

**DAVID Y. IGE**  
GOVERNOR

**DOUGLAS MURDOCK**  
COMPTROLLER



**ALOHA STADIUM**

*An Agency of the State of Hawaii*

**CHARLES T. TOGUCHI**  
CHAIRMAN, STADIUM AUTHORITY

**SCOTT L. CHAN**  
MANAGER

**LOIS M. MANIN**  
DEPUTY MANAGER

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

February 26, 2015

Members Present:

Charles T. Toguchi, Chairman  
Keith "Kika" G. Bukoski  
Wilbert C.F. Chee  
Odetta Fujimori  
Michael L. Iosua  
Amoreena "Reena" Rabago  
Ross I. Yamasaki

Members Excused

Edward Hasegawa  
Scot Long

Staff

|                |                |
|----------------|----------------|
| Scott L. Chan  | Wesley Ueda    |
| Lois M. Manin  | Samantha Spain |
| Russell Uchida | Jodie Abe      |
| Stephen Lee    | Neal Sakamoto  |
| Charles Vitale | Ivan Nishimura |

Others:

Randall S. Nishiyama, Deputy Attorney General  
Davy Murayama, Centerplate  
Glen Higa, Aloha Sports Properties  
Chris Kinimaka, Department of Accounting & General Services (DAGS)  
David DePonte, Department of Accounting & General Services (DAGS)  
See Exhibit A (Sign-in Sheet)

I. CALL TO ORDER

A quorum being present, Chairman Charles T. Toguchi called the meeting to order at 10:04 a.m.

II. PUBLIC TESTIMONY

None

III. APPROVAL OF MINUTES

Approval of Minutes of the January 29, 2015 Regular Session and Executive Session.

- A MOTION WAS MADE BY MEMBER YAMASAKI AND SECONDED BY MEMBER IOSUA TO ACCEPT THE MINUTES OF THE REGULAR SESSION.

Odetta Fujimori made one correction: "Remove her name from "Members Present."

- THE MOTION WAS UNANIMOUSLY CARRIED AS CORRECTED.
- A MOTION WAS MADE BY MEMBER YAMASAKI AND SECONDED BY MEMBER IOSUA TO ACCEPT THE MINUTES OF THE EXECUTIVE SESSION. THE MOTION WAS UNANIMOUSLY CARRIED.

IV. MONTHLY REPORTS

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

Chairman Toguchi said he will be commenting on various items as they appear on the agenda.

He also noted that, along with the Chair and Manager Chan, the Foley & Lardner consultants were in town during the week of February 9<sup>th</sup> to attend briefings with legislators regarding the future of Aloha Stadium. They also attended meetings with the Administration and the House and Senate leadership, to provide updates of the stadium. Due to the Sunshine Law, a limited amount of staff members from the stadium and DAGS could attend.

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

ADMINISTRATIVE

1. Reports on Revenues Over (Under) Expenditures, December 2014, and FY2015 Operating Budget Full Year Projection (Exhibit B) were presented in detail by Administrative Services Officer Mr. Uchida Uchida.

Manager Chan said we are showing a positive number through major revenue streams that are received throughout the year. Mr. Uchida confirmed part of it is attributed to other sources of revenue that we have pursued.

The Chair asked Mr. Uchida (for the benefit of the Board members) to highlight some significant items of his report.

Mr. Uchida said what we are trying to do is to first explain the Revenues Over (Under) Expenditures report – if you take a look at it, the bottom line is negative \$1.0 million as of December, 2014. On the surface, it may appear to be of concern, so what we wanted to do was take an entire year as a combination of actual and projected revenues and expenses; and in doing so, the bottom line is a little more accurate than what December shows. When we do a full-year projection the Revenue Over (Under) Expenses amount is on the last row, third to the last column.

Manager Chan said he asked Mr. Uchida to give us a full-year picture of our financial position. We wanted to clarify the numbers and provide you with a more accurate look of our finances.

Inherently, Mr. Uchida said this Revenue over (under) Expenditures report is not truly reflective of the stadium's financial position. It is primarily because of the cash basis of accounting method that is used, so it doesn't necessarily report everything until it is actually received or expended. Therefore, there is a lag, in reimbursements etc. and it is received beyond the deadline of the report and will not be reflected until the next reporting period; so by capturing the entire year, and continuing to update on a monthly basis, it gives us a better idea to see where we can and need to make adjustments.

Mr. Uchida said it is a two-fold analysis of reviewing both revenues and expenses and making adjustments accordingly. We are looking at different revenue opportunities that we pursued; it is also dependent upon the success of the UH football season – our food & beverage and parking revenues have gone down (no fault of UH, but it is just correlated that way). On the expense side, we have had to address collective bargaining increases. We are not given any general funds augmentation to address collective bargaining increases. It is basically a collective bargaining increase of 4%. You pay it -- you figure out how to pay it within your budget.

On the expense side we're looking very closely at our salary expense. It is a variable expenses that we can adjust. We will have to look very closely at our manpower hours and labor cost. We are deferring replacement of heavy equipment; opting to repair as needed; doing repair and maintenance of high priority (as opposed to just

everything) - just to generate some savings there. We were on a schedule for seat replacements but are now delaying that project and are also monitoring utilities as needed.

On the revenue side, we are making every effort to increase the number of events (high profile, large type events). We are also pursuing electronic revenue that could be generated from electronic communication opportunities; and we are also addressing rate changes in the Hawaii Administrative Rules.

Member Yamasaki inquired about the 4% collective bargaining – it says it is a 6-month projected amount? On a year basis, that is going to be almost \$900,000. Mr. Uchida said this is a rough projection, so what you have as of December 2014, factors in the 4%; he took the 6-month projection for the prior year and added 4% -- it gives us an idea on the conservative side.

Member Yamasaki inquired if we have a projection on what the increase will be for the entire year. Mr. Uchida said not at this time, but we are going to have to do that. You can tell on the expenditure side I just basically used the last six months of the prior year and plugged it in there, so we're going to have to refine that a little more, but I didn't want to ignore the 4%. Member Yamasaki agreed it is a big budget item that needs to be addressed. Mr. Uchida said that is a variable expense that we can adjust as well.

Mr. Uchida concluded that we do carry a cash reserve on an ongoing basis from one year to the next. It is necessary for us to start the year with sufficient working capital because of the cyclical nature of our operation. We front a lot of the money in the first half of the year, so we need to have that working capital to carry us through until such time that reimbursements are received or revenue comes in as well.

Member Fujimori inquired why is there such a decrease in repair and maintenance (showing a \$55,000 decrease). Mr. Uchida said what I did was take December actual, project out for the year based on fiscal year 2014 actual (and that's where it put us). That is consistent in what we are trying to do. If we are going to try and prioritize our repair and maintenance projects, things that can be postponed will be postponed. Health & Safety repair and maintenance will need to be addressed – that is our priority. Stadium engineer, Charles Vitale added that the H&S phase work has begun.

Chair Toguchi noted that our operational budget is derived from revenues – we do not receive any general funds; and what Manager Chan is saying is we have to maintain a working capital. Otherwise, when September arrives, where we have a

lot of activities and incur expenses (i.e., utilities, security, ushers) we need some working capital. As Mr. Uchida mentioned, much of the reimbursement will come at a later date -- some occur beyond December. The Chair also said this is the working capital we are always concerned with; and with his previous experience at the Legislature, when they mention "sweep" and they were tight for money, certain accounts were accessed to help with balancing the budget. That is what we are concerned about.

The Chair added, because of budget considerations, we are not programmed at the Legislature to receive additional CIP moneys for H&S for the current fiscal year, but H&S work will continue because there are some prior appropriations and they are moving ahead with the design work. They are also moving forward with some of the priority H&S projects. We will certainly look toward the supplemental budget in the next year or two to get additional moneys for H&S repair and maintenance.

Member Yamasaki noted, in regards to the operational reserve (the projected variance), we're saying that would be taken out of the reserve, which means we would be down \$6.0 million. He also inquired if we have any historical data relative to what that cash reserve amount is over time. Mr. Uchida responded we are pretty much at the minimum level at which we can be -- we haven't broken it down exactly because different revenues come in at different points, like swap meet and food and beverage. We are trying to stay within where it is currently (somewhere in that range).

Member Yamasaki said the reason he inquired (relative to the justification of having that reserve maintained), if there is some historical data over the years to support how much we need to maintain and continue operations, unless we get into a negative dire situation, maybe some of that historical data can give some justification for what that working capital amount is that we project. Mr. Uchida said that is a good point and we will continue to work on that number. We could look at the Revenue over Expenses report and see as of December 2014, where we are at in terms of expenditures year-to-date gross expenditures. That would be \$4.1 million; but that's a gross number and we would have to factor in revenues that we receive during that first six months to have a more accurate working capital number. Member Yamasaki added we need a certain amount of reserve to float a lot of stuff to keep it operational and we need to make sure what that reserve amount is. It is always going to move up and down, but having some historical data would help to say where we're at.

Manager Chan said the number he is familiar with that we have been working with over the years is anywhere from \$3.6 to \$4.2 million -- that seems to be a workable amount where we are not being pressed. There were times we had to limit bringing

in part-time intermittent [PTI] employees when we didn't have enough money in our account to pay them.

Chair reminded the Board members the importance of the reports they receive (example, the swap meet attendance or reports on revenue-generating activities) all affect our bottom line. Those reports basically help to keep us informed about what's happening; in addition, they tell us what the revenue situation is like.

Member Yamasaki said the reports were very helpful. Mr. Uchida said we will continue to update the reports quarterly.

Mr. Uchida said they welcome input from the Board and also said he is available to sit down on a one-to-one basis to go over the details of our financial reports.

#### CAPITAL IMPROVEMENT PROJECTS (CIP) - UPDATES

##### 1. Health & Safety (H&S) - Phase 3

- Work has begun and the contractors, Abhe & Svoboda (A&S) are ahead of schedule. We were able to accommodate them with an earlier starting date.
- A&S has been very accommodating and cooperative with our staff in terms of working in the events. We did make them aware of several major events that could possibly take place during the construction period, and they will be working with us by making the necessary adjustments.
- Thirty-five percent (35%) of the scaffold build-up on the Makai concourse has been completed.
- For those who wish to view some of the work that has begun, our engineer Mr. Vitale will escort you through the construction area.

##### 2. Health & Safety -Phase 4

As previously mentioned, we do not anticipate additional funding for the next fiscal year, but we plan to utilize the funding (approximately \$9.7 million that carries over from Phase 3) to begin planning Phase 4.

#### ALOHA STADIUM/HALAWA MAKAI - TRANS-ORIENTED DEVELOPMENT (TOD) Updates

Several meetings are scheduled:

- 2/26/15 - 2<sup>nd</sup> Task Force Meeting – Status Update  
Senator Susan Chun-Oakland (Chair)  
Committee on Human Services and Housing

4:30-6:00 p.m. @ State Capitol, Room 16

3/16/15- Aloha Stadium/Halawa Makai TOD Plan  
Preparation for Kick-off Community Workshop No. 1  
@ Aloha Stadium Hospitality Room  
Time TBD

3/17/15- Aloha Stadium/Halawa Makai TOD Plan  
Kick-off Community Workshop No. 1  
@ Aloha Stadium Hospitality Room  
6:00-8:00 p.m.

Our consultant Irwin Raj of Foley & Lardner, LLP will be in attendance at the above meetings.

#### DEED RESTRICTION

We have been working with Stephen Soares of the Department of Land & Natural Resources (DLNR), and have tasked our engineer, Charlie Vitale, to meet with him and provide assistance in completing a screening form from the National Park Services to transfer the deed restriction over to another property. This process is bringing us one step closer to having the Deed Restriction transferred and lifted. Deputy Attorney General Randall Nishiyama will be sharing updates from Deputy Attorney General Linda Chow in executive session.

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION STATION d Station (HART) – Update  
The Right-of-Entry (ROE) document was fully executed on February 17, 2015. We have therefore allowed HART on our property to begin construction of the guideway.

#### RESPONSES TO THE OFFICE OF THE AUDITOR

On February 17 and 20, Aloha Stadium accommodated the request made by Mr. Greg Matsumoto (a representative from the Office of the Auditor) for a list of documents regarding the recommendations concerning the Swap Meet and Marketplace operations. We will keep the Board informed if additional information is requested. Deputy Manager Manin has been in close contact with Mr. Matsumoto and will be scheduling a meeting with the Audit Committee to inform them of the process and the anticipated activities in the next few weeks.

#### NATIONAL FOOTBALL LEAGUE (NFL)

- We met with the NFL and are pleased that the Pro Bowl will be returning in 2016 with an option to return in 2017.

