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REGULAR BOARD MEETING
HAWAIʻI TOURISM AUTHORITY
Thursday, June 26, 2025, 9:30 a.m.

Hybrid In-Person & Virtual Meeting

Hawaiʻi Convention Center
Parking Level | Executive Boardroom A
1801 Kalākaua Avenue
Honolulu, Hawaiʻi 96815

MINUTES OF THE REGULAR BOARD MEETING

MEMBERS PRESENT:	Todd Apo (Chair), Mahina Paishon (Vice-Chair), Kimberly Agas, David Arakawa, Mufi Hannemann, James McCully, Lisa Paulson (Zoom), Roy Pfund, Chris West, Mike White (Zoom)
MEMBER NOT PRESENT:	Stephanie Iona
HTA STAFF PRESENT:	Caroline Anderson, Jadie Goo, Talon Kishi, Jill Radke, Milton Lafitaga, Meagan DeGaia, Matthew Sueda, Christina Tuchman, Carole Hagihara, Amalia Kartika, Lindsay Sanborn
GUESTS:	James Tokioka, Laci Goshi, Tyler Gomes, Kaʻiʻini Aranaydo, Carmela Resuma, Kama Hopkins, Rick Egged, Teri Orton, Mari Tait, Jessica Lani Rich, Elizabeth Ufi, Scott Horowitz, Allison Schaefers
LEGAL COUNSEL:	John Cole

1. Call to Order

Chair Apo called the meeting to order at 9:35 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

Ms. Sanborn conducted the roll call, and members were in attendance except for Ms. Iona and Mr. Hannemann, who were excused. Members who attended via Zoom were by themselves.

3. Opening Protocol

Mr. Kama Hopkins, the Hawaiian cultural advisor at Aulani, A Disney Resort & Spa, conducted the opening cultural protocol.

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

There was no input on Permitted Interaction Groups.

5. Approval of Meeting Minutes of the May 28, 2025 Regular Board Meeting

Mr. McCully proposed the motion to accept the minutes, and Mr. West seconded it. The motion passed unanimously.

6. CEO Report

Ms. Anderson acknowledged the guidance and hard work of each Board member, as well as AG Cole, by presenting leis to everyone. She also acknowledged the HTA staff who, although they did not attend the Board meetings, worked behind the scenes.

On behalf of the Board, Chair Apo also recognized the work of each member of the HTA staff during the present challenging times.

Ms. Anderson introduced Ms. Jill Radke, the HTA's newly recruited Public Affairs Officer.

Ms. Anderson reviewed the highlights of the CEO Report provided to Board members. Referring to the status of the eight goals of the HTA 90-Day Action Plan, she noted that the second, third and eighth goals had already been completed.

Ms. Anderson explained that efforts were continuing to strengthen the capacity of the HTA team, with steady progress being made toward enhancing future efficiency. Policies and procedures were under review, and the identification of new procedural needs had commenced alongside initial revisions. Staff remained committed to improving workflow, enhancing the operational efficiency of the Board, advancing effective tourism policy development, and ensuring that staff were adequately empowered to implement the strategic tourism management plan.

Ms. Anderson reminded members that she had just introduced the newly recruited Public Affairs Officer. Recruitment for the position of Brand Manager was in progress, with interviews scheduled to take place the following week. The job description for the Chief Stewardship Officer was under review, intending to fill the role from July onwards.

The Hawaiʻi Convention Center (HCC) Rooftop Repair project had also advanced under collaboration with the Department of Accounting and General Services (DAGS) to establish an administrative framework for project oversight. A request for proposals (RFP) was in development, and construction remained on schedule, supported by the Public Works Division (PWD) of DAGS.

Ms. Anderson informed Board members that the partnership with the L.A. Rams had been inaugurated during the previous month, and she invited the HTA Brand Manager for Sports Tourism, Mr. Milton Lafitaga, to provide an update.

Mr. Lafitaga reported that the Rams' Maui camp had been a success, receiving substantial positive feedback. The three-day event had begun with a welcome reception at the Wailea Beach Resort, Marriott Maui, followed by two well-attended camp days in which numerous Maui residents and their families, along with representatives from the County, the Mayor's office, and neighboring islands had participated. The event had also featured girls' flag football. Promotional travel to Maui had been coordinated in partnership with the Hawaiʻi Visitors and Convention Bureau (HVCB) and had also been publicized on the Rams' official website.

Regarding the $6 million U.S. Maui emergency marketing campaign, Ms. Anderson reported that the HVCB had executed the contract through a paid media program during May and June 2025, a call to action with Maui special offers targeting West Coast consumers, and a second paid media campaign scheduled to run from August to October 2025.

Referring to the activities of the stewardship team, Ms. Anderson reported that the staff was in the process of reviewing proposals for ʻUmeke community programs and would shortly announce the award recipients. She added that statistics would soon be made available for the

ClimbHI program, which aimed to inspire high school students to enter the visitor industry and had been completed in May 2025.

Mr. Arakawa reminded Ms. Anderson that the progress of the HTA 90-Day Strategic Action Plan had been presented to legislators earlier in the week, and he referred to Item #2, “reduction of overdue invoices.” Mr. Arakawa agreed that the number of overdue invoices had been reduced but asked when this issue would be completely resolved. He followed up with the suggestion that, since this item had been designated “Completed,” it should be modified to read “Get up to date.”

Ms. Anderson responded that all the HVCB and Kilohana invoices deemed overdue were either being processed for payment or had already been paid. Both the HVCB and Kilohana had confirmed to the HTA staff that there were no outstanding invoices.

Mr. Arakawa commented that he understood that some invoices were in the payment process but had not yet been resolved.

In response to an inquiry from Mr. Arakawa, Ms. Anderson confirmed that the issue of a $780,000 interest payment had been resolved.

Apologizing to Chair Apo for taking up too much time on this issue, Mr. Arakawa inquired whether the Board had voted to pay the $780,000 interest and noted that this issue could be addressed later through the Department of Business, Economic Development, and Tourism (DBEDT).

Mr. Arakawa expressed his concern that during the information briefing at the legislature a few days earlier, lawmakers had been informed that the $780,000 was to be taken from the HVCB’s existing contract. Given that this contract was to pay for work to be done, Mr. Arakawa believed that this implied that, instead of being used to finance work under the contract, some funds would be used for interest payments, which the Board had not approved. He was unsure whether the Board was supposed to approve this payment, given its new status as an advisory body.

Proposing to remove his previous comment from the record, Mr. Arakawa emphasized the importance, in the interests of transparency and truthfulness, of informing Board members and the public about the status of these items, and this would include Item #3: “Identify outstanding contractor issues.”

Chair Apo responded by modifying Mr. Arakawa’s statement about the information presented at the legislative hearing, since the Chair had understood that the $780,000 would not be taken out of the existing HVCB contract but would be fitted into the existing budget. The effect of this action on existing HVCB contracts had not been discussed at the hearing, although Chair Apo understood Mr. Arakawa's statement about the importance of discussing this issue and determining how to reconcile it with the nature of the Board as an advisory rather than a policy-making body.

Mr. Arakawa responded that he had been unaware that the budget contained $780,000 for interest payments, but he agreed with the Chair that this could be discussed later.

Mr. McCully asked Mr. Arakawa to allow Ms. Anderson to address the issues he had raised and to explain the meaning of the phrase "payments being in process".

