. Member Ojiri added that these markets, along with Canada, were major market resources and asked what the Board could do to remedy the situation by becoming more involved and providing greater support to Ms. Radke and Mr. Kishi.

In response to a request for her opinion from Co-Vice Chair McCully, Ms. Anderson stated that, as Ms. Radke had mentioned at the start, the more information that could be provided and the more interaction with legislators, the better. She noted that the original proposal for HB1950, a 15% allocation from the TAT, was still under discussion. Legislators had asked her what range the Board would recommend, and she had suggested between 10% and 12%, intending to return to the 2021 level of $81 million. Staff have developed suggestions for how the funds would be used. Ms. Anderson acknowledged the input of Dr. Salā and Mr. Mullen of the Hawaiʻi Visitor and Convention Bureau (The HVCB), who had also developed a plan. She stated that there were two issues: first, HB1950, which could provide dedicated funding, and second, the budget bill, which reduced funds in the marketing area and added funds elsewhere. Stressing the importance of having sufficient funds to remain competitive, Ms. Anderson emphasized that the more the Legislature could be informed about the importance of dedicated funding, the better, especially given the current economic situation.

Member Ojiri stated that they needed to communicate the situation clearly, noting that the world was not static and that global events affecting fuel surcharges placed Hawaiʻi tourism in a weak position. It was difficult to manage a budget under such conditions. He added that every cost was inflated, making exchange rates less relevant, as inflation existed in Japan, other Asian countries, and the United States. Stating that the HVCB would need more funding, he remarked that maintaining the current level of funding would be preferable to facing cuts and expressed hope that the Board could find a way to help the Legislature understand the present situation.

Co-Vice Chair McCully stated that, as an advisory body, the HTA Board was part of a communication chain rather than a decision-making entity. The Board needed to work closely with the DBEDT Director, who was the arbiter of final decisions. The Co-Vice Chair intended to reach out to determine whether Dir. Tokioka would be able to attend the next meeting, schedule permitting, so that Member Ojiri's suggestions could be discussed. Other members might also have questions. He noted that the Board was still developing its identity and that it was clear the Board no longer held authority, although they might be heard out of courtesy or respect. Eight months into the new structure, they had not yet earned that respect. The HTA Board had no mechanism for representing itself, although the Board was free to invite subject matter chairs to attend its meetings, either in person or virtually. Perhaps it had been remiss not to do so earlier. He stated that he would discuss with Ms. Anderson what could be placed on the agenda for the next meeting.

Member Ojiri thanked Co-Vice Chair McCully and emphasized the need to find a way to be heard by decision-makers. Although the Board's current function might be questioned, he stated that they still needed to communicate with appropriate entities, such as DBEDT.

Co-Vice Chair McCully stated that although the function of the HTA Board had been defined, the question was what could be made of it. He noted that HB1950 was the first bill in many years that sought to increase rather than diminish the authority of the HTA, and he viewed this as a step in the right direction. Since the loss of dedicated funding, the goal had been to regain it, not out of self-interest but for reasons of integrity and transparency. He believed it was inherently clear that there should be a relationship, a cause-and-effect, between TAT revenues and tourism authority marketing and management in the State of Hawaiʻi.

Member Guy asked whether, as individuals within their communities, Board members could express their personal support for the bill. He noted that four testimonies had already been submitted in support of the bill and wondered whether there could be 400 testimonies from groups and individuals who stood to benefit.

Ms. Anderson stated that members could indeed do so. Co-Vice Chair McCully added that Board members could always present their positions as individuals, the only restriction being that if they presented a position as the official position of the Board, it would need to be done under a Board resolution, which would generally be precluded since members were not named in the resolution. However, advocating within their communities to raise awareness of legislative matters vital to their interests was entirely appropriate and one of the reasons they served on the Board, as they were presumed to be engaged and active participants, "movers and shakers."

Member Guy stated that now was the time to move and shake.

Ms. Anderson explained that the HTA staff were in the process of developing final materials to be presented to members of the W&M and Tourism committees. These materials would also be shared with all Board members to provide information they could use when speaking with legislators or industry leaders.

At the invitation of Co-Vice Chair McCully, Ms. Radke recommended that, now that it was known which bills were under consideration, members should begin writing their testimonies immediately, since, when a hearing was scheduled, there would be only a brief 48-hour window. As soon as the HTA was called for a hearing, Ms. Hagihara would usually send out a notice.

Deputy Attorney General Cole suggested that if members testified personally, either as individuals or on behalf of organizations they represented, they should make clear that although they were members of the HTA Advisory Board, their testimony was being submitted on behalf of themselves or their organizations, and not on behalf of the Board or the HTA.

Recalling that Co-Vice Chair McCully had mentioned inviting Dir. Tokioka to the next Board meeting, Mr. Kishi noted that this meeting was scheduled for April 30th, approximately one week before the end of the legislative session. He suggested rescheduling the meeting with the Director.

Co-Vice Chair McCully thanked Mr. Kishi and stated that by that point, the Legislature would already be deep into Conference. He undertook to contact the Director to schedule a special meeting, which would likely be held virtually and might involve an executive session.

Ms. Anderson stated that if a special Board meeting were to be held in April, it could include approval of the DMAPs.

Co-Vice Chair McCully thanked Ms. Radke for her presentation and called for a ten-minute recess.

There was no public question or testimony on Agenda Item #6.

7. Discussion and Assignment of Board Members to the Governance Study Permitted Interaction Group (PIG)

Co-Vice Chair McCully requested a motion to adopt the item. Member Guy moved to adopt the motion, and Member Lazaro seconded it.

Co-Vice Chair McCully was informed that there was no public testimony or questions online.

He reminded members that this matter had been discussed at the special March meeting, during which he had expressed support for the concept, reiterating that the Governance PIG was central to the Advisory Board, as it would make recommendations regarding future amendments to HRS §201-B and would relate to the long-term approach to management should the Board remain advisory.

Co-Vice Chair McCully reminded members that a PIG could act on an ad hoc basis without the restrictions of the Sunshine Laws to address a specific question. He asked AG Cole when the specific question to be answered should be developed.

AG Cole stated that the question should be defined at the time the PIG was created. For example, the PIG could be tasked with reviewing the Governance Study conducted and submitting recommendations to the full Board on which sections of the study should be pursued.

Co-Vice Chair McCully noted that the study report, entitled “Governance with Aloha,” was delivered in June 2024 and has since been considered in the legislative process. The PIG would review the study and report back to the Board on the merits of its recommendations and any possible amendments to be submitted to a future legislative session.

Member Ojiri asked whether the PIG would amend the study or seek to incorporate the study's conclusions into future decision-making regarding the HTA.

Co-Vice Chair McCully stated that the study was a working document rather than a prescription. It was a source of information with substantial content. The Board would ask the PIG to study the report closely and, in the context of the past two years, consider what the Legislature has done in parallel with the study's recommendations. The report presented several potential future paths for the HTA and, by extension, for tourism management and stewardship in the State.

Co-Vice Chair McCully stated that the question to be posed to the PIG was to examine the study, in relation to the events of the past 20 months, and to report to the Board on elements of the study that could serve as the basis for recommendations to the Legislature for future amendments to HRS §201-B.

Upon the Co-Vice Chair's call for volunteers to serve on the PIG, Members Troy, Fischer, Guy, and Wong responded positively.

Member Ojiri asked whether this would be an ongoing PIG. Co-Vice Chair McCully stated that the PIG would need to answer the question he posed and make a recommendation to the Board.

Member Ojiri asked how often the PIG would meet, and Co-Vice Chair McCully stated that the meeting schedule would be determined by the PIG members themselves, anticipating a process in which the report would be broken into components, with individual members assigned to review specific sections. The chair of the PIG would call meetings as needed, possibly with two or three members at a time.

