

**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

September 24, 2015

Members Present:

Charles T. Toguchi, Chairman  
Keith Y. Amemiya  
Keith "Kika" G. Bukoski  
Wilbert C.F. Chee  
Odetta Fujimori  
Edward Hasegawa  
Michael Iosua  
Scot Long  
Ross Yamasaki

Staff

Scott L. Chan	Charles Vitale
Lois Manin	Liane Nakagawa
Russell Uchida	Ivan Nishimura
Stephen Lee	

Others:

Randall Nishiyama, Deputy Attorney General (AG)  
Douglas Murdock, Comptroller  
Audrey Hidano, Deputy Comptroller  
Ross Tsukenjo, Deputy Chief of Staff (Office of the Lt. Governor)  
John McNamara, University of Hawaii Athletics (UH)  
Davy Murayama, Centerplate  
Krysti Peacock, Centerplate  
Glen Higa, Aloha Sports Properties  
Chris Kinimaka, Department of Accounting & General Services (DAGS)  
David DePonte, Department of Accounting & General Services (DAGS)

Franz Krintz – City & County of Honolulu, Department of Planning & Permitting (DPP)  
Harrison Rue – City & County of Honolulu, Department of Planning & Permitting (DPP)  
Brennon Morioka – Honolulu Authority for Rapid Transportation  
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.

II. PUBLIC TESTIMONY

None

III. APPROVAL OF MINUTES

A. Approval of Minutes of the August 20, 2015 Regular Session, Executive Session, and August 26, 2015 (Resumption of August 20, 2015 Executive Session).

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

Discussion

- Correction made by Chair Toguchi on page 4, paragraph 3, line 1: Delete Chair and add Member Bukoski.
- Chair Toguchi noted on page 13, New Business A. Stadium Manager's Evaluation: He said no vote was taken on the motion made. Deputy Attorney General Randall Nishiyama said in order to vote on it today, the Chair can amend the agenda to include this item, or add it to the agenda at the next meeting.

THE MOTION WAS UNANIMOUSLY CARRIED AS CORRECTED (with the exception of Members Chee, Fujimori and Iosua who were absent from meeting).

With the approval of the Board, the chair added the following agenda items to the "Approval of Events" (a. and b.) and to "Old Business" (c.):

- a. Loren Mori's Crafts & Gift Fair
- b. United States Soccer Federation application for use of facilities.
- c. Vote on the Evaluation of the Stadium Manager

2. A MOTION WAS MADE BY MEMBER HASEGAWA AND SECONDED BY MEMBER AMEMIYA TO ACCEPT THE MINUTES OF THE EXECUTIVE SESSION.

Discussion

- The Chair corrected page 6, paragraph 5, last sentence to read: "The Chair said that is what we are discussing right now."
- The Chair corrected, page 6, under "Discussion by Board" No. 3, second sentence, delete "blank for the." Sentence should read "The current discussion concerns the overall evaluation."
- The Chair corrected, page 7, No. 7, paragraph 2, by replacing "he is still in favor of" to "he is recommending switching to a "4."

THE MOTION WAS UNANIMOUSLY CARRIED (with the exception of Members Chee, Fujimori and Iosua who were absent from meeting).

3. A MOTION WAS MADE BY MEMBER CHEE AND SECONDED BY MEMBER YAMASAKI TO ACCEPT THE MINUTES OF THE AUGUST 26, 2015 EXECUTIVE SESSION (RESUMPTION OF AUGUST 20, 2015 EXECUTIVE SESSION).

Discussion

- Chair made a correction on page 23 to the first paragraph after bullet No. 4, second line, by replacing "for the committee" with "as a committee."
- Chair made a correction on page 31, to the first line of the fifth paragraph after No. 5, to read "DLNR chair."
- Chair made a correction on page 32, paragraph 5 to read, "...the chair of DLNR..."
- Member Chee made a correction on page 25, bullet No. 4, paragraph 2, to replace "authorizing" with "suggesting."

IV. MONTHLY REPORTS

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

1. The Chair announced that as part of the Lt. Governor's (LG) sports development initiative, the LG has been coordinating with Mark Roling (of

NBC Sports) a trip to Houston to look at several facilities that were recently developed. Along with other individuals from the sports industry and the Legislature, the LG has also invited the Chair and Manager Chan to join them. Member Amemiya, while on his own trip, will also be joining the group in Houston. During this trip, the Chair said they will have the opportunity to visit many facilities, including a football stadium, basketball arena, a soccer stadium, etc. They will also learn how these facilities were financed and look at what the Sports Commission is doing in Houston. We will be meeting with top management of different facilities. The Chair said this will be part of an ongoing look at various facilities as we move forward with our initiative. Upon our return, we will report our experience back to the Board.

Member Fujimori expressed concern because the purpose is to look at other stadiums and our intent is to hopefully build a new stadium; and her understanding is that the LG is going with the Sports Advisory Commission who supposedly is replacing the Stadium Authority at some point in time.

The Chair responded that Member Fujimori raised some good questions. He said we wanted this to be transparent, and at least inform the Board that we are going on this trip. Just want to be sure we understand what is being discussed and proposed so we can properly represent and support the Board's position.

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

##### 1. Fiscal

Manager Chan asked Mr. Uchida to present a budget report.

Mr. Uchida referred to the Revenues Over (Under) Expenses (June 2015) report that was provided to the Board. The stadium ended the year at relatively the same level as June, 2014. Revenues were \$6.9 million with expenditures at \$6.87 million for 2015. This report is done on a cash basis, so revenues and expenses are based on revenues being recognized when received and expenses are recognized when paid.

A couple of noteworthy items in the revenue section:

- Parking went down approximately \$60,000 which is attributed to the absence of the Pro Bowl in 2015.
- Rent increased by \$60,000 which is attributed to rental income from the skybox, and six months of rental income from Nan Inc.

On the expenditure side:

- Services on a fee increased by approximately \$100,000, attributed primarily to the security services contract that came up for bid, was awarded, and became effective August 1, 2014. The increase in the hourly rates from the old contract to the new contract accounts for part of the increase.
- Miscellaneous expenses increased by approximately \$90,000, attributed to Workers Compensation settlements that we had to pay out for part-time intermittent employees, as well as some furniture purchases.

To sum up our June 2015 report, on a cash basis, we ended the year in the black at \$27,035.

The Chair said, for the Board's benefit, more details of Mr. Uchida's report are noted on the back of the report.

## 2. Events

- We had a very successful opening for the 2015 football season and want to congratulate UH for winning their first two games. Having to deal with a week day first game and contending with the afternoon traffic (and inclement weather), we were prepared -- and the event went smoothly.
- We are currently looking at potentially two major events; one is a concert in March 2016; and the other a soccer event which Mr. Lee will introduce under the "Approval of Events." These are excellent events to bring to Hawaii and I am hoping we can reach a mutual agreement with both clients.

## 3. Capital Improvements Projects (CIP)

We have basically completed the majority of work in Phase III. The only work that is being extended throughout the season is the work underneath the bleachers to address some of the tracking and machinery that were used to mobilize/demobilize the stands as they were moved into different configurations; and to address the water accumulating in certain areas of the facility by constructing a water drain around the facility; currently, work is being done on the mauka end.

## 4. Field Turf Replacement - We are working with our consultant to discuss the criteria, evaluate the current conditions of our field and what the expectations will be for the 2017 installation.

5. Electronic and Communication Master Plan System

We are working with Scientel (consultant) and reviewing their draft document. The master plan will help guide our decision for the future. We are working with David DePonte of DAGS and are hoping to sit down and review the details.