Ms. Anderson responded that invoices passed through several departments before payments were made. Upon leaving the HTA, invoices would be sent to DAGS for payment, implying that invoices not included in the HTA were at DAGS for the issuance of a check.

Mr. McCully asked whether all the invoices had left the HTA. Ms. Anderson responded that, as of that day, all the due invoices had left the HTA to another department, and she asked Mr. Kishi to confirm this. She added that the invoices that were late in payment were no longer with the HTA, and Mr. Kishi confirmed that these invoices were either with DBEDT or with DAGS.

Mr. Arakawa reminded Board members that invoices passed from the HTA to DBEDT before being sent to DAGS.

In reply to a question from Mr. McCully about whether the locations of invoices were known after they left the HTA, Mr. Kishi confirmed that invoices were tracked after leaving the HTA, and their locations were known.

Mr. Arakawa inquired about the location of the $780,000 interest payment, and Mr. Kishi replied that the $780,000 was not a separate payment but was included in the normal payments to the HVCB, which had now been made up to date.

Mr. Arakawa responded that this implied that DBEDT and DAGS were reviewing the payment of $780,000, and Mr. Kishi replied that the $780,000 was not itemized on the invoice since the payments being processed were progress payments for project contracts.

Mr. Arakawa asked whether the $780,000 interest payment had left the HTA office, and Ms. Anderson responded that the total amount, including both leisure travel and meetings, conventions, and incentives (MCI), was actually $482,000.

Mr. McCully asked how this correction had come about, and Ms. Anderson explained that the HVCB had reviewed their outstanding receivables and determined the amount to be $482,000.

Mr. McCully asked whether the HVCB had provided documents to support this figure, and Ms. Anderson replied that the HVCB had provided HTA information. Mr. McCully further inquired whether the information was verbal or documentation related to interest paid on a line of credit. Ms. Anderson replied that this information was not available to her at that moment, but it would be provided to the Board later.

Mr. McCully asked Ms. Anderson whether she was aware of rumors that similar events had taken place previously, resolved by the HVCB's modifying elements of their contracts to compensate for the interest payment with the implied result that work that was to have been covered by the contract was left undone to pay the interest on unpaid HTA invoices.

Ms. Anderson responded that she had not been aware of such events, although she understood that at times the HVCB would locate funds within the HTA fixed-price contracts to pay for interest.

Mr. Arakawa replied that this amounted to the same thing in that the interest was being taken out of the HTA contracts with the HVCB through cost savings or through work not being done. He recommended further investigation of this issue and noted that there should be clarification of the $482,000 interest that the HVCB claimed to be owed by the HTA. He asked Mr. Kishi to confirm that the request for payment of this $482,000 had left the HTA and was with either DBEDT or DAGS for payment. Mr. Arakawa pointed out that it was essential to address this question because statements were being made to the legislature, the Board, and the public.

Mr. Kishi responded that during the previous week's discussions with Mr. Tom Mullen, the CEO of the HVCB, it had been agreed that all overdue payments, including interest, were up to date, and the interest was to be included within the current budget of the contract. Mr. Kishi believed the final amount of interest due was still to be discussed because the State's lawful interest rate was different from that quoted by the HVCB on their invoice. For instance, the HVCB had quoted 18% but the State's rate was closer to 9.7%. Mr. Kishi repeated Ms. Anderson's statement that all payments were up to date, even though the final amount was still to be determined.

Mr. Arakawa inquired whether the Board had voted on the $482,000 and how the invoice could be paid if not. He noted that each year, the HVCB submitted proposals outlining their planned activities, along with the associated costs, and these programs were approved by the Board.

Mr. Kishi replied that the Board had not voted on payment of the $482,000 interest.

Mr. Arakawa reiterated the statement that the Board had never approved the payment of $482,000 in interest to the HVCB and inquired who had decided that it was unnecessary for the

Board either to be informed about the payment or to vote on it. Mr. Arakawa was concerned that he would have remained ignorant of this situation if he had not asked about it. As Chair of the Budget, Finance, and Convention Center Standing Committee (BFCCSC), he asked the Board Chair and the CEO to state who had decided that this payment should be made, noting that Ms. Agas, the Vice Chair of the BFCCSC, was equally ignorant about it. Mr. Arakawa commented that this interest payment had not been listed in the original proposal for the HVCB services for the current year. Repeating his question about who had decided that the Board did not need either to be informed about the payment or to vote on it, Mr. Arakawa added that if more time were needed to answer the question, it could be deferred, and a reply could be given to DBEDT and the future Board.

Ms. Anderson confirmed that an answer would be provided at a later time.

Referring to the goal of "identifying outstanding contractor issues," Mr. Arakawa asked whether this meant procurement and contract violations. Ms. Anderson responded that Item #3 on the checklist related to issues concerning payments for any of the HTA contractors.

Mr. Arakawa inquired whether procurement or contract violations were present in any of the goals of the 90-Day Strategic Plan, and Ms. Anderson requested that he clarify his meaning more specifically. She stated that the HTA staff had consulted with the HVCB and CNHA and had been informed that all payment issues with these contractors had been resolved. Ms. Anderson had also asked staff to check for outstanding payments for any other contractor, and they had responded that all payments were up to date.

Mr. Arakawa commented that "contractor issues" was a vague term, but the HTA had incurred several procurement violations and suspected violations, and the former Vice President of Finance had been investigating several contract and procurement violations. Mr. Arakawa asked Ms. Anderson if these issues were addressed anywhere in the goals.

Ms. Anderson referred to goal #4, "Ensuring all policies and procedures are reviewed, updated, and followed by staff," and stated that at present, staff were examining this goal to ensure that the HTA had no procurement violations.

Mr. Arakawa asked the Board Chair and CEO to ensure greater transparency in the future and suggested the possibility of including additional line items in the goals related to addressing procurement and contract violations. He advised against appearing to hide or bury these issues in Item #4 as the average reader would not understand that serious procurement and contract violations existed, amounting to millions of dollars. Mr. Arakawa made this recommendation in the interest of improving the HTA's business procedures.

Ms. Anderson reminded the Board Chair that transparency was guaranteed by the posting of procurement violations on the Hawaiʻi Awards & Notices Data System (HANDS). Mr. Arakawa asked Ms. Anderson to define HANDS, and Ms. Anderson explained that it was the acronym for the website on which procurement was carried out.

Mr. Arakawa responded that his understanding was that if Board members wanted to know about the HTA procurement violations, they should log on to a different website, implying that these violations would not be disclosed or discussed in meetings.

Chair Apo requested Mr. Arakawa to stop this discussion, stating that he did not believe that anything was hidden. Chair Apo commented that it was always possible for Mr. Arakawa to request that details of procurement violations be included in the CEO report, adding that the list of goals had been presented during the previous two Board meetings and no questions about procurement and contract violations had been raised. Chair Apo agreed that it was important for this information to be included in future updates or even added to the existing goals, but to suggest that the information had been hidden was a different allegation. Chair Apo affirmed that there was no question that these issues had been publicly discussed in both BFCCSC meetings and Board meetings.

Mr. Arakawa responded that several individuals had asked the BFCCSC to remove these issues from the agenda of Board meetings because they made the HTA "look bad" and he believed the Chair could confirm this.

Chair Apo gave an inaudible response.

Mr. Arakawa stated that he had asked the Chair to place these two items on the agenda; however, the items did not appear on the agenda for the current meeting.

