

DAVID Y. IGE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
SUZANNE D. CASE
Chairperson**

**Before the Senate Committee on
WAYS AND MEANS**

**Thursday, February 20, 2020
10:35AM
State Capitol, Conference Room 211**

**In consideration of
SENATE BILL 2940, SENATE DRAFT 1
RELATING TO THE STADIUM DEVELOPMENT DISTRICT**

Senate Bill 2940, Senate Draft 1 proposes to establish the stadium development special fund, authorize the Stadium Authority to acquire and hold real property, and transfer authority to issue leases the lands within the Stadium Development District from the Hawaii Community Development Authority to the Stadium Authority. The measure also proposes to authorize the Stadium Authority, with approval from the Governor, to delegate to other state agencies the implementation of capital improvement projects under certain conditions; repeal Part IX of Chapter 206E, Hawaii Revised Statutes (HRS), relating to the Stadium Development District; and appropriates funds.. **The Department of Land and Natural Resources (Department) offers the following comments on this measure.**

SECTION 4 of this measure proposes to exempt lands to which the Stadium Authority holds title from the definition of public lands as defined in Section 171-2, HRS. Should lands held by the Stadium Authority no longer be needed for stadium and related purposes, said lands should be returned to the public land trust administered by the Department.

Thank you for the opportunity to comment on this measure.

SUZANNE D. CASE
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
FIRST DEPUTY

M. KALEO MANUEL
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS



**HAWAII COMMUNITY
DEVELOPMENT AUTHORITY**

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DAVID Y. IGE
GOVERNOR

JOHN WHALEN
CHAIR

GARETT KAMEMOTO
INTERIM EXECUTIVE DIRECTOR

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STATEMENT OF
GARETT KAMEMOTO, INTERIM EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

Before the
SENATE COMMITTEE ON WAYS AND MEANS

Thursday, February 20, 2020
10:35 A.M.
State Capitol, Conference Room 211

in consideration of

SB 2940, SD1
RELATING TO THE STADIUM DEVELOPMENT DISTRICT

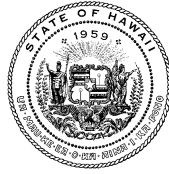
Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee.

The Hawaii Community Development Authority (HCDA) offers the following
comments regarding SB 2940 SD1, which streamlines oversight of the redevelopment of Aloha
Stadium.

We defer to the Stadium Authority and the Department of Accounting and General
Services (DAGS), which we believe have the best interest of the state in mind. HCDA stands
ready to assist both agencies in any way we can.

Thank you for the opportunity to testify on **SB 2940, SD1**.

DAVID Y. IGE
GOVERNOR



CURT T. OTAGURO
COMPTROLLER
AUDREY HIDANO
DEPUTY COMPTROLLER

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
P.O. BOX 119, HONOLULU, HAWAII 96810-0119

WRITTEN TESTIMONY
OF
CURT T. OTAGURO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE SENATE COMMITTEES ON
WAYS AND MEANS

THURSDAY, FEBRUARY 20, 2020, 10:35 A.M.
CONFERENCE ROOM 211, STATE CAPITOL

S.B. 2940, SD 1

RELATING TO THE STADIUM DEVELOPMENT DISTRICT

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee, thank you for the opportunity to submit testimony for S.B. 2940, SD 1.

The Department of Accounting and General Services (DAGS) **strongly supports this bill with the following amendments which are intended to ensure both compliance with bond financing and that the development and management of Stadium real property can realize optimal benefits from innovative project delivery** by giving the Stadium Authority necessary rights to receive and utilize revenues from the operations of the stadium property, all governmental funds, and gifts, bequests, or other non-governmental sources of funds; and by clarifying that the Stadium Authority may also make and execute agreements as necessary or convenient to exercise powers necessary, incidental, or convenient to carry out the purposes and provisions of Chapter 109, Hawaii Revised Statutes:

1. Revise page 1, lines 8-9 to read (original underscore removed for clarity):

“(1) All revenues from the operations of the stadium [~~development~~] property;

2. Revise page 1, lines 10-15 to read (original underscore removed for clarity):

“(2) All proceeds from revenue bonds issued by the stadium authority with all proceeds of an issue of tax-exempt revenue bonds issued by the stadium authority to be deposited in a tax-exempt bond account established for such issue of bonds with the stadium development special fund; [and]

(3) Appropriations made by the legislature to the fund[-], with appropriations of proceeds of an issue of tax-exempt general obligation bonds to be deposited in a tax-exempt bond account with respect to such issue;”

(4) Governmental funds awarded to the stadium authority; and

(5) Gifts, bequests, or other non-governmental sources of funds received by the stadium authority.

(b) Moneys in the stadium development special fund shall be used for the expenses of development and operations of the stadium property. Monies in a tax-exempt bond account of the stadium development special fund shall be used for expenses that are capital expenditures and that are eligible for financing with tax-exempt bonds.”

3. Page 2, line 14, amend to read:

“(4) To make and execute contracts, agreements, and other...”

4. Revise page 4, line 6 to read:

“and except for the manager, deputy [~~manager~~] managers, and...”

5. Revise page 4, lines 9-11 to read:

“applicable provisions of chapter 76; [~~and~~]

[~~(6)~~] (7) To plan, promote, and market the stadium and related facilities[-]; and”

6. Page 4, after line 11, insert:

(8) To contract for and accept gifts or grants in any form from any public agency or from any other source.”

7. Revise page 11, line 13 to read:

“2022, shall lapse as of that date; and provided further that any appropriation of the proceeds of general obligation bonds shall be expended for such purposes as will comply with covenants of the State to holders of the general obligation bonds.”

