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An Agency of the State of Hawaii

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CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
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TESTIMONY
OF
ROSS YAMASAKI, CHAIRMAN
STADIUM AUTHORITY
TO THE
HOUSE COMMITTEE
ON
FINANCE
ON
March 30, 2017

S.B. 1200, SD2

RELATING TO DEVELOPMENT

Chair Luke, Vice Chair Cullen, and members of the committee, thank you for the opportunity to submit testimony in SUPPORT of S.B. 1200, SD2.

The Stadium Authority (Authority) appreciates the Legislature's consideration of this appropriation bill to support the planning, design, construction, and equipment for a new Aloha Stadium facility. In its January 2017 meeting, the Authority approved a resolution stating its intention to build a new stadium as being the most financially prudent course of action. The Authority has also established new goals and objectives in planning, building, and financing a new stadium facility that builds upon several of the major projects that the Authority and stadium management have been working on over the past several years.

These major projects are important to the overall redevelopment of the Aloha Stadium complex, and include:

- Lifting of the Federal and City deed restrictions – The deed restrictions previously restricted the stadium property to recreational use. Lifting the deed restriction allows

the Authority to construct ancillary development that would support the Aloha Stadium and its operations as well as provide a key major destination stop along the Honolulu rail line. The Authority is in its final phase of completing the removal and/or transfer of its longstanding deed restrictions. Recordation of release and transfer of restrictions have been completed and parties directly involved and impacted by this action, including the Department of the Interior-National Parks Service as well as the City and County of Honolulu, have been notified. The deed restrictions have been a significant impediment to improving the stadium property and maximizing return on this valuable asset. Removal of the deed restrictions clears the path for the Authority to move forward in working with key stakeholders to develop a master plan for the Aloha Stadium and its surrounding stadium property. This project marks a major milestone and accomplishment for the State of Hawaii and the Stadium Authority.

- The Honolulu Rail Transit Project – An important rail transit station will be located on stadium property and provide another connection between Aloha Stadium and West and East Oahu. Construction of this rail transit station is underway and will be completed in the next few years. It is expected that the rail transit station will be one of two anchor tenants on stadium property that will provide support for ancillary development on and around stadium property.
- Capital improvement projects - In the interim, the Authority is engaged in ongoing major repairs and maintenance to address the major health and safety issues identified by our consultants. These major repair and maintenance projects are necessary and essential to ensure continued operation of the Aloha Stadium facility.

These major projects are important steps in moving towards meeting our goals and objectives. However, to move forward with the replacement of the 41 year old stadium, the Authority requires additional financial support to ensure proper planning for the stadium complex and ancillary development.

SB 1200, SD2 provides the critical funding that will enable the project to continue to move forward and bring all of the concurrent projects into alignment. We appreciate the opportunity to submit this testimony and are available to address any questions that you may have regarding the Authority's goals for a new facility or on any of the aforementioned ongoing projects and reports.

Mahalo for the opportunity to provide this testimony in support of SB 1200, SD2.



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**TESTIMONY FOR SENATE BILL 1200, SENATE DRAFT 2, RELATING TO
DEVELOPMENT**

**House Committee on Finance
Hon. Sylvia Luke, Chair
Hon. Ty J.K. Cullen, Vice Chair**

**Thursday, March 30, 2017, 2:00 PM
State Capitol, Conference Room 308**

Honorable Chair Luke and committee members:

I am Kris Coffield, representing IMU Alliance, a nonpartisan political advocacy organization that currently boasts over 350 members. On behalf of our members, we offer this testimony in support of Senate Bill 1200, SD 2, relating to development.

In January, the Aloha Stadium Authority recommended that the state invest in a new, smaller arena on land surrounding the deteriorating 42-year-old Aloha Stadium. The Authority also recommended that the state engaged in additional development of the site to help fund a stadium rebuild, capitalizing on the construction of a rail station on the stadium site.

Our current stadium opened in 1975 at a cost of \$37 million, but, according to a Department of Accounting and General Services study, “as of 2016, Aloha Stadium requires approximately \$300 million in critical health and safety repairs to extend the facility’s useful life and that the cost of such repairs, if unaddressed, would grow at a rate of approximately 7 percent per annum.” Even if the state funds repairs at \$25.5 million per year, it would take 25 years to complete all necessary repairs at a total cost of \$637.5 million. Such dilapidation is unsustainable for the state’s largest outdoor arena, which is home to the UH-Mānoa football team, numerous high school athletic competitions, secondary school and collegiate graduation ceremonies, and more. Repairing the stadium at such a high cost, moreover, would be fiscally irresponsible.

To build a facility that attracts world class talent, including concerts and professional athletic events, and rewards resident ticket buyers, we must give the Stadium Authority the power to plan and develop space for a 30,000- to 35,000-seat facility, in accordance with the Authority’s January recommendations. While smaller than our current 50,000-seat stadium, an intimate venue would provide a family-friendly environment that enhances the fan experience, reduces operational and maintenance costs, and employs an efficient and state-of-the-art design.

For the current and former University of Hawai'i students who are members of our group and who crave a stadium that matches the vibrancy of their school spirit, we ask you to begin the redevelopment our neglected Aloha Stadium property this year. Mahalo for the opportunity to testify in support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance