



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PA'OIHANA, 'IMI WAIWAI
A HO'OMAKA'IKA'I

JOSH GREEN, M.D.
GOVERNOR

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April 4, 2023

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

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty-Second 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 Aloha Stadium 2022 Annual Report, as required by Section 206E-226, Hawaii Revised Statutes. In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report may be viewed electronically at: <http://dbedt.hawaii.gov/overview/annual-reports-reports-to-the-legislature/>.

Mahala a e malama pono,

Chris J. Sadayasu

Enclosure

c: Legislative Reference Bureau

ALOHA STADIUM

2022 ANNUAL REPORT



HAWAII STATE LEGISLATURE

REGULAR SESSION 2022

This report satisfies Hawaii Revised Statutes Section 206E-226.

Recent Legislation

In June 27, 2022, Governor David Ige signed Act 220 into law. This act transferred the Stadium Authority as an attached agency from the Department of Accounting and General Services (DAGS) to the Department of Business, Economic Development & Tourism (DBEDT). This act also provided clarity to the composition of the Stadium Authority Board. Of the eleven total members, eight shall be governor appointees, with one being a resident of the Aiea community and another a resident of west Honolulu. The three remaining members shall include the Director of DBEDT as an ex-officio voting member, and the president of the University of Hawaii and superintendent of education, who shall both be ex-officio nonvoting members of the authority.

On July 7, 2022, Governor Ige signed Act 248 into law. This act appropriated \$350 million in general obligation bonds (CIP funds) to the Department of Business, Economic Development & Tourism (BED142) to fund a new stadium in Halawa. This act also appropriated an additional \$50 million in general revenues, of which \$49.5M is deposited into the Stadium Development Special Fund by Proviso Section 17.3 for the costs of operations, maintenance, and contract costs to developers of the stadium. The balance of \$500,000 in general funds remains in the Stadium's operating budget with a lapse date of 06/30/23.

As a result of the funding package, Governor Ige announced on September 22, 2022 that he wants to speed up construction of a new Aloha Stadium in Halawa by scrapping a complex public-private partnership in favor of a more streamlined process aimed at building just a new stadium. In this same communication, Governor Ige stated that a plan would be shared within three weeks.

The Stadium Authority, although appreciative of the Legislature's and Governor Ige's support for a new stadium, communicated concerns that any change to the already in-progress procurement will result in having to start again with a new procurement and will lead to further cost escalation (and/or a reduction in project scope) due to delays. The Stadium Authority also shared that addressing the long-term maintenance of the facility, which was included in the public-private partnership proposal, needs to be part of any new plan to avoid a repeat of the deferred maintenance woes that have plagued the current stadium. Finally, the Stadium Authority shared that although they have worked on the current plan for several years, they are not opposed to a new direction, however, they would like the process to be transparent with the community and be afforded the opportunity to evaluate the plan to ensure it is in line with the agency mission.

Prior Legislation

**JULY
2019**

Act 268 was signed into law, establishing a new Stadium Development District (District), which includes all state property under the jurisdiction of the Stadium Authority. The Act directed the Hawaii Community Development Authority (HCDA) to facilitate the development of all State property within the District. Act 268 appropriated \$20 million in general revenue for the establishment and development of the stadium district. It also authorized HCDA to issue, with the governor's approval, up to \$180 million in revenue bonds to implement the stadium development district and authorized the Director of Finance to issue \$150 million in general obligation bonds for the new stadium development district to make optimal use of public land for the economic, residential, educational, and social benefit of the people of Hawaii. The district consists of 98.5 acres in Halawa, Oahu, Hawaii.

**JULY
2020**

Act 4 was signed into law, amending Act 268 of 2019. Act 4 amended Section 4 of Act 268 by eliminating the \$20 million in general revenue appropriations, and amended Section 6 of Act 268 authorizing the Director of Finance to issue \$170 million in general obligation bonds (CIP funds) from the previous \$150 million in general obligation bonds, for the stadium development district.

