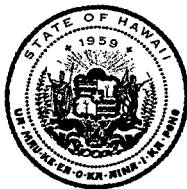


MAR 28 2009

FILE



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March 23, 2009

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CHIEF CLERK
CAROL TANIGUCHI

Mr. Nelson Oyadomori
1568 Ala Napunani Street
Honolulu, Hawaii 96816

Dear Mr. Oyadomori,

Thank you for your March 5, 2008 responses to the EDT Committee questions posed to you as a Stadium Authority nominee (Governor's Message 291).

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. 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 cannot 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 funding solutions for Aloha Stadium needs?

Based on the 2005 Aloha Stadium Planning Study and its recommendations (Final Report 12-22-05), what do you think are the best ways to increase private sector investments in Aloha Stadium facilities and programs?

With your experience in mortgage lending and the financial services arena, do you think that the 2005 Planning Study provided a sufficient range of public and private facilities that have utilized a variety of public-private investment strategies to tackle long-term operational and revenue-enhancement needs? What do you think is beneficial from the Study? What is missing from the Study?

2. 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 advantage of potential private sector investment or leverage the use of State assets.

What do you think Stadium Authority should do to evaluate all alternatives for use and upgrades to the existing facility?

3. What has been your role on the Stadium Authority board to resolve 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.
4. 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?
5. Do you have other ideas for addressing the need for Aloha Stadium infrastructure renovations and new sources of revenue for the Stadium Authority to pursue?

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
District 11 (Makiki/Tantalus-Ala Moana)



March 27, 2009

Senator Carol Fukunaga, Chair
Senate Committee on Economic Development and Technology
415 South Beretania Street, Room 216
Honolulu, HI 96813

Senator Fukunaga:

Thank you for giving me the opportunity to share my opinions by answering the EDT committee's questions in your March 23, 2009 letter.

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 cannot 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 funding solutions for Aloha Stadium needs?

Based on the 2005 Aloha Stadium Planning Study and its recommendations (Final Report 12-22-05), what do you think are the best ways to increase private sector investments in Aloha Stadium facilities and programs?

With your experience in mortgage lending and the financial services arena, do you think that the 2005 Planning Study provided a sufficient range of public and private facilities that have utilized a variety of public-private investment strategies to tackle long-term operational and revenue-enhancement needs? What do you think is beneficial from the Study? What is missing from the Study?

It's difficult for me to imagine that there would be no state funds available to sustain a facility that is an integral part of our community. However, if state-funded CIP appropriations are not available, we have two options: 1) Plan for the eventual shut down of Aloha Stadium due to safety issues, or 2) seek public/private partnerships to provide needed funding. One step to seek alternative funding was our direction to DAGS to research a possible lifting of the federal deed restriction on a majority of the Stadium site to allow us to start discussions on potential commercial applications.

The 2005 Planning Study's focus was about infrastructure and refurbishment. It did explain the safety and cost-saving issues in locking the stadium in a football configuration, but revenue enhancements by doing so, was not the main thrust of this study.

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 successful management strategy.

Given the substantial facility upgrades needed for Aloha Stadium, it appears that the current mix on 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 advantage of potential private sector investment or leverage the use of State assets.

What do you think Stadium Authority should do to evaluate all alternatives for use and upgrades to the existing facility?

After nearly 4 years of observing and speaking with stadium management and staff, it is my professional opinion that the existing operation of Aloha Stadium is exemplary and I would not recommend replacing the operations with a private contractor.

The primary obstacle in “leveraging the use of State assets”, is the aforementioned federal deed restriction. It is not by choice that the Authority or stadium management has not included private investment to generate revenue.

As mentioned above, the Authority has begun a dialog with the Department of the Interior to discuss alternatives and options concerning lifting the “recreation only” restriction.

What has been your role on the Stadium Authority board to resolve 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 vendor and Centerplate have been resolved.

As documented, we have opened our meetings to allow all concerned citizens and stadium users to voice concerns. However, I do believe in allowing management and our contractor to work directly with Swap meet vendors in all matters relating to operations. We are kept informed and have lengthy discussions with management on their course of action. Given the environment, I do believe these are solvable issues and have full faith that stadium management and our contractor are working diligently and fairly to improve the Swap Meet event for all parties involved.

Senator Carol Fukunaga, Chair
Senate Committee on Economic Development and Technology
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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?

Our meetings are always open and publicly posted. On every major issue, public testimony has always been a part of the process. I know this true for myself and other Authority members that we take phone calls and emails from the public, which either has direct action or is part of our discussions and decision making.

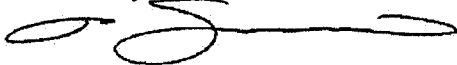
Whether it be the University of Hawaii, Swap Meet vendors, carnival and concert promoters, or anyone else, the Authority encourages and participates in fact-finding activities that usually involve face-to-face dialog.

Do you have other ideas for addressing the need for Aloha Stadium infrastructure renovations and new sources of revenue for the Stadium Authority to pursue?

Continue efforts on lifting the federal deed restriction to allow for responsible public/private partnerships.

Again, thank you for giving me the opportunity to share my thoughts with you. If you have any questions, please feel free to call me at 585-9888 or 478-5327.

Sincerely,



Nelson G. Oyadomari