

DAVID Y. IGE
GOVERNOR

CURT T. OTAGURO
COMPTROLLER



ALOHA STADIUM

An Agency of the State of Hawaii

ROSS I. YAMASAKI
CHAIRMAN, STADIUM AUTHORITY

RYAN G. ANDREWS
DEPUTY STADIUM MANAGER

APPROVED MINUTES
REGULAR SESSION
FEBRUARY 24, 2022

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

February 24, 2022

Members Present:

Ross Yamasaki, Chair
Kau'i Burgess
John Fink
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

Others:

Randall Nishiyama, Deputy Attorney General (AG)
Curt Otaguro, Comptroller
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)
Harrison Rue, Transit Oriented Development (TOD)
David Harris, WT Partnership
Davy Murayama, Centerplate
Paxton Wang, Learfield/IMG College
Greg Salas, Learfield/IMG College

Members Excused:

Eric Fujimoto

Neal Sakamoto
Shelly Shoji
Trina Silva
Samantha Spain
Russell Uchida

Tyler Hiranaka, JCI Honolulu
Natalie Spencer, HH Society
Rebecca Kang, Citizen
Aalii Dukelow, KITV

I. CALL TO ORDER

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

Chair Yamasaki noted that the meeting has been reformatted to ensure that the board is in alignment with the Sunshine Law under the guidance of OIP's recommendations.

II. PUBLIC TESTIMONY

None

III. APPROVAL OF MINUTES

A. Approval of minutes for the following date:

1. Regular Session –December 16, 2021

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

IV. MONTHLY REPORTS

A. Chairman's Report

1. Chair Yamasaki stated that there are a couple of items to be taken up in executive session.

B. Stadium Manager's Report

1. Interim Stadium Manager Andrews:

- a. Notice of a reduction in workforce (RIF):

The Reduction in Force will be complete as of February 28th. I am happy to report that of the 12 impacted employees, 10 have been placed into other employment within the State and they will begin their new roles on March 1st. Of the two who were not placed, one has opted for retirement, and the other was able to secure employment in the private sector. I want to thank Russell Uchida and DAGS Personnel for the enormous amount of time and support that they provided through this process.

We will be officially moving into what we are calling our transitional operation, where our focus will remain on generating revenue with our parking lot assets and on the administrative and planning aspects related to NASED. We have been able to get through this period due to the assistance of federal ARPA funds and we are appreciative of those funds. Moving forward, our transitional operational model is one that will be financially solvent and not require any outside support.

b. Great Aloha Run:

I want to recognize that this past Monday we hosted the drive thru portion of the Great Aloha Run. It allowed finishers to drive onto the field for a celebratory and festive lap of the field while live music played and sponsors were on hand to thank participants. It was a nice way to mark our 38-year relationship with the Great Aloha Run and allowed patrons the chance to wish A Hui Hou to the stadium. I believe there were about 750 vehicles that drove through. The Great Aloha Run marked the last public event inside the stadium bowl.

c. Friday Night Market:

Our First Friday Night Market called the Taste of Oahu will take place on March 4th from 4pm-10pm in our Upper Halawa Parking Lot. The night market will include crafters and other retail vendors, food trucks, as well as a small stage for live music and other entertainment.

d. Annual Audit:

We completed our annual audit for the fiscal year ending June 30th, 2021.

The full audit can be found online at the address shown on my report, but the overall summary is that the financial statements were presented fairly in all material respects, in accordance with generally accepted accounting principles.

One unique aspect of this audit vs audits in prior years is that we performed an assessment of facility impairment, with the guidance of the Auditors. The assessment is attached to my report and will provide more details into the impairment assessment process and its impact on the financial statements.

2. Stadium Financial Update - Attached

Administrative Services Officer (ASO) Russell Uchida reported: (See Exhibit A)

- Member Morioka asked if graduations were going to take place this year at the Stadium and/or if any schools have expressed interest in holding their graduation in the parking lot. Interim Manager Andrews responded that last year the stadium communicated where we thought we would be with NASED, and therefore he believes that most schools have made alternate plans for this year. Although we are limited on what we can do, we are open to supporting the schools where we can use the parking lot for the graduations.

