

SB-2074-SD-1

Submitted on: 2/23/2026 1:38:10 PM

Testimony for WAM on 2/25/2026 10:57:00 AM

Submitted By	Organization	Testifier Position	Testify
Beverley Brand	Individual	Oppose	Written Testimony Only

Comments:

Aloha Senators Dela Cruz and Moriwaki,

I strongly disagree with SB2074. Please do not advance this bill!.



TESTIMONY OF DAVE ERDMAN, PRESIDENT & CEO
RETAIL MERCHANTS OF HAWAII
FEBRUARY 17, 2026
IN SUPPORT OF SB 2074 SD 1 - RELATING TO STATE FACILITIES

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

My name is Dave Erdman, and I serve as Interim President and CEO of Retail Merchants of Hawai'i (RMH), a statewide nonprofit trade association representing retailers, shopping centers, restaurants in shopping centers and retail establishments, and allied businesses across the islands.

RMH supports SB 2074, S.D. 1.

This measure provides the Stadium Authority with the ability to lease naming rights and generate marketing and advertising revenue that will be deposited into the Stadium Development Special Fund. These are modern, standard revenue tools used by major stadium facilities across the country.

Naming rights agreements are foundational financial "instruments". In virtually every major sports market, naming partnerships provide long-term, predictable revenue streams that help offset public investment, support maintenance, and enhance overall facility sustainability.

A modern stadium is more than a venue. It is an economic driver that influences visitor arrivals, event recruitment, sponsorship ecosystems, and private-sector investment. Corporate naming partnerships signal market confidence and help position the facility as a premier destination for sports, entertainment, and large-scale events.

For RMH members, the broader economic impact is clear. Major events generate retail traffic, restaurant spending, hotel stays, transportation activity, and allied business engagement. Purpose-driven visitors attending sports and entertainment events are typically high-value consumers who spend across multiple sectors.

Providing the Stadium Authority with the ability to leverage naming rights strengthens the long-term financial model of the facility while supporting Hawai'i's retail and visitor economy.

SB 2074, S.D. 1 aligns Hawai'i with national best practices and gives the Stadium Authority the tools necessary to operate competitively in today's sports and entertainment marketplace.

Mahalo for the opportunity to testify in support.

Respectfully submitted,
Dave Erdman
Interim President & CEO
Retail Merchants of Hawai'i



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

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

JAMES KUNANE TOKIOKA
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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, February 25, 2026
10:57 AM
State Capitol, Conference Room 211

In consideration of
SB2074, SD1
RELATING TO STATE FACILITIES

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The Department of Business, Economic Development and Tourism (DBEDT) supports SB2074, SD1, which allows the naming rights of the Stadium Facility to be leased to any public or private entity, requires any revenues derived from advertising or marketing in/on the Stadium Facility to be deposited into the Stadium Development Special Fund, authorizes the display of the name of any entity that leased the naming rights to a stadium operated by the Stadium Authority on the exterior of the stadium, and exempts concessions within the Stadium Facility from Chapter 102, HRS.

DBEDT is supportive of creating additional revenue opportunities for the stadium, so long as it is with authorization of the Stadium Authority and is within the guardrails outlined in the measure. In addition to providing revenue that could contribute to a higher-quality facility, thoughtfully designed marketing can also positively contribute to the branding of the events and the overall entertainment experience for attendees. The increased flexibility could also provide opportunities for public service announcements, community messaging and promotion of upcoming events.

Thank you for the opportunity to support this measure.



Cade Watanabe, Financial Secretary-Treasurer

Gemma G. Weinstein, President

Eric W. Gill, Senior Vice-President

February 24, 2026

Senate Committee on Ways and Means
Sen. Donovan Dela Cruz, Chair
Sen. Sharon Moriwaki, Vice Chair

Testimony in Opposition to SB 2074

Chair Dela Cruz, Vice Chair Moriwaki, and Committee Members:

UNITE HERE Local 5 represents 10,000 working people in the hotel, food service and health care industries across Hawaii.

We strongly oppose the sections of this bill which would exempt concessions at the stadium from competitive bidding. There is no reason for these concessions to be added to the long and ever-growing list of things exempt from competitive bidding. Without competitive bidding, the process of awarding concessions contracts is opaque. It will be unclear which companies are made aware of which opportunities. It will be unclear what standards are demanded of potential contractors. It will be unclear when contracts are being discussed or awarded. It will be unclear who is negotiating contracts and what connections they may have to potential contractors. It will be unclear what deals the State has negotiated until after contracts are signed, and only to the extent public records are made available.