Member Ojiri stated that in that case, he would serve.

Member Elmore asked how many members were required to serve on the PIG and Co-Vice Chair McCully stated that there was no minimum, but the maximum was six, as the PIG could not constitute a quorum of the full Board. He noted that six members would make it easier to divide the work into component parts.

Member Elmore stated that she would serve if needed to bring the number to six.

Co-Vice Chair McCully issued a cautionary note that once the PIG was constituted, members could not be added or removed.

AG Cole added that a person could resign, but Co-Vice Chair McCully clarified that they could not be replaced. He asked AG Cole to confirm whether a PIG formed with four members could later add more members. The six proposed members were Members Troy, Fischer, Guy, Wong, Ojiri, and Elmore.

Co-Vice Chair McCully called for a roll vote. Mr. Uchiyama conducted the roll call vote, and the motion passed unanimously.

8. Update on the CEO Search

Co-Vice Chair McCully stated that this was a report from himself as the Chair of the Administrative Standing Committee (ASC), since the CEO PIG operated under PIG rules.

He explained that the HTA Bylaws, Section III, stated that the ASC Chair was responsible for coordinating the search and recruitment of the nominee, although the actual work was conducted within the PIG, with the ASC serving as the oversight committee. He had asked Dir. Tokioka to assign his Human Resources (HR) Director, Ms. Nicole Shida, to assist the Board and help the PIG understand the nature of HR requirements for hiring a State employee. He intended to ask Ms. Shida to attend the next ASC meeting to provide a report under the Sunshine Laws for clarity. Co-Vice Chair McCully noted that there was an existing pool of candidates who were in contact with Ms. Hagihara and who were kept updated on the process, including a prospective calendar. However, at some point, the Board would need to determine whether to reopen the search.

Reviewing the CEO timeline, Co-Vice Chair McCully stated that face-to-face interviews were scheduled to begin in March, and that the PIG was to be involved in this process. In April, the PIG was expected to narrow down the finalists and present to the Board a recommendation regarding whether to open the process to new interested parties. This was the revised timeline developed in coordination with DBEDT, and the item would be placed on the agenda for the April meeting and, if necessary, the special meeting to be attended by the DBEDT Director.

Co-Vice Chair McCully added that, in working with Mr. Uchiyama, it had become clear that the HTA had a significantly revised position description and a different employment nature for the President/CEO, and that this would necessitate a Board determination. The decision would not be made by the PIG but would come through an ASC recommendation to the Board or through a Board debate and discussion. This would occur under the Sunshine Laws, not in executive session, since they would not be discussing specific individuals, even though the decision would affect a pool of individuals. None of the candidates would be excluded from a future search.

AG Cole asked whether any individuals would be named in discussions regarding the search. Co-Vice Chair McCully stated that reopening the search was not a characterization of the current pool but was necessary because the position had been fundamentally changed in several important respects. No one would be excluded by reopening the search, but individuals who had chosen not to apply under the earlier remit might now be interested in the revised position. For example, a State employee would no longer be required to leave the State retirement system, which could be a significant factor for some candidates.

Co-Vice Chair McCully was informed that there was no public testimony or questions online, and there was no discussion from Board members.

9. Presentation and Discussion of Current Market Insights and Conditions

Ms. Jennifer Chun, Director of Tourism Research at DBEDT, presented material that was also distributed to members in their information package.

Ms. Chun explained that DBEDT would publish the February visitor statistics the following week. Although publication was usually aligned with the Board meeting, on this occasion, issues related to the storms and the Prince Kūhiō holiday had caused a delay.

Ms. Chun stated that she would share the DBEDT forecast before answering questions. She noted that, due to considerable uncertainty regarding U.S. government policies and the war, the forecast had been prepared under the assumption that the funding requested by the HTA would remain intact. Having seen the work being done by the GMTs and recalling the visitor profiles she had shared the previous month, Ms. Chun emphasized that there was still a demand for Hawaiʻi vacations.

Ms. Chun informed Board members that DBEDT forecast modest increases in visitor arrivals and more substantial increases in visitor spending, as prices had risen across the board, with gas prices being one example. Although the full impact of increased jet fuel prices had yet to be seen, DBEDT believed demand still existed.

Ms. Chun stated that visitor arrivals had been influenced by the HTA Maui campaign, with modest increases in the U.S. West market and increases in the U.S. East market. Recognizing the efforts of the HTJ team, DBEDT continued to have confidence in the Japan market and the number of Japanese people wishing to visit Hawaiʻi. With the 2019 level shown for comparison, Ms. Chun noted that although increases were not large, there was continued recovery. As Mr. Takahara had explained, there had been increases in both arrivals and spending.

Ms. Chun commented that DBEDT was less optimistic about Canada and that 2026 remained soft due to ongoing uncertainty, despite the efforts of the Canada team. However, they believed that conditions would improve in 2027 and continue to grow thereafter.

Ms. Chun explained that Europe had been affected by many factors that had less impact on the U.S. market, particularly because of distance. European travelers generally reached Hawaiʻi via direct flights from the U.S. East Coast, and sometimes from the U.S. West Coast. Based on those flight patterns, Europe was expected to hold steady throughout the forecast period.

Regarding Oceania, Ms. Chun expressed concern about the loss of air seats but hoped that the following year would bring greater momentum and some recovery.

For Korea, she stated that despite recent events, they expected continued growth, although not large growth, due to differences among carriers. Nonetheless, growth was still anticipated.

For other markets, including other Asian markets and Latin America, Ms. Chun stated that arrivals fluctuated and were unpredictable, adding that Hawaiʻi had not marketed to Latin America for approximately eight years.

Ms. Chun noted that the forecast regarding cruise schedules did not account for the potential impacts of the bills discussed by Ms. Radke. Cruise schedules had shown a modest increase, and it was expected that ships would continue to operate at similar levels of fullness, as they needed to fill their vessels.

DBEDT had published hotel numbers earlier that week, and vacation rental data that morning. Ms. Chun explained that although this data was not included in the members' information packet, it was available on the HTA website. In February, statewide hotel occupancy decreased slightly by 0.4 percent, while average daily rate (ADR) increased. Comparing the various islands, O'ahu showed a decrease in occupancy but flat ADR. In contrast, Maui showed increases in occupancy but lower ADR, suggesting that the increase in occupancy reflected the impact of campaigns such as the Rams activation. Both Hawaiʻi Island and Kauaʻi showed decreases in occupancy but increases in ADR.

Ms. Chun stated that DBEDT had recently published the year-end timeshare numbers for 2025, and this sector had performed well, with statewide occupancy at 91.9%.

In response to a request from Co-Vice Chair McCully, Ms. Chun stated that short-term vacation rental (STVR) occupancy for February was 61.2%, with both supply and demand increasing, though demand did not increase as rapidly as supply. DBEDT had been informed of an increase in the Statewide inventory of STVR units.

Co-Vice Chair McCully asked how much of the STVR activity reflected fluctuations in availability, and Ms. Chun stated that STVR occupancy was less predictable than hotel occupancy because many rentals were not available year-round. Hawaiʻi had a condominium market that was heavily utilized, whereas rental homes were not consistently used. She noted that many investment units were not occupied by their owners.

Co-Vice Chair McCully stated that this related to political discussions about the future of tourism in Hawaiʻi and its effects on communities, noting that STVRs had a disproportionate effect on communities, average daily spending, and target markets. He emphasized the importance of closely monitoring this sector.

Member Guy asked what proportion of travelers could be defined as high-value travelers, since he perceived that high-volume travelers could be described as higher cost travelers. High-value travelers were more interested in shopping than in beach camping and were willing to invest in the Hawaiʻi economy.