**JULY
2021**

Governor David Ige signed House Bill 1348 into law. It designated the Aloha Stadium Authority (ASA) Board as the lead agency for the development of the New Aloha Stadium Entertainment District (NASED) project. The ASA will work closely with the Department of Accounting and General Services (DAGS) and the Hawaii Community Development Authority (HCDA). The new law also designated, that two members of the ASA Board shall reside in the community districts. It allows the ASA to hold title to real property including the NASED's 98-acre parcel, and it allows the ASA to grant leases up to 99 years.

2022 Highlights

Real Estate Project

On January 31, 2022, the first stage of the real estate request for proposals was completed and two developer-led teams were announced as Priority Listed Offerors (PLO's). The two PLO's will now advance to the second stage of the procurement, expected to occur in the first quarter of 2023.

A specially selected committee will review proposals and determine, based upon strict evaluation criteria, which developer-led team is best qualified to become the master development partner and commercial development partner for the initial parcel. The selection is expected to occur before the end of 2023.

The two developer-led teams who advanced to the second stage of the Real Estate Project RFP (Part 2) include:

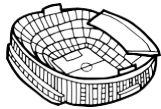
Aloha Halawa District Partners,
a consortium comprised of:

Development Ventures Group Inc., Stanford Carr Development LLC, Hawaiian Dredging Construction Company Inc., WATG, SB Architects, Rebound Associates, Colliers, Wilson Okamoto Corporation, NBBJ LP, DTL, and Bennet Group.

Waiola Mixed-use Partners,
a consortium comprising of:

Kobayashi Group, BSC Acquisitions II LLC, Machete Group Inc., Design Partners Inc., Manica Architecture, Stantec, Nan Inc., A.C. Kobayashi, JMA Ventures LLC, BAMP Project, Biederman Redevelopment Ventures, SSFM International, Wilson Okamoto Corporation, Nainoa Thompson, and S.H.A.D.E.

2022 Highlights



Stadium Project

Although three stadium developer-led teams were selected in early 2021 through a request for qualifications process (RFQ), the second stage of the procurement (Request for Proposals or RFP) did not receive approval for release, thus the developer-led teams continue to be on standby. Developing proposals requires significant investment in time, effort, and cost, thus bidders are typically unwilling to expend these resources unless they know the relevant government approvals are in place.

The following are the three Developer-led Teams Who Were Selected as Preferred Bidders in 2021:

- ◆ [Aloha Stadium District Partners](#), a consortium comprised of:

John Laing Investments Limited, Civil & Building North America Inc. and Hawaiian Dredging Construction Company, Inc. as the lead equity members; NBBJ Hawaii, Inc. and RMA Architects as the design team; Civil & Building North America and Hawaiian Dredging Construction Company, Inc. as the construction team; and Aramark Management Services Limited Partnership and Honeywell International Inc. as the services (maintenance) provider.

- ◆ [Aloha Stadium Hui Hilina'i](#), a consortium comprising of:

Plenary Americas US Holdings Inc. and PCL Investments Canada Inc. as the lead equity members; M. Arthur Gensler Jr. & Associates, Inc. and KYA, Inc. as the design team; Nordic PCL Construction as the construction team; and Johnson Controls, Inc. as the services (maintenance) provider.

- ◆ [Waiola Development Partners](#), a consortium comprising of:

EllisDon Capital Inc., Kobayashi Group LLC and BSC Acquisitions II, LLC as the lead equity members; Design Partners Incorporated and MANICA Architecture as the design team; Turner Construction Company and Nan, Inc. as the construction team; and Spectra as the services (maintenance) provider.

2022 Highlights

Programmatic Environmental Impact Statement (PEIS)

The Programmatic Environmental Impact Statement was published and accepted by Governor Ige on September 23, 2022. The acceptance commences a 60-day judicial challenge period. This period will allow for aggrieved parties to challenge the acceptability of the document in court. Completion of this process provides essential due diligence for future development of the district.

A copy of the Final EIS and the Governor's letter of acceptance can be found on the NASED website's Project Documents page. Linked here: <https://nased.hawaii.gov/further-information/project-documents/>

Although the finalization of the EIS does not run in parallel with the release of the Stadium Project or Real Estate Project RFPs, it is a critical step in the overall NASED Program as it is a predecessor for the commencement of major development of the site.

2022 Highlights

Updates and Outreach

In August 2022, an updated and comprehensive Frequently Asked Questions (FAQ) page was uploaded to the NASED project website:
<https://nased.hawaii.gov/further-information/>.

