

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DBEDT DIRECTOR

DANE K. WICKER
DBEDT DEPUTY DIRECTOR



BRENNON T. MORIOKA
CHAIR, STADIUM AUTHORITY

RYAN G. ANDREWS
STADIUM MANAGER

CHRIS J. SADAYASU
DEPUTY STADIUM MANAGER

An Agency of the State of Hawaii

**APPROVED MINUTES
REGULAR SESSION
MAY 30, 2024**

Stadium Authority Regular Session
99-500 Salt Lake Boulevard
Aiea, Hawaii 96701

May 30, 2024

Members Present:

Brennon Morioka, Chair
Eric Fujimoto, Vice Chair
Craig Angelos, University of Hawaii, designee
Kauai Burgess
John Fink
Camille Masutomi, Department of Education, designee
Claire Tamamoto
James Tokioka
Michael Yadao

Staff:

Ryan Andrews
Stephen Lee
Colette May
Liane Nakagawa
Chris Sadayasu

Others:

Kevin Tongg, Department of the Attorney General (AG)
Alison Kato, Department of the Attorney General (AG)
Glenn Wakai, Hawaii State Senator
Gordon Wood, Department of Accounting & General Services (DAGS)
David DePonte, Department of Accounting & General Services (DAGS)
David Harris, WT Partnership
Bridey Best, WT Partnership
Stacey Jones, Crawford Architects
Neal Yokota, Stryker Weiner & Yokota Public Relations
Franz Kraintz, Department of Planning & Permitting (DPP)

Public:

Dave Reardon, Star Advertiser
Blaze Lovell, Civil Beat

Members Excused:

Michael Imanaka

Jasmine Lei Santos
Samantha Spain
Ebru Yilmaz-Pedro

I. CALL TO ORDER

A quorum being present, Chair Morioka called the meeting to order at 8:02 a.m.

II. APPROVAL OF MINUTES

- A. Approval of minutes for the following date:
1. Regular Session Meeting – April 25, 2024

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

A MOTION WAS MADE BY MEMBER TAMAMOTO AND SECONDED BY MEMBER FINK TO TAKE THE AGENDA OUT OF ORDER AND VOTE ON TWO ACTION ITEMS UNDER NEW BUSINESS SINCE MEMBER TOKIOKA NEEDED TO LEAVE THE MEETING EARLY. THE MOTION WAS UNANIMOUSLY CARRIED.

III. NEW BUSINESS

- A. Event Approval – Discussion/Action
1. Ray Jr., LLC - TMR Concert Events
Speaker: Raymond Ho Jr.
Dates: July 12-13, 2024
November 15-16, 2024
Location: Lower Halawa Lot
Time: 5:00 p.m. – 10:00 p.m.

Ray Ho Jr. stated that these concerts will be similar to the concerts held in 2023. There were no major issues or sound complaints. Manager Andrews added that he appreciates TMR Events and the concerts work well for the stadium.

A MOTION WAS MADE BY MEMBER TAMAMOTO AND SECONDED BY MEMBER FUJIMOTO TO APPROVE THE RAY JR. TMR CONCERT EVENTS IN JULY AND NOVEMBER 2024. THE MOTION WAS UNANIMOUSLY CARRIED.

- B. Establish Permitted Interaction Group (PIG) to Perform Stadium Manager’s Annual Evaluation – Discussion/Action
Chair Morioka proposed that he, along with Member Burgess and Member Fink be a part of the PIG for the Stadium Manager’s annual evaluation.

A MOTION WAS MADE BY MEMBER FUJIMOTO AND SECONDED BY MEMBER YADAO TO ESTABLISH A PERMITTED INTERACTIN GROUP FOR THE PURPOSE OF EVALUATING THE STADIUM MANAGER, RYAN ANDREWS PERFORMANCE FOR THE PAST YEAR. THE MOTION WAS UNANIMOUSLY CARRIED.

(Member Tokioka exited the meeting at 8:09 a.m.)