Mr. Arakawa posed a final question on Item #8 on the checklist, "Establish an administrative framework to oversee and manage the HCC Roof Repair Project," expressing his concern that BFCCSC had neither received a presentation on this project nor been informed about this process. He reminded the Board Chair and the CEO that any future committee overseeing the HCC would need this information, and he was concerned that the CEO's report stated the item had been completed when, in fact, the committee charged with managing the HCC had not been informed.

Mr. McCully stated that over the past year, he had "cringed" every time Mr. Arakawa mentioned procurement violations, as these were serious issues that were entered into the public record each time. Mr. McCully had been absent from the May Board meeting, but was conscious that during the course of previous meetings, Mr. Arakawa had mentioned procurement violations on numerous occasions. While this could be verified from the minutes, Mr. McCully was aware that procurement violations had been a recurring topic in Board meetings, and he believed it was incumbent upon the CEO to resolve these issues to the Board's satisfaction.

Chair Apo reiterated his assertion that the issue of procurement and contract violations had been on the agenda of several Board meetings, causing him to feel somewhat offended by the allegation that the issues were being concealed. Chair Apo recognized that Ms. Anderson had been appointed as interim CEO on April 15, 2025, and all the procurement violations had occurred well before that time. He appreciated the need for these issues to be resolved by the HTA leadership team, and for the Board and the public to be informed about their resolution. Although Chair Apo recognized that this and other issues had been presented to the new CEO for her to resolve, the evolution of the HTA that had resulted from the new law signed by the Governor made it unclear who was now responsible for solving these problems. Chair Apo intended to raise this point with the Director of DBEDT, as DBEDT, rather than the HTA Board, was now responsible for guiding the resolution of these issues, even though the Board could offer advice on the situation. Given Dir. Tokioka's testimony regarding the proficiency and skill of the DBEDT procurement team at the information hearing a few days prior, Chair Apo hoped would ensure that DBEDT would have the opportunity to determine the outcome by becoming more deeply involved in the previous procurements. This would enable Ms. Anderson and the HTA staff to solve any remaining problems.

Mr. McCully pointed out that an exit interview typically took place when an employee left an organization, and he believed that this Board should undertake an exit interview, as they were making a transition as of this meeting. He was concerned that, in terms of reputation, the procurement issues occurred "on their watch," and he believed that it was not permissible for the Board to state, "We are an advisory Board, so we are not responsible for this situation."

Chair Apo regarded Mr. McCully's statement as a fair statement given the time period during which the violations had occurred, but the Chair pointed out that, at the current time, the authority and power to address these problems had been taken away from the HTA Board.

Ms. Sanborn informed the Chair that there was an online question as follows:

"Can the public have a clarification whether or not the $482,000 was calculated as interest or part of a bill that had already been paid?"

Chair Apo responded that since the answer to this question required input from the HVCB, he would endeavor to obtain the information either later that day or at a subsequent meeting.

Ms. Sanborn reminded Board members not to stand too close to the microphone because this caused the audio for online attendees to cut out.

7. Board Chair Report

Chair Apo thanked Mr. Pfund for the mango bread supplied as a snack during the meeting.

The Chair commented on the L.A. Rams mini-camp held on Maui during the previous week and noted that it marked the commencement of a season-long partnership with the Rams. The collaboration was to include a "takeover day" in which Hawaiʻi and Hawaiʻi tourism would be prominently featured during game day at SoFi Stadium.

Chair Apo reminded Board members that the objective of the HTA extended beyond brand promotion to encompass meaningful community impact. Feedback received from Board members, HTA staff, community representatives, and members of the legislature, including Sen. DeCoite, had underscored the significance of the practice sessions held on Maui. Local residents had been afforded a rare opportunity to observe the operations of a professional NFL team firsthand, fostering considerable enthusiasm and engagement.

Particularly noteworthy were accounts involving youth participants, ranging from elementary-age children to high school students and flag football teams. These groups had the opportunity to interact directly with NFL players. One highlight included player Puka Nacua engaging with the girls' flag football team in running plays, catching passes, and even removing his footwear to run barefoot alongside the team for an extended period. The level of community engagement had been exceptional and had previously been cited during Board deliberations concerning the validity of allocating HTA funds to this initiative.

Chair Apo congratulated Mr. Lafitaga on his dedication and substantial contributions to the event's success, noting that Mr. Lafitaga had been recruited shortly before the contract's inception. Mr. Lafitaga had attended all the associated events and had ensured smooth implementation throughout. The Chair also thanked and congratulated Ms. Anderson and Ms. Radke for their proactive adjustments and operational support.

Chair Apo informed Board members that the initiative could be deemed successful on multiple fronts, in terms of both brand visibility and community enrichment. No negative or critical feedback had been reported, and the overall reception had been highly favorable. The Rams organization had conducted sweepstakes in both Southern California and Japan, enabling selected fans to attend the event. Chair Apo had met both sweepstake couples at the welcome luau and believed their enthusiastic response would act as effective word-of-mouth publicity for Hawaiʻi tourism.

Chair Apo expressed his appreciation for the participation of Mr. Lafitaga and Ms. Radke in the live broadcast that aired from the Outrigger Kāʻanapali Beach Resort, adding to the impact of the $6 million emergency marketing campaign in Southern California. Chair Apo also extended his gratitude to the former Board Chair, Mufi Hannemann, who had initiated the idea of the L.A. Rams partnership. He also expressed his gratitude to the DBEDT Director Tokioka for his coordination and implementation efforts that contributed to the program's overall success.

Chair Apo expressed his appreciation to Mr. Regan of DAGS for his participation in the previous Board meeting regarding the HCC Rooftop Repair project. The Chair noted that the ongoing collaboration between Mr. Regan, Ms. Anderson, and Ms. Orton, the General Manager of the HCC, aimed to keep the project aligned with established timelines.

The Chair refuted allegations that the involvement of DAGS in the contract approval process would cause delays to the project, and asserted that, while some adjustments to initial start dates were anticipated, all parties were determined that the final completion date would remain unchanged. Chair Apo reiterated that the collective focus remained on ensuring that all work would be concluded in time to support scheduled events and conventions commencing in early 2028. The Chair reminded Board members that while commencement dates might be subject to revision, the project's end date remained a priority. He encouraged Board members to continue to affirm the intention of the HTA to maintain the projected timeline for completion.

Mr. McCully requested clarification from Ms. Anderson regarding an item in the Planning section of the CEO's report, which referred to the ongoing Governance Study conducted in collaboration with Better Destinations. He noted that the report stated that facilitation services had been procured through the Pacific Policy Research Center (PPRC). As a member of the Governance Committee, Mr. McCully expressed his concern that he had no recollection of such a decision, noting that the committee had not met for some time. He inquired how this procurement had been carried out without the involvement of the Governance Committee.

Ms. Anderson apologized for the omission of some details in her prior presentation and extended her thanks to Mr. Kendrick Leong, the planner overseeing the initiative. She reminded Board members that during the April Board meeting, she had informed the Board that staff were in the process of issuing an RFP for facilitation services to develop both the HTA Strategic Plan and the Destination Management Action Plans (DMAPs). Ms. Anderson explained that the contract for facilitating the development of the strategic plan had been awarded to Better Destinations, the firm responsible for compiling the Governance Study, which would now assist HTA in its further development efforts. Ms. Anderson added that PPRC had been selected for the facilitation of community and industry stakeholder meetings, and Vice Chair Paishon had served on the evaluation committee for that procurement.

