

DAVID Y. IGE
GOVERNOR

RODERICK K. BECKER
COMPTROLLER



ALOHA STADIUM

An Agency of the State of Hawaii

ROSS I. YAMASAKI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
MANAGER

RYAN G. ANDREWS
DEPUTY MANAGER

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

February 22, 2018

Members Present:

Ross I. Yamasaki, Chairman
Audrey Abe
Keith Y. Amemiya
John Fink
Michael Iosua
David Uchiyama

Member Excused

Scot Long
Brennon Morioka
Charles T. Toguchi, Vice Chairman

Staff

Scott Chan
Ryan Andrews
Russell Uchida
Stephen Lee
Charles Vitale
Neal Sakamoto

Trina Silva
Andrew Chang
Liane Nakagawa
Samantha Spain
Ivan Nishimura

Others:

Randall Nishiyama, Deputy Attorney General (AG)
Audrey Hidano, Deputy Comptroller
Davy Murayama, Centerplate
Louise Sper, Aloha Sports Properties
Chris Kinimaka, Department of Accounting & General Services
David DePonte, Department of Accounting & General Services
Tom Peck, Honolulu Authority on Rapid Transportation (HART)
See Exhibit A (Sign-in Sheet)

I. CALL TO ORDER

A quorum being present, Chairman Ross I. Yamasaki called the meeting to order at

8:33 a.m. Chair reported there are no action items to be taken at today's meeting.

II. PUBLIC TESTIMONY

None

III. APPROVAL OF MINUTES

A. Approval of minutes for the January 25, 2018 Regular Session and Executive Session:

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

A MOTION WAS MADE BY MEMBER AMEMIYA 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

The Chair reported, in preparation for this meeting, the Executive Committee met and reviewed the following agenda items that will be up for discussion:

- External Affairs Committee (EAC) review of events and marketing activities.
- Legislative activities by the Internal Affairs Committee (IAC).
- Stadium Manager's report of events during the past month.

B. Stadium Manager's Report (attached)

Manager Chan reviewed the following items in his monthly report (attached) with the board and also asked Russell Uchida to cover the quarterly financial report:

- Administrative
- Operations
- Events
- Fiscal

(8:42 a.m. – Chris Kinimaka and David DePonte arrived.)

Quarterly Report (Russell Uchida)

Mr. Uchida thanked Member Abe for her assistance in helping to make this report more understandable.

- He provided the Board with two financial reports for the quarter ending December 31, 2017, and said revenues have been relatively stable; down maybe \$56,000 from the same period last year.

Profit & Loss (P&L) Report:

(Revenues)

- Swap Meet revenues went up significantly.
- Food & Beverage revenues also increased.
- Advertising revenues declined a little due to it being on a cash basis and stadium not receiving a guaranteed payment before the December cut-off.

(Expenses)

- Expenses increased \$330,000 - primarily attributable to the receivables (\$350,000) that were not received by quarter end 12/31/17. The licensee is a reliable source and no issues are anticipated. That's why the P&L line shows a \$289,000 deficit as opposed to last year's \$179,000 profit.

Member Abe made suggestions to better clarify the amounts shown on the report, which Mr. Uchida said would be added in.

(8:44 a.m. - Member Iosua arrived.)

FY 2018 Operating Budget Full Year/Actual/Projected Amounts

- Member Fink questioned the significant increase in Swap Meet projected revenues for the month of May 2018 (\$600,000+) vs. previous months (\$300,000 +). Mr. Uchida said he would have to research that item and get back to Member Fink.
- Mr. Uchida also explained to the Board the process he goes through to come up with a full-year actual and projected amount -- showing where we are going to be at the end of the Fiscal Year. Currently, we are looking at about a \$780,000 result. He said it doesn't include the \$1

increase for regular parking effective January 1, 2018, which he will factor in with the next projection.

Chair Yamasaki inquired, "How did the new parking rate schedule impact the numbers for the special events at the stadium. Mr. Uchida said it is not factored in yet.

Manager Chan said there were two events with substantial increases -- one was the Chainsmokers Concert and the other was the Pacific Rim Cup Soccer Tournament. Mr. Uchida said those were just 1-shot events therefore, we have no comparisons.

Member Abe asked for an explanation of why the overall parking went down. Mr. Uchida said he did not analyze it yet, but believes it may be attributed to UH's weakened season, as the reporting period encompasses the football season.

