

DAVID Y. IGE
GOVERNOR

RODERICK K. BECKER
COMPTROLLER

CHARLES T. TOGUCHI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
MANAGER

RYAN G. ANDREWS
DEPUTY MANAGER



ALOHA STADIUM

An Agency of the State of Hawaii

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

November 17, 2016

Members Present:

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

Members Excused

Wilbert C. F. Chee

Staff

Scott L. Chan
Russell Uchida
Stephen Lee
Charles Vitale

Trina Silva
Liane Nakagawa
Neal Sakamoto

Others:

Randall Nishiyama, Deputy Attorney General (AG)
David Matlin, University of Hawaii - Athletics Department
Davy Murayama, Centerplate
Brennon Morioka, 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 10:35 a.m.

II. PUBLIC TESTIMONY
None

III. APPROVAL OF MINUTES

A. Approval of the minutes for the October 27, 2016, Regular Session and Executive Session:

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

IV. Monthly Reports

A. Chairman's Report

Our consultant, Irwin Raji of Foley & Lardner LLP is in town and has attended several meetings on our behalf, some of which we will discuss in both regular session, as well as in executive session.

B. Stadium Manager's Report

Administrative

1. We continue to struggle with a shortage of part-time intermittent employees (PTI). During our attempt to finalize our year-round recruitment, we are looking at other options to make sure we fulfill some of the necessary services for our events.

Events

1. The state football championship games are scheduled for this Friday -- at 3:30 p.m. - Kapaa vs. Lahainaluna and at 7:30 p.m. - Mililani and Iolani; and on Saturday, the championship game -- Kahuku vs. St. Louis.
2. The final University of Hawaii (UH) home game is scheduled for November 26, 2016 (UH vs. University of Massachusetts at 6:05 p.m.).

Capital Improvement Projects (CIP) – Phase 4

Funding for this project has been approved and work should begin in February, 2017. Further announcements regarding the contract award will be announced at a later date.

Sales & Marketing Report (Samantha Spain)

1. We are focusing on the last game of the season and looking at new ideas to enhance the customer/fan experience for next year.
2. Our tours for children on winter break are starting to get busy.
3. We are also working on smaller projects for the off-season.

Hula Bowl

There was an announcement made by the media that an attempt is being made to revive the Hula Bowl -- first in North Carolina and then in Honolulu in 2019. Prior to it appearing in the paper the stadium had no knowledge of this and was later contacted by owner Nick Logan and was told his daughter Jennifer Logan is the coordinator. They are in the process of gathering more concrete information and support and will keep us informed if they are going to pursue this endeavor or not. The bowl game last appeared at the stadium in 2008.

C. Approval of Events

None

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

Mr. Matlin reported they have two games remaining and will be going to Fresno for the next game. He said if they play well, they will have a chance to play in a bowl game.

He and Manager Chan have had numerous discussions concerning challenges with the UH students at the games. They plan to meet with the Vice Chancellor of Student Services and work collaboratively with some of the ideas they have in mind. *(The Chair inquired if this is with reference to pre-game activities.)*

Mr. Matlin responded it is regarding issues that have happened at Pole 11 and the shutdown of Circle East.

Mr. Matlin stated there may be some scheduling changes for next year and noted they are always trying to make things better from a competitive or attendance perspective.

E. Outfront Media Monthly Report (Samantha Spain)

Ms. Spain reported on behalf of Louise Sper:

- Outfront Media has met their goals for the season.
- Currently, Ms. Sper is working on contract renewals for year ending 2017 (i.e. such Jack-in-the-Box, Midas, First Hawaiian Bank and a few others).
- For the month of December, approximately 10-15 meetings are scheduled in an effort to lock in the accounts before the season ends. Many of these clients are interested in doing more than just the signage.
- She had a great trip to San Diego and some positive results with sponsors for the upcoming season. To create new energy around here.

Manager Chan added:

- Seven years ago we signed a contract with CBS Collegiate Sports (who is known today as Outfront Media) and there are three years remaining in the contract.
- During the past 2-3 years we have had various changes with our advertising agent position and we are now trying to solidify that position. He is very grateful that Ms. Spain, Mr. Andrews and Mr. Uchida were able to carry the load in the interim, as we attempted to fill the vacant position. It has been a difficult task for Outfront Media to find someone willing to accept the responsibilities with only three years remaining in their contract.
- Outfront Media has been a great client of ours. They secured several of our larger contracts, one of which was the naming rights of the field. They also secured the ads within the wedges, as well as on the scoreboard panels alongside the LED board.

