

DAVID Y. IGE
GOVERNOR

CURT T. OTAGURO
COMPTROLLER

ROSS I. YAMASAKI
CHAIRMAN, STADIUM AUTHORITY

RYAN G. ANDREWS
DEPUTY STADIUM MANAGER



ALOHA STADIUM

An Agency of the State of Hawaii

APPROVED MINUTES
REGULAR SESSION
DECEMBER 16, 2021

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

December 16, 2021

Members Present:

Ross Yamasaki, Chair
Keith Amemiya
Kau'i Burgess
John Fink
Eric Fujimoto
Michael Imanaka
Michael Iosua
Brennon Morioka
Claire Tamamoto
Camille Masutomi, DOE Superintendent's designee (ex-officio)
David Matlin, UH President's designee (ex-officio)

Staff:

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

Neal Sakamoto
Shelly Shoji
Trina Silva
Samantha Spain
Russell Uchida

Others:

Randall Nishiyama, Deputy Attorney General (AG)
Curt Otaguro, Comptroller
Audrey Hidano, Deputy Comptroller
Aaron Johanson, State Representative
Doreen Eddy, Office of Representative Johanson
Glenn Wakai, State Senator
Chris Kinimaka, Department of Accounting & General Services (DAGS)
David DePonte, Department of Accounting & General Services (DAGS)
Franz Kraitz, Transit Oriented Development (TOD)
Davy Murayama, Centerplate
Paxton Wang, Learfield/IMG College

Greg Salas, Learfield/IMG College
David Harris, WT Partners
Jim Stein, UH Athletics
Carl Clapp, UH Athletics
Blaze Lovell, Civil Beat

I. CALL TO ORDER

A quorum being present, Chair Yamasaki called the meeting to order at 8:32 a.m.

Chair Yamasaki welcomed and introduced the newly appointed Claire Tamamoto to the Stadium Authority Board.

Member Tamamoto thanked the board for welcoming her. She represents the Aiea community and looks forward to serving on the board.

II. PUBLIC TESTIMONY

None

III. APPROVAL OF MINUTES

A. Approval of minutes for the following date:

1. Regular Session –November 18, 2021

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

2. Executive Session – November 18, 2021

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

1. Chair Yamasaki stated that he received a correspondence notice from Member Amemiya regarding his seat on the board.
Member Amemiya stated that he submitted a letter of resignation to the Stadium Authority Board effective December 31, 2021 to pursue running for office. He thanked stadium management and the authority for the opportunity to serve for the past couple of years.

B. Stadium Manager's Report

1. Acting Stadium Manager Andrews:
 - a. Notice of a reduction in workforce (RIF):
We announced the RIF to twelve (12) of our employees and to both HGEA and UPW unions on December 1st. This action will result in the "abolishment" of those positions effective February 28th of 2022.

The original plan was to continue operating this facility until the new stadium is ready. That original plan changed this past May because of two key factors:

- i. COVID-19: The onset of the pandemic impacted our ability to generate revenue due to the various Executive and Emergency Orders that put strict limits on hosting events. Today, almost two years past the onset of COVID-19, we are still impacted in hosting certain events. Although we've done a good job of cutting back on expenses, and in creating new revenue streams, we are still in a place where our expenses outweigh our revenues. It's only because of the one-time Federal ARPA funds that we are in a reasonable place overall.
- ii. Deferred Maintenance: There exists a lengthy list of unaddressed items that pose a risk to public health and safety. Most notable are the items that were identified in the 2018 Structural Assessment that were not funded and therefore not completed. It's now been one year since our Structural Engineering Firm disallowed our ability to host fans in this facility until such repairs are completed.

Without knowing when this pandemic might end, or if funding would ever be appropriated to fix the needed repairs, this board made a very difficult decision this past May to pivot away from the original plan - which again, was to continue operating until a new stadium was complete - and to allow for a decommissioning and early demolition of this stadium in order to facilitate new construction on the site. The strategy was to save money by not continuing to spend on a facility that is basically shuttered and to allow for cost savings that could be had by not having this stadium continue operating while the new one is being built.

Along with that decision, this board tasked management to implement an operational model that will return us to financial solvency. As such we have been enacting a paradigm shift - away from the service delivery model that we've operated with for the past 46 years, to a model whose focus is on planning and administrative matters related to NASED - as well as to address swap meet and other parking lot operations.

This model that we are implementing was made after a long and careful review of options and was not easily made recognizing that it would affect many employees whose functions would no longer be required. This plan that we are implementing has been reviewed and approved at the highest levels of this State.

Acting Manager Andrews provided information on how decisions were made regarding the impacted positions.

Our goal was to preserve as many positions as possible for as long as possible. The fact that it's been over a year and a half since our financial challenges began shows that we did hang on as long as possible before implementing this reduction.