In response to Mr. McCully's inquiry regarding committee involvement, Chair Apo clarified that the selection of service providers had been handled through the RFP and procurement process, in alignment with Board authorization to proceed. The Board had approved the issue of the RFPs, but vendor selection had been conducted administratively through the established procurement framework.

Mr. McCully acknowledged this explanation and noted that, given the nature of the procurement process and the absence of policy implications, neither the Governance Committee nor the Board held any further responsibility for the future implementation of the Governance Study.

Ms. Anderson reported that Vice Chair Paishon and Ms. Iona had been invited to participate in a review committee, and Chair Apo clarified that this committee had operated within the framework of the procurement process without any affiliation with the Governance Committee.

Vice Chair Paishon reiterated that the committee was not associated with the Governance Permitted Interaction Group (PIG) and affirmed that the Governance Study had not formed part of the vendor selection process.

Mr. McCully acknowledged that these responses had partially addressed his original question, although they prompted additional inquiries.

Mr. Arakawa asked whether the criteria and scope of the RFP had been reviewed or formally approved by the Board, given that the matter involved the HTA Strategic Plan.

Ms. Anderson responded that the outlines of both the HTA Strategic Plan and the DMAPs had been presented and approved at a prior meeting of the Hoʻokahua Standing Committee (HSC), followed by full Board approval. She explained that the Board had endorsed the key elements to be included in both the HTA Strategic Plan and the DMAPs, adding that it was not standard practice for the Board to approve the scope of work within RFPs produced by staff.

Chair Apo concurred, reminding Board members that the program had received formal approval and that the HSC had reviewed hard copies of the relevant documents before being distributed to the full Board. Comments and questions had been solicited during that process, and the Board had subsequently approved implementation of the plan. At that point, it became the responsibility of the HTA staff to execute the plan, including issuing an RFP and selecting a vendor. The Chair noted that the scope of work had been embedded within the plan endorsed by the Board, and that this same discussion had been addressed at the Senate informational hearing a few days previously.

Chair Apo further remarked that, unless changes had occurred, Board members retained the prerogative to review individual contracts in detail, but such line-by-line oversight had not been standard practice within the HTA, nor on other Boards on which he had served. The Chair emphasized that the conventional role of Board members was to approve programs while relying on staff to implement and complete these projects within the parameters of Board-sanctioned approvals.

Vice Chair Paishon requested that Ms. Anderson confirm that the standard procurement procedures had been followed in relation to the RFP under discussion.

Ms. Anderson replied that all three RFPs had been prepared by the Planning section, with the entire process overseen by the procurement team. Vice Chair Paishon added that the procurement officer had presided over all the meetings.

In response to a question from Mr. McCully, Ms. Anderson confirmed that the Better Destinations contract amounted to $105,000.

Referring to the total $137,000 value of contracts executed during May 2025, Mr. McCully asked where the value of the PPRC contract was recorded. Ms. Anderson referred to a page in the CEO's report.

Mr. McCully repeated his inquiry about the value of the PPRC contract and asked whether it was embedded in the Better Destinations contract.

Ms. Anderson replied that the contract for PPRC did not appear in the table of contracts because it had not been executed by the time the report was compiled. Details of the PPRC contract would be provided in the subsequent Board meeting.

In response to an inquiry from Mr. McCully regarding the value of the PPRC contract, Ms. Anderson stated that she was unsure, but believed it was approximately $140,000, slightly higher than the value of the Better Destinations contract.

Mr. McCully commented that combining the two contracts resulted in a total of approximately $250,000, which is almost equal to the $300,000 cost of the Governance Study. He added that his comments aimed to foster an understanding of the amount being spent to change the perception of the tourism industry in the State.

There were no further questions for the Board Chair.

a. Report and Update on the Search for HTA President & CEO

Chair Apo stated that Agenda Item #7a would be discussed in an Executive Session because it involved personnel elements, and his goal was to accomplish this in 15–20 minutes. He added that both Ms. Anderson and Dir. Tokioka would be included in the Executive Session, although part of the session would be conducted in Ms. Anderson’s absence.

Mr. Arakawa proposed a motion for the Board to enter the Executive Session, and Mr. West seconded the motion.

AG Cole stated that the Board was to enter an Executive Session under HRS § 92–5(a)(2) to consider the hiring and possible evaluation of employees whose privacy interests might be affected.

Chair Apo requested a roll call vote on the motion.

Ms. Sanborn conducted the roll call vote, and the motion was carried unanimously.

Chair Apo announced that the Board would be in recess until the members in virtual attendance would have received the links for the Zoom meeting.

8. Report and Update on SB 1571 and its Implementation

Chair Apo called the meeting back to order. What was covered in the executive session was the Board's discussion regarding the process and details surrounding the selection of a new CEO. Where they finished is that the existing PIG for the CEO selection would meet to ensure everything is aligned, including the contract with the search firm, to move it forward as expeditiously as possible. The Board also discussed how the leadership will be set up from this time until they select a permanent CEO, as well as how they will move forward in the interim. The interim CEO, Ms. Anderson, provided feedback regarding leadership and her work at the HTA.

AG Cole gave an overview. Given the act that is now law, the Board is now advisory; however, the statute also grants the Board specific, explicit decision-making authority in certain matters that the Board is still obligated to address under the statute. That means the Board is not solely advisory; they also make decisions. Most of these have to do with the President and CEO, including selecting and submitting the nominee to the Governor, as well as setting the CEO's duties, responsibilities, and other aspects related to the job and the length of service. The Board still has explicit authority to:

Approve appointments of officers and agents.

- Determine a tourism emergency that happened after the Lahaina wildfires. It is still up to the Board to make that determination and then request that the Governor declare a tourism emergency. And like in the Lahaina fire, it would be included in emergency proclamations if necessary.
- Choose the committee structure of the Board. It is up to the Board to decide whether they want to form committees and the duties or areas that they want them to investigate.
- Have bylaws. Some of the current bylaws would need to be changed because they include the committee structure and other aspects that the Board will no longer be responsible for deciding. Therefore, the Board itself can have bylaws, and the organization itself may have bylaws or just policies and procedures applicable to it. This will need to be agreed on with the CEO, Director, and Governor.

Chair Apo said that because the Board still has a set of powers, and it is not a purely advisory Board, there is a right set of bylaws to manage. They have heard the Governor’s plan to send out letters asking for voluntary resignations. He asked if it is true that the Governor does not have the authority to require resignations, but can always request a voluntary resignation.

AG Cole confirmed that as correct. That is one of his concerns. If the majority of the Board were to resign, there would be a lag in the work, such as the CEO selection.

Chair Apo stated that the quorum for the Board consists of seven members. It's not a 50% type of situation. If the Board membership were reduced to six due to resignations, the Board would not have a quorum to take any action. The Governor's office is aware of this and will take that into consideration in their efforts.

Mr. Arakawa asked if a majority or everybody resigns, is it up to the Governor to accept the resignation?

AG Cole said that was correct. That is within the Governor's control.

Vice Chair Paishon asked about the budget approval implications of the new law.

AG Cole said it does not significantly change the Board. The Board, as it formerly was, would review the budget.

Chair Apo said his understanding, based on discussions with both the governor’s office and the DBEDT director, is that the Board no longer has the authority to approve the HTA's budget. The Governor has directed the DBEDT director to approve the HTA budget. Whether that falls within the governor's office or department, that is how it is being handled. It is not within the Board's purview at this point. Ms. Anderson has been in those discussions as well.

