

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

July 28, 2016

Members Present:

Charles T. Toguchi, Chairman
Keith Y. Amemiya
Keith "Kika" G. Bukoski, Vice-Chairman
Wilbert C.F. Chee
John L. Fink
Michael Iosua
David H. Uchiyama
Ross Yamasaki

Members Excused

Scot Long

Staff

Scott L. Chan	Neal Sakamoto
Ryan Andrews	Liane Nakagawa
Russell Uchida	Andrew Chang
Charles Vitale	Samantha Spain

Others:

Randall Nishiyama, Deputy Attorney General (AG)
David Matlin, University of Hawaii - Athletics Department
Davy Murayama, Centerplate
Chris Takashige, Honolulu Authority for Rapid Transportation (HART)
Chris Kinimaka, Department of Accounting & General Services (DAGS)
David DePonte, Department of Accounting & General Services (DAGS)
See Exhibit A (Sign-in Sheet)

I. CALL TO ORDER

A quorum being present, Chairman Charles T. Toguchi called the meeting to order at 10:31 a.m. The Chair welcomed the two new Board Members, John L. Fink and

David H. Uchiyama and proceeded with the swearing-in ceremony. The Chair invited both members to say a few words as an introductory.

Mr. Uchiyama said he was born and raised in Hawaii, worked most of his life in the travel industry. He spent 16 years with Starwood Hotels & Resorts; worked with the Hawaii Tourism Authority; and most recently a short while with Hawaii Gas, and is currently with Island Air.

Mr. Fink said he has been very involved with the University of Hawaii (UH) sports through television for over 34 years; has been involved in a lot of entertainment sports; a lot of bowl committees, the Diamond Head Classic committee; and a lot of sports entities outside of the stadium.

The Chair said it is a pleasure to have two very distinguished participants on the Board.

II. PUBLIC TESTIMONY

None

III. APPROVAL OF MINUTES

A. Approval of the minutes for the June 30, 2016, Regular Session and Executive Sessions:

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

Discussion:

Member Chee made the following corrections:

1. Page 3, first paragraph, sixth line, to read: ...clarified the jurisdictional of question...
2. Page 5, third paragraph, second line to read: ...jurisdictional of question.

THE MOTION WAS UNANIMOUSLY CARRIED AS CORRECTED.

IV. Monthly Reports

A. Chairman's Report

1. Arrangements are being made for Board members to tour the Honolulu Authority for Rapid Transportation (HART) facilities sometime in August. The date and time will be announced as soon as we receive confirmation.

B. Stadium Manager's Report

Manager Chan also welcomed Members Fink and Uchiyama and said he looks forward to working with them. He added, we have a lot ahead of us and are fortunate to have you as part of our group.

1. Administrative

We are pleased to announce that Ms. Kim Dela Cruz has been hired as the Parking & Traffic Supervisor, effective July 18, 2016. She was a former employee and has also worked at the Swap Meet for many years.

2. Swap Meet Request for Proposal (RFP)

A notice to proceed will be sent out once all the necessary documents are completed, and the effective date for that contract is September 1, 2016. Manager Chan thanked the committee members and the chair of that committee, Member Iosua, for doing an excellent job.

3. Litigation – Debbie Ritchie

Manager Chan informed the Board that he and several staff members will be required to attend hearings on the above case during the period beginning August 23 – September 9, 2016. As a result, some of the staff members may not be available to attend the August Board meeting.

4. Orientation/Workshop – New Board Members

An orientation/workshop is scheduled for August 22, 2016, 10:00 a.m., Aloha Stadium conference room.

5. Events

Media Day Luncheon

Members are invited to attend the Media Day Luncheon on August 9, 2016 at 11:30 a.m. in the Hospitality Room. We look forward to UH Director of Athletics David Matlin saying a few words and Coach Nick Rolovich as our featured speaker.

Hurricane Darby

There was very little damage to the events at the stadium. Although it was poorly attended, the Swap Meet did remain open, as scheduled.

Councilman Brendon Elefante

Councilman Elefante and staff members toured the stadium facilities on July 26, 2016. It was an uplifting experience for them and the stadium staff, and we hope to continue similar tours for other Council Members and Legislators to update them on what is occurring at the stadium.

