

NEIL ABERCROMBIE
GOVERNOR

DEAN H. SEKI
ACTING COMPTROLLER

SCOTT L. CHAN
MANAGER

LOIS M. MANIN
DEPUTY MANAGER



ALOHA STADIUM
An Agency of the State of Hawaii

COMMENTS
BY
NELSON OYADOMARI, CHAIR
STADIUM AUTHORITY
TO THE
SENATE COMMITTEE ON
WAYS AND MEANS

February 24, 2012
9:00 a.m.
Conference Room 211

S.B. 2990, SD1

RELATING TO ALOHA STADIUM

Chair Ige, Vice Chair Kidani, and members of the Committee, thank you for allowing me the opportunity to provide comments on S.B. 2990, SD1. As Chair of the Stadium Authority, I submit this testimony on behalf of the Stadium Authority Board.

We appreciate all efforts that serve to enhance the Aloha Stadium, but we strongly oppose S.B. 2990, SD1 as it calls for a substantial drain of funds that are needed to ensure the health, safety, and successful operation of Aloha Stadium.

We are also working with both the state House and Senate committees on current legislation (S.B. 2918) on medium and long range plans for the stadium property. As such, the feasibility study requested by S.B. 2990, SD1 would be a costly duplication of effort. If your committee feels that this study is warranted, we ask that you procure funds from another source other than Aloha Stadium.

As the stadium recovers from several years of limited use due to capital improvement projects, we are striving to replenish our reserve funds and increase revenues to remain fiscally sound. If we were to support this bill, we would be breaching our fiduciary obligation to the stadium and to the State of Hawaii.

Again, thank you for your time and consideration of our commentary. Please feel free to call me at 483-2750 if I can be of further assistance.

Written Testimony Presented Before the
Senate Committees on Ways and Means
Friday, February 24, 2012; 9:00 a.m.
James J. Donovan, Director of Athletics
UHM Athletics Department

SB2990-SD1 – Relating to Aloha Stadium

Chair Ige, Vice Chair Kidani and members of the Committee:

My name is Jim Donovan, and I serve as the director of the University of Hawaii at Manoa's Athletics Department (UHMAD). I am pleased to provide personal testimony on Senate Bill 2990-SD1. This testimony does not represent the position of the University of Hawai'i or Athletics Department.

I support passage of this measure.

The University of Hawaii at Manoa is a significant client of Aloha Stadium. We create in excess of 50% of the fans that attend in-stadium events annually and a significant portion of the revenues that are derived from the stadium. A study focusing on the feasibility and effect of giving the University of Hawaii responsibility over the operation, maintenance, promotion, and management of Aloha Stadium will provide a cost vs. benefit analysis for the State, Stadium Authority, and University and ultimately inform a decision related to the efficacy of such a move.

The potential for enhanced revenue generation that comes with operating and managing Aloha Stadium will assist in keeping our Football Bowl Subdivision (FBS-Division IA) program competitive as compared with our peers – most of which keep all net revenues from the football stadiums they play in. Revenue streams that are created from UH events held at Aloha Stadium include ticket sales (we keep one hundred percent of ticket sales), parking (we make some revenue from donations associated with parking, but none from the actual parking fee), concessions (we receive no revenue from concessions), permanent advertising (we receive no revenue from permanent advertising), field naming rights (we receive no revenue from field naming rights), and merchandising (we receive a small, indirect, amount of merchandising sales). Currently, we are charged for all out-of-pocket expenses for the events that we play at Aloha Stadium. At most collegiate stadiums the game-day out-of-pocket expenses are paid from the revenue created, and the net profits are retained by the football program and/or the athletics department. In our case, we have paid \$678,404 for this past season (2011 season) and \$656,652 for two seasons ago (the 2010 season). After paying these amounts we have received no net revenues from Aloha Stadium other than the ticket sales and donations associated with seat locations and season parking passes.

With joining the Mountain West Conference, we have committed to paying travel subsidies to in-bound conference teams playing at Aloha Stadium. We estimate these costs to be between \$600,000 and \$700,000 annually. Having access to enhanced revenue created at UH events held at Aloha Stadium would assist with paying this new cost, and any additional amount would help offset the increased costs we are incurring with room & board, travel and other expenses. Finally, there may be economies of scale relate to UHMAD having a business office, ticket office, and other pertinent operations in place.

Thank you for the opportunity to testify in support of this on this bill.

The Pacific Resource
PARTNERSHIP



Testimony of C. Mike Kido
External Affairs
The Pacific Resource Partnership

Senate Committee on Ways and Means
Senator David Y. Ige, Chair
Senator Michelle N. Kidani, Vice Chair

SB 2990, SD1 – Aloha Stadium
Friday, February 24, 2012
9:00 AM
Conference Room 211

Aloha Chair Ige, Vice Chair Kidani and Members of the Committee:

My name is C. Mike Kido, External Affairs of the Pacific Resource Partnership (PRP), a labor-management consortium representing over 240 signatory contractors and the Hawaii Regional Council of Carpenters (f.k.a. Hawaii Carpenters Union).

PRP supports SB 2990, SD1 – Relating to Aloha Stadium which requires the Department of Accounting and General Services (DAGS) to hire an independent third party to develop a long-range plan, including a feasibility study to determine the cost benefits of placing Aloha Stadium under the jurisdiction of the University of Hawaii rather than DAGS. This measure will also appropriate \$50,000 from the stadium special fund.

Given the diversity and broad scope of stadium users, we feel it's important that the study be broadened to include developing a long range plan for a stadium including the feasibility and effects of placing Aloha Stadium under the jurisdiction of the University of Hawaii rather than DAGS.

Thank you for the opportunity to share our views with you and we respectfully ask for your support on SB 2990, SD1.