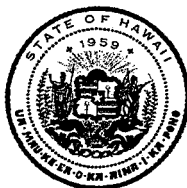


MAR 28 2009

FILE



COLLEEN HANABUSA
PRESIDENT

RUSSELL KOKUBUN
VICE PRESIDENT

GARY L. HOOSER
MAJORITY LEADER

FRED HEMMINGS
MINORITY LEADER

The Senate

STATE CAPITOL
HONOLULU, HAWAII 96813

March 23, 2009

FIRST DISTRICT
DWIGHT Y. TAKAMINE

SECOND DISTRICT
RUSSELL S. KOKUBUN

THIRD DISTRICT
JOSH GREEN, M.D.

FOURTH DISTRICT
SHAN S. TSUTSUI

FIFTH DISTRICT
ROSALYN H. BAKER

SIXTH DISTRICT
J. KALANI ENGLISH

SEVENTH DISTRICT
GARY L. HOOSER

EIGHTH DISTRICT
SAM SLOM

NINTH DISTRICT
LES IHARA, JR.

TENTH DISTRICT
BRIAN T. TANIGUCHI

ELEVENTH DISTRICT
CAROL FUKUNAGA

TWELFTH DISTRICT
BRICKWOOD GALUTERIA

THIRTEENTH DISTRICT
SUZANNE CHUN OAKLAND

FOURTEENTH DISTRICT
DONNA MERCADO KIM

FIFTEENTH DISTRICT
NORMAN SAKAMOTO

SIXTEENTH DISTRICT
DAVID Y. IGE

SEVENTEENTH DISTRICT
MICHELLE N. KIDANI

EIGHTEENTH DISTRICT
CLARENCE K. NISHIHARA

NINETEENTH DISTRICT
MIKE GABBARD

TWENTIETH DISTRICT
WILL ESPERO

TWENTY-FIRST DISTRICT
COLLEEN HANABUSA

TWENTY-SECOND DISTRICT
ROBERT BUNDA

TWENTY-THIRD DISTRICT
CLAYTON HEE

TWENTY-FOURTH DISTRICT
JILL N. TOKUDA

TWENTY-FIFTH DISTRICT
FRED HEMMINGS

CHIEF CLERK
CAROL TANIGUCHI

Mr. Alexander C. Kane, Jr.
1337 Humuula Street
Kailua, HI 96734

Dear Mr. Kane,

Thank you for your March 2, 2008 responses to the EDT Committee questions posed to you as a Stadium Authority nominee (Governor's Message 289).

In conjunction with the EDT Committee's follow-up review of the Stadium Authority's actions regarding several pending issues, we would appreciate your written responses to the following additional questions by Friday, March 27, 2009:

1. What is your view on whether the existing operations of Aloha Stadium are using the best and most cost-effective combination of internal staff/contracted services?

In some jurisdictions, stadium facility management is contracted to an entity responsible for all marketing, operations and facility requirements. With respect to the Hawaii Convention Center, having one contractor - SMG - responsible for all services related to the marketing, operations and facilities development of the convention center has proven to be a successful management strategy.

Given the substantial facility upgrades needed for Aloha Stadium, it appears that the current mix of in-house staffing, State CIP appropriations for all facilities upgrades and limited use of contractors for swap meet management or Aloha Stadium marketing does not take full advantage of potential private sector investment or leveraged use of State assets.

What do you think is needed to thoroughly evaluate the best alternatives for the Stadium Authority board to take action?

2. Given the State of Hawaii's dramatically-reduced revenues during 2009 and beyond, what do you think the Stadium Authority board should do if new capital improvements to repair/renovate Aloha Stadium are unable to be funded through state CIP appropriations? What steps do you think the Stadium Authority should take to seek new information upon which to make informed decisions about alternative solutions to Aloha Stadium?

Are you familiar with the Aloha Stadium Planning Study and its recommendations (Final Report 12-22-05)? What are your views on the best

ways to increase private sector investments in Aloha Stadium facilities? Based on your experience in interscholastic sports, do you think that the Aloha Stadium could be a viable operation if it were more heavily-oriented towards collegiate and interscholastic sports activities? Would the close proximity of a mass transit station provide greater public-private partnership opportunities to support a public recreational sports facility if the Aloha Stadium were oriented more in that direction?

3. During the 2008 legislative session, one of the measures proposed shifting the operations of the Aloha Stadium to the University of Hawaii. This proposal appears to be consistent with some of the analysis of the 2005 Aloha Stadium Planning Study, which compared Aloha Stadium's operations and future options for enhancement with public and private collegiate football stadiums/facilities in other locales.