Member Abe wanted to know what was included in the miscellaneous items. Mr. Uchida responded it is a combination of all the small revenue items, and the prior year charge-back reimbursements that come in after Fiscal Year end.

Manager Chan noted:

- The financial outlook is promising.
- The staff has done a very good job serving our clients and keeping the stadium safe in light of having fewer opportunities during the spring/summer (due to health/safety work conducted throughout the facility).

C. Internal Affairs Committee (IAC)

1. Committee Chair's Report (Member Iosua)

Chair Iosua reported:

- The IAC did not have an official meeting this month.
- The members have been working on several projects, one of which is the Hawaii Administrative Rules, which the committee has met and is working on a proposal.

a. Events

- Approval of Events - None

- Summary of Monthly Events (report attached)
- Calendar of Events (report attached)
- b. Sales & Marketing Report (attached)
- c. Security Report (attached)
- d. Capital Improvement Projects/Engineering & Maintenance Report (attached)
- e. Sales & Marketing Committee

IAC Chair Iosua said the ad hoc Sales & Marketing Committee has met several times on the following:

- Evaluated the possibility of retaining a separate marketing consultant on events, but has since determined that it was out of our price range.
- They were able to find an alternative to hiring a stadium marketing consultant by working with HTA and their consultant (Ascendents) to market the stadium for events.
- Since the meetings with HTA currently fall under the EAC, Chair Iosua made the recommendation to sunset the marketing consultant ad hoc committee effective next month, and transition those responsibilities over to EAC; and let Member Fink and his team continue with the same members of the committee (Members Fink and Abe).

To complete this process/change, Counsel Nishiyama stated there has to be two meetings. Today's would serve as the first meeting (noticing the sunset), and the next meeting would include the presentation of their final report.

Chair Iosua said the committee will be asked to prepare a report and present it at the next meeting.

D. External Affairs Committee (EAC)

1. Committee Chair's Report (Member Fink)

Member Fink said there are many activities that may occur either late summer or early Fall, but none are at the point where they can be disclosed. They look forward to working with Ascendents.

2. Contractor Reports

- a. Outfront Media/Aloha Sports Properties (attached)
- b. Centerplate – Aloha Stadium Swap Meet/Sales & Marketing (attached)

Member Fink said he would like clarification on the big increase in May 2018.

3. Stakeholder Reports

- a. University of Hawaii -- None
- b. Honolulu Authority for Rapid Transit (HART) – Report Attached

Mr. Tom Peck was present on behalf of HART and reported that the station work is progressing well in the parking lot.

The Chair asked Mr. Peck about the potential traffic and lane closures surrounding the stadium (noting that stadium received communications from HART's PR firm). Manager Chan said that the communications came from Robert Washington (Anthology Group) who works alongside Laurie Simmons for STG's section of the Honolulu Rail Transit Project. He informed us of lane closures effective in February/March (both eastbound and westbound lanes of Nimitz Highway) with reference to guideway construction. Manager Chan added, we want to be sure that any lane closures will be addressed properly with our staff.

Mr. Peck apologized that he was not aware of this and will find out more and report back to the stadium.

- c. Transit Oriented Development (TOD)

Mr. Franz Krintz reported that the City Council is moving forward on a Resolution for the Halawa Area and anticipates future deliberations and hearings will follow. He also reported that the zoning for the Waipahu Station has been approved and they are also progressing with the Aiea-

Pearl City stations which include Leeward Community College, Pearl Highlands and Pearl Ridge stations.

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

The Chair recalled that the stadium was high up on the priority projects and inquired about the current status of activity/appropriation.

Engineer Charles Vitale reported:

- The 2018 HIC-TOD Strategic Report was just submitted. The Aloha Stadium Redevelopment Project is ranked as one of the three highest priorities.
- The \$200K grant that HIC-TOD gave the project will be part of the MP/EIS contract. Therefore, the total amount allocated is \$10.2 mil. We did not get any funding from HIC-TOD for this fiscal year.
- HIC-TOD council approved giving Co-Chairs authorization to take positions on legislation when time is of the essence: 1) Individual entities within HIC-TOD are not bound by these positions and can take their own; 2) Authorization will be reviewed yearly.
- Subcommittees are being set up for each station area. The Halawa Area has the Chair of the S.A. Board as a member. If delegates are to be appointed to represent the S.A., when the Chair is not available, it has to be done in writing. Manager Chan recommended that the Chair (due to his busy schedule) consider delegating authority to either him or Charles Vitale to represent the stadium on the committee (which is similar to the HIC-TOD set-up).

