DRAFT

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

June 25, 2015

Members Present:
Charles T. Toguchi, Chairman
Keith "Kika" G. Bukoski
Wilbert C.F. Chee
Odetta Fujimori
Edward Hasegawa
Michael Iosua
Scot Long
Ross Yamasaki

Staff
Scott L. Chan
Lois Manin
Russell Uchida
Stephen Lee
Andrew Chang
Liane Nakagawa
Samantha Spain
Neal Sakamoto
Charles Vitale

Others:
Lt. Governor Shan Tsutsui
Randall Nishiyama, Deputy Attorney General
Davy Murayama, Centerplate
Glen Higa, Aloha Sports Properties
David Matlin – University of Hawaii Athletic Director (UHAD)
Chris Kinimaka, Department of Accounting & General Services (DAGS)
David DePonte, Department of Accounting & General Services (DAGS)
See Exhibit A (Sign-in Sheet)

I. CALL TO ORDER

A quorum being present, Chairman Charles T. Toguchi called the meeting to order at 10:00 a.m.

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The Chair announced it was an honor to welcome Lt. Governor Shan Tsutsui (and Acting Governor for a couple more hours), who will be sharing a few words with us.

Lt. Governor Shan Tsutsui

Lt. Governor Tsutsui (LG) thanked the Board Members and Manager Chan for doing a tremendous job and said he knows that it hasn't been easy dealing with the Legislature to get the necessary capital improvement funds (for repairs and maintenance and the health and safety issues). He added, "On behalf of the Governor, they are firmly committed to assist and support the stadium and will continue to move forward as they embark on the transition."

LG also expressed how important Aloha Stadium is, not only to the University of Hawaii (UH), but to others present today; and because it is the only stadium we have, we should seriously look at it in terms of the investment that needs to go into it. He also said by moving and doing our due diligence, we can really transform in terms of an experience for our residents as well as our visitors here.

LG said he is aware of the different challenges; one of which is the Federal Deed Restriction. He expressed to Chair Toguchi and Manager Chan that he would like to assist in that way and try to untangle some of the knots to allow them to move forward expeditiously and hopefully use their administration to support them. He again thanked everyone for their hard work.

The Chair said he also invited the Lt. Governor to join us later as we discuss some of the issues mentioned.

The Chair said he will be changing the order of the agenda in the interest of time for those who have other meetings to attend.

II. PUBLIC TESTIMONY

A. Ezra Simbahon (Street Dreams Concert – June 13, 2015)

Mr. Simbahon was associated with the concert as a subcontractor and was present to report some of the challenges he was faced with at the event. He said they were not aware (and totally caught off-guard) of some of the rules that were implemented and some of their people experienced a three to four-hour waiting time to gain access on the field to unpack. He also noted the rudeness of one stadium employee.

Chair Toguchi inquired and was informed by Mr. Simbahon that this is the first time the stadium Board and staff are hearing about these issues. The Chair then suggested that he meet with the Stadium Manager and staff so he can

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communicate the details of what took place at the event. Mr. Simbahon was agreeable to the Chair's suggestion. The Chair thanked him for coming to the meeting and making his presentation.

Manager Chan thanked the Chair and Mr. Simbahon and said this event had several challenges and we want to be sure they are addressed. We are here to provide a service and we want to make sure these events are successful. As a result, several meetings were held with the licensee, including a coordination meeting prior to the event.

B. John Parker (Swap Meet Vendor)

Mr. Parker said he has been a vendor at the swap meet for approximately 12 years and came to speak on behalf of some of the other vendors relative to the reconfiguration of the traffic flow at the swap meet. He stated:

- He would like a better understanding of the change and inquired if it will be a permanent situation.
- When the subject was first mentioned at the vendors' meeting, they didn't realize the change would affect their livelihood.
- The premise of a potential safety threat as the reason for blocking Sections 7 and 8 is unclear because as a vendor for 12 years, he has never experienced a safety issue. He stated that vendors feel the same way.
- They are not pleased with the setup of barricades, and the redirection of shoppers (like a herd of cattle) with the new configuration.
- The consensus of the vendors is that the primary reason for this change is for Centerplate to increase its food and beverage sales at the vendors' expense. It has changed the entire dynamics of the swap meet which has generated complaints from many visitors.
- For years, Centerplate has never spent any time or money on signage to direct the flow of traffic so the shoppers can locate restrooms or where to purchase food. For this change to take place, there seems to be an ulterior motive.
- It is a hardship for the elderly and mothers pushing strollers who are forced to walk 300 additional yards into the stadium.

Mr. Parker summarized by asking if there is a way to work with Centerplate and devise a different situation to deal with the incoming vehicular traffic.

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The Chair thanked Mr. Parker for bringing this matter to the Board's attention and said we will be further briefed by Centerplate at today's meeting on the same subject. He stated the stadium is always looking for ways to improve its operations. The Board will also have discussions with management.

