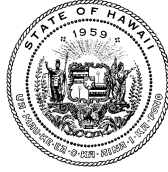


DAVID Y. IGE
GOVERNOR



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 HOUSE COMMITTEE
ON
LABOR AND PUBLIC EMPLOYMENT

MONDAY, JUNE 22, 2020, 10:00 A.M.
CONFERENCE ROOM 329, STATE CAPITOL

S.B. 2940, S.D. 2

RELATING TO THE STADIUM DEVELOPMENT DISTRICT

Chair Johanson, Vice Chair Eli, and members of the committee, thank you for the opportunity to submit testimony for S.B. 2940, S.D. 2.

The Department of Accounting and General Services (DAGS) **strongly supports this bill and requests consideration to include the following amendments** which are intended to respond to emergency fiscal and economic needs due to the COVID-19 pandemic by reducing the appropriation of general revenues, increasing the issuance and appropriation of general obligation bond funds, and replacing language authorizing issuance of revenue bonds with issuance of reimbursable general obligation bond funds to support economic stimulus and recovery; to ensure that the development and management of Stadium real property can realize optimal benefits from innovative project delivery by more broadly defining the Stadium Authority 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 to

better clarify that the Stadium Authority may also make and execute various innovative project delivery 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 (prior Ramseyer format revisions eliminated to increase clarity of newly proposed revisions):

1. Revise Page 1, lines 8-9 to read:

“(1) All revenues from the [~~operations of the~~] stadium development, including its operations and land agreement(s);

2. Revise Page 1, line 11, to read “authority; [~~and~~]”

3. Revise Page 1, line 12 to read:

“(3) Appropriations made by the legislature to the fund[~~;~~]; and”

4. Page 1, after line 12, insert:

“(4) All proceeds from general obligation bonds and reimbursable general obligation bonds issued by the director of finance for the benefit of the stadium authority,”

5. Revise page 1, lines 13 – 15, to read:

“(b) Moneys in the stadium development special fund shall be used for [~~the~~] expenses of the stadium authority related to repairs to the existing stadium and to the development and operation[s] of the stadium property, including recurring contractual availability payments and other recurring contractual payments to developers or contractors engaged by the stadium authority for the purpose of redeveloping the site and related on and off site infrastructure (the “Project”).”

6. Revise page 2, line 2, to read, “...development district for the Project:

7. Revise page 3, line 2, to read, “...construction activities (including on site repairs) within and outside the...”

8. Revise page 3, lines 10-11, to read:

“(5) [~~Hawaiian archaeological~~] Archaeological, historic, and cultural sites shall be preserved and protected in accordance with chapter 6E;”

9. Revise page 4, lines 12-15 to read:

“(1) To maintain, operate, manage, and develop or redevelop the stadium (including repairs), facilities related to the stadium, and real property held by the stadium authority[~~, which shall be referred to as~~] (the ‘stadium development district’), either directly or through partnerships or contractual agreements with private third parties or other entities;”

10. Revise page 5, lines 1-2, to read:

“...entering into leases, contracts, or other such development and use agreements that may apply; provided that leases shall not exceed a term of ninety-nine years;”

11. Revise page 5, line 17, to read:

“...respective offices at the pleasure of the authority to manage the stadium development district.”

12. Revise page 6, line 15, to read, “...and except for the manager, deputy manager(s), and...”

13. Revise page 12, line 13, to read, “...auction, sell, or lease for a term not exceeding [~~sixty five~~] ninety-nine...”

14. Revise Part II, Section 9, to read as follows:

“SECTION 9. Act 268, Session Laws of Hawaii 2019, is amended by deleting sections 4 and 5 in their entirety, and by amending section 6 to read as follows:

“SECTION [~~6~~]4. The director of finance is authorized to issue general obligation bonds in the sum of [~~\$150,0000~~] \$400,000,000 or so much thereof as may be necessary and the same sum or so much thereof as may be necessary is appropriated for fiscal year [~~2019-2020~~]2020-2021 to the stadium authority for

the development and operation of stadium authority property for public use; provided that the appropriation shall not lapse at the end of the fiscal year for which the appropriation is made; provided further that all money unencumbered as of June 30, 2022, shall lapse as of that date.”

15. Page 15, insert the following after the revised Section 4:

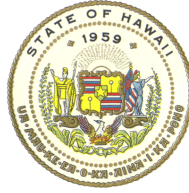
“ SECTION 5. The director of finance is authorized to issue reimbursable general obligation bonds in the sum of \$_____ or so much thereof as may be necessary and the same sum or so much thereof as may be appropriated for fiscal year 2020-2021 to the stadium authority for the development and operation of stadium authority property; provided that the appropriation shall not lapse at the end of the fiscal year for which the appropriation is made; provided further that all moneys unencumbered as of June 30, 2022, shall lapse as of that date.”

DAGS believes that these amendments are essential to respond to the challenges of the COVID-19 pandemic and 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.