6. Sales & Marketing Report (Samantha Spain)

- Our main focus this month was on the kick-off of the first UH football game and celebrating the stadium's 40<sup>th</sup> Anniversary. The tabloid that was passed out to the Board was included in the Star-Advertiser the Wednesday before the September 3<sup>rd</sup> game to kick-off everything.
- We also received good press coverage and scheduled Deputy Manin on every TV and radio station possible, to promote a week day game (Thursday). We did the same for the second game, and will continue a good public relations campaign through the remainder of the season.
- We also kicked off our free entertainment in the north and south plazas and the fans have been receptive -- enjoying live music before the games. We also started smaller bands in the volcano area which seems to be doing very well.

Manager Chan commended Ms. Spain on her ongoing efforts to promote our facility. She was able to work with some of our advertising sponsors and Glen Higa, our advertising agent to cover most of the additional cost to celebrate the stadium's 40<sup>th</sup> Anniversary.

C. Approval of Events (Stephen Lee)

1. Lauren Mori

dba 808 Craft and Gift Fairs

Bus Lot

November 9, 2015 and December 14, 2015 (Tuesday)

Mr. Lee said management is recommending approval of these events. He stated Ms. Mori has had two events at Aloha Stadium and was requested to appear before the Board when requesting additional dates. She is here to answer questions and provide an update of her past events.

Manager Chan said he had a chance to meet with Ms. Mori. She has had several events this year that were very successful and I think by working with the swap meet contractor, we have found her to be cooperative and working within the guidelines; this was a previous concern by the Board. I think it's a great event that she brings to the stadium.

Ms. Mori reported,

- For August, 590 vehicles came through (approximately 2,500 customers). There were 69 vendors (15 food vendors).
- For September, 320 vehicles came through (approximately 1,000 customers) 5% were visitors and 59 vendors (13 food vendors).
- She believes the count was down in September because it was the Labor Day weekend. This occurs with her other craft fairs whenever it falls on a holiday weekend business is slow.
- They have done a lot more advertising; and they have a contest going on with posters at different businesses and also on Facebook.

Member Chee inquired, how does the rent for this crafts fair compare with the rent that the vendors at the swap meet pay. Manager Chan said it falls under the category of a fair event; she is only paying for the use of the parking lot. Mr. Lee confirmed that the rental cost for the parking lot is \$750.

A MOTION WAS MADE BY MEMBER FUJIMORI AND SECONDED BY MEMBER HASEGAWA TO APPROVE THE EVENTS. THE MOTION WAS UNANIMOUSLY CARRIED.

2. United States (US) Soccer Federation, Inc.  
Women's National Soccer Victory Tour  
December 6, 2015

Mr. Lee reported, currently the Hawaii Tourism Authority (HTA), stadium management and US Soccer are working on the details of the event. One of the criteria in bringing the event to Hawaii was for the stadium to waive the rental fee. They are requesting: 1) Approval of the Date, and 2) Waiver of the rental fee.

A MOTION WAS MADE BY MEMBER YAMASAKI AND SECONDED BY MEMBER IOSUA TO APPROVE THE EVENT AND WAIVE THE RENTAL FEE.

Discussion: (Refer to Exhibit B)

THE MOTION WAS UNANIMOUSLY CARRIED.

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

Mr. McNamara said he echoes Manager Chan's comments about the first two UH games. Having a Thursday contest and their contest with UC Davis, they were faced with some extraordinary circumstances. He said they overcame some big hurdles, and stadium came through for them (thanks to Scott, Lois and Stephen) -- helping us to get the messaging out, which was phenomenal. The feedback they received from the fans in terms of the different starting times and some other different circumstances could have been negative from a public relations standpoint, but they received very little feedback in regards to those circumstances. It was due to a lot of folks working together. He also thanked Roger Reeves and Davy Murayama for working out a win-win situation on the Under Armour merchandise agreement. He also thanked Glen Higa of Aloha Sports Properties for his assistance.

They had a great student crowd at the last game and have been working aggressively with the Manoa Maniacs Committee to make sure they maintain that. They are keeping the students engaged by providing the free buses, and all sorts of great giveaways for them and making sure that as we come up to the homecoming game, we will be filling up those student section seats to make it a great atmosphere. On top of that there are some really aggressive ticket promotions and discounts for homecoming.

E. Swap Meet Month Report: Centerplate

- Total August Attendance increased 3%
- Total Stall Count decreased -1%
- D,E,F, rows stall count increased 4%
- A,B,C, rows stall count decreased -13%

Davy Murayama reported attendance on the daily average did not do well and he was kind of surprised that it's only a negative 5% because last month they had some hurricanes and that normally it would have had a greater impact. For the vendor attendance, the DEF rows did have an increase of 4%, but realistically when you take the average daily it is down about 3%.

Marketing (Krysti Peacock)

- They have been revising their ads and just updated their brochure that has a new look. They will be printing them and will start sending them out to the concierge desks, along with complimentary admission tickets;



and they will also start sending notifications of their holiday schedule - the extended 10-day opening before Christmas. They will also be reminding them of the closures during the UH games.

Manager asked Ms. Peacock if she can explain the conversations they are having with some of the bus companies.

Ms. Peacock said for some time now, they have been working with several tour groups on the possibility of them shuttling customers to the swap meet. They were working with VIP Transportation for a while on a free shuttle from Pearl Harbor to the swap meet but discontinued it when the numbers were low. They are now revisiting that option and hope to start it up again within a month. They are currently communicating with Roberts Hawaii, (who also works with small tour companies) to get the word out that they are interested in working with these tour companies to bring more people in the swap meet.

Member Fujimori inquired what has been the impact on the reconfiguration because she noticed the daily average vendor count is a negative 19%. Mr. Murayama said that 19% reflects the ABC rows (the garage sales vendors). This occurred during the hurricanes and the vendors do not show up when it's raining. With reference to the reconfiguration, they have not been receiving any comments. Mr. Murayama said he does go to the concessions and their sales are higher than before, so he is not sure how it is affecting the vendors. When they walk through the vendor areas, no one is making any comments. They do walk past the vendor areas but no comments are being made. If they begin to look for different stalls then it is a sign that something might be going on in that area.

Manager Chan said please know that the decisions we make are to benefit everyone that we serve, and although they were not pleased with the changes made earlier, it was done in their best interest. Since then, we have gone back to the original set-up. By dividing the route, there are some challenges where the buyers now have to make the decision on whether they continue on, or detour into the plaza area. However, we are looking at ways to make sure we are accommodating everyone that we represent, not only vendors, but also our food and beverage concessionaire.

D. Aloha Sports Properties Monthly Report (Glen Higa)

- We have two games/two wins behind us so we are looking for an increase in attendance when the football team returns in October for homecoming.
- In the meantime, we are seeing some great reactions from the crowd for our video board activities (i.e. the kiss cam, the bongo cam and we salute the military at every game). Receiving a lot of positive feedback from the crowd.
- We want to thank Ivan Nishimura and his video board staff – they’ve done a great job of managing everything I’ve sent to them during the week. We will continue doing that and hopefully it will keep creating a better fan experience.

(Break at 11:27 a.m.)

V. EXECUTIVE SESSION

- A. At 11:30 a.m., A MOTION WAS MADE BY MEMBER HASEGAWA AND SECONDED BY MEMBER YAMASAKI TO GO INTO EXECUTIVE SESSION TO CONSULT WITH THE BOARD’S ATTORNEY ON QUESTIONS OR ISSUES REGARDING THE BOARD’S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES PURSUANT TO SECTION 92-5 (A) (4), HAWAII REVISED STATUTES, REGARDING THE STADIUM OPERATIONAL ISSUES. THE MOTION WAS UNANIMOUSLY CARRIED.

The meeting reconvened at 11:58 a.m.

