

NEIL ABERCROMBIE
GOVERNOR

DEAN H. SEKI
COMPTROLLER

SCOTT L. CHAN
MANAGER

LOIS M. MANIN
DEPUTY MANAGER



ALOHA STADIUM

An Agency of the State of Hawaii

Stadium Authority Meeting
99-500 Salt Lake Boulevard
Honolulu, Hawaii 96818

December 19, 2013

Members Present:

Charles T. Toguchi, Chairman
Keith "Kika" G. Bukoski
Wilbert C.F. Chee
Odetta Fujimori
Edward Hasegawa
Kathryn W. Inouye
Scot Long
Kenneth B. Marcus
Alan S. Tamayose

Staff

Scott L. Chan	Liane S. Nakagawa
Lois M. Manin	Samantha Spain
Russell Uchida	Abraham Keliinui
Stephen Lee	Ron Tsuzuki
Andrew M. Chang	Shelly Shoji
Ryan Andrews	

Others:

Randall S. Nishiyama, Deputy Attorney General
Carl Clapp, University of Hawaii (UH) Athletics.
Davy Murayama, Centerplate
Krysti Peacock, Centerplate
Glen Higa, Aloha Sports Properties
See Exhibit A (Sign-in Sheet)

I. CALL TO ORDER

A quorum being present, Chairman Charles Toguchi called the meeting to order at 10:04 a.m. and expressed the need to end the meeting by noon due to a Legislative hearing that is taking place at 1:00 p.m.

II. APPROVAL OF MINUTES

Approval of minutes of the November 20, 2013 Regular Session and Executive Session.

A MOTION WAS MADE BY MEMBER MARCUS TO ACCEPT THE MINUTES OF THE REGULAR SESSION WITH THE FOLLOWING CORRECTIONS:

- Page 6, first paragraph after the second bullet, fifth line...December 4, 2013 meeting because she will be out of town.
- Page 6, last paragraph, second line...July 2014-15 period. (deleted "or is that."

THE MOTION WAS SECONDED BY MEMBER HASEGAWA AS CORRECTED, AND UNANIMOUSLY CARRIED.

A MOTION WAS MADE BY MEMBER MARCUS AND SECONDED BY MEMBER TAMAYOSE TO ACCEPT THE MINUTES OF THE EXECUTIVE SESSION. THE MOTION WAS UNANIMOUSLY CARRIED.

MONTHLY REPORTS

A. Chairman's Report (Charles T. Toguchi)

We are starting the Supplemental Budget Year Session. The first meeting will be this afternoon at 1:00 p.m. The Senate Ways & Means Committee and the House Finance Committee will be having a joint hearing to discuss the budget. The meeting is to be held at the Capitol Auditorium. Board Members are welcome to attend. If you wish to participate, please let Manager Chan or myself know. We can use some help.

B. Stadium Manager's Report (Scott L. Chan)

Optimization Report

Consultants Foley & Lardner (F&L) met with key stakeholders on December 11 and 12, 2013. We assisted them by sending out 36 letters

to the key stakeholders and were successful in arranging 21 meetings. F&L plans to return late January, 2014 for several reasons:

1. To continue meeting with major stakeholders.
2. Have an opportunity to attend the Pro Bowl for the experience of attending a major event at the stadium.
3. Address the Board with regards to their current findings.

In our brief conversations with F&L, they noted they may change a portion of the scope of work – indicating that the first phase may be open-ended because of what they are learning as they move forward to the beginning of the second phase.

Manager Chan said he sat in on most of the interviews (just as an observer) from 7:30 a.m. to 7:00 p.m. on both days. However, he found it necessary to remove himself from several client interviews in order to allow them to speak freely in terms of their comments about the facility.

Chair Toguchi said during the past month they have been doing a number of things with the Optimization Committee and it is timely that we have arranged for the consultants to speak to the entire Board at the January meeting. We are also thinking about having the City talk to the Board about the Transit-Oriented Development (TOD) and the status of where they are with the stadium. A lot of meetings are going on and we will continue to keep the Board apprised of what is happening.