AG Cole clarified that it is always up to the DBEDT Director. It was always within his kuleana to make adjustments given to the department.

9. Report on the Hawai‘i Tourism Authority’s (HTA) May 2025 Financial Reports

Mr. Arakawa made a motion to recommend approval of the HTA's May 2025 financial reports.

Vice-Chair Paishon seconded.

Mr. Kishi presented. He thanked everyone for the opportunity to present the HTA's May 2025 monthly financial results. He began with the fiscal year 2025 budget for the period from July 1, 2024, to May 31, 2025. Year to date expenditures, they have $45,308,000. They have an encumbrance balance of $12,648,000. Year-to-date expenditures, plus an encumbrance balance, give a total of $57,957,000 in funds used. And out of their $63,000,000 budget, they have an unused balance of $5,042,000. They are working on utilizing most of those funds by the end of the fiscal year.

There were no questions.

He provided a summary of the sports and signature events that took place over the past two fiscal years. No real changes from the prior month.

The next slide was the FY2025 HCC budget. No real changes from the prior month. They have $31,756,000 of expenditures, an encumbrance balance of $2,243,000. And out of their $34,000,000 budget, they have utilized all of our funds, so they are on track. Any money left over in operations would be transferred to their R&M fund once the fiscal year closed.

For the FY2024 Tourism General Fund, year-to-date expenditures total $8,053,000, the fund balance is $137,000, and the encumbrance balance is also $137,000.

For the Tourism Special fund, which was repealed in January 2022, they have year-to-date expenditures of $408,000. Year-to-date interest income of $377,000, a cash balance of $8,376,000, an encumbrance balance of $296,000, and an unavailable balance for spending of $8,080,000. He was working on returning those funds to the Budget and Finance. He expects that transfer to be completed in early July.

For the HCC funds, as of FY2024, they have year-to-date expenditures of $1,019,000 and a fund and encumbrance balance of $1,058,000. He was able to close out FY2024 for the HCC and the rest of the funds; the $1,058,000 will be transferred to their R&M Fund.

For the Convention Center Enterprise Special Fund, the year-to-date revenue is $16,341,000. That includes $11 million of TAT, $3,956,000 of net profits from HCC operations, and $1,384,000 of interest income. That leaves them with a fund balance of $ 32.339 million. And of that, they still have to transfer $11,000,000 to Budget and Finance. That is to pay them back for the FY2024 operations, which they supported back then. This should be completed in fiscal year 2026, when the allotment is released.

For the Maui Tourism Emergency Plan, which was funded by the Tourism Emergency Special Fund, they have since completed the plan and spent $4,993,000. There were no questions.

For the EDA tourism grant, they have total expenditures to date of $6,856,000, an encumbrance balance of $4,343,000, which equals total used funds of $11,200,000. And out of their $14,024,000 budget, they still have $2,824,000 available. There were no questions.

For the roof repair project, to date, they have spent $3,018,000 on professional services. They have an encumbrance balance of $3,635,000. That gives a total of $6,654,000 in used funds. And out of their $64,608,000 budget, they still have $57,953,000 remaining for construction services.

There were no questions.

Mr. Arakawa said the motion for the recommendation was adopted.

Chair Apo announced Mr. Hannemann joined online.

Mr. Arakawa said that because their status as an advisory board is uncertain, he will propose a motion to recommend approval of the HCC's May 2025 financial report and update on the convention center's six-year R&M plan. It was seconded and moved.

Mr. Arakawa asked Ms. Orton to do her presentation.

10. Report on the Hawaiʻi Convention Center's (HCC) May 2025 Financial Report and Update on the HCC's 6-Year Repair and Maintenance Plan

Ms. Orton reviewed the financials for May 2025. For the month ending May 31, they wrapped up one of the busiest months of the year for the HCC. They had back-to-back Citywide events as well as local events. Noteworthy hosted three repeat Citywide events, including the

International Society of Magnetic Renaissance and the American Association of Immunology, as well as Global Dance and Cheer, along with 20 other local events. Total facility revenue for the month was $2.3 million, which exceeded the budget by $69,000, resulting in a net loss of $109,000 for the month, $19,000 better than planned for May. With one more month remaining in the fiscal year, she highlighted that the HCC is projecting to close with a gross revenue of $27.1 million against a net loss, which is bringing them to a net loss of $974,000 for the year, which is $2.2 million better than their budget and a savings and less subsidy for the State. The funding is going back to capital improvement projects. That was in comparison to the $3.2 million budget that they had.

ROI - for every dollar spent at the HCC they are currently returning $14.07 to the State. The running total of Citywide events that they have hosted contributes to the overall ROI for the State. The total number of citywide bookings that they are servicing at the HCC for their fiscal year is 18, which is roughly equivalent to 67,000 delegates or attendees. Contracted room nights are slightly more than 100,000 for the State. The economic impact is approximately $388 million, and tax generation is $45.4 million to the State. It was a very strong year for Citywide.

Total bookings for 2026 and 2027; they will be entering into a modified event schedule. Those Citywide events that are on the schedule will be removed. With the assistance of the Bureau, they were able to relocate all of the businesses to future years and/or self-contained hotels in Waikīkī. In 2027, they had roughly 12 Citywide locations that they had to move. Roughly ten or eleven have either self-contained or moved to a future year. And they are still working on a few others, Rotary being their largest. They have just recently advised them that they are looking at committing to 2032 and will be moving to another city for the upcoming 2027 year, which was previously on their books. So, it is not a complete loss. They are still working on a few others, but for the most part, she gave kudos to Lynn and her team, who worked hard to save the business on the books.

Recent events at the HCC:

Graduation season, and a lot of commencement ceremonies.

Global Dance and Cheer - a Citywide event.

Volleyball and basketball.

As of recent upcoming events, they are hosting the World Glaucoma conference in-house with approximately 2,500 attendees. They just had their pre-event meeting that week. They had secured this business sometime before 2020, so they are excited to have them in-house.

She provided an update and highlighted the next three months. They closed the fiscal year in June with a few local events for each month and a couple of Citywide events for each month as well.

She said she was recognized for her work in the Asian American and public Pacific Islander trade show publication, highlighting how culture drives everything they do in Hawaiʻi.

For the Carbon Offset Program, they are closing out the year with just under 600 trees that they have planted. She showed the organizations that participated.

She highlighted supporting local farmers. The amount of produce they purchase locally versus from the mainland is 25%.

For R&M they are in the process of installing their new exhibit, Papa He Nalu, which features their surfboard exhibit. Pōhaku Stone has graciously partnered with them and is hand-carving fourteen surfboards, dating back as far as they could find at the Bishop Museum, the first surfboard known in Hawaiʻi. And then replicas of surfboards dating back to Duke Kahanamoku. They will take all the surfboards in the water to get them wet to baptize them. Once they dry, they will be mounting all the surfboards in the exhibit. This exhibit resides right outside their theatre upstairs. There is a blessing once the surfboards are dried and mounted, and all the plaque cards are out. They will be working with the HTA and the Board to collaborate on that blessing for this exhibit.

Ms. Orton spoke about current projects, categorized by different areas of improvement, as well as the six-year plan, broken down by year, dollar amount, and estimated date of completion. She mentioned the CIP projects that Ms. Tait and her team have worked feverishly to complete in the past four to five years. They are working in collaboration with the HTA and DAGS to transition this project to DAGS for the rooftop repair. They have had several meetings and are working on the administrative side of moving this project along. Everyone's focus is on ensuring that the end date does not change.

