

DAVID Y. IGE
GOVERNOR

CURT T. OTAGURO
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 Regular Session
99-500 Salt Lake Boulevard
Honolulu, Hawaii 96818

December 17, 2020

APPROVED MINUTES
REGULAR SESSION
DECEMBER 17, 2020

Members Present:

Ross Yamasaki, Chair
Brennon Morioka, Vice Chair
Audrey Abe
Keith Amemiya
Kau'i Burgess
John Fink
Eric Fujimoto
Michael Iosua
Hubert Minn

Staff:

Scott Chan	Neal Sakamoto
Ryan Andrews	Shelly Shoji
Wendy Ho	Trina Silva
Stephen Lee	Samantha Spain
Colette May	Russell Uchida
Liane Nakagawa	

Others:

Randall Nishiyama, Deputy Attorney General (AG)
Senator Glenn Wakai
Karen Dang, Senator Wakai's Office
Senator Bennette Misalucha
Curt Otaguro, Comptroller
Audrey Hidano, Deputy Comptroller
Riley Fujisaki, Finance, Chair Luke's Office
Chris Kinimaka, Department of Accounting and General Services (DAGS)
David DePonte, Department of Accounting and General Services (DAGS)
Davy Murayama, Centerplate
Franz Kraintz, Transit Oriented Development (TOD)
Harrison Rue, Transit Oriented Development (TOD)

Brian Black, Civil Beat Law Center

Blaze Lovell, Civil Beat

Alan Yamamoto, Ha. Ka. Entertainment

Pane Meatogo, Hawaii Operating Engineers Industry Stabilization Fund (HOEISF)

Philip Schmunk, NBBJ

Brenda Salgado, Hawaii News Now

I. CALL TO ORDER

A quorum being present, Chair Yamasaki called the meeting to order at 8:31 a.m.

II. PUBLIC TESTIMONY

None

Chair Yamasaki noted that there was an adjustment to the agenda that was sent to the board. The executive minutes were not listed on the copy of the agenda that was sent to the board however they were listed correctly on the agenda that was posted for the public.

III. APPROVAL OF MINUTES

A. Approval of minutes for the following date:

1. Regular Session – November 19, 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.

2. Executive Session – November 19, 2020

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

IV. MONTHLY REPORTS

A. Chairman's Report – Chair Yamasaki noted that it was a short month between meetings due to the holidays. He expressed his appreciation for the board's efforts in addressing the current challenges while serving the mission for the community.

B. Stadium Manager's Report – Manager Chan stated that the stadium has been busy with the following:

- Show Aloha Land Light Show – positive feedback, great event for the community
- Hawaii Food Bank Food Distribution – 12.18.20

Administrative Services Officer (ASO) Russell Uchida provided the monthly financial report update: Attached

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Manager Chan stated that management received a letter from our food and beverage concessionaire, Centerplate, requesting further relief due to the pandemic. After reviewing their request, Manager Chan asked to defer the item until next month, in order to review in greater detail.

C. Internal Affairs Committee (IAC):

1. Committee Chair's Report – The IAC did not meet this month. Member Iosua stated the reports were sent out for review in the board packets.

2. Events

a. Approval of Events – Ha. Ka. Entertainment Alan Yamamoto

i. Requesting to use the Upper Halawa parking Lot for A drive-in a concert with local artists using FM transmission

ii. Dates: 2/13/21 - 2/14/21

iii. Partnering with Hotbox and using the same logistics

On behalf of the Stadium administration, the Events Manager Stephen Lee recommended approval subject to further negotiations.

A MOTION WAS MADE BY MEMBER IOSUA AND SECONDED BY MEMBER FINK TO APPROVE THE HA. KA. ENTERTAINMENT EVENT SUBJECT TO FINAL NEGOTIATIONS WITH THE STADIUM MANAGER. THE MOTION WAS UNANIMOUSLY CARRIED.

b. Summary of Monthly Events - Attached

c. Calendar of Events - Attached

3. Sales and Marketing – Attached

a. Aloha Stadium Swap Meet – Samantha Spain reported:

i. Swap hours are Sat: 8:00-1:00 and Sun: 6:30-1:00.

ii. Six-week program with Hawaii News Now (HNN) with local food vendors has been extended to every Sunday.

iii. The partnership with HNN provides free advertising for the stadium.

iv. We have a partnership with HI Now which is also promoting the swap meet as attendance is increasing.

v. We have a new partnership with 808Crafts & Gift Fairs adding approximately forty additional vendors.

4. Security Report - Attached

5. Capital Improvement Projects/Engineering & Maintenance Report - Attached

6. Ad Hoc Committee - Stadium Revenue Opportunities

Member Iosua stated that there are operational challenges that need to be discussed before we move forward with an official report. He recommended to defer the report and reserve the right for future discussion.

D. External Affairs Committee (EAC):

1. Committee Chair's Report

The EAC did not meet this month. Member Fink stated the reports were sent out to the board.

2. Contractor Reports

- a. IMG/Learfield/Hawaii Sports Properties – Attached
- b. Centerplate - Attached

3. Stakeholder Reports

- a. University of Hawaii
 - i. Congratulations to UH Football for earning a bowl bid.
 - ii. Excited to play in Frisco, TX on Christmas Eve and for the recruiting opportunities.
- b. Honolulu Authority for Rapid Transport (HART) – None
- c. Transit Oriented Development (TOD) - Harrison Rue - Community Building and Transit Oriented Development Administrator reported:
 - i. City Council adopted the Halawa area TOD plan last week.
 - ii. The work between the city and state agencies is a flag ship model for interagency cooperation.
 - iii. One recommendation made and adopted by the City Council was to adjust one of the maps to allow more height along the Mauka parking lot than what was in the original plan. This aligns with what the NASED consultants are proposing.
- d. Hawaii Interagency Council for Transit Oriented Development (HIC-TOD) – None

4. NASED Coordination Committee Report – Attached

Member Morioka stated there is progress on the Request for Proposal (RFP) and the three final proposers were announced. Chris Kinimaka provided an update:

The Draft Environmental Impact Statement (DEIS) has been submitted to the office of environmental quality control. We anticipate publication to start from December 23rd. We are voluntarily extending the review/comment period for forty-five days [instead of thirty days] because the outreach to the community will start in mid to late January. This will provide the community and stakeholders more time to provide feedback to the NASED team. We continue to coordinate the proposed bill for the next legislative session.