Ms. Chun responded that high-value travelers were not deterred by increased costs, adding that the DBEDT survey did not capture income level and that DBEDT had no way to identify which visitors were high-value travelers. This meant that they could not know whether the campaigns had been successful in attracting these travelers. Ms. Chun added that the previous meeting's presentation showed that each global marketing team (GMT) selected its own market segments and defined high-value travelers. DBEDT provided market insights from consumers regarding their perceptions of Hawaiʻi. Still, it was difficult to determine the visitor profile, even though the operator who sold the product to the consumer knew it.

Co-Vice Chair McCully asked whether operators were seeing higher-profile visitors attracted by the campaign, but he was informed that the DBEDT survey did not have access to such nuances.

Co-Vice Chair McCully commented that Japan seemed stuck in a slow rise, projected to reach only about 50 percent of the 2019 level by 2028. Ms. Chun apologized that the version she had supplied did not contain 2029, but DBEDT forecast approximately 844,000 visitors for 2029, slightly more than half of the 2019 level.

Co-Vice Chair McCully stated that some situations were structural and others situational, including demographic changes, with middle-level tour groups previously representing a larger share of the market.

Ms. Chun explained that HTJ had changed its marketing to the Japanese market and its target travelers, and it no longer targeted the type of traveler who had previously arrived in tour groups.

Co-Vice Chair McCully observed that when he returned to Hawaiʻi from abroad, he sympathized with people who had to wait in long lines at passport control. Rather than having someone outside giving them a lei, he believed travelers would be better served by someone inside the passport control area welcoming them to Hawaiʻi, explaining the immigration system, estimating the time required to stand in line, and providing a greeting that would reduce anxiety.

Co-Vice Chair McCully stated that he had participated in a discussion about building a hotel on State lands, noting that three types of State land were available for hotel construction: lands managed by the Department of Hawaiian Home Lands (DHHL), lands managed by the Department of Land and Natural Resources (DLNR), and DoT-managed lands. The most expedient option was DoT-managed lands, which were self-funded and had no oversight Board.

Co-Vice Chair McCully asked which agency determined airport landing fees, and Ms. Chun stated that she believed it was DoT Airports.

Co-Vice Chair McCully asked how landing fees from Japan could be used to incentivize ANA, JAL, and ZipAir to land in Honolulu, and requested information on how DoT was managing the franchise for retailers at Honolulu Airport, noting that duty-free operations were going dark. The Co-Vice Chair remarked that all of this was internalized and not subject to debate under the Sunshine Laws. While the price of oil could not be controlled, landing fees could be controlled, as could the DoT's budget needs and the proportion of landing fees contributed to the budget. He asked whether this had been debated.

Member Ojiri noted that Japan, Canada, Europe, and Oceania, along with other international source markets, were experiencing restrained growth due to airlift constraints. For Japan, the number of available seats was 60% of the 2019 level, and the planes were not occupied solely by Japanese visitors. At least 20-25% of the seats were filled by local residents, which was beneficial to the airlines but left fewer seats available for inbound visitors. The dynamics for airlines had changed because there were not enough aircraft. Canada, Oceania, and Korea were exceptions because they were flying LCCs, and Europe was deploying aircraft elsewhere.

Member Ojiri commented that the State of Hawaiʻi needed to address how to diversify its customer mix, which was currently 80-90% domestic and 10-20% international. To protect the future and safeguard the business base, the State needed to address the airlift issue in the new environment, where Boeing deliveries were delayed and other events led to flight changes. This was the difference between the present time and 2019.

Member Guy quoted Mr. Uchiyama's long-standing philosophy that airlift would follow demand, noting that if the recovery of markets were slow, the return of airlift to Hawaiʻi would also be delayed. For example, it was desirable for Japan to increase airlift to Hawaiʻi, but airlift had to follow demand, and the faster Hawaiʻi could build demand from viable markets, the faster airlift would return.

Ms. Chun stated that she had been considering the legislators and the local will. She recalled that in 2012, when the Legislature allocated HTA funds to build up the airlines, it had a different attitude toward assisting tourism, and she referred to the comments of Ms. Radke and Mr. Kishi on the importance of adequate funding.

Mr. Uchiyama pointed out that when an air carrier was rooted in Hawaiʻi, competing carriers did not want to lose market share and made commitments to protect it. Now that the Hawaiʻi-based carrier no longer existed, competing carriers no longer perceived a threat. He added that funding had been provided for several years, but it was necessary to outline a strategy for increasing airlift. Anticipated results for each market had to be forecast to give the Legislature confidence to provide funds.

Co-Vice Chair McCully thanked Ms. Chun and was informed that there were no questions or public testimony online.

Mr. Uchiyama commented that although the total number of arrivals had remained static at about 9.5 or 9.4 million, there had been a shift from hotel visitors to vacation ownership. He believed that the latter visitors, who had controlled accommodation costs and could therefore spend more when visiting, contributed to increased revenue.

Ms. Chun responded that STVR owners had an occupancy rate of over 90% statewide, and visitors were continuing to arrive.

Co-Vice Chair McCully stated that he was part of the group that invested in STVR, and that this might not have been his best financial decision. He noted Mr. Uchiyama's interesting comments, including the point related to the untethering of Hawaiian Airlines and its effect on strategic decisions by other airlines.

10. Presentation and/or Discussion of Japan Affluent Market Research Findings

Mr. Eric Takahara, the Managing Director of Hawaiʻi Japan (HTJ), reminded Board members that the market research study was proposed in March 2025 and funded by the Maui Emergency Marketing Campaign. While most of the funding had been allocated to domestic travel, a portion had been assigned to HTJ. After discussions with the Governor's Office and the Governor's Special Advisor on Japan, Mr. Paul Yonamine, it was determined that a research study of the affluent market would be conducted.

Mr. Takahara stated that in March 2025, the Brand Marketing Standing Committee (BMSC) reviewed the proposal, which was subsequently approved by the full HTA Board in May 2025. The project began immediately, and a progress report had been submitted to the Board in October 2025 for review and comment, with the final report delivered in February 2026.

Mr. Takahara explained that the research company, Five Star Interactive (FSI), was a large Japanese research and branding firm that supported the development of global brands in Japan, particularly luxury brands such as Louis Vuitton and Chanel. For many of these brands, the company also managed the digital customer experience. For example, the Louis Vuitton website viewed in Japan was created by Five Star Interactive. HTJ believed that FSI would provide high-quality data and considered the firm qualified because it primarily worked with luxury and high-end brands, including domestic luxury brands.

Mr. Takahara noted that the Japanese yen's poor performance against the U.S. dollar since the pandemic had created the greatest disincentive for middle-level Japanese travelers to visit Hawaiʻi compared with pre-2019 levels. Another factor was U.S. inflation, with Hawaiʻi's possibly among the highest. Mr. Takahara reminded Board members that Japan had lifted all COVID-19 restrictions only in April 2023, adding that the Japanese government's refusal to allow companies such as JTB and JIS to operate as full-fledged travel companies during the restriction period had caused significant disruption. The travel market had been slow to restart after three years of restrictions. Mr. Takahara presented a graph illustrating the relationship between the yen-dollar exchange rate and the number of arrivals from Japan.

Mr. Takahara remarked that the study summary included in the Board members' information packets provided background on Japan's slow recovery in the travel market and the growth of Japan's affluent population after the pandemic. It identified an opportunity to focus on high-value rather than high-volume travelers. As the middle class failed to return to Hawaiʻi, HTJ recognized the need to redeploy resources toward the segment that was still able to travel.

Mr. Takahara listed the objectives of the research project as follows:

- to increase tourism revenue through high-value travelers,
- to understand the current motivations of the affluent market,
- to identify what drove their decisions, and
- to determine why Hawaiʻi had been missing this segment.

Mr. Takahara noted that no detailed study of this market had previously been conducted, and the purpose of the study was to analyze the affluent traveler's perception of Hawaiʻi in order.