We based decisions for this reduction in force on two key factors:

- Per my earlier statement, with the goal being the return to financial solvency, we performed revenue projections with both the swap meet as well as taking into consideration other events that we are likely to schedule over the coming years in our parking lot.
- We reviewed all positions from a functional standpoint to determine if each position was required in the planning for NASED or to successfully operate, manage, administer, and maintain the parking lot assets. We also had to look at the quantity of work for each function to assess if there was enough work to justify each position on a full-time basis.

Acting Manager Andrews shared that we have been as communicative as possible with our employees regarding this reduction in force. Several meetings were held with our employees over the past year providing updates on our financial situation and the likelihood of this reduction in force taking place. Although the formal notification was on 12/1/21, we did one on one meetings with all impacted employees in early November and aided these employees with completing their applications to support their transfer to other positions within the State. Each employee also had the opportunity for a one on one meeting with DAGS Personnel to ensure understanding of this process and the actions required to get placement in another department.

This is a sensitive time right now with our team, but per the board's direction, we are moving forward to an operational model that will be financially solvent and will still retain the core functions necessary to operate and manage the parking lot asset, including the swap meet and other events, and of course, allow for the NASED transition.

2. Stadium Financial Update - Attached
Administrative Services Officer (ASO) Russell Uchida reported: (See Exhibit A)
3. Swap Meet and Night Market:
Since the recent relaxation of restrictions, we are planning a Friday Night Market as an extension of the Swap Meet. We are hopeful to implement a one - time per month market, food event, and entertainment in the new year.

4. UH Update:

Discussions have taken place with David Matlin at UH on the future use agreement between the stadium and UH. UH is our most important partner, critical to our future success, and as such, it's important to lock down their agreement prior to working with any other future partners, such as USL. Although it will not be possible to work out all details until we have a stadium design and understand the financial package of the new stadium, our goal right now is to establish and agree on a framework or structure for how we will work together. One of the challenges is that both our programs are responsible for generating its own revenue streams and being financially sustainable, which of course can lead to a mindset of arm wrestling over pieces of a pie. One of the principles we are moving forward with and agree to is establishing more shared revenue opportunities, and discussing how we can grow the pie, or maximize the revenue potential so we both can "win". Knowing that there will be more revenue opportunities with the new stadium, we are looking at how we can cover the base expenses for UH, thus making the decision to play at the new stadium an easy one.

David Matlin stated that there have been productive discussions between the Stadium and UH. We have some good principles moving forward with NASED and the return of UH.

C. Internal Affairs Committee (IAC):

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

2. Events

a. Approval of Events

- Dream Weekend LLP – Music Concert 2/11/22
- Dream Weekend LLP – Super Bowl 2/13/22
- Dream Weekend LLP – Valentine Event 2/14/22

Events Manager Stephen Lee stated that the proposed events are for the same applicant. These events are proposed between February 11th through the 14th, which is prior to our decommissioning date of March 1. Each of these events is for use of the field only and all are in compliance with COVID-19 rules for events. Between 2017 – 2019 Jonny Mack and Mike Galmiche brought the following artists to Aloha Stadium: Chainsmokers, Snoop Dogg, Cardi B, Sublime, Usher, Marshmello, Ice Cube, Migos, Saweetie, & Sammy Johnson. They are very familiar with our rules, license agreement, and insurance requirements.

Jonny Mack from Dream Weekend LLC provided an overview of each event:

- i. Primary event - Concert event with multiple artists/talents on February 11th and 12th using just your field.
 - Projected capacity of around 4,700 attendees.

- Number may increase pending approval to use the Orange Level Stairways for Emergency egress.
- Contracted with the stadium's Structural Engineering Consultant, WJE, to address use of the stairs for this purpose. If stairs are permitted, we will work with HFD to gain approval and sign-off for increased capacity.
- Ticket prices will vary greatly due to selling different packages, including premium elevated cabanas that include food and beverage, parking, and other experiences, like meet and greets with the talent. [depending on updated COVID-19 guidelines]

Mr. Lee added that he reviewed the operational planning documents, and they are acceptable and meet our requirements as well as the current COVID-19 requirements. Mr. Lee will have oversight of the operational logistics and will be using our Security Contractor as the primary security force, along with HPD. For alcohol sales, we will be using our F&B Concessionaire. Mr. Lee recommended this event.

A MOTION WAS MADE BY MEMBER IOSUA AND SECONDED BY MEMBER MORIOKA TO APPROVE THE DREAM WEEKEND CONCERT EVENT ON FEBRUARY 11TH AND 12TH SUBJECT TO FINAL NEGOTIATIONS WITH THE STADIUM MANAGER. THE DECISION WAS UNANIMOUSLY CARRIED.

Mr. Mack stated that because we are investing a large sum of money for the set-up of the staging and sound infrastructure, we are proposing two other smaller events on the field.