4. Legislative Committee Report

Member Iosua gave a brief overview:

- We just past the 22nd day of the 60-day Legislative Session.
- Last week was the first important deadline -- the first lateral which bills have to move to their final committees by that date.

- Several of the bills that we were tracking have fallen off and do not look like they are going to move during this session.
- The next major deadline is the crossover (in a couple of weeks); we have one more committee in each chamber with these bills. For the Senate side, they have one more committee that the bills have to pass through in order to crossover to the House.

Update of Legislative Bills (Russell Uchida)

- Mr. Uchida (RU) said we are tracking a handful of bills -- some remotely related and some directly related. He provided the board with a summary (attached) of the bills that we are tracking. We are currently tracking two bills.
- **SB2214** - Establish Transit-Oriented Development Districts along transit corridors as a community development district.

We submitted testimony and provided comments/concerns on the language - specifically as it relates to the stadium's development of its property and surrounding properties. Also to ensure that development is determined by the Stadium Authority (SA) rather than HCDA.

To address concerns, we stated that the SA moved ahead with initiating development of a comprehensive Master Plans & EIS , and the Legislature concurred by appropriating \$10.0 mil. to begin the process.

- **SB2705** – Bill passed second reading as amended - deferred to WAM on 2/14/18. It is still alive, and decision making is on 2/28/18.
- **SB2147** - Bill deferred by both committees - it was heard by subject matter committee GVO/ETT - double referral. For all intents and purposes, this bill is dead.

The Chair made the following comments relative to the Legislation, (specifically SB2705) which Senator Wakai was kind enough to put forward and include the stadium:

- In the past few years the S.A. has enjoyed very collaborative partnerships with multiple agencies, including HART, TOD, Office of Planning, and DAGS.

- It is interesting how this Legislation is putting forward to move Public Private Partnerships (P3), ways of financing, other mechanisms to move procurement and other ways where multiple state agencies can get together and move development forward.
- The Chair said he personally views the above as a good thing, because:
 - It's looking for ways that we can collaborate together.
 - Historically, the stadium has been in a position to be very good partners, and we want to endeavor to continue to do that as we move forward.
 - He thinks all of the agencies involved can mutually benefit from those partnerships.
- The Chair feels that SB2705 with the P3, and the idea that such office could provide support to where we're moving with our development as we start to get more information with the MP and EIS process, we can dovetail and feed into developments like that.

Member Iosua wanted to make one quick comment on SB2214 and SB2147

Russell Uchida mentioned these were deferred in the committees, but chances are they probably won't be moving forward any further.

5. Governance Committee (GC) Report

1. Committee Chair's Report

Chair Yamasaki said there is no report since the committee did not meet this month.

V. EXECUTIVE SESSION

The Chair said, for the benefit of those present, after the executive session, we will not have any new business or any actions to move on; he wanted everyone to be aware of the board's plans.

AT 9:20 A.M. A MOTION WAS MADE BY MEMBER AMEMIYA AND SECONDED BY MEMBER UCHIYAMA 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 OPERATIONAL ISSUES. THE MOTION WAS UNANIMOUSLY CARRIED.

(Recess - 9:20 A.M. TO 9:32 A.M.)

Meeting reconvened at 10:10 A.M.

VI. UNFINISHED BUSINESS

None

VII. New Business

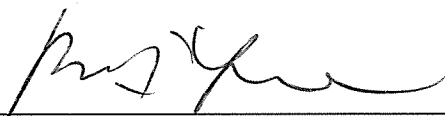
None

VIII. Announcements

The next board meeting will be on March 29, 2018.

IX. Adjournment

AT 10:11 A.M. A MOTION WAS MADE BY MEMBER AMEMIYA AND SECONDED BY MEMBER FINK TO ADJOURN THE MEETING. THE MOTION WAS UNANIMOUSLY CARRIED.



ROSS I. YAMASAKI

Chairman

Recorded by: Diana C. Ho

Date: March 29, 2018