6. Capital Improvement Projects (CIPs)

Health & Safety - Phase 3

This project is near completion -- contractors are currently finishing off repairs to the staircases.

Health & Safety - Phase 4

Bids received were over budget; as a result, a meeting was held with DAGS, stadium staff, architects and consultants on July 20, 2016 to address the base bid and available options. We are waiting for the final write-up from the Public Works Branch - Planning Division.

7. Sales & Marketing (Samantha Spain)

Media Day

Finalizing the details of this event. This year's theme is hashtags -- working closely with UH to arrange for the proper hashtags that will be used during the season.

Pre-Game/Post-Games Events

Working with ESPN, Extreme Fun Rental and other clients to add more excitement for the fans.

Skybox Rentals

The interest for skybox rentals is going well.

Manager Chan added:

- The stadium's focus (together with UH) is to create a more festive environment at the North Plaza, with entertainment, tents and a stage above the roof. We are also researching the idea of expanding activities beyond the Plaza, to create a family zone/tailgate atmosphere in sections of the parking lot. We are working through the fine details with UH.
- For post-game activities (as the fans wait out the traffic exiting the stadium), we will have a kiosk selling saimin/barbeque sticks and possibly entertainment.

(Recess – 10:40 – 10:50 a.m.)

C. Approval of Events

None

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

Mr. Matlin reported:

- He has signed the license agreement between UH and the stadium.
- Football practice begins on Monday, August 1, 2016; they will also be practicing at the stadium on August 13, 2016.
- Although he will be out of town, the operational meeting with UH and the stadium is scheduled for August 5, 2016.
- He and Manager Chan have a few operational issues to discuss which should take place soon.

Manager Chan provided the following information (for the benefit of the new Board members):

“With UH as one of our major clients, the stadium administration tries to meet on a monthly basis with UH's athletics department, to keep the lines of communication open. In an effort to improve the service that we provide for

visiting fans and guests, we are currently working with UH on the following major projects: 1) Regarding ticketing -- renewing memberships with parking; 2) The potential of credit card charges (not yet implemented).

Mr. Matlin said they are working collaboratively on the above to make the games more fan-friendly, and that he appreciates the help from the stadium.

Manager Chan said the Board members that are liaisons between the UH and our Authority are members Long and Iosua, who have been very helpful and supportive.

E. Outfront Media Monthly Report

On behalf of Outfront Media, Manager Chan reported:

- Kenny Harrison (advertising agent) has resigned as of July 14, 2016. Prior to his departure, however, he will be finalizing a couple of sponsorships which he initiated.
- With reference to renewals of corporate sponsorships, the charter group that acquired Oceanic Time Warner has decided not to renew its contract with the stadium. It is unfortunate because they were one of our major advertising clients. We hope to fill that void as we move forward.
- On a positive note, Outfront Media was able to secure the contract with Jack-in-the-Box for \$35,000 for this year.
- Continuing to work directly with Outfront's regional manager, Bill Cartwright, on filling the vacancy as soon as possible. They would like to secure someone locally to take on the responsibilities. Currently our stadium staff has been carrying it through with Mr. Cartwright.

F. Swap Meet Monthly Report (Davy Murayama)

- Total June Attendance decreased -2%
- Total Stall Count decreased -1%
- D,E,F rows stall count increased 3%
- A,B,C rows stall count decreased -12%

Mr. Murayama reported:

- On their comparison from last year vs. this year, they have been experiencing a drop in attendance and stall rentals. For attendance, it

appears like a 9% drop, but due to losing several events, it is closer to a 3% drop.

- They have been experiencing a consistent drop in vendor participation.

Marketing

Mr. Murayama said they will be looking at a new approach with reference to vendor recruitment. He passed out a draft flyer which they will eventually publish on their website. They are working on ideas such as:

- Creating a pamphlet/Information sheet on how to get started in business (i.e. with marketing info, general excise tax, etc.).
- Gather success stories of those who started at the swap meet and are successful today.
- Krysti Peacock will be working through the Star Advertiser regarding existing businesses; and also UH's entrepreneur program, by providing them with the swap meet brochures, etc.

