

DAVID Y. IGE
GOVERNOR

CURT T. OTAGURO
COMPTROLLER

APPROVED MINUTES
REGULAR SESSION
FEBRUARY 27, 2020



An Agency of the State of Hawaii

ROSS I. YAMASAKI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
MANAGER

RYAN G. ANDREWS
DEPUTY MANAGER

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

February 27, 2020

Members Present:

Ross Yamasaki, Chair
Audrey Abe
John Fink
Michael Iosua
Hubert Minn
Scot Long
David Uchiyama

Members Excused:

Keith Amemiya
Brennon Morioka, Vice Chair

Staff

Scott Chan
Ryan Andrews
Andrew Chang
Stephen Lee
Liane Nakagawa

Neal Sakamoto
Trina Silva
Samantha Spain
Russell Uchida

Others:

Michael Chambrella, Deputy Attorney General (AG)
Curt T. Otaguro, Comptroller
Audrey Hidano, Deputy Comptroller
Senator Glenn Wakai
Karen Dang, Senator Wakai's Office
Paxton Wang, Learfield/IMG College
Greg Salas, Learfield/IMG College
David Matlin, University of Hawaii
Ferd Lewis, Star Advertiser
Chris Kinimaka, Department of Accounting and General Services (DAGS)
David DePonte, Department of Accounting and General Services (DAGS)
Davy Murayama, Centerplate – Food and Beverage Concessionaire
See Exhibit A (Sign-In Sheet)

I. CALL TO ORDER

A quorum being present, Chairman Ross Yamasaki called the meeting to order at 8:30 a.m.

II. PUBLIC TESTIMONY

NONE

III. APPROVAL OF MINUTES

A. Approval of minutes for the following date:

1. Regular Session – January 30, 2020

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

IV. MONTHLY REPORTS

A. Chairman's Report

Chair Yamasaki mentioned that we are currently in the legislative session with our focus on the New Aloha Stadium Entertainment District (NASED), responsive system of governance and coordination between agencies.

Chair Yamasaki requested to move an agenda item out of order to allow the External Affairs Committee Chair Mike Iosua to share the Legislative report prior to excusing himself to attend another meeting. There were no objections.

1. (Agenda Item IV.D.5.) Legislative Committee Chair Iosua's Report:

Chair Iosua stated we are almost halfway through the legislative session and we are approaching the deadline for bills to move from the originating chamber to the non-originating chamber. Our priority bills are on schedule to meet the deadline cut off. Administrative Services Officer (ASO) Russell Uchida and the legislative committee members have been working diligently, monitoring bills to ensure they stay on track. On March 5th, bills will crossover, giving us approximately one month for them to go to their assigned committees and cross back over to the originating chamber. Between now and the end of March will be a critical time for most of our bills. We will know by our next board meeting if our priority bills will proceed in the legislative process. Here are a few highlights of several bills that we are closely tracking:

- HB2200 – Executive Budget.
- HB2285/SB2841 - Emergency Appropriation – Requesting to raise our annual budget ceiling.
- SB2940 Relating to the Stadium Development District – Continue to establish development guidance policies for the Stadium Authority's actions within the Stadium Development District as well as hold title to real property.

Chair Iosua introduced Senator Wakai for comments:

Senator Wakai mentioned SB3061- Hawaii Community Development Authority (HCDA). He explained that this bill started out revamping the way board members are nominated. We added a section to the bill, to make it clear that the HCDA and its board have no jurisdiction in the Stadium Authority's decision process. He went on to say that the bill recommends adding two members to the Stadium Authority is still alive.

Chair Iosua thanked Senator Wakai for helping with these bills.

B. Stadium Manager's Report – Attached

Manager Chan congratulated Dave Matlin on hiring Coach Todd Graham as the new UH head football coach. He stated that the stadium staff is looking forward to a meet and greet session with the new head coach.

