

**NEIL ABERCROMBIE**  
GOVERNOR

**DEAN H. SEKI**  
COMPTROLLER



**ALOHA STADIUM**

*An Agency of the State of Hawaii*

**SCOTT L. CHAN**  
MANAGER

**LOIS M. MANIN**  
DEPUTY MANAGER

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

May 30, 2013

Members Present:

Nelson Oyadomari, Chairman  
Kay O. Ahina  
Odetta Fujimori  
Edward K. Hasegawa  
Kathryn W. Inouye  
Marcia J. Klompus  
Scot Long  
Alan S. Tamayose

Member Absent

Kenneth B. Marcus, Esq.

Staff Present:

Scott L. Chan  
Russell Uchida  
Stephen G. Lee  
Andrew M. Chang  
Ronald Tsuzuki  
Samantha L. Spain

Shelly M. Shoji  
Chuck Beck  
Ryan G. Andrews  
Wesley E. Ueda  
Liane S. Nakagawa

Others:

Randall S. Nishiyama, Deputy Attorney General  
Carl Clapp, University of Hawaii  
Glen Higa, Aloha Sports Properties (ASP)  
Davy Murayama, Centerplate  
Krysti Peacock, Centerplate  
Ralph Morita, DAGS Accounting & General Services  
David DePonte, DAGS Accounting & General Services  
See Exhibit A (Sign-in Sheet)

I. Call to Order

A quorum being present, Chairman Nelson Oyadomari called the meeting to order at 10:02 a.m.

Chairman Oyadomari informed the attendees that they may testify on any agenda item(s) and leave the meeting if they wish; or, they may choose to remain and provide testimony when the agenda item(s) comes up for discussion.

II. Approval of minutes of the April 25, 2013 meeting.

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER TAMAYOSE TO ACCEPT THE MINUTES OF THE MEETING. THE MOTION WAS UNANIMOUSLY CARRIED.

III. MONTHLY REPORTS

A. Chairman's Report

Chairman Oyadomari reported:

- This is his second to the last meeting and noted that the Board has introduced many projects during the past eight years and he hopes the next chair will continue the initiatives that were started.
- We need to have an election for the positions of chairman and vice chairman and I am asking for candidates. If you are interested in being a candidate, please send an email to our Stadium Secretary, Diana Ho, by June 14, 2013 (Friday). She will then compile it and we will put it on the agenda for a vote at the June 27, 2013 meeting.

Member Fujimori inquired whether the election was limited to the remaining six members and would these be interim positions. Chairman Oyadomari responded that nominations should include only the remaining six members, but said the Administrative Rules do not indicate a particular term for the position of chair, and that the Board can decide to call for another election at any time. If no election takes place in June, then Member Marcus would serve as the interim chairman.

B. Manager's Report

1. Events

High School Graduations

Five graduation ceremonies were held at the stadium. Traffic was excellent – there were minimal delays entering/exiting the stadium. The contributing factor was that the graduations this year did not conflict with the 50<sup>th</sup> State Fair traffic.

50<sup>th</sup> State Fair

The fair began last week and will run through June 30, 2013.

University of Hawaii (UH) Football Season

The first game will be held on Thursday (late afternoon), August 29, 2013 (Hawaii vs. USC). We will have to contend with the peak-hour traffic, as well as a shortage of employees who will be working at their full-time jobs.

Our UH coordination meeting is scheduled for next week. With UH's new leadership, we felt getting an early start would be very helpful.

Member Fujimori inquired if the Chair and Manager had an opportunity to speak with Ben Jay about his statements published in the newspaper concerning revenue sharing/expense sharing. She said, when asked by the public, the Board is left cold and dry and unable to explain things.

Manager Chan said we met on several occasions. We discussed the stadium's position and the need to work together in moving forward. Unfortunately, Manager Chan said these meetings occurred before the statement on revenue sharing appeared in the paper.

Comments by Board & Management

- Member Klompus noted that this Board worked diligently to lift the rent for UH, realizing it didn't make sense for the state to pay the state – that was a huge deal. The second item was to offer UH parking that they could sell off for greater profits. It started off with approximately 300 parking and today we have provided them with 3100 stalls. Member Klompus said approximately four years ago at a hearing UH was offered the stadium and the Chancellor replied they would want it only if it is camera ready.