- ii. February 13th- Super Bowl Party. 1000 tickets at no charge to attend [we cannot charge for watching the Super Bowl]. Revenue will be generated through food and beverage sales. Family friendly event watching the game and kid-friendly activities on the field with bounce houses and various games.
- iii. February 14th - Sit-down Valentine's Day concert and dinner event. We anticipate about 1000 attendees and will be designed as a nice night-out for couples.

Mr. Lee stated that he is still working on details for these two smaller events. Having worked with Jonny and his team over the past several years, Mr. Lee stated that he is comfortable with their operational plan and will work with them on logistical details to ensure it meets our requirements. Mr. Lee recommended both events and asks for your approval of the event dates.

A MOTION WAS MADE BY MEMBER IOSUA AND SECONDED BY MEMBER MORIOKA TO APPROVE THE DREAM WEEKEND SUPER BOWL EVENT ON FEBRUARY 13TH SUBJECT TO FINAL NEGOTIATIONS WITH THE STADIUM MANAGER. THE DECISION WAS UNANIMOUSLY CARRIED.

A MOTION WAS MADE BY MEMBER IOSUA AND SECONDED BY MEMBER MORIOKA TO APPROVE THE DREAM WEEKEND VALENTINE EVENT ON FEBRUARY 14TH SUBJECT TO FINAL NEGOTIATIONS WITH THE STADIUM MANAGER. THE DECISION WAS UNANIMOUSLY CARRIED.

Member iosua addressed a question that came up in last month's meeting regarding filling the position of the stadium manager. The board has been working with DAGS -ASO, AG and DHRD on the process for replacing the stadium manager. Under chapter 109, the board has flexibility with appointing a stadium manager and is not subject to chapters 76 & 89. We will update the Stadium Manager's position description and then we will request an exemption to fill the position due to the state's freeze on hiring.

Mr. Uchida added that the request has been routed for the Governor's approval to fill.

- b. Summary of Monthly Events - Attached
- c. Calendar of Events - Attached

3. Sales and Marketing - Attached

4. Security Report – Attached

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

D. External Affairs Committee (EAC):

1. Committee Chair's Report

Member Fink stated that looking at Centerplate's report compared to 2019, there was a 17% increase in November in attendance and yet there was a 7% decrease in the number of vendors.

2. Contractor Reports

- a. IMG/Learfield/Hawaii Sports Properties – None
- b. Centerplate – Attached

3. Stakeholder Reports

- a. University of Hawaii – None
- b. Honolulu Authority for Rapid Transport (HART) – None
- c. Transit Oriented Development (TOD) – None
- d. Hawaii Interagency Council for Transit Oriented Development (HIC-TOD) – None

4. NASED Coordination Committee Report –

Member Morioka stated that the real estate RFP is moving according to plan. We are looking forward to the responses on the RFQ portion.

Chris Kinimaka of DAGS reported that we had a minor disappointment in that we are not meeting our own target date of December 15th for the release of the RFP

to the priority listed respondents. The legal and technical reviews are complete, however the administration asked for more time to complete the extensive financial review that we need for final endorsement, which is due to the end of the year crunch to prepare for the upcoming legislative session. We have been promised that we will be able to release the RFP by January 31, 2022. We have advised the priority listed respondents, and they realize we will have a stronger package with this endorsement. The good news is we did receive submittals by December 3rd to our real estate RFP part I, which is a request for qualifications. These submittals are being reviewed and we look forward to announcing the priority listed respondents for the real estate portion. We anticipate both projects to move forward in 2022 with award by the end of next year, and work starting in 2023. The EIS is in its last review for release as soon as possible with the anticipated acceptance by the Governor in early 2022.

Member Iosua asked David Matlin for a timeline on the NCAA requirements and how any delays might affect the football team.

Mr. Matlin responded that the timeline on the 15,000 seating kicks in next year, and it is a two-year rolling average. If a waiver is being considered, a documented plan of when it will be done will matter a great deal. To have a completion date will help the overall program.

E. Governance Committee

Chair Yamasaki noted that he has been following management's efforts in looking at the organizational chart for management relative to transitioning to NASED and what will be needed internally. Chair would like to align the board and governance structure of the board with the new organization. We want to make sure that the board will be in the right position to address the needs of NASED once it's fully developed. The committee did not meet.

F. EXECUTIVE SESSION

None

G. UNFINISHED BUSINESS

None

H. NEW BUSINESS

None

I. ANNOUNCEMENTS

Chair added that next month's board meeting is scheduled for January 27, 2022 and will be held via Zoom at 8:30 a.m.

J. ADJOURNMENT

AT 9:17 A.M. MOTION WAS MADE BY MEMBER MORIOKA AND SECONDED BY MEMBER FUJIMOTO TO ADJOURN THE MEETING. THE MOTION WAS UNANIMOUSLY CARRIED.



Ross I. Yamasaki
Chairman

Recorded by: Colette May

Date: February 24, 2022