Events

1. Sheraton Hawaii Bowl takes place on December 24, 2013, with kick-off at 3:00 p.m. Every effort was made to open the swap meet on that day; unfortunately, due to the potential game day attendance, we were unable to accommodate the swap meet.
2. Pro Bowl – January 26, 2014
All parking gates will open at 9:30 a.m. Turnstile gates will open at 11:00 a.m. Kick-off is scheduled for 2:00 p.m.
3. Swap Meet – Christmas hours began yesterday and will be open with free admission until December 23, 2012. The swap meet is an important client and we try to give them as many days that we can. It

is unfortunate that we couldn't work it out for the 2013 Sheraton Bowl game.

Capital Improvement Projects (CIP)

Budgets for all departments will be reviewed at today's hearing. The Stadium Authority is an attached agency to the Department of Accounting & General Services (DAGS). Operating budget request remains the same - approximately \$9.0 mil. Regarding the CIP's, we have already secured \$10.0 mil. for the first year of the biennium and we are requesting \$13.0 mil. for the second year. In addition to that, the Office of the Lt. Governor is submitting a supplemental request of \$2.0 mil. in operating expenses to support the Lt. Governor's Sports Development Initiative.

Honolulu Authority on Rapid Transportation (HART) – Memorandum of Understanding (MOU)

A copy of the MOU has been provided to the Board for review. It relates to our ongoing discussions with HART over a 3-year period concerning the Kam Parking Lot. We want to ensure that the stadium receives fair compensation whether it be monetarily or to the physical plan itself.

Stadium Newsletter

The second issue of our newsletter was shared with the Board. Manager Chan said Mr. Paki has done an excellent job on this project and invited the Board to contact him if they wish to include their input for future issues.

University of Hawaii (UH)

There was an article in today's newspaper regarding possible adjustments to the UH games (i.e. closing certain sections of the stadium for the 2014 football games). Prior to the 2013 season, it was briefly brought up by the UH, but no follow-up conversation has taken place since then.

Audit Response

We received several questions from the Office of the Auditor with reference to the swap meet audit that was done two years ago. We did respond to their request, but we still need to confirm and collect some additional information. We will share the entire report with the Board at the next meeting.

Sales & Marketing (Samantha Spain)

1. The State is preparing a new template to upgrade the websites for all departments, including the stadium's. They will begin activating them at the end of this month and we anticipate our new website to be effective February 2014.
2. For 2014, we are working with the marketing teams of the Hawaii Visitors & Convention Bureau and the Oahu Visitors Bureau to generate more promotional activities at the stadium.
3. Continue to work with Glen Higa and non-profit groups to move forward in 2014.

Public Testimony

Chairman Toguchi invited testimonies by the public.

Shannon Wood thanked the Board for the opportunity to speak with the consultants concerning the optimization of Aloha Stadium. In total, she and many other people have spent about 1,000 hours on this subject because they want to make sure that 25-30 years from now the stadium will look great and that we will have Division 1A sports.

Chair Toguchi noted that the consultants said Ms. Wood had some great ideas. Ms. Wood said those ideas came from the downtown business and professional people who really want to step in and take part in the future.

C. Approval of Events (Stephen Lee)

1. Suzanne Maurer (New)
Life without Limits – Nick Vujicic Anti-Bullying Campaign
March 30, 2014 (Sunday)

Wendy was present to answer questions by the Board.

Nick Vujicic will be in Hawaii for a few weeks to talk about his anti-bullying campaign to the children at intermediate and high schools in Hawaii and would like to come to Aloha Stadium. He has no arms and no legs. The event would be free of charge to the public and they are requesting a possible reduction in costs from the Board. The event is being organized by the Hawaii Family Forum. It was confirmed that Mr. Vujicic is an evangelist.

