

**DAVID Y. IGE**  
GOVERNOR

**RODERICK K. BECKER**  
COMPTROLLER



**ROSS I. YAMASAKI**  
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  
December 15, 2016

Members Present:

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

Staff

Scott L. Chan	Andrew Chang
Ryan Andrews	Trina Silva
Russell Uchida	Liane Nakagawa
Stephen Lee	Neal Sakamoto
Charles Vitale	Ivan Nishimura

Others:

Randall Nishiyama, Deputy Attorney General (AG)  
Davy Murayama, Centerplate  
Krysti Peacock, Centerplate  
Brennon Morioka, Honolulu Authority for Rapid Transportation (HART)  
Chris Takashige, Honolulu Authority for Rapid Transportation (HART)  
Chris Kinimaka, Department of Accounting & General Services (DAGS)  
Irwin Raij, Foley & Lardner, LLP  
John Schreve, Populous  
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 10:32 a.m.

II. PUBLIC TESTIMONY  
None

III. APPROVAL OF MINUTES

A. Approval of the minutes for the November 17, 2016, Regular Session and Executive Session:

1. MOTION WAS MADE BY MEMBER FINK 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 IOSUA TO ACCEPT THE MINUTES OF THE EXECUTIVE SESSION. THE MOTION WAS UNANIMOUSLY CARRIED.

IV. Monthly Reports

A. Chairman's Report

The Chair introduced Karen Dang from Senator Glenn Wakai's office and Robert Saito from Senator Breene Harimoto's office. He stated the Authority has been interacting with their Senators and appreciate their presence at this meeting. He added that the Authority's consultant, Irwin Raij, is present and he will be making a presentation in our executive session.

B. Stadium Manager's Report

Administrative

Manager Chan was pleased to introduce Louise Sper who has been selected by Outfront Media to fill the position of advertising agent for the stadium. He said she comes to us with a wealth of experience that makes her well-qualified for the position. She has done freelancing with marketing/advertising; served as an accountant; and was involved in advertising sales.

For the benefit of some of the Board Members, Outfront Media (formerly CBS Collegiate Sports) has been our advertising agency for approximately seven years. They have been instrumental in generating revenue from advertisements and sponsorships; and one of the arrangements in the agreement requires that they provide a local representative. That clause has served us well.

Manager Chan said we have also been fortunate to have had Samantha Spain, Ryan Andrews, and Ivan Nishimura to assist with the advertising program during the vacancy period (the first part of the season).

#### Events

Manager Chan asked the Board to please refer to the reports that were provided in their packets with reference to the status of all the UH games, high school games and other sporting events that took place during November.

#### Capital Improvement Projects (CIP) – Phase 4

This project involves work on the inner bowl, and some concourse work to begin in February 2017. More detailed information will be provided by our engineer Charlie Vitale.

#### Sales & Marketing Report (Samantha Spain)

We concluded the 2016 football season and are now doing some follow-ups on the pre-events that took place throughout the season. By the end of January 2017, we hope to have a new strategic plan for 2017, as a result of our meetings with management, UH and Outfront Media.

We are now focusing on the upcoming Hawaii Bowl event.

#### Quarterly Financial Report (Russell Uchida)

Mr. Uchida said he provided two reports:

1. Revenues over (under) Expenses, September 2016

This report is done on a cash basis: As of September 30, 2016, all revenues are recognized when received and expenses recognized when paid. The net balance at the end of the quarter amounted to \$49,842.

2. Revenue Expenditure Projection through Fiscal Year-End 2017

This report gives us a general idea of where we are going to be at year-end, reflecting what has been spent thus far. He discussed Exhibit B (entitled FY 2017 Operating Budget Full Year Actual/Projected Amounts) as follows:

- He stated the yellow column represents Revenues Over Expenses as of September 2016, and it is subsequently updated for October/November (in the gray shaded area); and December 2016 through June 2017 are projections based on prior fiscal year actuals. The FY2017 12-month Actual & Projected column is the combined total of Actual/Projected, and

when compared to the FY 2016 actual revenues and expenditures, it then shows the variance between the two years.

- Since we will not be having the Pro Bowl in 2017, parking revenue was adjusted down by approximately \$90,000.
- Food & Beverage, as noted in the comments column, will bring in an additional \$45,000 from our pouring rights contract with Centerplate.
- Under rent, we provided an annualized snapshot of what we stand to make this year from COWS (Cellular on Wheels System); our skybox revenues; and from Nan, Inc.
- Under advertising, we do have in our accounts receivable \$82,500 from Outfront Media for the field naming rights, which will total \$165,000 for the year.
- For fiscal year 2017 (the 12-month actual and projected column) – Mr. Uchida pointed out that the \$413,371 in green font is where he projects to be at fiscal year-end. It is significantly more than the prior year, primarily attributed to the field naming rights and pouring rights contracts.