1. ASO Russell Uchida Quarterly Profit and Loss Report: (see handout)

- Profit and loss statement provided in packet under IV.B.
- FY2019 – Seven (7) large scale concert events, three (3) Monster Truck events.
- FY2020 – One (1) sell out NFL pre-season football game, one (1) concert, three (3) Monster Truck events.
- FY2019 we ended the year with \$3M in the black. FY2020 is projected to end approximately \$1M in the black. This projection is based on actual data through January 31, 2020 and data from prior years for the remaining months to complete the full year projection.
- Highlights from FY2020:
 - August 2019 parking revenue increased \$105K or 800% over prior year.
 - August/September Food and Beverage revenue increased \$530K or 700% over prior year.
 - There were eight UH games this year vs. seven in the prior year.These three revenue sources helped keep our budget in a stable state.
- Unbudgeted/Unplanned Expenses:
 - Annual Structural Assessment Report by Wiss, Janney, Elstner Associates, Inc. (WJE) \$206K.
 - Water pressure pumps \$80K - \$150K.
 - Carry over of the Central Service Expense. From prior year \$95K.
 - Workers Comp payouts \$120K.
 - Wireless headsets for referees \$25K.
 - Replacement of five golf carts \$36K.
 - Various repair and maintenance costs.

Chair Yamasaki asked Mr. Uchida if the emergency appropriation was to only raise the budget ceiling from the previous year's approved budget and not for more money? Mr. Uchida confirmed chair's statement and explained that we had unbudgeted expenses that needed to be addressed.

Chair Yamasaki continued by asking if we are anticipating having extra revenue this year, and do we anticipate having additional expenses for safety, etc.? Are we setting ourselves up for having to submit another bill for an emergency appropriation next year? He wanted to know if there is something we can do now by adjusting this year's budget, so we don't have to do this again next year.

Mr. Uchida explained that is a standard question that we are asked, "What is recurring and non-recurring?" Most of the items are non-recurring. HB2200 includes a \$7.7M request which includes the annual structural assessment for the following year. The legislature requested an estimated cost, and this amount is listed as a recurring expense. The cost of the two main items are the structural assessment for \$206K and the design work that follows, projected at \$470K. This is included in the \$7.7M as well.

Chair Yamasaki recognized that despite having no marketing budget, stadium management has worked hard on landing projects and promoting the stadium to remain profitable, which is a tremendous achievement.

C. Internal Affairs Committee

Member Iosua stated that the Internal Affairs reports have been provided in their packets for review.

1. Committee Chair's Report
2. Events
 - Approval of Events – None
 - Summary of Monthly Events - Attached
 - Calendar of Events - Attached
3. Sales & Marketing Report - Attached
4. Security Report - Attached
5. Capital Improvement Projects/Engineering & Maintenance Report - Attached

Chair Yamasaki requested for a follow up on the survey results taken during the football season.

Member Iosua excused himself from the meeting at 8:50 a.m.

D. External Affairs Committee

Chair Fink stated the reports are in the packets and thanked everyone for submitting their reports in a timely manner.

1. Committee Chair's Report

- IMG/Learfield/Hawaii Sports Properties - None
- Centerplate - Aloha Stadium Swap Meet / Sales and Marketing – Attached

2. Stakeholder Reports

- University of Hawaii – David Matlin Report:

In January we thought we would be able to keep Coach Rolovich, however when the Mississippi's coach resigned, the movement began. Mr. Matlin credits Coach Rolovich with leaving behind a winning team, influencing a good pool of candidates to draw from for his replacement. When Rolovich left, Coach Graham was hired within a week with the support of the union.

Background on Graham:

- High school football coach and history teacher from Texas.
- Defensive coach and runs high powered offense.
- Developed 12 head football coaches in 12 years.
- He's brought in Victor Santa Cruz and G.J. Kinne.

Matlin provided a few updates:

- UH's Video Coordinator won Mountain West video coordinator of the year. She has been with the program for 9 years.
- This will be the first time UCLA will play in a regular season game for the 2020 season opener.

