

**DAVID Y. IGE**  
GOVERNOR

**CURT T. OTAGURO**  
COMPTROLLER

**ROSS I. YAMASAKI**  
CHAIRMAN, STADIUM AUTHORITY

**SCOTT L. CHAN**  
MANAGER

**RYAN G. ANDREWS**  
DEPUTY MANAGER



**ALOHA STADIUM**

*An Agency of the State of Hawaii*

APPROVED MINUTES  
REGULAR SESSION  
JUNE 25, 2020

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

June 25, 2020

Members Present:

Ross Yamasaki, Chair  
Brennon Morioka, Vice Chair  
Audrey Abe  
John Fink  
Michael Iosua  
Scot Long  
Hubert Minn

Members Excused:

Keith Amemiya  
David Uchiyama

Staff

Scott Chan  
Ryan Andrews  
Andrew Chang  
Stephen Lee  
Liane Nakagawa

Neal Sakamoto  
Shelly Shoji  
Trina Silva  
Samantha Spain  
Russell Uchida

Others:

Randall Nishiyama, Deputy Attorney General (AG)  
Curt T. Otaguro, Comptroller  
Senator Glenn Wakai  
Karen Dang, Senator Wakai's Office  
Camille Masutomi, Department of Education (DOE)  
Franz Kraintz, Transit Oriented Development (TOD)  
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 – Concessionaire  
Crystal Van Beelen – Department of Emergency Services (DEMS)  
Gloria Borland – Inspiration Hawaii Museum (IHM)  
Eric Fujimoto – Ameriprise Financial Services, LLC (AMPF)  
Kauai Burgess – Kamehameha Schools

I. CALL TO ORDER

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

Chair Yamasaki expressed sincere condolences on behalf of the Stadium Authority, Stadium Manager and staff to the ohana of Senator Breene Harimoto who recently passed away. He extended sympathy to the Senator's staff, his colleagues, and to the community he served. He also commented that Senator Harimoto has always been a friend and a faithful supporter of the Stadium Authority.

II. PUBLIC TESTIMONY

Crystal Van Beeren, Disaster Preparedness Officer of DEMS provided public testimony:

Ms. Van Beeren extended appreciation to Aloha Stadium's Manager Chan, Stephen Lee, Andrew Chang, Russell Uchida, and Kim Dela Cruz. The City and County together with Hawaii Food Bank, Hawaii Community Foundation and other partners were able to hold seven mass food distributions at Aloha Stadium. We served 101,925 people which consisted of 7,000 adults and 28,000 children from approximately 2,300 households thanks to the stadium as a venue. From surveys conducted, most of the people who came to the distribution did not receive any type of public assistance such as EBT, Quest, WIC or Section 8. Over 18,000 people were newly unemployed or furloughed for the first time due to Covid-19, so the distributions were a huge success for both our city and residents

III. APPROVAL OF MINUTES:

A. Approval of minutes for the following date:

1. Regular Session – May 28, 2020
2. Executive Session – May 28, 2020

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

Chair commented there was a correction on page 5, within Chris Kinimaka's update. RFQ was notated as Request for Quote and needed to be corrected to Request for Qualification.

Additionally, there was a correction in Section E, under Governance Committee Report. Committee Chair's Report - should state "No Report" and Member Iosua's report should be moved D.5. Legislative Committee Report Update.

With these amendments, no one was opposed to the changes.

THE MOTION WAS UNANIMOUSLY CARRIED.

Approval of Executive Session Minutes:

Under AG Nishiyama's direction, Chair moved to approve the executive session minutes in executive session to make a small correction to the minutes.

#### IV. MONTHLY REPORTS

##### A. Chairman's Report

Chair thanked everyone for working through a virtual meeting. He also thanked the board and stakeholders for their continued support during the legislative session, as well as their involvement in the NASED project.

##### B. Stadium Manager's Report - Attached

ASO Officer R. Uchida reported:

It has been an interesting nine (9) months, to say the least. We were extremely fortunate to have had the opportunity to host and experience an NFL football game that involved working side by side with the LA RAMS management team and operations staff. This successful event was followed by experiencing UH's winning season, while concurrently realizing a solid revenue stream from the Aloha Stadium Swap Meet and Marketplace.

Then COVID-19 hit Hawaii and everything came to a halt. We were forced to cancel scheduled events and temporarily close the swap meet, until further notice. These actions have had a devastating impact on our operations and will continue to have lingering effects as we move into fiscal year 2021.

The repercussion of COVID-19 impacted us to the point where expenditures had to be significantly reduced and as a result, we no longer needed to push for an emergency appropriation to increase our special fund expenditure ceiling. Where we were initially short on appropriation and had sufficient cash to address expenditures, we are now in a position of being short on appropriation and (will be) short on cash in FY '21.