VI. UNFINISHED BUSINESS

A. Stadium Manager’s Evaluation

A MOTION WAS MADE BY MEMBER HASEGAWA AND SECONDED BY MEMBER FUJIMORI TO APPROVE THE EVALUATION OF THE STADIUM MANAGER, INCLUDING A CHANGE TO THE SECTION REGARDING “EMPLOYEE APPRAISALS” FROM A RATING OF THREE (3) TO A FOUR (4).

Discussion:

The Chair said this subject was discussed at the previous meeting, with a motion and a second, but a vote was not taken. We therefore placed it on the agenda for action at this meeting.

THE MOTION WAS UNANIMOUSLY CARRIED.

B. Optimization Committee Report/Discussion (Wil Chee)

Member Chee stated, since the August 20, 2015, Board meeting the Optimization Committee (OC) has met a number of times (August 25 and 26). As a committee, they met with Lt. Governor Shan Tsutsui (LG) on August 27 and September 7, and subsequently, amongst ourselves, we had a couple of meetings on September 3 and 10 to discuss various issues and then we attended a meeting on September 18 with the Transit-Oriented Development (TOD) staff at the City. During this period, a number of key issues came up, mostly related to TOD. Essentially they reflect the advance formulation of leading up to the Request for Proposal (RFP) and the assumptions that we would have going forward.

At this point, Member Chee said it is important to reiterate the function of the OC. That would be primarily to deal with specific issues of HART, TOD, the vision for the Request for Proposal (RFP) document, working with the consultant and formulating an RFP document.

Member Chee said he can go very quickly through the content of the LG meetings because he has made some very important points that are going to be reflected in the assumptions that the committee will want to discuss and recommend for the Board in general:

- In both meetings, the LG made a point of the construction of a full stadium (in the context of \$200.0 million) as a procurement would be very difficult to support and pass in the Legislature; but rather than do that he thought that a series of smaller appropriations (in the \$50.0 million range) in a phased redevelopment strategy of the stadium would be more practicable and doable approach.
- We also discussed with the LG the possibility that was posed to us by our consultant, Irwin Rajj, that additional funds may be forthcoming from a developer and he thought that would be a helpful thing to have to augment whatever they are able to get from the Legislature.
- The LG also discussed the sports advisory committee that will be established; the structure of it would be much like the HTA and funding would come from the tourism tax. We would have funding for the Stadium Authority for staffing and those kinds of things through that vehicle.
- Funding for any new stadium facility would be done through general obligation bonding – that would be their preference.

- The ancillary parking would be done through revenue bonds which do not at all influence or impinge on the general obligation bonding capacity of the State.
- We also discussed the possibility of tax increment financing or a special business improvement district funding, but those would be issues that require Legislative action, so that in itself might be something that would deserve further discussion if we go in that direction.
- One last item that the LG brought up in both meetings was the spectra of him asking the Governor to remind President Obama that he promised the Democratic Governors (this is all in reference to lifting of the Federal Deed Restriction) that the President can do things to support the Democratic Governors as long as they don't require an Act of Congress.
- Aside from the related issues, we will have Member Yamasaki do his presentation. With respect to the committee and the assignments and meeting with HART, we have nothing of substance to report at this time. We have not conducted any meetings with HART in this period.

Some of the other issues discussed were related to the evaluation committee for the RFP and those discussions were fairly extensive and maybe we can report on those at a later date.

#### Report on TOD (Ross Yamasaki)

Member Yamasaki said there is a lot of activity going relative to TOD. With regard to the concerns of the Board to task, relative to alignment on their endeavor with ours in the redevelopment, they have been very cooperative in working with and addressing our issues, communications to the public, as well as alignment with some of the assumptions, relative to our investigative work with our consultant, looking at development opportunities, (everything from financing to mixed use composition), and they have been addressing that in their work and presentations as well. In short, they have been very cooperative and I want to take the opportunity to thank TOD for their partnership and cooperation; and, to this point, for the purposes of them moving on, we feel that they have been working with us to address the Board's concerns and we look forward to the continued relationship as we continue to develop them with their task and the Board with ours.

The Chair said they will have more discussion as we get into the presentation by TOD.

Member Chee said, moving forward between now and the next meeting, we would like to start addressing some of the assumptions that we would like to convey to our consultant with respect to the RFP, because I think we've touched enough on the issues that need to be in that RFP so that we can narrow down, those things that he

has to deal with in formulating the RFP. Member Yamasaki added, we can focus on working with the consultant in order to make a recommendation to the Board so the Board can move through the process.

C. Transit-Oriented Development (TOD) – Report/Discussion

Report by Franz Kraintz (City Department of Planning & Permitting)

Mr. Kraintz said he appreciates the kind remarks by Mr. Yamasaki and the good results of working with the OC, as well as the stadium staff.

Since the first workshop in March, 2015, for the Halawa Area TOD Plan, they have been working closely with staff, OC, as well as other groups, including stakeholders in preparing the three alternatives. They now feel ready to go out for the next public workshop which is scheduled for October 14, 2015, to be held here in the Hospitality Room. He displayed the flyer for that event, which will be distributed to the public within the next couple of weeks and mailings to property owners and residents within  $\frac{3}{4}$  mile of the rail station.

They are very proud and excited about the TOD Plan and process. As you are well aware, this station area is anchored by the Stadium. There are a lot of fundamental opportunities and characteristics. One is the conversions of the highways (a lot of visibility and accessibility). They talked about the high traffic generation created by the stadium events, swap meet, Pearl Harbor Visitor Center, as well as a number of other things. With the advent of rail, Mr. Kraintz feels they will see a real conversion of activity. It dovetails nicely with your discussion and with your efforts to move forward on what you can possibly do with your location and the stadium, because you are beginning to plan and we are as well.

The alternatives that they are discussing and putting out for the public are an attempt to inform, but limit you to possibilities through this effort. As mentioned, the amount of coordination/collaboration that they have undertaken, they had a community survey done in December about consumer preferences, residents' preferences, opinions, etc. He mentioned they had the workshop which they received a lot of feedback and input. They have met with the key stakeholders, not only the OC, as well as stadium staff, but also DAGS and the Navy, Highway DOT, and a number of other property owners. So they really feel like the alternatives are starting to shape up and that's why they feel ready to go to the public and unveil this to the public. They will be announcing the October 14, 2015 meeting to two neighborhood boards that represent this area (#18 – Aliamanu/Salt Lake and #20 – Aiea).

Alternatives. The three alternatives do represent the principles of TOD, i.e., mixed use, high-density walkable neighborhoods and mixed use we are talking about

whether it is residential, retail, commercial, office, institutional – the idea is to create more of a full activity (day and night activity).

TOD is looking at taking advantage of the potential that this area has. He said he mentioned residential and office uses – it evens out the attraction for people who are here in this area, not just on game days or swap meet events, but at least Monday – Sunday through most part of the day, whether they come here to work, live, then the stadium is part of the anchor. Within those alternatives they talk about gathering places – places for the community in addition to what is already there; so again these are very fundamental types of TOD things and he think you'll be pleased.

He hopes everyone can attend the workshop and also the TOD planning advisory meeting the night before at the Aiea Library.

The stadium is the big player in the neighborhood, they realize that. This is the chance for the rest of the community to provide their input and give their feedback on that and it will also give them some options to make better decisions for improvements when the time comes.

The Chair asked Mr. Krintz if he will be able to make some kind of opening statement at the workshop to make the people in attendance, aware that what they will be presenting is not the stadium's plan. The Chair also asked if he would be able to make that distinction as to what Member Yamasaki was talking about us working together so there is no confusion – because it may come off that this is "the stadium." Mr. Krintz said he thinks they have to make that distinction. The Chair said we are working on what this area will look like; and we are working with you so that we are not so far apart when we have to get together at the end. We appreciate all what you folks are doing (i.e. working with us and all that).