Chair Yamasaki asked if there is anything else on the schedule that needs to be done such as recruiting or filling out the coaching staff etc. between now and the first game.

Matlin responded that Coach completed hiring his staff; ten assistant coaches, chief of staff, strength coach, and there will be several new graduate assistants and interns. Spring ball will start in late March.

- Honolulu Authority for Rapid Transit (HART) - Attached
- Transit Oriented Development (TOD) - Attached
- Hawaii Interagency Council for Transit Oriented Development (HIC-TOD) Report – Attached

Chair Fink added that he attended the HIC-TOD-PIG meetings dealing with the Stadium project in addition to projects in Kapolei and Iwilei. The meetings are very informative with guest speakers from other communities. Member Fink went on to say he attended a luncheon for marketing professionals related to the architecture, construction, and the engineering industry with a crowd of about 200 people in attendance. The main topic of discussion was the new

Aloha Stadium. He said it is great to see the amount of excitement surrounding the New Aloha Stadium Entertainment District.

3. NASED Coordination Committee Report - Attached

Deputy Manager Ryan Andrews Report:

- Environmental Impact Statement (EIS) and comment period anticipated completion by the end of the 3rd quarter of 2020.
- Request for Qualifications (RFQ) is in final review with project team and financial advisor. It is scheduled to go out before the end of this third quarter.
- Masterplan process continues to move forward. We have had two public workshops: the first one focused on the general public, and the second one focused on stadium stakeholders, i.e. advertisers, licensees, contractors, vendors etc. These were very positive meetings with approximately 50 attendees. They had the ability to engage with the project team and provide comments regarding transportation, infrastructure, site program, amenities, stadium design, and environmental sustainability.
- Communication/Public Engagement- We continue to have project members attend the Neighborhood Board (NB) meetings at NB#18, NB#20, and Aiea Community Association. In addition, the NASED.hawaii.gov website continues to provide updates with new information.

Member Fink stated that at the last meeting with stakeholders, there were several swap meet vendors and their main concern was a conflict of interest with the retail stores. They wanted to know how both vendors and retailers will co-exist. Therefore, these meetings are vital so these topics can be addressed and worked through.

Comptroller Otaguro made a final comment regarding the delay of the RFQ as indicated in a recent news article. He explained it is not a reflection of the committee, however it is a directive given by him, to make sure that the financial model presented to the stadium authority and administration is sound. He wanted to ensure that there was time to work with the financial advisor, so we have proven numbers and are fiscally responsible.

Member Abe asked, "Who are the financial advisors?"

Comptroller responded that the legal advisor, Irwin Raji of O'Melveny & Myers LLP hires the financial advisor. This board will need to see what the projections will be for whatever financing is selected.

E. Governance Committee Report

1. Committee Chair's Report – None

V. EXECUTIVE SESSION

NONE

VI. UNFINISHED BUSINESS

NONE

VII. NEW BUSINESS

A. Discussion and action regarding prohibited items

Manager Chan requested to defer item to be discussed a later date. All members were in agreement.

VIII. ANNOUNCEMENTS

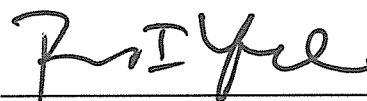
A. Next Board Meeting – March 19, 2020

Chair suggested to amend the date of the next board meeting from Thursday, March 19th to Friday, March 27th due to the legislative session and meetings for the NASED. All agreed to move the next board meeting to March 27th.

B. David Matlin announced the Mountain West football schedule has been released.

IX. ADJOURNMENT

AT 9:09 A.M. A MOTION WAS MADE BY MEMBER MINN AND SECONDED BY MEMBER FINK TO ADJOURN THE MEETING. THE MOTION WAS UNANIMOUSLY CARRIED.



Ross I. Yamasaki
Chairman

Recorded by: Colette May

Date: February 27, 2020