

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

October 26, 2017

Members Present:

Ross I. Yamasaki, Chairman
Audrey Abe
Keith Y. Amemiya
John Fink
Brennon Morioka

Members Excused

Michael Iosua
Scot Long
Charles T. Toguchi, Vice Chairman
David H. Uchiyama

Staff

Scott L. Chan
Ryan Andrews
Russell Uchida
Charles Vitale

Neal Sakamoto
Andrew Chang
Samantha Spain

Others:

Randall Nishiyama, Deputy Attorney General (AG)
Louise Sper, Aloha Sports Properties
Franz Kraitz, City & County of Honolulu, Planning & Permitting
Frank Kosich, Honolulu Authority on 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 Ross I. Yamasaki called the meeting to order at 8:35 a.m.

II. PUBLIC TESTIMONY

None

III. APPROVAL OF MINUTES

- A. Approval of the minutes for the September 28, 2017 Regular Session and Executive Session:

A MOTION WAS MADE BY MEMBER AMEMIYA AND SECONDED BY MEMBER MORIOKA TO ACCEPT THE MINUTES OF THE REGULAR SESSION. THE MOTION WAS UNANIMOUSLY CARRIED.

A MOTION WAS MADE BY MEMBER AMEMIYA AND SECONDED BY MEMBER FINKTO ACCEPT THE MINUTES OF THE EXECUTIVE SESSION. THE MOTION WAS UNANIMOUSLY CARRIED.

IV. Monthly Reports

- A. Chairman's Report

Chair apologized that he was out of town for two weeks, and wanted to recognize the stadium manager and staff for working extremely hard with all of the football events, as well as UH games; in addition there has been a lot of administrative work required for the upcoming legislative session. DAGS has also been preparing for all of the funding issues and informational briefings. He thanked Manager Chan and staff and also recognized the subcommittee chairs and members that have been very active as well. He thanked Members Abe and Morioka for taking the time to meet with Member Iosua and get actively involved as quickly as they could, which is much appreciated.

- B. Stadium Manager's Report (attached)

Manager Chan thanked the Chair for his comments. He stated, in addition to the reports by his staff, he brought attention to the monthly calendar of events (in the board packets) informing them that we are approaching the busiest time of the year with the UH football games, the high school playoffs, prepping for the legislative session; in addition, our staff will be working approximately 18-20 nights in November to service our clients at the various events.

The Chair inquired about the status of the Senate Ways & Means meeting that occurred on November 25, 2017.

Manager Chan reported, the purpose of the hearing was to inform and update new committee members. Items discussed pertained to departmental expectations, CIP requests for the upcoming year, and future goals.

C. Internal Affairs Committee (IAC) Chair's Report (Member Iosua)

Chair Yamasaki said Committee Chair Iosua submitted a report for board's review. In his absence Committee Member Morioka is present to answer any questions. Chair Yamasaki said he knows there is one item for discussion which requires a motion under Unfinished Business.

a. Events

- No new events to introduce.
- Summary of Monthly Events (report attached)

Chair Yamasaki said in looking at the numbers in the Summary of Monthly Events – he questioned if there is a correlation in the total attendance and the number of cars parked. Chair said his reason for asking is because there hasn't been much talk about traffic/parking issues.

Manager Chan responded:

- We coordinate with each client prior to a scheduled event. The amount of employees (parking attendants) that we work with is based on attendance and type of event.
- What is shown in the report (in terms of the difference) is the shortfall that we have. The difference between the number of part-time intermittent (PTI) employees from event to event are twofold:
 1. No Shows
 2. Various number of vacancies.
- Low unemployment rates have contributed to the decrease in PTI employees – very challenging times to hire. We addressed it by contracting a staffing company to help fill the void. That company is also struggling to bring in adequate employees.

Manager Chan informed the Chair that the stadium does have its challenges and we continue to look at other ways to fill the empty

slots as best as we can to create a pleasant experience for our guests.

- Calendar of Events (report attached)

b. Sales & Marketing (report attached)

c. Security Report (attached)

d. Capital Improvement Projects/Engineering & Maint. Report (attached)

D. External Affairs Committee's Report (EAC)

1. Committee Chair's Report (Member Fink) - Attached

Member Fink reported that the EAC members talked about an ad hoc committee and turned it over to IAC for formulation. The purpose is to try to be more proactive and stated the need to have someone perhaps from the West Coast to provide mainland and international opportunities for the stadium.

