

DAVID Y. IGE
GOVERNOR

CURT T. OTAGURO
COMPTROLLER

**APPROVED MINUTES
REGULAR SESSION
SPECIAL MTG. MAY 6, 2021**



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 – Special Meeting
99-500 Salt Lake Boulevard
Honolulu, Hawaii 96818

May 6, 2021

Members Present:

Ross Yamasaki, Chair
Brennon Morioka, Vice Chair
Kau'i Burgess
John Fink
Eric Fujimoto
Michael Iosua

Members Excused

Audrey Abe
Keith Amemiya
Hubert Minn

Staff:

Scott Chan
Ryan Andrews
Andrew Chang
Wendy Ho
Stephen Lee
Colette May
Liane Nakagawa

Ivan Nishimura
Neal Sakamoto
Shelly Shoji
Trina Silva
Samantha Spain
Russell Uchida

Others:

Randall Nishiyama, Deputy Attorney General (AG)
Senator Glenn Wakai
Karen Dang, Senator Wakai's Office
Curt Otaguro, Comptroller
Audrey Hidano, Deputy Comptroller
Chris Kinimaka, Department of Accounting and General Services (DAGS)
David DePonte, Department of Accounting and General Services (DAGS)
Camille Masutomi, Department of Education (DOE)
Davy Murayama, Centerplate
Tom Peck, Honolulu Authority for Rapid Transit (HART)
Franz Kraitz, Transit Oriented Development (TOD)
David Matlin, University of Hawaii (UH)
Paxton Wang, Learfield/IMG College

David Harris, WT Partnership
Stacey Jones, Crawford Architects

I. CALL TO ORDER

A quorum being present, Chair Yamasaki called the meeting to order at 9:00 a.m.

Chair Yamasaki stated that this special meeting has been called at the request of the board to act in a timely manner on the items that were presented at the last regularly scheduled meeting regarding the New Aloha Stadium Entertainment District (NASED).

II. PUBLIC TESTIMONY

None

Chair Yamasaki provided a summary of the last scheduled board meeting.

We had management report the financial impact of COVID-19 to our operational plans and the budget to transition to the NASED project which resulted in a depletion of all reserves and the need for operational appropriations which were requested by the legislature this past session. It also forced management to reduce expenses, and it was reported that the impact of those expense reductions is visible in some of the general maintenance that was deferred over the past year.

Chair Yamasaki stated that DAGS reported an update on the stadium development process. They recommended for site location of a new stadium that avoids major utility relocation work, which is anticipated to have significant cost and schedule benefit to the program. This new siting will require the ability to demolish the existing stadium prior to [or in tandem with] the new construction versus the previous plan to keep the existing stadium operational in the interim and demolishing it post completion of the new one.

This is at the center of our decision making and discussion today. Chair Yamasaki also noted that the resolution on these issues today, which justifies the urgency of this special meeting, would significantly advance the Request for Proposal (RFP) effort and provide more clarity moving forward. DAGS also gave an update on the ongoing structural assessment and work which is a projected cost of \$1.25M. Per questioning, they confirmed that the project could be stopped if this decision moves forward and we can recoup some of that money and redirect it back toward NASED.

Chair Yamasaki continued that the legislative committee reported that HB1348 has passed the legislature and has been transmitted to the Governor indicating support for the NASED. They also reported that budget we did not receive any further funding for any required health and safety repairs or deferred general maintenance for the facility.

He added that the University of Hawaii reported they are committed to having their games played and they are on schedule to complete their on-campus renovations to host their football games in the interim.

MEMBER MORIOKA MOTIONED AND MEMBER IOSUA SECONDED THE MOTION TO APPROVE THE NASED TEAM’S RECOMMENDATION TO MAKE AVAILABLE TO THE SELECTED STADIUM DEVELOPER, THE ABILITY TO ADDRESS THE DEMOLITION OF THE EXISTING STADIUM IN A MANNER THAT MAXIMIZES COST AND SCHEDULE BENEFIT TO THE PROJECT.

III. DISCUSSION/ACTION REGARDING NASED PROJECT

- a. Finance
- b. Demolition
- c. Construction
- d. Site Location
- e. Any other action necessary to move project forward

DISCUSSION

Member Fujimoto commented that the stadium was generating \$10M in overall revenue pre-COVID-19 and now we are at about \$2.5M in revenue during COVID-19. There is a lot of discussion about fiscal responsibility, and in the DAGS presentation last week, it was stressed that we look at the opportunity of this motion. It brings a fiscal responsibility at the right time, and therefore Member Fujimoto stated that he supports this motion.

