



**REGULAR BOARD MEETING**  
**HAWAII TOURISM AUTHORITY**  
**Thursday, August 25, 2016**  
**Hawai'i Convention Center**  
**1801 Kalākaua Avenue, Honolulu, Hawai'i 96815**

**MINUTES OF REGULAR BOARD MEETING**

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

**1. Call to Order and Pule**

Presiding Officer Rick Fried called the meeting to order at 9:37 a.m. Mr. Fried acknowledged Mr. Kaanaana, who noted HTA's support of the Duke Kahanamoku Festival and proceeded to introduce Moses Goods, who is a modern day Hawaiian story-teller sharing stories of our kūpuna. Mr. Goods is currently in Inamona Theatre Company's presentation of "Duke," a one-man play honoring Duke Kahanamoku. He discussed Duke Kahanamoku's accomplishments and offered a mele inoa or name chant about Duke through a hula.

**2. Approval of the Minutes of the July 28, 2016 Board Meeting**

Mr. Kam moved to approve the minutes of the Board meeting held on July 28, 2016. Mr. De Mello seconded the motion, which was unanimously approved by all the 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. Baldemor referred to the Report of the CEO included in the board packet previously distributed to the Directors. He noted it is an "exciting time" for HTA because the Tourism Conference is a month away. This year's Tourism Conference is "very different" from past conferences. The Conference will have a "rich agenda," "highlight the neighbor islands," and will have "value" for the "cross-section" of people attending. He acknowledged the support and assistance provided by Staff. He noted the meeting of the International Union for Conservation of Nature (IUCN) World Conservation Congress will be held next week.

In response to Mr. Fried's inquiry regarding the current number of attendees at the Tourism Conference, Mr. Baldemor noted there are currently approximately 950 registered attendees. He expects more people to be registering later. He noted this year's Conference will have an "international flavor" and international tourism stakeholders are being contacted. In response to an inquiry from Mr. Atkins, Mr. Baldemor stated that a "fair amount" of people have signed up for neighbor island excursions, especially to Kaua'i.

Mr. Fried acknowledged the useful information in a "Hawai'i tourism update" he currently receives via email from HTA on a daily basis. He also noted the detailed information being provided in the CEO Report, including information explaining any changes in the monthly visitor data. He encouraged Board members to continue its review of the CEO Report.

### **5. Presentation and Discussion of a New GoHawai'i Mobile App for Travelers**

Mr. Fried acknowledged the efforts of Dan Luke, Ikayzo, and Ms. Goo for the development of the gohawai'i mobile app. Ms. Goo expressed appreciation for Mr. Baldemor's "encouragement and initiative" to develop the app, which is currently available to be downloaded. She showed a video presenting the app's features and that the video was produced by the "Sea Rider program at Wai'anae."

Ms. Goo provided a PowerPoint presentation and noted the following: that on the dissemination date of August 8, 2016, there were a total of 312 "media pickup" and 10,448 total views and hits; the number of "pickup" by source type (newspaper, news and information, blog-parental influence, broadcast media, blog, and other) and by industry (media and information, financial, tech, retail and consumer, travel and leisure, and other); the app was discussed in articles disseminated by Civil Beat, Travel Weekly, Where Magazine, Yahoo Finance, New York Business Journal, Market Watch, and Seeking Alpha; the number of impressions achieved through various

online travel and airline websites; and, the total audience per day (143,012,359). Ms. Goo also acknowledged Hawai'i Tourism Japan for doing a "good job" in having the airlines displaying the app on its flights. The "China team" was also "very clever" to align the app launch date (8/8) with an "auspicious day" for Chinese women to ask their boyfriend if they want to travel to Hawai'i. Ms. Goo concluded by noting it is important to leverage the app as a means to get Hawai'i's "name out there" and to people who may want to travel to Hawai'i.

Ms. Goo introduced Mike King, Ikeyzo, who continued with the PowerPoint presentation and noted the following as of August 23, 2016: that the 7,027 total downloads was "phenomenal" when compared to other apps that would achieve 10,000 downloads after 10 months of being launched; of the total downloads, 4,787 were downloaded through a iOS mobile platform and 2,240 were downloaded through an android platform; that Japan had the largest number of downloads and followed by China and U.S.; that the most visited and viewed pages in the ranked order of popularity were related to destination, safety, and a "my list" section offering viewers an opportunity to add content or to offer recommendations based on answers to a questionnaire; that the most visited and viewed islands in ranked order were O'ahu, Hawai'i Island, and Maui; that the most visited and viewed "travel smart" section in ranked order were "general travel tips," hotel safety, and water safety; and, that 73% of the users were new and 27% were returning. He further noted the typical user session was more than 3 minutes, which was "really great" when compared to an average session of 10-30 seconds, which is considered "good."

Mr. King concluded his presentation by discussing the future functionality of the app to include push notifications to provide news alerts; tablet support by offering greater sizing; iBeacon support to enhance commercial utilization; social media integration to allow sharing of a Hawai'i visit with friends and family; offline support when there is "weak connectivity;" and 3D video support to allow greater visual content.