Member Inouye inquired if there would be a ministry element involved since the Hawaii Family Forum is a religious-based organization. Wendy replied Mr. Vujcic does evangelize, but he will dominantly focus on anti-bullying.

Chair Toguchi requested clarification from Deputy Attorney General Randall Nishiyama of what is permitted at the stadium. Mr. Nishiyama read the Administrative Rule pertaining to entertainment and said because this event does not appear to be an entertainment event, the Authority is not able to waive any charges.

Mr. Lee said stadium management is recommending approval of this event.

A MOTION WAS MADE BY MEMBER HASEGAWA AND SECONDED BY MEMBER BUKOSKI TO APPROVE THIS EVENT. THE MOTION WAS UNANIMOUSLY CARRIED.

2. Papa John's Hawaii (New)
First Annual Bike Giveaway
Kam Parking Lot
December 21, 2013 (Saturday)

Quan Nguyen was present to answer questions by the Board. He said Papa John's purchased 300 bikes of which 150 each will be given to the local and military communities. On the local side, they are partnering with Helping Hands Hawaii who will determine the distribution through their adopt-a-family applications. On the military side, the selection will be made for the families that are struggling in Hawaii. Volunteers from Papa John's, the local community and military will be assembling the bikes. Papa John's is paying their employees (volunteers) to come out and help. They are also partnering with the Hawaii Food bank and trading pizza certificates for food donations on that day.

A MOTION WAS MADE BY MEMBER INOUE AND SECONDED BY MEMBER MARCUS TO APPROVE THIS EVENT. THE MOTION WAS UNANIMOUSLY CARRIED.

3. The Salvation Army (New)
NFL Play60
January 11, 2014 (Saturday)

Victor Leonardi was present to answer questions by the Board.

The purpose of NFL Play/60 is to get fit/active for 60 minutes. Organizations involved are the National Football League, Salvation Army and the YMCA. It is designed for the school systems or community centers. They are anticipating 300-600 children to participate, free of charge. A part of this is to generate excitement for the upcoming Pro Bowl as well as to provide an opportunity for the low-income families who may never have the opportunity to be in the stadium grounds and on the field. They will also be bringing in local football players as part of the event.

Mr. Lee said management is recommending approval of this event.

A MOTION WAS MADE BY MEMBER INOUYE AND SECONDED BY MEMBER TAMAYOSE TO APPROVE THIS EVENT. THE MOTION WAS UNANIMOUSLY CARRIED.

4. Girl Scouts of Hawaii (Repeat)
Lower Halawa Parking Lot
Cookie Program Pick-up
February 20, 2014 (Thursday)

Mr. Lee said management is recommending approval of this event.

A MOTION WAS MADE BY MEMBER INOUYE AND SECONDED BY MEMBER BUKOSKI TO APPROVE THIS EVENT. THE MOTION WAS UNANIMOUSLY CARRIED.

5. Saint Louis School (Repeat)
Two Football Games
August 22, 2014 (Friday)

Mr. Lee said management is recommending approval for this event.

A MOTION WAS MADE BY MEMBER BUKOSKI AND SECONDED BY MEMBER FUJIMORI TO APPROVE THIS EVENT. THE MOTION WAS UNANIMOUSLY CARRIED.

D. University of Hawaii Athletic Department Monthly Report

Carl Clapp reported that Ben Jay has met with the audit committee of the Board of Regents and there is a lot of conversation about balancing their books over the next three years. They are looking at potentially closing some of the areas at the stadium during the football games and also reviewing season ticket pricing for the 2014-2015 seasons. Currently they are gathering internal data, such as looking at how many season ticket holders are in different areas. Hopefully by March they will be able to share some information with the stadium once they complete this process. In an effort to be a little more efficient, this year they did close off the upper sections at the men's volleyball games and will be assessing the impacts that it might have.