Stadium's Operating Budget:

- Our appropriated ceiling for fiscal year 2020 is:
  - \$9,297,877 /\$5.2M & \$4.0M, Allocation at \$9,295,377
  - (Emergency Appropriation \$1,137,708)
- We are authorized 36.50 Permanent FTE / 1.00 Temporary FTE
  - 4.00 vacant positions (Salary and Fringe Benefits):
    - Engineer VI (Engineering Branch/\$90,360 + 56,023 = \$146,383)
    - Human Resources Asst. IV (ASO/\$36,732 + 22,774 = \$59,506)
    - Cashier I (Box Office / \$32,664 + 20,251 = \$52,915)
    - Janitor II (Engineering Branch / \$43,764 + 27,133 = \$70,897)

**Payroll (Expenditure Savings): \$329,701**

These vacant positions create significant additional workload and is exacerbated by the concurrent roll-out and implementation of the State's phase-in of its NEW Time and Leave program.

**Brief Chronology on the Impact of COVID-19:**

- **March 13, 2020**, we provided swap meet vendors and licensees with an informational letter stating that we are continuing to monitor requirements, standards, and directives from the Governor's Office, the State Department of Health, and other experts, to slow the spread of COVID-19. We also noted that we have a responsibility of ensuring the health and safety of those attending and participating in events at the Aloha Stadium. We will continue to provide updates as necessary.
- **March 17, 2020**, we canceled upcoming events at the Aloha Stadium.
- **March 17, 2020**, we notified part-time intermittent workers that we would not be scheduling workers until further notice. This included:
  - Stadium Laborers
  - Stadium Groundskeepers
  - Stadium Clean-Up Workers
  - Event Ushers, Parking Attendants, & various other event related positions.
- **March 18, 2020** was the last open date for the swap meet.
- **March 20, 2020** - In compliance with Governor's proclamation(s) to social distance and "stay at home", we began a teleworking arrangement with employees.

**Profit and Loss Report**

1. Column 2 of the report, at the bottom, we are reporting a \$117,000 positive net balance through March 31, 2020.
2. COVID-19 hit and impacted us in mid-March and we completely shut down our event-related revenue opportunities.
3. In mid-March, we were approached by a rent-a-car consortium to support the consortium's effort to find a site to store their fleet vehicles. Their business model assumes a large percentage of their cars on the road at any given time. When COVID-19 hit, there were no tourists to rent cars and as a result, space was needed to store their vehicles. We were contacted by HNL-RAC, the lead company representing a consortium body of rent-a-car businesses. Effective March 17, 2020, we began renting the Lower Halawa Parking Lot (LHPL) and Upper Halawa Parking Lot (UHPL) to this consortium. We currently have an extension agreement pending execution that will extend the current arrangement through August 31, 2020.

*"FY 2020 Operating Budget Full Year Report" and assumptions in the construction of the report.*

**ASSUMPTIONS:**

1. Swap Meet:

- a. April's income reflects revenue generated in March.
- b. No income is reported for May and June 2020 (This is the shutdown period).
2. Parking:
  - a. No income reported for March, May, and June.
  - b. The \$42k reported in April is reimbursement for parking from events held in the fall season.
3. Food & Beverage:
  - a. LA Rams event helped to stabilize the revenue for the year.
4. Rent:
  - a. From March through June, revenue is from the rent-a-car consortium and the recurring rental for small cell systems.
5. Advertising:
  - a. Includes quarterly payments from the guaranteed annual payment amount of \$500k.

With all that has happened over the course of the year, I am projecting to end the year with a shortfall of approximately \$490k. This shortfall will be addressed with the cash balance that we have on-hand.

**FY 2021 – ASSUMPTIONS:**

As we move into FY 2021, there are several assumptions that are being made in this projection.

1. Swap Meet:
  - a. For the first two (2) months, Stadium is projecting to collect 10% of its normal revenue collection.
  - b. For the next four (4) months, Stadium is expecting to collect 25% of its normal revenue collection.
  - c. For the last six (6) months of the fiscal year, Stadium is expecting to collect 50% of its normal revenue collection.
2. Parking:
  - a. At the present time, we are not reflecting any parking revenue for the year.
3. Food & Beverage:
  - a. At present, the only revenue that we are working through involves the pouring rights contract through our Food & Beverage concessionaire. Using current contract compensation rates, we expect to collect approximately \$45,000 in two incremental payments.
4. Rent:
  - a. July and August include rent payments from the rent-a-car consortium (\$60k) along with monthly recurring rent for the small cell system totaling (\$10,913).

Applying these assumptions, we project to end the year in a deficit position of \$4.1M. After applying our existing cash balance on hand, we will be short in cash by approximately

\$906k through fiscal year end. This translates to our cash balance being exhausted by the end of FEBRUARY 2021. This does not account for any uncollected receivables.