- to determine how best to reach them,
- to identify strategies to increase visitors' spending and length of stay, and
- to support sustainable tourism growth.

Giving details of the market context, Mr. Takahara stated that arrivals remained below pre-pandemic levels, tourism revenue had not fully recovered, and limited flight capacity continued to restrict supply. He added that increasing visitor volume alone risked overtourism, emphasizing that Hawaiʻi did not wish to return to 2019 conditions, when 10.4 million visitors had placed a significant strain on infrastructure and resident sentiment. There was a need to shift toward higher-value visitors who would increase revenue without increasing the visitor footprint.

DBEDT forecasts showed that marketing strategies targeting affluent Japanese visitors to Hawaiʻi showed increases in spending per person, daily spending, length of stay, and visitor numbers.

Mr. Takahara remarked that the market context reflected radical shifts, with the COVID-19 pandemic resulting in a drastic decline in Japanese visitor numbers and a corresponding drop in revenue. He reminded Board members that current arrivals were only 50% of peak levels, and tourism revenue had not yet recovered. Structural challenges included stagnant air seat capacity and reduced flight frequencies. Increasing visitor numbers alone risked overtourism and lacked resilience because it depended on volume. The strategic shift aimed to attract affluent Japanese travelers, a segment with high travel expenditure.

Mr. Takahara remarked that the study indicated that the affluent market remained underdeveloped and that further growth potential existed. He presented a slide showing changes in visitor metrics: slight increases in spending per person and daily spending, a decrease in visitor numbers compared with 2019 but year-over-year increases, and slight fluctuations in length of stay.

The survey had examined more than 4,000 survey responses from luxury users and customers, along with 16 in-depth qualitative interviews lasting 2 to 3 hours each. Participants had been selected from luxury brand databases and included wealthy, super-wealthy, and semi-wealthy individuals, both those who had visited Hawaiʻi and those who had not. The focus was to identify travel decision-making processes and perceptions of Hawaiʻi as a destination, including:

- reasons for visiting or avoiding Hawaiʻi,
- expectations for travel experiences,
- information sources, and
- trip-planning behaviors.

The Executive Summary indicated that Hawaiʻi had maintained a certain level of demand as a safe and standard destination. Still, interviews and polling revealed challenges affecting the future of the affluent market. Hawaiʻi had already "fallen off the radar" for many wealthy travelers, particularly wealthy and semi-wealthy individuals in their 30s and 50s seeking intellectual adventure and off-the-beaten-path experiences. Hawaiʻi's public relations (PR) messaging had remained largely unchanged since the 1970s because it had been aimed at mass audiences and had attempted broad coverage with limited resources. No targeted or focused PR messaging had been directed at the affluent market.

The proposal recommended encouraging more affluent Japanese who were not currently visiting to choose Hawaiʻi, with the proposed approach being to develop a robust digital matching portal to serve the affluent market and to build connections with both the private sector and government.

Mr. Takahara reminded Board members that Governor Green had secured significant investment in Hawaiʻi from Japan, and that HTJ's long-term goal was to contribute to Hawaii's sustainable economic growth by recovering and expanding desired visitor metrics in the mid- to long-term period following the pandemic.

Mr. Takahara stated that personas had been developed using collected data, with the first persona representing the super-wealthy class. He confirmed that such individuals actually existed, citing the example of Mr. Tadashi Yanai, owner of UNIQLO, who had purchased the Kapalua Golf Course in the mid-2010s for approximately $250 million, had built private properties on neighbor islands, and had recently signed a deal with the Los Angeles Dodgers, securing naming rights for Dodger Stadium. Another example was the owner of Daisho Company, which had recently purchased the land under the Royal Hawaiian for $510 million. These super-wealthy individuals had first come as visitors, had fallen in love with Hawaiʻi, and had subsequently chosen to invest in the state. Hawaiʻi hoped to cultivate such long-term connections with this type of traveler.

Mr. Takahara explained that the second persona represented the new-rich, technology-focused segment, whose connection to Hawaiʻi was shaped by the perception that Waikiki lacked intellectual excitement or opportunities to demonstrate survival skills, due in part to the high density of Japanese speakers. This new-rich group differed significantly from traditional Japanese visitors; they thought differently, sought challenge, and expected their needs to be met in ways beyond the usual stereotype of shopping and dining at steakhouses.

Mr. Takahara stated that the third persona represented the stable, rich segment.

The research study's key findings indicated that there were two distinct sets of values toward Hawaiʻi: those held by the segment currently addressed by HTJ's existing messaging and public relations efforts, and those held by non-Hawaiʻi travelers who were not visiting for various reasons. Mr. Takahara commented that present marketing efforts did not address adventure, exploration, or active acquisition. Still, it had become clear that affluent individuals wished to understand how they could become more integrated into the Hawaiʻi community. They expressed strong interest in deeper community involvement rather than purely transactional experiences such as dining at expensive restaurants or staying at high-end resorts.

Mr. Takahara remarked that there was a persistent negative stereotype that Hawaiʻi was solely a place for relaxation, but while affluent travelers did value relaxation, they also sought experiences unavailable in other luxury destinations. Many affluent travelers expressed concern that there were too many Japanese visitors in Hawaiʻi, even though Hawaiʻi continued to seek Japanese travelers. The perceived version of Hawaiʻi did not satisfy the spirit of adventure sought by these individuals, suggesting the possibility of deploying existing resources to encourage more affluent travelers to visit Hawaiʻi, as this segment provided a higher return on investment for the State. Mr. Takahara added that the challenge was that, among many stimulating global options, Hawaii's safe and secure image appeared insufficiently compelling to affluent travelers who were not currently visiting. The conclusion was that for the affluent adventure segment, Hawaii's strong stereotypes failed to stimulate curiosity and prevented serious consideration of the destination.

Mr. Takahara explained that the target audience consisted of individuals who were not currently visiting Hawaiʻi but had the resources and capacity to do so and would yield the highest return for the State. These were the wealthy and semi-wealthy classes who were not presently traveling to Hawaiʻi. The super-wealthy class required further development, given the limited number of individuals capable of purchasing land in Hawaiʻi for hundreds of millions of dollars, and therefore remained on hold for the time being.

Mr. Takahara outlined the following challenges:

1. Non-Hawaiʻi travelers were bypassing Hawaiʻi due to a lack of intellectual stimulation, which was also tied to emotional and spiritual stimulation.
2. Current Hawaiʻi visitors risked future detachment due to life-stage changes, and in the mid- and long-term, Hawaiʻi would need to address the evolving needs of these affluent travelers.
3. Strong stereotypical images obscured Hawaii's true appeal and diminished its destination value for affluent travelers.
4. Hawaiʻi risked losing business and investment opportunities due to a lack of information. The super-wealthy businessmen mentioned earlier had first come as visitors and later decided to invest.

Mr. Takahara explained that the contractor's proposal addressed a longer-term view of the affluent visitor. He was aware that HTJ already had some services in place that addressed the current needs of affluent travelers, but the contractor had recommended focusing on gaps in these services. The current mass-market messaging reinforced stereotypes and prompted complaints from affluent individuals who felt unstimulated by Hawaiʻi's image.

Mr. Takahara stated that the research study had found that affluent travelers often felt reduced to mere buyers and perceived their relationship with the State as transactional, despite having broader expectations for their engagement with Hawaiʻi. They perceived a lack of opportunities for fulfillment provided by avenues for self-growth, building meaningful connections, or achieving fulfillment through contribution.

Mr. Takahara commented that the absence of opportunities for cultural and historical learning was a significant issue for affluent Japanese travelers, who were highly interested in Hawaiian culture and history. For example, there were approximately 1.7 million hula practitioners in Japan, exceeding Hawaii's population of 1.4 million. Japanese audiences were deeply engaged with cultural events such as Mahina Ōlelo Hawaiʻi in February, and more than 2 million viewers in Japan had watched the live stream of the Merrie Monarch Festival.

