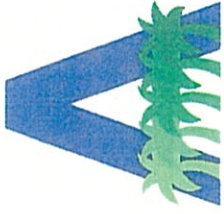


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ALOHA STADIUM

EVENT: Stadium Authority Board Meeting

DATE: Thursday, April 27, 2023

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April 25, 2023

Brennon Morioka, Vice-Chair
Stadium Authority
99-500 Salt Lake Boulevard
Aiea, Hawaii 96701

Subject: Aloha Stadium Redevelopment

Aloha Vice-Chair Morioka and Members of the Stadium Authority,

This is to express my continuing concerns with the recent proposed changes to the procurement process. There is a lack of clarity and questionable basis for the changes which will significantly delay the Aloha Stadium's redevelopment. My name is Rodney Funakoshi, recently retired from the State of Hawaii Office of Planning and Sustainable Development where I served as the Land Use Division Administrator. This supplements my previous testimony of March 16, 2023.

1. The changes to procurement have yet to be fully explained. The newly-revised public-private partnership procurement plan, which now includes operational costs to be assumed by the private developer, has yet to be explained and justified. What is the basis for the revised procurement method (Design Build Operate Maintain), and why has this proposal not been reviewed by the public and especially by those currently involved in the procurement? What is the procurement plan for the surrounding lands (the Real Estate Part 2 portion)? Given the many years and expense in crafting and pursuing the current procurement process, I find it incredulous that the Administration has not even issued a concise report detailing the proposed changes and rationale.
2. Stadium opening delayed to 2028?!! Based on the PBS Insights program aired on April 20th, the Department of Budget and Finance (B&F) Director stated that the stadium's reopening would now be delayed to 2028. This is 5 years from now, well beyond the 2027 date and two years beyond the initial 2026 projection. What are the specifics of this new timeline -- who will be preparing and approving this RFP, will the existing already qualified bidders need to be requalified, will they still even be interested, and what is the anticipated procurement and construction schedule?
3. Stadium Authority has clear procurement authority. The Stadium Authority, with assistance from the State Department of Accounting and General Services (DAGS), has the clear authority to procure and redevelop the Stadium lands, as verified by the Deputy Attorney General at the Authority's September 29, 2022 meeting. Why then is B&F now determining the procurement method?

Given its clear development and procurement authority as confirmed by the Stadium Deputy Attorney General, I strongly urge the Stadium Authority to stay the course -- reject the proposed procurement changes and expedite issuance of the current Stadium RFP which has been delayed since September 2022.

Thank you for this opportunity to testify.

Rodney Funakoshi

Rodney Funakoshi

Board 04/27/2023

FY 2023 FINANCIAL INFORMATION

This report represents FY 2023 full year projection through 06/30/23 with actual data through 03/31/23.

On the REVENUE side:

This month's report continues to reflect a stable and sustained level of revenue as we continue on track to exceed pre-pandemic numbers by fiscal year end.

- Over the past nine (9) months, swap meet revenue continues to average over \$430K per month as opposed to pre-pandemic average of \$355K per month. This represents a 21% increase over last year's average.
- March parking revenue increased due to two-day concert event in February.
- Food & Beverage also increased by 64K which includes \$53K from the two-day concert event and \$11.5K from the Christmas light show.
- Rent increased as a result of several date events. Some of these events include:
 - DOE - \$48.3K
 - Mira Image-\$23K
- Increase in Interest revenue is due to the Department of Budget and Finance's late posting of previous months interest income.

As to the projected revenues for the Month of April, we will have several rental events and \$29K from Auction Sales and \$2.6K from e-commerce sales.

On the EXPENDITURE side:

- There has not been a significant or material change to actual and projected expenditures.
- We expect the expenditure projection to remain relatively level through the last quarter of the fiscal year 2023.

We have closed the month of March with \$339K surplus and over \$5.1M net cash balance and projected FY24 Carry over Cash Balance of over \$6M.

However, we have set aside **\$1.7M** planned expenditure for the swap meet transition project along with \$500K in CIP in Operating General Funds.

Aside from unforeseen emergent or any large unplanned expenses, our ending cash position remains sufficient to address FY '23 expenses and supports an ending cash balance to provide sufficient working capital to carry forward and start FY '24 in a sound financial position.