Chair Toguchi said he will call Ben Jay and suggest that he attend our February meeting to discuss some of the articles that have appeared in the newspaper. Mr. Clapp said perhaps by that time they will have more of their data analysis completed. Chair Toguchi also said the Board feels we are a team – we all support the UH and we want to work together, but it is difficult for us to read articles in the paper of subject matters that we know nothing about. He feels the Board should get together more often with UH. Mr. Clapp said he understood his point, but hoped that the Chair understands the context – that it is probably ahead of itself by quite a bit because they are still in the internal analysis part.

Chair said he read a news article last month which implied that the financial problems at UH is due to what is happening at the stadium. He believes those types of headlines can be avoided if we communicate with each other.

Member Fujimori stated, as a season ticket holder from the beginning, we take a beating when we see on the website that tickets are on sale at a great reduction. You then have second thoughts about paying the premium rate and possibly just buying tickets at the game. Mr. Clapp said he appreciated her feedback and UH is definitely having conversations in that regard and are looking at ways to drive the value to their season ticket holders as a priority.

E. Centerplate's Swap Meet Monthly Report (Davy Murayama)

- Total November attendance decreased -8%
- Total Stall Count increased 2%
- D,E,F, rows stall count increased 7%
- A,B,C, rows stall count decreased -10%

Mr. Murayama reported they experienced some drops in attendance and stall counts. On Sunday (17th) their numbers were good (9,661), as opposed to the prior week (5,473) which was due to rainy weather.

He provided the Board with statistics from the Department of Business, Economic Development and Tourism (DBEDT) and the Hawaii Tourism Authority which included passenger counts, 7-day moving average ratio; passenger count comparison - 2012 vs 2013. In addition to the climate, Mr. Murayama said those are other things that affect the swap meet numbers. He said their biggest focus now is on the mainland visitors. They would also like to focus on the Japan visitors, however, the products sold at the swap meet are not of interest to them – they shop for name brands.

In addition to the information relating to attendance, Mr. Murayama also reviewed with the Board the section on total visitor personal daily spending by category. He noted U.S. West customers are first on the list and second is U.S. East and said those numbers help them to determine where to focus their marketing efforts.

Marketing – Krysti Peacock

- Quarterly Vendor Meeting (Dec. 4)
Ms. Peacock provided the Board with a copy of the power point presentation that the vendors received at their meeting. It included residential and visitor program updates; 2014 Visitor Forecast; residential winter campaign. The vendors were very excited when viewing the military guide sample ad, the HAL in-flight screen shot and in-flight Hana Hou magazine. They also did a visitor recap and forecast presentation for 2013 and a projected outlook for 2014 (anticipating 40% increase in the Asian market).
- They have been receiving communications from the various concierge desks. They seem to be more aware of the swap meet, resulting in the free-admission tickets being turned in at the swap meet.

F. Aloha Sports Properties (ASP) Monthly Report (Glen Higa)

- ASP has started their renewal meetings, resulting in positive feedbacks. What has helped is, according to reports we received from the stadium, UH football attendance was slightly up from a year ago (about 6%); the USC and Army games did well. High School football was up 11% -- good attendance this year. It is positive news for us as we talk to our existing corporate partners and new corporate partners.
- As mentioned by Samantha, we are continuing our off-season events plans and started discussions on ideas for additional entertainment options on game days. We will keep the Board apprised as these come to fruition.

III. UNFINISHED BUSINESS

1. Stadium Optimization Report

Update by Member Bukoski

The Optimization Committee met this morning at 9:00 a.m. In attendance were: Harrison Rue (the TOD administrator for the City), as well as Ray Soon, (Chief of Staff for the Mayor's office). The purpose of the meeting was basically to start dialogue between the Stadium Authority and the City as far as explaining in general terms what TOD's relationship is to the stadium site. As a result of this meeting, we hope to bring them before the full Authority next month to present an overview of the TOD, as well as possibly the Optimization consultants to give an update.

A lot of planning is required as early on as possible, which may or may not impact the future potential redevelopment of either this facility site or other sites as far as the stadium is concerned. We hope to keep the Board apprised and share as much information that is available as we move forward. The overall goal is to stay on top of the discussions as much as possible to prepare the Board for future decision making.