Competitive bidding exemptions make the system vulnerable to corruption.

We ask that you remove Section 1 of the bill, and the proposed language in part §109-__(a) from SB 2074.

Thank you.

February 24, 2026

The Honorable Donovan M. Dela Cruz, Chair
The Honorable Sharon Y. Moriwaki, Vice Chair
and Members of the Committee on Ways and Means

Subject: Testimony: SB2074, SD1 Relating to State Facilities
Hearing: February 25, 2026, at 10:57 AM, Conference Room 211

Dear Chair Dela Cruz, Vice Chair Moriwaki and Committee Members:

Stanford Carr Development **supports with a proposed amendment** SB2074, SD1 which would allow the naming rights of the Stadium Facility and Convention Center Facility to be leased to public or private entities, with all resulting revenues deposited into the appropriate special fund of each facility.

However, pursuant to its ongoing efforts to redevelop a new Aloha Stadium and a surrounding entertainment district, the Stadium Authority has entered into an agreement with Aloha Halawa District Parters, LLC for the demolition of the existing Aloha Stadium, and subsequent/on-going design, construction, operation, and management of the New Aloha Stadium. In order to fund the continued operation and maintenance of the New Aloha Stadium after completion and to avoid the deferred maintenance which led to the existing stadium's structural condemnation, the Stadium Authority's agreement with AHDP diverts all revenues derived from the Stadium to AHDP. We therefore suggest that Section 2 of SB2074, SD1 be further amended **to allow for naming rights, marketing and advertising revenues to be deposited into the operator's capital improvement fund** rather than the stadium development special fund.

SB2074, SD1 represents a responsible, market-based approach to maximizing the value of public assets while ensuring that proceeds directly benefit the facilities themselves. Naming rights are a proven way to reduce reliance on taxpayer funding while supporting ongoing operations, maintenance, and capital improvements. Importantly, unlike the convention center, which was financed with tax-exempt bonds, the Stadium will be financed with taxable bonds and therefore selling naming rights will not present any risk of triggering private business use violations.

Across the United States, naming rights agreements generate significant and predictable revenue. For example, Citi Field, home of the New York Mets, reportedly generates nearly \$20 million annually through a long-term naming rights agreement, demonstrating the revenue potential of major venues. More recently, retail and national brands have entered similar agreements beyond traditional sports franchises, such as Philadelphia's Xfinity Mobile Arena.

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By authorizing naming rights, the State can unlock new non-tax revenue streams, enhance the long-term financial sustainability of these facilities, and reduce future pressure on public funds—all while maintaining public ownership and oversight.

For these reasons, Stanford Carr Development respectfully urges the Committee to further amend SB2074, SD1 as suggested.

Thank you for the opportunity to provide testimony.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stanford S. Carr', written in a cursive style.

Stanford S. Carr

Josh Green, M.D.
Governor

Sylvia Luke
Lt. Governor

James Kunane Tokioka
DBEDT Director

Dane K. Wicker
DBEDT Deputy Director

Walter Thoemmes
Stadium Authority Chair

Michael R. Yadao
Stadium Authority Executive Director



Statement of
MICHAEL R. YADAO
Stadium Authority
Department of Business, Economic Development, and Tourism
before the

SENATE COMMITTEE ON WAYS AND MEANS

Wednesday, February 25, 2026
10:57 AM
State Capitol, Conference Room 211

In consideration of
S.B. 2074, SD1
RELATING TO STATE FACILITIES.

Chair Dela Cruz, Vice Chair Moriwaki and members of the Committee.

The Stadium Authority supports Senate Bill 2074, SD1 which allows the naming rights of any state-owned facility to be leased to any public or private entity. The ability to lease naming rights to the new Aloha Stadium will provide the Stadium Authority and/or Aloha Halawa District Partners, the entity the Stadium Authority intends to contract to operate and maintain the new Aloha Stadium, another revenue source to manage and operate the stadium. The Stadium Authority also recognizes that the Legislature has already provided a portion of the funding necessary to develop a globally competitive sports and entertainment facility and has consistently emphasized that the broader Stadium District should be realized through parallel residential and commercial development that strengthens long-term economic activity and supports the stadium's sustainability. Naming rights are a standard revenue tool that can help reduce ongoing reliance on public support while the Stadium District is built out. While it is my understanding the Stadium Authority currently has the authority to lease the naming rights to its stadium pursuant to HRS Section 109-2 Subsection (4), this bill specifically states such ability for state-owned facilities.