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. Events will be addressed under New Business in the agenda.
2. Events
 - a. Summary of Monthly Events - Attached
 - b. 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. Contractor Reports
 - a. IMG/Learfield/Hawaii Sports Properties – None
 - b. Centerplate – Attached
2. Stakeholder Reports
 - a. University of Hawaii – None
 - b. Honolulu Authority for Rapid Transport (HART) – None
 - c. Transit Oriented Development (TOD) – Attached

Harrison Rue stated that they worked last year with the Department of Environmental Services (ENV). There are nine projects from Waipahu to Waimalu that will be constructed by 2034 in the City and County of Honolulu's long-term Capital Improvement Program (CIP) funds. ENV has worked to make sure that there is significant capacity to support TOD along the whole corridor.

The last two projects directly relate to Halawa are to repair/replace the wastewater pump station. This project is scheduled for 2030 – 2033 construction. This includes moving and replacing the force main that is on the stadium property to clear the way for development. It is possible that once the developer is selected and if they want to get started, they can work with ENV to accelerate work on the property.

The Halawa wastewater pump station upgrade is scheduled for construction 2031-2034. It will take the next 11 to 12 years to complete the upgrades to have capacity for all of the development. The good news is there are CIP funds allocated and ENV has been able to complete all projects while staying on or under budget.

Discussion

Member Iosua asked if there are any impacts from the Red Hill situation as it impacts the development.

Mr. Rue responded that there is nothing certain yet. There may be some potential, however we have arranged for Director Ernest Lau of the Board of Water Supply (BWS) to provide a briefing within the next week or two.

Member Tamamoto added that it is important for us to do some lobbying for a well that is drilled on the Honolulu side of the island. With the Halawa well shut down, the water does come from Halawa/Aiea to service the other side of the island. We will need that water in Halawa to continue without major development. We have to think long range and how we can get water source to the other side of the island.

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

3. NASED Coordination Committee Report

Chris Kinimaka, Public Works Administrator for the Department of Accounting and General Services reported that we have been working closely with ENV, and the board of water supply on both the fresh water and waste water treatment status and we look at having full capacity for waste water within twelve years so that will still be in time for our last two phases of real estate development. For the first phase we are looking at onsite wastewater treatment with all of the key entities. We have a meeting scheduled with Director Lau in March and we will share those invitations with key entities to talk about potable water and waste water development.

Ms. Kinimaka went on to provide a presentation: (See Exhibit B & C)

Discussion

Senator Wakai commented that his focus this legislative session is to chase the \$180M that was taken away during the COVID pandemic.

Comptroller Otaguro added that he has been communicating with the Governor regarding issuance of the Request for Proposal (RFP) or not because of the uncertainty of the \$180M in General Obligation (GO) Bonds. The Governor has provided his assurance and his commitment that he wants the RFP issued. The delay in releasing the RFP is not due to a lack of project support from the Governor.

Comptroller went on to say that the reason why the \$180M was not put in an administrative bill, was because the original legislation originated from the legislative side. It was a cross on how to use the proper venue to appropriate the money. He thanked Senator Wakai for his support to push this financial aspect of the project forward.

Member Fink asked Comptroller Otaguro, per inquiry from Rebecca Kang, about a Star Advertiser article pertaining to Public Private Partnerships (P3s) either working or not working.

Comptroller Otaguro responded that NASED is a project that has been well thought out over 15 years and in earnest, the last six years working hard with professionals, consultants, stakeholders, legislature, and different state agencies. There will always be questions regarding financing, and whether or not the state should put up the GO Bonds necessary to build a stadium through a design-build procurement or via public-private partnership. At the onset, it was believed that while this is a state facility, the vision of NASED was more than a stadium, but rather an entertainment district that was going to create other types of activities and venues for the community. There was a revenue component to the project that most other projects in the state don't have. The opportunity to partner with the private sector was something that the NASED team thought would be a benefit to the state because in GO Bonds we pay debt service and there's no payback to the state. In the case of NASED, we are counting on the development of the 73+ acres to provide a revenue stream that will sustain the district and provide a new revenue stream, so we can offer the community more options and more activities that benefit them. The P3 that we have embarked on and partnerships that we have attracted through the RFP process are absolutely promising and show that the model we've communicated via the Request for Qualifications (RFQ) process has attracted solid interest across both stadium and real estate developers. We are confident that the private sector wants to partner.

The other aspect is that during the pandemic the state was in a fiscal crisis so the ability to appropriate all of those monies to one project via GO Bonds was difficult. Comptroller was happy to report that the state is recovering nicely and believes there is a solid financial plan, but it does depend on the legislature providing the \$180M to make it a viable plan. As with any start up, we will need help in the beginning to generate the necessary revenue as development occurs on the site over decades. The P3 is a viable option for this particular project.