Chair Apo congratulated Ms. Orton and asked about the FY financials. He said expenditures are probably going to be about a little less than $1 million more than budget. He asked if this was because they had more events than planned, or if there was any other structural issue regarding their operation that had caused higher operating expenses.

Ms. Orton said that when the groups come with more delegates than they had originally planned, staffing increases. Typically, their expenses are more closely tied to staffing increases, as they have more groups. This may not be directly tied to Citywide, but rather to local events that unexpectedly incur additional staffing costs. Her goal is to break even, and they are just shy of $900,000. She does not think they will make it in the current year, but they are still saving the State money.

There were no questions.

There were no objections or abstentions. Mr. Arakawa made a motion to recommend approval of the convention center's financial reports and maintenance six-year R&M plan to be adopted.

11. Discussion on FY 2026 Budget, Recognizing DBEDT Approves HTA's Budget

Chair Apo said they discussed that with AG Cole. It is not for the Board to approve. He asked the DBEDT director whether he was looking for any advice, opinions, or thoughts from the Board, but not at this point. They aim to get it approved before the start of the fiscal year next week. They are moving forward with their efforts on that. Because the HTA budget had not been finally approved, they were not able to put out announcements regarding 'Umeke grants because they need to know exactly what dollar amounts are approved to award those grants. He is sure the budget will be approved before the start of the fiscal year. It will cause a squeeze for some events happening in July, but there are no structural or other issues. It was just a matter of timing relative to the budget approval. They probably need to look at adjusting the timing of 'Umeki grants going forward so that they do not run into this squeeze for their applicants and the nonprofits working on it going forward.

Mr. Arakawa said they do have two guests who may want to speak.

Chair Apo said they will get to that. He checked if there were any questions from the Board. There were none. He invited public testimony.

Rick Egged said he left in July of 1998, being a state employee. One of the last things they did was work on creating the HTA. In this last 27 years, the HTA has done a lot of great things. He applauded everyone for their accomplishments during that time, particularly during the iteration they had experienced. He realizes they are transitioning into a new direction, but he remains optimistic that this new direction will also be productive. They are coming full circle because when they created the HTA, it was really a function of DBEDT, and now DBEDT is going to be much more involved, which will be a very positive thing. They are moving onto a new, bright future.

Mr. McCully asked him to identify himself. Mr. Egged identified himself as the president of the Waikīkī Improvement Association. In 1998, he served as Director of the Office of Planning under Gov. Ben Cayetano. They worked on the creation of the HTA at the recommendation of the Economic Recovery Task Force, which was established at that time. They were experiencing significant economic difficulties. One of the recommendations was to create the HTA, an organization dedicated to marketing tourism and, of course, fostering a positive tourism environment for the State.

Mr. Arakawa asked if Mr. Egged had any suggestions for projects that the green fee could be allocated toward, which would benefit both the community and the visitor industry.

Mr. Egged said he could only rely on media reports, as he was not directly involved in those discussions. However, a portion of the green fee can be dedicated to improving tourism infrastructure, giving them the ability to continue responding to issues like climate change and new developments. He said that the Waikīkī Beach Restoration Project is a major project, with the idea of restoring the beach between the Royal Hawaiian groin and Fort DeRussy groin. There was a very viable beach there at one time. It will take effort and improvements to bring that beach back. That project has been approved. The initial funding came out of this year's legislature, with $5 million plus allocated for planning, final plans, and permitting for the project. It is in progress. He thanked the Governor and the legislature for their support, as well as the legislators, Sen. Moriwaki and Rep. Tam, who ensured the project continued.

Chair Apo said Mr. Egged has a lot of expertise and would like to take this out of the agenda item.

12. Discussion Update on HTA's Tourism Guide Certification Curriculum & Content Development

Mr. Arakawa mentioned that he was texted by a procurement expert who told him that the procurement violations on the HANDS program are not publicly available. This is an internal reporting system for the state procurement office . McCully asked to clarify that the Board does not have access to that either.

Mr. Aranaydo reported on the tour guide certification program that they have been working on. He gave some background. In fall 2023, they partnered with the Edith Kanakaʻole Foundation to help develop a curriculum design for the tour guide certification course. From there, they drafted program elements. They held meetings with the local workforce in those areas to develop programs that explored the needs of tour operators. They also examined the various partnerships with Hawaiʻi cultural practitioners, tour guides, tour operators, and tour guides. They were also asked to look at the basic manual for Hawaii's tourism drivers and guides. This was a tour guide curriculum developed in November 1993.

They also met with other indigenous groups and leaders of three Native American tribes, Nevada's Indian Territory, the Alaska Native American Heritage Center, and Isleta Resort and

Casino to examine how they are developing curriculum for their tour guides when welcoming visitors. In the fall of 2024, they ended the partnership with the Edith Kanakaʻole Foundation. Then, they began the next phase of the curriculum development stage, which involved getting the curriculum online and hosting a stakeholder engagement session to gather more input on the types of information they wanted to provide to the tour guides. TIM School took everything it had developed in terms of curriculum and put it into an online platform. From there, they collaborated with the HVCB to compile a list of over 70 stakeholders and subject matter experts to be included in the curriculum. They then interviewed over 20 stakeholders and subject matter experts to gather more specific input in each area and module of the curriculum they created. They collected over 12 hours of video to include in the curriculum and ended up with a draft version of the online curriculum, which they turned over to the HTA.

He provided an overview of the various modules they had created. The contracts state that they cover Hawaiian Culture, Hawaiian history, customer service, and safety issues. If there was any more information that they wanted to include, they could. They examined different ecosystems, storytelling, and interpretation, and designed a great tour experience with customer service in mind, as well as a module on professionalism and career development for their tour guides. All of that is encompassed throughout the whole curriculum. They were also tasked with creating a promotional outreach plan for what they would do with the curriculum once it was operational and ready to launch. They created a three-phase approach. The first phase is the pilot phase. The second phase involves refinement and recruitment, and the third phase entails program expansion for the tour guides. Phase one of the pilot involves their recommendation for the HTA to include the stakeholder groups that are already heavily involved with Destination Stewardship, such as curator businesses, CTC cohorts, and other established partners familiar with HTA programs. They then introduce a tour guide course to those stakeholders first, allowing them to interact with the curriculum and provide more feedback, so they can proceed to the next phase.

The last phase is program expansion, where we launch the full self-guided implementation of the program for individuals. We monitor the data and provide support to course participants, solicit real-time feedback from participating tour operators and individuals to improve course operations. If they wanted more in-depth information, they can provide it to the Board members. They switched over the contract with TIM School, who they used to put the course online. Now it is in the hands of the contract manager, who has all the information to log in to see the types of curricula, the videos created, and the different quizzes.

Mr. Arakawa requested that, in the future, if the program becomes licensed, he be given the opportunity to present the costs and discuss whether there will be enforcement. Chair Apo said it is in the hands of the HTA staff as opposed to the contractor.

Vice Chair Paishon asked if they had incorporated data from the pilot outcomes or pilot results that would indicate whether the program is having a positive effect on the resident sentiment survey.

Mr. Aranaydo said they had not implemented it because they wanted to stay strictly within the scope of work outlined in the contract.

Vice Chair Paishon said that for the future, it might be a good way for them to understand the overall value that the program delivers. It is an important metric that the HTA looks at consistently over time.