Mr. Atkins questioned the use of "cartoon characters" on the app that may appeal to Japan visitors but may not appeal to North America visitors. Mr. King responded that the marketing partners were consulted. It was determined that the target audience would "dive into safety." Mr. Baldemor added there was an effort to "depersonalize" so the app would appeal to a greater audience.

Mr. Nakamura noted apps used by other visitor destinations would have drop down menus offering hotels and attractions. Ms. Goo referred to the next development phase for the app and noted the use of iBeacon. Mr. Baldemor also noted the use of iBeacon and "push technology," which would give immediate emergency information to visitors. He stated the app is an initial platform which "can grow in a lot of different ways," and we "need to do it the right way" to give what is most important for visitors to know.

Mr. Atkins asked whether the app "will take away" from "gohawaii" being used by visitors. He also asked "what is the main purpose" for the app and "what are we trying to achieve." Mr. Baldemor responded that gohawaii is going through an "overhaul" and will be connected to the app. The purpose of the app is to provide information about Hawai'i. Mr. Atkins noted that HTA

has taken away gohawaii from the Hawai'i Visitors and Convention Bureau (HVCB). He noted that gohawaii was a "conversion website" and asked if the conversion aspect was being addressed. Mr. Baldemor responded that HVCB has been consulted and the conversion aspect will be addressed in the future.

Mr. Baldemor acknowledged the efforts provided by Ms. Sloan and Ms. Goo. The end product does not fully recognize all the work engaged in to develop the app.

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

Ms. Chun stated that a "press release will be issued next week and current visitor data is not yet available." She referred to a report in the board folder packet entitled "Market Insights-July 2016," which provided information on the tourism industry's economic impact for 2015. She stated that Hawai'i is performing "relatively well" in comparison with other selected competing destinations. Hawai'i properties reported the highest average daily rate and revenue per available room for the first half of 2016 and that Hawai'i ranked second for occupancy among the selected competitive destinations.

The meeting was recessed at 10:31 a.m.

The meeting was reconvened at 10:38 a.m.

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

Mr. Togashi expressed appreciation to the Board and Staff for a "very good" fiscal year 2016. He referred to an executive summary and the HTA's financial reports covering the period May to June 30, 2016 that were distributed to the Board. He requested Board approval of the reports. He also noted on a statewide basis, transient accommodation tax revenues collected for FY 2016 were \$412 million and \$24 million over last year. He also congratulated AEG and noted that on a fiscal year basis, AEG recorded a \$1.4 million "profit" as compared to previous losses of \$4 million two to three years ago.

Mr. Nakamura made a motion to approve the financial statements as of June 30, 2016. Mr. Atkins seconded the motion, which was unanimously approved without any objection.

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

Ms. Orton provided a PowerPoint presentation entitled "August 2016 HTA Board of Directors Update." In regards to the convention center's July financials, she reported July was a "slow month" for business with nine licensed events, which includes eight local events. Clients have been steered away from booking in July because airfare and hotel rates are expensive during July when there is a lot of leisure visitors. She discussed the actual July financial results for gross revenues, gross expenses and a net loss (\$302,000). A resulting reforecast for 2016 was also presented. She stated the convention center is "on the path to break even if not this year but perhaps next year." In regards to food and beverage, she reported a "flow through" of 43% for

July and 46% for a reforecast of 2016. The kitchen staff has done an extremely good job in managing its expenses.

Ms. Orton also reported that for every dollar spent by the convention center, its return on investment was \$17.02 to the State. In regards to a sales update for July, she reported that 8,492 room nights were closed in July. On a year to date basis, AEG has achieved 39% of its goal for the year. She noted many license agreements are usually executed at the end of the year.

In response to an inquiry from Mr. Fried regarding attendance for the IUCN event, Ms. Orton stated we are “short on numbers” at this time. There are challenges in events moving between the Neal Blaisdell Center and the Hawai’i Convention Center. Mr. Fried reported on positive comments he received after attending an event at the Convention Center.

#### **9. Presentation by AEG Regarding an Update of Sales Initiatives and Hawai’i Convention Center Performance**

Mr. Fried acknowledged a request by Ms. Orton to discuss proprietary and competitive information in executive session. Mr. Kam made a motion to conduct an executive session pursuant to sections 92-5(a)(8) and 201B-4(a)(2), HRS, for the purpose of discussing proprietary information and information that must be kept confidential to protect Hawai’i’s competitive advantage as a visitor destination. Ms. Domingo seconded the motion, which was unanimously approved by all the Board members present without any objection.

Mr. Fried asked whether there is anyone from the public desiring to provide public testimony on any agenda item and prior to convening the executive session. There was no response.

The meeting was recessed for the Board to conduct an executive session at 10:54 a.m. The meeting was reconvened at 11:19 a.m.

#### **10. Adjournment**

A motion was made by Mr. Nakamura and seconded by Mr. Atkins to adjourn the meeting. The motion was unanimously approved without objection. The meeting was adjourned at 11:20 a.m.

Respectfully submitted,



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Winfred Pong  
Recorder