DAVID Y. IGE
GOVERNOR

DOUGLAS MURDOCK
COMPTROLLER

CHARLES T. TOGUCHI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
MANAGER

RYAN G. ANDREWS
DEPUTY MANAGER

ALOHA STADIUM

An Agency of the State of Hawaii

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

February 25, 2016

Members Present:
Charles T. Toguchi, Chairman
Keith Y. Amemiya
Keith "Kika" G. Bukoski, Vice-Chairman
Odetta Fujimori
Michael Iosua
Scot Long
Ross Yamasaki

Member Excused:
Wilbert C.F. Chee
Edward Hasegawa

Staff
Scott L. Chan
Russell Uchida
Stephen Lee
Ivan Nishimura
Charles Vitale
Andrew Chang
Liane Nakagawa

Others:
Audrey Hidano, Deputy Comptroller
Randall Nishiyama, Deputy Attorney General (AG)
Lois Manin, University of Hawaii Athletics
Davy Murayama, Centerplate
Krysti Peacock, Centerplate
Chris Kinimaka, Department of Accounting & General Services (DAGS)
David DePonte, Department of Accounting & General Services (DAGS)
Franz Kraintz, City & County of Honolulu, Department of Planning & Permitting
Brennon Morioka, Honolulu Authority for Rapid Transportation (HART)
Chris Takashige, Honolulu Authority for Rapid Transportation (HART)
Kenny Harrison, Aloha Sports Properties
See Exhibit A (Sign-in Sheet)

I. CALL TO ORDER

A quorum being present, Chairman Charles T. Toguchi called the meeting to order at 10:07 a.m.

The Chair requested to amend the agenda by adding the Swap Meet Request for Proposals (RFP). Deputy Attorney General Randall Nishiyama stated the purpose is to provide an update to the Board.

AT 10:10 A.M. A MOTION WAS MADE BY MEMBER LONG AND SECONDED BY MEMBER FUJIMORI TO ADD SWAP MEET REQUEST FOR PROPOSALS UPDATE TO THE AGENDA UNDER SECTION VI. NEW BUSINESS. THE MOTION WAS UNANIMOUSLY CARRIED.

AT 10:12 A.M. A MOTION WAS MADE BY MEMBER LONG AND SECONDED BY MEMBER YAMASAKI TO GO INTO EXECUTIVE SESSION NO. 1 FOR AN UPDATE FROM THE ATTORNEY GENERAL'S OFFICE RELATING TO THE LAWSUIT ON THE U.S. WOMEN'S SOCCER CANCELLATION (DECEMBER 6, 2015). THE MOTION WAS UNANIMOUSLY CARRIED.

Reconvened in Regular Session at 11:05 a.m.

PUBLIC TESTIMONY

Shannon Wood

Ms. Wood reported that the two legislative bills that would eliminate the Stadium Authority (HB1847 and SB2216) were dead.

The Chair said it is his understanding that SB 2216 is dead, but HB1847 is currently with the Finance Committee and he will provide a report to the Board at the appropriate time.

II. APPROVAL OF MINUTES

A. Approval of the minutes for the January 14, 2016 Regular Session and Executive Session:

1. A MOTION WAS MADE BY MEMBER YAMASAKI AND SECONDED BY MEMBER FUJIMORI TO ACCEPT THE MINUTES OF THE REGULAR SESSION. THE MOTION WAS UNANIMOUSLY CARRIED.

2. A MOTION WAS MADE BY MEMBER YAMASAKI AND SECONDED BY MEMBER FUJIMORI TO ACCEPT THE MINUTES OF THE EXECUTIVE SESSION. THE MOTION WAS UNANIMOUSLY CARRIED.

III. MONTHLY REPORTS

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

The Chair said he will be making his comments to discussion items listed in the Unfinished and New Business sections of the agenda. He also informed the Board that it will go into another executive session to discuss other matters, including the Deputy Manager's position.

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

1. Administrative

Annual Audit
Fiscal officer Liane Nakagawa reported on the results of management's exit conference with the auditors, KKDYL LLC. She stated the auditors' opinion was that the Stadium Authority's annual audit was in full compliance and there are no outstanding issues. She noted that the report is also available on the DAGS website.

Manager Chan said there were several recommendations in the report for our food and beverage concessionaire. They have been informed of those recommendations and plan to implement the changes at the upcoming football season.

Revenue Over (Under) Expenses Report (hand-out to the Board)
Administrative Services Officer, Russell Uchida, reported:

- First column shows the revenues and expenses through December 2015.
- Actual revenues are reported for January/February 2016.
- Monthly revenues for March-June FY 2016 are actual revenues from FY 2015.
- Mr. Uchida further explained the amount in the 7-month actual and projected column for FY2016 (combined with the first column), equals the 12-month actual and projected figures for FY2016.
- As a basis for comparison, FY2015 is included to show an increase or decrease by source of revenue.

