

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

January 12, 2017

Members Present:

Ross I. Yamasaki, Chairman
Wilbert C. F. Chee
John L. Fink
Michael Iosua
Charles T. Toguchi

Members Excused

Keith Y. Amemiya
Keith "Kika" G. Bukoski, Vice-Chairman
Scot Long
David H. Uchiyama

Staff

Scott L. Chan
Ryan Andrews
Russell Uchida

Stephen Lee
Charles Vitale

Others:

Randall Nishiyama, Deputy Attorney General
Roderick K. Becker, Comptroller
Carl Clapp, University of Hawaii Athletics
Davy Murayama, Centerplate
Krysti Peacock, Centerplate
Louise Sper, Outfront Media
Brennon Morioka, Honolulu Authority for Rapid Transportation (HART)
Chris Kinimaka, Department of Accounting & General Services (DAGS)
David DePonte, Department of Accounting & General Services (DAGS)
Bernie Wonneberger, Wiss, Janney, Elstner & Associates
See Exhibit A (Sign-in Sheet)

I. CALL TO ORDER

A quorum being present, Chairman Ross I. Yamasaki called the meeting to order at 10:38 a.m.

- An update from Deputy Attorney General Randall Nishiyama on the Federal Deed Restriction and the process;
- We are working on our Resolution as a follow up to actions in our previous meeting regarding the Authority's position on its future stadium development.

B. Stadium Manager's Report

1. Administrative

The Stadium Manager has accepted the selection committee's recommendation of Trina Silva for the position of Box Office Manager. Her experience as the cashier clerk has served her well and we are looking forward to working with her.

2. Events

The Junior Prep Sports will be having a double-header today, and another event on Saturday.

The Polynesian Bowl game is coming up on January 21, 2017 and there has been a lot of advertising for this special event. A lot of high profile names are involved in this first-time event and we are expecting a decent crowd. We are hoping that the attendance will be similar to a championship game.

The 2017 Jersey Fun Run sponsored by ESPN 1420 is scheduled for February 4th and we will close the month of February with the Great Aloha Run on the 20th.

We have included our reports in your Board packets and a summary of events that took place prior to this meeting.

C. Approval of Events (Stephen Lee)

None

D. The University of Hawaii Athletics Department Monthly Report (Carl Clapp)

Mr. Clapp thanked stadium management for assisting UH with another successful football season and creating a foundation from which they can continue to grow and move forward. They are looking forward to getting together with everyone as they start planning for the next season. He also thanked the stadium for all their efforts in making things go as smoothly as they always do and to treat their team and coaches, and all involved, with such great respect and dignity.

The Chair inquired if they received any feedback from the Hawaii Bowl's opposing team and its organizers on how the game went. Mr. Clapp said the Bowl committee does put out a survey to the coaches, the athletes, the administrators, and that feedback will be given to Daryl Garvin.

Member Fink said he is on the Bowl Committee and he knows one of the things that is being discussed is that this year Christmas falls on a Monday, which means Sunday would be NFL Sunday; and since there is always play-off implications at the end of the year, it may not be in the best interest to have a 3:00 p.m. game against an important Sunday, on the night of an NFL game. He thought perhaps the 23rd might be an option.

E. Outfront Media Monthly Report (Louise Sper)

Ms. Sper said with the season wrapping up after two months being on board, she put together an overview summary of what her goals and strategies are for the upcoming year. The purpose for that was so the Board would have an understanding of what her intentions are, on behalf of the stadium, in terms of how to generate advertising revenue.

She stated the revenues generated for 2016 amounted to \$903K and her goal (especially with the performance of the UH team and a lot of momentum for the upcoming season) is to help grow the revenue an additional 15% beyond that. To achieve her goals, she hopes to increase the revenue from existing partners, help develop new partnerships with the stadium, and look into new advertising placement ideas of which discussions have already taken place with the stadium.

With two years remaining on the Outfront Media and Stadium contract, their goal is to increase it to a couple more 2-year contracts so that they can have some solid revenue expectations in place, not only for this year, but also the following year.

She hopes to work with the UH athletic department to leverage some of their partnerships in terms of finding new partners that aren't working with the stadium directly but are only working with the UH; and will also look at the partners that are with the Hawaii Bowl, (but not necessarily with the stadium directly). She would like to figure out ways to help them support the stadium in addition to the other groups. Also with that momentum, reaching out to previous partners that dropped off over the last couple years -- to try to bring them back.