Member Morioka reminded the board that the University of Hawaii is planning to play at their own stadium which relieves the pressure of finding a place for UH to play in the fall. Considering some of the constructability issues, and we are trying to be responsible about managing our costs and looking at ways to reduce the potential cost exposures during the construction project, demolishing the stadium early, providing a clean site, for the contractor to build, all helps reduce costs because now constructability becomes easier and that is a significant cost. It also allows the developer to move the location of the stadium to a more desirable area that also potentially alleviates the need for very costly utility location. This action to allow the contractor to demolish early and site the stadium in a more desirable location, all helps with reducing and managing the costs which ultimately in the long term is going to be paid for by the tax payers. Member Morioka concluded by stating that this motion is the responsible alternative for us to pursue.

Chair Yamasaki asked Chris Kinimaka of DAGS to review how the decision to demolish early positively effects the process regarding the stadium Request for Proposal (RFP).

Ms. Kinimaka stated that this decision helps to plot the direction forward on the potential location of the stadium, it helps to address the utilities of infrastructure, and then it allows us to put together a more concrete request for proposals for the developers. It allows us to de-risk the project, so the proposals will be more complete and more competitive.

Chair Yamasaki stated that one of the summary points was that there was no funding for any type of work. Stadium management reported that due to COVID-19 all the reserves were drained. He asked Ms. Kinimaka if funds were to come in, what would be the timeline to activate work for the project.

Ms. Kinimaka responded that the assessment would have to be completed, [with the target completion of July this year], then that information would have to go into design for repairs. Then it would go back out for bid for contractors to do the work. We would be looking at starting repairs by late 2022 and the construction itself would not be available until late 2023 for occupancy at the earliest. Ms. Kinimaka added that the last Capital Improvement Project (CIP) request that addressed the most critical areas was approximately \$13.7M which was two years ago. That number would be much larger than we anticipate, and the timeline would be into 2024 for all of it.

Chair Yamasaki asked Deputy Manager Ryan Andrews to confirm if funds were available, and the stadium pushed to activate operations in the bowl, would the revenue generation not pay back the investment in addition to running into the sunset of the building due to NASED.

Deputy Manager Andrews confirmed that his assessment is correct.

Member Fink commented that the ability to entertain fans and the willingness of fans to attend due to COVID-19 are two entirely different things. We cannot not assume that if we open the stadium, that 15K – 20K people are willing to gather right now. We need to keep in mind the probabilities of what may happen this fall.

Chair Yamasaki agreed that it is hard to assess what the future holds regarding COVID-19, especially the market and whether fans are willing to attend events and adds more risk relative to the investment in the stadium.

Member Iosua added that one of his main concerns was that UH would have a place to play, and with UH's commitment, and Member Fink's comments we can rest assure we are not affecting it by taking this path.

Chair Yamasaki stated that looking at our financial responsibility, there is concurrence that it's better to direct and save money for NASED in the future and have that project done as efficiently and timely as possible versus spending any more resources in resurrecting the existing stadium. Chair addressed Manager Chan stating that once the decision is made, the stadium will have to enact a decommissioning plan, and he wanted to know how this will impact the community stakeholders [mainly UH], and if there are any concerns or constraints.

Manager Chan responded that the current situation doesn't allow us to engage in a conversation with UH to support their future endeavors [with having their football season on their campus]. We are unable to commit to their request for stadium equipment that can help support a smoother transition to the UH campus. A decision will allow us to move forward and support the University of Hawaii's endeavors.

Chair Yamasaki addressed AG Nishiyama and stated that the decision to demolish the stadium provides the opportunity for the new stadium location. He clarified whether the motion needed to state the location, or just for a decision on the demolition.

AG Nishiyama confirmed the motion only needed to endorse the early demolition option for NASED to identify the ideal location for the construction of the new stadium.

THERE WERE NO OBJECTIONS TO THE MOTION. THE MOTION WAS UNANIMOUSLY CARRIED.

Member Fujimoto reminded the board that stadium management ran a scenario in a previous meeting regarding what decommissioning would look like. Therefore, management has done their due diligence with the transition into NASED.

MEMBER FUJIMOTO MOTIONED AND MEMBER IOSUA SECONDED TO EMPOWER THE STADIUM MANAGEMENT TO TAKE ALL NECESSARY ACTIONS TO DECOMMISSION THE STADIUM. THE MOTION WAS UNANIMOUSLY CARRIED.

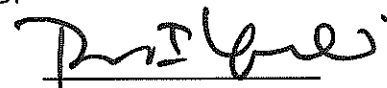
Member Fujimoto added that he would like to start working on communication with the University of Hawaii that this is a win-win situation, and the new Aloha Stadium is a place that UH can thrive.

IV. EXECUTIVE SESSION
None

Member Fink asked Manager Chan where everything will be stored from the stadium. Manager Chan responded that we will have to meet with the consultants to determine storage space and location. There is much to consider as we begin the decommissioning process.

V. ADJOURNMENT

AT 9:30 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: May 27, 2021