

JAN 25 2017

A BILL FOR AN ACT

RELATING TO THE STADIUM AUTHORITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Chapter 109, Hawaii Revised Statutes, is
2 amended by adding three new sections to be appropriately
3 designated and to read as follows:

4 "§109-A Dedication for public facilities as condition to
5 development. The authority shall adopt rules requiring
6 dedication for public facilities of land or facilities, or cash
7 payments in lieu thereof, by developers as a condition of
8 developing real property pursuant to the stadium complex area
9 development plan. Where state and county public facilities
10 dedication laws, ordinances, or rules differ, the provision for
11 greater dedication shall prevail.

12 §109-B Authority; private attorneys. (a) The authority
13 may appoint or retain by contract one or more attorneys who are
14 independent of the attorney general to provide legal services
15 for the authority solely in cases of contract negotiations in
16 which the attorney general lacks sufficient expertise; provided

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1 that the independent attorneys shall consult and work in
2 conjunction with the designated deputy attorney general assigned
3 to the stadium authority.

4 (b) The authority may fix the compensation of the
5 attorneys appointed or retained pursuant to this section.

6 Attorneys appointed or retained by contract shall be exempt from
7 chapters 76, 78, and 88.

8 §109-C Assistance by state and county agencies. Any state
9 or county agency may render services upon request of the
10 authority."

11 SECTION 2. Section 28-8.3, Hawaii Revised Statutes, is
12 amended as follows:

13 (1) By amending subsection (a) to read as follows:

14 "(a) No department of the State other than the attorney
15 general may employ or retain any attorney, by contract or
16 otherwise, for the purpose of representing the State or the
17 department in any litigation, rendering legal counsel to the
18 department, or drafting legal documents for the department;
19 provided that the foregoing provision shall not apply to the
20 employment or retention of attorneys:

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- 1 (1) By the public utilities commission, the labor and
2 industrial relations appeals board, and the Hawaii
3 labor relations board;
- 4 (2) By any court or judicial or legislative office of the
5 State; provided that if the attorney general is
6 requested to provide representation to a court or
7 judicial office by the chief justice or the chief
8 justice's designee, or to a legislative office by the
9 speaker of the house of representatives and the
10 president of the senate jointly, and the attorney
11 general declines to provide [~~sueh~~] representation on
12 the grounds of conflict of interest, the attorney
13 general shall retain an attorney for the court,
14 judicial, or legislative office, subject to approval
15 by the court, judicial, or legislative office;
- 16 (3) By the legislative reference bureau;
- 17 (4) By any compilation commission that may be constituted
18 from time to time;
- 19 (5) By the real estate commission for any action involving
20 the real estate recovery fund;
- 21 (6) By the contractors license board for any action
22 involving the contractors recovery fund;

- 1 (7) By the office of Hawaiian affairs;
- 2 (8) By the department of commerce and consumer affairs for
- 3 the enforcement of violations of chapters 480 and
- 4 485A;
- 5 (9) As grand jury counsel;
- 6 (10) By the Hawaii health systems corporation, [~~or~~] its
- 7 regional system boards, or any of their facilities;
- 8 (11) By the auditor;
- 9 (12) By the office of ombudsman;
- 10 (13) By the insurance division;
- 11 (14) By the University of Hawaii;
- 12 (15) By the Kahoolawe island reserve commission;
- 13 (16) By the division of consumer advocacy;
- 14 (17) By the office of elections;
- 15 (18) By the campaign spending commission;
- 16 (19) By the Hawaii tourism authority[~~7~~] as provided in
- 17 section 201B-2.5;
- 18 (20) By the division of financial institutions for any
- 19 action involving the mortgage loan recovery fund;
- 20 (21) By the office of information practices; [~~or~~]
- 21 (22) By the stadium authority as provided in section 109-B;
- 22 or

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1 [~~(22)~~] (23) By a department, if the attorney general, for
2 reasons deemed by the attorney general to be good and
3 sufficient, declines to employ or retain an attorney
4 for a department; provided that the governor waives
5 the provision of this section."

6 (2) By amending subsection (c) to read as follows:

7 "(c) Every attorney employed by any department on a full-
8 time basis, except an attorney employed by the public utilities
9 commission, the labor and industrial relations appeals board,
10 the Hawaii labor relations board, the office of Hawaiian
11 affairs, the Hawaii health systems corporation or its regional
12 system boards, the department of commerce and consumer affairs
13 in prosecution of consumer complaints, insurance division, the
14 division of consumer advocacy, the University of Hawaii, the
15 Hawaii tourism authority as provided in section 201B-2.5, the
16 office of information practices, the stadium authority as
17 provided in section 109-B, or as grand jury counsel, shall be a
18 deputy attorney general."

19 SECTION 3. Section 109-2, Hawaii Revised Statutes, is
20 amended to read as follows:

21 "**§109-2 Stadium authority; powers and duties.** The powers
22 and duties of the stadium authority shall be as follows:

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- 1 (1) To maintain, operate, and manage the stadium and
2 related facilities;
- 3 (2) To prescribe and collect rents, fees, and charges for
4 the use or enjoyment of the stadium or any of its
5 facilities;
- 6 (3) To make and execute contracts and other instruments
7 necessary or convenient to exercise its powers under
8 this chapter and subject to any limitations in this
9 chapter, to exercise all powers necessary, incidental,
10 or convenient to carry out and effectuate the purposes
11 and provisions of this chapter;
- 12 (4) To adopt, amend, and repeal in accordance with chapter
13 91 rules it may deem necessary to effectuate this
14 chapter and in connection with its projects,
15 operations, and facilities;
- 16 (5) To appoint a manager and a deputy manager who shall
17 have qualifications as the authority deems necessary
18 and who shall hold their respective offices at the
19 pleasure of the authority. The manager and deputy
20 manager shall be exempt from the requirements of
21 chapters 76 and 89. Effective July 1, 2005, the
22 manager shall be paid a salary not to exceed eighty-