Vice Chair Paishon asked if he could explain further the partnership with TIM School.

Mr. Aranaydo said that when they first took on the tour guide certification, they wanted to partner with the TIM School, but since then, they regretfully declined to move forward with the partnership in helping them create the curriculum. They reviewed the curriculum they had created back in 1993, which served as the foundation for their future direction and improvement on existing initiatives.

Mr. Pfund said that back in the old days, KCC had developed a tour certification program. He said the new project, where they are creating better standards and incorporating more information, would benefit both the visitor experience and provide accurate information, respecting all environmental communities, etc. The real key is how to get it out there.

Mr. McCully said they just learned that they do not have access to a report that might be important to them as a Board. He asked if they could all be sent the Tourism Guide Certification Program information. Mr. Aranaydo said it had been sent. Mr. McCully asked what the difference was between that and the old KCC program. He mentioned TIM School did not want to work with the group and asked if he could explain it.

Mr. Aranaydo said that it was before his time, so Mr. Gomes reported instead.

Mr. Gomes said when they started, they reached out to Kapakiko Chandler who had a prominent role in both development and continued implementation of the KCC plan. He was busy, and eventually he became nonresponsive. At a certain point, from the direction of their contract manager, they had to move forward because they were already six months behind, as there was little to no interest in revisiting and revamping the KCC curriculum.

Mr. McCully said it would be interesting to see which advisory board survives moving forward, so they can review the delta between their approach and what KCC has as an established curriculum program. He said they want to advance, and it would be helpful with TIM School's guidance.

Mr. Gomes said there were some concerns from the university regarding the IP they owned. There was a slight disconnect regarding whether they would participate and who would own what. That might have also contributed to it.

Mr. McCully said there is an acute distinction in 1571 between Hawaiʻi and Hawaiian. He asked if that is an issue with them and TIM School. Mr. Gomes was not sure of that.

Mr. McCully said their earliest outreach was to tribes and other groups that are in control of their land, territory, and reservation system. He was interested in Mr. Gomes' process.

Ms. DeGaia, the destination manager for Maui and Lānaʻi, thanked everyone for their good work. She responded to Vice Chair Paishon's good suggestion about incorporating the residents' sentiment survey into the pilot program for the tour guide certification. They could certainly do that.

Ms. Rich, the president and CEO of VASH - Visitor Aloha Society of Hawaiʻi, said she had been in the position for 21 years. She thanked all the Board members for making the safety and security of visitors a top priority. Many of them tell her that Hawaiʻi is the only state that takes care of them if something happens, whether it be a drowning, a lost item, a passport, or even their death. She thanked everyone on behalf of VASH, for the funding and for taking care of their visitors so they truly leave the state with a wonderful sense of Aloha. She wished them all well.

Mr. McCully said a few years ago, Ms. Rich made a plea to the Board as she was concerned about being defunded.

Ms. Rich said they were approved to get their funding back, but they did not receive the funding. They had lost, specifically $85,000, and the Board member did approve it. Their budget used to be $380,000, but they got $265,000 the previous year. She provided an example highlighting VASH's efforts to ensure visitors' safety, security, and care, as seen in an incident involving a police barricade in Waikīkī. Within 10 minutes, they had to evacuate 200 visitors, many of them international visitors, and they took care of them for eight hours. All the visitors left feeling that they were taken care of. There is no other agency like VASH. She knows this because she is on the national board for Travelers Aid International, representing the Pacific region.

Mr. McCully asked which bucket VASH comes from. Mr. Arakawa said it comes from Program IDs.

Mr. Arakawa asked Ms. Rich if she could email both DBEDT and the HTA the budget information.

Ms. Rich thanked Mr. Arakawa for his service.

13. Presentation on HTA's Sports Strategic Plan, Including Partnership Evaluation Criteria

Mr. Lafitaga thanked everyone for the opportunity. He is with the HTA Sports Brand. He shared some of their objectives and strategies that they are looking forward to, particularly in branding and marketing to sports teams and organizations. He had a two-part presentation. He will do one part, and the other part will be covered by Mr. Horowitz joining online. He said that challenges arise, and they use the best skills and knowledge they have. He said the HTA faces numerous trials and challenges, and he appreciated all that they do. They are all doing their best to accomplish their tasks. He thanked Ms. Anderson, who has done tremendously well.

He spoke about objectives - to attract and fund events that deliver the maximum outreach and benefit for the state. There are three pillars that they are looking at, all part of the sports strategy moving forward. One of them is community benefits. He used the L.A. Rams as an example with the community. They had a great outreach program within the community, where NFL players came out and reached out to the communities. They built 13 homes, but they also went out into the community to Lahainaluna High School and undertook a comprehensive refurbishment of the school's locker rooms. It is those partners that they like to work with who can come in and really reach out to the communities, making a meaningful impact. The second part of it is brand alignment. They are trying to look at being culturally minded, examining teams' organizations that benefit the community and are also culturally minded and respectful of the culture in Hawaiʻi. Hawaiʻi is very unique. Finally, the economic impact: they are looking for partners who can bring some of their fan base. The objective is to ensure that they can travel to Hawaiʻi, experience Hawaiʻi, and also experience its culture. Many of the organizations reached out to them and expressed interest in partnering with them. There is a process that he and Scott are working through with Vision Insights to see what makes sense for Hawaiʻi.

They are promoting the HCC by collaborating with several organizations, including the United Pickleball Association. They are in talks with them. They are also developing corporate partnerships and sponsorships to help mitigate some of the costs, while also subsidizing some of the funding. They are trying to change the mindset, not just of the HTA relying on the HTA to sponsor everything, but also to bring in capable corporate sponsors that can help fund many of these organizations that come in. He introduced Scott Horowitz, who is with Vision Insights.

Ms. Horowitz said they are very excited to partner up with the HTA and everybody else. His team has worked with the HTA over the last decade in various capacities, including festivals and events, research, and brand health tracking for Hawaiʻi as a destination. Now they can help develop the strategy for what events, festivals, and sponsorships should take place in Hawaiʻi. They will vet through all the potential inbound. They created a scoring system to introduce rigor to what should and should not be reviewed further by the HTA. A lot of that is going to involve analyzing data that has been created for DBEDT through the syndicated tourism survey, which runs in the U.S., Canada, Japan, Australia, and South Korea. That data informs them about sports fandom in these markets and the propensity of sports fans to travel to attend events, to promote Hawaiʻi as a destination. The goal is to drive tourism and visitors to Hawaiʻi through partnerships. They are looking at the data that would help support some of that.

Through research on festivals and events, they have a good understanding of the various types of events. They will focus on driving economic impact and community impact. They will also conduct risk mitigation. If there is someone new, or a traditional sports team like the Rams or the Clippers, it's very easy to unpack that, but they have categorized everything into three areas. One, around the marketing strategy; two, around financial implications; and then the community and diplomacy piece, ensuring that the investments made in sports align with the brand promise Hawaiʻi makes to its visitors. They are excited about this.

They have been submitting numerous proposals through this model, and are now entering the market to initiate conversations with potential opportunities. He is speaking to the Yomiuri Giants in Tokyo, which is really exciting because that is the biggest sports team in Japan. Baseball is the number one sport in Japan.