DAGS remains committed to support and promote the Stadium Authority’s on-going efforts to continue implementation of this project as expeditiously as possible to maintain our current partnerships and commitments with the community, stakeholders, and various industries to make this a worthwhile and exciting venture to the mutual benefit of the state and all parties. The approval of this bill as soon as possible is necessary to ensure that we may do so.

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

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 House Committee on
LABOR & PUBLIC EMPLOYMENT**

**Monday, June 22, 2020
10:00 AM
State Capitol, Conference Room 329**

**In consideration of
SENATE BILL 2940, SENATE DRAFT 2
RELATING TO THE STADIUM DEVELOPMENT DISTRICT**

Senate Bill 2940, Senate Draft 2 proposes to: 1) establish the Stadium Development Special Fund, 2) establish development guidance policies for the Stadium Authority's actions in the Stadium Development District, 3) require the Stadium Authority to submit annual comprehensive reports to the Legislature, 4) authorize the Stadium Authority to acquire and hold real property, and 5) 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

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

Before the
HOUSE COMMITTEE ON LABOR & PUBLIC EMPLOYMENT

Monday, June 22, 2020
10:00 A.M.
Conference Room 329
State Capitol

in consideration of

SB 2940, SD2 RELATING TO THE STADIUM DEVELOPMENT DISTRICT

Chair Johanson, Vice Chair Eli, and members of the committee.

The Hawaii Community Development Authority (HCDA) offers the following **comments in strong support of SB 2940 SD2**, which streamlines oversight of the redevelopment of Aloha Stadium.

HCDA believes this bill will put the Stadium Authority in a better position to fully execute the New Aloha Stadium Entertainment District. We defer to the Stadium Authority and the Department of Accounting and General Services (DAGS) on specific amendments to this measure.

HCDA stands ready to assist both agencies in any way we can.

Thank you for the opportunity to testify on **SB 2940, SD2**.

DAVID Y. IGE
GOVERNOR

CURT T. OTAGURO
COMPTROLLER



ROSS I. YAMASAKI
CHAIRMAN, STADIUM AUTHORITY

SCOTT L. CHAN
MANAGER

RYAN G. ANDREWS
DEPUTY MANAGER

An Agency of the State of Hawaii

TESTIMONY
OF
SCOTT L. CHAN, MANAGER
ALOHA STADIUM
STADIUM AUTHORITY
TO THE
HOUSE COMMITTEE
ON
LABOR & PUBLIC EMPLOYMENT

MARCH 17, 2020, 9:30-JUNE 22, 2020, 10:00 A.M.
CONFERENCE ROOM 329

S.B. 2940, S.D. 2

RELATING TO THE STADIUM DEVELOPMENT DISTRICT

Chair Johanson, Vice Chair Eli, and members of the committee, thank you for the opportunity to submit this testimony strongly supporting SB 2940, S.D. 2.

~~Respectfully, we strongly support this measure with your consideration of revising the effective date to “upon approval”. We strongly support this measure as it addresses, clarifies and supports, and clarifies the Stadium Authority’s role in developing the New Aloha Stadium Entertainment District and provides the Stadium Authority with a combination of funding sources representing the State of Hawaii’s commitment towards underwriting its portion of a new Aloha Stadium facility. and In doing so, this measure it will minimize delays in project implementation and allow the project to continue efficiently, expeditiously, and seamlessly.~~

We respectfully defer to and support the Department of Accounting and General Services’ testimony with emphasis on any technical matters regarding this measure.

Thank you for the ongoing support over the years and the opportunity to provide this testimony in strong support of SB 2940, S.D. 2 ~~with the above recommended amendment.~~

**Testimony of
Stephen Joseph
PVT Land Company, Ltd.**

SUBMITTED VIA CAPITOL WEBSITE

Rep. Aaron Ling Johanson, Chair
Rep. Stacelynn K. M. Eli, Vice Chair
Members of the Committee on Labor & Public Employment

Re: SB 2940, SD 2, Relating to the Stadium Development District

Dear Chair Johanson, Vice Chair Eli and Members of your Committee,

Thank you for the opportunity to submit testimony concerning SB 2940, SD 2, Relating to the Stadium Development District. On behalf of PVT Land Company, I appreciate the opportunity to **comment** on this bill. PVT is the only publicly available construction and demolition landfill on Oahu and a strong supporter of the construction industry.

PVT supports the intent of this bill to redevelop Aloha Stadium and establish development guidance policies to promote economic development and employment opportunities by fostering diverse land uses and encouraging private sector investments. However, we want to bring to your attention another bill pending before the Legislature that would adversely affect the Aloha Stadium project and the objectives of SB 2940.

The Legislature is poised to pass another bill, SB 2386, Related to Waste Management, which will prevent PVT from relocating its landfill to an adjacent site and will require the closure of PVT in the next five years. If PVT is not able to relocate, it must operate its business to maximize the use of the space remaining at the landfill and to ensure proper closure.

