

DAVID Y. IGE
GOVERNOR

DOUGLAS MURDOCK
COMPTROLLER

CHARLES T. TOGUCHI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
MANAGER

RYAN G. ANDREWS
DEPUTY MANAGER



An Agency of the State of Hawaii

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

May 31, 2016

Members Present:

Charles T. Toguchi, Chairman
Keith "Kika" G. Bukoski, Vice-Chairman
Wilbert C.F. Chee
Odetta Fujimori
Edward Hasegawa
Michael Iosua
Ross Yamasaki

Members Excused

Keith Y. Amemiya
Scot Long

Staff

Scott L. Chan	Neal Sakamoto
Ryan Andrews	Ivan Nishimura
Russell Uchida	Andrew Chang
Stephen Lee	Jodie Abe
Charles Vitale	Samantha Spain

Others:

Randall Nishiyama, Deputy Attorney General (AG)
Carl Clapp, University of Hawaii - Athletics Department
Davy Murayama, Centerplate
Kenny Harrison, Aloha Sports Properties
Brennon Morioka, Honolulu Authority for Rapid Transportation (HART)
Chris Takashige, Honolulu Authority for Rapid Transportation (HART)
David DePonte, Department of Accounting & General Services (DAGS)
See Exhibit A (Sign-in Sheet)

I. CALL TO ORDER

A quorum being present, Chairman Charles T. Toguchi called the meeting to order at 10:45 a.m.

II. PUBLIC TESTIMONY

None

III. APPROVAL OF MINUTES

A. Approval of the minutes for the May 10, 2016, Regular Session and Executive Sessions:

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

IV. Monthly Reports

A. Chairman's Report

1. We have several important topics to discuss in executive session today: 1) The Right-of-Entry and Memorandum of Understanding for HART; 2) Manager's Evaluation. No decisions will be made today – they will be taken up at the June meeting.

B. Stadium Manager's Report

1. Administrative

We are pleased to announce that Cynthia Chinen, clerk typist, was hired to fill Paula Yonezawa's position. Paula retired after serving us for eight (8) years.

2. Events

The five (5) high school graduations were very successful with the usual challenges, but no major issues. Mililani High School had an attendance of 10,000.

The 50th State Fair opened last week and will continue every weekend until June 26, 2016.

3. Capital Improvement Projects (CIP)

Phase 3

Finishing up the last two projects: 1) Water drains trench that encompasses the entire facility (on the last quadrant); 2) The four (4) staircases that lead up to the main concourse.

Phase 4

Bids are due next week Thursday for work that will be conducted over a two-year period (2017-2018). If the contractor is able to complete the project in one year, we will try to accommodate their request.

Field Turf Replacement

This project commenced on May 23, 2016 and is scheduled for completion on August 5, 2016, just prior to the 2016 football season. As mentioned previously, the project was moved up to attract the return of Pro Bowl in 2017. The National Football League will be making a decision today.

4. Sales & Marketing (Samantha Spain)

Tours

With the exception of field access, we will continue to have tours of our facility for the summer school students.

University of Hawaii (UH) Football

Working with UH for new ideas for the upcoming season. We are also working with vendors and promoting the skyboxes.

5. Budget Report (Administrative Services Officer Russell Uchida)

Mr. Uchida said during his report, he will be referring to the Revenues Over (Under) Expense report as of March 2016 and the landscape sheet (that is updated with actuals and projections from March through the end of the year). He summarized the following:

Revenues

- The swap meet revenue have gone down slightly from prior year;
- Parking has gone up, primarily due to the increase in the parking fees that were implemented in January 2016;
- Food & Beverage remains flat.

- Rental income increased. We were able to engage in a contract with Verizon for their small cell system; as well as rental from Nan Inc. (full year is reflected).

Expenses

- Our projection through the end of the year reflects (conservatively) \$112,000 in expenditures, but possibly more. The net is going to be approximately \$170,000 in the black.

C. Approval of Events

1. Red Zone Games, Inc.
Tackle Football (11 & 12 year olds)
November 25, 2016

Mr. Jeff Mullins, Operations Manager, made his presentation to the Board via conference call from Texas on behalf of Director Tim Bishop.

He explained this is an opportunity for young athletes to play on the same field as their role models and to experience how it feels to play with teams from a variety of different backgrounds. Two teams will be located at each side of the field, playing towards the end zones. This concept allows more teams to play and helps to keep the cost down for all participants.

Board members had several questions that could not be answered by Mr. Mullins who said he was filling in for the director who was travelling.

A MOTION WAS MADE BY MEMBER IOSUA AND SECONDED BY MEMBER HASEGAWA TO APPROVE THE EVENT.

Discussion:

Stephen Lee said management does recommend approval of this event. Member Fujimori said she has reservations. Member Chee said there are a number of unanswered questions and too many gaps.