- Member Klompus also said history shows that we have made concessions and worked together with UH for many years and believes we let the media create this into a thing between the stadium and UH. Manager Chan works really hard with the UH and vice versa.
- Member Fujimori inquired if an editorial should be prepared.
- Chairman Oyadomari said he chooses not to go there. At a previous Legislative Session, the subject of sharing came up and we provided all the facts – the result was “no sharing.” He prefers to handle it that way, but said the next Board may differ and may want to respond publicly.
- Member Klompus said the Legislature takes and uses the stadium’s funds. If the stadium belongs to UH, they can’t take their funds. It is much better for the UH and the stadium board to work together.
- Member Long said he understands what Member Fujimori is saying and wants to know how can we send a message to them.
- Manager Chan stated that he supports the position by the Chair – making comments to the media may not be the best way to address this situation.
- Carl Clapp said from UH’s perspective this is all part of a larger discussion about how intercollegiate athletics is going to be funded and they are not trying to point at people; instead, they are trying to inform and educate people about their budget and what their revenue sources are and what they can or cannot get. He also said there are other sources of revenue from which they do not have access.
- Member Long inquired if the communications could be managed better and run parallel. Chairman Oyadomari responded that they discussed this matter with Mr. Jay.
- Mr. Clapp said he believes the lines of communication between UH and the stadium is open and if there is a need to meet he is certain Mr. Jay would be happy to schedule a meeting.

- Member Klompus said, from a business standpoint, Ben Jay is a numbers guy and he knows what is or is not going to work. She agrees with Manager Chan that we just have to meet common grounds and try to understand and respect the obligations of both sides.
- In conclusion, Chairman Oyadomari said if a client does not fight for funds, he would not be meeting his fiduciary responsibilities, and this is what the University is doing. He said both parties are advocating for their respective sides; however, we have concerns with the delivery and process of this communication.

#### Swap Meeting

A special vendor meeting was held yesterday to discuss some of the adjustments that may or may not take place before the upcoming season. Davy Murayama will cover that in his report.

#### 2. Personnel

Recruitment for part-time intermittent (PTI) employees for the upcoming season is in progress. With the assistance of Hawaii Jobs in Demand, we were pleased with the huge response of applicants. We are hopeful this will adequately meet our hiring expectations, but if the need arises, we will conduct multiple recruitments.

#### 3. Senator Brian Schatz

Chairman and I briefly met with Senator Schatz's representative. It was basically an informational meeting to bring them up to date with several items that we are working on, such as: 1) Deed Restriction; 2) Optimization Plan. The meeting went well and we look forward to similar meetings in the future.

#### 4. Legislative Session

Unfortunately \$3.0 million was cut from our CIP request – so we have \$10.0 mil. for the first year and \$10.0 mil. to work with on the second year of the biennium .

#### 5. Sales & Marketing (Samantha Spain)

In cooperation with the stadium and the swap meet, we launched our new mobile app, so it is now available on I-phones. They are

currently updating all the vendor categories, but it is basically up and running in time for the football season.

In addition, we are working with the 50<sup>th</sup> State Fair. They will be advertising offers for discounts on wristbands.

Tours - School tours for the summer will begin next week. We anticipate approximately 600 children this summer from various summer programs.

Manager Chan said by introducing our facility to the younger generation and creating a family atmosphere, we are hopeful that these tours will benefit us in the future.

C. Approval of Events (Stephen Lee)

1. Hawaii Sports Academy  
NFL Flag Football Championship  
July 28, 2013 (Sunday)

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

2. Manila Nation, Inc.  
Filipino Event (Parade, Expo & Concert)  
Stadium & Plaza Area – 2<sup>nd</sup> Level  
September 2, 2013 (Monday)

Mr. Lee reported that the licensee withdrew its application and will reapply at a later date.

Member Inouye requested that Mr. Lee review their revenue and expense figures when they resubmit an application

3. Run or Dye (New)  
5K Run  
Lower Halawa & Other Parking Lots  
September 2, 2013 (Monday)

Mr. Clark Lind was present to answer questions by the Board (via conference call). Mr. Lind explained this is a family type 5K fun run where colored cornstarch is thrown on the participants. They anticipate a very large turnout for this event and a portion of their proceeds will go to local charities.

Member Inouye requested that Mr. Lind forward to Mr. Lee a list of their past event holders.

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER INOUYE TO APPROVE THE EVENT SUBJECT TO NO NEGATIVE COMMENTS RECEIVED FROM PREVIOUS EVENT HOLDERS. THE MOTION WAS UNANIMOUSLY CARRIED.

4. Big Top Circus Hawaii, LLC (New)  
dba Modern American Circus  
Lower Halawa Parking Lot  
October 11, 12, 13, 2013 (Fri., Sat., Sun.)

Carl Vincenti was present to answer questions from the Board. He explained this is a family-fun type circus consisting of people only (no animals). It is a designed and produced show by someone who has approximately 45 years of experience. The acts (with more than 30 artists performing) will have aerials, acrobats, jugglers, clowns - for a total of 105 minutes under the Big Top. The prices will run from \$13 for children and up to \$35 for general seating. Non-profit and charity organizations, as well as the military will also be involved with this event.