F. Swap Meet Monthly Report (Davy Murayama)

- Total October Attendance increased - 4%
- Total Stall Count increased - 9%
- D,E,F rows stall count increased - 7%
- A,B,C rows stall count increased - 14%

Mr. Murayama reported they did experience a 7% drop in attendance. The decrease occurs primarily on Wednesdays and Saturdays when they have more mainland visitors. They are not experiencing much of a drop on Sundays due to the high local attendance. With this information they know where to target their advertising and marketing efforts.

Regarding their year-round stall counts, when attendance decreases, the stall count increases, which they have yet to determine why this is happening and are doing some research on that.

Marketing (Mr. Murayama)

- Their market study will soon be underway – they will be meeting with their consultants at the end of the month.
- In addition to coming to the swap meet, they have asked their consultants to visit the Arizona Memorial (for visitor information) and Hanauma Bay (for food and beverage information).
- They will also be able to provide the consultants with any questions or input by the Stadium Authority.

Member Bukoski inquired if there was any feedback with the swap meet being open during the UH football game; and also is there anyway the swap meet can attract visitors that patronage the successful KCC Farmers Market.

Manager Chan responded by saying that we were interested to the point of reaching out to KCC director Dean Okimoto. After meeting and visiting the KCC site, there were distinct differences, such as: proximity/location, travel distance, free shuttle, not to mention contract limitations, etc.

Mr. Murayama also responded that their count at the UH games started at 1,600 and has grown to 2,000. There has been a gradual increase of vendor count with each game.

In answer to Member Bukoski questions, Mr. Murayama responded:

- Regarding the question of a net positive, Mr. Murayama said eventually it will be a positive as it grows and that an attendance of 2,000 is good.
- Regarding revenues derived from the sale of stalls, Mr. Murayama said for the stadium, there is an increase, but on the Centerplate side, they have manpower expenses.

V. Unfinished Business

A. Honolulu Authority for Rapid Transportation (HART)

Mr. Brennon Morioka provided the following update:

Kamehameha Highway Guideway (Pearl Highlands to Stadium):

- 80.5% complete.
- Span erection has started for the remaining six spans – expected completion by December 31, 2016.
- There will be another six to nine months of civil work for the completion of roadway improvements, traffic signals, etc.

Kamehameha Highway Stations Group

- 1.8% complete.
- Notice to Proceed was issued to Nan, Inc. on October 3, 2016. Nan, Inc. completed driving the first five (5) sheet piles for the retaining wall along Waiawa Stream.
- A groundbreaking was held on October 20, 2016 at Pearl Highlands Station with government officials, Nan, Inc., HART and Stadium personnel in attendance.
- At the end of October 2016, the Contractor began work on the Pearlridge Station. Work is in progress to finalize access at the Aloha Stadium Station within the next few months.
- Contract Completion is scheduled for May, 2019.

Traffic Study

We have provided some information (a draft of intersection studies with some of the old 2013 traffic count in and around the Aloha Stadium). We are also going to be doing some additional traffic counts (24-hr., 2 counts, in and around all the intersections around the stadium area) in the first or second week in December to get some updated numbers. As soon as we get that they will share that information.

Administrative

In answer to Member Bukoski inquiry, Mr. Morioka said their Board (at its October meeting) announced that Mr. Krishniah Murthy was selected as the Interim CEO/Executive Director effective December 5, 2016. Currently, Mr. Morioka said he is serving as the Interim Director for the next two weeks. Member Bukoski expressed to the Chair that perhaps the new CEO/Executive Director could be invited to attend our next meeting.

Mr. Morioka said HART would like to reschedule the rail tour for the Authority.

The Chair said during this meeting the Board will be discussing the ROE for the Guideway and we will also be discussing and making a decision today on the ROE for the station; because in the next few months HART will begin construction on the station. Mr. Morioka said that is very much appreciated.

B. Transit-Oriented Development (TOD) - Report/Discussion
None

C. Federal/City Deed Restrictions on the Stadium – Discussion

Manager Chan announced the Board has been provided with copies of the two resolutions that were adopted earlier this month by the full Council, addressing both parcels. We are waiting for the Federal Deed Restriction to be approved, and once accomplished, the City will then sign off as well. In that regard, we have been working with (and assisted by) Deputy Attorneys General Randall Nishiyama and Linda Chow, and also Alan Yamamoto from Congresswoman Hirono's office. They are making every effort to process the necessary documents as soon as possible.

Manager Chan stated an indemnification issue is still being discussed and Counsel Nishiyama will provide his report on that matter.

Counsel Nishiyama reported:

- Basically, the indemnification is the last item to process, and David Siegenthaler of the National Park Service is requesting that the State indemnify the Federal Government if anything should happen.
- The State cannot indemnify without a citation to the Federal law that requires such indemnification.

- We are, therefore, waiting for Mr. Siegenthaler to provide that citation. Once that is done, we will then go to the Governor's office to ask that the Governor permit the indemnification of the Federal Government.