Mr. Rue assured the Chair that they will do the presentation like the last workshop where they had Irwin Rajj (Foley & Lardner) stand up first and talk about the stadium and then they will do their part and essentially present the same thing. Mr. Rue said they have it carefully crafted/rehearsed with Ms. Kinimaka and Manager Chan and walk through it. He said people will have to hear it two or three times before they get it – so they will be saying the same thing.

Member Fujimori asked Mr. Krintz to please define the public spaces surrounding the Aloha Stadium rail station that is shown on their flyer. Mr. Krintz said:

- Outside the stadium are usually plazas, gathering places for large crowds, spaces with public art, hall of fame – adjacent to the stadium (outside) not too far away.

- Mr. Rue added, within the three alternatives, they are showing potentially different locations where that might be. He said one of the things that they have learned in nine years of doing TOD planning with other neighborhoods along the corridor, is that when they are proposing all this dense development (which is revenue for the stadium) people are willing to accept that near their neighborhoods if they also have gathering places and destinations for the community to come together.

In the case of other places it's been small urban parks; here, in looking at current needs like the swap meet and the craft fair, they recognize that there is probably a need for an additional smaller park, a need for a place for outdoor concerts and potentially other locations for fairs and event -- so the alternatives propose at least two or three different locations for those kinds of events. One of the options leaves some of the current parking spaces just for events like that and others propose different places for those kinds of places to gather.

Member Fujimori inquired if the public spaces would be in the parking area of the stadium. Mr. Rue said it could be small or large parks – basically a gathering space for people. We do show what people have done at other stadiums and there are places with pavement or tile, and some areas have green grass. There is a range of different things.

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

Brennon Morioka introduced Ms. Scanlon (Head of Planning Group); Chris Takashige, (Head of Design/Construction Group), and Karley Halsted (Project Manager for Farrington Hwy. Guideway and Interim Project Manager for Kamehameha Hwy. Guideway).

Mr. Morioka announced that Ms. Scanlon will be leaving HART and returning to San Francisco. She will attend her last meeting at the stadium in October. He said they will be losing a big part of their team.

Mr. Morioka reported the status on the following topics:

- They had a meeting on September 18, 2015 with the City, Stadium, Highways-Department of Transportation re: Halawa TOD Plan. They discussed specifically about both the airport station with DOT, and also the Aloha Stadium station. The stadium and HART will be providing additional comments to the City.
- MOU Traffic Study- HART resubmitted to the stadium an updated scope of work because they are trying to extend their study. Originally they were not going to look around the entire stadium, but they feel having a

better look at a regional perspective, not only helps HART, but helps the stadium as a part of your optimization review as well.

They will be doing traffic counts or traffic studies at eight (8) different locations or intersections. Initially they will do some manual counts; then by the last two games, they will have actual traffic counters set in place on a 24-hour basis (to get a true view of what a daily cycle looks like). Then they will start focusing on what the intersection will look like -- in terms of building what the current baseline is.

- Status of Guideway Construction Activities for the Kamehameha Lot and Primary Lot contracts.
- Status of Guideway Construction Activities

Kamehameha Lot

Foundations completed.

Columns start 1<sup>st</sup> quarter of 2016

Guideway erection starts 2<sup>nd</sup> quarter of 2016

Primary Lot

Foundations start 2<sup>nd</sup> quarter of 2016

Columns start 3<sup>rd</sup> quarter of 2016

Guideway erection start 3<sup>rd</sup> quarter of 2016

- Status of Station Construction Activities

Mr. Morioka said HART will be providing the stadium with an initial draft of the “right-of-entry” for the construction of the station and the parking lot for the park-n-ride. They already have the right-of-entry for the guideway contract, but they still need the full construction right-of-entry for Kamehameha Lot

- Traffic Coordination and Other Mitigation

They understand things have gone pretty well relative to the UH football homes games. There were a couple of overflows that had to be moved from the Aiea Elementary School to the main lot. They will work with the events manager on some of those issues, and we will continue to work with the stadium staff on the maintenance of traffic in and around the stadium.

- Rail Operations Center (ROC)

80% Complete



Mr. Morioka said next month they will talk about some of the activities that will be happening on Kamehameha Hwy, fronting the stadium as you make the turn into Dixie Grill because Kiewit will start doing some level activities in preparation for their work at the end of the year. They will give a little briefing because now they will start to have a little more direct impact to the stadium operations and they want to make sure they are coordinating its activities. They know there are some issues with some of the construction. They know with NAN, Inc. there have been some instances that have required some emergency closures of the road, some of which NAN Inc. is actually doing work on behalf of other entities and it is not necessarily their work that has created some of the issues, which HART is trying to help out the situation in some instances.

Member Chee asked Mr. Morioka, "Has there been any more discussion with DOT with respect to Salt Lake Blvd. (i.e. the crossing or the closure)?"

Mr. Morioka said nothing specific or meaningful because what DOT wants to wait for is the study and more specifically at the three (3) locations. Once they get the traffic counts and have a true indicator of what the daily traffic is for a few days, (taken over a couple of weeks) then they can do a very high-level simulated model of what it might look like on current baseline conditions if we were to close it right now ( and see what happens to the intersections); and on top of that (sometime in the future) once you have the basic model down, you can throw on additional traffic from Ford Island and the different scenarios that you look at. You would take the three (3) different scenarios that the TOD Plan has, throw in those scenarios, and you will have an easier way to model once HART sets up the traffic counts and the initial model of the couple of intersections.

Member Chee asked Mr. Morioka, you say DOT is waiting for that?

Mr. Morioka said, yes, because HART is doing the counts, and will be doing the initial analysis. DOT wants to see what's going to happen before they chime in. Mr. Morioka said DOT has mentioned at some of our meetings that they are open to the conversation, but they want to see some HART data before they take any kind of position.

Member Chee asked for the timeline for the results.

Mr. Morioka said the overall traffic studies is after we are in operation for the rail line, but some of this can probably get done early 2016 (after they gather some of it) because he thinks the counts with the actual counters will be through the last two games, (in November). Member Chee asked "To get to the point where DOT can use it to give you some feedback?" Mr. Morioka said yes, -- probably early next year sometime.

Manager Chan asked Mr. Morioka if they are using the counts that the stadium provided from the previous seasons. He said yes, just as historical background and then they are doing additional observation and counts (they are doing some

visual tracking with some cameras, which will provide a wider area of collection with some historical info and current info from last year and some additional data they are collecting this year.) Manager Chan inquired, and Mr. Morioka confirmed that Kai Nani Kraut is the lead person for the traffic study.

The Chair said he is hopeful that this season they win a few key games so that the traffic studies will project if we have a good record.

Mr. Morioka said if you have a good season, you will probably have a better indicator of what game day type traffic might look like. They also have a lot of data from obviously the June Jones days.

Manager Chan said to the Chair that was his question because he wanted to make sure that in gathering the information from those events too -- because you are not going to get an actual reading from what they are getting now. He said he wanted them to incorporate the other.

Mr. Morioka just to make sure everyone gets a clear picture of how they use data; DOT will look at the event day data to see what kind of other temporary traffic control measures would be necessary on an event day; but what they are really interested in is the 24-hour traffic count that we will be taking because they want to know what the baseline is on the average everyday basis, peak-hours in the morning and afternoon. That is how they are going to look at HART's evaluation for sizing of an intersection -- it will be on baseline conditions, not specifically on game days, but the game day information will help to understand what kind of circumstances you need to be accommodated.

Member Yamasaki inquired, about an article that appeared in the newspaper a few weeks ago that HART is considering extending the first phase and the stadium might not be the last station - is there any impact as to what we should be talking about in that regard?

Mr. Morioka said what Mr. Yamasaki is asking, is that our original plans contemplated an interim opening (we are building 20 miles, but we wanted to open the first 10-miles, because it would be ready for operations while we continue to build the remaining 10 miles to complete the full system). Our Board and the City Council have asked us to reevaluate what other interim openings might mean. We are currently looking into that and will be reporting to our Board at their October 15, 2015 meeting. Mr. Morioka said this does not affect construction schedules because that's a part of our current contracts and not really part of our future contracts.

