

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 Minutes
99-500 Salt Lake Boulevard
Honolulu, Hawaii 96818

February 23, 2017

Members Present:

Ross I. Yamasaki, Chairman
Keith Y. Amemiya
Wilbert C. F. Chee
John L. Fink
Scot Long
Charles T. Toguchi
David H. Uchiyama

Members Excused

Keith "Kika" G. Bukoski, Vice-Chairman
Michael Iosua

Staff

Scott L. Chan
Ryan Andrews
Russell Uchida
Stephen Lee
Charles Vitale

Neal Sakamoto
Andrew Chang
Samantha Spain
Liane Nakagawa
Ivan Nishimura

Others:

Randall Nishiyama, Deputy Attorney General (AG)
Audrey Hidano, Deputy Comptroller
Davy Murayama, Centerplate
Krysti Peacock, Centerplate
Louise Sper, Outfront Media
Brennon Morioka, Honolulu Authority for Rapid Transportation (HART)
Franz Kraintz, City & County of Honolulu, Department of Planning & Permitting
Chris Kinimaka, Department of Accounting & General Services (DAGS)
David DePonte, Department of Accounting & General Services (DAGS)
Bernie Wonneberger, Wiss, Janney, Elstner & Associates
Aaron Erickson, 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 8:34 A.M. The Chair thanked everyone for adjusting to the earlier start time of the meeting and for their patience during the transition/restructuring of the Board meetings and responsibilities - a work-in-progress.

Revisions to the Agenda

- a. The Chair said he would like to entertain a motion to remove from the agenda A. and B. under Section VI. New Business. He explained it is not timely at this point for the Board to review and accept the documents today.

A MOTION WAS MADE BY MEMBER TOGUCHI AND SECONDED BY MEMBER AMEMIYA TO REMOVE THE TWO ITEMS UNDER VI. NEW BUSINESS FROM TODAY'S AGENDA.

Discussion:

Member Chee informed Deputy Ryan Andrews that he was unable to download the document.

Member Amemiya said he didn't have a problem downloading the documents, but expressed concerns of not having ample time to review it prior to Board meeting.

Manager Chan apologized for the delay and said Deputy Andrews was assisting him in getting the reports to the Board in a timely manner; however, there were several circumstances beyond our control that prevented it from happening.

THE MOTION WAS UNANIMOUSLY CARRIED.

- b. Manager Chan requested to shift from the Manager's Report (Section A.1.a.) a presentation by Mr. Faleafine (re: Jr. Prep event) to Section II. – Public Testimony.

II. PUBLIC TESTIMONY

Robert Faleafine said he is the founder and owner of Jr. Prep Sports America, which is also responsible for the Paradise Football Classic (PFC) -- held at the stadium in January, 2017. He came to the meeting to address any of the Board's concerns regarding the incident that occurred during the PFC which involved family members of both teams. He further explained:

- They believe in this event and would like to continue it annually. They recognize the challenges and are making every effort to prevent a similar incident from occurring again.

- The event itself was a success because there were over 18 scholarships awarded as a result.
- One of the major problems was not splitting the teams in the stands. In an effort to keep expenses to a minimum they did not feel it was necessary. They now realize, they will have to: 1) Split the teams; 2) Bring in their own spotters; 3) Arranging bonding activities with the teams prior to the games;
- As the head of the organization Mr. Faleafine said he is here to give the Board the confidence that they are doing everything within their power to make sure the next Bowl Game is successful with no incidents. They have been fortunate to have a great relationship with the stadium throughout the years because they run a youth program that is one of the largest youth tackle football programs in the state. They are not accustomed to seeing these types of incidents.
- Mr. Faleafine expressed that this event provides great exposure for the young men, especially those from American Samoa who haven't experienced the opportunity due to their geographical location.
- Questions/Comments by the Board

Member Amemiya asked for the stadium's perspective of the event, incident, etc.

Manager Chan stated management is working with this client concerning the situation that occurred. Our staff is working with Mr. Faleafine to make sure that this does not take place again and will not be tolerated in the future. We have since made several adjustments operationally.

Member Toguchi inquired if it was initiated by players or the fans. Manager Chan said it started on the field, and then escalated to the stands.

Member Amemiya inquired about the amount of security at the game. Security Officer Neal Sakamoto stated there were a total of three HPD officers and six security officers from G4S. In addition the Jr. Prep's staff that were in the stands, they responded immediately and was able to calm the situation quickly. Future plans are to increase security and split the teams.