- We are discussing operations and also working with them on the agreement, which we hope to finalize at the earliest possible date.
- The agreement between Hawaii Tourism Authority and the NFL is fully executed.

#### UNIVERSITY OF HAWAII (UH) MONTHLY MEETINGS

- We met on January 17, 2015, to discuss the operations for the upcoming football season and the possibility of new revenue streams (i.e., additional skyboxes are being planned in the loge area).
- We are also being conscience that a new administration will be taking over in June, 2015, or prior to that. Mr. Jay has confirmed that he will continue to address our needs prior to the opening of the 2015 football season.

#### LEGISLATIVE UPDATE

There are two bills that we are monitoring:

- HB357 – We have been informed that they have not heard the subject matter by the committee, which deadline has since passed. No response is needed.
- HB699 – This bill would affect HRS 109-3 by deleting reference to Kapolei Recreational Sports Complex special fund. It also impacts HRS 109-9 repealing Kapolei Recreational Sports Complex Special Fund. No hearing scheduled.

These are some of the things that we are making a request through the Chair -- to have the Legislative Committee assist us by monitoring the hearings and the bills; and possibly support the effort by assisting in crafting the response or testimony to these bills.

There are a couple more bills floating out there but not directly addressing the stadium; although, they could have an impact if it moves forward. We will keep you informed as we continue with the Legislative Session.

#### EVENTS

Great Aloha Run – The event operated under perfect weather conditions and ideal for the runners. The course of 8.15 miles started at Aloha Tower -- finishing at the stadium. There were a total of 23,000 participants in the race, and we are pleased that there were no major incidents.

Future Events – You may view these events in your 6-month calendar (in your binders).

Weekly Events – Ms. Spain has been assisting me in keeping you informed of the weekly events.

SALES & MARKETING (Samantha Spain)

- We are gearing up for spring break, with an increase of stadium tours during that period.
- Also working on community service projects from the neighborhood schools – to help beautify the facilities.
- 40<sup>th</sup> Anniversary Update  
Appeared on KITV to promote this event. Once all donations are compiled, we will create a timeline that will be launched for the UH football season. It will probably be located near the ticket office for viewing by the public. The ticket office and the scoreboard staff will be creating a new 40<sup>th</sup> Anniversary video that will be shown on the TV's (5-10 minutes) with the history from when construction began all the way to where we are today. We are also working with Star-Advertiser to create a special insert edition that will be published just prior to the start of the season. Also working with Glen Higa on other fun projects.

C. APPROVAL OF EVENTS (Stephen Lee)

1. Bigsley Event House (New)  
Mass Yoga Event  
September 7, 2015 (Monday)

Joseph Lopez was available to answer questions by the Board via a conference call. He said it is a mass yoga event.

Member Fujimori inquired if local yoga companies will be contacted. Mr. Lopez said, to keep their costs down, they will definitely be looking for local yoga instructors and local vendors.

Member Chee inquired about attendance and estimated revenue from the event. Mr. Lopez responded their anticipated attendance is anywhere from 2,000 and capped at 4,000. Revenues from the block party could amount to \$85,000. The vendors are charged a flat rate ranging from \$500 - \$1,000, and whatever business they make on that day belongs to the vendors. In answer to the Chair's question, Mr. Lopez said they are based in Salt Lake City, Utah.

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

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

2. Cupcake Meet  
Car Show  
Lower Halawa Parking Lot  
September 12, 2015 (Saturday)

Anthony Garcia was present to answer questions by the Board. Mr. Garcia said this event would be a mass gathering for a purpose (to bring the car scene away from the negative background that it may have developed). It is all based for charities. They started in 2010 and have raised over \$70,000 over the past four years, donating to: Wounded Warriors Program; Red Cross; Ronald McDonald's and elementary schools. They would like to support charities that are based in the island.

Mr. Lee said management is recommending approval.

There were many questions from the Chair and Board members regarding admission charges, name of the charity, anticipated attendance, the cars and models to be used, etc., which could not be answered by the applicant. Due to unanswered questions and conflicting information on the application, the Chair requested, and Board members agreed, to defer this matter with the recommendation that Mr. Garcia continues to work with Mr. Lee and resubmit his request with more details at perhaps the next meeting.

Manager Chan said to the Chair that we can certainly try to accommodate his request, but please understand it will probably slow down the approval process and may prevent securing events. The Chair responded that he would like Mr. Lee to do some due diligence on the events that he brings to the Board and then state that he recommends this event by listing the reasons why.

Mr. Lee shared with the Chair that when most clients go to him, it is for the purpose of booking a date for their event; and once they obtain the date, that is when the planning begins. The client does not want to take the time to contact all the vendors and set up their entire event, and then risk the chance of it being denied. Mr. Lee then communicates with the clients by email or telephone calls; then about a month prior to the event, a coordination meeting is held to discuss and fine-tune all of the details of the event.

The Chair said to Mr. Garcia he is sorry it is happening now, but as far as the process, he advised Mr. Lee that this matter will be reviewed and discussed with Manager Chan and others so we can get to the point where we have a process.

3. Tenari R. Ma'afala  
"God Centered, God Led" Men's Revival  
December 27, 2015 (Sunday)

Tenari Ma'afala was present to answer questions by the Board.

This is a religious event and it is for all men of all generations. The purpose is to motivate and inspire and to lead men to be better fathers, husbands, and members of the community in general. They are a non-profit organization and this event is at no cost. It is not revenue driven; they will have buckets out there strategically placed and it is called a love offering (if you so desire to make an offering or contribution). They are involved in supporting many prison ministries.

In response to questions by the Chair and Board members, Mr. Ma'afala said they will have Christian music and said it's like a service, but it is not a service. They are still in the process of arranging for a featured speaker; and they anticipate an attendance that will fill the stadium.

Mr. Lee said management is recommending approval of these events.

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

4. Play Sports Hawaii  
Youth Flag Football Games  
September 20, 2015 (Sunday)

Mr. Lee said management is recommending approval of these events.

A MOTION WAS MADE BY MEMBER RABAGO AND SECONDED BY MEMBER YAMASAKI TO APPROVE THE EVENT. THE MOTION WAS UNANIMOUSLY CARRIED.

- D. The University of Hawaii Athletics Department Monthly Report (Carl Clapp)

Mr. Clapp said they still have not received the 2015 football schedule but anticipate receiving it soon. They are in the process of putting together a few contracts, which will complete their non-conference football schedules out to at least 2020. The search for a new athletic director continues.

Mr. Fujimori inquired about the email she received about the H-Club that UH is starting and they are proposing allocations of parking stalls at the stadium. She asked how does that differ from the regular purchase of season tickets that she purchases, along with parking. Mr. Clapp said it is all the same and the H-Club is part of Ahahui Koanuenue – it is basically the same organization with a little bit of re-branding. The difference is there will not be a full auction as in the past. People, based on their donation level at a certain time will be able to enter and purchase their parking pass. Manager Chan said the arrangements with the stadium and the UH remains the same, as noted by Mr. Clapp. The H-Club is a way to create a better experience for their season ticket holders.

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

- Total January attendance increased 14%
- Total Stall Count increased 18%
- D,E,F, rows stall count increased 24%
- A,B,C, rows stall count – no change -0-

Mr. Murayama reported: In January, 2014 there were 11 days open and 13 this year; the reason for the difference is because there was no Pro Bowl this year.

On the daily attendance for the ABC stalls, (the average stalls), there were 20 less even though we had an extra Sunday (no Pro Bowl). Normally we get about 200 more stalls because of the inner rows; what this actually shows us is during the month of January when we do have Pro Bowl, a lot of extra vendors come in (in the ABC rows), especially on Ohana Day; so even with that extra Sunday, we had less than if we just had Ohana Day.

Marketing & Advertising (Krysti Peacock)

- The Feb. 22, 2015 Annual Celebration of Chinese New Year's was very successful.
- Plans are in progress for their Easter event – will have more details to share at the next meeting.
- Reviewing the cost to update their website to match their new advertising.
- Re: TV spots -- Oceanic TW. For the 4<sup>th</sup> quarter 2014, received 121 bonus spots.
- Receiving good coverage on the following networks: Travel Channel, Food Network, and Home & Gardens.

F. Aloha Sports Properties Monthly Report (Glen Higa)

- February was a busy month. Their goal was to meet with all existing corporate partners. They called, emailed and received responses from all of them. Unfortunately, due to circumstances beyond their control, they were not able to commit everyone. They hope to complete all of their renewals within the next month.
- They upsold everyone with existing/available signage placements. Most want to return at the same elements that they currently have. A couple have indicated they would like to see some additions to their proposals as well; we are continuing to work on that.
- We also made a big push for new business. It is part of our company's nationwide effort where everyone is going out and securing new business. We are going out and talking to just about anyone who has a storefront or website, or does business door-to-door. Our goal is to schedule eight meetings a week. We've averaged about 6-8 meetings a week and a lot of them are new business. We've also placed 100 calls in a week. We will continue our efforts with the hope that it will drive more business our way.

The Chair inquired about the duration of their contracts. Mr. Higa said yearly and they follow the fiscal year effective July 1.

V. UNFINISHED BUSINESS

A. HONOLULU AUTHORITY FOR RAPID TRANSPORTATION (HART) – Update

Brennon Morioka said they will be presenting a very high level and quick update on construction activities, current traffic control issues where they are at in terms of the project in and around Aloha Stadium. They are also involved in meetings with legislators, addressing some of their financial issues for the rail. He introduced some of his team members and also representatives from Kiewit Construction:

HART

Liz Scanlon (Head of Planning)

Matt Scanlon (Contact person and Project Manager for Kamehameha Guideway)

Lorenzo Garrido, Deputy Project Officer

KIEWIT CONSTRUCTION (primary contacts to coordinate work activities)

Brent Sheele (Project Manager for Kamehameha Guideway)

Matt Adams (Kamehameha Guideway – management and front-end work)

Mark White (not in attendance, but soon to join Kiewit as a point person)

Presentation by Lorenzo Garrido

Mr. Garrido gave an update of the construction progress and the traffic impacts that are anticipated (see Power Point presentation – Exhibit C)

- Rail Operations Center Design-Build -- 60% complete
- Showed Operations Services Building (OSB)
- Maintenance of Way (MOW) Building
- Kamehameha Highway Guideway Design-Build – 30% complete
- Overview of Aloha Stadium Station Site – rendering of the Guideway (Anticipate five (5) stations along Kamehameha Highway going out to bid in the summer
- Highlighted some of the work continuing down Kamehameha Highway, towards Pearl Harbor/Airport area (they have awarded two separate contracts, one to Nan Inc. and they are setting up traffic control/utility locations in the Makalapa Gate area); foundations have been set at the airport area, which work was awarded to Hawaiian Dredging & Construction
- Traffic - H1/H2 – shows alignment going through the interchange and some of our traffic control involving Kiewit's work
- Although lane closures are occurring, the freeway will remain open at all times (coordination with the Department of Transportation (DOT)).
- Accessing Kamehameha Highway will create their biggest traffic challenges, as Kiewit sets up their work area to build the foundations.
- It will be a balance of taking lanes during the day; minimizing impact at the congested corridor; then doing work in the evenings. If the noise levels are too high, there are limitations as to what work they can do at night. Kiewit is doing their best to balance the work.

Member Fujimori inquired, "What percentage of the work force are local residents?" The exact percentage was not available. Mr. Morioka said, overall for the entire rail project, approximately 65% are local residents; on the construction side it is a lot higher. Between Kiewit and Nan, Inc. it is probably closer to 90% local labor force.

The Chair inquired about the anticipated construction starting time for the stations. Mr. Garrido said they estimate going through the procurement process for the stations early 2016; out to bid – summer; receive bids in late fall; execution of contracts will take a while; then contractor will mobilize. Physical construction is estimated to begin during the second quarter of 2016.

The Chair inquired if there would be any impact to the stadium operations when construction begins in the fall. Mr. Morioka said for lane closures, they basically will coordinate with the Department of Transportation. Once they get to the stadium area, they would communicate with the stadium to make sure they are aware of the

schedule/time/durations of any lane closures, especially when they do the guideway and crossing over Salt Lake Blvd. and Essex on the other side. He is certain that Kiewit will also be coordinating the closures with the stadium.

In answer to the Chair's question, Mr. Morioka said during the UH games, HART will work around that event. Mr. Garrido reported that Kiewit's guideway work will be ahead of the stations – the station contractor will follow; and the goal is to get Kiewit's work out of the way before the station work begins. He added, when the station work begins, there will probably be minimal impact to the outlining areas of the road – work will be limited primarily to the Kamehameha Lot.