C. Kathleen Abfalter (Mr. Parker's wife)
Ms. Abfalter expressed that they are not opposed to food being located where it is. They feel it could be a win-win (team effort) situation if proper signage could be posted, directing people to the concessions and the restrooms. She expressed the need to come to a solution on the reconfiguration to assist vendors who have children, mortgages, debts and senior citizens who rely on social security.

D. Shannon Wood
Ms. Wood expressed her interest in the future for this facility and said if individuals (other than the staff and Board Members) will be considered to get involved with the Optimization Committee, that she would certainly appreciate being considered as well.

III. APPROVAL OF MINUTES

A. Approval of Minutes of the May 28, 2015 Regular Session and Executive Session.

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

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

IV. MONTHLY REPORTS

A. Chairman's Report (Charles T. Toguchi)

Chairman Toguchi said he will enter into discussions on some of the agenda items as they come up during the meeting.

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

1. Personnel
Our recruitment deadline ended on June 10, 2015, and we are in the process of interviewing and hiring part-time intermittent (PTI) employees for the upcoming football season. This will include several hundred employees (ushers, parking attendants, etc.) needed to run the facility during the season.

2. Administrative
We also have met with the branches with regard to the reduction of PTI employees that we previously mentioned to you. Mr. Uchida will brief you on the steps that we have taken and how we came to the final conclusion.

Mr. Uchida said two sections are affected, and the reduction of hours (putting the PTI's on-call) will be effective July 1, 2015. We are implementing the PTI concept of calling employees only on an as-needed basis and we are trying to make sure this falls in line with what we need to cover in our budget. In terms of streamlining, this is the area that will really make a difference. He added, as a result, some things will go unattended, but we can assure you that we will continue to function.

Mr. Uchida said this is not the final adjustment. We will continue to evaluate our situation, and if further reductions are necessary, we will then have to proceed with those reductions.

The Chair stated that the Legislature doesn't provide additional monies to the stadium for the collective bargaining increases. We have to absorb it from our budget.

3. Update – Capital Improvement Projects Phase 3 & 4 (Charles Vitale)

Health & Safety (H&S) Phase 3,
The waterproof mock-up is in progress (the last step for the new concrete and waterproofing); then the handrail in the handicap area will follow, which will complete the work on the mauka side by July 15, 2015. Work at the makai side should be completed by the first week in August, 2015.

The funding has come through for H&S Phase 4, so the design and survey can resume and the bids can go out. Because of the delay in funding, chances of any work being done before the 2015 football season are very slim.

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Member Long inquired what is the impact with the work being delayed for Phase 4. Mr. Vitale said he doesn't believe there is any safety impact - some things are being pushed back. He said some of the Phase 3 work will be done during the off-season in 2015.

With reference to Member Long's inquiry, Manager Chan informed that we just received approval for Wiss Jenny & Elstner (WJE) to continue their consultant work and to help us evaluate the critical areas that need to be addressed immediately, knowing State funding is an issue.

Storefront (South Side)
Installation of doors is in progress, and the ceiling work will also be completed within the next few weeks.

Lower Level
Work on the lower level (under the bleachers) will take place during the football season.

4. Funding (Chair Toguchi)
The Chair noted in a brief meeting with the LG, (prior to this meeting), LG volunteered to assist us with our supplemental budget, and he wants to know what are the numbers that we should submit -- hopefully he can help us get that through the administration.

The Chair said, knowing that next session is just a supplemental year, he advised not to ask for something that can be included in the biennium budget (in the following year). He noted that DAGS will soon be preparing the supplemental budget. Ms. Kinimaka replied they start on it in September, 2015.

5. Events
Next week will be the last weekend for the 50th State Fair. A concert (5th Harmony) was held last week with 3,500 in attendance, which boosted our attendance for that particular Friday. We did have concerns about their emergency evacuation plan but were comfortable with it upon our inspection.

This weekend Anuhea will be performing (a popular local singer) – we anticipate a good attendance.

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Street Dreams (June 13, 2015)
Manager Chan reported that the testimony made by Mr. Simbahon came unannounced and it is important that the management team meet with the client on this matter. There were challenges with the event from the start, (including damage to the field turf) which will be addressed in order to prevent a similar situation from occurring again. In answer to Member Chee's question, Manager Chan said this was a repeat event, but the client normally holds his events at the Lower Halawa parking lot.

Concerts
Member Bukoski requested an update on future concerts. Manager Chan said he received one call of a potential concert but nothing concrete at this time. Member Bukoski inquired if it was a cost issue or logistics. Manager Chan said no, it was neither. It was based on talent that they wanted to book.

