



**Hawaii Community
Development Authority
Stadium Development
District 2019
Annual Report**

to the

**Thirtieth Hawaii
State Legislature
Regular Session of 2020**



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Recent Legislation

Act 268 (2019) was signed into law on July 8, 2019, establishing a new Stadium Development District, which includes all state property under the jurisdiction of the Stadium Authority. This bill set aside \$350 million 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. It authorizes HCDA to facilitate the development of all property under the jurisdiction of the Stadium Authority.

The new district consists of 98.5 acres in Halawa, Oahu, Hawaii.

Background

The Aloha Stadium is Hawaii's largest outdoor arena with 50,000 seats. Built over forty years ago, the facility is owned and operated by the State of Hawaii.

The iconic stadium has hosted hundreds of major events including concerts by world-famous artists, National Football League Pro Bowl games, NCAA Division I football and bowl games, Minor and Major League Baseball games, the Great Aloha Run, and numerous high school events.

As the home of the University of Hawaii Rainbow Warriors football team and host to numerous other events, the stadium has achieved its mission as a gathering place and as a first-class facility where the dreams of Hawaii's young people were realized through participation in sporting and other special events, where the spirit of achievement was nourished by the thrill of healthy competition, and where families gathered to share their cultural diversity with pride and a feeling of Aloha.

The area surrounding the stadium which primarily serves as a surface parking lot has also been well utilized. When not used to support an event in the stadium, it is regularly used for such events as the Swap Meet, and the annual 50th State Fair and Farm Fair. The large open area has also hosted various automotive events.

A considerable amount of effort is put forth annually to maximize its usefulness and service to the community, including health and safety repairs to extend its operational life, while it continues to host over 300 events per year.

Built in 1975, the design incorporated the use of structural Cor-Ten steel which was selected because of its exceptional mechanical performance and corrosion resistance. In other environments Cor-Ten steel's surface serves as a protective layer against corrosion.

Unfortunately, the Core-Ten steel has not held up in Hawaii's salt-air environment and in the 1990's major roof replacement and corrosion repairs were necessary.



The iconic Aloha Stadium was built in 1975, Hawaii's largest outdoor stadium with 50,00 seats.



Decision to Build a New Stadium

Prior to Act 268, the Stadium Authority and the State Department of Accounting and General Services (DAGS) had made a great deal of progress towards planning for a new stadium and the redevelopment of the surrounding area.

The Stadium Authority is administratively attached to DAGS, who assists with the major repair and maintenance projects. Since the 1990's DAGS has been working diligently with the Stadium Authority to maintain the facility, however, maintenance costs have quickly outpaced maintenance funding.

In 2014, DAGS engaged consultants for an update of the status of the structural health of the Stadium. They concluded that the Stadium needed approximately \$300 million in critical health and safety repairs to extend the facility's operational life, and that the cost of repairs would grow at a rate of about seven percent per year if not addressed.

From 2007 through 2017 the Legislature provided a total of about \$103 million in funding for health and safety repairs to the Stadium. If no additional repairs or damage is found and the state funds approximately \$20 million per year for the existing repairs, it would cost over \$420 million and take over 20 years to complete what is needed.

Based on market research, DAGS determined the estimated cost for a new stadium with 30,000-40,000 seats with modern amenities is approximately \$350 million. After considering the projected maintenance costs which would not yield any modernization improvements, in 2014, a decision was made to explore the prospect of building a new stadium. Feedback from the industry solicited both formally and informally suggested:

- A smaller stadium and "sold out" appearance will attract more events enhancing overall performance;
- Upgrades, including amenities standard at newer facilities, will increase operational efficiencies and enhance stadium return on a per event basis;
- The stadium can be self-sustaining after adopting the improvements mentioned above along with ancillary development in the surrounding 98-acres; and
- There is interest from the industry and private sector to do the project, however prioritization of the stadium in the project would require a capital infusion from the State.

Initial/Ongoing Planning Efforts

Act 49, Session Laws Hawaii 2017 provided \$10 million for the new stadium planning.

To address the significant structural issues of the aging facility, planning for the new stadium was initiated by DAGS working with and on behalf of the Stadium Authority. They contracted a planning consultant, Crawford Architects, who is leading the master planning and completion of a Programmatic Environmental Impact Statement on behalf of the State of Hawaii.