They are also evaluating whether to have the Rams back the following year and what the agreement should look like. They want to ensure they are putting Hawaiʻi in the best possible position to drive a return on that investment. They are excited about running the opportunities, both those currently in place, such as the PGA Tour, the LPGA, the Rams, the Clippers, and Ironman, as well as all the new opportunities. There are a lot of them. The teams are very excited about Hawaiʻi essentially being open for business on sports. The women's soccer league in Seattle is seeking a venue to play in the summer, as they will lose their stadium in three months during the World Cup. Both the men's and the women's teams need a home for a few months. That can have a significant impact on the destination if there is a place for them to play. Things that need to be explored further include discussing with teams the possibility of relocating their sponsorship trips or meetings to Hawaiʻi for use of the HCC.

He showed some of the data. Looking at Southern California as an example, they need to identify the most impactful mix of sponsorships that they could achieve with a traditional sports team, considering California as a statewide entity. They are having conversations with teams in Seattle and discussing Canada with them. They are also looking at ways to increase Canadian fans' exposure. Essentially, this involves collaborating with sports rights holders and equities to check as many boxes as possible at a global level, while also examining the most popular sports in the major marketing areas for Hawaiʻi tourism. In the tracker, they do with DBEDT, they have the ability to see if it is influencing people's consideration of Hawaiʻi as a destination for their next trip. They are excited about the ability to do that. Everything they will do is a holistic, data-driven approach, putting Hawaiʻi on the front foot, going out into negotiations with sports equity and sports properties. They need to have things that bring people back to Hawaiʻi, and they need to have highly visible, impactful initiatives.

He spoke about the Las Vegas Golden Knights and how that was worthwhile. They want to ensure they cover all bases and do not want to leave anything unturned, because there could be a really impactful opportunity that might not be apparent at face value, but upon closer examination, it becomes very significant.

They will report back monthly on every team meeting, every rights holder meeting, and every equity meeting, providing a detailed list and showing the scorecard test results. Transparency is the name of the game, and ensuring that they provide Hawai'i with the best opportunities in sports to drive tourism and make a positive impact in the community by hosting impactful events and festivities on the islands.

Mr. Lafitaga said that he and Mr. Horowitz meet weekly, sometimes twice a week, to review some of the proposals that come through. They are looking at removing a lot of the stuff that does not make sense for them and adding things that do make sense. There is a new approach, a new method of examining proposals in detail and being proactive with the sports teams that are coming in. It is not just about signing the checks, but also about being mindful of who the visitors are and what the economic impact is.

He spoke about the second half of the L.A. Rams contract that came in. The stadium holds about 70,000 people. There are digital high-tech boards in the center, offering numerous opportunities. They are putting together a creative package for the SoFi Stadium, and it will be displayed on banners. There are signs and posters all around the stadium. They are looking to highlight or include some of the pylons, which are double sided. Game day would either be January 3 or 4. They are waiting on the playoff schedule.

He played a video of the Los Angeles Rams event. It is an impact for families to come out and be a part of that.

Chair Apo believes this is of great value to the HTA and to the industry in Hawaiʻi. He said they must ensure they are bringing together the right set of consultants and work. One of the key jobs of the HTA is to ensure that these efforts are cross-collaborated across all of their consultants and the other resources that exist within the state, ensuring the right partners are reached out to and the consultants are properly consulted and involved as necessary.

Mr. McCully spoke about Mr. Horowitz's scorecard. He spoke about maximizing their value, as they have a very small pool of money to work with. He said it's about the marketing aspect, which involves impressions, views, clicks, etc., and how to attract people to the island. He was curious about which sports would filter out over time. Because they have limited resources, it is challenging to host a professional football game or a professional soccer game. He said they might be able to pull off indoor soccer, futsal, etc. He asked if Mr. Horowitz had an initial sense of where to focus in terms of markets and sports, and where they could gain the most advantage.

Mr. Horowitz said that if they pick Japan as the example, baseball will be at the top of the echelon, but that does not mean it is the most important thing they should do from a cost-effectiveness standpoint. If they want to bring an event to Hawaiʻi, baseball will be challenging because specific specifications are required for the field of play, etc. With limited resources, part of the key would be to get the rights holders to contribute some resources as well. If the soccer teams need a home for a couple of months, they should help fund their home, especially because they are being displaced by the World Cup. So, there is probably money that is given to them for that. As they conduct a deeper analysis, it will differ in every country based on the nuances of those markets. They also need to examine the efficiency of this. They need to figure out the mix that works well. If they had to do something with the Dodgers, it would be tremendous. The Dodgers are asking $9 million now just to have a seat at the table, which is the entry-level price. They are getting that from Japanese companies and the biggest brands in America. That is not possible for them. They must look at the different mixes, e.g. how much do the Cubs cost? The Cubs are also extremely popular in Japan right now, and they have multiple non-stop flights a day departing from Chicago to Hawaiʻi. Once American Airlines opens up the next route, that will also be positive. This is the first time they are seeing the level of activity from the sports rights holder side, at least domestically in the U.S., where people want to bring these events to Hawaiʻi.

Mr. Lafitaga said they are working with a Japanese baseball team, and Mr. Horowitz is evaluating what they can do and whether they can afford it.

Mr. McCully asked who is associated, sports-wise wise with Alaska Airlines.

Mr. Lafitaga said there are a lot of them. Hawaiian Airlines had a partnership with the Raiders, but it is unclear if that partnership will carry over. One of the screening questions they ask in every discussion is who the travel partners are, e.g., airline partners, hotel partners, etc. All the teams want to do promotions that last several months, where they can give their fans a trip to Hawaiʻi at the end of the season.

There were no questions.

Chair Apo said his understanding is that letters are being sent from the governor's office regarding potential voluntary resignation. He reiterated, as AG Cole said, it is not mandatory. He thanked everyone for their hard work over the past few months trying to improve the HTA.

Mr. McCully reminded the Board members that every time they received direction from the Senate, the House of Representatives, and the Governor and chose to ignore it, they paid a price. He reminded everyone that there are consequences to decisions.

Mr. Arakawa said that, serving on the Board for the past six years, he wanted to leave with seven things:

1. Include all industry partners in what they do and be very broad about that.

2. DOT and DLNR are more than willing to become more involved with the HTA, both by giving presentations and providing input on their programs, initiatives, and field trips. They should include them in future legislation.

3. Taking a position on major issues, short-term rentals, other environmental issues, climate change, beach restoration, etc.

4. Use of the green fees for infrastructure that benefits both the public and the tourism industry.

5. Continue to support legacy events.

6. Clean up procurement and contract issues, as well as payment of bills.

7. The HCC. The future Board should do everything possible to repair and restore the HCC and maintain it as an ongoing benefit for Hawaiʻi.

Chair Apo asked if Board members are allowed to discuss their plans with each other and exchange information about potential resignations.

AG Cole stated that the discussions that would be prohibited would be considered Board business.

Chair Apo announced that Mr. White remains the chair of the CEO selection PIG. The discussion was to ensure the PIG meets as quickly as possible to finalize everything and ensure the process moves forward.

Vice Chair Paishon thanked Mr. Arakawa for his long-time service on the Board and the numerous hours he spent chairing the BFCC committee and other committees with which he was involved. He brought a lot of value to the Board.

Chair Apo asked who served the second longest on the Board, Mr. McCully said it would be Ms. Iona, Vice Chair Paishon, and himself.

14. Adjournment

The meeting adjourned at 1:19 p.m.

Respectfully submitted,

Sheillane Reyes

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Sheillane Reyes
Recorder