The Chair and Board members asked for clarification on some of the figures shown on the report, which Mr. Uchida answered to their satisfaction.

Member Amemiya expressed the need to provide a breakdown of expenses per month, since revenues are reported monthly and because it would be more easily trackable. Mr. Uchida said he could break it out, but it would take him a significant amount of time because there are more than six or seven expense categories. In the interest of time, he captures the total expenditures by months, but said perhaps he could further isolate the major ones, like personal services, utilities, etc.

Member Bukoski had questions regarding the June parking revenues and Mr. Uchida replied they were attributed to the graduations and the 50<sup>th</sup> State Fair.

In the interest of time, the Chair asked Board members to raise their concerns, however, they may not all be resolved today; and that their concerns can be covered at our next meeting.

Member Bukoski stated we are averaging \$30K per month in parking and in October and November the amounts triple. Mr. Uchida explained: "What is recorded in the first quarter report is actually from June through August with a one-month lag."

*Regarding the final point on receivables, Member Amemiya suggested to Mr. Uchida to let the Board know the key or highest dollar account receivables, and explain:*

- *How long they are overdue;*
- *Who the vendor is and the amount. He believes that is important because he knows that there are significant amounts from the last fiscal year (i.e. \$679K that still needs to be collected). He also feels that is a big area that the Board needs to keep track of (what receivables are due and owed to the stadium).*

Mr. Uchida explained that the receivable amount is for the fiscal year only.

Member Chee inquired if the food and beverage figure is reflective solely of the percentage that the stadium receives from Centerplate and also what are the expenses? Mr. Uchida responded yes; and added that we do not incur expenses – Centerplate would be the responsible party to incur expenses with the exception of expenses directly and indirectly related to clean-up costs.

Member Chee asked for clarification by Mr. Uchida: "In describing the report as "revenues over expenses" in a sense they are just revenues." Mr. Uchida said yes, with regard to food and beverage. The nature of our operations is that we are front-loaded on encumbrances and contracts (during the first half of the year), and as we receive payments, it begins to balance itself out." Mr. Uchida said he'll be happy to footnote it on a separate sheet.

*The Chair asked Mr. Uchida to please follow up with the concerns of some of the Board members and bring back whatever is appropriate to the next meeting.*

C. Approval of Events (Stephen Lee)

3. Flawless, LLC  
Fundraiser  
North Plaza  
March 10, 2017 (Friday)

Mr. Kelii Correa was present to answer questions from the Board, as noted below:

- His fundraisers will involve five organizations that will sell tickets @ \$100 for each event and they would earn 15%/ticket.
- Included with the price of a ticket are: All-you-can eat – food and drinks, raffle prizes.
- They will be working through Centerplate on the food and beverage.
- Estimated attendance is 250 – 300 people; and estimated cost of food, beer, music, sound system, furniture would run \$40-\$50 per person.
- He does have interested non-profit organizations once a date is confirmed.
- Mr. Correa agreed with the Chair that it is only fair that the Board (if approved) would review his first event prior to approving future events.

Member Chee inquired and Mr. Lee confirmed that he will make sure the insurance requirements are complied with.

A MOTION WAS MADE BY MEMBER LONG AND SECONDED BY MEMBER UCHIYAMA TO APPROVE THE EVENT. THE MOTION WAS UNANIMOUSLY CARRIED.

D. The University of Hawaii Athletics Department Monthly Report

None

E. Outfront Media Monthly Report (Louise Sper)

Ms. Sper said she is pleased to meet everyone and is looking forward to working with the Stadium Authority and the stadium staff. She said, officially, she has been on board for six weeks and has been commuting back and forth from the mainland to Hawaii, getting settled.

In terms of an update, the revenue that has been generated by Outfront is about 20% above its goal for the fiscal year. She is aware that for the last few years we have experienced a downward trend, but it appears with all the momentum that

has been going on with the team and the attendance level rising, we are at the point where we will be able to maintain and grow our revenue for next year.

In the next few months, Ms. Sper said she will be reviewing contracts that will end this season; she will also be meeting with a lot of new prospects and potential clients including some that we have lost. She said she just met with Oceanic in terms of trying to reestablish that partnership; she also met with Pasha, as a possible client.

