



**SPECIAL BOARD MEETING  
HAWAII TOURISM AUTHORITY  
Wednesday, December 7, 2022 at 4:00 pm  
In-Person and Virtual Meeting**

**Hawai'i Convention Center  
Executive Board Room A  
1801 Kalākaua Avenue  
Honolulu, Hawai'i 96815**

**MINUTES OF SPECIAL BOARD MEETING**

**MEMBERS PRESENT:**

George Kam (Chair), Michael White (Vice Chair), Kimberly Agas (Zoom), David Arakawa, Dylan Ching (Zoom), Mahina Duarte, Stephanie Iona, James McCully (Zoom), Sherry Menor-McNamara (Zoom), Sig Zane

**HTA STAFF PRESENT:**

John De Fries, Kalani Ka'anā'anā, Marc Togashi, Ilihia Gionson, Maka Casson-Fisher, Ross Willkom, Iwalani Kaho'ohanohano, Jadie Goo, Irina De La Torre, Dede Howa, Caroline Anderson, Carole Hagihara, Yvonne Lam

**PUBLIC:**

Gov. Josh Green, Rep. Sean Quinlan, Rep. Richard Onishi, Chief Procurement Officer Bonnie Kahakui, Senator Lynn DeCoite, Jennifer Chun, Sunnie Lasconia

**LEGAL COUNSEL:**

Gregg Kinkley

**1. Call to Order**

Chair Kam called the meeting to order at 4:00 p.m.

**2. Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic**

Mr. Gionson did the roll call. All members confirmed that they were in attendance and that they were alone.

### **3. Opening Cultural Protocol**

Mr. Casson-Fisher did the opening protocol.

### **4. Update by Former Department of Business, Economic Development & Tourism Director, Mr. Mike McCartney on HTA RFP 22-01**

Mr. McCartney thanked Mr. Arakawa for his suggestion to explain his decision on RFP 22-01. He shared some background. He thanked the AG's office for their advice. He thanked the HTA staff for their hard work and dedication, and the CPO and staff for their advice and consult. He said he had to use the laws and protocols to make things happen. He spoke about his former role as state senator and his duties. He said he had the privilege of passing 103D, and a lot of conflicts took place, but the passing of the bill helped with the conflict. He spoke about the HTA law that he also passed. He said they predict the market will recover in 2025 if they want to keep it the same way, but they need a new type of travel and visitor.

He said the HTA has to be the pono people, take care of the place they love, and be good hosts. He is concerned about vacation rentals in neighborhoods. The legislature passed Bill 863, which took away dedicated funding, the special fund, and the exemption to 103D. He believes that they must have good resources when moving forward in tourism marketing and management. He said they have an opportunity to reset now. He said the state was in financial crisis, and they went to the federal government to borrow money to pay the bills, the first time in history they had to do that. The money they got had a lot of restrictions on it, which changed how they could appropriate money and use it. He said any mistakes were not intentional and they were process mistakes. He said this is a perfect opportunity with six new senators, sixteen new members in the house, a new governor, and a lieutenant governor to work with the HTA Board to figure out a different path. He said they cannot change the contract when it is still active. He said the best interest is to cancel the contract.

He thanked Sen. Wakai for his guidance. He thanked Rep. Onishi for putting the HCC in the right place, and the legislature funded \$15 million for repairs, but also for putting forth a study on what the HCC should be. He also thanked Rep. Onishi, and Sen. Wakai for passing the resolution that called for a new governance model for looking at how to work everything.

Mr. McCartney said each island needs to balance its needs and DMAPs need a new model to consider the county, the state, HVCB, NCHA. He said the community needs to work together. He said they also need to support DLNR and the staff. He said they could look at privatizing the

HCC. Going forward, they must look at the hope and opportunity there and not fight over contracts for which they do not have funding. He said the past must not get in the way.

Ms. Duarte said that the Board members and the HTA staff did not recognize the cultural barriers, the traditional entrepreneurial barriers, the cultural practitioners and leaders present in the meeting, and they appreciated them.

Chair Kam asked if Gov. Green wanted to say a few words.

Gov. Green said DMAPs, and destination marketing are both critical, and he respects everyone's opinion. He said they would work with all parties to find a new solution. He has tasked the new director to work with the AG to ensure they honor the right path. It has to be done correctly and fairly. He said he has good relations with HVCB and CNHA, and it is important that things are done right. They have a history, but it is time for a new start. He asked that they reach out to him if there were any questions. He said there would be decisive action.

