

EVENT:

Stadium Authority Board Meeting

DATE:

Thursday, December 15, 2022

[illegible]

Board 12/15/2022

FY 2023 FINANCIAL INFORMATION

Attachment IV.B. 2 represents FY 2023 full year projection through 06/30/23 with actual data through 11/30/22.

PROFIT/LOSS:

This month's report continues to reflect a robust revenue trend and is on track to exceed pre-pandemic numbers. While the numbers are robust, we will slowly begin to see a leveling off of revenue as travelers return to their normal work and school routine. Then, towards the latter part of FY '23, we will begin to see a gradual increase in swap meet attendance and a corresponding increase in revenue as travel starts to pick up representing the beginning of summer.

- Over the past five (5) months, we have been averaging a tick above \$450K per month as opposed to pre-pandemic average of approx. \$355K per month.

The increase is attributed in large part to the increase in non-resident swap meet admission fees.

- In November, the blip in RENT is primarily attributed to revenue received from the 50th State Fair for 21 event dates over May through July.
 - Other events contributing to rent include:
 - Eye Productions – a television production company that uses the stadium facility as a basecamp as well as a filming location.
 - Driving Dynamics – Driver training school utilizing multiple dates.
 - Hawaiian Human Society – held a spay/neuter clinic on multiple dates.

On the EXPENDITURE side of the budget projection spreadsheet:

- In October, the expenditure total of \$715K includes a payment to the state treasury representing FY 2020 and 2021's special fund assessments pursuant to:
 - HRS 36-27 that mandates the transfer of 5.00% of special fund receipts for central service expenses, as well as, (Transfers from SF for central service exp.)

- HRS 36-30 that mandates a formula driven administrative assessment on special fund expenditures. This assessment is approximately 2.6% of expenses processed by the program.
- Due to our fragile and uncertain budget situation during the COVID-19 period, I postponed payment of these fees until such time that we could transfer the amount owed with the least amount of negative financial impact to stadium's cash position. On a related note, it was also recorded as a financial liability in our audited financial statements, so we needed to also clear that obligation off our books.

Other than the special fund assessment, barring any unforeseen emergent and/or large expenses, it appears that we will have sufficient revenue to address FY '23 expenses and end the fiscal year with sufficient working capital to carry forward and start FY '24 in a sound financial position.

HART Construction Update

**Aloha Stadium Authority Board of Directors
December 15, 2022**



Progress Toward Completion

OPERATING SEGMENT 1

East Kapolei to Aloha Stadium

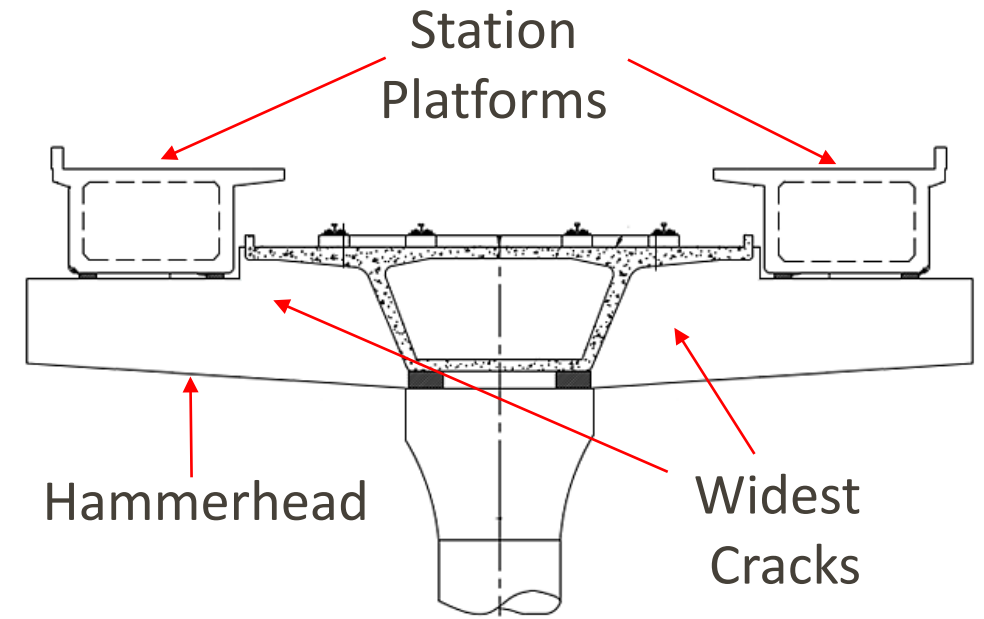
- First 10 miles of guideway and 9 stations are complete
18 of 20 trains are on island
- Trial Running began on August 29, 2022
 - Two-thirds of the 144 test scenarios have been completed
 - Emergency Response exercise was conducted on October 22, 2022, in coordination with the City's First Responders
 - Need to ensure all safety certifications and documentation requirements are met
- Transfer of assets to City's DTS expected in early 2023