IV. MONTHLY REPORTS

- A. Stadium Manager’s Report and Operational Reports
1. Monthly Financial Update

We have closed the month of April with surplus of \$192K, and a cash balance of \$7.4M. The anticipated FY2024 Carryover Cash Balance is approximately \$5.7M. (See Exhibit A)

2. Operational Updates and Announcements

a. Swap Meet Relocation/Upper Halawa Lot

- Includes utility relocations, resealing and striping the Upper Halawa lot, etc.
- DAGS has managed this project on our behalf and did receive several bids that are currently being reviewed.
- We expect an award to be made very soon.
- Given our economic climate, the bids did come back higher than expected, so we are anticipating that the \$2M that was projected will end up being closer to \$2.3M or an increase of about 15%.
- Our cash balance is healthy, and we will be able to proceed despite the increase. Relocating the Swap Meet is an enabling project for NASED and critical to our success as it will fund the Authority during construction and be a valuable revenue stream for our eventual developer - especially in the early years as the district is developed.

b. Convention, Sports and Entertainment Facilities Conference (CSEF)

- Focused the public private partnerships (P3) related to sport and entertainment venues - and provided the opportunity to learn about recent P3 projects as well as those in the works.
- Attendees included: Manager Andrews, Deputy Manager Sadayasu, Director Tokioka, Deputy Director Wicker, Board Member Imanaka, Senator Wakai, along with others from the Department of the Attorney General, DAGS Public Works, and the Comptroller.
- Key takeaways or key learnings:
 - Every project presented this year had access to financial tools, such as a tax increment financing, or capturing a portion of either hotel or sales tax within the district to facilitate their project's success. We need to continue exploring alternative financing methods moving forward.
 - Almost all projects presented had challenges like ours - whether they were financial, political, legal, public relations, how to pay for capital expenditures, etc. In short, although we like to think our challenges are unique, they are not. I was further comforted during one session that highlighted the top keys to a successful P3 project - and we ticked almost every box.
 - Regarding seating capacity in entertainment venues, we continue to see shrinking across the board -whether it's an NFL stadium or baseball stadium or college stadium - and we saw this on our tour of Allegiant Stadium. However, the total developable square footage is expanding overall to provide more experience / offerings or activations that can be monetized on non-event days.
- In addition to the conference, we did a tour of Allegiant Stadium.
- We also had a separate meeting with the main contact for the Las Vegas Stadium Authority/CFO of the Las Vegas Convention and Visitors Authority – Ed Finger. The

Las Vegas Stadium Authority is similar to our board, in that they have ownership and oversight of Allegiant Stadium, and they will have ownership and oversight of the new stadium being built for the Oakland A's - soon to be Las Vegas A's. During that meeting he provided a lot of great information about how the State of Nevada and Clark County supported the development of Allegiant Stadium -and how their use of the hotel tax has been more than sufficient to pay off the public bonds and that they project to pay off the bond debt about 3 years earlier than scheduled. He also shared quite a bit of detail on their development of a community benefits plan, which is something we will eventually want to have in place with our project.

- Finally, we met with a County Administrator who works alongside the Harris County Sports and Convention Corporation, responsible for oversight of NRG Park – which includes NRG Stadium, the home of the Houston Texans. Our conversation focused on Progressive P3 Procurements, such as ours. Having these opportunities to meet face to face and learn from their experiences was invaluable and as a result, we have a follow-up call tomorrow with the Executive Director and CEO of the Harris County Sports and Convention Corporation – with the goal of understanding how they are structured organizationally to manage their district and property, recognizing that as we bring on a private operator, our organizational structure will need to evolve.

Senator Wakai added that he was reassured to see that our NASED team is going down the same road that other teams across the nation have traveled to accomplish a successful P3 project. One of his takeaways was the interesting idea of the hotel tax and he is happy to introduce a bill for new source of revenue.

c. Recent Events

- Stan Walker Concert on May 4th had low attendance, with just under 2000 attendees.
- TMR Events concert on May 10th had just under 6,000 attendees.
- TMR Events concert on May 11th had just under 5,500 attendees.

No major issues were encountered at these events and Manager Andrews recognized the Events team for going above and beyond with the Stan Walker concert. The Promoter unfortunately ended up in the hospital prior to the event and had to arrange other help to coordinate the event. Our stadium Event Operations team absorbed many of the duties that would typically be performed by the Promoter.

d. Current Events

- 50th State Fair is open and will operate on Fridays - Sundays through July 7th.
- Department of Land & Natural Resources - Conservation Resource Enforcement Officer Academy will be held in the Stadium Hospitality Room starting on June 3rd through December 13th.
- The annual Structural monitoring of this facility will take place from June 9th - 11th. The monitoring is something that must continue, regardless of whether we occupy this building or not until it comes down. This is likely the last monitoring we will have to perform before this structure is demolished.

