

SB 2991

EDT-EDU

TESTIMONY
OF
NELSON OYADOMARI, CHAIR
STADIUM AUTHORITY

TO THE
SENATE COMMITTEES ON
ECONOMIC DEVELOPMENT AND TECHNOLOGY,
AND
EDUCATION

ON
February 13, 2012
1:15 p.m.

S.B. 2991

RELATING TO ALOHA STADIUM.

Chair Fukunaga, Vice Chair Wakai, and members of the Committee on Economic Development and Technology, and Chair Tokuda, Vice Chair Kidani and members of the Committee on Education, thank you for the opportunity to testify on S.B. 2991. As Chair of the Stadium Authority Board, this testimony is presented and submitted on behalf of the Stadium Authority Board.

The Stadium Authority Board opposes S.B. 2991. Although we understand and are compassionate to the plight of the University of Hawaii's need to increase total revenues, the Stadium's appropriated budget ceiling and its available cash is based on maintaining ongoing operations at the stadium. Our budget does not accommodate a redirection of funds to the University of Hawaii. A redirection of Stadium revenue has the potential to accelerate the Stadium's likelihood of an operating deficit that will eventually have to be made up through the general fund. A redirection of funds would also result in continued delay of repair and maintenance projects that had been previously postponed

due to an economically strained and fragile state economy and the uncertainty of its future revenue stream. Neglected and postponed repair and maintenance will also result in significantly higher costs in the future.

The Stadium Authority Board certainly does value the ongoing professional relationship with the University of Hawaii and has and continues to support the University through revenue enhancement opportunities as well as cost-cutting measures. The Stadium Authority Board also continues to work to enhance the fan experience, at times to the Stadium's financial disadvantage.

As the Stadium recovers from a multi-year span of limited use due to multiple capital improvement projects and a weakened economy, it strives to increase revenue and replenish its cash position to remain fiscally sound. If the Stadium Authority Board were to support this bill, the Board would be breaching its fiduciary obligation to the Stadium and to the State of Hawaii.

Therefore, we cannot support S.B. 2991. Thank you for your time and consideration of our testimony. Please feel free to call me at 483-2750 if I can be of further assistance on this matter.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Economic Development and Technology
and
Senate Committee on Education
February 13, 2012 at 1:15 p.m.

by
Howard Todo

Vice President for Budget and Finance/Chief Financial Officer, University of Hawai'i

SB 2991– RELATING TO ALOHA STADIUM

Chair Fukunaga, Chair Tokuda, Vice Chair Wakai, Vice Chair Kidani and members of the Committees:

SB 2991 requires that the Stadium Authority pay the University of Hawaii twenty-five percent of all revenues that the University of Hawaii generates at Aloha Stadium.

The University supports the intent of SB 2991, however the University understands that the Stadium Authority has expressed concerns. The University is open to exploring options and developing agreements, as appropriate, with the Department of Accounting and General Services and the Aloha Stadium Authority.

Thank you for your continued support of the University and allowing us to present testimony.