Mr. Takahara explained that the existing marketing approach brought the market from minus to zero and functioned primarily in maintenance mode. However, it did not support movement from zero to plus, which should have been the strategic focus. He added that the affluent market had expanded since the pandemic, and the strategic direction was to build long-term relationships with affluent Japanese travelers to shift Hawaiʻi tourism from transactional visits to long-term engagement. The goal was to create a sustainable community connecting Hawaiʻi and Japan through deeper cultural, personal, and experiential relationships.

The strategic directions suggested by the research study were as follows:

- to reposition Hawaiʻi as a destination for discovery, learning, and personal growth,
- to shift brand messaging from resource-based appeal to people and community, and
- to provide exclusive information and personalized experiences.

Mr. Takahara pointed out that the affluent Japanese traveler represented a high-potential segment for Hawaii's tourism recovery, not in terms of higher volume but in terms of higher expenditure. Still, current messaging and offerings required better alignment with their needs. He added that the research reinforced the four-target cluster framework of the Brand Marketing Plan (BMP) strategy as effective for this market.

The senior market promotion scheduled for launch in April was expected to catalyze to strengthen cluster integration and industry collaboration.

Co-Vice Chair McCully thanked Mr. Takahara and was informed that there were no questions or testimony from online participants.

Member Lazaro stated that Board members had been provided with extensive information based on detailed research and, thanking Mr. Takahara, he expressed his appreciation for the work.

Mr. Takahara noted that the affluent market was particularly interested in the community and hoped to become part of it, which drew them to visit and invest and led to more jobs and opportunities.

Member Ojiri stated that deeper experiential and personal connections aligned with the message “Hawaiʻi stays with you,” which could address the engagement needs of affluent travelers. He added that the message should also be directed toward younger generations, regardless of current financial capacity, because he hoped that in five or ten years they would have the means to travel. The same experiential, cultural, and historical messaging could appeal to new markets with which Hawaiʻi did not yet have engagement, since current messaging primarily targeted those already familiar with Hawaiʻi.

Mr. Takahara stated that the senior campaign was aimed at seniors with resources, noting that one-third of Japan’s approximately 140 million population was aged 60 or older and that this group held significant financial assets. He noted that Japanese individuals were less inclined to invest in stocks and bonds than Americans, resulting in substantial wealth held in bank accounts. This market segment had therefore been identified as a short-term strategic focus, with long-term strategies still to be developed, and the research study affirmed this direction.

Co-Vice Chair McCully referred to a bar graph showing the steep decline in arrivals after 2019 and asked whether they had identified which Japanese travelers had been the first to return to Hawaiʻi and whether this overlapped with the dataset.

Mr. Takahara stated that approximately 70% of the early returnees were repeat visitors and that many were affluent travelers who had been able to disregard the 30% decline in the yen's value against the dollar.

Co-Vice Chair McCully asked whether there were case studies supporting the proposals outlined in the Executive Summary. Mr. Takahara stated that they had not yet reviewed examples from other destinations but would be able to obtain such information from the research company.

Co-Vice Chair McCully referred to Dubai, which had developed into an international destination despite limited natural resources, through the establishment of an international air hub and supporting infrastructure. He noted that Hawaiʻi had long been associated with sun, sand, surf, and safety, not only for Japanese visitors but for all international travelers, and that rule of law had always been an important aspect of its appeal. He observed that it would be impossible to develop a resort on each island tailored to the ultra-wealthy. He asked whether there was a path forward and which entity would manage it, whether the HTA, the HVCB, or Destination Japan.

Mr. Takahara stated that the proposal represented Phase 1 of a larger plan and that Phases 2 and 3 would address implementation. The initial proposal was to establish a robust digital portal for wealthy travelers to access.

Co-Vice Chair McCully commented that such individuals often preferred a curator rather than a portal, and Mr. Takahara responded that the platform would be connected to curators. The research company recommended linking the portal to a public-private partnership involving the Chamber of Commerce and DBEDT, with a managing organization to oversee the partnership. The research company advised that the initiative should not be managed solely by the State, as private organizations would also benefit. The Governor's Special Advisor on Japan had indicated that private sector companies were already prepared to participate in developing these markets because they would benefit from increased visits by affluent travelers.

Member Guy congratulated the team on the report and expressed appreciation for Member Ojiri's comments regarding cross-marketing, particularly the "Hawaiʻi stays with you" campaign. He noted that on Kauaʻi, especially on the North Shore, they had observed an increase in affluent travelers, not necessarily the specific segment studied, but with behavior parallels. He asked whether the study differentiated between Waikīkī and the neighbor island markets.

Mr. Takahara responded that the study had not been organized by area or island, although the data suggested that the affluent market was more closely associated with the neighboring islands. He added that further discussion could take place on this point.

Co-Vice Chair McCully thanked Mr. Takahara for his work and thanked HTJ for commissioning the report, expressing the hope that it would be put to effective use.

11. Presentation and/or Discussion of U.S. Maui Emergency Marketing Campaign Final Results

Co-Vice Chair McCully introduced Mr. Tom Mullen, Senior Vice President and Chief Operating Officer for Hawaiʻi Tourism USA. The Co-Vice Chair stated that the Board was now below quorum, and therefore, no substantive votes would be taken for the remainder of the meeting. The Board would continue to hear reports, and discussions leading to future votes could take place at a later time.

Mr. Mullen explained that the Maui Recovery Campaign was designed to increase Maui brand awareness and drive both wholesale packages and direct bookings. A total of $6.3 million had been allocated, of which $6 million had been used for campaign activities and $300,000 for research. The campaign had been launched in June 2025 and was scheduled for completion in May 2026, when the contract would terminate, with a halo effect expected to continue later into 2026. The program consisted of wholesale channel co-operative efforts, direct booking initiatives on digital and social media, public relations activities, and MCI conversion programs. At the same time, the research investment included a market study to review the impact before, during, and after the campaign.

Wholesaler Programs

Mr. Mullen explained that a total of $4 million had been allocated, with six major wholesalers for Hawaiʻi and the mainland U.S. market involved, including the largest, Expedia and Costco Travel. The other four wholesalers had smaller consumer channels, and their results were consistently lower than those of Expedia and Costco. A variety of tactics were used, with each wholesaler employing its own methods for accessing channels and generating conversions over the six-and-a-half-month period.

Direct Booking Program

Mr. Mullen stated that this had been conducted through both consumer and social media channels and hosted on the hvcb.org website, featuring more than 80 offers from Maui merchants and over 245 vetted Maui special offers with direct booking links to partners. The program targeted consumers in top-producing Hawaiʻi markets, primarily West Coast cities such as Los Angeles, San Francisco, and San Diego. Two paid media flights had run, one from June through the end of July and another from August through the end of the year. These efforts complemented the brand and wholesaler tactical programs. Participation required a minimum 20% value offer.

Social Media Campaign

Mr. Mullen explained that this had involved a paid campaign activated across Facebook, Instagram, YouTube, and TikTok, targeting Hawaiʻi travelers in key West Coast cities, with video clips focused on a call to action (CTA) directing consumers to the Maui Special Offers page to encourage bookings. Board members viewed two brief video clips.

Public Relations

Mr. Mullen remarked that PR efforts had included many activations including a multi-market news story on CBS and Fox in major markets, a Maui press trip to showcase properties and activities in both West Maui and Wailea, participation in the International Media Marketplace LUX (IMM LUX) in October with more than 92 appointments with major travel publications, and a November segment on Entertainment Tonight sponsored by the Wailea Beach Resort.

Mr. Mullen presented an overall calendar of the entire program, with tactics listed on the left, months across the top, and expenditures at the bottom. The greatest expenditures occurred between July and October 2025, when most wholesaler activities took place.