What is your view regarding the viability of an Aloha Stadium operation focused more heavily on collegiate sports, and operated by the University of Hawaii?

4. How has the Stadium Authority board provided leadership in resolving complaints by Aloha Stadium Swap Meet vendors and the Stadium Authority's contractor? Although the 2008 Stadium Authority minutes contain extensive discussion of the problems affecting Swap Meet operations, it is not clear that the problems between swap meet vendors and Centerplate have been resolved.
5. What steps has the Stadium Authority board taken to improve communications between the Authority, its user constituencies and the general public? Does the Authority publicize its meetings and provide opportunities for individuals to comment on board actions before decisions are made?

Thank you for your service on the Stadium Authority board, and your written response to the questions listed above. Please contact me at 586-6890 if you have additional questions.

Thank you,



Senator Carol Fukunaga, Chair
Economic Development and Technology Committee

MAR 27 2009
11:509

Follow-up Review Written Questions by
Economic Development and Technology Committee

March 25, 2009



Alexander C, Kane Jr.

Stadium Authority
GM #289

Chair Fukunaga, Members of the Senate Committee on Economic Development and Technology, I thank you for this opportunity to answer your questions.

I would like to preface my answers by this statement: The Aloha Stadium must operate under the **“Federal Governments Deed Restrictions”**, which I understand, as must be used for **Recreational use by the Public**.

#1

I believe, the existing operations of Aloha Stadium are using the best and most cost-effective combination of internal staff/contracted services that are in place.

I would consider Aloha Stadium management would be the same as Hawaii Convention Center contractor – SMG – it looks like both have the same responsibility.

With the economy looking as it is, we should concentrate on doing things for the safety of the clients & spectators that use Aloha Stadium.

Revenues generated by Aloha Stadium goes into a special account, which is then used for the Aloha Stadium’s yearly budget, legislature does not fund Aloha Stadium except for CIP projects. Aloha Stadium has been operating in the black without legislative funds.

If I were the private sector, I would not invest into Aloha Stadium at this time. With the amount of money needed to refurbish Aloha Stadium would take many years to get back my investment. If there weren’t a deed restriction in place, it would be a different story.

The only thing at this time to increase private sector investments, I believe we should hit big money people like the NFL to invest, not only us paying them to come.

#2

Need to work towards eliminating “Deed Restriction” would have to be the first thing.

The Aloha Stadium Planning Study dealt with refurbishing existing stadium.

Aloha Stadium is already heavily oriented towards collegiate and interscholastic sports. From August to December the University of Hawaii plays 7 to 8 games and High Schools use any dates the University don’t use. The University and high schools don’t pay a fee anymore, only out of pocket expenses. Aloha Stadium management showed high schools how to cut down the out of pocket expenses. Aloha Stadium management have worked with University of Hawaii in making getting to games less of a hassle to parking areas.

As for the mass transit situation: If we didn't have Deed Restriction in place we can do a lot of things.

#3

As for making Aloha Stadium operation focused more heavily on collegiate sports and operated by the University of Hawaii:

1. As it is right now, University of Hawaii is the only collegiate team with football in Hawaii. They only play 7 to 8 games each year.
2. The only other college football games that would play at Aloha Stadium, is Bowl Games.
3. I can't see any other type of collegiate games using Aloha Stadium, except the Bands.
4. Can University of Hawaii afford to take over repairs, etc. knowing what the Economy is or expects the Legislature to be willing to appropriate what is needed for their deficit. They are millions in the red right now.

#4

A consultant was hired to evaluate the swap meet. It took a while for consultant to evaluate and to share with the board on his findings. A special meeting was held with the swap meet vendors. We shared with the swap meet vendors the consultant's report and allowed and gave them the opportunity to share their concerns with the stadium board. Some changes were initiated after the input to the consultant's recommendation.

I believe Center Plate has the contract to run the swap meet and they haven't shown that they broke any part of contract. Anytime you make changes, some like it and some don't. Center Plate is the largest income producer for Aloha Stadium.

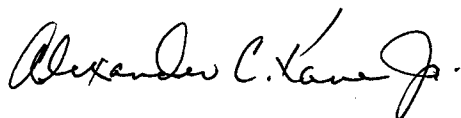
#5

The Stadium Authority board has been running open meetings. Any questions or concerns that were brought to the board by the general public were invited to our monthly board meetings and was given the opportunity to share their concerns with members. If that individual could not attend our meetings, a formal response was forwarded to the individual.

In closing I'd like to say, if the "Federal Governments Deed Restrictions" was not in place the Aloha Stadium would be able to do a lot of things these questions asked.

Thank you for allowing me the opportunity to answer your questions.

Mahalo,



Alexander C. Kane Jr.