

GM 199

EDT

FEB 23 2010



COLLEEN HANABUSA
PRESIDENT

RUSSELL KOKUBUN
VICE PRESIDENT

GARY L. HOOSER
MAJORITY LEADER

FRED HEMMINGS
MINORITY LEADER

The Senate

STATE CAPITOL
HONOLULU, HAWAII 96813

February 22, 2010

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

Kenneth B. Marcus, Esq.
403 Wanaao Road
Kailua, HI 96734

Dear Mr. Marcus,

Re: Nomination to the Stadium Authority

Congratulations on being nominated by Governor Linda Lingle to serve on the Stadium Authority. To assist the Senate with its confirmation process, I would like to request that you submit the following information to my office by Friday, February 26, 2010.

- (1) A current resume with a list of references; and
- (2) A written statement that addresses the following:
 - (a) Why you wish to serve as a member of the Stadium Authority;
 - (b) Your perception of the role and responsibilities of a member of the Stadium Authority;
 - (c) Given your understanding of the role and responsibilities of a member of the Stadium Authority, provide an explanation of your qualifications for the position. Please include a brief statement of your skills, expertise, or knowledge that would specifically aid you in decision-making as a member of the Stadium Authority.
 - (d) Describe your accomplishments during your term of service thus far, and what you hope to accomplish during this new term?
 - (e) Name three qualities that best describe you and you believe set you apart from other potential candidates. How would the Stadium Authority benefit from having a member with those qualities?

Marcus, Esq.
February 22, 2010
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- (f) Describe your previous experience that you believe would make you an asset to the Stadium Authority.
- (g) Can you foresee any possible conflicts of interests that could arise during your service on the Stadium Authority? How would you overcome any possible conflicts of interest?

Your prompt response in providing the requested information will ensure that the Senate confirmation process can proceed in a timely manner.

Mahalo for your cooperation.

Sincerely,



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

FEB 25 2010

KENNETH B. MARCUS

Pacific Guardian Center, Makai Tower
733 Bishop Street, Suite 1900
Honolulu, Hawaii 96813

February 25, 2010

VIA HAND DELIVERY

Hon. Carol Fukunaga, Chair
Senate Committee on Economic Development and Technology
State Capitol
Honolulu, Hawaii 96813

Re: Nomination to Stadium Authority

Dear Senator Fukunaga:

Thank you for your letter dated February 22, 2010. Enclosed you will find my resume and a list of references per your request. Also, in response to your questions:

(a) ***Why I wish to serve as a member of the Stadium Authority.***

I have served as a member or officer of a number of community organizations, and see this type of service as an opportunity to give back to the State some measure of gratitude for what our State offers me and my family. I have been a member of the Authority for 4 years now, believe that I have contributed the benefit of my 30+ years of business experience as a practicing business attorney and can continue to offer the kind of practical advice that comes from my age and experience.

(b) ***My perception of the role and responsibilities of a member of the Stadium Authority.***

In my four years, I have seen the Authority deal with a number of challenges, including substantial revisions to our governing rules, the hiring of a new stadium management team, the issues surrounding use of the facility and replacement of vendors providing key services to the State and to the Stadium in particular. My role is to offer my perspective as a businessperson, having due regard to my background as an attorney, in considering how to deal with these tasks, including those that will no doubt arise over the next four years.

(c) *Given my understanding of the role and responsibilities of a member of the Stadium Authority, provide an explanation of your qualifications for the position, including a brief statement of my skills, expertise and knowledge that would specifically aid in decision-making as a member of the Stadium Authority.*

The practice of law, and advising clients in many business transaction over my 30+ years of experience, permits me to offer alternatives, both from a legal and business perspective. I believe that my experience aids the Authority in evaluating the benefits, and risks, of the various courses of action that face us over time.

(d) *Describe my accomplishments during my term of service thus far, and what I hope to accomplish during this new term.*

I have served as chair of committees that led efforts to reform our rate structure, as well as the bidding parameters for the replacement of our advertising contract. In that latter role, helped formulate a proposal that will result in substantial improvements to the Stadium's physical plant without cost to the State, including the replacement of all television screens in the Stadium as well as the replacement of the Stadium's Jumbotron with a new, state of the art installation.