Results

- The wholesaler program generated 78,544 incremental room nights, representing a 126% year-on-year increase.
- The direct booking program's paid digital media generated 144 million impressions, 312,000 clicks to special offers, and approximately $16 million in economic impact through MCI conversion.
- Paid social media generated 92 million impressions, 4.7 million video views, and approximately 348,000 clicks to special offers, driving significant activity to direct booking programs and room night bookings.

Mr. Mullen shared data for Maui hotels from Smith Travel Research (STR), showing percentage occupancy, average daily rate (ADR), and revenue per available room (RevPAR) for July 2025 through January 2026, broken down between Wailea and West Maui. The data showed improved occupancy across both areas. Hotels had reduced rates by an average of 5-6% to encourage bookings, and RevPAR was mostly positive, resulting in an umbrella effect across the entire market.

Mr. Mullen stated that Maui County had averaged 65% occupancy in the wholesaler program, a 7.5-point year-on-year increase, with higher aggregate room-night performance from June through December 2025.

Mr. Mullen pointed out that the two flights of paid media on the West Coast from May to June 2025 and from August to November 2025 for the Hawaiʻi Special Offers Program had generated a combined 236 million impressions and 660,000 click-throughs to special offers.

He added that Maui Week in early June 2025 had involved a TV spot market promotion across 14 source markets.

Direct Booking Program – Maui MCI Immediate Conversion Incentive

Mr. Mullen stated that this program consisted of three campaigns:

- Campaign 1 invested approximately $11,000 and generated an economic impact of $4.3 million.
- Campaign 2 comprised the IMEX Activation with an investment of $19,000 in incentives, generating an economic impact of $11.5 million.
- Campaign 3 consisted of the Maui MCI Immediate Conversion Incentive, launched to drive group incentive business to Maui.

Mr. Mullen stated that the social media campaign had generated 92 million paid impressions, exceeding projections by 44%, and 348,000 clicks to Maui-focused special offers. Visitors could access links to other islands from the page, but the primary focus remained on Maui.

Mr. Mullen added that PR initiatives had produced five broadcast TV news segments generating 12.5 million impressions and $840,000 in earned media value. The Maui Press Trip, IMM LUX 2025, and Entertainment Tonight collectively reached approximately 15 million viewers.

Brand Study Results

Mr. Mullen remarked that almost 60% of travelers likely to visit Hawaiʻi in the next year intended to visit Maui, followed by Hawaiʻi Island at 47% and Oʻahu at 49%. Kauaʻi had not been included in the survey.

He added that 40% of qualified travelers recalled seeing the advertising, with higher awareness in California (43%) and among travelers under age 55. Impact scores were 4.17 out of 5 for "Visit Maui" and 4.08 out of 5 for "Support local businesses on Maui." Mr. Mullen stated that the figures for conversion and the return on investment (ROI) would only be available in the final report to be delivered in April.

Co-Vice Chair McCully thanked Mr. Mullen and was informed that there were no questions or public testimony online.

Upon being asked by Member Ojiri whether this presentation had been made to the Legislature, Mr. Mullen replied that it had not, while Member Ojiri said it would have been a good opportunity to demonstrate the return on investment.

Ms. Anderson thanked Mr. Mullen for his presentation and promised to share the information with legislators, especially those from Maui, whose interest in the results was greatest.

Co-Vice Chair McCully recalled commenting to Ms. Anderson at the start of the presentation that the campaign, its focus, and the use of wholesalers had been the subject of robust discussion at the HTA before its implementation, with the proposal for the campaign quickly degenerating into a somewhat bitter argument. The Co-Vice Chair commented that this type of situation had been one of the causes of the HTA Board's status change to an Advisory Board and asked Mr. Mullen whether, in retrospect, he felt this had been the right decision.

Mr. Mullen responded with his conviction that focusing investment on Maui had been the right decision, adding, however, that it would have been more beneficial to have begun the program in January 2025, when the major booking window could have been captured. Delaying the program's start until June 2025 made it less effective, but the campaign's results demonstrated the advantage of investing in a marketplace with a concerted effort toward a desired outcome.

The President/CEO of the HVCB, Dr. Aaron Salā, commented that Co-Vice Chair McCully had posed an interesting question because each of the two possible approaches would achieve different results, and the Board had eventually decided to concentrate on wholesaler-heavy activations. Dr. Salā noted that wholesalers developed packages that immediately drove volume. The alternative plan had been a market activation, which would have functioned as part of a strategy resembling tossing a stone into a pond and creating ripples. As part of a branding contract, such an activation was preferable when executed through a series of engagements, as it created longer-lasting emotional attachments that would drive conversions. In the case in point, wholesalers had assembled packages and driven them to conversion immediately. Still, it was clear that the same wholesalers would later consider packages for the Caribbean, Mexico, and other destinations, resulting in constant competition. However, Dr. Salā conceded that the campaign had been effective for its intended purpose.

Co-Vice Chair McCully commented that Dr. Salā was addressing the continuum between the concept of Hawaiʻi as an image and the concept of a hotel discount, noting that this contrasted with blatant advertising and brand development. The activation needed to tread a fine line between acting as an advertising agency and acting as a brand developer, as required by the statute. The HTA was supposed to be engaged in long-term brand development rather than selling discounted rooms for the following week. However, during the Maui crisis, it had been necessary to determine how best to use the limited funds available for an immediate effect. Co-Vice Chair McCully added that the HVCB had a long history of brand development, but this had been a different type of exercise.

Dr. Salā stated that, in retrospect, it was clear that wholesalers were needed to drive the market, but activations were also needed to remind consumers of the quality of the Hawaiʻi experience.

Co-Vice Chair McCully stated that the two approaches worked best when harmonized and produced by the same group, using the same fonts, logos, and pictures, adding that this campaign had been a pivotal moment in the history of the HTA Board.

Upon being asked by Mr. Uchiyama to explain the delay in starting the campaign, Mr. Mullen replied that it had not been due to the debate over the campaign but to procurement. He stated that the usual branding campaigns conducted by the HVCB were smaller and generally funded through private donors. This was the first time that the HVCB had received State money to run a tactical campaign.

Co-Vice Chair McCully recalled a previous comment about “Visit Puerto Rico” and noted that most destinations conducted similar campaigns to the one being discussed. Hawaiʻi had always taken a soft approach, while other destinations such as Las Vegas, Puerto Rico, and Curaçao had focused on attracting visitors. He added that perhaps at this point, for instance, in the case of Destination Japan, Hawaiʻi needed to be more specific rather than general.

Member Ojiri thanked Mr. Mullen for the background information, asking, first, how the figure of $6 million had been determined and, second, whether a larger budget would enable the campaign to be scaled up.

Mr. Mullen stated that the original budget was $10 million, which was later reduced to $6.3 million because the campaign was to take place over approximately six months. He added it would be possible to scale the campaign up to $10 million.

Ms. Anderson stated that Governor Green had released $6.3 million in restricted funds, representing 10% of the HTA budget. Expressing gratitude to the Governor for making funds available for the marketing effort, Ms. Anderson noted that all the global marketing teams (GMTs) needed additional funding to respond to market conditions. She thanked the HVCB for their work, recognizing the difficulties they and the HTA had faced in securing funding due to the need to follow the protocols of the State procurement system.

Member Ojiri expressed his belief that this had been a valuable opportunity to communicate the campaign's success, stating that they needed to learn from the experience to ensure that the process would be smoother and faster in the future. He pointed out that the campaign had reached the right people and now the HTA needed to reach the right people in the Legislature, the source of the funding.

Dr. Salā remarked that over the previous five months, the recurring question posed by legislators had been, “What is the plan?” He explained that this effort needed to originate from the HTA, even though the HVCB was willing to support them. He cautioned the Board that telling the Legislature “Tourism is good for communities” was likely to be ignored, since legislators were already aware of that. Dr. Salā believed that what legislators needed to hear was, first, what the HTA planned to do with the money if they were awarded the funds provided in the past, or more, and, second, the direct return on investment for each line item. The more clearly this could be articulated, the better for the HTA’s long-term future.

