



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

S.B. NO. 1589, RELATING TO THE STADIUM DEVELOPMENT SPECIAL FUND.

BEFORE THE:

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

DATE: Thursday, February 13, 2025 **TIME:** 1:01 p.m.

LOCATION: State Capitol, Room 229

TESTIFIER(S): Anne E. Lopez, Attorney General, or Kevin C. Tongg
or Christopher J.I. Leong, Deputy Attorneys General

Chair DeCoite and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments.

This bill (1) amends section 109-3.5, Hawaii Revised Statutes, to require the Stadium Authority to meet any condition set by the Legislature on an appropriation to the Stadium Development Special Fund before expenditure of the appropriated funds, (2) appropriates moneys from the Stadium Development Special Fund to the Stadium Authority for fiscal year 2025-2026, subject to the satisfaction of development milestones set by the Stadium Authority for the New Aloha Stadium Entertainment District (NASED) project, and (3) provides safeguards to ensure that unexpended funds are returned to the general fund if the NASED project is terminated.

The Department has concerns that section 3 of this bill (page 4, line 11, through page 5, line 2) is unclear and may impact the effect of this bill. Section 3 of this bill appropriates out of the Stadium Development Special Fund the sum of \$49,500,000 or so much thereof as may be necessary for fiscal year 2025-2026 for the purposes of the Stadium Development Special Fund. Section 3 also attempts to include a safeguard to ensure that unexpended funds are returned to the general fund if the NASED project is terminated before completion; however, this wording is unclear. We recommend amending the paragraph on page 4, line 18, to page 5, line, 2 as follows:

The sum appropriated shall be expended by the stadium authority of the department of business, economic development, and tourism for the purposes of this Act; provided that ~~[all moneys remaining in the special fund that are not expended or encumbered by the new aloha stadium entertainment district is terminated before completion shall lapse to the general fund.]~~ if the new aloha stadium entertainment district project is terminated before completion, then all moneys remaining in the stadium development special fund that are not expended or encumbered shall lapse to the general fund.

Thank you for the opportunity to provide comments.

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
DBEDT DIRECTOR

DANE K. WICKER
DBEDT DEPUTY DIRECTOR



BRENNON T. MORIOKA
CHAIR, STADIUM AUTHORITY

CHRIS J. SADAYASU
INTERIM STADIUM MANAGER

An Agency of the State of Hawaii

Statement of
CHRIS J. SADAYASU
Interim Stadium Manager
Stadium Authority
Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

Thursday, February 13, 2025
1:01 PM
State Capitol, Conference Room 229

In consideration of
S.B. 1589
RELATING TO THE STADIUM DEVELOPMENT SPECIAL FUND

Chair DeCoite, Vice Chair Wakai and members of the Committee.

The Stadium Authority provides the following comments regarding Senate Bill 1589, which requires that conditions placed on appropriations to the Stadium Development Special Fund be met before expenditure. The Bill also subjects expenditure by the Stadium Authority of an appropriation out of the Stadium Development Special Fund on the completion of specific project readiness conditions.

Act 248, Session Laws of Hawaii 2022, appropriated \$350 million of general obligation bond funding (for the Capital Improvement Program (CIP)) and \$49.5 million of general funds for the New Aloha Stadium Entertainment District (NASED) project. While the general obligation bond funds are blanket encumbered and will fund the stadium development and operations agreement and master development agreement for the NASED project, the \$49.5 million in general funds has been deposited in the Stadium Development Special Fund and has been reserved for project consultant fees,

construction management services and contingency costs for the project. The Stadium Authority has been requesting the appropriate stadium development special fund ceiling to contract these expenditures.

To the extent this bill provides the Authority with the \$49.5 million budget ceiling appropriation, the Authority supports this action. With respect to the addition of conditions on the expenditure of such appropriations, our primary concern is that these conditions are unknown and unspecified at this time.

Thank you for this opportunity to testify.