THERE WERE FOUR YEAS (THE CHAIR, MEMBERS IOSUA, HASEGAWA AND YAMASAKI) AND TWO NAYS (MEMBERS CHEE AND FUJIMORI). THE MOTION CARRIED.

The Chair asked Mr. Lee to continue his conversations with the director and provide the following information at the next meeting:

1. How much insurance are they going to carry?
2. What has been their track record at other venues?
3. More information on their performance.
4. How are they promoting this event?

A MOTION WAS MADE BY MEMBER FUJIMORI FOR THE BOARD TO RECONSIDER THE VOTE.

THE CHAIR SAID IT IS HIS UNDERSTANDING THAT ONLY THOSE WHO VOTED YEA CAN MAKE A MOTION TO RECONSIDER. MR. NISHIYAMA CONFIRMED THAT STATEMENT.

2. JTB Hawaii
Hello Kitty Run
September 25, 2016

Mr. Jimmy Soga was present to answer questions by the Board.

The first Hello Kitty Run started in 2013 in Taiwan, then in Singapore, Malaysia, Tokyo, Osaka and Okinawa. This would be their first United States appearance. Their event would be similar to what ESPN did with the Jersey Fun Run. They anticipate 500-700 participants. Member Iosua inquired and Mr. Soga verified that the application was in error and the correct amounts are: revenue at \$75,000 and expenses at \$50,000.

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

A MOTION WAS MADE BY MEMBER HASEGAWA AND SECONDED BY MEMBER YAMASAKI TO APPROVE THE EVENT.

Discussion:

Member Fujimori stated she had reservations. She expressed: 1) The prices could be lower; 2) It's unfortunate that kids who would want to participate can't afford it. 3) The kids are being used (JTB is a big corporation).

BY A VOTE OF FOUR TO ONE (WITH MEMBER FUJIMORI ABSTAINING), THE MOTION CARRIED.

D. The University of Hawaii Athletics Department Monthly Report

Carl Clapp was present on behalf of David Matlin. He reported that the NCAA (for FCS football) approved Hawaii to play a zero-week game. He explained what that means:

- With all the championship games the last weekend of the season, the only way you could play 13 weeks was if you used the Hawaii exemption (during the last several years) -- you had to play 13 weeks in a row; They are now allowing Hawaii and the teams that play at Hawaii that year to play one week earlier (NCAA football always started the weekend, the Thursday prior to Labor Day. Mr. Clapp said UH can now play the preceding Saturday.

UH said it's a good thing because they can play either an extra home game or go on the road and get another guarantee and do whatever is best for their program. They are working with Coach Rolovich and Mr. Matlin on how to proceed with this. He said this also makes it easier for teams to play UH because they can add an extra week to the season.

Mr. Clapp said they are hopeful and excited because this is going to make it easier to schedule football games for the next several years. It may take three years to fully implement this and get a home game.

E. Outfront Media Monthly Report (Kenny Harrison)

Mr. Harrison reported:

- Two of our large accounts have renewed their contracts: 1) Oceanic Time Warner contract for the next three years, and 2) First Hawaiian Bank.
- He continues to work on the renewals and most of them will be returning.
- Oceanic will also be doing some WiFi at the stadium. He will be working with the stadium staff to get that going for the season.

F. Swap Meet Monthly Report (Davy Murayama)

- Total April Attendance decreased -1%
- Total Stall Count decreased -4%
- D,E,F, rows stall count decreased -6%
- A,B,C, rows stall count -0%

Mr. Murayama said their numbers look pretty flat which is good and bad. They had one extra Sunday and one less Wednesday, as opposed to last year. He stated they would normally experience more increases, but unfortunately a couple Sundays rained, which reduced their daily average for the ABC rows. They still have a 5-6% decrease in the DEF rows which they are focusing on.

Member Iosua inquired if there is an explanation for the decrease in the DEF rows. Mr. Murayama said a lot of the vendors are taking vacations.

Marketing

They have nothing new to report and are awaiting information on the swap meet bid which will allow them to move forward.

V. Unfinished Business

A. Optimization Committee - Report/Discussion

Report will be covered in Executive Session.

B. Honolulu Authority for Rapid Transportation (HART)

Brennon Morioka reported:

Chris Takashige is also present and has passed out their presentation which includes the traffic and construction update.

Mr. Morioka stated:

- The progress is fairly visible.
- The guideway is continuing. They are trying to get Kiewit to work as quickly as possible to work around the curve on Kamehameha Hwy. to get more to the 49ers area so that they can open up the traffic lanes (currently it is down to only one lane...as is the off-ramp from H-1. Part of the issue is HECO is relocating utility lines; and once their equipment is moved out, Kiewit can continue with the columns and the guideway;
- They are focusing on getting people in and out before the football season. They do know that one of the graduations was impacted because of the one lane.

