



Hawaii Community Development Authority Stadium Development District 2020 Annual Report

to the

**Hawaii State
Legislature
Regular Session of 2021**

Prepared by Hawaii Community Development Authority,
Department of Business, Economic Development & Tourism
& Department of Accounting and General Services
State of Hawaii

This report satisfies Hawaii Revised Statutes Section 206E-226.
January 2021



Legislation

In 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.

In 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.



Highlights

The New Aloha Stadium Entertainment District (NASED)

is envisioned to be a mixed-use development, offering a full complement of live, work, and play components, as well as community assets. The construction of the new stadium facility and ancillary development of the entertainment district surrounding the new stadium will be pursued under Public-Private-Partnerships between the state and private developers selected through State Procurement Requests for Qualifications (RFQ) / Requests for Proposals (RFP) processes. It is envisioned that the full build-out will continue to be accomplished over the course of 10-15 years after the New Aloha Stadium opens.

NASED will appeal to a wide variety of people, including both residents and visitors. Proposed amenities include entertainment venues, retail stores, restaurants, housing, hotels, recreational sites, cultural amenities, green space, etc.

In 2020, the HCDA, the Stadium Authority, and DAGS executed a Memorandum of Agreement (MOA), as outlined in Act 268. It describes the cooperative relationship between the parties that want to work together to achieve a common goal to build a new Stadium and to develop the area around it, which will result in a state-of-the-art facility, as well as social and economic opportunities for Hawaii.

The HCDA supported the efforts of the Stadium Authority and DAGS to solicit prospective developers for the new Stadium.

In response to the Request for Qualifications (RFQ) issued on March 27, 2020, six developer-led teams responded.

The RFQ required prospective partners to provide their team's background, experience in similar projects, and financial aptitude. The goal to select three priority listed respondents to receive the Request for Proposal (RFP) was achieved and publicly announced on December 12, 2020.

The state expects to have a Public-Private-Partnership under contract as early as the end of 2021, and more certainly by the 1st quarter of 2022. The debut of the new stadium, the first phase of the 98-acre development, was targeted for the University of Hawaii football team's Sept. 2, 2023 home opener against Albany.



Highlights continued

This target completion is being revisited due to the unforeseen negative impacts of the COVID19 pandemic and the failure to pass new legislation to amend Act 268, SLH 2019, in the 2020 legislative session. The proposed bill was intended to streamline the district governance and to provide necessary powers and guidance to enact the intent of Act 268. This effort is anticipated to continue in the 2021 legislative session.

NASED work also includes completing a Programmatic Environmental Impact Statement (EIS) process. The EIS is known as a "Programmatic EIS," because it analyzes and discloses that a mix of uses for the Halawa site will be required, while stipulating that a range (maximum and minimum) of the development area for each use must be satisfied. This is to ensure that the desire for a vibrant, mixed-use project is delivered. The EIS Preparation Notice was published on September 8, 2019, and the comment period ended on November 7, 2019. The EIS is informed by a programmatic master plan, which provides necessary context for evaluation and disclosure.

On December 23, 2020, the Draft Environmental Impact Statement (DEIS) for the New Aloha Stadium Entertainment District (NASED) project was published and posted online. Public comments are encouraged through February 8, 2021, via email:

NASED.EIS@wilsonokamoto.com

or mail to: NASED Comments, 1907 South Bere-
tania St. #400, Honolulu, HI 96826.

The DEIS can be found online at:

DEIS Vol. 1 http://oeqc2.doh.hawaii.gov/Doc_Library/2020-12-23-OA-DEIS-New-Aloha-Stadium-Entertainment-District-Vol-1.pdf

DEIS Vol. 2: Appendices A-A4 http://oeqc2.doh.hawaii.gov/Doc_Library/2020-12-23-OA-DEIS-NewAloha-Stadium-Entertainment-District-Vol-2.pdf

DEIS Vol. 3 Appendices B-L http://oeqc2.doh.hawaii.gov/Doc_Library/2020-12-23-OA-DEIS-NewAloha-Stadium-Entertainment-District-Vol-3.pdf



TOD at the New Aloha Stadium Entertainment District

The City and County of Honolulu has proposed alternatives for the Halawa Area TOD Plan. With the new Aloha Stadium Transit Station, the Halawa area will become one of Oahu's most interesting and livable transit communities, combining dense, mixed-uses around compact, walkable blocks and community-oriented open spaces. It will complement the anchor uses of the Aloha Stadium, the Pearl Harbor Visitors Center, nearby Joint Base Pearl Harbor-Hickam, as well as the surrounding neighborhoods of Aiea, Foster Village, and Halawa.

The proposed new office, residential, retail, restaurant, and entertainment spaces will stimulate the area with activity – starting with construction and development, and then with new jobs, places and events for residents and visitors to enjoy. Expanded events will preserve and augment the highly successful Aloha Stadium Swap Meet and Marketplace, UH football games, and provide other much needed community amenities such as pre- and post- game day activities, market days, performances, and movies in the park.

The Halawa/Stadium area will embody the Aloha spirit and become a place where people from all walks of life can live, work, visit, and connect.

Background



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



Photos courtesy of Alan Straub, via Aloha Stadium.hawaii.gov

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.

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 at the time, 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 become 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 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 consultant team under Crawford Architects, who is leading the due diligence planning, which includes completion of the 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.

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, Chairperson, 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, the 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: Deepak Neupane, Executive Director.