- The projected numbers do not reflect the increase in parking and rental fees effective 1/14/16. This reflects a conservative position.

- The numbers for food and beverage (based on combined actual and projected) show a $10,000 difference from prior year to this year.

- For expenditures, we are looking at a projected decrease of approximately $110,000.

- As the year goes on, we will be able to better fine tune the figures.

- The positive financial position is due to what we implemented in July 2015 when we initiated a reduction in hours for the part-time employees in the maintenance and general services sections.

Mr. Uchida informed the Board that the report indicates where we are currently, and where we expect to be by the end of the year.

The Chair asked Mr. Uchida to summarize his report.

Mr. Uchida said we did what we needed to do in controlling expenditures. On the revenue side, it is somewhat out of our control in terms of UH attendance and its impact on food and beverage and parking. We hope to show more improvement as we move forward.

The Chair said the $110,000 surplus does not reflect the increase in parking and rental fees for the months of March-June.

The Chair thanked the stadium staff for their hard work and efforts. He added, the fact that the stadium does not receive general fund moneys from the state and we have to operate on our own revenues (and the fact that some sports revenues have been down, including football), he feels the stadium is doing good.

Manager Chan said the opportunity for more events at the stadium during the off-season is also very limited due to the ongoing CIP work.

<u>Pro Bowl Litigation (Ritchie Case)</u>
We are currently preparing for the retrial that is scheduled for March 8-11, 2016 (concerning discrimination/unfair treatment during the 2013 Pro Bowl). Individuals who were involved with the operations will be served with a subpoena to appear in court.

Personnel
Ainsley Paki, after 40 years as our Box Office Manager, is retiring effective July 1, 2016. Also, Paula Yonezawa, our clerk typist at the front office is also planning to retire in a few months; and our parking supervisor, Wesley Ueda has decided to move on -- his last day is tomorrow. Manager Chan said he and his staff are in the process of filling these positions.

2. EVENTS

The Pro Bowl (January 31, 2016) was a successful, sell-out event. He commended the Pro Bowl committee for doing a great job in selling and promoting the event.

The Great Aloha Run, (February 15, 2016), included over 15,000 participants. It was a successful event, with the exception of one incident. An emergency occurred with one participant who died several times on the property; but with the professional help on duty, they were able to revive him. We were pleased to learn from Kaiser Hospital that the individual is in stable condition.

3. CAPITAL IMPROVEMENT PROJECTS

Health & Safety (HS) – Phase 3 and 4 (Charles Vitale, Engineer)

Phase 3 (completing last stages)

- Repairing the stair towers in the movable sections (mauka/makai side).

- Improvements to the drainage in lower levels to prevent water accumulation.

Phase 4 (pre-final design stages)

- Repairing seats (mounted on steel plates) in certain areas of the movable sections. The seats have deteriorated over the years and need repair.
- Replace the concrete decks (inside and outside) in the southwest section of the concourse area, similar to what was done in the north section.

- Remaining funds (if any), will be applied to deck replacement on the southeast side, as well as corrosion mitigation work on the upper beams, at the south and north ends.

Manager Chan reported there was a major eight-inch water main break just prior to the Great Aloha Run event. He commended his staff for assisting over the weekend which allowed the event to go on as scheduled. NAN, Inc. (who is contracted by HART) was able to assist with the repairs which were completed by 10:30 p.m. Sunday evening. We are concerned because these situations are occurring more frequently as the result of an aging facility.

C. Approval of Events (Stephen Lee)

None

D. The University of Hawaii (UH) Athletics Department Monthly Report

Lois Manin provided a report on behalf of David Matlin who is attending hearings at the Legislature.

UH football is scheduled to open at Aloha Stadium on September 10, 2016. They will share the Mountain West Conference schedule with the stadium upon receipt. They will open their football season in Australia on August 27, 2016.

E. Outfront Media Monthly Report: Kenny Harrison

Mr. Harrison reported:

- Hawaiian Airlines no longer has the field naming rights and he and Manager Chan will be revisiting new possibilities.

- They have secured approximately $325,000 of advertising income for the upcoming season – with $300,000 pending.

- They have been on board for approximately eight weeks and have been meeting with potential customers to finalize contracts.

- The majority of clients are returning and just a few that are not.

- Looking at the inventory available to sell and have also been in touch with Ivan Nishimura (Scoreboard) in that regard.