5. Legislative Committee Report – None

- a. Senator Wakai stated that bill 2940 will be a priority bill in the next session.
- b. Senator Misalucha introduced herself and noted that the stadium is part of Senate District 16, and therefore she has a vested interest in the developments of the stadium. She thanked Manager Chan and staff for accommodating the Halawa Housing food distribution event.

E. Governance Committee

1. Committee Chair's Report – There was no meeting and no report.

V. EXECUTIVE SESSION

AT 9:07 A.M. A MOTION WAS MADE BY MEMBER MORIOKA 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; DISCUSS THE CONTINGENCY PLAN TO ADDRESS BUDGET SHORTFALL (INCLUDING PERSONNEL AND CONTRACTS). THE MOTION WAS UNANIMOUSLY CARRIED.

(Recess: 9:07 a.m. - 9:16 a.m.)

Meeting reconvened at 10:35 a.m.

VI. UNFINISHED BUSINESS

None

VII. NEW BUSINESS

Deputy Manager Ryan Andrews provided a summary of the stadium's financial situation:

Background:

- Stadium Authority is 100% special funded agency of the state of Hawaii.
- The stadium has been self-sustaining for forty-five years.
- Primary revenue sources are swap meet, parking, food & beverage, advertising and rent.
- With the colossal impact from Covid-19 the stadium has fully complied with all the Governor's emergency proclamations, Mayor's emergency orders, and other guiding documents by subject matter experts.

Action taken by stadium:

- Canceled or postponed events.
- Closed and re-opened swap meet with the state shut down.
- Reduced expenditures including part-time, intermittent staff.
- Restructured contracts.
- Limited spending to only essential expenses.

Current status:

- Unable to host large-scale entertainment events.

- Currently hosting COVID-safe drive through events [which do not fully meet our financial needs].
- Swap meet is operating well, but at a reduced capacity to ensure social distancing and safety.

Revenue projections:

- Stadium management have made revenue projections through fiscal year 2024 utilizing reports and forecasts from a variety of resources, such as the University of Hawaii Economic Research Organization and the Council on Revenues, Department of Taxation. Although there is projected growth each year, as well as opportunity for new events, such as the drive-through events, it is very unlikely that the stadium's revenues will exceed expenses through fiscal year 2024.
- One key reason for revenues not exceeding expenses is the decline of tourism and its projected slow return. Swap meet attendance and revenue strongly correlates with tourism and the Swap meet is traditionally one of the larger revenue sources for the Authority.

Mr. Andrews stated that given the earlier reporting by Mr. Uchida on our current fiscal year budget, and extending out for the next few years, the stadium is unable to meet its expense levels given the projected revenues. Therefore, management is requesting direction from the Stadium Authority Board regarding expense reductions.

Chair Yamasaki added as a special funded enterprise agency, we are not unlike many private sector organizations, which must limit expenses to revenues generated. The pandemic has significantly impacted operations and decreased most of the traditional opportunities to earn revenue. Over the past few months the Stadium Authority has worked closely with the Comptroller in seeking input and guidance from the Administration, Attorney General's office, Department of Human Resources, and the Public Works Administrators to best understand our kuleana in the face of this hardship.

Chair commended the stadium management and staff on working through the challenges to date and finding ways to adapt and continue to serve the community the best way possible with the resources available. Since the onset of the pandemic, the cash reserve has been drawn down to fund expenses in hopes of bridging until it is safe to restore revenue-generating opportunities. Per the report from management, the financial forecast can no longer support this course of action. Therefore, the Chair recommended moving forward with measures to extend financial viability of the Stadium Authority.

A MOTION WAS MADE BY MEMBER MORIOKA AND SECONDED BY MEMBER FINK THAT THE BOARD DIRECTS MANAGEMENT TO TAKE APPROPRIATE ACTION TO REDUCE EXPENSES IN COMPLIANCE WITH ALL PROCEDURAL REQUIREMENTS AND SUSPEND ANY NEW BOOKINGS OF ATTENDED EVENTS IN THE STADIUM UNTIL FURTHER NOTICE. THE MOTION WAS UNANIMOUSLY CARRIED.

Chair Yamasaki noted that the stadium will continue to pursue and service the community within the parking lot including the swap meet.

Chair closed by stating that it is with a very heavy heart that the Authority makes this decision. It is our hope and continued effort to find a long-term solution. The board and management are committed to continually push forward to serve our community and serves its mission the best we can with our available resources.

VIII. ANNOUNCEMENTS

The next board meeting is scheduled on January 28, 2021 and to be held via Zoom at 8:30 a.m.

IX. ADJOURNMENT

AT 10:44 A.M. A MOTION WAS MADE BY MEMBER FUJIMOTO AND SECONDED BY MEMBER MORIOKA TO ADJOURN THE MEETING. THE MOTION WAS UNANIMOUSLY CARRIED.



Ross I. Yamasaki

Chairman

Recorded by: Colette May

Date: December 17, 2020