Testimonies:

Dr. Trisha Kehaulani Watson-Sproat introduced herself. She spoke about her background and her qualifications. She said the CNHA won the award fairly. She said Mr. McCartney did not mention what was unlawful about the award. She said it was one of the most insulting things she had to listen to as he pulled out books by many of the people who taught her in law school. She asked the Board and governor to reverse Mr. McCartney's decision as he failed to demonstrate, as required under the law, why the award was unlawful. She believes the governor has every authority to do that. She challenged the AG or anyone to explain what was unlawful about the award.

Mr. Demont Conner introduced himself. He said there is an open wound that has never been healed in the land, and it continues to fester. He said the system keeps telling them to go along with the program, to trust the process, and that it will work out in the end, but 130 years later, they are still subjected to being less than the other people that took over their country. He said if the HTA wants to honor their culture and heritage, they must do the right thing. He said the CNHA, in the last four years, has done more for native Hawaiians and all of Hawai'i than OHA, DHHL, and all the organizations that stand for them. Many years ago, he mentioned to Mr. Ka'anā'anā why the HTA exists. He said it was offensive for him to be at the legislature to see DHHL and organizations pay and then fight for what is left in the budget. He said DHHL and OHA is in the constitution so why do they have to pay. The HTA is not in the constitution and said they should have the lion's share of money. They should be telling their own story. The HTA needs to make things right. He was at the legislature meeting and saw the problem between

the Western and Hawaiian cultures, the spirit of aloha. He said there is a place where they can judge righteously. He said the CNHA did not do wrong as they followed the HTAs rules.

Ms. Kristina Lockwood the general manager for KHON, introduced herself. She said they partnered with the CNHA, and are part of the Kilohana Collective, and they started working together fourteen months ago. Their role was to provide marketing tools through their company. She gave some background on KHON, a large company on the mainland, with over 200 television stations across the country, and they are a dominant digital media company. They intend to utilize KHON's resources to assist the HTA in reaching out to the continental U.S. and inviting them to Hawai'i. She said they wanted to do that with the CNHA.

During the first round, the award was rescinded, and the RFP was pulled back, but they gave a new RFP during the second round. She feels strongly that if Mr. McCartney wanted to change the RFP, that was the time it should have been done. She said it is not the right time now after the award has been granted. She said it is unlawful to pull back the award. There are statutes regarding awards. She said Mr. McCartney did not provide anything substantial to prove the award was unlawful. She encouraged the Board and the governor to reconsider and reinstate the CNHA as the winner of the award. She said they are prepared to work together collaboratively to do something beneficial for residents, the community, and the visitor industry.

Ms. Homelani Shibell introduced herself and gave some background on the HTA since 2020, and spoke about the 6-year Strategic Plan, addressing tourism impacts, greater destination management, including respecting natural and cultural resources; supporting native Hawaiian culture and community; ensuring tourism and communities enrich each other; and strengthening tourism brand marketing contributions. She said destination management should include attracting and educating responsible visitors, advocating solutions for overcrowded attractions, dealing with infrastructure and tourism-related problems, and working with other responsible agencies to recruit natural and cultural assets valued by residents and visitors.

She said the HTA is responsible for tourism, to lay the groundwork and lay a template for the partners to execute the objectives. She spoke about the two top candidates. In her opinion, they are starter businesses. CHNA is there to enhance the cultural, economic, political, and community development of native Hawaiians. HVCBs mission is to enrich Hawai'i and its people. She said the statement "vision: to attract visitors who will leave this place better than when they arrived" was patronizing and condescending. She spoke about the members' promise. She elaborated on rounds one and two, and what came from the final round of scoring. She spoke about Mr. McCartney's statement mentioning that the CNHA and HVCB had found a way forward in partnership. She spoke about the CEO of CHNA's statement, who,

through two rounds of the RFP, should have awarded the contract. She spoke about Mr. Monahan's statement. She said the CNHA had to sit on the sideline while HVCB continued functioning as if CNHA's problem didn't exist. She said she is present to address the selfish debacle of the RFP process, the HVCBs protest, the extension to the HVCB in July and October, and how the former DBEDT Director, Mr. McCartney, chose to close the door. She questioned how it is pono for all that has happened. She said they need to make it pono before New Year's and award the contract to the CNHA immediately.