In addition to what Mr. Faleafine stated earlier, he said they will make every effort to address situations before they escalate and will spend whatever is necessary to make sure this event continues successfully because it really pays off for the young men involved.

Member Fink inquired if the people involved were band from returning to the stadium. Mr. Sakamoto said Mr. Faleafine knew the two families involved and was able to handle the situation immediately. No charges were made by HPD.

Member commended Mr. Faleafine for his efforts to improve the situation, and noted the importance of a safe and positive experience for everyone.

Mr. Faleafine said, due to the incident, they ended the game about a minute early.

Manager Chan stated to the Chair:

1. It was an unfortunate situation. We are taking preventive measures to address the situation and will continue to work with Mr. Faleafine and staff to promote goodwill, proper sportsmanship, and a safe atmosphere for our guests.
2. The event has tremendous value and it provides another opportunity for our local kids to be seen by college recruiters.

Member Amemiya asked Mr. Faleafine to return to the Board a month before the next Bowl Game and present an outline of what they and the stadium are doing to take precautions and make sure this doesn't happen again. Mr. Faleafine said he will be happy to do that.

Member Amemiya stated we all want to work together to make sure this event is successful in the future and no problems occur down the road.

III. APPROVAL OF MINUTES

A. Approval of the minutes for the January 12, 2017, Regular Session and Executive Session:

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

IV. Monthly Reports

A. Stadium Manager's Report

1. Administrative

- a. Robert Faleafini (Jr. Prep Sports America) – Note: Shifted to II. Public Testimony.
- b. Stadium Financial Report as of December 31, 2016. - Report Attached
- c. Request for Right-of-Entry Approval from U.S. Department of the Navy. Proposal (Action Requested) -- Attached.

The Chair said the proposal is a request for the right-of-entry to access monitoring wells.

A MOTION WAS MADE BY MEMBER TOGUCHI AND SECONDED BY MEMBER AMEMIYA TO APPROVE THE REQUESTED RIGHT-OF-ENTRY.

Discussion

Administrative Services Officer Russell Uchida reviewed the following topics in detail with the Board:

- Term/Conditions/Cost;
- Other Conditions;
- Background;
- Recommendation to Stadium Authority Board.

Manager Chan said approval to the proposal would be in our best interest. Mr. Uchida agreed and said, it is a Federal requirement and the Department of Health is also requesting that the Navy set up additional monitoring wells. Mr. Uchida added, we are looking at five years, with the idea that maybe at that point in time, some major work may begin.

Member Toguchi inquired, how did the Navy become involved in this. Member Chee responded it is Navy property and years ago his company was involved with the investigation of a mercury spill (from mercury switches) caused by children that broke into the property (although it was secured by the Navy). The amount of the spill was not a significant amount and it was all cleaned up; however, the Department of Health was also involved which is when the setting up of monitoring wells began and continues.

The Chair inquired if the wells are existing on our property. Mr. Uchida said yes and the agreement has been in effect since August 2000 and we have been doing extensions. The last extension expired and wasn't renewed. The Navy contract manager is requesting a new agreement, as opposed to an extension of the expired contract.

RY has there been any issues regarding the access and monitoring and is there a timeline for this. Mr. Uchida said he is not aware of any issues, and that the Navy said it will go on until the Department of Health says it is not necessary.

THE MOTION WAS UNANIMOUSLY CARRIED.

(The Chair noted that Member Uchiyama was not present at the time of approval – 9:10 a.m.)

2. Events

The Chair stated these two events are recommended for approval by management.

- a. Kaylee Enterprises, Inc. (KSA Events)
High School Football Games
August 25, 2017 (Friday)
- b. Kapolei 3 Foursquare Church
Charity Car, Truck, Bike and Rig Show
July 22, 2017 (Saturday)

A MOTION WAS MADE BY MEMBER AMEMIYA AND SECONDED BY MEMBER TOGUCHI TO APPROVE THE TWO EVENTS LISTED ABOVE.

Discussion

Member Amemiya inquired, what is a Charity Car, Truck, Bike and Rig Show?

Ms. Rose Wood responded that this is a church benefit fundraiser – the cars and trucks will only be on display for the public for viewing purposes. The money for admission will be used to help a charity of their choice.