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1 seven per cent of the salary of the director of human
2 resources development. Effective July 1, 2005, the
3 deputy manager shall be paid a salary not to exceed
4 eighty-five per cent of the manager's salary. The
5 manager shall have full power to administer the
6 affairs of the stadium and related facilities, subject
7 to the direction and approval of the authority. The
8 manager shall, subject to the approval of the
9 authority, have power to appoint, suspend, and
10 discharge a secretary who shall be exempt from the
11 requirements of chapters 76 and 89, and other
12 employees, subordinates, and assistants as may be
13 necessary for the proper conduct of the business of
14 the authority. Except for persons hired on contract
15 or otherwise as provided in section 109-3 and except
16 for the manager, deputy manager, and secretary, all
17 appointments, suspensions, or discharges shall be made
18 in conformity with the applicable provisions of
19 chapter 76; [and]

- 20 (6) To plan, promote, and market the stadium and related
21 facilities[-];

- 1 (7) To prepare or cause to be prepared a stadium complex
2 area development plan for all designated stadium
3 complex areas;
- 4 (8) To acquire, reacquire, or contract to acquire or
5 reacquire by grant or purchase real, personal, or
6 mixed property or any interest therein; to own, hold,
7 clear, improve, and rehabilitate, and to sell, assign,
8 exchange, transfer, convey, lease, or otherwise
9 dispose of or encumber the same;
- 10 (9) To acquire or reacquire by condemnation real,
11 personal, or mixed property or any interest therein
12 for public facilities, including but not limited to
13 streets, sidewalks, parks, schools, and other public
14 improvements;
- 15 (10) By itself, or in partnership with qualified persons,
16 to acquire, reacquire, construct, reconstruct,
17 rehabilitate, improve, alter, or repair or provide for
18 the construction, reconstruction, improvement,
19 alteration, or repair of any project; own, hold, sell,
20 assign, transfer, convey, exchange, lease, or
21 otherwise dispose of or encumber any project, and in
22 the case of the sale of any project, accept a purchase

1 money mortgage in connection therewith; and repurchase
2 or otherwise acquire any project that the authority
3 has theretofore sold or otherwise conveyed,
4 transferred, or disposed of;

5 (11) To arrange or contract for the planning, replanning,
6 opening, grading, or closing of streets, roads,
7 roadways, alleys, or other places, or for the
8 furnishing of facilities or for the acquisition of
9 property or property rights or for the furnishing of
10 property or services in connection with a project;

11 (12) To grant options to purchase any project or to renew
12 any lease in connection with any of its projects, on
13 terms and conditions as it deems advisable;

14 (13) To prepare or cause to be prepared plans,
15 specifications, designs, and estimates of costs for
16 the construction, reconstruction, rehabilitation,
17 improvement, alteration, or repair of any project, and
18 from time to time to modify the plans, specifications,
19 designs, or estimates;

20 (14) To arrange or contract for a design-build integrated
21 approach to project delivery when the authority deems
22 it most advantageous to the State;

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Report Title:

Stadium Authority; Powers and Duties; Stadium Complex Area
Development

Description:

Expands the powers and duties of the stadium authority to
develop the stadium property and establish a stadium complex
area.

*The summary description of legislation appearing on this page is for informational purposes only and is
not legislation or evidence of legislative intent.*

JUSTIFICATION SHEET

DEPARTMENT: Office of the Lieutenant Governor

TITLE: A BILL FOR AN ACT RELATING TO THE STADIUM AUTHORITY.

PURPOSE: Expand the powers and duties of the Stadium Authority to develop the stadium property and establish a stadium complex area.

MEANS: Add three new sections to chapter 109, Hawaii Revised Statutes (HRS), and amend sections 28-8.3 and 109-2, HRS.

JUSTIFICATION: Recommendation by consultants is that the State seek opportunities to build a new 35,000- to 40,000-seat stadium as a smaller facility will better align with the community's needs. A new stadium that size could likely be built for between \$200 million and \$250 million, depending on amenities and other ancillary costs. Thus, reprogramming prior State Capital Improvement Program allocations and funds anticipated to be allocated by the State for anticipated Stadium Capital Improvement Schedule repairs could cover a significant portion of the cost of a new stadium. Further, by building a new, smaller stadium, the State would likely save between \$2.5 million and \$3.2 million annually in operating expenses alone. The total estimated annual operating cost of a new stadium, including recommended capital improvement reserve payments, would be approximately \$4.7 million to \$6.0 million per year (significantly less than the \$6.9 million per year currently spent on operating expenses alone).

Ancillary Development.

Stakeholders and consultants have suggested a number of ancillary development options

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for the Stadium Site to offset the cost of a new stadium, including a band shell/fairgrounds complex, restaurants, non-resort hotel, mixed use "Main Street" development running from HART Station to Stadium, additional sports facilities, cultural-related museum or development incorporating the Pearl Harbor monuments, a job center, corporate offices, health care facilities, a transportation hub adjacent to the proposed HART station, low income housing, and a data center or other technology-related development.

Impact on the public: None.

Impact on the department and other agencies:
None.

GENERAL FUND: None.
OTHER FUNDS: None.
PPBS PROGRAM
DESIGNATION: AGS889.
OTHER AFFECTED
AGENCIES: None.
EFFECTIVE DATE: Upon approval.