HAWAI'I TOURISM AUTHORITY

STAFF REPORT TO THE BOARD

December 11, 2024

REQUEST:

HTA staff seeks approval for a two-year, $1.5 million annual base partnership with the LA Rams, commencing in the 2025-26 season. This partnership provides extensive brand exposure, community engagement, and economic benefits aligned with HTA's strategic priorities. The total request over both years is **$3,865,000.**

Note that for each year of the agreement, HTA staff shall seek SPO approval for a sole source exemption and subject to the availability of funds.

FACTS:

These highlights represent a summary of the proposed partnership, with additional details to be provided upon the conclusion of final negotiations. For the OTAs and Community Engagement initiatives, HTA will maintain oversight and collaborate with the Rams to ensure activities are culturally appropriate, empower local communities, and align with Hawai'i's values. Activities will also include elements accessible to visitors, promoting regenerative tourism and fostering meaningful connections with Hawai'i's unique culture and environment.

- **Premium Association:**
  - Official designations: "LA Rams at Home in the Hawaiian Islands" and "Official Island Getaway of the LA Rams."
  - Use of Rams branding and marks for marketing campaigns across key platforms.
- **Organized Team Activities (OTAs):**
  - Rams team to host OTAs on Maui, including two public practices and a community day.
  - Content creation featuring Maui as the backdrop, distributed across Rams' digital and social platforms.
- **Community Engagement:**
  - Youth-focused activities: a football camp, girls' flag football clinic, and locker room refurbishment for a Maui high school.
  - Authentic brand integration in community events and digital promotion.
  - The Rams would also host an athletic trainers session focused on health and player safety

- **Gameday Entitlement:**
  - High-visibility branding during one home game annually, including LED displays, social media, and stadium activations.
  - Hawaiian-themed gameday elements such as lei and music, plus pre-game and in-game media inclusion.
- **Year-Round Digital Amplification:**
  - Sweepstakes and targeted digital campaigns to promote Hawai‘i as a premier travel destination.
  - Logo inclusion in Rams' mobile app, website, and other digital content.
- **International Expansion:**
  - Leveraging the Rams' global presence in Japan to enhance Hawai‘i's brand recognition through sweepstakes, digital campaigns, and co-branded marketing materials.

DISCUSSION:

Value to Hawai‘i

- **Brand Extension & Awareness:**
  - Strategic alignment with a major NFL team ensures ongoing exposure in domestic and international markets.
  - Amplifies Hawai'i's image as a premier travel destination, leveraging the Rams' global fan base.
- **Community Benefits:**
  - Direct impact through youth sports programs, community day initiatives, and facility improvements in Maui.
  - Promotes regenerative tourism principles through culturally authentic activities and messaging.
- **Economic Impact:**
  - Drives tourism through enhanced destination marketing, which is expected to increase visitor arrivals and spending.
  - Aligns with HTA's focus on diversifying the tourism market with a sports tourism strategy.

BUDGET IMPLICATIONS:

- **Annual Investment:** $1.5 million, with a 3% annual escalator.
- **Playoff Costs:** Incremental billing for playoff games, capped at $360,000 annually, based on participation.
- **Funding:** Payments are to be made in two equal installments on April 30th and September 30th each year.
  - For 2025-2026 Season:
    - April 30, 2025, Payment 1
      - FY25, Program ID 115, BLI 346: $955,000
    - September 30, 2025, Payment 2
      - FY26, Program ID 116, BLI 346: $955,000

- For 2026-2027 Season:
  - April 30, 2026, Payment 1
    - FY26, Program ID 116, BLI TBD: $977,500
  - September 30, 2026, Payment 2
    - FY27, Program ID 116, BLI TBD: $977,500

- **Summary Table:**

	2025-2026 Season	2026-2027 Season	Total
Base	$1,500,000	$1,545,000	$3,045,000
Playoff Contingency	$360,000	$360,000	$720,000
Misc Costs	$50,000	$50,000	$100,000
Total	**$1,910,000**	**$1,955,000**	**$3,865,000**

Base: Covers all elements of the attached proposal, excluding the playoff contingency.

Playoff Contingency: Marketing-related expenses if the LA Rams reach the playoffs.

Misc Costs: Expenses incurred by HTA for the oversight and implementation of the program. These may include costs associated with program evaluation, travel, and activations such as photography, leis, musicians, and travel for HTA representatives.

RECOMMENDATION:

This partnership represents a strategic investment in sports tourism, delivering significant value to Hawai‘i while aligning with HTA’s mission to promote sustainable and culturally authentic travel experiences. Approval of this proposal is recommended.