F. Swap Meet Monthly Report (Davy Murayama)

- Total November Attendance decreased - -7%
- Total Stall Count decreased - -3%
- D,E,F rows stall count increased - 10%
- A,B,C rows stall count decreased - -32%

As requested at the last meeting, Mr. Murayama provided the Board with a detailed report of the swap meet attendance for the month of November, showing a comparison between 2015 and 2016. He stated the report clearly shows the significant changes in attendance at various times and during events at the stadium. We experienced a drop in Wednesday's attendance, which reflects the visitor market; and the Sunday attendance showed some improvement, which includes the local crowd. On some instances where there was no swap meet on a Saturday (UH football game day), the visitor attendance increased on the following Sunday. They are making every effort to improve the visitor market.

With reference to the vendor attendance, the decrease shown in the A,B,C rows is the result of one less Sunday. In addition you will notice one less Saturday (UH football game) which reflected one third of their normal attendance.

Mr. Murayama asked the Board to let him know if they wish to make any changes to the new format that he presented. Member Fink suggested adding totals on the bottom.

Mr. Murayama said regarding the 50<sup>th</sup> State Fair, this year it started a week later and ended a week earlier, which did affect their attendance numbers.

Marketing (Krysti Peacock)

- Announced their new holiday schedule: Free admission on December 17,18, and 21; special opening on Friday, December 23 with free admission; and closed on Dec. 24 and 25. Their new schedule will be promoted in their advertising program.

- They also did the KITV twelve days of Christmas campaign (includes give-away prizes from vendors) which provided them with 100 free advertising spots. This free advertising has allowed them to promote the holiday hours and free admission to the public.
- They have displayed an on-site banner posting the holiday schedule.

V. Unfinished Business

A. Honolulu Authority for Rapid Transportation (HART)  
Monthly Report BY Brennon Morioka

Mr. Morioka reported:

Kamehameha Guideway (Pearl Highlands to Stadium)

- Span Erection has started for the two remaining spans; expected completion is December 31, 2016. This will complete the entire western side of the guideway (10.25 miles) with approximately 6.7 miles of track that is already on top of the guideway.

Kamehameha Highway Stations Group (Pearl Highlands, Pearlridge, Aloha Stadium)

- We appreciate all the hard work on behalf of both of our agencies in the coordination to process the update of the Memorandum of Understanding (MOU) and executing the Right of Entry (ROE) for the station contract.
- HART is also working with Manager Chan and his group on: 1) HART providing available parking stalls in the Kamehameha Lot for the Hawaii Bowl; 2) We are also working with the stadium to try to locate some off-site parking areas for the next one or two years.

Mr. Morioka announced the departure of Chris Takashige from HART. The Chair expressed appreciation to Mr. Takashige for assisting the stadium with all of its requests and being so responsive and accommodating.

The Chair announced that the HART Tour is scheduled for January 27, 2017 and asked Board members to confirm their attendance with the stadium secretary. Mr. Morioka said this tour will also take the group on top of the guideway at the West Loch Station.



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

Manager Chan said Franz Kraintz was unable to attend this meeting. Engineer Charles Vitale will be presenting the following report, which a copy of the draft was provided to Board members:

Hawaii Interagency Council (HIC) for TOD (draft of the Report to the Legislature

Mr. Vitale said they are continuing to work on developing the scope of work and funding for a market and economic impact study for the development of the stadium site. Our site is one of three sites that is being funded in this year's HIC funding. We meet monthly (open to the public) and the next meeting is scheduled for January 10, 2017, normally the first Tuesday of every month.

The Chair inquired if we mentioned to the Board what decision TOD made in terms of helping us with some funding?

Mr. Vitale said he just mentioned briefly. He said there were three sites: For this year, they funded the Stadium, West Oahu and Iwilei sites for a total of \$500,000 distributed among the three sites. The stadium got \$200,000, which will fund the studies mentioned. We modified the draft slightly, which will be included in the final copy.

Manager Chan said they are providing the funding and we are determining the mechanism to get that money to us so we can use it right away, which is what DAGS is helping us with at this time. We asked for \$1.5 million to get started with the preliminary studies and were fortunate to receive \$200,000.

In answer to Member Chee's inquiry, Manager Chan said DAGS will make the selection for the work that has to be done.

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

The Chair stated the last correspondence we received from David Seigenthaler was in early December saying that he was going to follow up very quickly to help us facilitate the completion of the Federal Deed Restriction. We are now thinking about the possibility of obtaining help from our congressional delegation to make inquiries; and both of our U.S. Senators have repeatedly offered to help us. It appears we may need a little assistance from some of the Legislators and we will soon be talking to some of the staffers.

D. Election of Officers – Discussion/Action

The Chair said he indicated in September that due to personal reasons he wanted to step down and that he is still interested in doing that. If that is the case, he will still remain on the Board and will be helping out in every way he can, especially with the legislative process. The second thing he wanted to mention is also that there has been a request by the Vice Chair that he remain as Vice Chair until the end of the term, June 30, 2017. Member Bukoski corrected the statement by saying, he indicated that he is available to remain as Vice Chair.