Co-Vice Chair McCully noted that it would be desirable to write up this campaign as a case study, including the difficulties and conflicts of its evolution. He thanked Mr. Mullen and Dr. Salā for their presence at the meeting.

12. Presentation and/or Discussion Examining Global MCI (Meetings, Conventions, Incentives) Market Conditions and Identifying Opportunities for Hawaiʻi

Ms. Lynn Whitehead, Vice President of Global Meetings, Conventions, and Incentives (MCI) Sales and Marketing for Meet Hawaiʻi, delivered a presentation on the Global MCI Update, stating that she intended to focus on citywide events. She noted that significant funds had been invested in repairing the Hawaiʻi Convention Center (HCC), which would be partially closed until 2028, and she wished to review the previous status, the current position, and the way forward.

Ms. Whitehead emphasized the importance of Board members understanding that decisions made at present regarding MCI business would influence the future pipeline and conversions. Decisions about allocating $22 million to repair leaks in the HCC when the building reopened would affect whether MCI clients chose to book Hawaiʻi in the future.

Ms. Whitehead explained that MCI corporate budgets typically spent more per day and stayed longer, making this a high-value, relationship-driven business. MCI sellers were active in the market and maintained strong relationships with clients. Even before receiving a request for proposal (RFP), they sought to determine when the next rotation to Hawaiʻi might occur and how Hawaiʻi would be positioned to secure meetings in 2030 or 2033. Her division's work was to ensure that Hawaiʻi was regarded as a trusted and competitive destination within the cycle, since clients' decisions were often based on trust. When the cycle was disrupted by a venue change, inconsistent messaging, or timing uncertainty, clients were forced to make cautious decisions because their Board members and attendees relied on them.

Ms. Whitehead displayed a chart showing the full arc of citywide business for the HCC since its opening in 1998, with peak performance in 2017, when 126 events were held. The team had rebuilt momentum after the pandemic, and 2024 and 2025 had been the strongest financial years, which she and Ms. Orton were using as benchmarks. The market mix showed that medical, scientific, and government events had been the highest producers, not only in number but also in terms of the meaningful value they generated for the State.

Ms. Whitehead conceded that the 2026 renovation would disrupt the booking cycle, but she expected the pipeline to rebuild in future years, emphasizing that this was a long-cycle business with a program that was resetting and rebuilding rather than a broken system.

Reviewing the sequence of events, Ms. Whitehead explained that the construction plan proposed in late 2023 for the HCC roof would have allowed events to continue, and clients booked for 2026 had been informed that the center would not close, as construction was to start and stop between meetings. In early 2024, it had become clear that this approach was not viable and that the building would need to close fully in 2026. At that point, the team shifted to a strategy of relocating groups while retaining as much business as possible in Hawaiʻi. Later in 2024, the Marketing Flexibility Fund (MFF) was capped at $500,000 annually, and its approval process was redesigned. Meanwhile, some groups chose to move to other destinations, which affected the 2024 performance. In 2025, the closure was extended through 2027, and some groups that had already adjusted once were required to adjust again. Throughout this period, the team remained focused on relationships and collaborated closely with planners to retain business where possible and to keep Hawaiʻi under consideration for the future. The result was a compressed booking window for 2028 and 2029 that directly shaped the pipeline.

Regarding 2028 targets, Ms. Whitehead noted that the HCC had delivered 26 citywide events in 2017 and had rebuilt one of its strongest years in 2025. The decision timeline for groups arriving in 2028 spanned 2023 to the present. Some planners chose to wait, while others selected alternative destinations, thereby compressing the booking window. One group contracted for 2028 had been lost, not because the group did not wish to come to Hawaiʻi, but because the timeline had shifted enough to undermine confidence in the project's certainty.

Ms. Whitehead emphasized that the 2028 target represented a strong recovery milestone in the first full year of the building's reopening. This milestone did not rely on a single number. Still, it was focused on rebuilding momentum, restoring confidence in the marketplace and the building, and planning to grow the pipeline from that point forward.

Ms. Whitehead shared a slide titled "The Forward Pipeline: Active, Advancing and Growing," noting that there were seven definite bookings representing more than 40,000 definite room nights for 2028. More bookings were being added, with the team already working on two additional events. Eight events and nearly 99,000 room nights were booked for 2030. Across the full forward pipeline, there were approximately 48 active leads, representing a potential economic impact of $1.5 billion. A booking promotion was in progress, offering enhanced incentives to groups that committed to 2028 or 2029 before June 30, 2026. Of the 48 leads, the team had nine high-probability opportunities representing $280 million in economic impact.

Ms. Whitehead added that the Asia and Oceania team was working on four active opportunities for the HCC in 2026 and 2027, despite the partial closure, explaining that the team was focusing on generating as much business as possible for those years.

Ms. Whitehead commented that the single-property team was thriving and doing everything possible to complement and stabilize the destination. They had experienced tremendous success in the first quarter (Q1), including the Maui Incentive Campaign mentioned earlier. Hawaiʻi was benefiting from strong demand from crisis relocation groups, and the team had offered incentives to help close these opportunities.

Regarding market conditions, Ms. Whitehead noted that uncertainty affected all travel and heightened risk sensitivity. She added that planners regarded face-to-face meetings as a priority because they represented an important revenue stream for many companies, but she reminded Board members that other convention centers had pools of incentives to draw on and that current competition was fierce.

Ms. Whitehead concluded by noting that Hawaiʻi still had many opportunities because safety and reliability were top priorities for planners. Honolulu was voted the fifth-safest global city in October 2025. There was some engagement from Oceania markets, though it had been a difficult region recently, with many third parties refusing to book meetings in the U.S. Given the crisis situations from Mexico to Dubai, some planners were now reconsidering Hawaiʻi.

Ms. Whitehead stated that at present, the team was focused on expanding its international reach and strengthening international relationships and priority markets. This included a partnership with Singapore and a collaboration with ABTS Convention Services, which supported global medical congresses, particularly in matters related to international attendance and compliance requirements. The team was also attempting to advance multi-year incentives.

Ms. Whitehead explained that the team intended to integrate the HVCB and HCC customer relationship management systems (CRMs) and the Meet Hawaiʻi platform, enabling Ms. Whitehead and Ms. Orton to establish benchmarks using available data. A legacy impact framework has also been launched to ensure that incoming groups would return benefits to the community.

Ms. Whitehead shared a slide presenting highlights from the first quarter of 2026 and looking ahead to global and international partnership opportunities with a grassroots approach. She pointed out that it was important for the sales team to be visible, and direct sales calls and regional engagement were priorities.

Ms. Whitehead reminded Board members that the focus of the presentation was to inform them that the number of events was not the only consideration; there had to be an emphasis on securing the right types of groups that would have the appropriate impact on Hawaiʻi. She noted that the 21 events booked for 2025 had produced one of the highest returns on investment, and that it was important to ensure that funding for incentives was aligned with decisions about which groups to pursue. Ms. Whitehead emphasized the importance of HCC being fully ready for business across the entire facility when it reopened in 2028. Many of the events in 2024 and 2025 encountered challenges due to leaks in the building.

Co-Vice Chair McCully noted that this Advisory Board meeting had been the longest to date, and some members had to leave for return flights to their islands. He had appreciated the slide titled “A Sequence of Compounding Disruptions” and asked how Ms. Whitehead and Ms. Orton were managing customer perceptions of the HCC construction project.