F. Swap Meet Monthly Report (Davy Murayama)

- Total November Attendance decreased - -22%
- Total Stall Count decreased - -18%
- D,E,F rows stall count decreased - -8%
- A,B,C rows stall count decreased - -41%

Mr. Murayama provided the following operations information:

12/7/16 Parking re: Pearl Harbor event - + 2,000

12/25/16 Closed (Sunday)

There was a drop in the shopper attendance for the ABC rows due to four Sundays in 2015 vs. three Sundays in 2016; there was also a drop in the premium rows due to the Christmas package being reduced to one day (80 vendors) vs. four days. Another date affected was because they did not open on December 24 (Hawaii Bowl); therefore instead of a 7% gain on the average daily paid attendance it resulted in a 2% drop.

The daily ABC rows vendor attendance average has dropped with one less Sunday during the month; also, Christmas fell on a Sunday, which did not help.

Marketing (Krysti Peacock)

- Ms. Peacock announced two events in February: 1) Doggie Event on Saturday, February 11, 2017 at the North Plaza– they anticipate it bringing in customers for the swap meet. It is a fundraiser for a dog rescue group. 2) Chinese New Year's Celebration – Lion Dance throughout the stadium on February 12, 2017 beginning at 9:00 a.m.
- Mr. Murayama added they are also in the process of doing their market study.

Member Chee inquired, "How does the changes in attendance affect revenue?" Mr. Murayama said it's significant - their revenue is 19.54% of the dollar, and the stadium gets the difference. For the swap meet, they work off of the smaller margin, and the stadium loses the bulk of the revenue when that happens. It does affect the swap meet a lot. He has been collecting a lot of data and they are highly affected by Amazon and are trying to figure out ways to combat that. They will also be looking at data from DBEDT and at customer activities, in trying to be competitive.

Member Iosua inquired what is the comparison between other retail outlets and the swap meet (the difference between last year and this year)? Mr. Murayama said they see at least a one or two percent drop – basically DBEDT provides percentages of activity.

Member Fink inquired if there is a big change in the product mix at the stadium from 5-10 years ago and are you monitoring with relationship to attendance at the swap meet. Mr. Murayama said one of the issues is that the products have not changed much, so they are focusing on bringing in new things. That is one of the problems.

Member Iosua asked if many of the vendors have online components. Mr. Murayama said some do, especially the larger ones, and they would like to discourage that in order to increase attendance at the swap meet.

Manager Chan said in discussions with Centerplate, they have been looking at other ways to improve the business and one of the issues that have come up is the demographics (the age group that attends the swap meet and what are some of the entertainment items they are looking for). Hopefully we will soon be able to determine what might be an attraction for that particular group. We don't know the answer but we do know that is part of the equation that we need to look at.

V. Unfinished Business

A. Honolulu Authority for Rapid Transportation (HART)

Mr. Morioka introduced a new employee, Abbey Mayer, Director of Planning, Permitting and Right-of-Way, replacing Jesse Souki.

Mr. Morioka reported:

Kamehameha Guideway (Pearl Highlands to Stadium) – Kiewit Infrastructure West Co.

- 84.9% complete
- Contract Completion: May 2017
- Aloha Stadium guideway spans 100% complete (December 22, 2016)
- Work remaining on Kamehameha Highway involves site civil work; i.e. resurfacing, sidewalks, etc.
- Completion of approximately 7.5 miles of rail on top of the 10+ miles of guideway.

Kamehameha Highway Stations Group (Pearl Highlands, Pearlridge, Aloha Stadium)-
Nan, Inc.

- 4.5% complete
- Notice to Proceed issued on October 3, 2016 and Construction Completion scheduled for May 2019.

HART is working on coordination issues between the two contractors using the Kamehameha Lot (Kam Lot), until such time when Kiewit moves out.

Member Fink inquired about timelines moving towards the east direction.
Mr. Morioka stated:

- They have two more major sections -- the second 10 miles is Aloha Stadium to Middle St. Transit Center which is called the Airport Guideway and Station Group.
- The final four segments are from the Middle Street Transit Center to Ala Moana Shopping Center.
- They have issued a Notice-to-Proceed with the contractor for the Airport Guideway section. It is a design-build so they will probably start some minor site work along some of the roads for general preparation -- maybe in early spring into summer. The heavy work will then start the latter part of 2017 until early 2018.
- Mr. Morioka said it will almost be an out-of-site/out-of-mind project for the Airport Guideway because most of the work is off of the main corridors (it will be heavily on airport property).
- Continuing on will be the City Center, of which they are waiting for a source of revenue (they are currently at the Legislature trying to lobby for a general excise tax surcharge extension giving them enough funds to pay for the City Center). They have more than sufficient funds to pay for the Airport Guideway portion and then into the City Center portion -- how much of that portion is kind of debatable, depending on what you want to build in the City Center; but in order to build all 21 stations, all 20 miles to Ala Moana they need additional funds from the Legislature.
- If the extension of surcharge is approved, for the City Center contract, they will start procurement later this fall and issue a Notice-to-Proceed to a

contractor by the fall of 2018. The anticipated completion of construction is late 2024-25 and revenue service is December 2025.