In addition, the Legislature has asked the Stadium Authority to explore other funding options and revenue strategies to finance the project and sustain long-term operations and maintenance of the Stadium District. Allowing naming rights is a widely used approach across major venues nationwide and is one practical option to help generate predictable, contract-based revenue.

By way of market context, venue naming-rights agreements commonly generate multi-million dollars annually, with value driven by venue profile, event volume, media exposure, and surrounding district activity. For example, SoFi Stadium has been reported at more than \$30 million per year over a long-term term, and the former Staples Center naming rights agreement rebranded as Crypto.com Arena has been reported at \$700 million over 20 years (about \$35 million per year). More typical NFL venue naming-rights agreements can fall in the single-digit millions per year. For example, Reuters reported a recent NFL stadium naming-rights agreement at over \$8 million annually. Across U.S. sports more broadly, one recent compilation reported an average naming-rights value of about \$7.4 million per year, while noting that a relatively small number of very large agreements account for a significant share of total value.

Furthermore, this bill requires any revenues derived from advertising or marketing in or on any state-owned facility to be deposited into the appropriate special fund of the state agency that owns the facility. HRS Section 109 3.5 established the stadium development special fund in which such revenues will be deposited. Any naming-rights revenue would ultimately support stadium operations and maintenance, either through deposit to the Stadium Development Special Fund as contemplated by statute, and/or through the stadium development and operations agreement structure under which the operator applies those receipts to O&M responsibilities.

Thank you for the opportunity to testify.



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February 24, 2026

RE: SB2074 SD1 RELATING TO STATE FACILITIES: COMPLETE OPPOSITION

Aloha Chair Dela Cruz and Members of the WAM Committee,

SB2074 SD1 is presented as a revenue measure. It is not. It is a structural policy shift affecting procurement law, outdoor advertising law, public finance exposure, and the commercialization of civic identity. This bill would mark a significant departure from a century of Hawai'i's laws and policy.

The Outdoor Circle stands in complete opposition to SB2074 SD1.

I. Structural Concerns Remain

When similar legislation was considered last year under SB583, the Attorney General warned that bundling naming rights with concessions exemptions, advertising authority, and special fund provisions risked violating the constitutional single-subject requirement.

SB2074 SD1 follows the same structure.

Although the Convention Center provisions were removed, the bill still:

- Creates and restructures a Chapter 102 procurement exemption for stadium concessions;
- Expands statutory advertising and marketing authority;
- Amends Hawai'i's outdoor advertising law (HRS §445-112) to authorize exterior corporate naming display;
- Redirects revenues into the Stadium Development Special Fund;
- Establishes a July 1, 2050 effective date to "encourage further discussion."

This is not a narrow naming bill. It spans multiple statutory domains. These structural concerns were among the issues cited in the Governor's veto of SB583.

II. SB2074 SD1 Acknowledges Financial Exposure But Does Not Remove It

Senate committees removed Convention Center naming-rights authority after Budget & Finance and HTA warned that such arrangements could trigger "private business use" concerns under federal tax law, potentially jeopardizing tax-exempt bond status.

That acknowledgment is significant. It confirms that naming-rights commercialization can implicate federal financing constraints and bond compliance.

While the Convention Center was removed, the broader caution remains. Stadium facilities are likewise embedded in complex financing structures, and the Stadium Development Special Fund statute references revenue bonds. Revenue that introduces legal or financing risk is not simple revenue. It is exposure.

These risks were central to the SB2074 House companion's (HB1609) deferral of a companion bill this year.

If naming-rights commercialization introduces even the perception of federal private-use exposure, bond counsel scrutiny, or downstream compliance risk, the financial consequences would extend beyond a single facility.

The committees' decision to remove the Convention Center reflects recognition of that risk. This committee should apply the same prudence here.

Both the Attorney General and the Department of Budget and Finance have raised fundamental concerns in substantially similar legislation. The structural and fiscal issues underlying those concerns remain present here.

III. Exterior Corporate Display Is a Major Policy Shift

SB2074 SD1 amends HRS §445-112 to allow an outdoor advertising device on the exterior of a state-operated stadium, limited to the "name" of the naming-rights lessee.

That is a statutory carve-out to Hawai'i's longstanding outdoor advertising framework.