- Mr. Morioka said they are pleased that the City Council and the Mayor supported the lifting of the deed restriction. They are also glad that progress is being made to allow the stadium to move forward with its optimizing efforts of its property, and that it is advantageous to the rail as well.

Member Bukoski inquired, "With the news about shortening the line to Middle Street, how would that impact the stadium?"

Mr. Morioka responded:

- There has been a lot of discussion on budgeting to what they can build.
- They are in the process of working with FTA (Federal Transit Administration). They did an estimate and are working with them, and providing them with more information so that they can refine their estimate. HART is also working to refine their own estimate.
- FTA is in town and they plan to meet next week. That will also be in conjunction with their presentation to their Board on June 8, 2016. They will be showing the Board a number of options on what they can afford, based on different scenarios (possibly eliminating certain stations and build to that budget).
- No decisions have been made on their future plans. They do know that they can afford to award the airport contract, (which takes them from Aloha Stadium to the Middle St. station).
- With reference to discussions on terminating at the Middle St. area (where their next contract ends) that will not provide a usable rail system. Mr. Morioka does not feel the people would want to ride the rail to Middle St., get off and get on to a bus to get into town, and instead would prefer continuing express routes.
- FTA has informally asked HART to look at a recovery plan. In line with that they will be presenting a number of options to their Board on June 8, 2016 (which is a part of their recovery plan process).

In answer to Member Bukoski's inquiry, Mr. Morioka said the options he is referring to do not have a potential impact to the stadium's site.

Mr. Morioka said their offer for a tour of the rail operations center and the rail cars still stands. The Chair said they are looking at possibly in July when new members come on board.

C. Transit-Oriented Development (TOD)

No Report

D. Field Turf Replacement – Update

Manager Chan said although he updated the Board in his manager's report, he added the following:

- Evaluating e-layer vs. J Drain shock-pad material. Consideration of either is still within the requirements of the contract.
- The concern is whether or not the current material (e-layer) meets the horizontal drainage requirements. Requirements are met for the vertical drainage (eight gallons per minute), but it was questionable whether or not they met the horizontal drainage.
- J Drain is the other product that is being considered that has a lining above the drainage cells to serve as an e-layer surface. If we decide to install J Drain, it will not impact the cost or the duration of the project and it would also meet specifications of the proposal. Whether it meets World Rugby League's Reg 22, is yet to be determined.

The Chair inquired if the project will be completed in time for the football season. Manager confirmed it will be completed by the target date of August 5, 2016.

Member Bukoski inquired, "When is the next turf replacement scheduled?" Manager Chan said within 7-8 years (length of the warranty), but that date could be pushed up, depending on heavy use and inclement weather exposure.

E. Swap Meet Report

To be discussed in Executive Session

F. Federal/City Deed Restrictions – Discussion

The Chair said there are three things we will be addressing in a letter to David Siegenthaler:

- Utilization – how is the park on Maui going to be utilized.
- NHPA
- Endangered Species Act

We do not anticipate any problems with any of the above. It is a matter of completing the write-up and hopefully Mr. Siegenthaler will approve what we send to him (within the next few days). The Chair said he hopes we will accomplish the lifting of the Federal Deed Restriction by this summer, which will help us a lot in terms of our future plans for the stadium property.

Member Bukoski requested an update of the lifting of the City Deed Restriction since it was discussed prior to his arrival at the meeting. The Chair was able to provide him with the information and said the administrative process is not done – documentation still needs to be recorded.

VI. NEW BUSINESS

None

(Break 12:00 – 12:05 P.M.)

VII. EXECUTIVE SESSION

At 12:05 A.M., A MOTION WAS MADE BY MEMBER HASEGAWA AND SECONDED BY MEMBER IOSUA 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 URSUANT TO SECTION 92-5(A) (4), HAWAII REVISED STATUTES, REGARDING THE STADIUM OPERATIONAL ISSUES; THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION MEMORANDUM OF UNDERSTANDING/ CONSTRUCTION RIGHT-OF-ENTRY; SWAP MEET – DISCUSSION/RECOMMENDATION; THE FOLEY & LARDNER LLC AMENDMENT TO CONTRACT; AND MANAGER'S EVALUATION - DISCUSSION.

THE MOTION WAS UNANIMOUSLY CARRIED.

The meeting reconvened at 1:46 P.M.

VIII. NEXT MEETING

June 30, 2016

IX. ADJOURNMENT

A MOTION WAS MADE BY MEMBER HASEGAWA AND SECONDED BY MEMBER YAMASAKI TO ADJOURN THE MEETING AT 1:46 P.M. THE MOTION WAS UNANIMOUSLY CARRIED.



CHARLES T. TOGUCHI
Chairman

Recorded by: Diana C. Ho

Date: June 30, 2016