



OFFICE OF THE LIEUTENANT GOVERNOR
STATE OF HAWAII
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SHAN S. TSUTSUI
LIEUTENANT GOVERNOR

**TESTIMONY OF
THE OFFICE OF THE LIEUTENANT GOVERNOR
TO THE
HOUSE COMMITTEES ON
TRANSPORTATION
AND
HOUSING**

SENATE BILL NO. 994 SD1
Relating to the Stadium Authority

March 16, 2017

Chair Aquino and Brower, Vice Chair Quinlan and Nakamura, and Members of the Committee:

The Office of the Lieutenant Governor **supports** SB 994 SD1, which expands the power and duties of the Stadium Authority to develop the stadium property and establish a stadium complex area.

With the current stadium reaching the end of its useful life cycle, recommendation by the state's hired consultants are that the State seek opportunities to build a new smaller facility that will better align with our community needs. Cost estimates for a new stadium facility have been estimated at \$250 to \$300 million. With this cost estimate in mind, stakeholders and advisers are endorsing that the possible ancillary development to the stadium property be used to offset the cost of building a new facility and provide for a revenue source for ongoing repair and maintenance.

The Office of the Lieutenant Governor respectfully ask that you pass the measure out of committee. Thank you for the opportunity to submit testimony.

DAVID Y. IGE
GOVERNOR

RODERICK K. BECKER
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An Agency of the State of Hawaii

ROSS I. YAMASAKI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
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DEPUTY MANAGER

TESTIMONY
OF
ROSS YAMASAKI, CHAIRMAN
STADIUM AUTHORITY ON S.B. 994, SD1
TO THE
HOUSE COMMITTEES
ON
TRANSPORTATION
AND
HOUSING

March 16, 2017

RELATING TO STADIUM AUTHORITY

Chairs Aquino, and Brower, Vice Chairs Quinlan and Nakamura, and members of the respective Committees, thank you for the opportunity to submit testimony on S.B. 994, SD1.

The Stadium Authority supports the Governor's administrative proposal to expand the powers and duties of the Stadium Authority (Authority) to enable the Authority to effectively develop the stadium property in an expeditious and efficient manner.

Senate Bill 994, SD1 provides the Authority with the ability to retain private attorneys. The contracting and negotiation process for land development is a specialized area of law that requires subject matter expertise and the ability to respond to issues in an expedient manner. The Department of the Attorney General does not have the staffing resources available and/or may not have the specific skillset necessary to efficiently address the demands of a multi-million dollar redevelopment with the heavy workload the deputies already have. The ability to hire private attorneys would ensure that the program has the specific resources and tools required to operate more effectively and efficiently.

In addition, under §109-2 Stadium authority; powers and duties, Senate Bill 994, SD1 provides in Subsection (16) To contract for and accept gifts or grants in any form from any public agency or from any other source.

The Authority understands subsection 16 is provided to allow the Authority to accept gifts from other governmental agencies and private entities on behalf of the state. Some examples of gifts private entities make to the state include dedication of roads and parks, and contributions towards affordable housing. These contributions will help to facilitate certain development or other requirements.

BACKGROUND / MOVING FORWARD

The Aloha Stadium is situated on approximately 99 acres of land which was originally limited to recreational purposes through federal and city deed restrictions. The Authority is in the midst of completing the final steps to remove these deed restrictions, which is expected to be recorded in the upcoming days. The deed restrictions have been a significant impediment to improving the stadium property and maximizing return on this valuable asset. Once removed, the Authority will be better positioned to move forward in working with key stakeholders to develop a master plan for the Aloha Stadium and its surrounding stadium property.

Specifically, the Authority anticipates developing a master plan which would include:

- **Replacement of the aged 41 year old Aloha Stadium facility.** Consultant and engineering reports have shown that the financial cost of repairing the existing Aloha Stadium to an operationally safe level far outweigh the cost of building a new and upgraded stadium facility that would be inclusive of modern amenities, ADA compliant facilities, and improved efficiency in construction and operation.
- Over the past decade, the Authority has also been working diligently with various technical experts (architects, engineers) in an effort to maintain the existing structural integrity and safety of the Aloha Stadium. Structural studies conducted on a scheduled basis have helped the Authority prioritize the most emergent areas requiring repair and maintenance and guide the Authority to direct available funding to these high priority projects. Being cognizant that the Aloha Stadium facility is well into the point of diminishing returns, it became inevitable that a difficult and prudent decision would need to be made to set the course for the future. Concurrent with the ongoing major structural R & M projects, the Authority focused its efforts on lifting of the deed restrictions, planning for a new facility, and evaluating the various opportunities that would avail itself as a result of possessing an unencumbered property.
- Due to the magnitude of this project development, it was imperative that the Authority Board be cognizant of all the opportunities, issues, and options that should be taken into consideration. As such, a consultant was retained to address and guide the process, while apprising the Authority Board who, in turn, would review, evaluate, and determine the appropriate course of action. Collectively, the Authority has prepared a preliminary timeline extending out four (4) years, as well as, refined a

proposed budget to address planning, design, and other essential requirements necessary to begin the facility replacement project. A draft report from the consultant is expected to be presented by the Consultant and reviewed by the Authority Board in its next board meeting. Concurrently, the Authority is also reviewing its options to address major ancillary development of the remaining portion of the stadium property to maximize funding opportunities that will, in turn, maximize revenue opportunities for the stadium, while reducing the project's dependence on traditional sources of funding, including general obligation bonds.

- Recognition that the Aloha Stadium facility and HART rail station are anchor tenants to this overall master plan with ancillary development designed around the anchor tenants.
- Consideration of Transit Oriented Development's renderings based on information gathered through its public participation process.

The Authority has been working closely with the City and County's Transit Oriented Development office to incorporate feedback acquired from the community and other stakeholders.

S.B. 994, SD1 seeks to provide the Authority with flexibility and authority to move forward with a master plan, as well as address any project requirements in a compliant and effective manner. Of particular importance, S.B. 994, SD1 provides the Authority with the ability to:

- Readily acquire legal expertise to address complex contract negotiations and related contract matters that will ensure efficiency while minimalizing exposure to risk.
- Provide unique and specific legal expertise in areas that are not within the existing skillset of staff at the Office of the Attorney General.
- Implement development of the ancillary site by providing the authority with the ability to address real, personal, or mixed property issues that may impede or hinder implementation of the ancillary project's development.
- Attract and assemble a team of highly skilled resources with a shared vision and specific knowledge, expertise, and skillset that will effectively take the Stadium's overall master plan to fruition.

The Authority appreciates the opportunity to provide this testimony in support of S.B. 994, SD1.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 13, 2017 6:36 PM
To: TRNtestimony
Cc: jamesjtz@aol.com
Subject: *Submitted testimony for SB994 on Mar 16, 2017 10:30AM*

SB994

Submitted on: 3/13/2017

Testimony for TRN/HSG on Mar 16, 2017 10:30AM in Conference Room 423

Submitted By	Organization	Testifier Position	Present at Hearing
James Gauer	Individual	Support	No

Comments:

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