

NEIL ABERCROMBIE
GOVERNOR

DEAN H. SEKI
COMPTROLLER



CHARLES T. TOGUCHI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
MANAGER

LOIS M. MANIN
DEPUTY MANAGER

An Agency of the State of Hawaii

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

May 29, 2014

Members Present:

Charles T. Toguchi, Chairman
Keith "Kika" G. Bukoski
Wilbert C.F. Chee
Edward Hasegawa
Scot Long
Kenneth B. Marcus
Alan S. Tamayose

Member Excused:

Odetta Fujimori

Staff

Scott L. Chan	Shelly Shoji
Lois M. Manin	Samantha Spain
Russell Uchida	Charles Beck
Stephen Lee	Ron Tsuzuki
Neal O. Sakamoto	
Wesley Ueda	

Others:

Randall S. Nishiyama, Deputy Attorney General
Davy Murayama, Centerplate
Krysti Peacock, Centerplate
Glen Higa, Aloha Sports Properties
David DePonte, Department of Accounting & General Services
Irwin Rajj, Foley & Lardner
Ruth Limtiaco, TLC PR
See Exhibit A (Sign-in Sheet)

I. CALL TO ORDER

A quorum being present, Chairman Charles T. Toguchi called the meeting to order at 10:07 a.m.

Public Testimony

Shannon Wood

Ms. Wood expressed concerns on when an appointment of the ninth board member would occur. She has spoken to several individuals and found out it may not happen until the opening of the 2015 Legislative Session in order to obtain Senate confirmation. In a situation where major issues come up, she believes it would be very important to have that ninth person on board if there should be a tie vote. She requested that the Stadium Authority find out what needs to be done to have that ninth person appointed and will it be July 1, 2014 or will it be in January or February, 2015.

Chairman Charles Toguchi informed Ms. Wood that the Governor did select a candidate for the board position, but at the last minute that person withdrew and time ran out as far as submitting another name to the Legislature before the session closed. He also noted, at the Governor's discretion, he has several options in appointing another person, which would be an interim position, pending Senate confirmation.

II. APPROVAL OF MINUTES

Approval of Minutes of the April 24, 2014 Regular Session and Executive Session.

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

A MOTION WAS MADE BY MEMBER MARCUS AND SECONDED BY MEMBER LONG TO ACCEPT THE MINUTES OF THE EXECUTIVE SESSION. THE MOTION WAS UNANIMOUSLY CARRIED.

III. MONTHLY REPORTS

A. Monthly Reports

A. Chairman's Report

Chair reported that several meetings have taken place with the University of Hawaii (UH), with Member Long as the liaison person, and asked him to share what has taken place thus far.

Member Long reported he has had preliminary discussions with Athletics Director Ben Jay about the misinformation that is being disseminated by the press regarding revenue sharing between UH and the Stadium Authority (SA). In an effort to help us facilitate this, Mr. Jay and his assistant Carl Clapp have agreed to provide the specifics relating to merchandising, tickets, rentals which can perhaps (in time) be shared with the Legislature, the Board of Regents, and the general public. A meeting is scheduled next week to start finalizing some of those numbers.

The Chair said in terms of the revenue sharing, statements should be based on facts; and one of the examples is the Field Naming Rights (FNR) arrangements - he asked Manager Scott Chan to elaborate.

Manager Chan said several years ago the National Football League (NFL) said although the required specifications were met, the NFL was not thrilled about the field playing conditions. We, therefore, addressed their concerns through the FNR opportunity. A \$2.5 million agreement was signed through our advertising agent. It afforded the SA the opportunity to install a new field and in addition:

- The SA's share is \$1.5 mil. (60%).
Unlike the previous contracts, the agreement locked in \$1.5 million (60%) payday compared to the usual 40%
- SA crafted an opportunity for UH (in good faith) to subsidize their travel expenses up to 10% of the SA's net revenue share that is given to UH at the end of the contract.
- Besides a brand new field, there is a financial component (up to 10%) that directly supports the UH athletics program. The rest of the monies must be used specifically for the maintenance and installation of a new field within 5-6 years – the funds cannot be used for any other purpose, such as, operations, payroll, etc.

Ms. Wood strongly recommended that this be made public, because people continue to ask her questions on these matters.

Chairman Toguchi said the SA's approach is to work with the UH and come up with the right numbers.

The Chair requested two changes in the agenda and asked for the motions.