The work of revising our rules is only begun, however. We still need to achieve a better balance between the needs of our existing customers – including the swap meet, the UH football program, efforts to attract additional activities to the State that only the Stadium can support, and the public in general – and those efforts will require additional attention to our governing rules. I hope to use the insights I have gained over the past 4 years to help move the Stadium forward in those regards.

(e) *Name three qualities that best describe me and that I believe set me apart from other potential candidates. How would the Stadium Authority benefit from having a member with those qualities?*

I am pragmatic, experienced and imaginative in seeking solutions that serve the needs of competing interests; those qualities are, I hope, both a function of character and the years of experience attempting to resolve differences in ways that make all parties to a situation satisfied that their goals have been met. I think the progress that the Authority has made over the past 4 years bear out the benefits of my contributions.

(f) *Describe my previous experience that I believe would make me an asset to the Stadium Authority.*

In addition to my 4 years of prior service – which gives me insights on the needs of the Stadium and its various constituencies – there are the 30+ years of experience advising and assisting clients in sophisticated and complicated business transactions.

(g) *Can I foresee any possible conflicts of interest that could arise during my service on the Stadium Authority? How would I overcome any possible conflicts of interest?*

Although this has not arisen so far, it is always possible that a company or organization that I represent in my work could seek to do business with the Stadium Authority. I would, of course, disclose such a situation if it arose and recuse myself from involvement in any decision-making relating to that situation.

I apologize for the brevity of the foregoing, but your letter was not received until my return home last night, and you requested that I submit this response not later than tomorrow. Given my other commitments, it was necessary that I prepare this response and forward it to you tomorrow. I would be happy to respond to any follow up questions that you or your committee-members might wish to pose.

Sincerely,



Kenneth B. Marcus

References:

Jon T. Miho, President, Trinity Investments LLC
Aloha Tower Marketplace, Suite 3100
Honolulu HI 96813
8080-529-0808

Marshall N. Lester, Esq.
Warshaw Burstein Cohen Schlesinger
555 Fifth Avenue
New York, NY 10072
212-984-7849

Stanley Jacobs
Massachusetts Mutual Life Insurance Company
1001 Bishop Street, 2600 ASB Tower
Honolulu HI 96813
808-697-6427

Prof. David Callies
University of Hawaii Law School
808-956-6550

Michael Pietsch, President
Title Guaranty of Hawaii, Inc.
235 Queen Street
Honolulu HI 96813
808-521-0259

Additional references on request

Kenneth B. Marcus, I.S.H.C.

Education: Wharton School, Univ. of Pennsylvania (B.S. Economics 1972)
New York University School of Law (J.D. 1975)

Summary of Experience:

- Development, Sale and Financing of commercial real estate projects, including hotels, regional shopping malls and downtown office buildings
- Partnership and joint venture financings
- Ground leasing for commercial development
- Space leasing (landlords and tenants) - office and retail
- Hotel management contracts (owners & management)

Professional Memberships and Accreditations:

Rated AV (highest rating for skill and integrity) in Martindale Hubbell
Listed in *The Best Lawyers in America*[®], Real Property Law
Rated Tier 1 by Chambers USA for Real Estate Law, Tier 2 for
Corporate/Commercial Law
Member, International Society of Hospitality Consultants (www.ishc.com)
Board member and Past President (2003), Real Property and Financial
Services Section of HSBA
RPFSS representative to Real Estate Commission's Ad Hoc Committee on
Consumer-Broker Relationships

Recent Work History:

1999+	Director, Starn O'Toole Marcus & Fisher, Honolulu
1990 to 1999	McCorriston Miho Miller Mukai, Honolulu Partner, real estate and business transactions group Chair, hospitality practice
1979 - 1989	Carro Spanbock Kaster & Cuiffo, New York Partner, real estate group

Representative Transactions:

- Receiver and Commissioner, Sheraton Keauhou Resort & Spa (2009)
- Sale of parcels for timeshare and hotel development to Disney Vacation Development (2008)
- Sale of parcels for hotel and residential development to Montage Hotels (2008)

- Acquisition of land in Puerto Los Cabos for hotel and residential development (2007)
- Acquisition of Kahala Mandarin Hotel (2005)
- Purchase and resale of Ihilani Hotel and Spa (1999)
- Acquisition of Ko Olina Golf Club, Negotiation of Marriot Management Agreement (1999)
- Negotiation of Ritz Carlton Management Agreement and related documentation (2004)
- Acquisition and resale of Princeville Hotel (2005)
- Acquisition of Princeville Resort, including Makai and Prince Golf Courses and Kitson management agreements (2005)
- Sale of Princeville Shopping Center (2005)
- Property Sales and Development, Ko Olina Resort (1999+)
- Management Agreement/Joint Venture for Kahala Mandarin Hotel (1994-1995)
- Joint Venture and Mortgage Financing for Borrower/Developer (2002 – present)
- Financing and leasing of Galleria Shopping Center, Ft. Lauderdale, FL (1979)
- Development of Pasco Shopping Center, Pasco WA (1979-1981)
- Acquisition of Sheraton Seventh Avenue Hotel from ITT Sheraton Corporation (1983 - \$65 million)
- Represented owner of Sheraton Seventh Avenue Hotel and Shoreham Hotel in negotiation of hotel management agreements with Omni Hotels
- Acquisition of Boca Raton Hotel & Club from Arvida Corporation (1983 - \$100 million)
- Acquisition of Hyatt Regency Hotels, Kaanapali and Waikiki Beaches, HI (1984 - \$300 million)
- Acquisition of 24 hotel package from Holiday Inns (1985 - \$400 million, financing, management contracts)
- Site acquisition and ground leasing of Tower 45 Office Building, NYC
- Acquisition of Maui Marriott Hotel, HI (1986 - \$125 million)
- Joint Venture Financing for midtown NYC Hotel land assemblage (\$45 million)
- Recovery of \$60 million in real property assets and auction of same for Investors Equity Life Insurance Company, Ltd., in Liquidation (1996-1997)
- Rehabilitation and sale of Hawaiian Insurance Group, Inc. (1994-1995)
- Development Counsel, Omni Hotels, 1983 to 1989
- Development Counsel, Doral Hotels, 1986 to 1989
- Development, financing, leasing and sale of strip and regional mall shopping centers (1976 – 1984)

Personal:

Married (1976), father of 3 children

Vice Chairman, State of Hawaii Stadium Authority, 2006 -

Past President, Temple Emanu-el, Honolulu HI

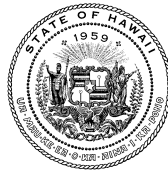
Board Member (1993-2008), Honolulu Waldorf School

Board Member, Real Property and Financial Services Section, Hawaii State Bar
Association 1998+

Board Member and Secretary, The Actors Group (TAG), Honolulu HI

Board Member, Secretary and Vice President, Friends of Hawaii Robotics

Interests: Basketball, Macintosh computing



**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES**

P.O. BOX 119
HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEE
ON
ECONOMIC DEVELOPMENT AND TECHNOLOGY
ON
March 5, 2010

G.M. 199

RELATING TO CONFIRMATION TO THE STADIUM AUTHORITY,
GUBERNATORIAL NOMINEE, KENNETH B. MARCUS

Chair Fukunaga, and members of the Committee, thank you for the opportunity to testify on G.M. 199.

As Director of the Department of Accounting and General Services I strongly support the confirmation of Mr. Kenneth B. Marcus, Esq. to the Stadium Authority.

Mr. Marcus has been a contributing member to the Authority during the one term he has served. With his legal background, he has provided the authority with valuable information to the Authority. He has also served on numerous investigative committees for the Authority. Mr. Marcus has the attitude and experience to continue to be a contributing member of the Authority.

Thank you for the opportunity to testify on this matter.