## VII. NEW BUSINESS

### A. Contribution to the University of Hawaii Athletic Program – Discussion/Action

Member Long stated, there is \$150,000 that has been sitting, pending the Board's approval, that we can give to the UH. It would be my recommendation that we present it to them at the next homecoming game.

Manager Chan added to Member Long's comment that this is the arrangement we had regarding the field naming rights. It was to subsidize part of the UH's travelling expenses. We are looking for guidance from the Board to determine the amount and when it would be appropriate to present.

The Chair said the net share amount to us from the naming rights for the Hawaiian Airlines Field was \$1.5 million, and at the time it was put together, the proposed intention was to replace the field turf and that 10% of that \$1.5 million was to go to the UH to help them with their travel cost. Discussions have taken place with UH, as well as the Board and we are now at the point where Member Long is suggesting that the Board consider giving the UH the money that we have that was actually directed for the UH anyway, so we just want to live up to that commitment.

**A MOTION WAS MADE BY MEMBER LONG AND SECONDED BY MEMBER IOSUA TO DONATE \$150,000 TO THE UNIVERSITY OF HAWAII, TO BE PRESENTED AT THE HOMECOMING GAME OF OCTOBER 10, 2015.**

#### Discussion:

Member Chee said he was with the understanding that it was already decided that it would go to UH and it was not a discretionary matter. The Chair responded, "We don't have any arrangements with the UH." Manager Chan said that was at the discretion of the Board (the way it was presented). It was considered to be a part of the arrangement to support the UH athletic program.

The Chair said he thinks recently when they went to Ohio State, it was mentioned in the paper that they kind of limited a number of people that travel because of cost considerations, so I think this would be very helpful.

Member Iosua said he wanted to express his support for the subsidy...I think UH is an important partner for the stadium and they are in a situation where a subsidy of this nature would help them considerably. UH subsidizes all the teams that come to Hawaii to play them and then when they fly back.

The chair asked for discussion on who (beyond the Board) should be making the presentation.

Member Amemiya suggested that those details could be worked out by the Chair and Manager Chan. He said he thinks everyone approves of it and the point was to just have it officially on today's agenda.

THE MOTION WAS UNANIMOUSLY CARRIED.

B. State Procurement Office (SPO) Request for Proposal (RFP) Evaluation Committee – Discussion/Action

The Chair said due to questions on this matter, he requested Ms. Kinimaki to do a little research and assist the Board with some discussion on where we are and what we are doing with the proposed RFP.

Report by Chris Kinimaka (Refer to Exhibit C)

C. Parameters for the Sunshine Law – Discussion

Deputy Attorney General Randall Nishiyama informed the Board he will provide a report on the "Guide to the Sunshine Law," which the Board received in their packets. He said he will hit the high points of the law. ( Refer to **Exhibit D**).

The Chair expressed appreciation for the information provided by Mr. Nishiyama because the issues have come up many times in our meetings. He encouraged the Board to review the information that he has provided.

D. Administrative Rules

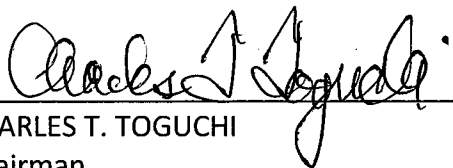
Manager Chan reported that we are now moving forward with the Public Hearing for the Amendments to the Administrative Rules (recommendations that we are making to increase rental fees and parking fees). This will be the next step and we have been granted the approval to have the hearing on October 21, 2015, at 6:30 p.m. and the Hospitality Room. You are welcome to attend. It will only be necessary for the Chair to attend, or in his absence, he could appoint someone to conduct the hearing for him. It will basically involve receiving testimony from the public with reference to the proposed amendments.

VII. NEXT MEETING

October 29, 2015

VIII. ADJOURNMENT

A MOTION WAS MADE BY MEMBER AMEMIYA AND SECONDED BY MEMBER YAMASAKI TO ADJOURN THE MEETING AT 1:40 P.M. THE MOTION WAS UNANIMOUSLY CARRIED.

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

Recorded by: Diana C. Ho

Date: October 29, 2015

## Stadium Authority Board Meeting Sign-In Sheet (please print)

Event Date: September 24, 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
Lauren Nori	808 Craft and Gift Affairs	479 5535	808 Craft and Gift Affairs @ gmail.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			

Kristi Pearce	MMAA	295-7197	kristi.movice@hawaii-rr.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			

David DePonte	DAGS PWD	586-0492	david.c.depontehawaii.gov
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			

Glen Hige	Asst	348-2767	glen.hige@outfrontmediz.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			

FRANZ KRANTZ	DPP	768-8046	frantz@hondalulu.gov
Are you providing public testimony? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No    If "Yes": <input type="checkbox"/> Beginning <input checked="" type="checkbox"/> Will Follow Agenda			

Harrison Rue	DIP/TOD	768-8000	hrue@hondalulu.gov
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			

Euzabeta			
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			

Bonnie Marie			
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			

CHNS Takahira			
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			

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			

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			

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			

## EXHIBIT B

### Approval of Events – U.S. Women’s National Soccer Victory Tour

#### Discussion

(Note: Initials will be used for all individuals in this discussion)

Member Bukoski (KB) – #1 What is the reason for the waiver of rental fees and is it in our rules to allow the waiver? #2 What is the benefit to the Hawaii Tourism Authority (HTA)?

Manager Chan (SC) response to #1 -- The Hawaii Administrative Rules (HAR) provides the Board with the option to waive rent. Russell Uchida (RU) -- Hawaii Administrative Rules (HAR) 3-7-11 G. Provides waiver of rent in whole and in part for international and national events.

#### (RU) Response to #2

(RU) It is HTA’s purpose and mission to bring events to Hawaii.

(KB) #1 Is there any benefit to the stadium aside from the rental fee? #2 They are not asking to waive everything? #3 What would the rental be? #4 Could the out-of-pocket expenses be on the table? #5 Did they indicate what the anticipated attendance might be?

(SC) Response to #1, #2, #3 -- The event creates other revenue opportunities -- concession and parking. They are asking to waive the entire rental fee. The rental fee would be 10% of ticket sales, or \$2,000 per event, whichever is greater.

Stephen Lee (SL) – Response to #4 – HTA would be paying for the out-of-pocket expenses.

(RU) – Response to #5 - They mentioned 25,000 to 30,000

Member Amemiya (KA) #1 When does a decision have to be made?

(SL) - Mr. Lee said they would like to make an announcement as to the venue they are using and they are also requesting an approval of the date and the waiver of rent before making their final decision.

(KA) Expressed the licensee is putting the Board in a tough position and they are not present, nor is the HTA present to answer any questions. He is also uncomfortable that the Board is being asked to make a decision right now, although he is not against the event.

(RU) said financially, we stand to gain roughly a little over \$100,000, from food and beverage and parking.

(SC) –In order to adequately promote this event he feels they need as much lead time as possible. Knowing what we can generate and having HTA support this event financially, it is a good indication that this is a bona fide event.

(KA) Expressed as Authority members they have a duty to fulfill and we are talking about big money and the licensee stands to do well from this event, according to the projections. He needs more information as to when has rent been waived and under what circumstances.

Michael Iosua (MI) – Expressed similar concerns as (KA), but also inquired about past soccer events, and the results of that event. He also feels this event would spark a lot of interest coming off the national team’s success, but feels that the Board needs more information.

(SC) In answer to (MI), the Pan Pacific Soccer Tournament was the last soccer event played at the stadium for several days in the football configuration. Attendance was approximately 11,000 per event.