F. Swap Meet Monthly Report: Davy Murayama

- Total December Attendance (no change) 0%
- Total Stall Count decreased -2%
- D,E,F, rows stall count decreased -5%
- A,B,C, rows stall count increased 9%

The vendor attendance is slowly declining, partly due to several vendors taking vacations and participating in other craft fairs. Since the swap meet's rules allow limited vacation days by the vendors, Mr. Murayama said they will be monitoring the situation in an effort to improve the numbers.

Media (Krysti Peacock)

- Working on different campaigns to increase the vendor count.
- They will be running an ad in the spring issue of the Hawaii Military Guide which will include a coupon so they can track the attendance at the swap meet.
- They will also be participating in the Hawaii Tourism Oceania guide which covers the Australian/New Zealand market and distributed to approximately over 6,500 travel agents.

UNFINISHED BUSINESS

A. Optimization Committee – Report/Discussion

No report

B. Honolulu Authority for Rapid Transportation (HART) – Report/Discussion

Brennon Morioka reported:

- A status of activities was presented for the Kamehameha Lot, Primary Lot, and the Station.
- Per Mr. Vitale's request, they have asked Kiewit to provide a schedule of work to be done at the main lot and will share it with the stadium upon receipt.
- HART is still available to meet with the Optimization Committee at a convenient time for all parties concerned.

- Some column work is taking place at the Kamehameha Lot. In the primary lot, the foundation work will start during the late spring and the guideway work will begin during the third quarter through the end of the year.

- Approximately seven miles of the guideway is near completion.

- The station contract for the Kamehameha Highway stations (Pearl Highlands, Pearlridge, and Aloha Stadium) has been awarded to NAN, Inc.

Mr. Vitale provided an update:

- Effective today, Kiewit is onsite and started installation of fencing.

- They are scheduled to be off site at the Bus Lot (with the exception of a small area) by mid-August.

B. Transit-Oriented Development (TOD) – Franz Kraintz (Dept. of Planning & Permitting)

Mr. Kraintz said they have been working on the Halawa Area TOD Plan which includes the area around the stadium, as well as the stadium property.

They are in the process of making the final selection from three redevelopment scenarios.

The next important milestone is the infrastructure meeting with the City, State, Federal agencies to determine what their needs are and to understand what is the capacity in the area. They will need this information for the scenario selected. There will be approximately 2.5 - 3.0 million square feet of development projected, which will generate the need for services such as water, sewer, drainage, roads, etc.

A meeting is scheduled on March 9, 2016 at Honolulu Hale from 8:30 a.m. to 10:00 a.m. to include City, State and Federal agencies. Manager Chan suggested that the Chair, Member Yamasaki and Mr. Vitale attend this meeting.

Member Bukoski inquired if there is any legislation that will impact their projects. Mr. Kraintz said there are many bills pending and he hopes they see the value in what they are doing, and that none of it is being duplicated.

C. Legislative Committee

Mr. Uchida handed out a Measure Tracking Report: 2016 Stadium Listing. We are monitoring several bills (as mentioned by the Chair) -- HB1847; SB2216 (companion to HB1847); and HB2229. For all intents and purposes, he believes HB2229 is the only one that is still alive at this time. It has been referred to the Finance Committee for a hearing.

The Chair summarized the legislative process and procedures for everyone's information and understanding of what happens with the bills.

Basically the Chair said one bill is alive -- the Sports and Entertainment Authority HB1847. The second bill that is still alive is HB2229, which is about marketing and promoting; it is also sitting in Finance Committee.

Mr. Uchida continued:

- There are a number of other TOD bills that we a monitoring on a limited basis.

- There is an electrical vehicle bill that will not have an immediate or significant impact to our operations.

The Legislative Committee spent a lot of time in providing significant/technical comments on the earlier draft for the Lt. Governor's consideration. The Chair thanked Members Fujimori and Bukoski who co-chaired that committee and Member Amemiya for their time and effort. The Chair inquired if some of the amendments were accepted. Member Bukoski said they took two out of six suggestions: 1) The right to retain their own attorney; 2) Exempting maintenance from 103D, Part 3.

Member Fujimori expressed concerns that even if SB2216 died, and if the House Bill crosses over, that she has no knowledge of what were Senator Wakai's amendments; she could not find a committee report. The Chair said Senator Wakai did not write a committee report because it would have had to be a joint committee report, and they didn't receive approval from the other joint committee (Senator Donna Kim's committee).

Mr. Uchida concluded by saying he will keep the Board informed if there is anything new to report.

The Chair said he does not know what is going to happen to HB1847 (Sports and Entertainment) and will wait to see if a hearing is scheduled with the Finance Committee.