E. Governance Committee

The committee did not meet.

AT 9:29 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 PURSUANT TO SECTION 92-5(a)(2) AND (4), HAWAII REVISED STATUTES, REGARDING:

- (1) The hiring of a permanent stadium manager, position description, and salary; and
- (2) To consult with the Stadium Authority's attorney on questions pertaining to the Authority's powers, duties, privileges, immunities, and liabilities regarding the hiring of a permanent stadium manager.

Recess: 9:29 a.m. – 9:38 a.m.

V. EXECUTIVE SESSION

Meeting reconvened at 10:16 a.m.

VI. NEW BUSINESS

A. Approval of Legislative Permitted Interaction Group (PIG)

Chair Yamasaki explained that the purpose of the PIG is to assist management in representing the Stadium Authority in its interests in the 2022 Legislative Session. The session moves very quickly so management is tasked with responding and tracking legislation, and therefore there are board members assigned to assist with these activities.

Chair Yamasaki proposes the following members:

- Chair Yamasaki
- Member Iosua
- Member Burgess

Since all three members do work at the legislature, it makes sense to appoint these members.

A MOTION WAS MADE BY MEMBER MORIOKA AND SECONDED BY MEMBER IOSUA TO ENACT THE LEGISLATIVE PERMITTED INTERACTION GROUP AND APPOINT CHAIR YAMASAKI, MEMBER IOSUA, AND MEMBER BURGESS AS THE MEMBERS OF THE GROUP. THE DECISION WAS UNANIMOUSLY CARRIED.

B. Approval of Events

1. JCI Honolulu Mega-Bon Community Bon Dance

Speaker: Tyler Hiranaka

Date of Event: Saturday, July 23, 2022

Location: Lower Halawa Parking Lot

Time: 3:00 p.m. – 10:00 p.m.

- Member Burgess asked what type of other activities would be held at the dance.
Mr. Hiranaka responded that it will be themed similar to a Japanese festival. It will be free to the public, and they will be charging vendor fees. There will be traditional Japanese festival games, food for children and adults.
- Chair Yamasaki asked if they have adequate time to set up based on the timeline provided on the application.
Mr. Hiranaka indicated it would be helpful if they can set up tents the day before.
- Member Burgess asked if they were to set up the day before if they would supply their own security.
Mr. Hiranaka responded that it may be difficult since they are a non-profit, but they will find a way if they need to.

A MOTION WAS MADE BY MEMBER IOSUA AND SECONDED BY MEMBER BURGESS TO APPROVE THE JCI HONOLULU MEGA-BON COMMUNITY BON DANCE EVENT ON JULY 23, 2022 SUBJECT TO FINAL NEGOTIATIONS WITH THE STADIUM MANAGER. THE DECISION WAS UNANIMOUSLY CARRIED.

2. Hawaiian Humane Society – Good Fix/Spay Neuter Clinic
Speaker: Natalie Spencer
Date: April 5 – April 10, 2022
Location: Locker Rooms/Hospitality Room

(Member Morioka exited the meeting at 10:30 a.m.)

- Chair Yamasaki asked Events Manager Stephen Lee how people will move in and out of the locker room.
Mr. Lee responded that there is vehicle access behind the locker rooms and going through the security desk is another option.

A MOTION WAS MADE BY MEMBER IOSUA AND SECONDED BY MEMBER FINK TO APPROVE THE HAWAIIAN HUMANE SOCIETY GOOD FIX SPAY NEUTER CLINIC EVENT ON APRIL 5-10, 2022 SUBJECT TO FINAL NEGOTIATIONS WITH THE STADIUM MANAGER. THE DECISION WAS UNANIMOUSLY CARRIED.

Chair Yamasaki announced that Item C on the agenda under New Business will be deferred to a later date.

VII. ANNOUNCEMENTS

Chair added that next month's board meeting is scheduled for March 31, 2022 and intended to be held via Zoom at 8:30 a.m. A notice will be sent out with the agenda if the meeting changes to an in-person meeting.

VIII. ADJOURNMENT

AT 10:33 A.M. A MOTION WAS MADE BY MEMBER IOSUA AND SECONDED BY MEMBER FINK TO ADJOURN THE MEETING. THE MOTION WAS UNANIMOUSLY CARRIED.



Ross I. Yamasaki
Chairman

Recorded by: Colette May
Date: March 31, 2022