The Chair restated that it would be his recommendation that we do a combination of retaining the old and the new. He said it is a good time to break at the end of the year because the session is coming up now and there's going to be a lot of things to do which will continue beyond June. The Chair said he will not be making the motion as to who should be the Chair, but the Chair would like to recommend that it be members who have a term that continues beyond the June 30, 2017 date.

Member Amemiya inquired about the term for the next Chair. The Chair is recommending that the Chair's appointment be effective January 1, 2017 (its open ended) – that's the way it has always been. In the past, some Chairs have carried on year after year and at other times the Chairs have decided to step down. There has also been times when Board Members have requested an election – all of that is possible and is always on the table.

Member Amemiya made a suggestion to the Chair, that the next Chair be in place at least through June 30, 2017. The Chair said members can make suggestions, but the decision will be made by the Board.

In answer to Member Fink's inquiry, Member Chee responded that his term will be up on June 30, 2017, along with Chair Toguchi's and Member Member Bukoski's. Member Bukoski clarified that their first term ends, but they are all eligible for reappointments.

The Chair called for the nomination and election for Chair, effective January 1, 2017.

A MOTION WAS MADE BY MEMBER CHEE AND SECONDED BY MEMBER UCHIYAMA TO NOMINATE ROSS YAMASAKI AS CHAIRMAN OF THE STADIUM AUTHORITY EFFECTIVE JANUARY 1, 2017.

THE CHAIR INQUIRED IF THERE WERE ANY OTHER NOMINATIONS FOR CHAIRMAN.

A MOTION WAS MADE BY MEMBER LONG AND SECONDED BY MEMBER AMEMIYA TO CLOSE THE NOMINATIONS. THE MOTION WAS UNANIMOUSLY CARRIED.

THERE BEING NO FURTHER NOMINATIONS, CHAIR TOGUCHI ANNOUNCED THAT MEMBER YAMASAKI HAS BEEN ELECTED AS THE NEW CHAIRMAN. EFFECTIVE JANUARY 1, 2017.

Member Amemiya said he feels Member Yamasaki is a good choice and stated:

- He has been on the Board for several years and is well versed on the issues.
- He has been heavily involved in some of the major committees and has spent a lot of time and energy on the Optimization Committee.
- He has been a productive Authority Member.
- I look forward to working under his leadership as the Chair of the Authority.

Member Yamasaki expressed his sincere appreciation for the nomination and thanked the members.

The Chair said he feels Member Yamasaki is a good choice to be the Chair and he pledged his support to him and looks forward to working with him.

(Member Long excused himself from the meeting at 11:40 a.m.)

(Recess: 11:38 – 11:57 a.m.)

E. Foley & Lardner, LLP (Irwin Raji)

EXECUTIVE SESSION

AT 11:57 A.M. A MOTION WAS MADE BY MEMBER YAMASAKI 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: 1) STADIUM OPERATIONAL ISSUES; 2) UPDATE ON WISS, JANNEY, ELSTNER & ASSOCIATES REPORT; 3) FOLEY & LARDNER, LLP – RESOLUTION RELATED TO ALOHA STADIUM AND ANCILLARY DEVELOPMENT – DISCUSSION.

Meeting reconvened at 2:45 P.M.

Deputy Attorney General Randall Nishiyama said there is nothing to report in the open session concerning Mr. Raji's presentation in executive session.

VI. New Business

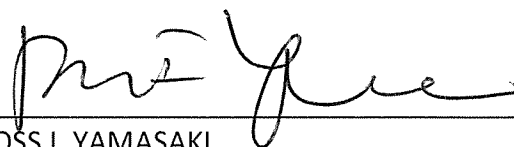
None

VII. Announcements

- A. The Chair announced a change in the Stadium Authority meeting schedule for January, 2017. He added the Board will devote as much time at that meeting to discuss the official position of the Board as it relates to the possibility of considering a new stadium.
- B. The Chair congratulated Member Yamasaki as the newly elected Chair effective January 1, 2017.
- C. Next Meeting: January 12, 2017 @ 10:30 a.m.

VIII. Adjournment

A MOTION WAS MADE BY MEMBER FINK AND SECONDED BY MEMBER AMEMIYA TO ADJOURN THE MEETING AT 2:50 P.M. THE MOTION WAS UNANIMOUSLY CARRIED.

  
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ROSS I. YAMASAKI  
Chairman

Recorded by: Diana C. Ho

Date: January 12, 2017