D. U.S. Soccer Federation Inc./Stadium Authority-Motion to Dismiss – Update

The Chair said this subject was listed under Unfinished Business, but due to a lawsuit, we adjusted the agenda to have the discussion in Executive Session No. 1, (to accommodate the attorneys' busy schedules).

VI. NEW BUSINESS

A. Deputy Manager's Position – Discussion/Action

The Chair said the Stadium Manager will be making a recommendation to the Board, which will be addressed in executive session. .

B. Swap Meet – Update

Member Iosua said we were asked by the Chair to put together a committee to draft a Request for Proposal (RFP) for the Board's review and approval, which will be discussed in executive session.

EXECUTIVE SESSION

At 12:09 P.M., A MOTION WAS MADE BY MEMBER FUJIMORI AND SECONDED BY MEMBER LONG TO GO INTO EXECUTIVE SESSION NO. 2. THE MOTION WAS UNANIMOUSLY CARRIED.

The meeting reconvened at 1:05 P.M.

A MOTION WAS MADE BY MEMBER IOSUA AND SECONDED BY MEMBER FUJIMORI TO PROCEED WITH THE ISSUANCE OF A SWAP MEET REQUEST FOR PROPOSAL (RFP), AND THE SOLICITATION OF A CONTRACTOR. THE MOTION WAS UNANIMOUSLY CARRIED.

Introduction of Deputy Stadium Manager
The Chair introduced and congratulated Ryan Andrews as the newly appointed Deputy Stadium Manager, effective March 16, 2016.

The Chair advised Mr. Andrews that the Board unanimously supported his appointment and confirmed that he is officially the Deputy Manager of the stadium.

Mr. Andrews said he is humbled and very appreciative to the Board for his appointment. Due to his previous employment at Aloha Stadium and his familiarity with the environment and operations, he looks forward to working with Manager Chan (of whom he has the highest regards) and staff in his new capacity. He added, he has had great opportunities during his working career, learned a lot in the sports industry and gained good experiences and knowledge as a result. At the end of 2012 he was privileged to work at the stadium, alongside Stephen Lee (as assistant events manager). He has the greatest respect for Mr. Lee, Manager Chan and Ms. Manin, and is very happy to be back. One of the biggest draws for him is the privilege of working with Manager Chan again.

VII. NEXT MEETING

March 31, 2016

VIII. ADJOURNMENT

A MOTION WAS MADE BY MEMBER IOSUA AND SECONDED BY MEMBER FUJIMORI TO ADJOURN THE MEETING AT 1:15 P.M. THE MOTION WAS UNANIMOUSLY CARRIED.

CHARLES T. TOGUCHI
Chairman

Recorded by: Diana C. Ho
Date: March 31, 2016

Exhibit A

Stadium Authority Board Meeting

Sign-In Sheet (please print)

Event Date: February 25, 2016

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
FRANZ KRAINTZ	DPP - CCHNL	808 768-8046	fkraintz@honolulu.gov
Are you providing public testimony? ✓ Yes ___ No If "Yes": ___ Beginning ___ Will Follow Agenda			
Krysti Pereira	Centerpoint/Mkay	2957197	
Are you providing public testimony? ___ Yes ___ No If "Yes": ___ Beginning ___ Will Follow Agenda			
David DePonte	DAGS-PWD	586-0492	david.c.deponte@hawaii.gov
Are you providing public testimony? ___ Yes X No If "Yes": ___ Beginning ___ Will Follow Agenda			
Chris Kinimaka	DAGS-PWD	586-0499	chris.kinimaka@hawaii.gov
Are you providing public testimony? ___ Yes ___ No If "Yes": ___ Beginning ___ Will Follow Agenda			
Jesse Souki	HART		jesse.souki@honolulu.gov
Are you providing public testimony? ___ Yes X No If "Yes": ___ Beginning ___ Will Follow Agenda			
Are you providing public testimony? ___ Yes ___ No If "Yes": ___ Beginning ___ Will Follow Agenda			
Are you providing public testimony? ___ Yes ___ No If "Yes": ___ Beginning ___ Will Follow Agenda			
Are you providing public testimony? ___ Yes ___ No If "Yes": ___ Beginning ___ Will Follow Agenda			
Are you providing public testimony? ___ Yes ___ No If "Yes": ___ Beginning ___ Will Follow Agenda			
Are you providing public testimony? ___ Yes ___ No If "Yes": ___ Beginning ___ Will Follow Agenda			
Are you providing public testimony? ___ Yes ___ No If "Yes": ___ Beginning ___ Will Follow Agenda			