Member Bukoski inquired about the timeframe of the surface lot. Mr. Lorenzo said the station construction contract is estimated at under a couple of years. The exact schedule will not be available until the contractor is on the job. Mr. Morioka said they would allow about two years for construction and estimate opening the system in mid or late 2018; but it doesn't mean that they can't work with stadium on making the parking lot available, because there will not be any construction activities going on since HART will be testing the trains on the system. He reported construction will be done probably within eighteen months to two years in advance of actually opening the rail system to passengers. They will work on phase turnovers so that there can be advanced use for certain areas.

Mr. Vitalie informed everyone that two surveyors were at the stadium and laid out the parking lot for the guideway – they will be taking a little bit of our parking lot for the guideway.

Manager Chan asked Mr. Morioka, "When will the stadium see the pre-final or final design?" Mr. Morioka said they are finalizing a lot of the designs and Kamehameha Highway has the most changes. Mr. Lorenzo said it will be finished within the next two months, but said he could provide the stadium with a copy right now. Manager Chan asked him to please forward it to Mr. Vitale. Mr. Morioka said the primary concepts and design are about the same – they are just making some minor modifications.

(11:45 – 11:50 a.m. -- 5-minute recess)

- B. ADMINISTRATIVE RULES - Review, discussion and action regarding the proposed amendment of the stadium's administrative rules (Exhibit D).

Member Rabago said the committee (Members Reena Rabago, Odetta Fujmori, Michael Iosua, Lois Manin, Russell Uchida, and Randall Nishiyama) worked on Chapter 3-70-11 (Rental, charges, payment) and 3-70-20 (Parking rate, parking stalls).

The Chair asked Member Rabago to explain the committee's intentions at today's meeting. Member Rabago said they will present the proposed changes, as described in the attached exhibit, and possibly seek approval by the Board. She said it was important for everyone to know that as the committee worked on the proposed changes their main focus was to keep in line with the stadium's mission statement. To better understand the process, please keep in mind that the first rule is for the rental of the inside of the stadium, and the second is the rental of the outside of the stadium; and the third was the parking fees.

Section 3-70-11 – RENTAL CHARGES, PAYMENT.

(a) The authority establishes the following schedule of charges for the use of the stadium proper for each event or date: Member Rabago said the existing rules had a price structure for a lot of these different organizations; and the committee tried to break up these different categories as simple as possible:

- (1) Hawaii-based high school and lower level events or activities. No rent is charged, but they do pay for out-of-pocket expenses. No changes were made.
- (2) University of Hawaii (UH). The existing rules refer to football games, and other events or activities. We combined them, to read: UH events or activities and inserted a tier of charges:

The S.A. shall have discretion to determine rent, provided, however, that the amount shall not exceed seven and one-half percent of gross ticket receipts or \$10,000 per date, whichever is greater.

*Member Rabago pointed out, as we go through the rental breakdown, you will see that we have tiers of the way we charge, as well as also giving discretion to the Manager on certain things and for the Authority itself.*

- (3) Post season collegiate football games – Ten percent (10%) of gross ticket receipts or \$10,000 per date, whichever is greater, but not to exceed \$32,000 per date. No Change.
- (4) Concerts, Rallies and Conventions is being changed to Commercial events - Per our Mr. Nishiyama, commercial events is anything "for-profit enterprises." That is the way we looked at it. We increased the rent from \$2,000 to \$2,500 per date or ten percent (10%) of gross ticket receipts per date; or if no tickets are sold, \$1 -for each person attending the event per date, whichever is greater. The committee felt we don't want to bankrupt anyone, but we also want to make sure we generate some revenues.

- (5) Receptions, Parties and Youth Events (ages – high school and below) – The charge is \$1,000 per date or an amount to be determined by the manager. This one refers to locations like the Hospitality Room (HR), the North Plaza (NP), etc. It would basically graduation parties, receptions, etc.

*Member Bukoski inquired if the intent is for the rent to be not less than \$1,000, or the discretion to potentially waive?*

*Ms. Manin stated currently the rent in the Hospitality Room is \$750 where most of the receptions and parties take place. We wanted to increase it to recapture our investment from the renovation costs. We also added the youth events (ages high school and below) because it fell into that category @\$750 – other events. We added that in there just to combine it and make it easier and then the intent is to allow the manager to determine the fee if needed (i.e. sometimes there is an event in the HR like a government agency where he would be able to waive the rent if he felt it was necessary).*

*Member Rabago also pointed out the option to divide the room for half the cost*

*Member Bukoski stated his concern does not refer to any one individual, but as far as state agencies, he is with the understanding that we already have the ability to waive charges, so that shouldn't be a concern. It could open the potential for waiving fees in its entirety for private groups.*

*Member Rabago said to please keep in mind that whether the Stadium Manager or Events Manager makes recommendations, all of this is subject to Board approval.*

*Member Bukoski said that is not his understanding. If we authorize an event like we do every month, then the details are filled in after the fact, including negotiating prices subject to the authority of the manager, it does not come before the Board again, unless it specifically says subject to approval by the Board. Member Rabago said, "You can put that in." Member Bukoski stated he is not saying that is what he wants, but just out of caution to due diligence. He said he is just bringing it up and does appreciate the work that the committee put into this.*

- (6) Commercial Media Events - \$500 per hour;  
Non-commercial Media - \$250 per hour.

The difference between commercial media which would be similar to Hawaii 5-0; non-commercial media would be some kid doing a video PSA for a school project. And there are also non-commercial activity involving short-term use – amount to be determined by the manager.

- (7) Charitable, Religious and Other Events or Activities - \$2,500 per date or ten percent (10%) of gross ticket receipts per date, or if no tickets are sold, \$1 for each person attending the event per date, whichever is greater, or amount determined by the authority.

Member Iosua stated, in addition to revising the above with the mission statement in mind, it also gives the stadium manager and his staff flexibility to attract in new/different groups not out-price anyone; but still allow them the flexibility to attract new ones and also to keep the revenues consistent.

- (b) The Authority establishes the following schedule of charges for the use of the stadium parking lots:

Member Rabago said whenever we talk about the parking lot, we think of events similar to the 50<sup>th</sup> State Fair.

- (1) Carnivals, Fairs and Similar Events

We increased the rent to \$3,000 per date (from \$1,250), that the event is open to the public, or amount determined by the authority.

- (2) Commercial Media - \$500 per hour;  
Non-commercial Media - \$250 per hour;

Other Non-Commercial Activity Involving Short-term Use – Amount determined by the manager. *(Kept the same language as inside the stadium)*

- (3) Concerts - \$2,500 per date

*Member Rabago said (the Chair had mentioned) and because we kept having to try and figure out how we can give the stadium manager a little more room to negotiate, we just struck out the rest of the language.*

*Member Bukoski questioned, "The intent of striking the language is to give more discretion to the manager? Member Rabago said yes, to be able to negotiate rent. Member Bukoski said the way he reads it, it is definite and gives no discretion the way it is written.*

*Deputy Manin said because it is in the parking lot, she thinks they struck out the language because it would be very difficult for us to count per person and we would have to depend on the licensee to provide certain numbers; or we would have to actually count and it was just very troublesome to be able to do that. She directed her conversation to Mr. Lee, and recalled the Ziggy-Marley concert as an example they used. Mr. Lee said in addition to that they realized that we are not going to hold big concerts in the parking lot. The big concerts are held inside the stadium and the parking lot attracts the smaller concerts.*

*Member Bukoski said he understands what they are saying, but if the intent is to give the manager any discretion, the way the language is currently written, does not give him discretion.*

*Member Rabago apologized and said she does not think it was about discretion and that it was about making it affordable for the smaller users who cannot afford inside the stadium – and to be able to stay out there and not have to pay the 10% (per Ms. Manin). Member Rabago also said the reason why they didn't add the ticket sales, was because once it was added, we would then have to put our personnel out there to count and we felt it wasn't worth it. She apologized and said it literally is a flat fee.*

*Manager Chan said if we're being consistent with the manager having a part in the decision-making, would it make sense to keep in "or amount determined by the manager?" Member Rabago said the reason they didn't do that was because what they ultimately want to do is to push them inside because that is where we will actually make money. If they cannot go inside, then we're giving them the option of outside but the idea was to push concerts out in the parking lot. The reason for the flat fee was because our idea was to push them inside because we'll make more money that way. Mr. Lee said the bigger concerts would go inside, but the ones that cannot afford it would go outside – that's what happened to the Ziggy-Marley concert – they couldn't afford to go inside and that's why they went outside.*

- (4) Hawaii-based High School and Lower Grade Level Events or Activities – no rent shall be charged for school-related events or activities.
- (5) All Other Events or Activities, including Youth (ages high school and below) - \$1,000 per date or amount determined by the authority.

- (c) The use of any office, or other space or facility on the stadium premises may be rented upon the terms and conditions, and at the rental rates determined by the authority.

2. Section 3-70-20 – PARKING RATES, PARKING STALLS

Member Rabago said the committee realized if it did not increase the rental fee on several things, the stadium will not be sustainable. We, therefore, increased the parking fees because we thought:

- If we make it consistent with the Neal Blaisdell Center or the UH, we would probably be in a good position;
- In addition, to eliminate the Board from having to return and address the parking every two years, the committee created the following tier of charges:
  1. \$7.00 per automobile for all events; rate will increase to \$8 effective July 1, 2017; and \$9.00 effective July 1, 2019.
  2. \$30 per event per passenger bus , limousine, or truck, other than pickups, regardless of the number of persons carried in such bus, , limousine, or truck; provided that the authority delegates to the manager the power to waive such parking charges at the manager's discretion; rate will be \$31 effective July 1, 2017, and \$32 effective July 1, 2019.
  3. \$15 per event per automobile for professional sports events and concerts with admission charges, except for Hawaiian cultural and music events; rate will be \$16 effective July 1, 2017, and \$17 effective July 1, 2019;

*Member Rabago said this gives the Board a little time to reevaluate the parking charges and helps Mr. Uchida so we are not sitting with stagnant prices for a long time.*

4. *The authority delegates to the manager the power to waive parking charges, at the manager's discretion, ...expense.*

*Member Rabago said no changes were made.*

5. The swap meet events held at the stadium and private events held in the stadium hospitality room shall be exempted from this subsection.

*The Chair asked for an explanation of this rule. Deputy Manin said it means that the swap meet fee (\$1 per person) will prevail over the parking. They don't have to pay the \$5.*

6. The manager shall have the authority to sell bulk parking, in whole or in part, to a licensee at a rate not less than the published rate for the contracted event or activity.

*Member Rabago said this is for UH purposes – mainly because we sell bulk parking to them, and the stadium manager negotiates with them.*

Member Yamasaki inquired, "With regard to the rent on the outside of the stadium operationally, does the scale have any impact on it; as an example, they pay the flat fee of \$2500, and perhaps uses tons of space."

*Mr. Lee responded, usually the Lower Halawa Parking is the biggest area and is designated as an event area, and maybe the Bus Lot is another area; and the rest would probably be parking. He also said the stadium can stipulate if it needs the parking spaces by saying this is all we can rent to the client. Member Yamasaki said that was his question.*

*Deputy Manin also responded by saying she does not recall a time when the square footage has ever had an impact on our operations.*

*Member Rabago said there are not that many that fall into this category, but we didn't want to discourage them.*

*Member Bukoski requested time to review the rules until the next monthly meeting.*

*Since some members are looking at this for the first time, the Chair said he would like to suggest that we not take action at today's meeting, and discuss it at the next meeting, which will give the members more time to review the proposed changes.*

*In answer to Member losua's question on the length of time it takes to complete the process, Deputy Attorney General Randall Nishiyama responded, to finalize the amended changes, it has to:*

1. *Go out to public hearing (the Board would have to recommend that process); it has not been submitted for formal review in a form that would be acceptable for a public hearing.*
2. *It must be reviewed by the Department of the Attorney General.*

3. *It has to be sent to the Department of Business, Economic Development & Tourism (DEBDT, and the Department of Budget & Finance.*
4. *The Small Business Committee (the review board) has to review the rules to see if there is any adverse impact on the small business community.*
5. *Generally, the process can take a year. If everyone cooperates you could try to get it done within 6-8 months.*

Chairman Toguchi stated:

1. It will probably take a year.
2. Authority members should understand what the changes are.
3. He would like to get UH's input (addressed to Carl Clapp) to see how it might impact them.
4. We should obtain parking comparisons to see how we compare with Neal Blaisdell Center, the Stan Sheriff Center and others; also find out how we compare with other sports venues. The committee may already have this.
5. The Chair expressed concerns about the rates we charge and how much certain events profit with our low rental fees. Many of them say they donate to charities, but the stadium really doesn't know how much is given to charities and how much profit is being made.