Manager Chan mentioned, equally important is to get the timeline and schedule that we requested at today's meeting, so that we may plan appropriately for the future.

Member Chee said he learned in the discussion that the City has offered technical assistance to the Board as it relates to the physical planning of TOD, which appears similar to some of the other things that the Optimization Report is proposing. He said he views that as a little bit more self-interest than we may want to welcome; and that offer will serve a good purpose because we will understand what their perspective is from their planners and from their project level staffing vs. from what Ray and Harrison will tell us. It will also be helpful for our consultants to get a truer sense of what their thinking is.

Chair Toguchi said the consultants were in town last week and stated:

- In their first phase, they collected data and history of the stadium and learned about the stakeholders involved with the stadium.
- They came to town last week and went into Phase II and Phase III for the purposes of meeting with all the stakeholders. They also met with Ben Jay, our neighborhood board, and different state agencies. They will be back in January to update the Board on what they have accomplished thus far.

2. Deed Restriction

Chairman Toguchi said he is waiting for information regarding what land we are going to exchange and until those negotiations are completed, we do not have anything to take to the Department of Interior. We will move forward as soon as that information becomes available.

IV. NEW BUSINESS

None

V. EXECUTIVE SESSION

None

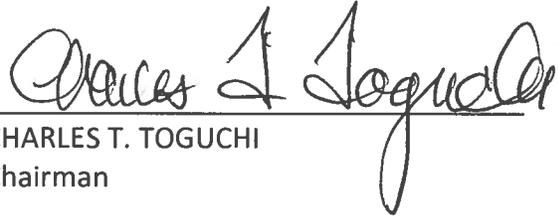
VI. NEXT MEETING

January 30, 2014

VIII. ADJOURNMENT

Before ending the meeting, Chairman Toguchi thanked Member Inouye for her service to the Board. We are going to miss her good counsel and expressed the Board's appreciation to her for all that she has done for the State and hoped that the Board could still call on her when necessary. Member Inouye said it was her pleasure to serve on the Board and recognized Manager Chan and Deputy Manager Manin and the rest of the staff. She said they know how much she appreciated all of their hard work and how much respect she has for them. She added that the amount of dedication from them is amazing. They have handled everything very professionally and she was very impressed and extended her best wishes to everyone.

AT 11:57 A.M. A MOTION WAS MADE BY MEMBER INOUE AND SECONDED BY MEMBER HASEGAWA TO ADJOURN. THE MOTION WAS UNANIMOUSLY CARRIED.



CHARLES T. TOGUCHI
Chairman

Recorded by: Diana C. Ho

Date: January 30, 2014

Stadium Authority Board Meeting

Sign-In Sheet (please print)

Event Date: December 19, 2013

Public Testimony Notice: Please indicate if you wish to provide oral, public testimony. If you are, please indicate if you wish to speak at the beginning of the meeting, or if you choose to wait until the agenda topic is being discussed. Please limit testimony to no more than 3 minutes.

Print Name	Organization	Phone #	Email Address
<i>Krysta Penick</i>	<i>Marketing</i>	<i>285-7197</i>	<i>krysta.penick@gmail.com</i>
Are you providing public testimony? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes": <input type="checkbox"/> Beginning <input type="checkbox"/> Will Follow Agenda			

<i>Glen Hige</i>	<i>ASP</i>	<i>348-2767</i>	<i>glen.hige@csesp.com</i>
Are you providing public testimony? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes": <input type="checkbox"/> Beginning <input type="checkbox"/> Will Follow Agenda			

<i>Shanna Wald</i>	<i>WtA</i>	<i>247-6366 x 1</i>	<i>inf@wco-hawaii.org</i>
Are you providing public testimony? <input type="checkbox"/> Yes <input type="checkbox"/> No If "Yes": <input type="checkbox"/> Beginning <input type="checkbox"/> Will Follow Agenda			

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