Deferred Expenditures: Special Fund Assessments net for FY 2020 carried over into FY 2021 \$350k. (5% of revenues, 2.6% of expenditures for admin. overhead)

Structural assessment design work reflected in July 2020 of \$470,000. We have not yet determined when this expense will be incurred; however, this cost is required to proceed with construction work.

Note: We ended **fiscal year 2019 at \$3.0M** in the black.

- With the assumptions at that time, pre-COVID-19, I was projecting that we would end **fiscal year 2020 at approx. \$1.0M** in the black. (The projection is based on actual data through 01/31/2020 and projected data from prior years for the remaining months to complete the full year projection).

Discussion:

- Chair thanked Mr. Uchida and commented we were fortunate that we had a good year to build some cash reserve; however, since COVID-19, we are short and will need to continue to manage the reserve and seek revenue opportunities.
- Member Iosua asked for the monthly rental income from the rental cars.
- Mr. Uchida explained that by following the Administrative rules, we rent out at \$1K per day/per lot (both UHPL and LHPL) This equates to about \$30k per lot, per month.
- Member Fink asked if Mr. Uchida figured any changes in the numbers with the announcement of tourism opening back up on August 1<sup>st</sup>. Specifically an increase in tourism, there will be less of a need for rental car storage.
- Mr. Uchida explained that the licensee does not expect a great impact at the very beginning. If they do remove cars from the lot, we still charge a flat rate per lot. He added payment has been made regularly and on time by the consortium.
- Member Abe asked for clarification if the amount for the rent-a-cars is coming out to about \$60K-\$70K per month.
- Mr. Uchida explained we have three small cell systems on property that pay rent. Collectively they make up the \$10,913. Then we add the \$60k for the rental cars, and therefore in July and August we show \$70, 913 per month.
- Member Abe asked if the swap meet is going to open.
- Mr. Uchida responded that the swap meet opened on June 13<sup>th</sup>. He explained it is fully open and there is temporarily no admission charge for buyers, and there is a discounted rate for vendors. We are working with the swap meet management company to build momentum in re-opening.
- Manager Chan added that we have modified the swap meet by not opening on Wednesdays since that is when we experience a heavy flow of tourists. We will

reassess the situation at the end of the month to see if we need to make any adjustments.

- Member Abe stated she wanted to know why the swap meet is projected at \$100K per month for July, August and September, and then drops in October, November and December. In addition, she wanted to know how it would impact those figures if the travel industry opens.
- Mr. Uchida responded that we will have to see how it will impact our revenue stream. The base number that was used against which the percentage was applied was historical data from FY2016, since it seemed to be the lowest revenue generating year for the swap meet. In the months of October, November and December the stadium juggles between the UH games and the swap meet. The swap meet sometimes goes on an abbreviated schedule during a game day and there is less interest in the swap meet compared to the summer months.

C. Internal Affairs Committee

Chair Iosua thanked Manager Chan and stadium staff for their hard work in keeping the stadium running on a limited staff during these difficult times.

D. External Affairs Committee

1. Committee Chair's Report

Chair Fink stated the reports have been sent out. We continue to move forward with NASED meetings.

2. Contractor's Reports

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

Davy Murayama of Centerplate reported:

Mr. Murayama wanted to thank the stadium staff (Scott Ryan Russell, Stephen, Samantha) who contributed to making the opening a success. They worked hard to translate the governor's proclamation to ensure we were abiding by the rules. Much of the focus was on how to help get the vendors back in business.

He went on to review the changes that took place to re-open the Aloha Stadium Swap Meet (ASSM):

- Reconfigured the entire stadium layout by changing all stalls.
- Added directional cones.
- Signage.
- Reduced hours.

Discussion:

- Member Iosua asked what the percentage is of how many vendors showed up over the last two weeks.
- Mr. Murayama stated it has been approximately 40% -50% (900 people from marketplace vendors and garage sale vendors).
- Member Iosua then asked if he's heard from any vendors who will not come back and have closed their business.
- Mr. Murayama responded that they have not heard from any vendors moving to other places. He explained that since the closure happened mid-March, the vendors still had credit on their spaces, and they anticipate the vendors will use those credits. The vendors that are not coming back right now are the ones that rely heavily on tourism. Once the quarantine is lifted, the ASSM suspects these vendors will return.
- Member Abe asked if the ASSM has considered different types of vendors to draw more locals, such as food take out, while they wait for tourism to pick back up. For instance, many people go to KCC market just to pick up food.
- Mr. Muriyama explained that there are currently some food and produce vendors. He added that the general concession food is taken care of by Centerplate Food and Beverage. The sales are currently about 10% of the normal amount of sales.
- Manager Chan added that one of the major considerations to reopen the Swap Meet was making sure that we were compliant with COVID-19 safety measures. Before ending the external affairs reports, Chair Fink invited Senator Wakai to speak to the board.