Hawai'i's outdoor advertising statute, HRS §445-112, provides:

"No person shall erect, maintain, or use a billboard or any other outdoor advertising device."

Creating facility-specific exceptions weakens the very principle that has allowed Hawai'i's advertising restrictions to withstand legal challenge for nearly a century.

The "name-only" limitation is not a meaningful visual safeguard. The statute does not regulate scale, placement, color, illumination, repetition, or façade dominance. A corporate wordmark functions as branding even without a graphic logo.

Exterior corporate naming is advertising. It is purchased for brand exposure. Hawai'i has protected its public spaces for a century from this type of advertising. SB2074 SD1 would create a statutory exception to that long-settled policy.

IV. A Deliberate Civic Choice

In the early twentieth century, Hawai'i's landscapes were covered with commercial signage. After sustained public advocacy, the Territorial Legislature codified strict prohibitions on this type of outdoor advertising.

That restraint helped define our civic identity and economic distinctiveness.

Hawai'i made a conscious choice: the public visual environment would not be commercial inventory.

Hawai'i's ban on offsite advertising is among the strictest in the United States and has been repeatedly upheld in court. This bill risks legal challenges and may weaken the State's ability to defend its longstanding precedent.

In 1906, civic planning expert Charles Mulford Robinson was invited to advise Honolulu's future development. His counsel was direct: Hawai'i's strength would lie in preserving its own identity, not imitating mainland cities.

"Do not dream of what other cities may have done... develop your own individuality, be Hawaiian."

Hawai'i did more than decline to copy mainland billboard corridors — we dismantled them. We reversed that trajectory and codified restraint into law.

That restraint was not aesthetic nostalgia. It was long-term economic strategy.

Hawai'i's brand — and therefore our visitor economy, property values, and global reputation — is built on the absence of commercial visual clutter common in many mainland urban areas. Our distinctiveness is not accidental. It is deliberate, protected policy.

Invoking SoFi Stadium or Crypto.com Arena overlooks that Hawai'i competes economically by being different, not by replicating mainland models.

V. Precedent Is Not Containable

Once corporate naming is normalized for state infrastructure, there is no principled boundary left to defend.

If the Stadium may lease naming rights through statutory exception, other public assets would follow — state parks, trails, and additional public facilities. Each would be defended as consistent with this bill and would cite it as precedent. Each would narrow the space between public infrastructure and private branding.

VI. Public Oversight and Irreversibility

Regardless of projected revenue, SB2074 SD1 creates a statutory exception to Hawai'i's outdoor advertising framework and formalizes commercialization of a public facility's exterior identity.

The bill contains no meaningful statutory guardrails governing visual dominance, duration, or permanence. Once an exception is enacted in statute, it becomes precedent for future expansions.

Hawai'i's outdoor advertising laws have endured for nearly a century because they are applied consistently. Creating exceptions — even limited ones — weakens that consistency and shifts long-settled public policy.

For these reasons, the Outdoor Circle maintains its complete opposition.

VII. Identity Is Not Inventory

Public facilities belong to the people. Their names are part of our shared civic identity.

When naming rights are leased, the State is not simply raising funds. It is transferring the public-facing identity of a civic institution to a private brand.

Names attached to state assets, such as "Hawai'i" and "Aloha" are not surplus assets. They are expressions of place and culture, and they do not belong to the market.

VIII. Public Opposition to Weakening Our Signage Laws Is Consistent and Enduring

Public opposition to weakening Hawai'i's anti-billboard framework has been overwhelming and sustained across sessions.

As recently as 2024, public polling in the Honolulu Star Advertiser reflected 83% opposition to weakening Hawai'i's billboard protections when a similar bill was introduced.

During consideration of recent similar naming-rights legislation, public testimony in large numbers was overwhelmingly against such measures.

This sustained opposition reflects a durable civic value.

IX. A Trust We Must Keep

In 1927, Hawai'i formally prohibited billboards and reclaimed its public landscape.

For nearly a century, that restraint has endured.

SB2074 SD1 moves in the opposite direction.

The question before us is not whether revenue is useful. It is whether civic identity is transferable, and whether fiscal risk should be introduced to achieve it.

History will not remember the projected revenue figure. It will remember whether we protected what we inherited.

For these reasons, **The Outdoor Circle respectfully urges you to defer SB2074 SD1.**

Mahalo nui loa for your consideration of this testimony,



Winston Welch
Executive Director