Member Bukoski expressed concern why Janet Jackson did not book her concerts at the stadium as she had done in the past. Manager Chan said she hasn't had an album in seven years and hasn't performed for some time. Perhaps her promoter was not willing to take a risk in the investment in a large venue such as Aloha Stadium.

Repeat Events
Manager Chan shared a list of 10 repeat events that will occur at the stadium (Exhibit B).

6. Sales & Marketing Report (Samantha Spain)

- Media Day (July 31, 2015, 11:00 a.m. – 1:00 p.m.)
  The media will be invited to this event to basically kick-off the 2015 Football Season. The Chair and University of Hawaii (UH) will be saying a few words and Centerplate will set up a variety of different subcontractors so everyone can experience what will be offered during the football season.

- Aloha Stadium's 40th Anniversary
  Work is progressing and they are looking at a variety of events to celebrate this occasion for the entire season.

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7. Swap Meet
   Manager Chan reported on the news article that was published on the swap meet reconfiguration. Management did have an opportunity to meet with the reporter and discuss the concept of the current changes. Manager Chan said management is here to make it a better place and to find ways to generate more revenue -- since we are a self-sufficient program.

C. APPROVAL OF EVENTS
   NONE

D. The University of Hawaii (UH) Athletics Department Monthly Report (David Matlin)

Mr. Matlin reported:

- He is very pleased that UH is continuing its monthly meetings with the stadium and being proactive. He feels those meetings are very valuable.

- The stadium team has done an outstanding job in helping UH to move forward on its initiatives to have a better fan experience, in a fiscally responsible manner.

- He just returned from the athletic directors' meetings in Nashville and is working on some possibilities. It is really tough to schedule 13 football games in 13 weeks without a bye and is also logistically challenging. They are looking at some measures to lobby the NCAA and see if the season can be expanded a little with more games in Hawaii.

The Chair expressed appreciation to Mr. Matlin for attending our meetings. Mr. Matlin said, as an ex-officio member, it is a priority to be here and the information he gets from these meetings is valuable. He also noted that he will send someone in his place if he is unable to attend.

Member Fujimori inquired if the sale of $99 season tickets at the north side will encourage regular season ticket holders to hold off on their renewals in order to take advantage of the discounted tickets. Mr. Matlin said it is a good thing to analyze and compare it with the previous year, but they can't do it until they complete this year's process.

E. Swap Meet Monthly Report: Centerplate (Davy Murayama)

- Total May Attendance increased 17%
- Total Stall Count increased 9%

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- D,E,F, rows stall count increased 4%
- A,B,C, rows stall count increased 27%

Mr. Murayama reported the attendance increased by approximately 13,700 due to an extra day (a Sunday). The average Sunday generates roughly 8,150. They are also about 5,500 higher than the previous year; so there is roughly a 9% increase in attendance. On the stall counts there is a slight 3% dip in the daily average count for the premium rows, but there was an 18% increase in the inner garage sale rows.

Modification (reconfiguration) of the Swap Meet

Relative to the media report, Mr. Murayama provided an update of the current situation and also a recap of what was provided to the Board at previous meetings.

1. Reasons why the reconfigurations were made.

   - First and foremost was safety:
     A power point presentation showed the north tunnel and north plaza areas, (when the Street Dreams concert activities were in progress on June 13, 2015), with vehicular traffic entering the north tunnel area.

     With the new configuration (with barricades installed), the shoppers are directed to go into the stadium and back out (similar to a horseshoe formation) – no longer creating a hazardous situation. If the barricades were not in place, they would have had to stop the flow of foot traffic for safety purposes. There are other events entering the north tunnel that create safety concerns, such as the high school teams.

   - The second reason for the reconfiguration:
     To create a center stage with entertainment, a rest stop for the shoppers to enjoy food and beverages, and easy access to the restroom facilities. With these added amenities, management hopes customers/shoppers will be encouraged to stay longer and continue shopping at the swap meet.

     Mr. Murayama stated in 2013, the vendors were informed of future changes at several meetings and at the time none of them wanted to relocate. They have since done some research and came up with the current plan.

     Manager Chan stated, originally, the barriers were not part of the plan and the area was to be filled in by vendors to create a longer route, and

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currently we do not have that. Mr. Murayama agreed it was a good plan, but they were concerned that when vendors are on vacation, they would have a problem with shoppers cutting through those areas. However, he said it is still a "work in progress."

- Mr. Murayama said in their efforts to try to make things better, they have:

  1. Posted 17 signs with directions to the new route, restrooms, and entertainment and food concessions.

  2. Installed a ramp for the handicap where a steep incline existed.

  3. Handed out flyers at the main gate to inform every one of the changes effective June 3, 2015.

  4. Spoke to vendors during the month and some are now interested in moving.

The Chair confirmed with Mr. Murayama that the following steps will be taken in an effort to resolve the current issues concerning the reconfiguration:

- Reevaluate what has taken place since the new plan has been in effect.