Mr. Kakoohalani Kaukaohu introduced himself and spoke about how their staff had been working. He said it is about working together. He heard what Mr. McCartney was saying and said it sounded like it was about "I" and not about "we". Before January 1789, the U.S. continent was connected to the railroad, and the labor force was people of color. Once they touched the āina, they automatically became emancipated and free and could own their own business. He said it comes down to intention and being pono. He said they must share their culture, aloha, and people. He asked Mr. McCartney to do what is pono.

Ms. Kapua Mediros introduced herself. She spoke about the tourist industry, when it started to boom, and what happened. People visit Hawai'i to see their culture and aloha. She said aloha is not giving something and then taking it away. She said they all should stand for what is pono.

Chair Kam said it is important to give everyone an opportunity to speak.

Ms. Māhealani said she had to be present to testify on behalf of a contract that was awarded six months ago. She said the contract was awarded and needed to be released, and said they could not split what was already put in writing. She said there was a lot of time wasted, and they do not want to waste any more time, and they must start the contract immediately and cease all the recurring extensions. The CNHA has been prepared and is ready.

Ms. Pua Goracorea gave her testimony. She spoke about OHA, the projects, and their effects on Hawai'i. She ensures everything she does is done right. She said apologizing does not make things right, and she is unsure if the HTA Board has the right to overturn what was wrong and make it right. She said DBEDT should have the right to correct the wrongs. Commitments have to be honored.

Ms. Becka Justine Keolani Soon said she is the CEO of Solutions Pacific and the President of Ward Research, which she has served for more than four decades and has provided market research for the visitor industry. She said there is a group of people behind the CNHA in terms of support, and team members have served the community broadly in the marketing realm in the tourism industry. There is talk about the CNHA being a Hawaiian organization and what that means in the relationship to the larger community. They share deeply about the community

and seek to serve the community as a whole. She said they want to help the visitor industry uplift local businesses. They want to help the tourism industry uplift all levels of the workforce. They want to be a partner in supporting the HTAs work in assisting non-profit communities to help empower the culture, land, and help heal many of the things they heard about in the testimonies. She said they are excited about the RFP, the HTA's vision, and what they are committing to. She said for the last seven months; it has been difficult to see the legal process take the many turns it has. She hopes there will be an ability to decide whether there is merit to the protest, and then they can go back to determine the original award. She questioned if, as a state, they will cancel the entire RFP as problematic. There need to be legal grounds for the determination to have been made. Based on her law school background, Ms. Soon believed 103D does not allow the HOPA to substitute their own decision making for the merit to the protest for what the committee has decided.

She said what she heard from Mr. McCartney was an individual substituting his judgment for who would be best suited to do work for that of a committee decision. She asked that the HTA Board consider why the division was made, and if it was made legally. She said it also impacts some of the things moving forward. She said they are at 180 plus on the protest and all parties involved deserve that to be reasonably and judiciously determined. The emergency cannot be used to continue extending a protest that has not been resolved. She asked for consideration on how it would be justified that competition has been pursued even in an emergency circumstance if it gets extended another time. March 2023 does not seem to be an emergency at this time but hopes that the words from various speakers will help resolve the matter.

Mr. Nicholas Carroll, Chief of Staff for CNHA. He wanted to talk about the CNHA. He said he has been working with Mr. Lewis alongside the HTA issue for 15 months, and through the entire process, he said Mr. Lewis has not given up. Because of Mr. Lewis' leadership, the people at the CNHA continue to work for the company. They saw what Mr. Lewis and the CNHA could do through the pandemic. They have continued to stand up to the task. He said that over \$100 million worth of rental and mortgage assistance had gone out to the communities during the pandemic, all because of the staff at the CNHA. They stand up for their mission and for Mr. Kuhio Lewis's leadership. He said aloha is CNHA, and the people behind the CNHA. They are all selfless people who want to do their best for Hawai'i. The CNHA is the best organization to promote Hawai'i because it will do whatever it takes to ensure Hawai'i is promoted correctly. He said it had been a long process for everyone, but the CNHA is not giving up. He is not a native Hawaiian, but they allowed him to work with everyone and learn. Those kinds of people will make Hawai'i better and be able to promote and educate visitors. He asked the Board to consider his comments.

