



**REGULAR BOARD MEETING**  
**HAWAII TOURISM AUTHORITY**  
**Thursday, October 27, 2016**  
**Hawaii Convention Center**  
**1801 Kalākaua Avenue, Honolulu, Hawaii 96815**

**MINUTES OF REGULAR BOARD MEETING**

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| <b>MEMBERS PRESENT:</b>    | Rick Fried (Chair), Lorrie Stone, Fred Atkins, Donna Domingo, David Rae, Sean P. Dee, Gerald De Mello, George Kam, Ku'uipo Kumukahi   |
| <b>MEMBER NOT PRESENT:</b> | Craig Nakamura, Jack Corteway, Denise Hayashi Yamaguchi   |
| <b>HTA STAFF PRESENT:</b>  | George Szigeti, Randy Baldemor, Marc Togashi, Leslie Dance, Charlene Chan, Laci Goshi, Kalani Kaanaana, Caroline Anderson, Jennifer Chun, Lawrence Liu, Minh-Chau Chun, Ronald Rodriguez, Chris Sadayasu, Chika Miyauchi, Carole Hagihara, Denise Kahalekulu, Noriko Sloan, Vengie Talaro |
| <b>GUESTS:</b>             | Teri Orton, Pris Texeira, Debbie Zimmerman  |
| <b>LEGAL COUNSEL:</b>      | Gregg Kinkley   |

**1. Call to Order and Pule**

Presiding Officer Rick Fried called the meeting to order at 9:34 a.m. Mr. Fried acknowledged Mr. Kaanaana, who chanted in Hawaiian an oli he wrote. The oli speaks of sacred places on O'ahu and offered "to get us grounded" and that "there is always a new day in these challenging times."

**2. Approval of the Minutes of the September 23, 2016 Board Meeting**

Mr. Dee moved to approve the minutes of the Board meeting held on September 23, 2016. Mr. Kam seconded the motion, which was unanimously approved by all the Board members present.

**3. Review of Recent and Upcoming Permitted Interactions**

There was no report of any permitted interaction by a Board member.

#### **4. Report of the CEO Relating to HTA's Programs**

Mr. Szigeti referred to the Report of the CEO included in a board packet previously distributed to the Board. In addition to the items already discussed in the Report, Mr. Szigeti discussed various "key talking points." He thanked the Board for their support during the "first 16 months" and noted that visitor arrivals and expenditures in September "were outstanding." He also acknowledged the support provided by HTA's "partners."

In regards to the Tourism Conference, Mr. Szigeti stated that the "response was outstanding" and we are receiving compliments from out of state attendees. He especially noted a remark made by Rick Blangiardi, Hawai'i News Now general manager, that the Conference was a "remarkable event." We are "building now for next year."

Mr. Szigeti reported on the various roundtable discussion meetings he attended to discuss tourism issues, including meetings with local stakeholders to discuss the homeless issue. He also attended the IMEX trade show at Las Vegas. He explained it was an "eye opener" to "see how many people were competing against Hawai'i" at the trade show.

He reported Hawai'i was provided an award for being the "Best Destination of the Year" by Travel Weekly Asia. HTA will also be given the "organization of the year" award by the Cancer Society of Hawai'i. He also reported that Hawai'i would once again be the location for the Fed Cup in February 2017. He expressed appreciation to Rick Fried for his assistance in "opening the door" for the event being held in Hawai'i.

Mr. Baldemor recognized the support provided by staff and industry partners for the Big Bang concert. Big Bang is a Korean singing group and approximately 5,000 visitors attended its concert.

#### **5. Discussion Regarding the 2016 Hawai'i Tourism Conference**

Mr. Fried acknowledged Ms. Dance, who initiated a discussion on the 2016 Hawai'i Tourism Conference. Ms. Dance stated that the title of the Conference was "Transforming Tourism Together" and HTA "delivered" on the title. The objective of the Conference was to "create a more vital globally, relevant and innovative conference for all stakeholders." The Conference provided more interactive sessions, networking opportunities, and a focus on global topics. Although a large majority of the attendees were from Hawai'i, there was a significant increase in attendees from China, Hong Kong, Other Asia, and Korea. A majority of the evaluators noted that the Conference was "excellent." The Aloha Lunch and culinary panel discussion were the most attended.

Ms. Dance continued her presentation with videos of Hawai'i's culinary products, festivals and events, and cultural products. Mr. Rae stated the videos are "great" and asked how the videos were being distributed. Ms. Dance responded that the videos are being distributed through YouTube and to "stakeholders." Mr. Rae stated the videos are "very powerful" and suggested it should also be distributed to the Legislature.

Mr. Atkins stated that the presenters were "excellent." There "was a lot of depth in the topics." Mr. DeMello "came away" from the Conference with an understanding that "educational tourism" has a lot of "potential." During a conversation with a high school principal, he understood that the effort in "securing international students" has "fallen off." He further stated, "Hawaii's share of the edu-tourism market has fallen off. He asked "why" and "what is HTA's long term view of increasing edu-tourism for Hawaii?"