- Have a meeting with the vendors who have been impacted by the change.

- Review your findings with stadium management.

Deputy Manager Manin said management's procedure is to always gather feedback and work together on issues that arise. Unfortunately, they were unable to convince the vendors to relocate, so they presented an alternative plan that they thought would be beneficial to everyone; however, it is not to their (vendors') satisfaction. She added, there are from 500-600 vendors, and when there is no consensus, management is forced to make a decision.

The Chair said since the plan has been in effect for a month, Centerplate and management will now have better data in terms of finding out if there is a better way to the current situation. He expressed appreciation for the information provided to the Board today -- to help them understand the issues.

For the benefit of everyone present and the representation of swap meet vendors, Manager Chan made the following comments:

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- In spite of what people may think, safety has been the number one priority.

- He made it very clear that we are not locked in or are saying this is a done deal.

- Please keep in mind that our priority is to create an atmosphere that is enjoyable and safe for our guests.

- Please remember that we are self-sufficient and we have to entertain creative ideas to generate "new" revenue.

- As we work with Centerplate, Manager Chan said we are trying to create a vibrant environment in the North Plaza.

- We are trying to provide a public comfort zone that will allow people to relax and stay longer; and hopefully with the intent to have visitors shop more.

- We are doing our best to listen to their comments and accommodate their requests within reason.

The Chair said in all fairness to Centerplate, and according to previous meetings, they did suggest other configurations but were rejected by the vendors. It may be prudent to revisit some of their previous ideas and suggestions since according to some vendors the new configuration is not working. However, the bottom line is, the vendors need us and we need the vendors – so we need to work together.

In viewing the video and watching pedestrians crossing at the top, Member Bukoski questioned the success of this program. The Chair concurred and stated a possible solution would be to hire someone to direct foot and vehicular traffic.

Manager Chan said it has been mentioned, but there are other factors to consider, such as, is it cost effective, or for that matter, who will absorb the cost.

<u>Marketing Report (Krysti Peacock)</u>

- Announced they are adding entertainment at the north plaza on Saturdays and Sundays at 11:00 a.m., beginning July 5, 2015. They are in the process of scheduling acts for July and are also looking at getting some hula halau

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groups. This is as a result of discussions that took place at the vendor meetings. Once the acts are confirmed they will begin including them in their advertisements.

- In July, they will be visiting the concierge desks at Waikiki, which is an ongoing once-a-year visit to deliver a basket of donated products from the vendors and free admission tickets for their guests.

Hawaii Ohana Marketplace (HOM)

The Chair informed the members that HOM is a company that is planning to set up a swap meet in Kapolei. Manager Chan said he feels it is important for the Board members to know who our competition is and to discuss how we can improve on some of the things we do for our swap meet vendors and buyers. A brief power point in information of the project was provided to the Board.

The Chair said as a result of future competition, we need to address our challenges as they come up because we do offer a great service and more importantly are the revenues from the swap meet which keeps us going here.

Samantha Spain reported that HOM mentions Aloha Stadium in their website, and upon her request, they have agreed to remove the information regarding Aloha Stadium. Below is some information on the proposed swap meet:

- It is a $75.0 million construction project of storage space (cubicles).
- Plans are to lease/rent a mix of office space and marketplace space.
- Similar to a shopping center, but primarily for small businesses.
- Example of potential businesses: a fitness center; nail salons, massage, etc.
- Their big push is to relocate small business offices from downtown to Kapolei.
- Target opening – October 2016 or possibly 2017.

Mr. Murayama (DM) added:

- Marketplace will open Friday, Saturday and Sunday.
- They are planning to have a commercial kitchen, allowing someone with a food truck to prepare meals.
- Their rental feels are similar to ASSM @ $300/weekend, averaging $100/day. ASSM charges $15/day for garage sale vendors – unsure how it would work with new project.

Member Chee – project is not for low-budget vendors. There are some challenges.

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Member Yamasaki – With further market studies, it would be interesting to know what components overlap; and zoning would be of interest.

Member Bukoski expressed the need for the following information on ASSM, relative to a future competitor stepping in:

- Is there a way to conduct a survey to determine what the percentage of shoppers are local vs. visitors? (*DM said it is very difficult to determine the market by standing in one spot since shoppers go directly to their areas of interest. Several years ago they were able to determine it was 50/50.)*

- Do we charge for parking on Sundays? *(Deputy Manager Manin said there is no charge for parking – ASSM charges an admission fee of $1 per person.)*

- Is there a method to find out what percentage is local vs. mainland visitors for potential business use? (*DM said there is a difference of 2,000 more in attendance on Sundays vs. Saturdays, due to the garage sale which is patronized by the local community.)*

- To obtain accurate information, Member Bukoski suggested asking shoppers to fill out a short questionnaire at the gate (upon arrival) and perhaps given free admission for their cooperation. (*Manager Chan said that would be a good way of doing it, however, they may have to discuss the idea of free admission.) Member Iosua suggested adding to the survey "which region" they are from.*

Chair Toguchi said they are in the process of forming a Request for Proposal (RFP) committee for the ASSM contract which comes up for renewal in 2016. He informed DM that within the next few months, they will be discussing ways in which they can make ASSM a better place for both the vendors and the visitors.