Chair Yamasaki verified with Member Fink that this will relate to a motion that will be brought up later in the agenda. Member Fink said yes.

2. Contractor Reports

a. Outfront Media/Aloha Sports Properties – Report Attached

The Chair had a question with the language “above the rail” that is referred to in the Outfront Media Report.

Manager Chan added that stadium staff initiated a meeting with UH's new advertising agent IMG, to clarify several items that we felt should be shared at the outset. He said Louise Sper coordinated the meeting -- he asked her to explain some of the discussion items:

Louise Sper

- We set up a meeting with IMG which is now overseeing corporate partnerships on behalf of UH.
- Our goal with that meeting was to help protect the inventory, and the signage/advertising that Outfront manages on behalf of the stadium. It

was also to identify what our stadium licensees/tenants are entitled to, and the description for that is usually called "above the rail, or below the rail." It basically involves the field -- that's where you see the A-frame typically for the UH. They manage all of those on behalf of their corporate partners. We oversee and manage everything else in terms of signage, as well as all the scoreboard inventory (referred to as "above or over rail").

- In addition, Ms. Sper said we do manage any type of naming rights. That is where Hawaiian Tel FCU owns the field on behalf of our partnership through Outfront vs. UH.

The Chair then clarified that UH has temporary advertising of the game on the field. Ms. Sper said that is correct.

- Ms. Sper said, typically, through our understanding with working with the stadium and their tenants, we allow UH a little ownership with what they do on the field, but it is temporary. That is why they are placed along the sidelines and they are taken down after every game. Chair clarified and Ms. Sper confirmed that the procedure is the same with any tenant.

Member Fink congratulated Ms. Sper for reaching 99% of their revenue goal and 17% higher than last year.

- b. Centerplate – Aloha Stadium Swap Meet/Sales & Marketing - (Report Attached)

3. Stakeholder Reports

- a. University of Hawaii
- b. Honolulu Authority for Rapid Transit (HART) – Report Attached

Chair Yamasaki inquired with reference to the HART report (the Kamehameha Guideway component, 98.8% complete) -- do the bullet points on the report indicate what's remaining in the scope of work?

Mr. Frank Kosich said that is correct. The bottom line is that they have punch list items to complete that are primarily associated with the Department of Transportation's review of the work – they have highway/traffic signals that have to be completed. Regarding the portion

of Kam Highway nearest the stadium and the airport contract – started the drill shafts during the past week. Mr. Kosich said they had the blessing on Monday and are making some good progress.

c. Transit Oriented Development (TOD)

Chair Yamasaki asked Mr. Kraintz if there was some significant movement with reference to the stadium plan.

Mr. Franz Kraintz reported:

- Yesterday the City & County (C&C) Planning Commission had a public hearing on the Halawa Area TOD Plan and he was pleased to announce that they unanimously endorsed it and recommended it to the City Council.
- The next step will most likely be to introduce it to the City Council – and hopefully by the end of the year they will be in a position to adopt it.
- We will then do the zoning (i.e., the zoning change plan and create a special district for this area).
- Mr. Kraintz said it sounds like a lot, but it is the City that is going to help influence the TOD for this site. In this regard, they will be working closely with DAGS, the Stadium Authority, and the State as they move forward.
- The Chair thanked Mr. Kraintz for their partnership. Mr. Kraintz thanked the Authority for its letter of support and believes it was very helpful. He also said having Manager Chan and Engineer Vitale physically present was also very helpful.

d. Hawaii Interagency Council for Transit Oriented Development (HIC – TOD) – Report Attached

E. Governance Committee (GC) Report

1. Committee Chair's Report (Chair Yamasaki)

We met with the committee and we are working on a tracking system in order to help the committee chairs track some of the board business in an efficient manner.

2. The committee is discussing the possibility of moving certain board meetings to the evening at a more accessible site for the general public (i.e., outside of the stadium). This would be done on an “as-needed basis” to provide the public with important information, especially during the legislative session.

