



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

TESTIMONY  
OF  
RUSS K. SAITO, COMPTROLLER  
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES  
TO THE  
HOUSE COMMITTEE  
ON  
TOURISM, CULTURE, & INTERNATIONAL AFFAIRS  
ON  
March 29, 2010

H.C.R. 284

REQUESTING THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES TO UNDERTAKE PLANNING ACTIVITIES WITH RESPECT TO A NEW STADIUM ON OAHU AND RELATED MATTERS

Chair Manahan and members of the Committee, thank you for the opportunity to testify on H.C.R. 284.

The Department of Accounting and General Services strongly opposes HCR 284 because it is not necessary and requests that DAGS undertake actions that are either already underway or that DAGS is pursuing alternatives for. In addition, DAGS has completed and is completing work on the Stadium that resulted from the study, which DAGS commissioned, that this resolution does not take into account. By August of this year, more than 50% of the Stadium's roof will have been replaced, and roughly one half of the health and safety structural work will have been completed. With sufficient funding the remainder of the roof and health and safety structural will be done next year. The replacement of the seating bowl and improvements in toilet, concession and

handicapped access and seating arrangements, which will really make fans take note, can also be started next year.

If funding is provided to complete the planned repair and refurbishment, the stadium will be like new. It is, moreover, ideally located, fully supported by infrastructure, and at the confluence of all major freeways on the island, as well as the proposed rail transit. If the intent is to have a stadium of the same or larger size than Aloha Stadium, it is perplexing that government would want to spend taxpayer dollars tearing this stadium down and building it elsewhere. That is not cost effective.

This resolution is also unnecessary because DAGS and DLNR have already secured an agreement with the US Department of the Interior that if suitable land can be found for a swap, the deed restriction could be lifted. Further, we are in discussion with the US DOI on a short list of properties and are moving forward to have appraisals done by both sides, and will be developing state recreational plans for the proposed properties to determine if they will fulfill the terms of the agreement. If that is done, the deed restriction will be lifted.

The lifting of the deed restriction will improve the revenue to the Stadium by allowing other activities besides recreational activities on the stadium property. However, we fully expect that one use of the property will be as a stadium. The other commercial facilities and uses, and perhaps building a new stadium on the site after the repaired and refurbished stadium wears out, will be pursued via private-public partnerships aimed at improving revenues to the stadium and reducing the cost burden on the state of operating and maintaining the stadium. This will be secured via requests for interest, requests for qualifications and requests for proposals, at the appropriate times. The request for proposals that the resolution suggests is too restrictive, and will not allow

the state to benefit from the full flexibility and creative development of the private partners the State would solicit.

DAGS has looked in the past in response to proposals in previous years to build a new stadium elsewhere. There is no location that will be as conveniently located and cost effective to build.

The notion of the Stadium being transferred to the University seems logical in that the University is the biggest draw for crowds in general. However, this does not take into account that the Stadium has been used for the Pro Bowl, college bowl, high school and all star games, concerts, graduations, and is desired by international soccer leagues as well. The University, with its eight games a year, and current free rent, does not pay the largest share of the cost to operate and maintain the Stadium.

In summary, this resolution is not necessary and requests that DAGS undertake actions that are either already underway or that are not persuasively better than alternates DAGS is pursuing.

Thank you for the opportunity to testify on this matter.