Member Fink inquired about the estimated gate admission of 500 spectators/\$3500. Manager Chan said this is an estimate provided by the client.

THE MOTION WAS UNANIMOUSLY CARRIED.

c. Monthly Summary of Events - Report Attached.

3. Sales & Marketing (Samantha Spain) - Report Attached.

The Chair inquired if there is an anticipated date we will be introducing the branding material online; and also, when available, could you please inform the Hawaii Tourism Authority (HTA), as well as other marketing contractors on the availability of the stadium.

Ms. Spain responded, with 3-6 months. They are currently updating the material and would like to initiate it before the start of season. She added, once completed, they will promote it to other clients in general, in addition to HTA.

4. Capital Improvement Projects – Report Attached.

Chair Yamasaki inquired, of the estimated \$19.0 mil (2019-2020) – is that in today's dollars. Mr. Vitale said he confirmed that with Mr. Wonneberger and Mr. Erickson that it reflects current dollars.

The Chair asked for clarification re: H&S 4 1.d., "Should money become available for the additional work, was that under the recommendation of the current H&S report. Engineer Charles Vitale said yes there was a schedule put out and he stated the cost for each as follows:

1. Lower Concourse Level Deck Stabilization - \$220K
2. Racker Kickout Flashing Stabilization - \$85K
3. Repair/Upgrade of Girder Connections behind top row of Blue Section – 140K.

Mr. Vitale said if the money is available, we will pull it out of the \$19.0M+/- as a change order.

5. Hawaii Interagency Council for Transit-Oriented Development – Report Attached.

Chair Yamasaki questioned the \$1.0 mil. currently in the Legislature for 2018 funding,

Ms. Kinimaka said that amount was originally the request that the stadium put in for DAGs' efforts to coordinate with Transit-Oriented Development (TOD), but the Senate Ways & Means Committee (WAM) looked at all the TOD requests from the different agencies and transferred the entire \$1.0 mil to the State Office of Planning (SOP). Now, the SOP (as part of this coalition) is looking at all the state-wide projects and in their prioritizing efforts across different agencies, they split the funding for three projects (of highest potential): 1) UH West Oahu, 2) Stadium and she believes 3) Downtown. Ms. Kinimaka said our portion of the million dollars is now \$250K, which will allow us to move forward with some of the studies that we requested.

The Chair asked for clarification:

- Did that come out of last year's appropriation budget. Ms. Kinimaka responded, yes.
- Is this million dollar amount for next year? Ms. Kinimaka said that is our next request and that one is still under the executive budget under DAGS-TOD for the stadium.
- Is there a general scope relative to the optimization. Ms. Kinimaka said they just submitted a request for five studies under that million dollars. Mr. Vitale said they wanted to have any TOD money that was requested by any state agency under one list. We had a million dollars allocated.
- The Chair said last year they appropriated a lump sum, allocating \$250 mil to the stadium. This year they are going in for another lump sum (a million), and he wants to clarify if a million is targeted for the stadium, or is a million total again, or how much are they passing out?

Ms. Kinimaka said SOP oversees the whole coalition, but each department is submitting individual requests; we still have a million dollars under DAGS for the stadium for this effort. In answer to the Chair's question, Ms. Kinimaka said, yes, within that pot is still a million for the stadium.

6. Security – Report Attached.
7. Calendar of Events – Calendar Attached.

- B. Outfront Media Report – Report Attached.
- C. Swap Meet/Sales & Marketing - Report Attached

Member Uchiyama inquired if a research study regarding attendance will be provided to the Board. Mr. Murayama responded that they in the process and that the study should be completed by May, 2017.

- D. The University of Hawaii Athletics Department Monthly Report - No Report.
- E. Honolulu Authority for Rapid Transit Project Update – Report Attached

Mr. Brennon Morioka reported:

- Very few changes since last month's report;
- Kamehameha Guideway is complete – preliminary civil work is being done;
- They are working with Kiewit in trying to restore a lot of what is happening;
- On the Kam Highway portion to the east of the stadium (as part of some advance contract work), they are trying to start up some of the utility work; as well as what Shimmick/Traylor/Granite JV is working on as a part of their airport guideway station work.
- Other updates are covered in their report.

Member Fink inquired about the timing issue from the stadium toward Middle Street into town. Mr. Brennon said the contractor has the final say as to the sequencing and they are currently in the process of submitting an interim one-year schedule. They have approximately 210 days before they submit the formal full schedule which is when HART will know what their actual sequencing is.