He feels with these changes we need to remember our mission statement and definitely need to help our partners here, including the UH. He added that this venue is so important to the charities, the non-profits, and we certainly want to help the non-profits – because if they are helping the charities, we really want to help them out. That is why we have that mission statement. It is really a gathering place where we can have events that will benefit not only our young people, but also the non-profits. If it is a commercial activity, they can share some of those revenues with running of the stadium so that we can take care of the non-profits. He thanked the committee for their hard work on the rules and said, if it's okay, we may have to take a little more time to look at how we are impacting certain people and how we can make it more equitable to all parties concerned so that we don't hurt people; but at the same time, encourage the use of this venue.

Member Iosua shared the concerns of the Chair, but urged everyone to submit their input as soon as possible with anticipation of the upcoming UH season and the fact that the stadium is staring at the collective bargaining increases of \$458,000. He said the parking fees would significantly contribute to that. He asked for everyone's best efforts and said perhaps the Chair, through his relationships, could help to accomplish this in less than a year. He feels acquiring additional revenues through the increased parking fees (even by mid-season) would help significantly. The Chair agreed to move this as fast as we can without leaving behind the people we impact, especially the general public.

Member Rabago stated, with regards to the stadium manager's authority/discretion, she wanted the Chair and Board to know that the committee struggled a lot on how much discretion do we give before it starts to hamper negotiations. This issue kept coming up and it wasn't something that was put off to the side. One of the biggest hurdles for the committee was to find the language we could all be comfortable with, in regards to the manager's negotiating power. They even broke it down to a spreadsheet with 11 categories.

The Chair agreed that there are many categories and said events like the Great Aloha Run benefit about 200 plus charities and the Board does not want to impact that because they help so many in the community; but at the same time, there are other organizations that do major events and we do not know how much is given to charity, or how much is for profit.

Relative to Member Iosua's request to expedite this as soon as possible, Member Bukoski suggested setting a timeline of when comments or suggestions should be emailed to the chair of the committee, which the committee can then discuss and bring a revised draft to the next meeting for possible action.

The Chair asked Member Rabago for the deadline. Being informed that there was no chair for the committee, the Chair then appointed Member Rabago to that position. Member Rabago said she is looking at one-week increments for all that has to be done and suggested that Board members respond to her within a week, by March 6, 2015.

The Chair confirmed with Member Rabago that since the proposed changes are in the internet, there could be public testimony at the next meeting when the revised document is presented. Mr. Nishiyama and Member Rabago said yes. The Chair suggested a short write-up on what generated this and includes what he had mentioned about parking at other venues.

Member Chee addressed his concerns to the Chair and Board members:

- One of the nagging issues that has never been resolved (as they relate to fees), is how much is made by the event organizers and the appropriateness of what we charge. We never had the privilege of a look-back.
- There may be others that barely made it because the structure of our fees may be discriminating against the type of event that they had, even though they fall into that category.
- On the issues of appropriateness and fairness, and the manager's discretion, he thinks it is a very important piece of information and it keeps nagging at us.

*(Member Rabago suggested this is one area where everyone can perhaps help the committee to figure out – how are we going to get that look-back, which is a sensitive/touchy point.)*

Member Chee agreed that input from the staff and stadium manager is needed, even if they don't have the actual numbers.

The Chair inquired, and Mr. Nishiyama stated that we can ask what the gross is, but we cannot ask what the net is. The gross amount is within our authority.

The Chair asked Mr. Nishiyama, as a condition for repeat users of the stadium, can the stadium obtain prior information from them, which may impact their return (i.e., attendance, their charities, their admission charges, etc.). Mr. Nishiyama responded, yes, but that we cannot ask them the amounts given to charities.

Member Yamasaki inquired if there are opportunities to use a deposit in order to obtain exit data. The Chair responded it might be with some organizations, but it may be a challenge with small non-profits.

Manager Chan said to the Chair that he realizes we are all busy, and he is not in favor of more meetings, but it doesn't preclude us from adding a "special meeting" if it is needed. His concern is with the operations – how and when we implement. It is a sensitive issue that we need to also consider. We've met with UH to get their approval/support with increasing our rates, and they were receptive to our plans.

The Chair said we are going to move as fast as we can, and also allow people the opportunity for their input and interaction.

- C. Optimization Committee Report and Discussion
- Foley & Lardner LLC – Update

EXECUTIVE SESSION

The Chair requested a motion to go into a short Executive Session.

A MOTION WAS MADE BY MEMBER FUJIMORI AND SECONDED BY MEMBER CHEE TO GO INTO EXECUTIVE SESSION AT 12:50 P.M., TO CONSULT WITH THE BOARD'S ATTORNEY ON QUESTIONS OR ISSUES REGARDING THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, LIABILITIES PURSUANT TO SECTION 92-5(A) (4), HAWAII REVISED STATUTES, REGARDING THE STADIUM OPERATIONAL ISSUES; FOLEY & LARDNER LLC – UPDATED (ALOHA STADIUM REQUEST FOR INFORMATION RESPONSE SUMMARY), AND REDEVELOPMENT OF ALOHA STADIUM SITE PRESENTATION.

The regular session reconvened at 2:05 p.m.

Conference Call with Chair Toguchi, Manager Chan and Irwin Rajj of Foley & Lardner LLP

- The Chair confirmed Mr. Rajj's trip to Honolulu on March 15, 2015. He will take part in the TOD Community Workshop on March 17, and the Stadium Authority meeting on March 19. Other related meetings will be scheduled during the week to make use of his presence in town.
- The Request for Information (RFI) summary is ongoing in terms of comments that have to be made. The next meeting is to be a follow-up on the direction and strategy. Comments will be sent to Mr. Rajj and discussions will take place during the next few weeks as to the distribution of the documents and what action needs to take place at that point.
- Manager Chan said consideration will be taken on whether to make this a separate line item with Foley & Lardner, or whether it remains under the Optimization Committee. That will determine where all the information is directed.
- The Chair inquired about setting the appropriate time to release some of the RFI information to the public. Mr. Rajj concurred.
- Mr. Rajj said they have a sense of the thoughts by the various RFI respondents and will appreciate receiving comments and questions from the Board.

VI. NEW BUSINESS

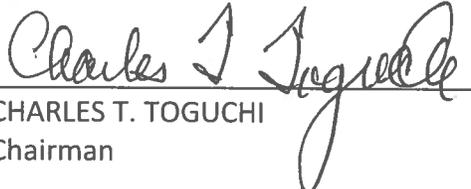
None

VII. NEXT MEETING

March 19, 2015

VIII. ADJOURNMENT

A MOTION WAS MADE BY MEMBER FUJIMORI AND SECONDED BY MEMBER BUKOSKI TO ADJOURN THE MEETING AT 2:15 P.M. THE MOTION WAS UNANIMOUSLY CARRIED.

  
\_\_\_\_\_  
CHARLES T. TOGUCHI  
Chairman

Recorded by: Diana C. Ho

Date: March 19, 2015

## Stadium Authority Board Meeting

Sign-In Sheet (please print)

Event Date: February 26, 2015

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               |
|--|--------------|-----------|-----------------------------|
| Tenari Ma'abala  | CCAL         | #294.1364 | tenari@shopohawaii.org      |
| Are you providing public testimony? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If "Yes": <input type="checkbox"/> Beginning <input type="checkbox"/> Will Follow Agenda |              |           |                             |
| Anthony Gareis   | CCM          | 442-6959  | anupcakemc@gmail.com        |
| Are you providing public testimony? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes": <input type="checkbox"/> Beginning <input type="checkbox"/> Will Follow Agenda |              |           |                             |
| Glen Hige  | ASP          | 348-2267  | glen.hige@outfrontmedia.com |
| 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            |              |           |                             |
| David DePante  | DACS         | 586-0492  | david.c.depante@hawaii.gov  |
| Are you providing public testimony? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes": <input type="checkbox"/> Beginning <input type="checkbox"/> Will Follow Agenda |              |           |                             |
| Chris Kinimaka   | DACS         | 586-0499  | Chris.Kinimaka@hawaii.gov   |
| Are you providing public testimony? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes": <input type="checkbox"/> Beginning <input type="checkbox"/> Will Follow Agenda |              |           |                             |
| Shannon Wood   | WAT          | get it    |                             |
| 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            |              |           |                             |
| Matt Adams   | KIEWIT       | 679-0606  | MAT.ADAMS@KIEWIT.COM        |
| 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            |              |           |                             |
| Brent Scheele  | KIEWIT       | 679-0600  | BRENT.SCHEELE@KIEWIT.COM    |
| Are you providing public testimony? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes": <input type="checkbox"/> Beginning <input type="checkbox"/> Will Follow Agenda |              |           |                             |
| Matt Scanlon   | HART         | 783-0475  | MSCANLON@HONOLULU.GOV       |
| Are you providing public testimony? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If "Yes": <input type="checkbox"/> Beginning <input type="checkbox"/> Will Follow Agenda |              |           |                             |
| BRENNON MORIOKA  | HART         |           |                             |
| 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            |              |           |                             |
| LIZ SCANLON  | HART         |           |                             |
| 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            |              |           |                             |
| LORENZO GARRIDO  | HART         |           |                             |
| 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            |              |           |                             |



## QUARTERLY REPORT (Russell Uchida)

As we evaluate and refine our quarterly report to the board, we continue to look at ways to make the presentation of information more useful and meaningful to the Board. At this time, we would like to expand on what is provided by including a projection through FYE 2015. I believe that this will help to paint a more accurate picture of the financial position of the Stadium.

### **BACKGROUND**

The current format compares prior year revenue and expenditures to current year and explains significant variances, accordingly. The caveat in doing this is that the report is completed on a "cash basis" with revenues and expenses being recorded when received and paid, respectively. At times, this creates a situation where we are not always comparing the same variables in the same periods. Many of the variances are due to timing issues of when we receive and record payments, reimbursements, and expenses. In the end, it requires much reconciliation of prior year and current year transactions that includes a list of footnotes in order to explain these variances.

While prior year information is an important evaluative tool that management will continue to utilize for decision making purposes, we will also focus on supplementing this report with a current year projection. This information will allow us to have a reasonable idea of where we are at and where we will be at the end of the fiscal year, assuming projections and estimates are realized. It will also provide us with an evaluative tool to make mid-year adjustments, as needed.

In evaluating FY 2015, please remember that the first half of the year is our busiest period and expenditure of funds in advance of reimbursements occur for UH and other school-related events. As a matter of timing, the Stadium is usually not reimbursed for UH and Hawaii Bowl game day expenses until after the closing of the second quarter (December 31, 2014). This process results in a higher level of reported expenditures until such time that reimbursement is received and recorded by the Stadium.

I would like to point your attention to the spreadsheet that is in your manila folder.

The spreadsheet represents a full year projection using both actual data to date and projections through the end of the fiscal year.

When factoring in actual and projected revenue and expenses, we are able to get a better handle on where we stand given updated data on a monthly basis.

Mr. Uchida further elaborated on the spreadsheet that included using the Parking revenue line item as an example, below:

- \$274k through December 2014
- Actual of \$109k for January 2015
- \$424k based on prior year data completes the year
- As a result, we project \$808k in parking revenues for FY 2015 with \$36k attributed to reimbursement from HART for use of Kam lot.

**MAJOR REVENUE STREAMS** (Actual and Projected through FYE 2015)

For the Swap Meet and Food and Beverage contracts, actual data is used through 01/2015 and 02/2015, respectively.

- Swap Meet projected from 02/28/15 through FYE 06/30/15.
- Food and Beverage projected from 03/2015 through FYE 06/30/15.

Advertising revenue to be recorded includes \$178,153 for the Guarantee Payment and a projected revenue amount of \$152,557 based on prior year revenue share payment.

Stadium Parking Revenue is updated through 01/2015 and projected thereafter through FYE 06/30/15.