F. Aloha Sports Properties Monthly Report (Glen Higa)

- Their large renewals are slowly coming in. Historically, July is the month when some of these accounts close, and they are anticipating a big month.

- They are still aggressive in the market and started meeting with other media partners to try and do some combo sales (i.e. television and radio signage in the stadium). They anticipate some new advertisements as a result.

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V. UNFINISHED BUSINESS

A. Federal and City Deed Restrictions

Report by Linda Chow - Deputy Attorney General and Stephen Soares - Parks Division @ Department of Land & Natural Resources (DLNR)

Ms. Chow reported that Mr. Soares has been instrumental in gathering the paper work required by the National Park Service (NPS) which will allow them to evaluate the proposed exchange of transferring the federal deed restriction (DR) from the stadium property to the Central Maui Park (CMP) property.

Mr. Soares added:

- The process is near completion.
- The federal government wants to make sure that when the DR is swapped the impact of the loss of the recreational opportunity is offset by the benefit of the recreational opportunity that is expanded in the CMP. He feels it is a fairly straight forward case to make.
- The key issue is: The value that is lost (based on the appraised value of property), is for it to be based on the value for the acreage of the property. Mr. Soares said they do have a preliminary positive response from the NPS stating that acreage is an appropriate way.
- There are a few more documents to put together, which will then be submitted to the local NPS office; then to NPS in San Francisco, within the next two weeks.
- In answer to the Chair's question, Mr. Soares said, locally, they are working with Elaine Kamahele, Program Manager for NPS.

Ms. Chow added:

- The regional people have been made aware of the current situation and seem to be okay with the process.
- Ms. Chow had one concern about an environmental assessment (EA) being required with this type of documentation. However, they plan to proceed without one, hoping that the environmental impact statement (EIS) that was previously done for the CMP will meet their requirements. Mr. Soares said that would involve the federal environmental assessment process, which is similar but a different process than Hawaii's.

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Mr. Soares stated:

- This conversion is unique because it was authorized in a budget rider, and a law was passed to authorize it.

- The objective is to make sure the properties fit and all the facts are provided to NPS to assist in their decision.

Comments by the Board

Member Chee inquired about a lawsuit filed last year which delayed the transaction. Ms. Chow reported 11 claims were adjudged in favor of the state and county; and one claim is outstanding, but a motion was recently filed for its dismissal. Ms. Chow said all of the claims should be resolved very soon.

Ms. Chow said since the lawsuit filing, the design of the park has been revised, and they feel the change will be accepted by the neighboring community. Mr. Soares said the first phase of the park should be completed by March, 2016.

Member Fujimori inquired if our congressional people were asked to assist in this process. Ms. Chow said Esther Kiaina (who is with the Department of Interior [DOI]) is aware of this project. She recommended that they work with the local NPS branch prior to sending anything out to San Francisco.

Lt. Governor Shan Tsutsui stated:

- He has had conversations with Senator Mazie Hirono and Senator Brian Schatz, and they are well aware of what we are doing. He thanked Ms. Chow and Mr. Soares, and said they were the brains behind this and have gotten us to this point; so, all things look good.

- On another matter, Lt. Governor informed Board members that when the Governor returned from his recent Governors' Conference, one of the requests that President Obama specifically made to him was, "if there are things where he can be of help (that doesn't require Congress action), he would like to assist." Lt. Governor said he and the Governor spoke specifically and Governor advised him that he is going to put in a request once all of our documentation is in with the federal government, to make sure he can expedite the approval.

Ms. Chow said what really helped to make this a possibility, was when they received Director David Siegenthaler's approval in concept; then he ran it by their GSA attorney, and together they accepted our argument that it should be an acre-for-acre exchange rather than a value-for value exchange.

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The Chair thanked the Lt. Governor for his leadership and support on this accomplishment. Lt. Governor said, fortunately, Ms. Chow was working on both projects.

Mr. Soares said the key thing I think that's going to make this work is the idea that the land value is going to be based on acreage, not money…because as you may recall, we went through that process and identified several properties throughout the state and just couldn't make the numbers work on a financial basis.

The Chair concluded with Ms. Chow that the big policy decision is done, and the remaining step is to, administratively get it finalized. Ms. Chow said yes.