Several sites for the new stadium were analyzed considering site access, transit connections, regional demographic and development opportunities and incentives. The study concluded and recommended that the current Halawa site is the most appropriate, viable and development ready site for a new 35,000 seat stadium with surrounding ancillary development.



2019 Highlights

The maintenance contractor has identified that \$16.5 million to \$20 million in health and safety repairs are needed, to keep the Aloha Stadium in operation for the next four to five years, while the new stadium work is being procured, designed, and constructed.

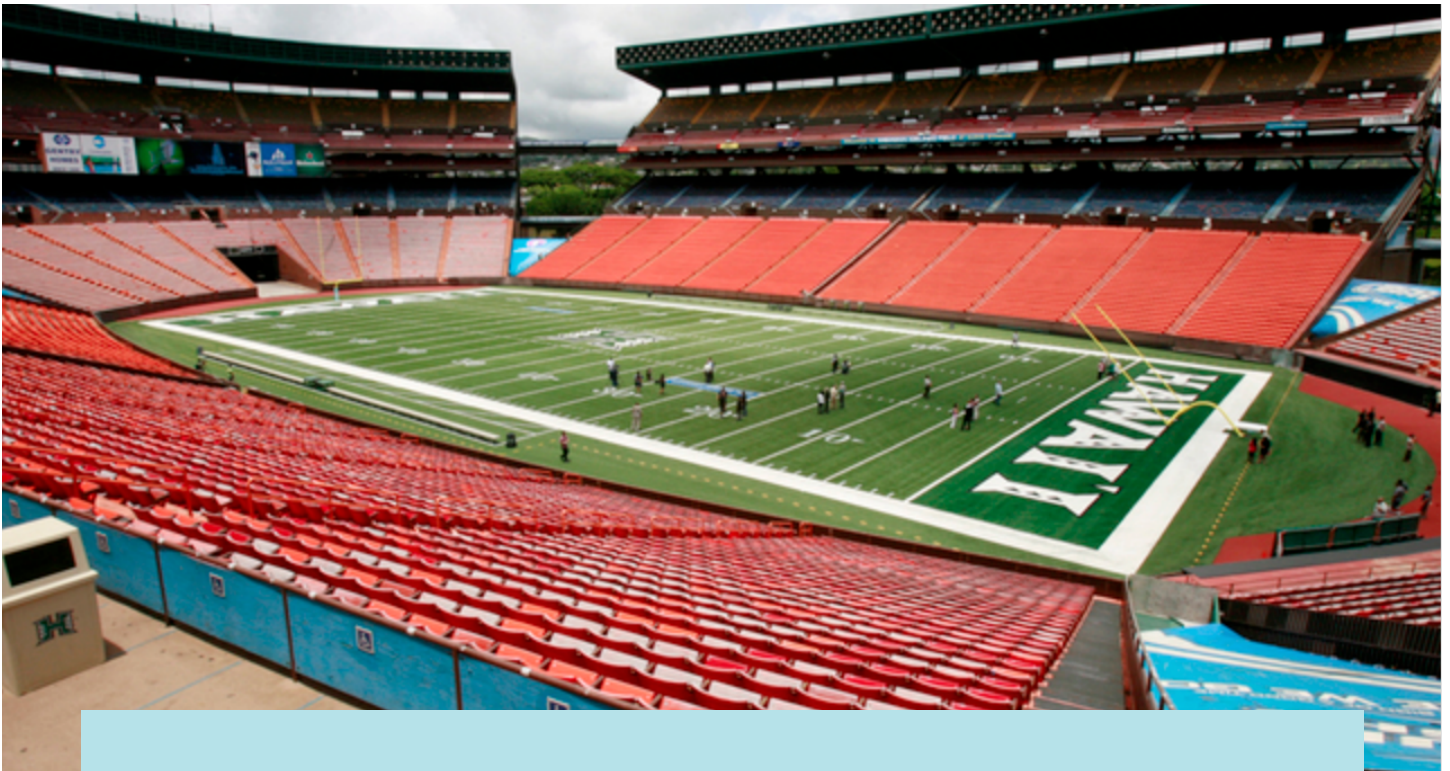
This public safety expense is a key motivator in the process to expedite the process effectively and efficiently, while optimizing the use of public resources.