We wanted you to know that PVT will not be able to accept the demolition debris from the Aloha Stadium redevelopment project if SB 2386 passes. If SB 2386 passes, effective July 1, 2020, PVT's rates will be increased substantially. In addition to the increased fees, PVT will limit the waste it accepts. In its final years of operation, PVT will no longer accept waste that does not readily compact. PVT will not accept major project demolition debris, such the Aloha Stadium demolition debris, or disaster debris. PVT will no longer accept asbestos-containing materials. We understand that this will make both the Aloha Stadium project and the Honolulu rail project more difficult and costly.

There is no permitted alternative for construction and demolition debris on Oahu. The City and County of Honolulu's Director of Environmental Services recently testified that there is not another entity dealing with construction and demolition debris and there is not a plan on how to deal with construction and demolition debris should PVT be forced to close. If SB 2386 passes, it will take the City at least 7 to 10 years to site and build a new landfill before it can accept waste, and longer if the property is not already owned by the City. This means that there would be years of delay before a substitute can be found to accept debris from the Aloha Stadium redevelopment project.

Without PVT, the Aloha Stadium project may not be able to meet its recycling and sustainability requirements. We understand that the project intends to seek Leadership in Energy and Environmental Design (LEED) certification. The best way to earn LEED points is to deconstruct and salvage construction components, if possible, and recycle all other materials at PVT. To receive LEED points, the weight and volume of the different material types must be tracked and documented. For that, PVT issues a recycle report that can be used for LEED or other green building documentation.

The vast majority of construction and demolition debris that enters the PVT facility is separated, crushed, or shredded for reuse or recycling. PVT is able to recycle up to 80 percent of the debris that enters the facility: metals are recycled offsite; concrete, rock and dirt are recycled for use at the facility or offsite; wood and other combustible material are processed into feedstock that can be used in a gasifier to produce clean synthetic natural gas. PVT works with contractors and others who bring debris to our facility so that they may earn points toward LEED certification.

Closing PVT would have devastating results. If PVT is forced to close in the next five years, the following would occur:

- Developers, contractors and truckers, and other parts of the construction industry would have no legal place on Oahu to take their construction and demolition debris. Construction projects – as small as a kitchen remodel or as large as a shopping center - would come to a halt.
- Federal, state and local government would have no legal place on Oahu to take their construction and demolition debris. Again vital renovations and new construction would be halted. Examples of the state agencies that take their demolition debris to PVT include the Hawaii Air National Guard, the Department of Education, the Department of Land and Natural Resources, the Department of Transportation and the University of Hawaii.
- If there is no legal disposal option on Oahu, illegal dumping would be rampant, both on private and government land.
- The bill would be a serious blow to disaster preparedness. In the event of a natural disaster, the first response is debris removal, particularly from priority roadways. The City and County of Honolulu has developed plans for a category 4 hurricane. Under this scenario, PVT would receive an anticipated 4 million cubic yards of debris, which is comparable in volume to filling Yankee Stadium five times. With this bill, there would be no place for the disaster debris to go for recycling and disposal.

PVT is hopeful that SB 2386 will not pass, and it will be able to continue to accept all construction and demolition debris, including Aloha Stadium redevelopment demolition debris. For these reasons, PVT respectfully asks the Committee to consider the impact of closing the only construction and demolition landfill on Oahu on bills relating to Aloha Stadium such as SB 2940. Thank you again for the opportunity to submit comments.



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HOUSE COMMITTEE ON LABOR AND PUBLIC EMPLOYMENT

MONDAY, JUNE 22, 2020, 10 AM, CONFERENCE ROOM 329
PUBLIC HEARING ON SB 2940, SD 2,
RELATING TO THE STADIUM DEVELOPMENT DISTRICT
TESTIMONY

Douglas Meller, Legislative Committee, League of Women Voters of Hawaii

Chair Johanson and Committee Members:

The League of Women Voters of Hawaii requests two amendments of SB 2940, SD 2.

If the Legislature wishes to transfer jurisdiction for redevelopment and lease of stadium property from the HCDA to the Stadium Authority, then SB 2040, SD 2 should be amended to require that members of the Stadium Authority file public financial disclosure statements under Sec. 84-17, Hawaii Revised Statutes. Unlike members of the HCDA, members of the Stadium Authority currently are not required to file public financial disclosure statements.

When developers submit competing proposals for a RFP PPP contract, if the developers believe they might be able to negotiate contract amendments AFTER the contract is awarded, the developers have a financial incentive to promise more than they can deliver. Bids for the proposed stadium redevelopment PPP contract are more likely to be financially realistic if SB 2940, SD 2 is amended to prohibit significant contract amendments after the contract is awarded. Otherwise, years after the contract is awarded, the selected developer inevitably will plead "hardship" and ask to modify contract requirements concerning revenue sharing, parking fees, and/or provision of "affordable" housing.

Thank you for the opportunity to submit testimony.