Member Inouye inquired about their past experience and expressed the importance of meeting the insurance requirements. Mr. Uchida assured Member Inouye that the stadium will require the licensee to meet the insurance requirements prior to the start of the event. Mr. Vincenti said their business has the required insurance, as well as the individual acts that carry their own insurance.

Chairman said we will always remind management to make sure the proper insurance is in place.

A MOTION WAS MADE BY MEMBER KLOMPUS AND SECONDED BY MEMBER AHINA TO APPROVE THE EVENT. THE MOTION WAS UNANIMOUSLY CARRIED.

5. Color Vibe LLC (New)  
5K Run  
Lower Halawa Parking Lot & Other Parking Lots  
November 11, 2013 (Monday)

Mr. Brock Streeper was present to answer questions from the Board (via conference call). Mr. Streeper said they based out of Northern Utah and would like to bring the 5K Run to Hawaii, using color cornstarch powder which is safe for the people and the environment.

Board members expressed concern of a similar event in September. Mr. Streeper said there is a large demand from Hawaii and does not feel the one held in September will affect their attendance in November. Currently they have 4,600 people pre-registered from Hawaii.

Member Inouye requested that Mr. Streeper provide Mr. Lee with a list of references on past venues where their event has been held.

A MOTION WAS MADE BY MEMBER INOUYE AND SECONDED BY MEMBER KLOMPUS TO APPROVE THE EVENT SUBJECT TO NO NEGATIVE COMMENTS RECEIVED FROM PREVIOUS EVENT HOLDERS. THE MOTION WAS UNANIMOUSLY CARRIED.

6. RealTime R&L Inc. – Bridgestone Tires  
Tire Dealer Training Event  
Lower Halawa Parking Lot  
November 12,13,14, 2013 (Tues., Wed., Thurs.)

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

7. Carole Kai Charities, Inc.  
dba Great Aloha Run  
Footrace/Fundraiser  
February 17, 2014 (Monday)

A MOTION WAS MADE BY MEMBER AHINA AND SECONDED BY MEMBER KLOMPUS TO APPROVE THE EVENT. THE MOTION WAS UNANIMOUSLY CARRIED.

D. University of Hawaii Athletic Department (UHAD) Monthly Report

Carl Clapp reported on behalf of Ben Jay.

- UH is appreciative of the Stadium Authority and is looking forward to a meeting in June with the stadium staff to plan the fall season with a significant amount of team work.
- As noted in the newspapers they have a three-year plan to balance the budget for UH Athletics. Also, a new Regents committee has been created to oversee UH Athletics. They feel it is an advantage and are excited to be working more closely with that.

Shannon Wood

Ms. Wood informed Manager Chan that she has filed a formal complaint with the Office of Information Practice concerning the lack of transparency of the Board of Regents (BOR) concerning a wide range of issues. She is concerned that the faculty, staff, students and the public are not allowed to understand what's going on with respect to the decisions that are being made. At last Friday's BOR's meeting one person brought up the subject of the relationship between UH and the Stadium Authority. Ms. Wood said she is bringing this matter up because she feels strongly that the Stadium Authority should attend future BOR's meetings and be prepared to take part in discussions.

Chairman Oyadomari said this is a good idea if we are on the agenda.

Member Klompus suggested for the future that someone from the Stadium Authority attend the meetings and then report back to the Board of its findings.

Chairman said he will put in on next month's agenda for discussion.

Mr. Clapp mentioned that it can be an all-day commitment and that the meetings are held at different locations, sometimes on outer islands.

E. Centerplate's Swap Meet Monthly Report – Davy Murayama

- Total April attendance decreased -10%
- Total stall count decreased -9%
- D,E,F rows stall count decreased 5%
- A,B,C rows stall count decreased -18%

Mr. Murayama – basically if you look at the comparison of figures from April 2012 to April 2013, there is a difference of about 8,700, which reflects one less Sunday. Regarding the stall sales, the average stall sales for the premium rows went up about 3% - the daily average

for the ABC went down 11%, roughly one Sunday is about 400 stalls in the ABC so the one Sunday caused the bulk of the difference.

#### Relocation of Food & Beverage

A meeting was held last night with the vendors to inform them that the food and beverage section will be relocating from the Aloha Zone Tent into the North Plaza on swap meet days. Management was concerned that this change may affect some of the vendors (if people bypassed their areas), and asked for their suggestions or ideas. Although the vendors showed concern about their businesses, they unanimously decided that they were not interested in any changes and business would remain as usual.

Chairman inquired if there could be one entrance and same exit. Mr. Murayama said that issue was discussed and determined that it could cause a fire safety hazard.

Manager Chan asked Mr. Murayama to explain the reason for this decision. Mr. Murayama said in order to serve certain food items; there is a lack of power and plumbing. The North Plaza area is equipped with sufficient power, plumbing, refrigerators, seating areas and restrooms for the customers. The area can also be set up as a center stage area and they may also put up a beer garden. Mr. Murayama said they will still have stations with refreshments and small items for sale as people walk around the swap meet.