In 2019, the HCDA executive director, the state comptroller and the stadium authority collaborated to draft a memorandum of agreement. The MOA clarifies each party's role in working to achieve the common goal of building a world-class entertainment district.

The Stadium Authority is the land owner, per Act 268, and all state lands in the district will be transferred to the Stadium Authority. The MOA, will clarify that the Stadium Authority will continue to manage and operate the properties and improvements.

HCDA shall facilitate the development of all property within the district. It will coordinate with government entities, develop infrastructure necessary to support the development of state property within the District, and provide opportunity for reuse of state property within the District by private enterprise or state and county government.

The construction of the new stadium facility and ancillary development of the entertainment district surrounding the new stadium will be pursued under a Public-Private-Partnership (P3) between the state and a private developer.



2019 Highlights continued

Based on the need to move efficiently and effectively, DAGS will continue to conduct the pre-development due diligence including the master plan, that shall comply with the City's TOD Plan, and the EIS. DAGS will also serve as the Head of Procurement Agency (HOPA) on the New Aloha Stadium Entertainment District (NASED) solicitations.

DAGS through the Office of the Attorney General has retained special counsel, O'Melveny & Myers, to provide supplemental project oversight including due diligence, legal review and other services.

A draft RFP has been developed by DAGS along with a plan for the stadium redevelopment solicitation.

The Environmental Impact Statement Preparation Notice (EISPN) was published on September 8, and the 30-day period for public comments ended October 8. The EISPN is available at <http://nased.hawaii.gov/eispn>.

On September 25, an EIS Scoping Meeting was held at the Aloha Stadium.

For Potential Developers, the NASED team hosted a P3 Industry day on October 3, and presented information and gathered feedback from developers and interested parties.



Next Steps

First priority

While building the new stadium, the Stadium Authority will seek to keep Aloha Stadium open and operational. Depending on the timing of realizing a new facility, maintenance projects will be prioritized and scaled appropriately to optimize the use of public resources. An estimated \$20 million would be ideal to address the Stadium’s current essential repair needs for five additional years of operations, without compromising public health and safety or diminishing the visitor experience at Aloha Stadium.

In 2020 and beyond

The planning and solicitation phase will be conducted throughout 2020. The master plan and EIS are expected to be completed. The projected work on the new stadium development district will be done in phases. The solicitation phase will be conducted throughout 2020, with the next phase including the design, relevant construction, financing and proposed maintenance of a new 35,000 seat stadium and a portion of the surrounding area with supporting infrastructure such as roadways, parking, public spaces, needed upgrades to the utilities, and possible connections to the proposed rail station.

Together the Stadium Authority, DAGS, and HCDA have developed a great team focused on creating a vibrant new gathering place over the next several years, where the people of Hawaii can live, congregate, recreate, attend schools, and shop, as part of a thoughtfully integrated experience, not just a stadium but an entire district to support and enhance the experience for residents and visitors alike.



Meet the Team

Stadium Authority

The Stadium Authority consists of nine members appointed by the Governor with the advice and consent of the Senate. Serving as ex officio non-voting members are the President of the University of Hawaii and the Superintendent of Education.

The Authority is represented by its board through Ross Yamasaki, Chairman and Scott Chan, Stadium Manager.

State of Hawaii | Department of Accounting & General Services – Public Works Division

The Public Works Division plans, coordinates, organizes, directs and controls a statewide program of engineering, architectural, and construction services for the State, including land acquisition, planning, designing, inspecting and managing construction projects, facilitating quality control, contracting, construction management, and equipping facilities and other improvements for State agencies. The Division, through its Leasing Branch, locates, negotiates and leases office space in non-state buildings for user agencies.

DAGS – Public Works Division is represented by Project Leader: Chris Kinimaka, Public Works Administrator.

State of Hawaii | Department of Business, Economic Development & Tourism – HCDA

The Hawaii Community Development Authority (HCDA) is a public entity created by the Hawaii State Legislature to establish community development plans in community development districts; determine community development programs; and cooperate with private enterprise and the various components of federal, state, and county governments to bring community development plans to fruition. The Authority's work should result in economic and social opportunities and aim to meet the highest needs and aspirations of Hawaii's people.