Chair Charles Toguchi (CT) - Can we elaborate more on the time frame that we are working with? What would happen if we delay this to the next meeting?

(SL) We will probably lose the event if we move our decision to the next Board meeting. We can reach the licensee by phone if the Board wishes.

Member Long (SLong) - What is the manager’s recommendation?

(SC) This event would be huge for Hawaii and we should make every effort to bring it here. We would hate to lose this opportunity.

(CT) – Inquired -From what other events have we waived the rent?

(SL) Responded: We have waived rental fees for UH and Pro Bowl.

(SLong) - To make sure we are consistent, if we can use some of the backdrop of waiving rent in the past, I think it makes it easier for us.

Member Chee (WC) – Stated he doesn’t think if the Board delays its decision that it is going to help the situation. He asked (RU) to explain the estimated revenues of \$100,000 from concessions and parking.



(RU) - In arriving at those figures (as a basis for comparison), revenues from a UH game were used. Soccer's revenue would be based on a \$35 ticket range at whatever they project their attendance to be, so we are giving up perhaps about \$90,000. (WC) said that is a big number. (RU) said it is, but at the same time when we look at it from a management perspective (based on the number of events of this magnitude that come here -- and if we sit at the table and grind through negotiations), they may say "thanks, we'll see you later." (WC) – Am I correct in the assumption that we are doing this as a promotion to assist with the upside future of being able to attract this event to the stadium? Mr. Uchida said yes, the opportunity of having them return the following year.

(MI) - Noted this is similar to the Pro Bowl -- if they return, they are probably going to expect the same thing, but you still have to bear in mind the \$100,000 from food and beverage and parking. Therefore on the whole, if the stadium is going to be sitting empty and we're not making any money, it's better to have the event; but if it's going to cost us out-of-pocket expenses and we're making \$100,000 then it may not be worth it. Although, personally, he thinks it is a good event, there is a strong interest in soccer, and it is a sport that is moving up and up in high school and college etc.

(SC) - Told MI, he appreciates his comments and said, "We struggle to attract major events, so he feels when we have an opportunity like this, we should make every effort to secure the event."

(SLong) - The Stadium Manager is authorized by the Board to negotiate these contracts and he lives the contracts and he lives the business day-to-day. We always have another bite at the apple if things do not proceed accordingly - so it's going to be like and over and under when we look at events. If he is recommending, Chair, I think that's what we hired him to do.

(short break for the UH Report)

(SLong) – Stated to the Chair that members of the Board lobbied to get more flexibility so that we can attract and make it easier for vendors to bring in events to our venue. In line with that, we trust the Stadium Manager, who has a long history here; but again when we set parameters and we're questioning what's going to be consistent -- there is nothing there. He asked the Chair, why are we not leaning to what the Manager has to say? If we don't like the structure and we are not into giving free rent, then let's build a policy that we don't do it -- I'm okay with that.

Member Yamasaki (RY) Asked if we are competing with out-of-state venues and is this tour like an exhibition?

(SL) - Replied his understanding is that it is going to be with international teams.

(CT) – Stated that the opportunity for this event developed recently. He pointed out to the Board that if we delay our decision to the next board meeting (October), this event is in December. The time is very short to promote a big event like this. We have had similar challenges before and I think we had a long discussion about concerts and what kind of flexibility should we give the Manager, i.e.:

- We hire the manager.
- We delegate to him certain responsibilities.
- He is charged to run the stadium operations.

The board is supposed to be doing the policies; so this is kind of a gray area where I think as a Board we have to decide whether we are willing to give the Stadium Manager some flexibility so that he can, on behalf of the Board, take timely action so we don't lose certain opportunities. I just wanted to emphasize that, it is something we should think about.

Member Fujimori (OF) – Expressed excitement for this event and stated the opportunity for young women and parents to be able to observe a game like this is very exciting and she hopes that the Board supports the motion.

(KA) – Stated he is not against the event and thinks it's a great event and doesn't feel anyone here doesn't trust the manager's judgement; but he hopes the Chair and Manager Chan understand that the Board has a duty to represent everyone and we were not given a lot of information and a lot of questions are not answered. For the future, to the extent possible, he asked if the Board could get more information? He said he knows the timing/window was short, but you have to help the Board justify.

(SC) - We try to provide the Board with as much information as possible, but sometimes the situation is not within our control. We see it as an opportunity because we only have nine to ten (9-10) major events a year, and it would be great to add another to the list of major events.

The Chair said he just wanted to add another perspective to this. We are hopeful that the thousands of kids that play soccer in Hawaii will have the opportunity to come to the game. The stadium is for the young people of Hawaii. That is the other aspect which may not equate into too many additional dollars, but that is what the stadium is for.

(KB) - Expressed he is not opposed to the event – he thinks it is a great event. He said he is not sure when this opportunity came up, and he understands sometimes (like concerts) the window of opportunity is small, and sometimes we have to take advantage of those opportunities when they come, but he would be concerned with the fact that there is no one here from HTA to at least give us a pitch and he would hate to create a precedence or a perception that they can just not necessarily be concerned with our timeline and our process and giving us the ability to

review these events without having to make these kinds of rash/rush decisions. He said if he did have a concern that would be the only one because it could set a bad precedence for future or similar events where HTA feels that "hey," if we just push it through, it shouldn't be a problem. He suggested to Manager Chan in his future negotiations with HTA and this organization to stress to them if they could please to give us a little more lead time and more information; and maybe the courtesy of at least attending our meeting to explain what this event is about; what it means to Hawaii; what kind of revenue are they going to generate off of hotel rooms and transportation; what kind of future plans are they working with this Soccer Federation; and what kind of future events are they considering.

The Chair told Member Bukoski the points he raised are good points and we will certainly consider them if a situation like this comes up again.

**State Procurement Office (SPO)**

**Request for Proposal (RFP) Evaluation Committee**

**Report by Chris Kinimaka**

We have been working very closely with Foley & Lardner LLP, who was hired through the Attorney General's Office to be a special deputy to assist us with legal matters, specifically for the RFP process for the redevelopment of the whole site.

The contract included phases that started with researching what exists on the site and the criteria and parameters that would affect the future development -- all the way through the actual construction of any developments at the site. We are currently in Phase 5 in the process.

We have gone through data collection and reported on stakeholder interviews. We have also held workshops to obtain more information. We did go out with a Request for Information (RFI) to request information from any interested parties -- open to developers and the public to give us their ideas on what they thought could be produced at this site. We have a report from that RFI and we are now at the stage where we are ready to start creating the Request for Proposal (RFP) instrument for the proposed development of the site.

We had a lot of very constructive discussions with members from the SPO, the Department of Land and Resources (DLNR) to give us some background on the kinds of procurement processes are available to you and basically identified two directions (2 streams):

1. The 103D process, which is the Competitive Sealed Proposals (we call the RFP process).
2. The other was through Section 171, and that is through the DLNR process where you actually talk about a ground lease to the developer; then the developer carries through all the steps.

Because we started talking about the different types of possibilities on how we want to look at putting out the development and how we control the future management of the development, we identified that it makes more sense to try to tailor your efforts towards the 103D process. The reason for that is the Section 171 process looks like a wonderful miracle, or gives you a lot of latitude on moving forward with that instrument. The catch is, in those broad terms it says we shall ensure that you have an open and fair competition and we shall ensure that we shall have an

open process to do the selection – that is a double-edge sword when you are not sure what the process is.

If we follow the 103D process for the construction phase, that meets the Section 171 processes. It covers you in all avenues, and provides a solid framework for you to follow as your recipe to make sure you are clear from any kind of alternatives that you want to look at, and that is why we are saying through the 103D process it is very important to establish an Evaluation Committee and **the role of your Evaluation Committee will be to:**

Assist with developing the RFP instrument. They come up with criteria as an evaluation methodology for proposer. That instrument will also be your communication tool to ensure that you have open and fair competition. It will help you describe the limitations you want to create for the site. If there is absolutely something you do not want on the site to happen, that comes from your instrument. On the other hand, if you want to describe avenues for other concepts or processes, that is opened up through your instrument as well.