**MISCELLANEOUS OTHER REVENUE to be RECORDED**

|                      |  |
|----------------------|--|
| • COWS               | \$38,400 Net                                 |
| • Sky Box            | \$33,500 Net                                 |
| • Rental of Boneyard | \$21,000 Net                                 |
| • HART – Kam Lot     | \$36,400 (owed) of which \$15,417 (received) |
| <b>TOTAL:</b>        | <b>129,300</b>                               |

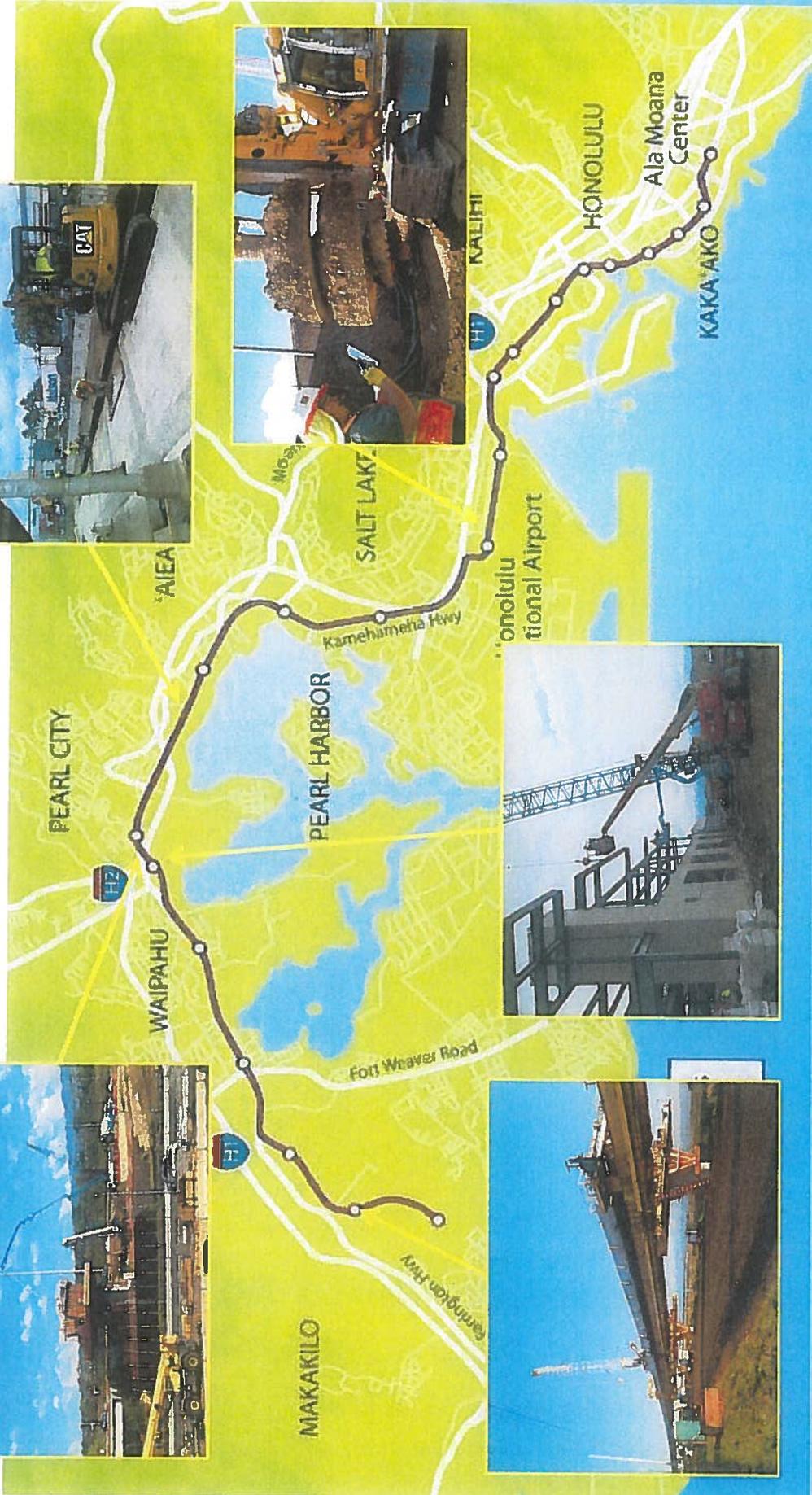
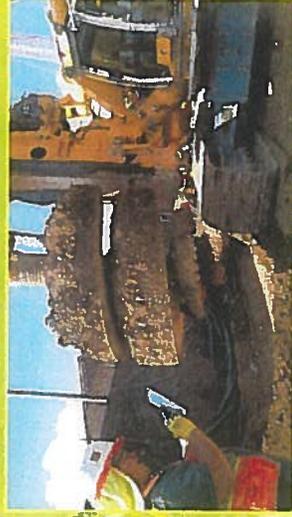
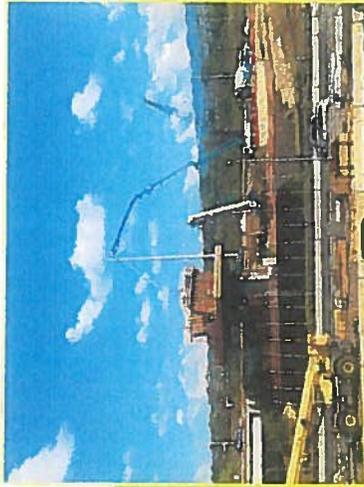
**SUMMARY**

- Total revenue derived from UH games has not been as significant as in years past. This trend affects our food and beverage, parking, and our advertising revenue.
- With regard to expenses, State collective bargaining increases and increases in hourly rates of pay for on-call workers also impacts the bottom line. Stadium must aggressively pursue an increase in revenues as well as reduce expenditures in order to fund step movements, across-the-board raises, increases in utility costs, while maintaining the Stadium property in a safe and clean manner.
- Management continues to review its variable expenses to determine where adjustments can be made with priority given to health and safety and while maintaining a reasonable ratio of revenues to expenditures.

At FYE 2015, we believe that we will be at or around net zero.

# Honolulu Rail Transit Project Update

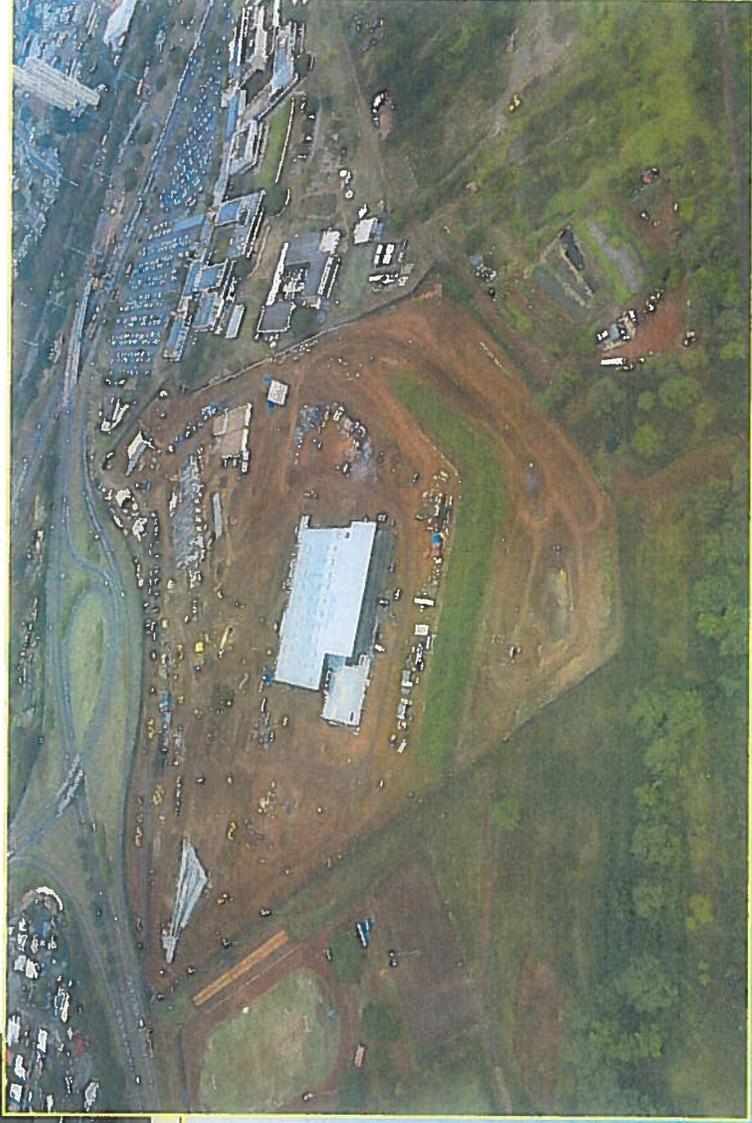
## February 26, 2015



HONOLULU RAIL TRANSIT PROJECT  
WWW.HONOLULUTRANSIT.ORG

**HART**  
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

# Rail Operations Center Design-Build 60% complete



HONOLULU RAIL TRANSIT PROJECT  
[WWW.HONOLULUTRANSIT.ORG](http://WWW.HONOLULUTRANSIT.ORG)

**HART**  
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

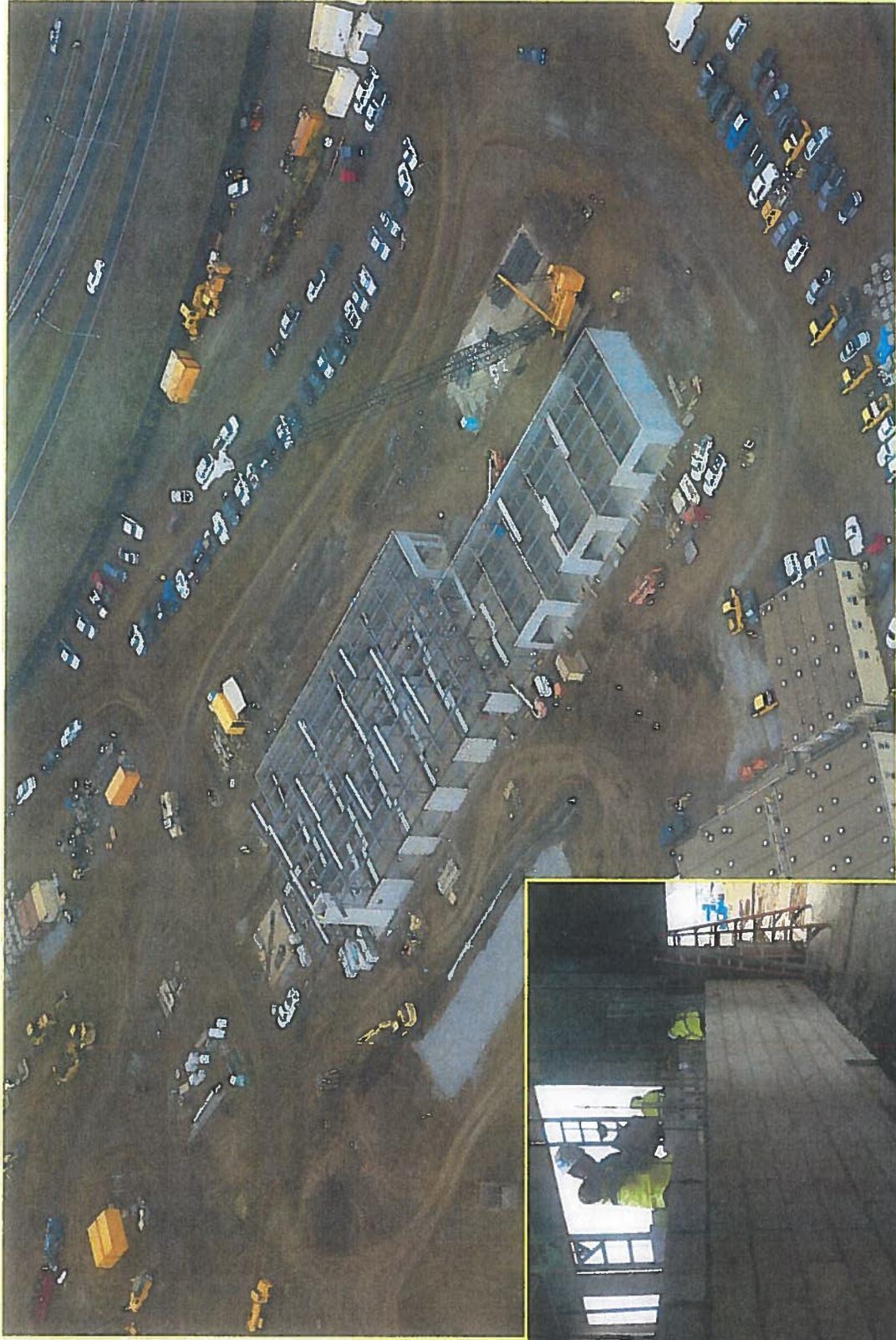
# Operations Services Building (OSB)