The Chair then asked for a ballpark timetable because there are a number of other things going on that are related to the stadium which could be directly impacted by the deed restriction

Mr. Soares replied:

- They anticipate completing the package within two weeks.
- They will run it by the local NPS office to make sure the package is in order.
- Once the package is sent to NPS in San Francisco, they can then seek congressional support and all the other support that is needed.
- Once the process is completed, they want to coordinate a full-court press to push it through.

<u>City Deed Restriction</u>

Ms. Chow reported, under the City's ordinances, there are three ways they can dispose of property (to incur the lifting of the deed restriction): 1) Disposal by Sale; 2) Disposal by Exchange; and 3) Disposal by Gift.

The most promising would be Disposal by Gift, which has the following requirements:

- Obtain an estimate of the value of the property by an appraisal.

- The Council would have to make a determination that the gift would serve a public purpose.

- The Council may impose conditions or restrictions on a Disposal by Gift, including, but not limited to restrictions upon the use of the property for a period of time or in perpetuity. *(Ms. Chow said that is what we had in the deed restriction where they gave it to us but they imposed the perpetuity restriction.) She said the other two methodologies are straight forward.*

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Ms. Chow said the other two methodologies are straight forward.

Disposal by Sale

- They need an appraisal.
  (Ms. Chow is not sure how that appraisal would be done. Her guess is: Take the value of the real property unencumbered, the value of the property encumbered – and the difference would basically be the value of the property.)

Disposal by Exchange

- This would still require a value-for-value exchange. In this case, it would not have to be for recreational value, but we would have to find properties to exchange that would be equal to the value of the property. If we don't come up to that value then it would be exchange with cash to make the difference.

Ms. Chow said their resolution doesn't say anything more than the fact that they gave the state the property and any engineering reports and design reports that they had to allow the state to build the stadium. She does not know how the deed restriction got into the actual deed document – it is not mentioned in the resolution. Ms. Chow said we accepted the deed and there is no way around that. The last method is a potential for condemnation of their interest – the state could try eminent domain.

Questions to Ms. Chow (by Member Bukoski):

- The property has already been deeded over, but with restrictions?
  (Yes)

- Would it be one option to ask the City just to remove the restriction?
  (We could, but the City is bound by its ordinances.)

- One of them was mentioned by gift?
  (Yes)

- Restrictions were an option – not mandatory? So they could agree to lift it?
  (In a resolution that she saw, they still were required to find property with reference to a public purpose; so it depends on how they define that.)

- It is the best of all worlds – and that is a possible option?
  (Yes)

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Questions to Ms. Chow (by Chairman Toguchi):

- As a follow-up to Member Bukoski question, you mentioned earlier that the deed agreed to transfer the property to the state. In legal terms, the property is with the state? *(Yes)*

- But, there is a restriction?
  (We have a fee simple title in the property, subject to deed restriction.)

- Right (in terms of its use) – but we have the deed? *(Yes)*

Questions to Ms. Chow (by Member Chee)

- With his understanding that the state has the right to preempt county and city zoning, if we try to relate those two terms (the use vs. zoning), is there some working room there (i.e. the state preempts county zoning)? *(It is not that we preempt county zoning – we are not subject to county zoning because powers are divided from powers by virtue of Chapter 42 of the Hawaii Revised Statutes. The deed restriction is not a zoning issue.)*

  Ms. Chow added: The use restriction must be used for a stadium -- as long as it is still used for a stadium, we don't run afoul of our deed restriction. Whether or not we can make other uses of it, that may not be compliant with the zoning for the area, which is another issue. On the zoning question, yes, technically we do not have to comply. The flip side of that is, if we don't comply, they don't have to provide the services, which means sewer/water/electricity hook-ups.

Member Iosua inquired if there has been any discussion with the City on their position. Ms. Chow said last year she met once with the City Managing Director, who indicated if they lifted the deed restriction, could they get a portion of the profits that are derived from the release of the property. She is not sure if that is their position now.

The Chair thanked Ms. Chow and Mr. Soares for the information they provided and invited them to return at the appropriate time when they have further updates to share with the Board.

Ms. Chow said she will provide updates when they finalize the processing for the federal deed restriction. On the City deed restriction, she recommended that the Board consult with Deputy Attorney General Randall Nishiyama and said she thinks the negotiation of that falls within the Board's jurisdiction.

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B. Trans-oriented Development (TOD) – Franz Kraintz

Mr. Kraintz said he works with Harrison Rue, Kathy Sokugawa and Bonnie Arakawa on the TOD plan for the Halawa Area.

Mr. Kraintz reported they have been working on various alternatives and scenarios about the possible redevelopment for this area, related to the new station and along with that, we have been coordinating with staff as well as DAGS representative, Chris and David and coming along. We hope to make a presentation to you sometime in the late summer or early fall.

(Manager Chan noted and apologized – this was to have been a part of the Optimization Committee Report)

C. Optimization Committee Report/Discussion

Member Chee
He was unable to attend the HART meeting on June 3, 2015 and called upon Member Long for a summarization of that meeting.