V. EXECUTIVE SESSION

AT 8:54 A.M. A MOTION WAS MADE BY MEMBER MORIOKA AND SECONDED BY MEMBER AMEMIYA TO MOVE 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 STADIUM OPERATION ISSUES. THE MOTION WAS UNANIMOUSLY CARRIED.

Meeting reconvened at 9:43 a.m.

VI. UNFINISHED BUSINESS

- A. Formation of an ad-hoc committee to explore retaining a marketing consultant.(see attached Motion to form ad-hoc committee)

Proposal was passed out to the Board.

The Chair asked Member Morioka to provide a brief explanation of the proposed motion by the IAC.

Member Morioka said the IAC would like to establish an ad-hoc committee to explore the benefits of retaining an independent marketing consultant/events promoter to help further optimize the utilization of the stadium (both in the present and in the future). The general information is included in the proposed motion. He added:

- The proposed committee could be comprised of one member from the IAC and EAC, stadium staff, and also two members from the community who has the experience in promoting events and working with the Attorney General’s office -- looking at the types of procurements available to obtain the best proposals.
- Although Member Fink referenced someone from the mainland Member Morioka said they are not fully wedded to that idea -- even though the intent would be to make sure we are able to bring

Chair Yamasaki said it his assumption that the goal of the committee is to go through these exercises to bring forth the best recommended course of action to achieve proactive marketing. Also, that the committee, (at a later date), will also be delivering another motion to execute perhaps a Request for Proposal (RFP) or whatever the specific plan of action may be.

Member Abe expressed concerns about the cost to have events at the stadium. Member Fink said that is the main reason why we have very few events and we need to have discussions with mainland contacts and go beyond the one or two promoters that come to us. In answer to Member Abe's question, Chair Yamasaki said labor costs to set up staging are negotiable per act.

The Chair said one of the other ancillary benefits that the board will gain from this exercise is that the feedback that we receive from all of this can be passed on to Irwin Raj and his team of consultants in planning the future for the stadium.

Member Fink made the suggestion that we could do an event over a two-weekend period and amortize the expense over two different types of acts, hoping they can each generate a 20,000 – 30,000 crowd.

THE MOTION WAS UNANIMOUSLY APPROVED.

VII. New Business

A. Kiewit's Proposal to Rent "Other Space" on Stadium Property

Chairman Yamasaki noted that during the executive session stadium management stated it would like to take action on a request made by Kiewit to rent some space at the stadium, described as "other space."

A MOTION WAS MADE BY MEMBER FINK AND SECONDED BY MEMBER ABE TO APPROVE, (PURSUANT TO HAR-3-70-11 [c]), RENTING OF APPROXIMATELY 3,000 SQUARE FEET OF "OTHER SPACE" TO KIEWIT TO SITUATE THEIR OFFICE TRAILER AND STORAGE CONTAINERS AND TO DELEGATE APPROVAL TO THE STADIUM MANAGER TO NEGOTIATE THE FINAL TERMS, CONDITIONS, AND FINAL RATE PER SQUARE FOOT.

Discussion

Administrative Services Officer Russell Uchida said the location of the unimproved space is adjacent to the Commercial Drivers' License office (CDL). The Chair inquired if this will impact current operations and will Kiewit be responsible for their own security. Mr. Uchida said it will not impact operations and it will be written in their contract that they assume all risks. The area offered may create some concerns for them (i.e.

ingress/egress) but it will be their responsibility to assure us that they will comply with matters concerning the traffic/environmental/parking.

In response to the Chair's concerns, management recommends approval and will do its best to get a favorable rate for the stadium. Mr. Uchida said they are requesting the space for six to seven months, but he would like to offer them an option to extend, should they need the space for a longer period of time. The Chair requested a status in the Manager's Report at a future meeting.

THE MOTION WAS UNANIMOUSLY CARRIED.

VIII. Announcements

A. Next Board Meeting – November 16, 2017

IX. Adjournment

AT 10:02 A.M. A MOTION WAS MADE BY MEMBER FINK AND SECONDED BY MEMBER AMEMIYA TO ADJOURN THE MEETING. THE MOTION WAS UNANIMOUSLY CARRIED.



ROSS I. YAMASAKI
Chairman

Recorded by: Diana C. Ho

Date: November 16, 2017