#### Marketing (Krysti Peacock)

- As of August we will start running a one-third page ad for one year with Hanahou Magazine (Hawaiian Airline In-flight). In addition, the swap meet will appear in Hawaiian Airlines' 10-second slide show on ten flights (which includes flights to Los Angeles, Las Vegas, San Diego, Manila, San Francisco, New York and Osaka).
- The ads have attracted a high percentage of shoppers coming from the West Coast especially; as well as the East, Mid-West, South and Australia.
- We will be launching the concierge program, making personal visits and delivering baskets which will include items from vendors and free guest passes to the swap meet. They plan to update the hotels (quarterly) with information on the swap meet.

- They are currently reviewing proposals from the TV stations to run summer ads.
- Member Fujimori inquired about the status with USA Today. Ms. Peacock said they have submitted their application and will be notified when selected.

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

Mr. Higa reported:

- Continuing their push on revenue targets, both short-term and long-term.
- They set their goals to reach last year's revenue target by July 1, 2013 and have about four and a half weeks to bring in approximately \$225,000 (their short-term goal).
- Waiting for firm commitments from a couple of large renewals, and are waiting to secure some smaller commitments, as well as some new business targets.
- Long term – they have an aggressive goal to reach. The market is softer this year, so it has been a challenge from previous years but they continue with their daily goal to push for and discuss over \$100,000 of business a day.

In answer to Chairman Oyadomari's inquiry, Mr. Higa confirmed the bottom line is that they are on track to meet or exceed last year's figures. He is also working on new ideas with Centerplate and stadium management.

IV. UNFINISHED BUSINESS: DISCUSSION AND APPROPRIATE ACTION

1. Federal Deed Restriction – Update on Board's directive to the Department of Accounting and General Services (DAGS).

Ralph Morita and David DePonte of DAGS reported that the Attorney General's office was asked to pursue the Stadium Authority's request to challenge the Deed Restriction but DAGS has not received a response.

Mr. Nishiyama responded that the Deputy Attorney General is working on it but she did not have a response ready for this

meeting. She is verifying whether the State has an appropriate position.

Board members were not pleased with this response and suggested a letter be written to the Attorney General, requesting a written status as to when they anticipate responding.

Chairman Oyadomari said he understands the Board's position and will follow up with an email to the Attorney General.

Member Klompus suggested that he mention he is the outgoing chair and would like to report the status to the Board before he leaves his position.

2. Stadium Property Optimization – Update from DAGS

David DePonte said the Attorney General's office has placed an ad requesting bids for consultants to do an optimization study. Responses are due at the end of the month (May 31, 2013). Ralph Morita said the Attorney General's office will then review the qualifications and make a recommendation for the selection.

In answer to Chairman Oyadomari's inquiry Mr. DePonte said this process may take approximately two weeks.

Mr. Morita said they will get back to the Board with the results. He added, after the selection is made, a Memorandum of Understanding (MOU) is finalized between DAGS and the AG's office to manage the consultant. The money is coming from the stadium. The draft MOU has been completed, but they don't have the entity to implement the work. They will be able to provide the Board with an update at the June meeting.

Manager Chan said DAGS is diligently working on our behalf and that there are some issues that are beyond our control. He added DAGS has been very supportive and helpful.

R. Nishiyama said he already looked at the draft and approved it as to form, so the issue is just dropping in the names of the appropriate parties.

Mr. DePonte further explained that the MOU is separate from the contract. The MOU specifies how it is going to play out between the different departments and who is responsible for doing what.

Once the consultant is selected a separate contract is prepared by the AG's office.

3. Honolulu Authority for Rapid Transportation (HART) status updates relating to Stadium property.

Chair Oyadomari said HART requested to do their update on the rail transit line as it pertains to the stadium at the June meeting.

V. NEW BUSINESS

1. None

VI. Executive Session

AT 11:30 A.M A MOTION WAS MADE BY MEMBER TAMAYOSE AND SECONDED BY MEMBER KLOMPUS TO GO INTO EXECUTIVE SESSION TO CONSULT WITH THE BOARD'S ATTORNEY ON QUESTIONS AND ISSUES PERTAINING TO THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES, TO DISCUSS STADIUM OPERATION ISSUES, AND TO REVIEW AND DISCUSS STADIUM MANAGER'S AND DEPUTY MANAGER'S SELF-EVALUATION.

The meeting reconvened at 12:20 P.M.

VII. NEXT MEETING

June 27, 2013

VIII. ADJOURNMENT

The meeting was adjourned at 12:20 P.M.



NELSON OYADOMARI  
Chairman

Recorded by: Diana C. Ho

Date: June 27, 2013