Member Long
They basically gave us an update of the current status of the project. For the stadium, there was still a question of the ROE and we are trying to get certain things from them. The difficulty I am having with HART is the delays in response to our requests.

The Chair informed Member Long that the Board will be going into executive session to discuss the ROE negotiations with HART.

Member Long said he will defer his comments until then.

Member Chee said Member Long did provide fairly comprehensive notes of the discussions at the meeting, and one of his observations was that, in spite of our advanced discussions on our ROE, the subject matter was never brought up at that meeting. It tells me that the discussion is being avoided.

D. Honolulu Authority for Rapid Transportation (HART) - Report/Discussion

Tom LeBeau, Deputy Director of Construction
Mr. Lebeau brought the Board up to date on the following topics (from his hand-out):

- Overview of their entire rail program.

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- West Oahu Farrington Highway Contract.

- Airport Advanced Utilities – Physical Construction – 16.78% Complete

- Airport 7 Piers – Physical Construction – 100% Complete

- KHG – Kamehameha Guideway Design-Build – 38% completion
  (It took a little time to get out off the ground, but the project is moving right along now. Good news to report: They have five of their bridge segments cast.)

- Traffic update: Along the Kamehameha Hwy. Guideway in Pearl City, some lane closures by Acacia Rd., affecting the left turn lane at Acacia. Additional lane closures between Acacia Rd. and Waimano Home Rd.

- Various lane closures at night for utility work along Kamehameha Hwy. in P.C., Aiea as well, with a contraflow.

- Road widening work in Aiea area, along Kamehameha Hwy.

- Various lane closures near Pearl Harbor – Utilities Contract.

- Experiencing some scheduling challenges with the Kamehameha Hwy. grid project which they are working alongside their contractors to try to move it forward (about 6-7 months behind schedule); one of those affects Aloha Stadium.

Matt Scanlon reported on a couple of specific activities that are a direct impact to the stadium.

- Update – there is an upcoming fuel line relocation work that's going to be in the Kamehameha Lot. Kiewit is in control of that and it should not affect Aloha Stadium.

- Aloha Stadium – Kiewit is not planning to be in the main lot until after the Pro Bowl, but they do want access immediately after Pro Bowl and try to get the work done in the main lot. Their goal is to exit from there prior to the next upcoming season. That is the current schedule.

Mr. Scanlon reported they have awarded one station package and opened bids on another station package. The third station package for Kamehameha Hwy., which is the Aloha Stadium station is part of that package that will be advertised on August 18, 2015. They will then go through a procurement phase for a few months; then an award phase. The

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notice-to-proceed process will follow; then they will work with the contractors' final schedules to enter the stadium after the Pro Bowl.

Questions/Comments

Manager Chan inquired about the status of the Right of Entry (R.O.E.). Mr. Scanlon said he knows it is being worked on, but does not know the status and will take that question back to Brennon Morioka and Liz Scanlon. He said they were not able to attend today's meeting due to an outer-island trip.

Mr. Scanlon verified with the Chair that his comments above referred to the guideway and not the station and he believes the R.O.E. that HART is working on is for the station.

The Chair inquired why is an R.O.E. for the station needed in mid-August. Mr. LeBeau said they would like it in place for the contractors to see what is actually required of them so they know how to price it -- that is the primary reason. The contractors take all of the stipulations noted in the contract when they are pricing their work.

Deputy Manager Manin said with reference to the first UH football game on Thursday, September 3, 2015, she would like to know what the traffic pattern will look like. Our concern is that it is a week day and we will be dealing with the after-work traffic, as well as the game traffic. Mr. LeBeau replied that they continue to work on specific traffic plans for the Kamehameha Hwy. corridor. Currently they have some discussions in place and a task force assembled and they try to layout a strategic plan for the entire corridor. Although he does not have an answer right now, he will report back over the next few months. Deputy Manin said Mr. Lee is already working on this and we just want to make sure we have some kind of communication on this matter.

The Chair thanked HART for the updates.

E. Administrative Rules Committee – Report and Discussion

The Chair recapped that the report will refer to the Administrative Rules and Proposals on the changes to the rental and parking fees.

Deputy Manin reported:

- They attended a meeting at the Small Business Regulatory Review Board (SBRRB) on June 24, 2015 and were given the approval to move forward with a public hearing on the rule amendments.

- SBRRB will be forwarding our submittal to the Governor for his approval to go to a public hearing.

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- Once all approvals are in, we are required to provide 30 days' notice to post for a public hearing.

- The final outcome is dependent on the results of the public hearing.

VI. NEW BUSINESS

NONE

VI. EXECUTIVE SESSION

(break at 12:16 p.m.)