In answer to Member Bukoski's inquiry, Counsel Nishiyama responded, yes, that is the final step and major stumbling block.

Member Fink inquired if there is a concern that the Governor will not sign off, (and from a timing standpoint) with the possibility that Mr. Siegenthaler's days are numbered? The Chair said maybe.

The Chair stated:

- We may not have contact after the election, which is the reason why the congressional delegation is assisting us.
- During his last telephone conversation with Mr. Siegenthaler, he referenced the fact that he had an inquiry from the congressional delegation and that's why he was calling; we then went to the congressional office to request their assistance.
- He explained that Manager Chan and Counsel Nishiyama are saying:
 - 1) The policy decision has been made stating that the land on Maui would be well-suited for the exchange and that the exchange can be done. The assumption is that they are now finalizing the legal language that needs to be incorporated.
 - 2) With reference to the citation he believes their attorneys are concerned that there may be some legal problems in the future and they would like some protection from the state. (Counsel Nishiyama concurred.)
 - 3) The Chair then said in order to do that it has to be done by the Governor. He stated that the Federal law allows Region 9 of the National Park Service to ask for that kind of a guaranty). This is the remaining item left to complete the process.

Member Bukoski inquired, "Is an actual signature required from the Department of Interior (DOI) to finalize the transfer of land, and has the City signed off?" Counsel Nishiyama responded yes, the DOI has to sign and, no, the City has not signed. That is contingent on the State receiving the release from the Federal Government.

EXECUTIVE SESSION

AT 11:08 A.M. A MOTION WAS MADE BY MEMBER AMEMIYA 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: 1) STADIUM OPERATIONAL ISSUES; 2) MEMORANDUM OF UNDERSTANDING AND RIGHT-OF-ENTRY FOR THE TRANSIT STATION CONSTRUCTION - DISCUSSION; 3) EXTENSION REQUEST FOR THE RIGHT OF ENTRY TRANSIT GUIDEWAY CONSTRUCTION - DISCUSSION; AND 4) UPDATE ON WISS, JANNEY, ELSTNER & ASSOCIATES REPORT.

(Recess: 11:08 A.M. – 11:13 A.M.)

Meeting reconvened at 12:23 P.M.

Member Yamasaki excused himself from the meeting at 12:23 p.m.

Recess: 12:23 – 12:36

A MOTION WAS MADE BY MEMBER LONG AND SECONDED BY MEMBER UCHIYAMA TO AUTHORIZE AN EXTENSION OF TIME FROM DECEMBER 30, 2016 TO DECEMBER 30, 2017 FOR THE RIGHT OF ENTRY (ROE) FROM THE STADIUM AUTHORITY TO THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION FOR THE CONSTRUCTION OF THE KAMEHAMEHA GUIDEWAY THROUGH ALOHA STADIUM PROPERTY. THE MOTION WAS UNANIMOUSLY CARRIED.

A MOTION WAS MADE BY MEMBER IOSUA AND SECONDED BY MEMBER AMEMIYA TO AUTHORIZE THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION A CONSTRUCTION RIGHT OF ENTRY (ROE) FOR THE ALOHA STADIUM STATION, FROM NOVEMBER 17, 2016 TO DECEMBER 31, 2019, SUBJECT TO THE CONDITIONS STATED IN A LETTER DRAFTED BY THE STADIUM MANAGER DATED NOVEMBER 17, 2016 TO BRENNON MORIOKA.

Discussion:

Manager Chan requested verification of the proper date stated in the motion. The Chair stated today's date (November 17, 2016) is the correct date.

THE MOTION WAS UNANIMOUSLY CARRIED.

The Chair said after talking to several board members, we would like to consider your opinion about the Board taking an official position which we have not done. He also announced that there is a TOD planning meeting today at 5:00 p.m. – you are all welcome to attend if you have the time.

The Chair said we will be contacting all of you to find out how you would like to engage yourselves in additional Board activities. Member Fink asked the Chair if Board members could be provided with a list of the individuals in case they see them in the interim. The Chair said they would provide that.

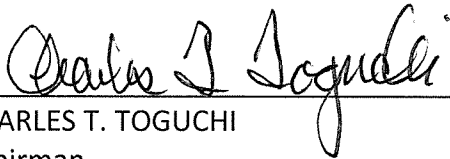
VI. New Business

None

VII. Next Meeting: December 15, 2016

VII. ADJOURNMENT

A MOTION WAS MADE BY MEMBER LONG AND SECONDED BY MEMBER UCHIYAMA TO ADJOURN THE MEETING AT 12:44 P.M. THE MOTION WAS UNANIMOUSLY CARRIED.



CHARLES T. TOGUCHI
Chairman

Recorded by: Diana C. Ho

Date: December 15, 2016