Member Chee inquired about the status of Kiewit's schedule. Mr. Brennon said they are far behind. Their contract was extended from 2016 to May 2017. The extension was mainly due to traffic signal work on Kamehameha Highway – they are still pushing for May 2017. The resurfacing of the roads is almost complete but the intersections are not yet complete – that will be done after the traffic/signal work.

The Chair thanked Mr. Morioka for arranging the tour and that the stadium is looking forward to another tour for those members who were unable to attend the

first one. The Chair asked members to coordinate their attendance with Manager Chan.

In answer to the Chair's question, Mr. Morioka said power substations will also be located at the stadium and Pearlridge stations.

F. Transit-Oriented Development (TOD)

Report by Franz Kraintz

- TOD is in a request-for-comment period on the Public Review Draft for the last three months – they extended the deadline to January 31, 2017. They received most of the comments from the various agencies that they sent them to, but despite allowing ample time, some (from important stakeholders) are still being submitted.
- They are preparing responses to the comments; a finalized report of those comments will then be part of the final TOD plan. A final meeting/workshop will then be scheduled at the stadium to unveil the final draft plan. He anticipates that happening within the next quarter. At that point they will have a recommendation that goes to their Planning Commission, then to the City Council. Mr. Kraintz added, hopefully they will obtain approval of the plan before the end of the year.
- Approval of some of the other TOD plans has been slow; however, he believes the emphasis now is to get all of the projects going. Also, along with that, the City has been involved with the Interagency Council in terms of monitoring and coordinating along with the state efforts as well.

In answer to the Chair's request, Mr. Kraintz said he will provide his future reports in advance of the monthly Board meetings.

G. Legislative Session Update (as of February 17, 2017) – Update Attached.

Member Uchiyama inquired about the Board's position of HB134.

Mr. Uchida stated testimony was submitted in support of the intent and it passed the second reading. Member Toguchi said it has been referred to Finance and is not scheduled for hearing yet. With this bill, we need to have a hearing and it would have to have a committee report in a couple of weeks (by March 3, 2017). That is what you call half-time; by that time the bill has to get out and cross over to the Senate. As of last Friday, they had to be in the last committee.

Member Fink inquired about SB1200 and HB824 relating to development and construction of the new stadium -- is there anything we need to do to help expedite them?

Member Toguchi said the Chair and DAGS are tracking the bills -- we will have to first get a hearing at WAM; secondly, he is quite sure they are going to be asking us for dollar amounts. This bill was introduced by Senator Wakai -- it is still alive. Mr. Uchida said HB824 is pretty much dead.

Member Amemiya (referring to the update) inquired if we submitted testimony for any of the bills that are listed and what was the Board's position?

Mr. Uchida said we stood in support of the first three. Member Toguchi said the fourth bill did not reach the first hearing -- that bill is dead. Member Amemiya requested copies of testimonies for the three that were submitted. Manager Chan said those can be sent to him; he added they are also online if you have access to this program.

Member Amemiya requested copies of future Board testimonies, or alert them to look it up so that they know what is going on. The Chair said the next item on the agenda will have a discussion on that.

Mr. Uchida summarized by saying approximately 28 bills, of which 11 are dead and 5 remaining are GOB related; some encroach into minimum requirements for affordable housing and aside from the other two (SB994 and SB1200), that pretty much sums it up.

Manager Chan stated Mr. Uchida has been doing a great job tracking these bills and thanked him.

H. Chairman's Report (Attached Proposals IV.H1, H2, H3)

The Chair said he has been focusing his time on restricting the format of the meetings and restructuring the activities/responsibilities of the board based on the feedback he received from face-to-face meetings with members prior to January. From those discussions, one of the proposals includes a committee organization structure. He did consult with the Attorney General's (AG) Office relative to the construct and functions of the committees and we are okay as it stands. The purpose in organizing this goes hand in hand with the intention of moving the focus of our board meetings to actions and decision making relative to our roles; however, we do have operational oversight and management responsibilities as well.

The Chair is proposing that they stand up three primary standing committees as follows and he explained each on in detail as noted in the attachments:

1. Internal Affairs Committee
2. External Affairs Committee
3. Governance Committee

(Additional Standing Committee)

The Executive Committee

Ad Hoc Committees

Noted on the proposal is how the Ad Hoc differentiates from the standing committees. I am suggesting and recommending that these ad hoc committees get formed and created by the sub-committee chairs as required by their scope of oversight.