The most important thing we do in public disclosure through instrument is of the criteria. Your committee is going to help you develop the criteria and the evaluation methodology for receiving proposals and evaluating them by scoring proposals. They will start outlining the **process routes** as well:

- How do we want to go forward with the public?
- Do you want to do prequalification steps (and that's the recommendation we are receiving).
- When you prioritize prequalified participants, then only those prequalified participants can move to the next stage to actually develop a detailed proposal for you – that is the recommendation because this is a huge undertaking. It will be costly for the people who come forward for the proposals; and this gives you an alternative to narrow it down and get serious committed proposers and there is also a process to possibly provide stipends to these selected proposers. That will help them to develop their proposals to you to provide a better way of evaluating the proposals to select a viable alternative.
- The committee will conduct their reviews. It can be anything from just reviewing a paper proposal, all the way to having interviews with all of the proposers; and that is something that we recommend. We really want to understand who the proposers are.
- The recommendation comes from the evaluation of the committee members. They will evaluate the proposal individually, based on the criteria that were set in the

instrument that you advertise....and that is why it is very important to work very closely on the RFP. That recommendation comes up for final award, and I'm assuming that would come to the Board.

- Ms. Kinimaka said it sounds like a lot – it is; but our role, from the DAGS perspective, is to just help walk you through that process. The Committee will come up with details:

The big picture

- What your target range of option is.
- A criteria (DAGS will be here to help you actually write up that instrument, put it down to paper, advertise it, collect the proposals and help walk through the evaluation process)

**The Chair asked Ms. Kinimaka to cover a little about the committee.**

Ms. Kinimaka explained the Evaluation Committee does have some mandated requirements and that includes the membership shall have:

- At least three (3) government employees.
- Sufficient qualifications in areas of the goods, services, or construction to be procured.
- Private consultants are allowed to serve on the committee (their resumes should show that they bring value to the committee).
- Contract Administrator (CA) needs to be a member of the committee.
- The chairperson is also a member of that committee.
- Members of the committee are going to be required to sign an Attestation that says they have no personal business or other relationship that will influence their decisions in the evaluation process. They also agree not to disclose any information on the process to other than an employee of a government body. We actually say no discussions outside of the actual committee itself.
- Finally, they agree, upon completion of the process, their names will become public information once the contract is awarded. Ms. Kinimaka said once we enter into the Evaluation Committee efforts, everything will be confidential.

Ms. Kinimaka confirmed with the Chair that three government employees must be on the committee; and that Irwin Rajj can be on the committee.

The Chair requested that Ms. Kinimaka go over the Evaluation Committee list.

### **The Evaluation Committee List**

The Evaluation Committee must be approved by the Procurement Officer and on that list is where you:

1. Identify their qualifications.
2. You identify the government employees.
3. You also justify what the qualifications are for being on that committee.

Once that committee is approved, they are all voting members.

You can have advisory members in the committee, which does not necessarily have to be approved by the Procurement Officer. We look at them as advisors to provide information to the committee -- the background assistance. They do not vote; however they will also be held to the confidentiality requirements.

In answer to the Chair's question, Ms. Kinimaka said they are not considered members according to the procurement definition. The approved official members will be the only voting members.

The Chair inquired, if we go with five (5) or seven (7) voting members, is that the extent of a member. Ms. Kinimaka said that is correct. In the procurement rules it states the approved members are only the voting members. She advised keeping track of who your advisory members are because you want to ensure their confidentiality and make sure you are aware of what the process is and who is involved. But officially, it is just the voting members.

The Chair reviewed with Ms. Kinimaka the procedures for the selection of committee members. She advised that it is the prerogative of the Stadium Authority Chairperson to appoint the members. The Chair will then ask the Comptroller (as the Procurement Office) for his approval of the appointed committee members. The approved copy is then filed in the contract folder, which is confidential information. It is not public information. It is not disclosed until after the contract is awarded.

Important: It is not recommended that you share this list with other Board members because of the possibility and even the perception of undue influence of the committee members prior to the process and even throughout the process. That is very important and it also protects the members.

The Chair inquired, if it is five (5) or seven (7) members, plus advisors, we should think ahead, select the advisors, and submit their names to the Procurement Officer for approval. Ms. Kinimaka concurred, and said that list will be confidential until the contract is awarded to a developer. She added, should you go through the process and you decide that you are going to stop the process and not make an award, that information remains confidential. The Chair said he understood the procedure.

The Chair inquired, and Ms. Kinimaka confirmed that once the committee is selected and approved by the Comptroller (Procurement Officer), they (DAGS) will explain the process and walk the members through what they are looking for as task and responsibility.

The Chair said this is very important because if there is a challenge, a lot of times, almost without exception, it is on process and procedures.

Ms. Kinimaka said that once you get the approval for the evaluation members, you do have to get their Attestation on file, and that is basically an affidavit certifying terms and conditions of confidentiality. The Comptroller stated if it turns out to be a long process, we may require them re-sign the Attestation later as key decision points come up and make sure they are still in a no-conflict position.

The Chair asked for discussion/questions by the Board.

Member Bukoski inquired if we went with the 103D process, are you suggesting that process for the entire site?

Ms. Kinimaka said we are just making sure that the evaluation committee has the flexibility to determine where it applies and where it may not. We may want to do part of it as a Section 171 process; and you may want to just do part of it in the 103D process. If you follow the 103D process for the Section 171, you can't go wrong.

Member Bukoski, then if we do the 103D process for the entire site; and if we do procure the development of the entire site according to 103D, what process would we use for developing the site other than the stadium itself.

Ms. Kinimaka said that is what we talked about – that if you are going to divide the site, and do the non-stadium construction as a ground lease, that is a Section 171 process. She said she would have to work with the committee and talk about it if you are going out with two separate instruments.

Member Bukoski said his question is, can you use the 103D process to procure the construction of the remainder of the site, (other than the stadium), and if so, what process would you use?



Ms. Kinimaka replied, yes you can and you would verify that with procurement and DLNR. The reason is because the Section 171 process is so wide open – it just says you have to advertise fairly and ensure full competition, right? You have to have a process. It doesn't tell you what that process is.

Member Bukoski inquired, if you use the 103D process to procure the remaining site, what method of procurement would you use?

Ms. Kinimaka said they would recommend the Competitive Sealed Proposal.

Member Bukoski said we are not subject to 103D, but we are utilizing the process. Chris replied, exactly, because it protects you just to have framework to work within.

Member Bukoski stated, we are not saying we can procure the entire site by 103D, (correct me if I'm wrong). It is not that we don't have to -- we can't. There is no process to do this, so we have to use Section 171.

The Chair inquired with Ms. Kinimaka if that is going to be taken up by the Committee. She replied, yes -- they will determine which methodology they want to use for which areas. That is going to depend on your policy on how you want to manage your property.

Member Bukoski said the reason he brings this up, Chair, is you know we're talking about what the Board is subject to (by law and by rule), and we are not subject to 103D; but we are using the process because it gives us the guidelines and the guidance -- and the transparency that makes the process less subject to challenge and protest. But, that is an important distinction that we have to remember – we are not subject to 103D, but we are using the process.

The Chair responded by saying, he thinks that is the way he understand it, and he thinks the committee, in their deliberations, will look at which approach is going be used (and the stadium would be one way, and who knows?). Ms. Kinimaka said, exactly, -- the rest of the property may be another way.

