

DAVID Y. IGE
GOVERNOR



DEPT. COMM. NO. 96

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

December 1, 2021

VIA ELECTRONIC MAIL

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House of
Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, I am transmitting a copy of the Stadium Authority's Stadium Special Fund Annual Report for the Period July 1, 2020 through June 30, 2021, as required by §109-3, Hawaii Revised Statutes (HRS). I am also transmitting a copy of the Stadium Authority's Temporary Deposits for the same period.

Pursuant to Section 93-16, HRS, I am also informing you that the report may be viewed electronically at: <http://ags.hawaii.gov/reports/legislative-reports/>.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Otaguro".

CURT T. OTAGURO
Comptroller

Enclosure

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

ANNUAL REPORT OF
STADIUM AUTHORITY
STADIUM SPECIAL FUND
STATEMENT OF RECEIPTS, EXPENDITURES AND TRANSFERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021
PURSUANT TO SECTION 109-3, HAWAII REVISED STATUTES

SUBMITTED TO
THE THIRTY-FIRST STATE LEGISLATURE

Stadium Authority
Stadium Special Fund
Statement of Receipts, Expenditures, and Transfers
For the Fiscal Year Ended June 30, 2021

| | | |
|--|-----------------|------------------------|
| Beginning fund balance, July 1, 2020 | | \$ 4,769,870.51 |
| Receipts | | |
| Swap Meet | \$ 1,807,550.02 | |
| Rent | 429,952.00 | |
| Advertising | 348,019.15 | |
| Miscellaneous | 131,269.25 | |
| Food and Beverage | 66,689.81 | |
| Interest | 29,532.27 | |
| Parking | 22,857.00 | 2,835,869.50 |
| | | <hr/> |
| Expenditures | | |
| Personnel Services | (3,647,613.48) | |
| Utilities | (917,477.58) | |
| Services on a Fee Basis | (530,355.85) | |
| Repairs and Maintenance | (234,627.10) | |
| Supplies | (77,006.68) | |
| Insurance | (37,716.00) | |
| Workers' Compensation | (18,748.20) | |
| Miscellaneous | (17,835.54) | |
| Machinery and Equipment | (3,327.41) | (5,484,707.84) |
| | | <hr/> |
| Transfer to stadium manager's discretionary fund | | (1,132.27) |
| Reimburse DAGS programs for FY20 collective bargaining | | (63,852.00) |
| | | <hr/> |
| Ending fund balance, June 30, 2021 | | \$ <u>2,056,047.90</u> |

Stadium Authority
Stadium Special Fund
Discussion on the Statement of Receipts, Expenditures, and Transfers
For the Fiscal Year Ended June 30, 2021

The balance in the stadium special fund (Fund) at June 30, 2021 was \$2,056,047.90. The operating results were comprised of the following significant components.

REVENUES

The Stadium's major sources of income were the swap meet and rent, which account for 64 percent and 15 percent of the total operating revenue, respectively. Revenue earned from the swap meet and rent totaled \$2.2 million in fiscal year 2021.

EXPENDITURES

The Stadium's major expenditures were \$3.6 million in payroll costs and \$900,000 in utility costs (telephone, electricity, water, sewer, and refuse). Payroll costs represented 67 percent and utility costs represented 17 percent of total expenditures. The total operating expenditure for the period was \$5,484,707.84.

MISCELLANEOUS

As the COVID-19 pandemic continued, generating revenues continued to be a challenge for the Stadium. Stadium suspended all events effective close of business March 18, 2020. On June 13, 2020, the swap meet reopened under the Governor's Act with Care phase with a limited and modified Saturday and Sunday schedule. The swap meet closed on August 27, 2020 through September 23, 2020 to comply with the Mayor's emergency order. The swap meet reopened on September 26, 2020 and was held only on Saturday and Sunday. Wednesday swap meet resumed January 6, 2021.

Stadium hosted several drive-through events: Trunk or Treat, haunted house, Christmas light show, and graduations. Other events held in the parking lot included: rental car storage, drive-in concerts, drive-in drag show, and drive-in laser light show. Community events included COVID-19 testing, drive-through food distribution, and drive-through voter registration.

Act 146, Session Laws of Hawaii 2021 (Act 146), relates to the stadium development district. The stadium authority, consisting of 11 members appointed by the Governor, shall be responsible to maintain, operate, and manage the stadium development district. Upon the effective date of Act 146, the stadium special fund was abolished, and the remaining unencumbered balance was transferred to the stadium development special fund, which was created by Act 146. Act 146 was signed into law on June 30, 2021.

NEW ALOHA STADIUM ENTERTAINMENT DISTRICT (NASED)

At the May 6, 2021 Stadium Authority board special meeting, the board agreed to allow the stadium developer to demolish the stadium in a manner that maximizes costs and schedule benefit to the project.

The planned redevelopment of the stadium district is divided into two phases: 1) real estate project and 2) stadium project. The request for proposal (RFP) for the real estate project was

released on 10/12/2021 and the stadium project RFP is anticipated to be released by calendar year end 2021.

More information on the New Aloha Stadium Entertainment District may be found at:
<http://nased.hawaii.gov>.

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES

ANNUAL REPORT OF
STADIUM AUTHORITY

TEMPORARY DEPOSITS – STADIUM AUTHORITY
STATEMENT OF RECEIPTS, EXPENDITURES AND TRANSFERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

SUBMITTED TO
THE THIRTY-FIRST STATE LEGISLATURE

Stadium Authority
Temporary Deposits
For the Fiscal Year Ended June 30, 2021

| | | |
|--------------------------------------|----|-------------------------|
| Beginning fund balance, July 1, 2020 | \$ | 61,027.12 |
| Receipts | | - |
| Expenditures | | |
| Supplies | | (23,734.90) |
| | | <hr/> |
| Ending fund balance, June 30, 2021 | \$ | <u><u>37,292.22</u></u> |

Stadium Authority
Temporary Deposits
Discussion on the Statement of Receipts, Expenditures, and Transfers
For the Fiscal Year Ended June 30, 2021

The balance in this trust fund at June 30, 2021 was \$37,292.22.

This fund was administratively created to temporarily hold scoreboard advertising receipts until contractually mandated disbursements were made. Revenues are based on revenues collected from the field naming rights advertiser and disbursements are to be used for the maintenance and replacement of the field and travel subsidies for the University of Hawaii Athletics program.

DAGS-Public Works assisted with the field replacement project. The project was officially completed in September 2017. The travel subsidy is not to exceed 10% per year of the Stadium Authority's net revenue share received through the contract. The maximum travel subsidy amount was disbursed to the University of Hawaii Athletics program in December 2015. The amount remaining in the account is to be used for the maintenance of the field.

The Stadium Authority's advertising agency's contract with the advertiser expired on December 31, 2015.

Supplies to maintain the field were purchased in the current fiscal year.

On October 7, 2021, Comptroller granted approval to transfer the remaining balance in this trust fund, which will close out this trust account, to the stadium development special fund.