Aloha Stadium (Hālawā) Station

Hammerhead Cracks

- December 2018 - Cracks first observed
- January 2020 - Engineer of Record (EOR) concluded cracks due to shrinkage; structures are sound
- In June 2022 - cracks observed to have widened
- Further inspections and structural analyses commenced in July
- Preliminary feedback:
 - 8 hammerheads need retrofit to improve asset life;
 - 13 need epoxy injections to prevent water intrusion
- Collaborating with DTS, HDOT, FTA/PMOC, and their respective structural engineers, on the analyses and the retrofit approach
- Safety is paramount. Despite the desire to turn the assets over to DTS, this action will not be taken until the retrofit work is satisfactorily resolved



Progress Toward Completion

OPERATING SEGMENT 2

Aloha Stadium, past Airport, to Middle Street

- 5.2 miles of guideway is complete
 - Completion of this guideway segment, coupled with Segment 1, represents 84% completion of the entire guideway to Civic Center Station
- The construction of the 4 stations in this segment range from 85% to 95% complete
- Core Systems work began fourth quarter 2022
- Expected transfer to DTS by early 2025



Final AGS Guideway Span Erected – Middle Street (Kahauiki) Station – April 2022

Makalapa (Joint Base Pearl Harbor-Hickam) Station

95% Complete



Lelepaua (Daniel K. Inouye International Airport) Station

93% Complete



Āhua (Lagoon Drive) Station

91% Complete



Kahauiki (Middle Street-Kalihi Transit Center) Station

85% Complete



Progress Toward Completion

OPERATING SEGMENT 3

Middle Street to the Civic Center Station

- Utilities Relocation Projects
 - Downtown – Ka`aahi Street to Cooke Street
 - Frank V. Coluccio Construction Company, Inc.
 - Work began in June 2022; expected to be completed in the fourth quarter of 2024
 - Dillingham – Middle Street to Ka`aahi Street
 - Nan, Inc.
 - Work began December 2022; expected to be completed in the first quarter of 2026
- City Center Guideway and Stations
 - Contract procurement to begin in first quarter 2023; award expected early 2024.
 - Guideway and Station construction will begin as utility relocation work is completed.



Kahauiki (Middle Street–Kalihi Transit) Station looking Downtown

How to stay connected with HART

Join Monthly Business and Community Meetings

Dillingham Utilities Relocation

Update Meetings are typically held the fourth Thursday of every month*

Next meeting: December 15, 2022 | 12 pm

Airport Guideway & Stations Construction

Update Meetings are held the fourth Tuesday of every month*

Next meeting: December 16, 2022 | 1 pm

Downtown Utilities Relocation

Update Meetings are held the second Wednesday of every month

Next meeting: January 11, 2023 | 6 pm

**Except on holidays*

Sign up for our meetings and weekly eBlast notifications at HonoluluTransit.org.

Mahalo!

HonoluluTransit.org | 24-Hour Project Hotline: 808-566-2299 | info@honolulutransit.org



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STADIUM AUTHORITY UPDATE

December 15, 2022



TWO SEPARATE PROJECTS

Stadium Project

- Finance and Maintenance Costs (-)
- Stadium Revenue +
- Stadium Opex (-)
- Discretionary Maintenance (-)

(-)

**Cost
Center**

Real Estate Project

- Real Estate Revenue +
- District Infrastructure (-)