The Chair would like to entertain a motion to approve the proposal for Committee Organization of the Board.

A MOTION WAS MADE BY MEMBER AMEMIYA AND SECONDED BY MEMBER TOGUCHI.

Discussion

In answer to Member Toguchi's questions, Counsel Nishiyama said no changes or any other rules are required for the standing committees and action can be taken by the Board.

Member Chee stated if the existing committees are dissolved once the motion is passed.

The Chair said the intent is to dissolve those committees.

Counsel Nishiyama said he thinks the Chair needs to find out where the existing committees stand, what they discovered, and to provide a final report to the board regarding their investigation.

Member Toguchi said he supports the changes and stated:

- This new structure is suggesting that we will have active committees, where it would meet and discuss different issues; then go to the Board with action

items. It is going to involve a lot from the chairs and members of the committees because it is not possible to meet for a couple of hours at the Board meetings and get to know all that you need to know in order to participate in those discussion.

- The way the committees are set up, you are the members that are going to be helping the Chair explain what the different issues are, and the different action items.
- Member Toguchi expressed if the entire Board pulls together, there is going to be a lot of benefits from the way the Chair is setting this up -- including opportunities for greater participation in the different issues. It will also add to the quality of the work product that we are pursuing. He fully supports what the Chair is recommending.

THE MOTION WAS UNANIMOUSLY CARRIED.

The Chair requested to entertain a motion to approve the three Standing Committees. For the Board's information both Members Losua and Fink said they were willing to chair the subcommittees.

A MOTION WAS MADE BY MEMBER AMEMIYA AND SECONDED BY MEMBER CHEE TO ACCEPT THE PROPOSAL OF THE MEMBERS TO THE STANDING COMMITTEES. THE MOTION WAS UNANIMOUSLY CARRIED.

The Chair stated the third proposal directly addresses Member Amemiya's question relative to the Legislature. He added as described by Member Toguchi, the Legislative process moves very quickly and is highly complex. The Chair is recommending that we assemble an ad hoc committee for the duration of the Legislative Session to address the needs, and represent the Stadium Authority in its interest in the process. (A description of the committee's responsibilities is noted in the attached proposal.)

The Chair entertained a motion to accept the proposed stand up Ad Hoc Legislative Committee.

A MOTION WAS MADE BY MEMBER CHEE AND SECONDED BY MEMBER FINK TO ACCEPT THE PROPOSAL FOR THE STANDING OF THE AD HOC LEGISLATIVE COMMITTEE AND THE APPOINTMENT OF THE MEMBERS. THE MOTION WAS UNANIMOUSLY CARRIED.

V. New Business

(Recess 9:58 A.M. – 10:12 A.M.)

AT 10:12 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:

1. Stadium Operational Issues;
2. Wiss, Janney, Elstner & Associates Report;
3. Foley & Lardner LLC report;
4. Deed Restrictions;
5. Soccer Litigation;
6. Request for Approval for Use of Space from Nan, Inc.
7. Approval of Executive Session Minutes – January 12, 2017.

THE MOTION WAS UNANIMOUSLY CARRIED.

Meeting reconvened at 10:32 A.M.

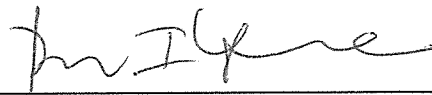
A MOTION WAS MADE BY MEMBER AMEMIYA AND SECONDED BY MEMBER FINK TO APPROVE THE PROPOSAL TO ALLOW THE STADIUM MANAGER TO NEGOTIATE A CONTRACT WITH NAN, INC. FOR THE USE OF FACILITIES. THE MOTION WAS UNANIMOUSLY CARRIED.

VI. Announcements

- A. Next Meeting: March 30, 2017 @ 8:30 a.m.

VII. Adjournment

A 10:33 A.M. A MOTION WAS MADE BY MEMBER AMEMIYA AND SECONDED BY MEMBER UCHIYAMA TO ADJOURN THE MEETING. THE MOTION WAS UNANIMOUSLY CARRIED.



ROSS I. YAMASAKI
Chairman

Stadium Authority Meeting
February 23, 2017
Page 15

Recorded by: Diana C. Ho

Date: April 5, 2017