Mr. Kūhiō Lewis wanted to testify on agenda items 5, 6, 9, 10, 11. He commended the HTA and the current and past Board members for their leadership, and for recognizing the need for community and the industry to work together for the advancement of the industry. He said there is a Strategic Plan through the DMAP and the RFP deposition. Change is not easy. He emphasized that they are in this for the long haul, and it will not be easy. He said they are anxious, eager, and ready to embark on the journey. He requested that the HTA undo the unlawful decision by the outgoing DBEDT director. The CHNA, the HVCB, the HTA, and DBEDT entered mediation and landed on an agreement in January. He said they needed to return to the table to continue the discussion. He said CNHA is requesting agenda items 5, 6, 9, 10, 11 to be deferred as those items will impact the conversations. He said their kuleana is to uplift Hawai'i, and he looks forward to carrying the kuleana and showing what leadership looks like.

Chair Kam asked permission to end with that statement, and the Board could discuss his deferring recommendations. He asked testifying those to respect that and then act on the recommendations. He asked if the people online wanted to comment.

Ms. Duarte said she would have to leave in 15 minutes.

Chair Kam asked to keep the testimonies short. Some people provided testimony in the Q & A. Mr. Gionson said an online attendee asked HTA's thoughts on Maunaloa. Mr. Kinkley said that as important as it is to deal with the issues, they need to keep with the agenda. Chair Kam said that as they got permission from the community, he wanted to respect what Mr. Lewis said and the Board. He asked that the Board make a motion to defer all other agenda items, 5, 6, 7, 8, 9, 10, 11, to the next Board meeting on December 22, the last Board meeting of the year.

Chair Kam asked for a motion. Ms. Duarte made a motion, and Ms. Iona seconded. Ms. Duarte raised a question. She asked what the procurement is in relation to the HVCB CNHA contract. She asked if the procurement procedure was followed. Her second question was if there was any known violation of the procurement process. She hopes they will benefit from the AG and directors' full analysis moving forward and asked how they would rule on those questions. She appreciated that Gov. Green offered his support to the matter. She asked why they would not proceed with the current ruling if the procurement process were followed and if there was no violation of the procurement process. Chair Kam said they would answer and revert on the next BOD.

There was one online question asking if all the items are deferred and actions taken at the next BOD, will there be enough time to extend everything. He said there needs to be ample time to get the approval through SPO. Mr. Ka'anā'anā said agenda items 7 and 8 for the China and Canada markets are not related to what was discussed in the meeting. He asked the Board to

approve the extensions for Canada and China. Chair Kam said they must see if they can work with SPO for approval and that the final decision for Board approval is on December 22. So, the permission is to start working with SPO. He said he is also concerned about timing.

Mr. Kinkley said that staff can get approval to get an extension with SPO in the best timeframe, and then the Board can decide whether they will allow Mr. De Fries to execute that contract and if the extension is possible.

Ms. Duarte amended the previous motion. She asked that they defer the decision made on items 5, 6, 9, 10, and 11, and Ms. Iona seconded. Mr. Arakawa said to add a friendly amendment to the motion. He agreed with the motion on whether the procurement was followed, and the second question of whether there were any violations. He wanted to add a third issue, research between now and December 22 to ask the state procurement office and the AGs what the alternatives available to the Board and/or Chris Sadayasu, the new DBEDT director, and to prepare the information in the manner that they can discuss in an open session or an executive session if advised. He would like it opened as much as possible so the public can hear. He said he agreed with the motion concerning deferring only contracts in agenda items 5, 6, 9, 10, and 11. He said the staff should be working on those simultaneously, as they do not know what information they will be presented with on December 22. He said hopefully the staff could work with SPO and the AGs to evaluate 5, 6, 9, 10, and 11 on December 22.

Mr. Kinkley said the motion before the Board is to defer items 5, 6, 9, 10 and 11. Rep. Onishi asked about agenda item 6, and said the contract expires on December 31, so if there is not enough time for action after the next Board meeting, then the island chapters will not be public. He had concerns about that, as there are people who have jobs and might lose them. Chair Kam said all that relies on the timing, and if the timing works for the Procurement Office to complete the ones they are proposing for December 31 if the staff works with her immediately.

Ms. Kahakui said that for the processes, they complete a form and all the justification for that. They will look at that, and if questions arise about the path in the future, they will have time to do the back and forth between the staff. She said it would be a time crunch, but she will work with them to get it done as soon as possible, but they need to get it to her before the contract expires.