Senator Wakai commented on the importance of passing SB2940. Two days ago, the House Committee on Labor & Public Employment passed it with a few amendments:

- To allow DLNR to take back ownership of the land in case we do not have mixed use development on the property.
- We included language from HB2217 which allows for two new members from the community (Foster Village/Salt Lake and Aiea). Community input will be vital for the redevelopment of the area.
- The dollar amount was blanked out to allow Sylvia Luke and the Finance Committee to put in a dollar amount if they feel it necessary.

Essentially everything is the same within the bill, and the bill is moving forward.

Chair Yamasaki and Member Fink thanked Senator Wakai for his continued support of the stadium.

### 3. Stakeholder Reports

- a. University of Hawaii – None
- b. Honolulu Authority of Rapid Transit (HART) – None
- c. Transit Oriented Development (TOD) – Attached



d. Hawaii Interagency Council for Transit Oriented Development (HIC-TOD) Report - None

4. NASED Coordination Committee Report – Attached
5. Legislative Committee Report Update

Chair Iosua stated the legislature reconvened on June 22<sup>nd</sup>. The session will continue until July 10<sup>th</sup>, and some deadlines have changed in the House and Senate for crossover and lateral deadlines. SB2940 is amongst some of the high priority bills thanks to Senator Wakai, Chair Dela Cruz, Chair Luke, and Representative Johansen with their support for the bill.

Member Fink asked if there is a status on funding for repair work.

Chris Kinimaka responded by stating there are no operating funds being appropriated at this time for health and safety improvements. The source of funding had to shift from General Obligation Bond Capital Improvement Project (CIP) to general revenues because of the anticipated demolition date of the existing stadium, the work no longer qualifies as CIP. We are looking at alternative means to address the repairs such as possibly working it in with the developer to incorporate taking care of the existing stadium as part of the scope of work. We are seeing if this is viable and how it can be expensed.

#### E. Governance Committee Report

Chair Yamasaki reviewed two items:

1. Three governor's messages (GM) were sent down to Senator Wakai's committee for board member confirmation. There will be two new members which is in GM 812 and 813. GM 814 is the re-appointment of Member John Fink.

If all goes through, we will welcome the new board members at the next board meeting in July.

There will also be two board members that will be leaving the board which are Member Scot Long and Member David Uchiyama.

Chair recommends that we have an in-person meeting as opposed to a virtual meeting on July 30, 2020. Social distancing will be implemented in the Hospitality Room.

2. Comments were made regarding our governance and how we run our meetings. Please note this is during the transition to a virtual meeting. The board endeavors to be transparent and open and compliant to the sunshine laws. The comments were brought to the board through the Attorney General's office, and AG Nishiyama is assisting in a response.

AG Randall Nishiyama addressed two agenda items that will take place in executive session:

1. Swap Meet re-opening negotiations – the purpose is to discuss with counsel the position that the Stadium Authority will take regarding the request that Centerplate has made.
2. Evaluation of the Stadium Manager – this is a personnel matter and is one of the eight items which we can discuss in executive session.

Chair Yamasaki added that the executive session minutes will also be corrected in executive session.

V. EXECUTIVE SESSION

AT 9:30 A.M. A MOTION WAS MADE BY MEMBER IOSUA AND SECONDED BY MEMBER FINK 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-F(A)(4), HAWAII REVISED STATUTES, REGARDING: STADIUM OPERATIONAL ISSUES, SWAP MEET RE-OPENING NEGOTIATIONS; STADIUM MANAGER'S BIENNIAL EVALUATION; RECOMMENDATION FOR SALARY ADJUSTMENT – DISCUSSION/ACTION.

(Recess - 9:30 a.m. to 9:34 a.m.)

Meeting reconvened at 10:46 a.m.

VI. UNFINISHED BUSINESS

Member Iosua spoke on behalf of the Evaluation Committee:  
The board has approved Stadium Manager Chan's continued term and the maximum allowance for a salary increase under the DHRD schedule.

VII. NEW BUSINESS

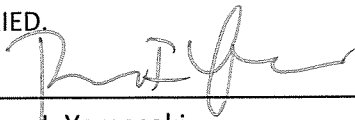
None

VIII. ANNOUNCEMENTS

- A. Next Board Meeting – July 30, 2020  
Chair Yamasaki recommended an in-person meeting in July.

IX. ADJOURNMENT

AT 10:50 A.M. A MOTION WAS MADE BY MEMBER LONG AND SECONDED BY MEMBER MORIOKA TO ADJOURN THE MEETING. THE MOTION WAS UNANIMOUSLY CARRIED.

  
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Ross I. Yamasaki  
Chairman

Recorded by: Colette May

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