A. At 12:25 P.M. A MOTION WAS MADE BY MEMBER HASEGAWA AND SECONDED BY MEMBER CHEE TO GO INTO EXECUTIVE SESSION 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 AND STADIUM MANAGER'S EVALUATION. THE MOTION WAS UNANIMOUSLY CARRIED.

The meeting reconvened at 2:16 p.m.

VIII. NEXT MEETING

July 30, 2015

IX. ADJOURNMENT

A MOTION WAS MADE BY MEMBER HASEGAWA AND SECONDED BY MEMBER YAMASAKI TO ADJOURN THE MEETING AT 2:17 P.M. THE MOTION WAS UNANIMOUSLY CARRIED.

FINAL

_____
CHARLES T. TOGUCHI
Chairman

Recorded by: Diana C. Ho

Date: _____

Exhibit A

Stadium Authority Board Meeting

Sign-In Sheet (please print)

Event Date: June 25, 2015

Public Testimony Notice: Please indicate if you wish to provide oral, public testimony. If you are, please indicate if you wish to speak at the beginning of the meeting, or if you choose to wait until the agenda topic is being discussed. Please limit testimony to no more than 3 minutes.

Print Name	Organization	Phone #	Email Address
Chris Kinimaka	DAGS	586-0499	chris.kinimaka@hawaii.gov
Are you providing public testimony? ___ Yes X No	If "Yes": ___ Beginning ___ Will Follow Agenda		
David DePonte		586-0492	david.c.deponte@hawaii.gov
Are you providing public testimony? ___ Yes X No	If "Yes": ___ Beginning ___ Will Follow Agenda		
FRANZ KRAINTZ	DPP-CCHNL	768-8046	fkraintz@honolulu.gov
Are you providing public testimony? ___ Yes ✓ No	If "Yes": ___ Beginning ___ Will Follow Agenda		
Glen Higa	ASP	348-2767	glen.higa@outfrontmedia.com
Are you providing public testimony? ___ Yes ___ No	If "Yes": ___ Beginning ___ Will Follow Agenda		
EZRA SIMBAHOP	ARTS IN MOTION	590-3449	
Are you providing public testimony? ✓ Yes ___ No	If "Yes": ___ Beginning ___ Will Follow Agenda		
JOHN PARKER			
Are you providing public testimony? ✓ Yes ___ No	If "Yes": ___ Beginning ___ Will Follow Agenda		
Kathleen Abfalter			
Are you providing public testimony? ✓ Yes ___ No	If "Yes": ___ Beginning ___ Will Follow Agenda		
Linda Chow	Dept of AG	587-2988	linda.l.chow@hawaii.gov
Are you providing public testimony? ___ Yes X No	If "Yes": ___ Beginning ___ Will Follow Agenda		
Shannon Wood	Windward Ahupua'a Alliance		
Are you providing public testimony? X Yes ___ No	If "Yes": ___ Beginning ___ Will Follow Agenda		
Stephen Shares	DLNR		
Are you providing public testimony? ✓ Yes ___ No	If "Yes": ___ Beginning ___ Will Follow Agenda		
Matt Scanlon	HART		
Are you providing public testimony? ___ Yes ___ No	If "Yes": ___ Beginning ___ Will Follow Agenda		
Tom LeBeau	HART		
Are you providing public testimony? ___ Yes ___ No	If "Yes": ___ Beginning ___ Will Follow Agenda		

Lt. Governor Shan Tsutsui

EXHIBIT B

Repeat Events Approved
(Hand-out at June 25, 2015 Stadium Authority Meeting)

1. RealTime R&L, Inc.
   Tire Dealer Training Event – LHPL
   November 11 & 12, 2015 (Wed./Thurs.)

2. Events International Inc.
   Parking for Private Off-site Event
   Bus Lot
   June 20, 2015 (Sat.)

3. OIA Football (Regular Season, Playoffs, Championships)
   i/15, 9/17, 10/3, 10/23, 10/30

4. HHSAA Football State Tournament
   Possibly 11/7/15
   11/13, 11/20

5. Oahu Pop Warner
   8/22 – Preseason – Tiny-Mite
   11/1 - Tentative
   11/8 – Playoffs
   11/15 – Playoffs
   11/22 Championship
   11/29 Invitational

6. 130th Engineer Brigade – Turkey Bowl
   11/24

7. Color Vibe LLC
   5K Run
   Lower Bus Lot.
   1/8/16

8. UH FB Practice
   August 14 (3:00 – 5:00pm.)
   Augusst 20 & 27 (4 – 6:00 pm)

9. Farrington FB Practice
   Aug. 4, 11, 18, 25
   Sept. 1, 8, 15, 22, 29
   Oct. 6, 13, 20, 27 (3 – 6:00 pm)

10. MEDIA DAY –
    July 31, 2015 (Friday) 11:30 – 2:00 pm.