Mr. Dee expressed "congratulations" on a "good Conference." He received positive feedback from his contacts. He asked "what areas needs improvement?" Ms. Dance responded that there was "no need for facilitators" and there should be no presentations during lunch when attendees were networking. Mr. Baldemor added the following "lessons learned": five days to present the Conference was too long; there should be better utilization of the "Expo"; the registration process could be improved; additional sponsorship opportunities should be pursued; the Conference should be "more global"; and, the number of speakers should be "expanded." He emphasized that the Conference was a "magnet" to bring decision-makers and stakeholders to visit and learn what Hawai'i has to offer. It also created an opportunity to highlight all the Hawaiian Islands.

Mr. Szigeti added we should continue to emphasize the significance of the Hawaiian culture. He was pleased with the quality of the "student debates." Although the food and wine track went well, we also need to emphasize the food and wine being offered at the hotel restaurants. Mr. Baldemor also added that the "airline" presentations were well attended by airline decision-makers, who got to learn the significance of Hawai'i as a destination. The "feel of the Conference" was different and replicated what makes Hawai'i special.

Mr. Dee observed a lot of people "collaborated well" to "show off the convention center." He inquired as to the Conference's economic impact, especially with the attendees' longer length of stay.

Mr. Rae asked whether the discussion on Hawaiian culture being "not for sale" could be further stimulated via an open forum with the community. Mr. Atkins noted such a discussion was conducted at the Conference. Mr. Baldemor added that the Conference was not a "canned Conference" and "was meant to be provocative." Mr. Szigeti stated the issue is "finding the balance" between the desires and expectations of the visitors versus the impact on the community.

## **6. Presentation and Discussion of Market Insights and Current Market Conditions**

Mr. Fried acknowledged Ms. Chun, who referred to the research reports previously distributed to the Board members entitled “Market Insights-September 2016.” The monthly research reports provide current data on the most recent key performance indicators HTA uses to measure success and help to gauge if HTA is successfully attaining its goals. She reported that through the first nine months of 2016, total visitor arrivals and expenditures exceeded the same period last year by 2.6% and 3.7%, respectively. It was a “positive September.”

## **7. Presentation and Discussion and Approval of HTA’s Financial Reports**

Mr. Togashi presented for Board approval the HTA’s financial statements as of August 31, 2016. He reported that following the close of the 2016 fiscal year, there was “not much activity last month.”

Mr. Dee inquired whether the Board would be able to get more information on “where we are in the budget” at this time. It is more of a “process question.”

Ms. Kumukahi made a motion to approve the HTA’s financial statements as of August 31, 2016. Ms. Domingo seconded the motion, which was unanimously approved by all the Board members present.

## **8. Presentation by AEG Regarding an Update of Hawai’i Convention Center Recent Activities**

Mr. Fried acknowledged Ms. Orton, who provided a PowerPoint presentation of the Hawai’i Convention Center activities in September. She discussed the “financials” for September. After noting September’s occupancy percentage, gross revenues, gross expenses, and net income, she reported that a reforecast of 2016 after nine months of actual results would cause the convention center to achieve a \$14,000 profit at year’s end. This is in comparison to a \$2.3 million loss originally budgeted for 2016. Ms. Orton also reported that the net income for food and beverage in September was \$4.9 million representing a 49% “flow through.” In September, the return on investment was \$23.38 to the State for every dollar spent by the convention center.

In regards to a convention center sales update for September, Ms. Orton reported 10,800 room nights were closed as a result of booking the Conference on Computer Vision & Pattern Recognition. This booking may have been due to the relocation of the Conference from Puerto Rico and the fear of the Zika virus. On a year to date basis, AEG has achieved 46% of its 225,000 room night goal for the year. Ms. Orton stated she is “confident” AEG will achieve its year-end goal. She reported the booking of three new sporting tournaments in 2017 were closed or anticipated to be closed in November. The tournaments consisted of one high school volleyball and two high school basketball tournaments. Ms. Orton also reported she attended the S.P.O.R.T.S. Relationship Conference and that Hawai’i is “looked at as being a stepping stone for reaching the Asia market.” She provided staffing updates for sales positions.

Finally, Ms. Orton reported on the blessings for the following three new art exhibits at the convention center: Ma Kai to the Sea, Mele Mei, and Aha’ ‘ula. She stated it was a “fantastic

blessing.” Although she expected 200 to 300 people to attend the blessing, approximately 500 people attended. Mr. Szigeti concurred that the blessing “was outstanding.”

**9. Presentation by Business Events Hawai'i and AEG Regarding an Update of Meetings, Convention and Incentive Sales Initiatives and Hawai'i Convention Center Performance**

Mr. Fried stated that the discussion of this agenda item would involve a discussion of matters that are proprietary to AEG and information if disclosed would cause competitive harm to Hawai'i as a visitor destination under HRS §201B-4. Ms. Orton concurred with Mr. Fried's statement. She also acknowledged Mr. Kinkley's understanding that the presentation would be directly related to confidential “sales initiatives.” Mr. Kinkley further advised that matters not considered proprietary or are not competitive information should be discussed in public.

Ms. Kumukahi made a motion to conduct an executive meeting under HRS §201B-4 to discuss proprietary and competitive information. Ms. Stone seconded the motion, which was unanimously approved by all the Board members present without objection.

The meeting was recessed for an executive session at 10:46 a.m.  
The meeting was reconvened at 11:26 a.m.

**10. Adjournment**

Ms. Domingo made a motion to adjourn the meeting. Mr. DeMello seconded the motion, which was unanimously approved. The meeting was adjourned at 11:27 a.m.

Respectfully submitted,



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Winfred Pong  
Recorder