This page provides questions to the following category of topics:

Project Background	Community Involvement	Site Selection, Master Plan and Project Boundaries
Finances	Schedule	Scope
Procurement	Housing	Existing Stadium
Construction	Burials and Archaeological	Utilities
Parking, Tailgating, Traffic	Operations and Events	Gambling and Prohibited Uses
Ownership, Governance and Management	Environmental Impact Statement	Geotechnical

2022 Highlights

Stakeholder Engagement

The project team has continued to engage with key stakeholders and has provided regular updates to the following:

- Neighborhood Board 18 – Aliamanu/Salt Lake/Foster Village/Airport
- Neighborhood Board 20 – Aiea
- Aiea Community Association
- Hawaiian Electric (HECO)
- University of Hawaii, Department of Intercollegiate Athletics
- City & County of Honolulu
 - Department of Environmental Services
 - Board of Water Supply
 - Mayor's Office

What are the projected economic impacts of NASED?

The following are the projected economic impacts from the full build-out of NASED (Source: New Aloha Stadium Entertainment District, Final Programmatic Environmental Impact Statement, September 2022):

Construction (through completion of Stadium Project and Real Estate Project construction activities):

- more than \$1.48 billion in economic output from construction spending
- approximately 12,660 construction jobs
- more than \$595 million in construction wages

Development (annually):

- more than \$79 million in net total output
- 690 net annual jobs
- \$28.8 million in net annual wages in Oahu/Honolulu County
- more than \$27 million in net new annual tax revenues at full build-out



Existing Operations

Parallel to the stadium site redevelopment plan, the Stadium Authority made the decision to close the stadium facility to public use in late 2021 due to unfunded deferred maintenance and safety concerns with the stadium structure. Stadium management underwent a workforce restructuring plan with a focus on limited operations of the site (parking Lots, etc.). One program that remains a priority for the Stadium Authority, and generates significant revenue, is the Swap Meet.

The Authority intends to keep the Swap Meet fully operational during and after the redevelopment of the stadium site. The current Swap Meet relies on existing stadium infrastructure to operate (restrooms, office spaces, etc.). With the existing stadium slated for demolition, planning work is underway for relocating the Swap Meet on the property. A new layout will need to be established in the Upper Halawa parking lot that includes locations for vendor stalls, restroom trailers, office trailers and a food court. Utility connections (sewer, water, power) must be established for each amenity and asphalt repairs and restriping must be completed prior to the relocation. Other priorities for the Stadium Authority during this transitional period include:

1. **Inventory Management** The Authority is in progress on transferring unneeded inventory to other State entities. Further, the Authority received State Procurement Exception to Hawaii Administrative Rule §3-130-12, Excess State Property and §3-130-10, Regarding Disposal and Restrictions Relating to State Property. With these exemptions, the Authority has contracted with an auction and liquidations company to establish several on-line auctions to sell items to the public beginning late in 2022 and throughout 2023.

2. **Temporary Office Space and Storage** The Authority is in progress on establishing temporary office trailers and storage trailers on the stadium property for its employees once construction on the site has commenced.

3. **Staffing** The Authority has developed a staffing and onboarding plan for the new stadium operation. Although most roles/positions will not be required for several years, there are two key positions that will be necessary early in the development process.

- A. **Contracts Specialist** – The Authorities future operational plan will include many more contracted services. Several contracts will need to be established early in the redevelopment process, including: Food & Beverage Concessions, Advertising Sales Concession, Premium Sales Concession, and Event Sales Concession.

- B. **Land Manager** – With land management transactions being very complex, the Authority will require expertise to guide the Stadium Authority Board on various land issues and transactions and how these align or conflict with Stadium's land management goals and objectives.



Stadium Administration

Vice-Chair, Brennon Morioka

John Fink

Kau'i Burgess

Eric Fujimoto

Michael Imanaka

Mike McCartney, DBEDT

Claire Tamamoto

Michael Yadao

David, Lassner, ex-officio, President of the University of Hawaii

Keith T. Hayashi, ex-officio, Superintendent of Education

Ryan G. Andrews, Stadium Manager

Russell Uchida, Deputy Manager