1. A MOTION WAS MADE BY MEMBER MARCUS AND SECONDED BY MEMBER CHEE TO ADD "AUTOMOTIVE MARKETING CONSULTANT, INC." TO THE APPROVAL OF EVENTS. THE MOTION WAS UNANIMOUSLY CARRIED.
2. A MOTION WAS MADE BY MEMBER BUKOSKI AND SECONDED BY MEMBER MARCUS TO ADD "PROPOSED CONTRACT WITH A PUBLIC RELATIONS FIRM," UNDER NEW BUSINESS. THE MOTION WAS UNANIMOUSLY CARRIED.

B. Stadium Manager's Report (Scott L. Chan)

Administration

In June, the stadium will begin its recruitment of part-time intermittent employees for the 2014 football season. A banner announcing the hiring process has been posted at the main Gate 1 entrance.

We were not able to fill the Engineer's vacancy, and could not come to terms with a potential candidate. We will continue to review future lists of qualified applicants.

We are finalizing our customer service program for the 2014 football season, which will involve all employees who interact with our guests.

Events

We completed four out of five graduation ceremonies; the remaining one (Aiea High School) will occur on Friday. The Mililani High School ceremony was postponed (to the following day), due to inclement weather. However, due to their commitments, they did have their Project Graduation event as scheduled.

The 50th State Fair opened on May 23, 2014 and will continue through July 6.

Sales & Marketing (Samantha Spain)

The stadium's employment campaign was launched on Tuesday, May 27, 2014 and, with the assistance of the media (TV/radio), we received an overwhelming response. We anticipate approximately 300 applicants, and have already reached the half-way mark. A one-day interview session will also be conducted.

Media Day is scheduled for August 1, 2014 (Friday) at 11:00 a.m. -

B. APPROVAL OF EVENTS (Stephen Lee)

1. i-9 Sports Association (Repeat)
Youth Flat Football Games
June 15, 2014 (Sunday)

Mr. Lee said management recommends approval.

A MOTION WAS MADE BY MEMBER BUKOSKI AND SECONDED BY MEMBER MARCUS TO APPROVE THE EVENT. THE MOTION WAS UNANIMOUSLY CARRIED.

2. University of Hawaii at Manoa (Repeat)
Seven (7) Division 1A Football Competitions
2014: Aug. 30, Sept. 6 & 13, Oct. 11 & 25, Nov. 1 & 22 (Saturday)

Mr. Lee said management is recommending approval of this event.

A MOTION WAS MADE BY MEMBER CHEE AND SECONDED BY MEMBER TAMAYOSE TO APPROVE THE EVENTS. THE MOTION WAS UNANIMOUSLY CARRIED.

3. In3 LLC (New)
Blacklight Run
Lower Halawa parking Lot
December 12, 2014 (Friday)

Mr. Lee explained this event is similar to previously held 5-K Runs at stadium -- held in the evening, using color dye that glows in the dark. Mr. William Spata (owner) was present via a conference call from Arizona to answer questions by the Board. He said they are interested in bringing their national event to Aloha Stadium. They focus on donating to local children's charities and/or hospitals, and it is a family-fun event.

Mr. Lee said management is recommending approval of this event.

A MOTION WAS MADE BY MEMBER BUKOSKI AND SECONDED BY MEMBER LONG TO APPROVE THE EVENT. THE MOTION WAS UNANIMOUSLY CARRIED.

4. Department of Education (Repeat)
Driver Education Program
Lower Halawa Parking Lot
2015: Jan. 24-25; April 5; April 11-12

Mr. Lee said management is recommending approval of this event.

A MOTION WAS MADE BY MEMBER MARCUS AND SECONDED BY MEMBER BUKOSKI. THE MOTION WAS UNANIMOLUSLY.

5. Automotive Marketing Consultants
Toyota Driving Expectations
November 8-9, 2014 (Saturday/Sunday)

Tammie Kanda (Toyota National Headquarters - California) and Ms. Mitchell of Automotive Marketing Consulting were present to answer questions by the Board. They stated that they provide this service to many states and would like to bring it to Hawaii. It is basically a safety driving school for teenagers (15 and 16 yrs. old), teaching them all about driving distractions.

Mr. Lee said management is recommending approval of this event.

A MOTION WAS MADE BY MEMBER HASEGAWA AND SECONDED BY MEMBER LONG TO APPROVE THE EVENT. THE MOTION WAS UNANIMOUSLY CARRIED.

D. University of Hawaii Athletic Department Monthly Report (Carl Clapp)

Manager Chan expressed Ben Jay's apologies for not being able to attend the meeting today. He did forward an email and requested that it be shared with the Board.