HONOLULU RAIL TRANSIT PROJECT  
[WWW.HONOLULUTRANSIT.ORG](http://WWW.HONOLULUTRANSIT.ORG)

**HART**  
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

# Maintenance of Way (MOW) Building



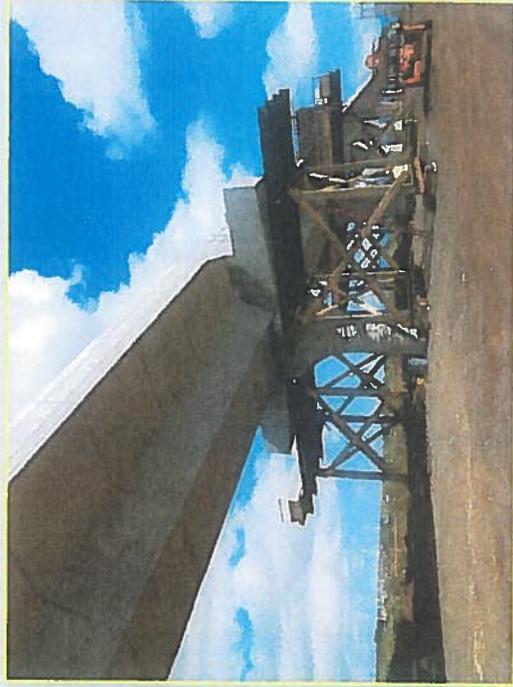
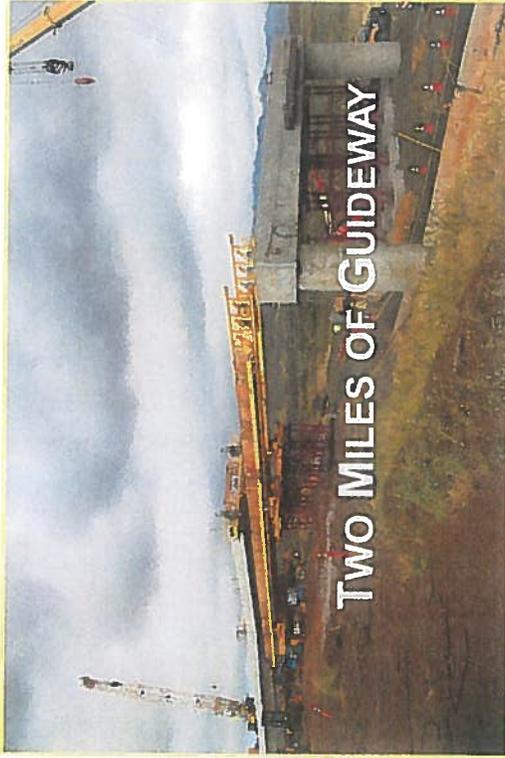
HONOLULU RAIL TRANSIT PROJECT

[WWW.HONOLULUTRANSIT.ORG](http://WWW.HONOLULUTRANSIT.ORG)

**HART**

HONOLULU AUTHORITY for RAPID TRANSPORTATION

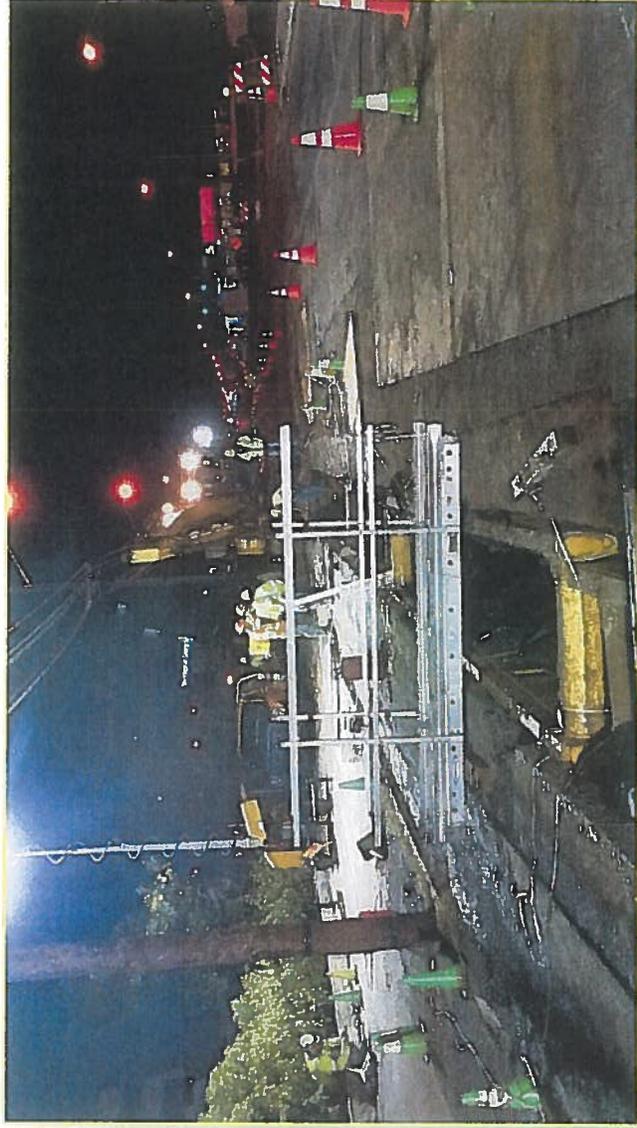
# WOFH Design-Build 55% Complete



HONOLULU RAIL TRANSIT PROJECT  
[WWW.HONOLULUTRANSIT.ORG](http://WWW.HONOLULUTRANSIT.ORG)

**HART**  
HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

# KHG Design-Build 30% complete



HONOLULU RAIL TRANSIT PROJECT  
[WWW.HONOLULUTRANSIT.ORG](http://WWW.HONOLULUTRANSIT.ORG)

**HART**

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

# Aloha Stadium Station



HONOLULU RAIL TRANSIT PROJECT

[WWW.HONOLULUTRANSIT.ORG](http://WWW.HONOLULUTRANSIT.ORG)

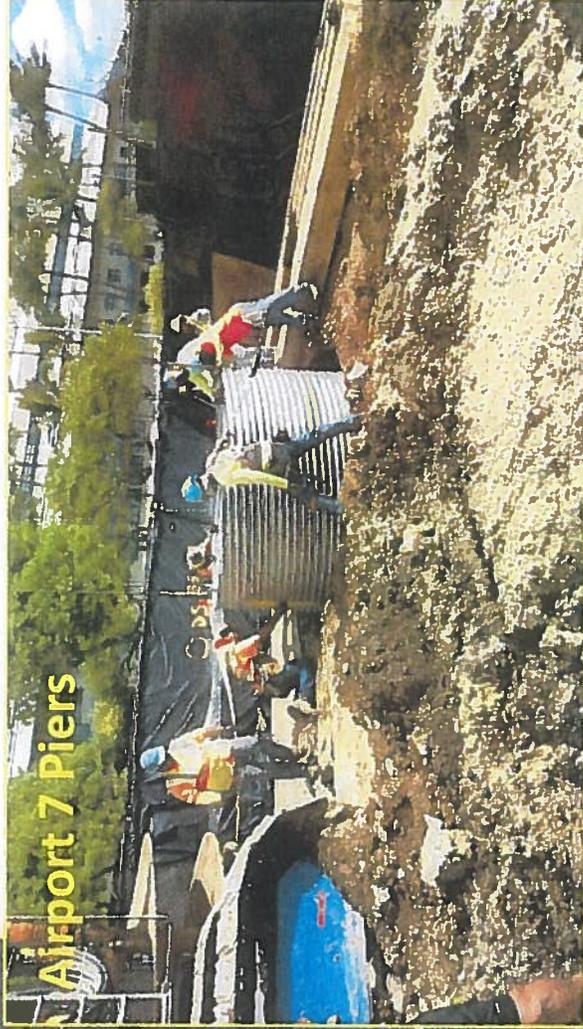
**HART**

HONOLULU AUTHORITY FOR RAPID TRANSPORTATION

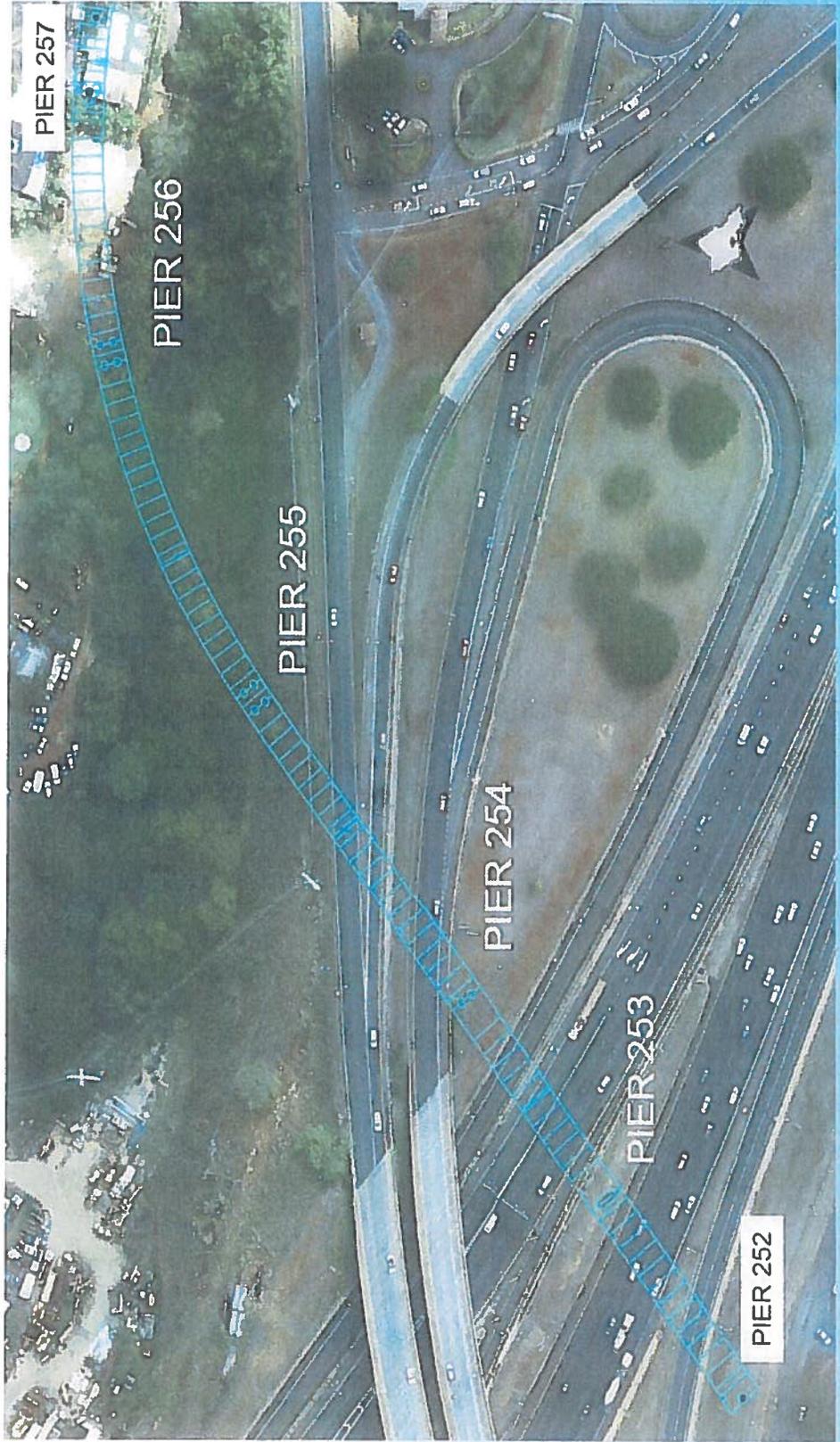
# Moving Forward: The Next 10 Miles



*\* HART has commenced construction activities on two advanced construction packages for the next 10 miles of guideway the Airport Advanced Utilities and the Airport 7 Piers.*