Chair Kam asked if they could work on it now and get approval from the Board on December 22, or if they need Board approval to move forward to get the approvals she needs. She said their obligation is not to the Board, but to the departments that have the procurement authority, and they work with the Board. Ms. Kahakui said there is no guarantee, but they have



to do their due diligence. She said there is a timeframe where contract extensions are permitted. 180 days is the maximum time allowed.

Mr. Togashi will fill out the forms, submit them, and begin working with the SPO office.

Chair Kam asked for a motion. Mr. Gionson did the roll call, and the motion passed unanimously, except for Mr. Ching and Mr. Rafter, who were excused.

**5. Discussion, Recommendation, and Action on Hawai'i Destination Brand Marketing & Management Services for the United States Major Market Area contract**

**6. Discussion, Recommendation, and Action for Staff to Seek State Procurement Office Approval to Extend the HTA Contract 21030 Island Chapter Support Services Contract Beyond December 31, 2022**

**7. Discussion, Recommendation, and Action for Staff to Seek State Procurement Office Approval to Extend HTA Contract 21029 S1 Canada Leisure Marketing Contract Beyond December 31, 2022**

Chair Kam asked for a motion. Mr. White made a motion, and Ms. Duarte seconded. Mr. Arakawa asked what the basis is for filling out the form. Mr. Ka'anā'anā said both contracts end at the end of December. Those are important international markets for them, and they did not have the time to do the procurement. He said it is important to continue the efforts in Canada and China for the MMAs.

Mr. Sadayasu asked if Mr. Ka'anā'anā needed additional information and would like to hear that. He asked if it was enough justification to request an extension. Ms. Kahakui said that when requesting an extension, there must be a reason. There need to be more impacts, such as financial impacts, to merit the extension. She said they would also look at the amounts they are looking for. The purpose of a contract extension is to allow the agency more time to complete the procurement process. It is not meant to be more than that. The SPO form 55 wants to know the cost and price determination. The purpose is to extend the project within the scope of work with a little more time until they get the solicitation out.

Mr. Ka'anā'anā said both the Canada and China solicitations are drafted and are in the final review, so they are almost ready. Mr. Sadayasu said they need the Board to understand the process that needs to go through SPO, which is why he suggested a change as it takes time.

Mr. De Fries gave some background on Mr. Sadayasu and his work with the HTA in the past. Mr. Arakawa said they need time to follow up on the items and research them, which is required under the exemption form. Mr. Sadayasu said he is excited to be the DBEDT director and

appreciates Mr. McCartney. He said there needs to be a deadline, and the HTA needs to work to make the deadline.

Chair Kam asked for a motion. Mr. Gionson did the roll call, and the motion passed unanimously, except Mr. Ching and Mr. Rafter, who were excused.

**8. Discussion, Recommendation, and Action for Staff to Seek State Procurement Office Approval to Extend HTA Contract 21031 S1 China Leisure Marketing Contract Beyond December 31, 2022**

Chair Kam asked for a motion for the China contract. Mr. White made a motion, and Ms. Iona seconded. Mr. Arakawa asked if the reason for the extension would incorporate Mr. Ka'anā'anā's, Bonnie's, and Chris' testimony in the motion. It was confirmed as correct. Mr. Gionson did the roll call, and the motion passed unanimously, except for Mr. Ching and Mr. Rafter, who was excused.

**9. Discussion, Recommendation, and Action for Staff to Seek State Procurement Office Approval to Extend HTA Contract 21016 S4 Global Support Services Contract Beyond March 28, 2023**

**10. Discussion, Recommendation, and Action for Staff to Seek State Procurement Office Approval to Extend HTA Contract 17029 S21 USA Leisure Marketing Contract Beyond March 31, 2023**

**11. Discussion, Recommendation, and Action on Calendar 2023 Cycle of Kūkulu Ola, Aloha 'Āina, Community Enrichment Program, Signature Festival & Events, Native Hawaiian Festival & Events, and Ho'okipa Malihini Initiative Programs**

**12. Adjournment**

Chair Kam asked for a motion to adjourn. Mr. Gionson did the roll call, and the motion passed unanimously. The meeting concluded at 6:47 p.m.

Respectfully submitted,



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Sheillane Reyes  
Recorder