8. Revise page 13, line 2 to read:

“unencumbered as of June 30, 2022, shall lapse as of that date; and provided further that any appropriation of the proceeds of general obligation bonds shall be expended for such purposes as will comply with covenants of the State to holders of the general obligation bonds.”

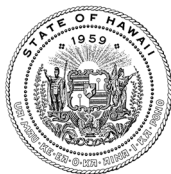
9. Revise page 13, line 13 to read:

“date; and provided further that any appropriation of the proceeds of general obligation bonds shall be expended for such purposes as will comply with covenants of the State to holders of the general obligation bonds.”

The DAGS believes that these amendments are essential to capture and utilize the potential variety of income and assets that, together with the prior amendments to bring clear focus, governance, and increased transparency under the proven leadership of the Stadium Authority Chair Ross Yamasaki and Stadium Manager Scott Chan, will ensure all resources are made available to provide top quality events and property management for the benefit of all of Hawaii's residents and visitors. The DAGS remains committed to support and promote the Stadium Authority's on-going partnerships with the community, stakeholders, and various industries to make this a worthwhile and exciting venture.

Thank you for the opportunity to submit testimony on this matter.

DAVID Y. IGE
GOVERNOR



CRAIG K. HIRAI
DIRECTOR

ROBERT YU
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
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ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY CRAIG K. HIRAI
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2940, S.D. 1

February 20, 2020
10:35 a.m.
Room 211

RELATING TO THE STADIUM DEVELOPMENT DISTRICT

The Department of Budget and Finance (B&F) offers comments on Senate Bill (S.B.) No. 2940, S.D. 1.

S.B. No. 2940, S.D. 1: 1) establishes the Stadium Development Special Fund; 2) authorizes the Stadium Authority (SA) to acquire and hold title to real property; 3) transfers authority to issue leases of lands within the Stadium Development District (SDD) from the Hawai'i Community Development Authority (HCDA) to the SA; 4) repeals Part IX of Chapter 206E, HRS, relating to the SDD; and 5) appropriates \$1,000,000 in general funds for FY 21 to the SA to carry out the purposes of this measure. This bill also amends Act 268, SLH 2019, to: authorize the SA, with approval from the Governor, to delegate to other State agencies the implementation of capital improvement projects, under certain conditions; and change references from HCDA to the SA for general fund expenditures and revenue and general obligation bonds issuance authority. It should be noted that appropriations and authority to issue bonds in this measure have an extended lapse date of June 30, 2022.

As a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regard to S.B. No. 2940, S.D. 1, it is difficult to determine whether the proposed special fund would be self-sustaining.

Thank you for your consideration of our comments.

DAVID Y. IGE
GOVERNOR

CURT T. OTAGURO
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
SCOTT L. CHAN, MANAGER
ALOHA STADIUM
STADIUM AUTHORITY
TO THE
SENATE COMMITTEE
ON
WAYS AND MEANS

FEBRUARY 20, 2020, 10:35 A.M.
CONFERENCE ROOM 211

S.B. 2940, S.D. 1

RELATING TO THE STADIUM DEVELOPMENT DISTRICT

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the committee, thank you for the opportunity to submit this testimony strongly supporting SB 2940, S.D. 1 with amendments as proposed by the Department of Accounting and General Services (DAGS) in its written testimony.

Thank you for the ongoing support over the years and the opportunity to provide this testimony in strong support of SB 2940, S.D. 1 with amendments as proposed by DAGS.



Senate Committee on Ways and Means
February 20, 2020 at 10:35 a.m.
State Capitol Conference Room 211

SUPPORTING SB 2940 SD 1 WITH AN AMENDMENT

Faith Action for Community Equity is a coalition of religious and community organizations driven by a spiritual commitment to improve the quality of life for all of the people of Hawaii by addressing the root causes of social justice challenges.

This bill provides for the development of the Aloha Stadium site. Only a portion of the site is needed for the new stadium and affiliated parking, so the rest of the site can be used for the priority needs of the people of Hawaii. As the policy-making branch of the State, the Legislature has the authority to present a comprehensive long-term vision for the Aloha Stadium site.

About half of Hawaii's residents are struggling financially to afford basic needs because their earnings are not enough to cover Hawaii's high cost of living. They are a paycheck or two away from homelessness. Housing is the highest cost item in a typical family's budget.

The Aloha Stadium site is ideal for developing affordable housing for three reasons. First, it is State land, so the land cost is zero, making the development of affordable housing financially viable. Second, it is in the Primary Urban Center, where housing density on Oahu is targeted to be increased to reduce the pressure to urbanize agricultural and conservation land. Third, it is on the rail line, where housing is being encouraged because it reduces the need for personal vehicles.

Our vision is that 20,000 affordable housing units would be built at the Aloha Stadium site. The housing would be integrated with a variety of commercial businesses, such as grocery stores, restaurants, movie theaters, health clinics, and day care centers. In this way, a livable community would be created that minimizes the need for personal vehicles.

The existing stadium loses money every year, so it must be subsidized by the State. Plans are to subsidize the new stadium with new commercial businesses to be built on the site. Our proposal makes the new stadium more financially viable. Tens of thousands of people would live in the 20,000 housing units, all within walking distance of the new stadium. Attendance would increase at UH football games, the swap meet, and other events there, increasing stadium revenue. Those tens of thousands of people would also patronize the new businesses at the site, ensuring their success, and further supporting the stadium financially.

The bill should be amended to create 20,000 housing units at the Aloha Stadium site at prices that are affordable to Hawaii's working families. With that amendment, Faith Action for Community Equity supports the bill.