Ms. Kinimaka said we want to make sure that coming out of the game, we don't limit your alternatives by not doing 103D, because if you decide to do a portion 103D and you haven't followed that process, then you have to step back to the beginning again; so we want to get you started on the most restrictive process and then you can move forward from there.

The Chair said, so we are not saying the entire project will be 103D; Ms. Kinimaka said no, not at all – we are giving you flexibility.

Member Bukoski said he just wants to make a clarification because he thinks it is important: "He spent the last one or two years on the procurement task force and the charge of the task force is to try to go through the procurement laws and rules to streamline it, but to find inconsistencies; so, I think it is important that we are clear on what is required by law. He understands and

agrees completely that the rules (as stated), require three government employees; but are you saying that all the members of the committee have to have certain qualifications, or just the three government employees?

Ms. Kinimaka responded that all members have to show qualifications to be considered to be on the committee. You have to have a purpose for having someone on the committee.

Member Bukoski said, "If that is the pleasure of the Board, Chair, I completely support it; however I have to respectfully disagree if you look at Section 3-12245.01. It specifically says that the three government employees have to have qualifications at minimum. It doesn't state anyone else in the rules, so unless there are other rules that are contrary, then just respectfully, I have to clarify that because I really would hate to allow inconsistencies and I just want to make sure that we are understanding that correctly and whatever the Board decides to do, I completely support it. But, I just want to make sure that the information that's been given out is accurate; and if I'm wrong, then I'll be the first to apologize."

Ms. Kinimaka stated, under Section 3-12245.01(2), private consultants may also serve on the committee and shall have sufficient knowledge to serve on the committee. She also said that is the same as saying that you would have the types of qualifications that make you an effective member on the committee and have sufficient knowledge to serve on the committee – i.e. are you sure you have sufficient knowledge? That is where you start to look at the resumes and start to look at what added value do these specific members bring to your committee. Because, at the times of protest, that would be the question: "Why was this person on the committee? And, what did they bring to the committee? Again, that is to protect you, in your consideration on how you choose the committee.

The Chair said for the last two months we have been talking about it (i.e. suggesting/adding and deleting name) and working quite a while to select a well-rounded committee that brings different perspectives, different backgrounds to recommend to the Comptroller. Many of the Board Members have suggested different people so we will take everything into consideration, but definitely in the end, we are going to use our best judgement in selecting the people that can add to the committee. I regret that it is limited in terms of the number of people that can be on the committee, but we certainly will take all the suggestions into consideration. At this time, we are not sure of the number of members and Member Bukoski you mentioned expanding it to seven and we are considering that, but we are looking at individuals outside of the Board with different backgrounds, etc. We won't be able to satisfy everyone, but definitely we are looking for the best qualified people with different backgrounds and we are going to try.

Member Bukoski said he would apologize, so after hearing what you just stated and just reviewing again what was written, he said he understands where that interpretation is coming from and apologizes for what he previously said. Chair thanked him.

Member Iosua, asked for clarification on the confidentiality of the committee members. Mr. Nishiyama said if you are going to discuss it, it would definitely have to be in executive session; but the best practice is to keep it confidential within the committee.

The Comptroller said it is actually the Chair and the Comptroller that has to make sure the people are qualified. Member Iosua said, so it doesn't come back to the Board if this is later challenged because we weren't required to decide either. Comptroller said he would be the target on that one. Member Iosua said ultimately it is off the Board's hands to make the decision on the committee.

Comptroller questioned if Board members can be on the committee. Mr. Nishiyama said yes. but they are not considered governmental employees.

The Chair inquired, "What is the common practice of Board members being on a committee?" Comptroller said, with HTA, it was not subject to 103D, but still Board members usually were the majority of the selection committee for anything more than \$1.0 million. For big marketing contracts, convention center contracts and things like that, the majority of the committee was members of the Board.

The Chair noted to the Comptroller, since HTA was not subject to 103D, so you didn't have to have the three (3) government workers. The Comptroller said correct. He said they often had community members, a couple of hotel companies represented, and an airline company and other visitor industry representatives.

Member Yamasaki inquired if they could start the process. The Chair responded that they will first have to seek approval of the committee from the Comptroller. Then there are some preliminary things that the committee members have to do before they can even start meeting.

Ms. Kinimaka said the main thing is signing the Attestation. First get the approval, and then get the Attestation on file and start to move.

Member Fujimori asked the Chair if he will be creating a letter to the Comptroller concerning the committee members. The Chair said the Comptroller will be making the final decision. When the award is made, the Chair said that is the time when the members will be disclosed.

## **EXHIBIT D**

### **Parameters for the Sunshine Law**

(Report by Deputy Attorney General Randall Nishiyama)

Mr. Nishiyama said Hawaii's Open Meeting law is in Part I, Chapter 92, HRS, and the statute is listed as part of this guide to the Sunshine Law, and as a State Board, the Stadium Authority must follow the Sunshine Law:

- Basically all board business must be conducted in a public meeting, absent a specific statutory exception.
- Mr. Nishiyama expressed, an important thing is, discussions between board members outside of a meeting. Generally, the Sunshine Law prohibits discussions about board business between members outside of a properly noticed meeting, except for certain statutory exemptions.
- Board members cannot meet privately to discuss business. While there are eight (8) statutory exemptions for board members to discuss board business outside of a public meeting, there are only three (3) that are applicable to general activities that you might face on a day-to-day basis:
  - 1) Two (2) board members can discuss board business outside of a meeting so long as no commitment to vote is made or sought. Mr. Nishiyama said if you see a fellow board member outside a public meeting you can discuss board business, but you can't ask for a vote.
  - 2) Investigative committee - The board can designate two (2) or more board members, but less than a quorum of the board, to investigate matters concerning board business. An investigative committee has to report back their findings and recommendations to the entire board. Mr. Nishiyama said that requires two (2) meetings: One meeting to present the

recommendations that the investigative committee makes to the entire board; and the second subsequent meeting is where the entire board votes on those recommendations.

- 3) Attendance at Informational Meetings or Presentations – The Sunshine Law allows less than a quorum of board members to attend neighborhood board meetings or legislative hearings, at which board business is discussed, so long as no commitment to vote is made and the board members report back to the board. Mr. Nishiyama said in answer to the question regarding the community workshop, the investigative committee can attend and participate. He did say if the Chair decided to show up, we cannot prohibit the Chair from exercising his free speech rights, but he should not plan on it. That would be the ideal situation. Again, the investigative committee needs to report back to the board as to what they've learned.

Member Iosua stated he has an issue with what Mr. Nishiyama stated. He is actually part of a TOD group at his place of employment, and he was planning on attending the meeting. Will that be an issue? Mr. Nishiyama said Member Iosua is not in the capacity of the Stadium Authority board and he does not have a problem with that, because we are not circumventing the intent of the Sunshine Law. He also said, as for an executive session, that is a meeting of the board that is closed to the public – there are eight (3) purposes for which an executive session can be convened, but generally the purpose that we convene for executive sessions for the Stadium Authority is to consult with the board's attorney; and the board is authorized to consult in executive session with their attorney concerning the board's powers, duties, immunities, privileges and liabilities.

Mr. Nishiyama said the last area he would like to talk about is correspondence between board members. Board members cannot discuss board business between themselves, outside of a properly-noticed meeting (i.e. by phone, memo, or email). You have to fall under one of those exceptions; and one of the exceptions is you can have a phone conversation to discuss board business, as long as you don't ask or seek for a vote. He thinks the important thing is looking at the degree of interaction between the parties that your communication requires. For example, if the Chair wanted to be copied on communications between members of the investigative committee, that appears to be okay, because it is just

information. He is not asking them to do anything. Mr. Nishiyama asked the board, to please look at the "Guide to the Sunshine Law," when they have the time to just to get an idea of the law. It is self-policing and it requires the board members to police themselves; and to the extent possible, we would like all business to be conducted in public.