Project Leader: Aedward Los Banos, Executive Director

Crawford Architects (Crawford LLC)

Crawford was appointed by the State in October 2018 to undertake the Master Planning and Environmental Impact Statement (EIS) work as part of a broader Public-Private Partnership (P3) development plan.

With offices in the U.S. and Australia, Crawford has designed a number of high quality sports and entertainment venues, including those under a P3 structure.

They are leading a multi-disciplinary team of consultants including:

WT Partnership – P3 Transaction Advisors / Project Delivery & Cost Estimating

Wilson Okamoto – EIS Preparation/Traffic & Site Infrastructure Studies

Aecos Inc – Botanical/Fauna Survey

Cultural Surveys Hawaii – Archaeology Survey

Geolabs, Inc – Geotechnical Survey

CommPac – Public Relations & Community Outreach

Architects Hawaii Limited – Local Architects

Honua Consulting – Community Outreach & Cultural Surveys

Y. Ebisu & Associates – Noise Assessment

Control Point – Surveying

Victus – Market Analysis

Project Lead: Stacey Jones, Owner & Principal

www.crawfordarch.com

WT Partnership - (WTP America LLC)

WT is responsible for the delivery of technical advisory services to assist with project structuring, procurement and negotiation with Developers, as well as long term oversight of the P3 development.

WT has delivered over \$50 billion dollars of Public Private Partnerships (P3) globally, including stadiums, public buildings, higher education and complex infrastructure.

WT established an office in downtown Honolulu in 2019 as part of their commitment to making the NASED project a success.

Project Lead: Adam Shaw, Executive Vice-President

www.wtpartnership.co/p3

O'Melveny & Myers LLP

O'Melveny, is a global law firm with deep experience in Sports Development through its Principal Irwin Raji who has been working with the Stadium Authority Board since 2012.

Their role will include development of project documents for the solicitation and long term Design-Build-Finance-Maintain agreement for the Stadium. They will drive the broader commercial strategy for the NASED enterprise including financing, potential advertising, naming and commercial development rights package.

Project Leader: Irwin Raji, Sports Law Practice Co-Chair

www.omm.com



Aloha Stadium

Department of Accounting and General Services
State of Hawaii

Full Authority - 9 members

Ross Yamasaki, Chairman
Audrey Abe
Keith Amemiya
John Fink
Michael Iosua
Scot Long

Hubert Minn
Brennon Morioka
David Uchiyama

Administration

Scott L. Chan, Stadium Manager
Ryan G. Andrews, Deputy Manager



Hawaii Community Development Authority

Department of Business, Economic Development & Tourism
State of Hawaii

Full Authority - 17 members

(15 voting, 2 non-voting)

At Large members

John Whalen, Chairperson
Wei Fang, Secretary
Chason Ishii
Vacant (Cultural Specialist)

Ex-Officio members

(same for all boards)
Jade Butay (DOT)
Robert Yu (B&F)

Non-Voting ex-officio

William Aila (DHHL)
Kathy Sokugawa (City DPP)

Community members

Phillip Hasha, Vice Chairperson
Donna Camvel
Jo-Ann C. Leong
Amy Luersen
Jason Okuhama
Kevin Sakoda
Shirley Swinney
Maeda Timson
Mitchell Tynanes

Robert Yu (B&F)
Kathy Sokugawa (City DPP)
Phillip Hasha
Jason Okuhama
Kevin Sakoda

Kalaeloa Authority

11 members (9 voting, 2 non-voting)

John Whalen
Wei Fang
Chason Ishii
Vacant (Cultural Specialist)
Jade Butay (DOT)
Robert Yu (B&F)
William Aila (DHHL)
Kathy Sokugawa (City DPP)
Shirley Swinney
Maeda Timson
Mitchell Tynanes

Heeia Authority

10 members (9 voting, 1 non-voting)

John Whalen
Wei Fang
Chason Ishii
Vacant (Cultural Specialist)
Jade Butay (DOT)
Robert Yu (B&F)
Kathy Sokugawa (City DPP)
Donna Camvel
Jo-Ann C. Leong
Amy Luersen

Kaka'ako Authority

10 members (9 voting, 1 non-voting)

John Whalen
Wei Fang
Chason Ishii
Vacant (Cultural Specialist)
Jade Butay (DOT)