- e. Video Inventory
 - We transferred our video inventory of past events to the Hawaii State Archives to be digitized for public access.
 - There are 1000 videos that the public can now stream for free.
 - These are mostly past high school football games that took place in this venue.
 - f. The Swap Meet will be celebrating it's 45th anniversary this summer.
 - Samantha Spain shared the current commercial being aired on KHON 2.
 - 3. Events
 - a. Summary of Monthly Events – Attached
 - b. Calendar of Events – Attached
 - 4. Sales and Marketing – Attached
 - 5. Security Report – Attached
 - 6. Centerplate – Attached
- B. University of Hawaii (UH)
- Craig Angelos, UH Athletic Director provided an update:
- Finished the baseball season 18-2 and unfortunately did not get a NCAA at large bid.
 - Next year the conference will have a season ending tournament for baseball and softball.
 - UH finished with six conference championships and was 3rd overall in the conference's Commissioner Cup
 - It's a tumultuous time in college athletics nationwide due to the settlement against the NCAA for \$2B lawsuit regarding athletes not receiving money for name, image, and likeness opportunities.
 - The next football season will open on August 24, 2024.
- C. New Aloha Stadium Entertainment District (NASSED) Committee Report
- Chris Sadayasu, Deputy Stadium Manager provided an update – Attached

Discussion:

Member Fink mentioned that there are several big projects going on between Pearl Harbor, Skyline, Maui, and Stadium construction and he wondered where the labor will come from. Chair Morioka responded that he and Deputy Manager Sadayasu did a presentation to the Building Trades and are scheduled to do a presentation with the Construction Alliance. Member Yadao has been instrumental in facilitating these presentations.

Member Yadao stated that because the project has a labor agreement attached to it, it ensures that a local workforce will be the primary mover and will work on the project. Any general contractor will be paying into local trust funds and they will have to become a member of the local union of the trade they are working for. It must benefit our local trade unions and workforce.

- D. Legislative Permitted Interaction Group (PIG) Report
- Ryan Andrews, Stadium Manager provided an update
- In summary, the Legislative Session was somewhat of a disappointment for the Stadium Authority - and that was not because of a lack of effort on anyone's part.
- 1. HB1800 (Budget bill)

Our one budgetary request was for an increase to our expense ceiling, so we could expend a portion of the \$49.5M that was appropriated in FY2022. Although the Senate fought hard for the ceiling increase on our behalf, the House did not support the increase.

Background:

- The plan is for the \$350M in General Obligation (GO) bonds to go to the Developer and put toward the design and construction of the stadium, and stadium related infrastructure.
- The \$49.5M in cash is meant to cover consultant contracts, construction management or quality assurance, as well as retaining some contingency for unforeseen expenses.
- Without the use of the \$49.5M, we must cover the consultant costs and construction management costs using the GO Bond funding, which for now leaves less for the design and construction costs.

Thankfully, the expenses related to design and construction don't need to begin being paid until FY26, and they will be made at intervals as progress payments until the stadium is complete in late 2028, so we can continue to move forward without the ceiling lifted right now, and we will have the opportunity to seek the ceiling increase next session or even the 2026 session.

We've explored strategies if we never get the ceiling. Although not ideal, we do have potential solutions for making it work. Seeking and getting a ceiling increase in future years will still be our primary course of action and we have a lot of work ahead to get the House to agree to it.

2. HB2370 (Admin bill)

- Clarifies our statute as it pertains to establishing quorum.
- This bill passed through both the House and the Senate without a problem and although there were minor differences in the House and Senate Versions, we expected these to be resolved in Conference.
- The Senate appointed their Conferees on April 15th, and unfortunately the House, despite our requests, never appointed any conferees.
- We will need to re-introduce the bill again next session.

Senator Wakai added that he plans to bring back the naming rights bill in the next session.

V. ANNOUNCEMENTS

Chair Morioka stated that the next board meeting is scheduled on Thursday, June 27th at 8:00 a.m. The meeting will continue to be hybrid with video conference and in-person attendance.

VI. ADJOURNMENT

AT 8:43 A.M. A MOTION WAS MADE BY MEMBER FINK AND SECONDED BY MEMBER FUJIMOTO TO ADJOURN THE MEETING. THE MOTION WAS UNANIMOUSLY CARRIED.



Brennon Morioka
Chairman

Recorded by: Colette May

Date: June 27, 2024