Manager Chan informed, (for the benefit of the new members) that Centerplate has two major contracts - the Swap Meet (SM) and the Food & Beverage (F&B), which play an important role in the stadium's revenue stream. The SM is our top revenue stream provider (@ 61% of our annual budget), and F&B (@14% of our annual budget). The F&B contract runs until 2022. Stadium staff meets with SM weekly to discuss how we can enhance the experience and the business aspect.

Member Fink asked Mr. Murayama if the decline in business was due to the vendors' absence or the change in shopping habits. Mr. Murayama said people are attending, but spending less.

The Chair added that the Stadium Authority:

- Works closely with UH, and their rental fee was waived several years ago.
- Assists the high schools by allowing them the use of stadium facilities rent-free.
- Works with a lot with non-profit groups in the community.
- Because of the above, the Swap Meet is very important to the stadium.

Manager Chan said the new Swap Meet contract requires our client to conduct a market study to help determine how we can better serve our clients – that should be coming out very soon.

V. Unfinished Business

A. Optimization Committee - Report/Discussion

Member Chee said the Optimization Committee (OC) met on July 5, 2016 and there are some items of discussion that they would like to defer to the Executive Session.

The Chair asked Member Chee to provide the new Board members with information on what the OC does.

Member Chee reported:

- The committee was created approximately two years ago, and consists of four members (Wilbert Chee, Chair; members Ross Yamasaki Vice Chair; Keith “Kika” Bukoski; and Scot Long, Board members.
- The primary purpose of the OC is to address issues that relate to the stadium’s land and the facilities here.
- During the last two years the committee has dealt with the majority of the issues, one of which includes working with the consultants Foley & Lardner LLP in anticipation of the creation of a Request for Proposal (RFP) that will go out to potential developers for the entirety of the site (re: development of the site; the construction or reconstruction of the facility).
- Different segments of the committee has worked with the Transit-Oriented Development’s (TOD) effort on the City’s plans for the redevelopment of the site as they relate to the stadium and the transit station.
- The OC has worked with the Honolulu Authority for Rapid Transportation (HART) concerning issues specific to the rail transit station on the site.
- The Chair added, we are also involved with the City & Federal deed restrictions.

The Chair said the committee has worked hard in submitting their opinions and recommendations to the Board for consideration. In addition, DAGS continues to provide administrative support, especially in the engineering field.

B. Transit-Oriented Development (TOD) - Report/Discussion

None

C. Honolulu Authority for Rapid Transportation (HART)

Monthly Report – Chris Takashige, Managing Director (HART Design & Construction)

Mr. Takashige thanked several members of the Board for meeting with him and Brennon Morioka regarding the MOU and said he is happy it is well on its way. He explained to the new members that when HART first started construction, they agreed (in the original MOU) to pay for any type of mitigation that had to be done due to the inconvenience of HART. One of the major items was taking over the Kam Lot -- it displaced parking for patrons and employees and also affected some of the traffic patterns. Compensation for those were in the form of providing alternative parking, police requirements, barricading, extra lighting, etc. for all special events at the stadium.

Mr. Takashige proceeded with his report:

- Waipahu Corridor - They have reached 8-1/2 miles of the guideway up to the stadium (marking the half-way point - 10-miles for the entire system). It includes the first nine stations and the plan is to still use Aloha Stadium station as the interim opening. They are not sure if there will be a fare-type generation, which is being discussed, but said they are going to use it for certification and running the trains.
- They anticipate completion of the guideway and rail for this segment by the end of the year. Everything underneath is slated to be done after that, which will involve 4-6 months of work.
- Construction of the station is on schedule to start later this year. It is the last of the nine stations, part of the last group (Stadium, Pearlridge and Pearl Highlands). This will involve a year and a half to two years of construction (it includes the parking rights – a 700-800 stall open parking lot that will be adjacent to it). That is the approximate timeline.

- HART has also done a traffic study for the stadium as part of their mitigation efforts. The study took into account traffic on non-event days, and another study will be done upon completion of the stadium station to see the impact (the difference before and after a station). At the Chair's request they were asked to include in the study outlying areas or intersections that impacted game days. They will be providing all of that information to the Authority.

Member Iosua said, at a previous meeting, Mr. Morioka mentioned the public/private partnership (PPP) for the rail stations were not a high priority. He asked for Mr. Takashige's input on that matter.

