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TESTIMONY FOR SENATE BILL 994, RELATING TO THE STADIUM AUTHORITY

Senate Committee on Ways and Means
Hon. Jill N. Tokuda, Chair
Hon. Donovan M. Dela Cruz, Vice Chair

Senate Committee on Judiciary and Labor
Hon. Gilbert S.C. Keith-Agaran, Chair
Hon. Karl Rhoads, Vice Chair

Tuesday, February 28, 2017, 9:50 AM
State Capitol, Conference Room 211

Honorable Chair Tokuda, Chair Keith-Agaran, and committee members:

I am Kris Coffield, representing IMUAlliance, 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 994, relating to the Stadium Authority.

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

DAVID Y. IGE
GOVERNOR

RODERICK K. BECKER
COMPTROLLER



An Agency of the State of Hawaii

ROSS I. YAMASAKI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
MANAGER

RYAN G. ANDREWS
DEPUTY MANAGER

TESTIMONY
OF
ROSS YAMASAKI, CHAIRMAN
STADIUM AUTHORITY ON S.B. 994
TO THE
SENATE COMMITTEES
ON
WAYS AND MEANS
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RELATING TO STADIUM AUTHORITY

Chairs Tokuda, and Keith-Agaran, Vice Chairs Dela Cruz, and Rhoads, and members of the respective Committees, thank you for the opportunity to submit testimony on S.B. 994.

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.

The Authority appreciates the opportunity to clarify and elaborate on two (2) concerns raised by the committees of ETT/GOV/PSM and subsequently noted in SSCR 449.

§109-B Authority; private attorneys.

The need to appoint and retain private attorneys is necessary for the Authority to efficiently address the time-sensitive, complex, and extensive issues that are involved in the overall contracting and negotiation process. Addressing these types of issues requires a depth of specialized expertise and knowledge that would serve to minimize risk, contract delays, and provide the best opportunity for the Authority to operate efficiently and expeditiously. The Department of the Attorney General does not always have the breadth of staffing resources available and/or may not have the specific skillset necessary to efficiently address the increasing and complex demands that are being placed on its already heavy workload. The ability to hire private attorneys would ensure that the program has the specific resources and tools required to operate more effectively and efficiently.

§109-2 Stadium authority; powers and duties. 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 should be complete in the upcoming weeks. These deed restrictions have been a significant impediment to improve the stadium property. Once removed, the Authority will be better positioned to have the opportunity to work with key stakeholders to develop a master plan for Aloha Stadium and the 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 outweighs 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.
- 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, 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 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 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 the 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.