Chair Yamasaki inquired when does HART expect Kiewit to finish off. Mr. Morioka said according to Kiewit's contract they will finish all the site work and roadway improvements by early 2018. They do have a transition agreement with Kiewit that requires them to start getting off the properties by certain deadlines.

Chair asked regarding the entity for the other section (the design-build) was that for the guideway plus stations, or just the guideway. Mr. Morioka said it is five miles of guideway and four stations.

Member Toguchi inquired about the interim service from Kapolei to the stadium and the target date. Mr. Morioka said the current plan is December 2020. However, he said it now becomes a policy decision by the City Council and the Mayor.

Manager Chan reminded Mr. Morioka to be sure to follow up on the transition between Kiewit moving off of our property to allow the Authority the opportunity to use part of that lot. Mr. Morioka said absolutely – he has not forgotten.

Mr. Morioka confirmed the HART tour for the stadium is scheduled for January 27, 2017.

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

Per Manager Chan TOD will not be here today – they are trying to wrap up their final comments regarding their last outreach workshop that they had here, along with working with the Hawaii Interagency Council. Engineer Charlie Vitale will report on the meetings he has attended, along with DAGS and Manager Chan.

Mr. Vitale said tomorrow there is a meeting with the Council at the Governor's office to go over the State goals. On Tuesday there is the standard Interagency meeting. As one of the three projects they are funding this year, we will be presenting our scope of work.

In addition, in the afternoon, the Council is going to review the Halawa area TOD plans that the City has presented in various public meetings.

VI. New Business

A. Aloha Stadium Resolution

The Chair said we hope to take action with regard to a Resolution that's been drafted but we'll first take that into executive session to craft a final draft to make a motion - we will return to that after the executive session.

THE CHAIR ACKNOWLEDGED THE PRESENCE OF OUR NEW COMPTROLLER RODERICK BECKER AND THANKED HIM FOR ATTENDING THE MEETING.

(Recess 11:20 – 11:32 a.m.)

AT 11:32 A.M. A MOTION WAS MADE BY MEMBER IOSUA 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) LEGISLATIVE PROPOSAL; 3) UPDATE ON WISS, JANNEY, ELSTNER & ASSOCIATES REPORT; 4) FEDERAL/CITY DEED RESTRICTION – DISCUSSION; AND 5) ALOHA STADIUM RESOLUTION – DISCUSSION; 6) FOLEY & LARDNER, LLP – UPDATE. THE MOTION WAS UNANIMOUSLY CARRIED.

Meeting reconvened at 1:26 p.m.

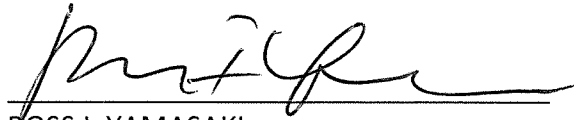
A MOTION WAS MADE BY MEMBER CHEE AND SECONDED BY MEMBER IOSUA TO APPROVE THE ADOPTION OF THE STADIUM AUTHORITY RESOLUTION THAT RELATES TO THE CONSTRUCTION OF A NEW STADIUM AND ANCILLARY FACILITIES, AS WE HAVE REVISED IT, AND ALSO FOR THAT RESOLUTION NOT TO BE AVAILABLE UNTIL 6:00 P.M. TODAY. THE MOTION TO ADOPT THIS ACTION WAS UNANIMOUSLY CARRIED.

VII. Announcements

- A. The Chair announced the next Stadium Authority meeting will be held on February 23, 2017 with a new start time of 8:30 a.m.
- B. The Chair said he will also be distributing to the Board Members the information relative to constructing committees and hopefully we can move forward with that.

VIII. Adjournment

AT 1:29 P.M. A MOTION WAS MADE BY MEMBER CHEE AND SECONDED BY MEMBER IOSUA TO ADJOURN THE MEETING. THE MOTION WAS UNANIMOUSLY CARRIED.

A handwritten signature in dark ink, appearing to read 'Ross I. Yamasaki', written over a horizontal line.

ROSS I. YAMASAKI
Chairman

Recorded by: Diana C. Ho

Date: February 23, 2017