# Balanced Cantilever Work



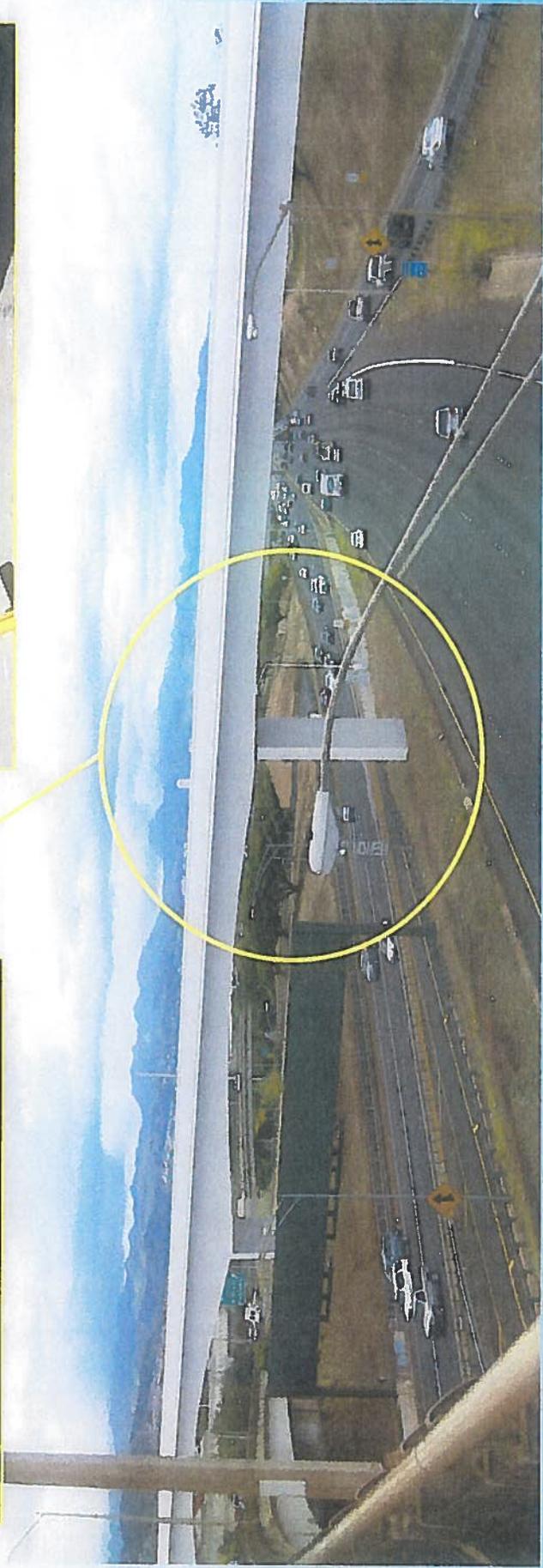
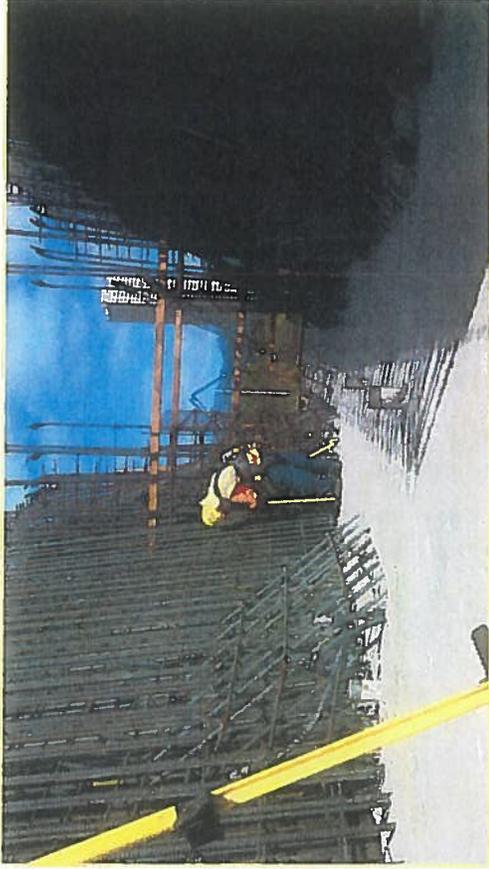
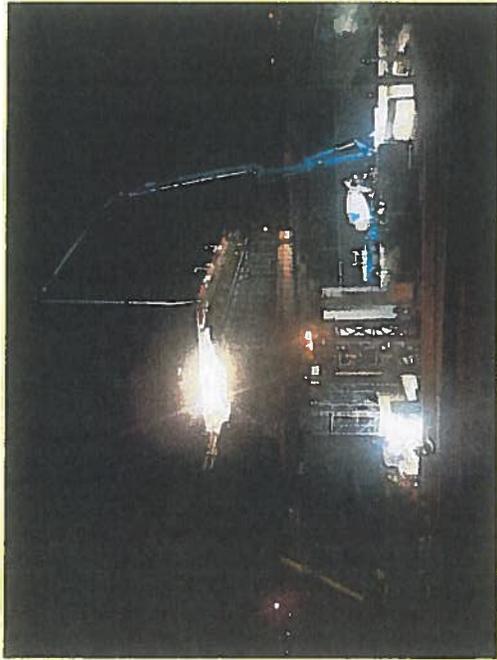
# Balanced Cantilever Work



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# Balanced Cantilever Work



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# Balanced Cantilever Work



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# Balanced Cantilever Work



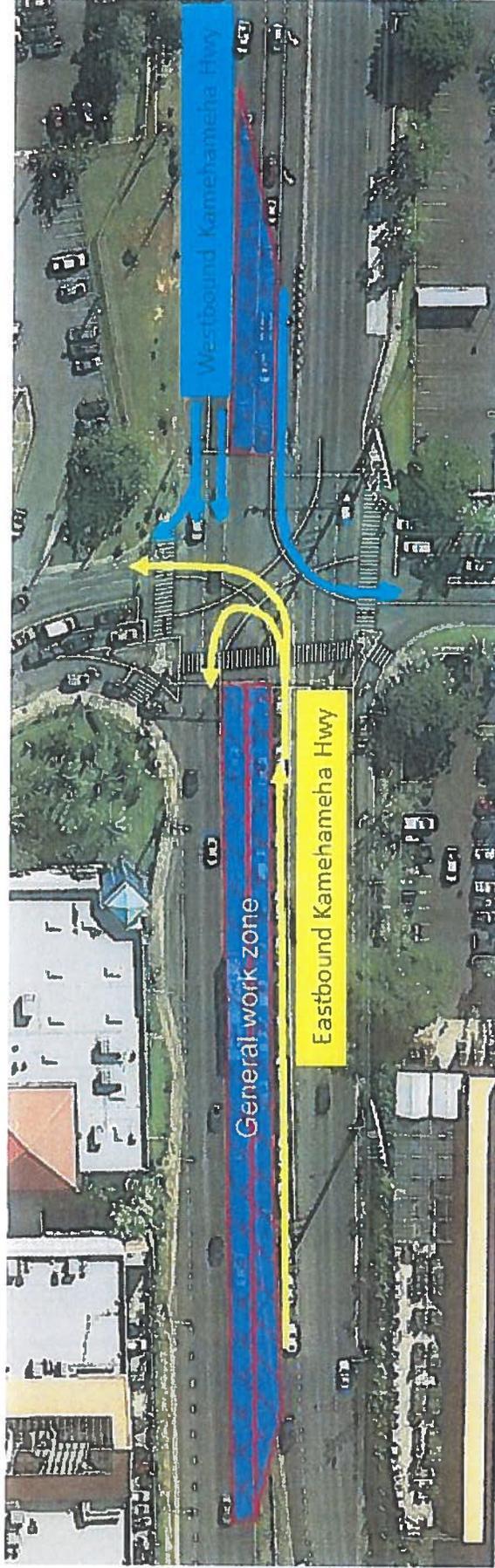
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# Kamehameha Highway in Pearl City



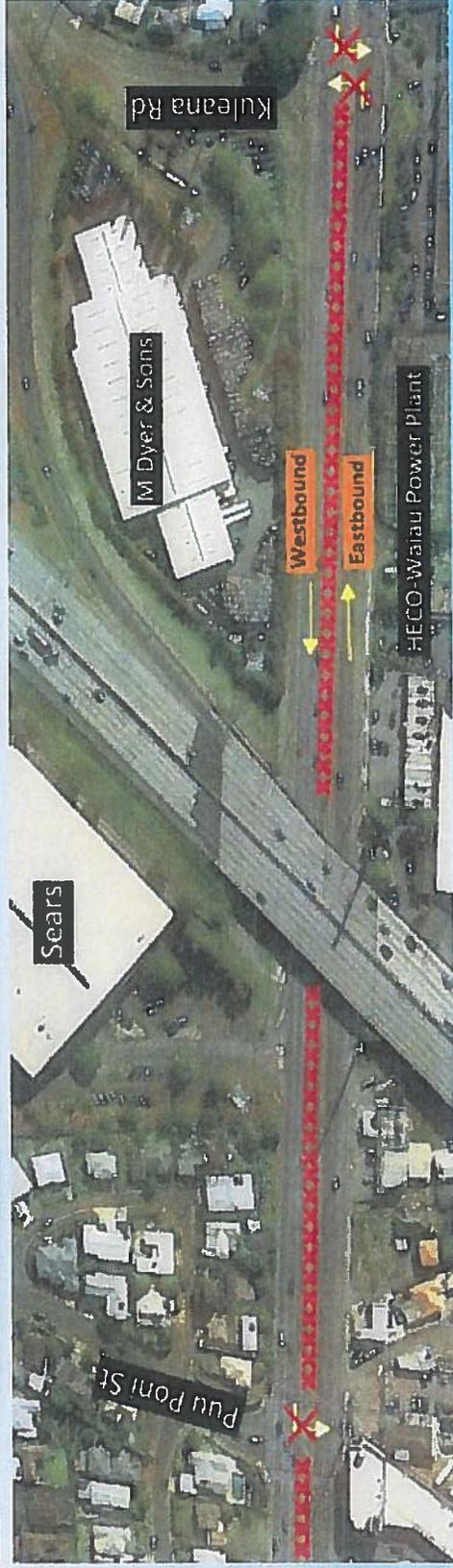
H O N O L U L U R A I L T R A N S I T P R O J E C T

[WWW.HONOLULUTRANSIT.ORG](http://WWW.HONOLULUTRANSIT.ORG)

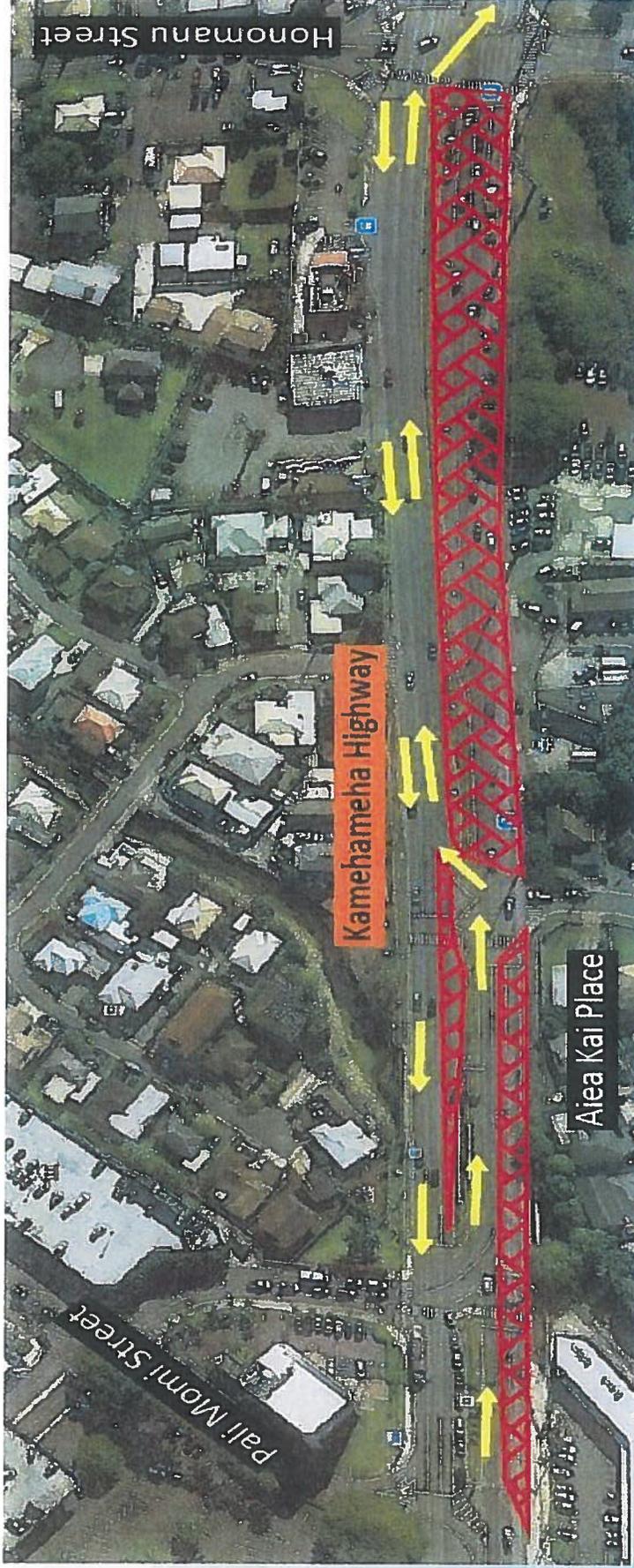
**HART**

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# Kamehameha Highway in Pearl City