+

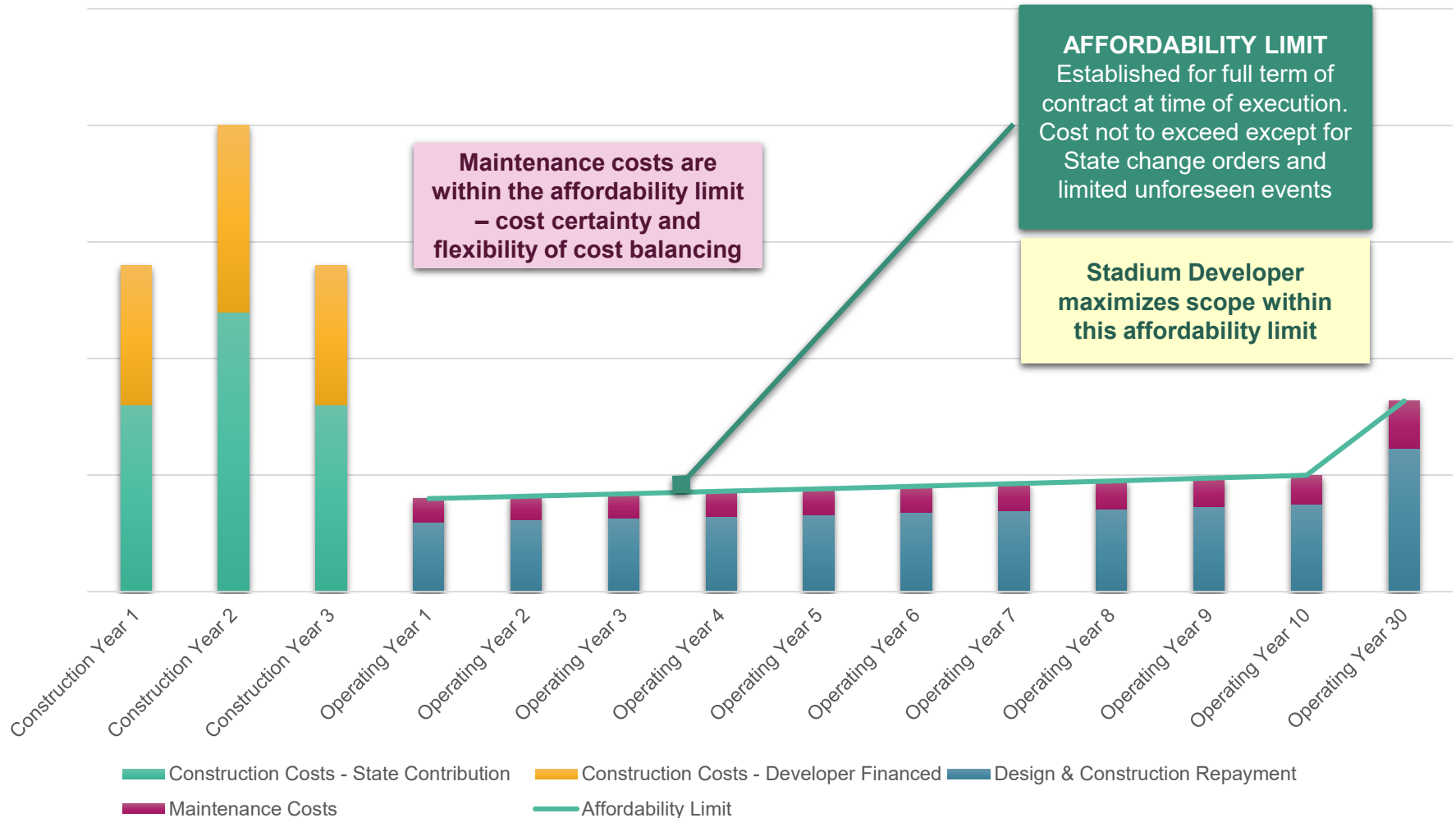
**Revenue
Source**

Stadium Authority

Timing of Real Estate Revenue is critical to ensure no further State appropriations are required.

Stadium Project has more built-in cost and schedule control measures than traditional procurements

Main Causes of Cost Overruns	Traditional Procurement	Stadium Project
1. Inaccurate Estimates	Fixed scope, variable (estimated) cost.	Fixed, upper limit cost, variable scope.
2. Poor Design	Client owns the design and associated design risk.	Design risk transferred to the developer.
3. Change Orders	Change orders are more prevalent if client owns design risk.	Expected reduced quantity and magnitude of change orders. Transfer of design risk reduces causes for change orders.
4. Unforeseen Events	Limited ability to transfer unforeseen event risk to developer. Costs borne upfront.	Ability to transfer (or share) more unforeseen event risk. Costs may be amortized over several years.



Indicative chart, not to scale.

Proposed Recycled Water System

Treat >1 million gallons of on-site sewer per day



Reduces load on ENV sewer system
✓

Reuse ~ 40% of treated water on site (irrigation, water closets, etc.)



Reduces load on BWS potable water system
✓

Send ~ 60% of treated water to BWS non-potable line (off site irrigation, industry, etc.)



Reduces load on BWS potable and non-potable water systems
✓

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