We had a meeting with UH yesterday to discuss the upcoming season and the revenue sharing opportunities. More time is needed to thoroughly understand the revenue opportunities that is shared with the UH.

Mr. Jay also stated that the Gensler Report is still not completed. They are negotiating several items that haven't been delivered in the report.

EXECUTIVE SESSION

Chairman Toguchi requested a motion to go into Executive Session

A MOTION WAS MADE BY MEMBER TAMAYOSE AND SECONDED BY MEMBER CHEE TO GO INTO EXECUTIVE SESSION AT 10:40 A.M. TO CONSULT WITH THE BOARD'S ATTORNEY ON QUESTIONS OR ISSUES REGARDING THE BOARD'S POWERS, DUTIES, PRIVILEGES, IMMUNITIES, AND LIABILITIES PURSUANT TO SECTION 92-5(A) (4), HAWAII REVISED STATUTES, REGARDING THE STADIUM OPERATIONAL ISSUES; THE ALOHA STADIUM COMPREHENSIVE SITE SUMMARY; THE FIELD NAMING RIGHTS CONTRACT; AND FY13 REVENUE METHODOLOGY FOR CBS.

The meeting reconvened at 12:10 a.m.

E. Centerplate's Swap Meet Monthly Report (Davy Murayama)

- Total April attendance decreased -3 %
- Total Stall Count decreased 2%
- D,E,F, rows stall count 5%
- A,B,C, rows stall count decreased -8%

Mr. Murayama reported the numbers were down due to the rainy weather. He provided the Board with the April 2014 Attendance Summary by Month.

Marketing

- Provided the Board with a copy of the Drivers Guide.
- Reported that two groups will be filming at the Swap Meet: 1) Hawaii Life (focuses on home buyers); and 2) A Japanese Life Style TV Show.
- They are awaiting the results of the flyers that were passed out in Waikiki. If that campaign proves to be unsuccessful, their other option is to print the pamphlets in Japanese.

F. Aloha Sports Properties (ASP) Monthly Report: Glen Higa

- In the month of May, ASP experienced productive meetings with potential clients.

- Historically, in June and July, there is a bigger push for business as they get close to the football season. During the next sixty days they will continue their plan to aggressively pursue their opportunities locally and nationally.

IV. UNFINISHED BUSINESS

1. Clarification of Field naming Rights Contract.

No Report

2. Clarification of FY13 Revenue methodology for CBS Sports.

No Report

V. NEW BUSINESS

1. Aloha Stadium Comprehensive Site summary Presentation

Chairman Toguchi informed the Board that the report has not been completed and the anticipated plan is that Mr. Rajj (Foley & Lardner) will have the final report for Board's review at the June meeting.

2. PROPOSED CONTRACT WITH A PUBLIC RELATIONS FIRM
(Report by Member Bukoski, Chairman of the Optimization Committee)

Member Bukoski reported that since a lot of things are happening at the stadium and generating many questions from the public, on behalf of the committee, it was suggested that we have an Open House/Informational Briefing to engage the public by sharing information -- including the report that was just discussed.

A MOTION WAS MADE BY MEMBER BUKOSKI AND SECONDED BY MEMBER MARCUS TO SUPPORT THE STADIUM'S RETENTION OF A FACILITATOR/FIRM TO ASSIST THE AUTHORITY IN COORDINATING AND FACILITATING AN OPEN HOUSE/INFORMATIONAL BRIEFING REGARDING THE FUTURE OF ALOHA STADIUM.

Discussion

Member Bukoski said he would like to add that we are asking the Stadium Manager to engage a firm to facilitate the suggested meeting.

Chair Toguchi noted, for clarification, the facilitator will assist us with an Open House, a presentation of the report will be made, and the general public will have an opportunity to make comments.

Member Bukoski said the report will be one aspect of the Open House, as well as an opportunity for the stadium to provide the public with updates/current status and future of the stadium.

Chair Toguchi added, this is an invitation to the public to participate in the process.

THE MOTION WAS UNANIMOUSLY CARRIED.

VI. NEXT MEETING

June 26, 2014, 2014

VII. ADJOURNMENT

A MOTION WAS MADE BY MEMBER BUKOSKI AND SECONDED BY MEMBER LONG TO ADJOURN THE MEETING. THE MOTION WAS UNANIMOUSLY CARRIED.

Meeting was adjourned at 12:30 P.M.



CHARLES T. TOGUCHI
Chairman

Recorded by: Diana C. Ho

Date: June 26, 2014