# Kamehameha Highway in Aiea



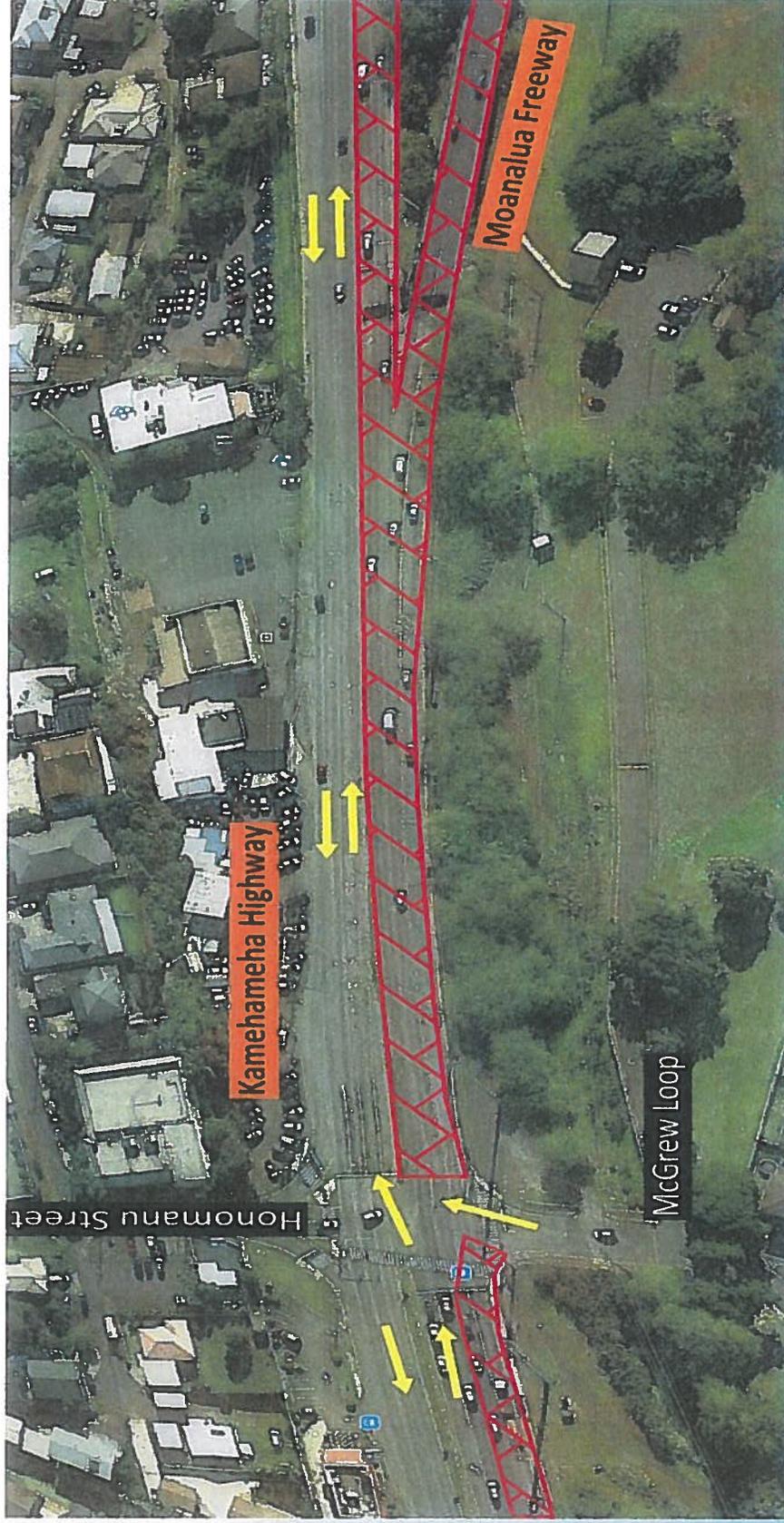
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# Kamehameha Highway in Aiea



# *Mahalo!*



HONOLULU RAIL TRANSIT

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DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

Amendment to Chapter 3-70

Hawaii Administrative Rules

(Date of Adoption)

1. Section 3-70-11, Hawaii Administrative Rules, is amended by amending subsections (a), (b), and (c) to read as follows:

"§3-70-11 Rental charges, payment. (a) The authority establishes the following schedule of charges for the use of the stadium proper for each event or date:

- (1) [~~Hawaii~~] Hawaii-based high school and lower grade level events or activities - No rent shall be charged for school related events or activities;
- (2) University of Hawaii [~~intercollegiate regular season football~~] events or activities - [~~the~~] The stadium authority shall have discretion to determine rent, provided, however, that the amount shall not exceed seven and one-half per cent of gross ticket receipts or \$10,000 per date, whichever is greater;
- ~~[-(3)-] Other college events where no admission charge is imposed, excluding professionally promoted college football games - \$500 per date;~~
- ~~-(4)- Professional and college football games professionally promoted by any person, partnership, corporation, or organization for profit - \$10,000 per date, or ten percent of ticket receipts per date, whichever is greater;~~
- ~~-(5)-] (3) Post-season [~~intercollegiate and~~] collegiate [~~all-star~~] football games [~~sponsored by any person, partnership, corporation, or organization of non-profit status~~] - [~~ten~~] Ten per cent of gross ticket receipts or \$10,000 per date, whichever is greater, but not to exceed \$32,000 per date [~~or such~~~~

~~greater amount as may be determined by the authority. This amount shall not include reimbursement for out-of-pocket costs that may be imposed by section 3-70-10 nor any charge that may be imposed by the provisions as set forth in section 3-70-13;~~

~~(6) Other sports events or collegiate events where admission is charged and is not otherwise specified in these rules - \$2,000 per date or ten percent of ticket receipts per date, or if no tickets are sold, \$1 for each person attending the event per date, whichever is greater;~~

~~(7) Concerts, rallies, conventions] (4) Commercial events - [\$2,000] \$2,500 per date or ten per cent of gross ticket receipts per date, or if no tickets are sold, \$1 for each person attending the event per date, whichever is greater;~~

~~[(8)] (5) Receptions, parties, and youth events (ages high school and below) - [\$750] \$1,000 per date or [ten percent of ticket receipts, or if no tickets are sold, \$1 for each person attending the event per date, whichever is greater;]~~ amount determined by the manager;

~~[(9) For purposes of filming or recording a commercial, and other activities involving short-term use of the stadium during the normal working hours of 7:30 a.m. through 3:30 p.m., Monday through Friday, excluding holidays - \$200 per hour, but not more than \$1,000 per date. Out-of-pocket expenses including field lights and overtime personnel costs shall be charged to the licensee pursuant to section 3-70-10;]~~

(6) Commercial media - \$500 per hour;  
Non-commercial media - \$250 per hour;  
Other non-commercial activity involving short-term use - Amount determined by the manager;

~~[(10) Notwithstanding paragraphs (6), (7), and (8), the rental charge for events sponsored by religious or charitable organizations for religious or charitable purposes where no~~

~~admission is charged shall not exceed \$2,000 per date; and]~~

- (7) Charitable, religious and other events or activities - \$2,500 per date or ten per cent of gross ticket receipts per date, or if no tickets are sold, \$1 for each person attending the event per date, whichever is greater, or amount determined by the authority;
- ~~[(11) All other events or activities - \$750 per date or such greater amount as may be determined by the authority.]~~

(b) The authority establishes the following schedule of charges for the use of the stadium parking lots:

- (1) ~~[For the use of the Kam lot for carnivals,]~~ Carnivals, fairs, and similar events -  
~~[\$1,250]~~ \$3,000 per date[+] that the event is open to the public, or amount determined by the authority;
- (2) ~~[For purposes of filming or recording a commercial, and other activities involving short term use of the parking lot area during the normal working hours of 7:30 a.m. through 3:30 p.m., Monday through Friday, excluding holidays - \$200 per hour, but not more than \$1,000 per date. Out of pocket expenses including parking lot lights and overtime personnel costs shall be charged to the licensee pursuant to section 3-70-10;]~~  
Commercial media - \$500 per hour;  
Non-commercial media - \$250 per hour;  
Other non-commercial activity involving short-term use - Amount determined by the manager;
- (3) ~~[For concerts]~~ Concerts - \$2,500 per date;  
~~[or \$1 for each person attending the event per date as determined in the sole reasonable judgment of the manager or the manager's designee, whichever is greater;]~~
- (4) ~~[For Hawaii]~~ Hawaii-based high school and lower grade level events or activities - No rent shall be charged for school-related events or activities; and

- (5) ~~[For all]~~ All other events or activities, including youth (ages high school and below) - ~~[\$750]~~ \$1,000 per date or ~~[such greater]~~ amount ~~[as may be]~~ determined by the authority.

(c) The use of any office, or other space or facility on the stadium premises may be rented upon the terms and conditions, and at the rental rates ~~[as may be]~~ determined by the authority."

\*\*\*

[Eff 6/12/81; am 9/17/82; am 8/25/88; am 1/17/05; am 3/4/06; am and comp 9/18/06; am 10/7/10] (Auth: HRS \$109-2) (Imp: HRS \$109-2)

2. Section 3-70-20, Hawaii Administrative Rules, is amended by amending subsections (a) to read as follows:

"§3-70-20 Parking rates, parking stalls. (a) Except as otherwise provided below, the authority establishes the following rates for the privilege of parking at the stadium for all events:

- (1) ~~[\$5]~~ \$7 per event per automobile for all events and shows except as provided in this subsection; rate will be \$8 beginning July 1, 2017, and \$9 beginning July 1, 2019;
- (2) ~~[\$25]~~ \$30 per event per passenger bus, limousine, or truck, other than pickups, regardless of the number of persons carried in such bus, limousine, or truck; provided that the authority delegates to the manager the power to waive such parking charges at the manager's discretion ~~[for vehicles transporting groups of people attending an event where the athletes or performers at the event attend high school or lower grade level, or where the vehicles are transporting groups of people from non-profit or charitable organizations];~~ rate will be \$31 beginning July 1, 2017, and \$32 beginning July 1, 2019;

~~[-\$3] per event per automobile for all events and shows when the athletes or performers attend high school or lower grade levels;~~

- ~~(4)]~~ (3) ~~[\$10]~~ \$15 per event per automobile for

professional sports events and concerts with admission charges, except for Hawaiian cultural and music events; rate will be \$16 beginning July 1, 2017, and \$17 beginning July 1, 2019;

- ~~[(5)]~~ (4) The authority delegates to the manager the power to waive parking charges, at the manager's discretion, in connection with an event or activity where the estimated out-of-pocket expenses for parking exceed the estimated parking revenues; provided that the out-of-pocket parking expenses be at the licensee's expense; ~~[and]~~
- ~~[(6)]~~ (5) The swap meet events held at the stadium and private events held in the stadium hospitality room shall be exempted from this subsection~~[-]~~; and
- (6) The manager shall have the authority to sell bulk parking, in whole or in part, to a licensee at a rate not less than the published rate for the contracted event or activity."

\*\*\*

[Eff 6/12/81; am 9/17/82; am 8/27/84; am 9/1/87;  
am 8/12/02; comp 9/18/06; am AUG 01 2010; am  
] (Auth: HRS §109-2) (Imp: HRS  
§109-2)

3. Material, except source notes, to be repealed is bracketed. New material is underscored.

4. Additions to update source notes to reflect these amendments are not underscored.

5. These amendments to chapter 3-70, Hawaii Administrative Rules, shall take effect ten days after filing with the Office of the Lieutenant Governor.

I certify that the foregoing are copies of the rules, drafted in the Ramseyer format pursuant to the requirements of section 91-4.1, Hawaii Revised Statutes,

which were adopted on \_\_\_\_\_, and filed with  
the Office of the Lieutenant Governor.

\_\_\_\_\_  
Charles T. Toguchi, Chairman  
Aloha Stadium Authority

\_\_\_\_\_  
Douglas G. Murdock, Comptroller  
Department of Accounting and  
General Services

APPROVED AS TO FORM:

\_\_\_\_\_  
Deputy Attorney General