- Mr. Takashige said he is not sure if that is not a high priority. They ran a "request for interest" inquiry for the Pearl Highlands parking garage, and received a good response (about six offers came in). However the comments were very similar -- they stated there is no way a developer can build an entire station or a parking center and make money (it didn't pan out). The City would still be paying a huge amount just to receive any type of income from it. He believes Mr. Morioka's comments were based on the fact that, after some research, it turned out that a PPP would not be feasible.

Member Iosua inquired if that was just for the station, or did it include retail development around the station.

- Mr. Takashige said regarding the Pearl Highlands, they offered everything. The response was that they couldn't do mixed use; and if a parking structure is included, a parking specialist would have to step in and charge their own rates.

Manager Chan inquired if the guideway was going to end in its existing position until the season is over, or is it going around the bend and head up west -- going down Kamehameha Hwy.?

- Mr. Takashige said he will have research that, but thinks that is where it will end.

Manager Chan said he was hoping to get around the bend, which would allow more lanes to be open for traffic -- his concern is that there will only be one-way traffic on either side that will greatly impact the game-day traffic. He wants to be sure to have a detailed traffic plan for his operations staff, for the first game on September 10, 2016.

- Mr. Takashige said he will check with Mr. Morioka and get back to Manager Chan.

The Chair stated they are currently having discussions with HART on their request for a ROE to build the stadium station; and at the same time we are also addressing an amendment to the MOU.

D. Federal/City Deed Restrictions – Discussion

City Deed Restriction

The Chair stated the City Council approved the lifting of the City Deed Restriction and they are in the process of finalizing the paperwork and obtaining the Mayor's signature.

Federal Deed Restriction

The Chair said the Authority has provided the necessary information to Region 9 of the National Park Service (NPS) and they are awaiting the director's response.

Member Iosua inquired if everything is on track for the Deed Restriction -- expressing concern of our native born President's limited term. He also noted, by way of procedure when a new administration comes in, that the NPS, along with others, is one of the last ones to be appointed.

The Chair responded, yes, and said they are trying to get the Federal Deed Restriction lifted by September, and are also working with our Congressional officers. The Governor's office has also sent a letter to President Obama. Our latest correspondence to NPS was on June 3, 2016.

V. NEW BUSINESS

A. Stadium Field Naming Rights – Discussion/Action

Manager Chan informed the Chair that this matter will be discussed in Executive Session.

(Recess 11:38 – 11:38 a.m.)

EXECUTIVE SESSION

At 11:38 A.M., A MOTION WAS MADE BY MEMBER AMEMIYA AND SECONDED BY MEMBER CHEE 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; HONOLULU AUTHORITY FOR RAPID TRANSIT MEMORANDUM OF

UNDERSTANDING/RIGHT OF ENTRY – DISCUSSION/ACTION; SWAP MEET REQUEST FOR PROPOSAL – DISCUSSION/ACTION; FOLEY & LARDNER LLC AMENDMENT TO CONTRACT – DISCUSSION/ACTION; MANAGER’S EVALUATION/SALARY ADJUSTMENT – DISCUSSION/ACTION. THE MOTION WAS UNANIMOUSLY CARRIED.

The meeting reconvened at 12:32 P.M.

Manager Chan requested authorization from the Authority to allow him to continue negotiations regarding the naming rights contract for the stadium field.

A MOTION WAS MADE BY MEMBER CHEE AND SECONDED BY MEMBER IOSUA TO AUTHORIZE THE STADIUM MANAGER TO CONTINUE CONTRACT NEGOTIATIONS ON THE ISSUE OF THE FIELD NAMING RIGHTS WITH THE ENTITIES THAT HE HAS AT HIS DISPOSAL. THE MOTION WAS UNANIMOUSLY CARRIED.

VII. NEXT MEETING

August 25, 2016

VIII. ADJOURNMENT

A MOTION WAS MADE BY MEMBER CHEE AND SECONDED BY MEMBER YAMASAKI TO ADJOURN THE MEETING AT 12:35 P.M. THE MOTION WAS UNANIMOUSLY CARRIED.



CHARLES T. TOGUCHI
Chairman

Recorded by: Diana C. Ho

Date: August 25, 2016