Ms. Whitehead responded that there was some trepidation, and clients were uncertain about the future. Beginning construction on time had been a significant achievement for the destination, and she expressed appreciation for Ms. Orton and everyone else involved. Ms. Whitehead added that they had been able to retain some groups for 2026, with one group scheduled to arrive at the end of April 2026 involving more than 5,000 participants spread across four hotels. She commented that the group was to be brought to the building at the end of the month to show its condition and to share opportunities that could be communicated to the global MCI community, including interviews with clients as they arrived.

Ms. Whitehead reminded Board members that international clients were not fully aware of the situation, even though a live camera feed was available from the rooftop. She herself had only realized the seriousness of the situation when she first entered the building, and this message needed to be communicated clearly. Ms. Orton had created a monthly newsletter for customers highlighting all developments, and a timeline was posted on the website.

Co-Vice Chair McCully was informed that there was no online input from members of the public.

Co-Vice Chair Agas expressed appreciation for Ms. Whitehead's presentation, noting that the K-shaped economy was widening. She emphasized the importance not only of evaluating the number of businesses entering each year but also of ensuring they were the right types of businesses. She added that it had become clear before the pandemic that lower numbers could still be beneficial if the quality of the business were high. Co-Vice Chair Agas stressed the importance of long-term thinking and of attracting higher-end incentive business. She looked forward to future meetings, including more discussion of long-term strategies and planned improvements.

Ms. Whitehead stated that the shared integration of CRM systems was a significant development, as it enabled her and Ms. Orton to analyze information and produce forward-looking reports on market mix and annual targeting needs to replicate the successes of 2024 and 2025. Ms. Whitehead and Ms. Orton planned to review their targets every six months to achieve the necessary economic impact.

Mr. Uchiyama asked whether perceptions about the building's completion were affecting prospective clients for 2028 through 2031.

Ms. Whitehead agreed that this had been a challenge, and some groups had been lost because they lacked confidence in the outcome. She was concerned that they were not yet positioned for full repair and added that some sellers had attended a Chicago marketplace with sellers from other destinations, most of whom had received many opportunities. Planners needed to see that Hawaiʻi could deliver and that the HCC would reopen strongly. Focus groups and a destination roadshow were planned. They were on target for the first quarter and needed to continue building momentum into the third and fourth quarters.

In response to a question from Mr. Uchiyama about developments in Mexico and the Middle East, Ms. Whitehead stated that single-property events were being secured, although they had not yet received any global events. A group scheduled to come to Hawaiʻi in 2027 had transferred its booking to Dubai, and many larger conventions were considering similar moves. Ms. Whitehead noted that the first booking was scheduled for early February 2028, and it was essential to remain on track. One group had been preparing to sign for 2029, but when they learned that construction would continue into 2027, they shifted their booking to 2030 to avoid risk. Planners were making decisions far in advance.

Mr. Uchiyama observed that the booking window was extending rather than shortening, and Ms. Whitehead explained that, before the pandemic, the booking window could be extended eight years, but for a building of their size, the typical window was three to five years. Hawaiʻi still had short-term opportunities because it competed with hotels and other destinations of comparable size, but uncertainty remained regarding 2028 as the reopening year. Ms. Whitehead commented that renovation and construction timelines in the hotel sector were not always reliable. More business was on the books for July 2028 than for the first and second quarters, but the team still had opportunities for those earlier quarters. Sellers were assuring customers that they were confident construction would be completed on schedule.

In response to a question from Mr. Uchiyama about the incentive offered in 2017, Ms. Whitehead stated that the HCC had been allocated more than $1.2 million and believed that, at that time, there was no cap on incentives.

Mr. Uchiyama stated that AEG booked businesses, and Ms. Whitehead explained that there was a rigid process for preparing MFF requests, in which the group and the building were evaluated from the perspective of return on investment. The request was reviewed by the seller, Ms. Orton, and Ms. Whitehead, after which it was processed and signed by Ms. Orton, Ms. Whitehead, Mr. Mullen, and Ms. Goo. All parties needed to be aligned on the amount to be spent on a group. Ms. Whitehead had sought to ensure funds were used wisely while also emphasizing the importance of maintaining financial flexibility.

Mr. Uchiyama asked which MFF funds had already been committed for 2028 and 2029, and Ms. Whitehead replied that, excluding tentative opportunities, $310,000 had been committed for 2028 and $200,000 for 2029.

Referring to Mr. Takahara's report, Co-Vice Chair McCully noted concerns about rebuilding Hawaii's share of the Japan travel market and asked about the HCC's experience with international conventions originating from Japan.

Ms. Whitehead replied that the team hoped to close three groups from Japan for 2026 and 2027 and was attempting to secure multiple bookings that could also close for 2028. She added that the center hosted sports and incentive groups and would continue to focus on that market. One of the groups was an annual repeater, and the team was working with Ms. Orton to ensure they could provide the confidence needed to finalize contracts.

Ms. Orton stated that historically, the Japan market had accounted for $2 million in annual revenue for HCC. They had collaborated closely with wholesalers to bring in incentive groups such as Daito, a repeat client and one of the first international groups to return to the center after the pandemic. Daito had come to the HCC every year since then, bringing approximately 4,000 Japanese travelers. In their anniversary year, they had brought nearly 6,500 participants. This group spent millions of dollars at the HCC on food and beverages, as well as while staying in hotels and patronizing shops and restaurants. This was a growth area in which the HCC would continue collaborating with partners, as most of that business had come through Japanese wholesalers serving large incentive groups.

Co-Vice Chair McCully observed that Japan could be an optimal multiplier if it focused on that market, noting that many associations and groups, such as those in the medical and engineering fields, were largely composed of wealthy individuals.

Member Ojiri thanked Ms. Whitehead for her report and asked whether the Hawaiʻi brand image in Japan was conducive to convention center business or whether the marketing message needed to be adjusted to position Hawaiʻi as a business destination, suggesting that Hawaiʻi might be perceived as a "boondoggle" destination.

Ms. Whitehead stated that one way to overcome stereotypes was for CEOs to engage with one another at the executive level, adding that one of the initiatives with Singapore had involved assembling a focus group of CEOs at ASAE over the summer to discuss the benefits of Hawaiʻi. The message could be directed in several ways, including by emphasizing Hawaiʻi's connections with Asia and Oceania, particularly for strong U.S.-based organizations with interests in those regions.

Ms. Whitehead noted that many conventions had arrived with the impression that they would face challenges from an exhibitor's standpoint, but attendance had exceeded expectations at all levels. Data, especially from the pre-pandemic years, demonstrated the HCC's ability to deliver a high-level product to industries that wished to contribute to the Hawaiʻi community and bring their scientists and educators to engage deeply with what Hawaiʻi offered. From a single-property standpoint, Hawaiʻi was an incentive destination and had gained significant business from relocations out of Mexico.

Member Ojiri stated that the "boondoggle" perception did not appear to be a major concern, and Ms. Orton agreed, saying it was less of a concern than in previous years. Many of the issues had been resolved, though international groups continued to face challenges with visa acquisition and overall costs. Ms. Orton added that participants often had to be distributed across multiple properties to secure the necessary inventory from headquarter hotels. Hawaiʻi was an expensive destination, and MFF could be used to offset the travel costs of exhibitors.

Member Ojiri emphasized the importance of integrating the business message into the broader brand message, and Ms. Orton stated that she believed they had done a good job, with the HVCB and the HTA working effectively to counter the "boondoggle" perception and communicate to clients that Hawaiʻi was a place where serious business could be conducted.

Ms. Whitehead added that the sellers maintained strong relationships with clients and knew how to address obstacles. Once they had earned a client's trust, they could develop new opportunities.

Co-Vice Chair McCully thanked Ms. Whitehead and Ms. Orton for their presentation and contributions.

14. Adjournment

Mr. Uchiyama adjourned the meeting at 1:28 p.m.

Respectfully submitted,

Sheillane Reyes

Sheillane Reyes
Recorder