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March 23, 2009

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CHIEF CLERK
CAROL TANIGUCHI

Mrs. Marcia Klompus
801 S. King Street, #2004
Honolulu, Hawaii 96813

Dear Mrs. Klompus,

Thank you for your March 3, 2008 responses to the EDT Committee questions posed to you as a Stadium Authority nominee (Governor's Message 290).

In conjunction with the EDT Committee's follow-up review of the Stadium Authority's actions regarding several pending issues, we would appreciate your written responses to the following additional questions by Friday, March 27, 2009:

1. Given the State of Hawaii's dramatically-reduced revenues during 2009 and beyond, what do you think the Stadium Authority board should do if new capital improvements to repair/renovate Aloha Stadium cannot be funded through state CIP appropriations? What steps do you think the Stadium Authority should take to seek new information upon which to make informed decisions about alternative solutions to Aloha Stadium?

Are you familiar with the 2005 Aloha Stadium Planning Study and its recommendations (Final Report 12-22-05)?

What are your views on the best ways to increase private sector investments in Aloha Stadium facilities and programs? With your experience in sports events production and promotion, do you think that the 2005 Planning Study was comprehensive enough in evaluating the range of public and private facilities that have utilized a variety of public-private investment strategies to tackle long-term operational and revenue-enhancement needs? What do you think is beneficial from the Study? What is missing from the Study?

2. What is your view on whether the existing operations of Aloha Stadium are using the best and most cost-effective combination of internal staff/contracted services?

In some jurisdictions, stadium facility management is contracted to an entity responsible for all marketing, operations and facility requirements. With respect to the Hawaii Convention Center, having one contractor - SMG - responsible for all services related to the marketing, operations and facilities development of the convention center has proven to be a successful management strategy.

Given the substantial facility upgrades needed for Aloha Stadium, it appears that the current mix of in-house staffing, State CIP appropriations for all facilities upgrades and limited use of contractors for swap meet management or Aloha Stadium marketing does not take full advantage of potential private sector investment or leveraged use of State assets.

What do you think is needed to thoroughly evaluate the best alternatives for the Stadium Authority board to take action?

3. During the 2008 legislative session, one of the measures proposed shifting the operations of the Aloha Stadium to the University of Hawaii. This proposal appears to be consistent with some of the analysis of the 2005 Aloha Stadium Planning Study, which compared Aloha Stadium's operations and future options for enhancement with public and private collegiate football stadiums/facilities in other locales.

What is your view regarding the viability of an Aloha Stadium operation focused more heavily on collegiate sports, and operated by the University of Hawaii?

4. What has been your role on the Stadium Authority board to resolve complaints by Aloha Stadium Swap Meet vendors and the Stadium Authority's contractor? Although the 2008 Stadium Authority minutes contain extensive discussion of the problems affecting Swap Meet operations, it is not clear that the problems between swap meet vendors and Centerplate have been resolved.
5. What steps has the Stadium Authority board taken to improve communications between the Authority, its user constituencies and the general public? Does the Authority publicize its meetings and provide opportunities for individuals to comment on board actions before decisions are made?

Thank you for your service on the Stadium Authority board, and your written response to the questions listed above. Please contact me at 586-6890 if you have additional questions.

Sincerely,



Senator Carol Fukunaga, Chair
Economic Development and Technology Committee

MAR 27 2009
3:52 p



Ms. Marcia Klompus
801 S. King St. Apt. 2004
Honolulu, HI 96813

March 27, 2009

Senator Carol Fukunaga, Chair

Economic Development and Technology Committee

This correspondence is in response to your letter of March 23, 2009, concerning questions regarding my appointment to the Stadium Authority Board.

Please find my answers below:

1. The repairs to the Stadium are imperative for the safety of the citizens of Hawai'i and our visitors. It is clear there is erosion that needs to be addressed/repared quickly or we will be in danger of not being able to host any events within the stadium. Regardless of whether the Legislature decides to build a new facility with public or private funds, it will take years to complete and would not remove the need for these repairs. As a member of the authority, I would work to accomplish whatever decisions are made for the future of the stadium and continue to serve the people of Hawaii.

The 2005 Aloha Stadium Planning Study was presented to the entire board at a monthly meeting by the engineering and architectural companies to apprise us of the repair projects needed, and the cost of proceeding with the refurbishing of the existing stadium based on this document dated 12/22/05. The "Executive Summary" contained information regarding repairs needed and options for "Stadium Enhancements" if the stadium was permanently fixed in football configuration, along with approximate costs and timelines for construction of a new stadium as of that date. There was no mention of public-private financing within this report. The study was completed as it related to refurbishing.

2. My reply to this question incorporates several points from question #1. We currently put in place a new stadium advertising contractor who is the process of selling signage inside and outside of the stadium. The contractor who won the bid, is a national company recognized as a leader in sports advertising and marketing of stadiums, as well as involved with major universities and major league franchises across the country. They, at our request, have opened a local office which is run by a gentleman from Hawai'i, who the Board has met and spoken with as well as one who is familiar with our existing events and present/future needs at Aloha Stadium. This company is also making improvements in the stadium appearance which will create a tremendous ambiance for all who attend events there. Our Board created this

opportunity and creatively worked together to get this accomplished. Bringing on a new company with new ideas and with an outreach into the other 49 states, is intended to attract more business and awareness to Aloha Stadium.

The Stadium staff currently in place is performing their daily tasks admirably. The Board worked diligently to hire a new manager who is knowledgeable, fiscally responsible and courteous to those renting and attending events at Aloha Stadium. He has put together an effective team that proves daily they are as qualified and diligent as any mainland "marketing" company. Personally, I have worked with many other companies and staffs over the years in the day to day operations of events and stadiums and have seen them all in action. Scott Chan's management team maintains a day to day professional business style. They are a great reflection on our state. I see no need to hire an outside contractor, as my experience tells me we have our own "in-house contractors" already in place.

The Stadium Authority diligently works on new alternative suggestions and ideas. We would welcome the legislature's approval to seek private funding, an opportunity to sell a name change for the stadium, to sell individual sponsors for different positions inside and outside of the stadium and initiate construction enhancements that could be sold off to private companies.

3. In a hearing last year, the University of Hawai'i Chancellor Virginia Hinshaw stated on the record that UH would welcome the Aloha Stadium coming under their direction, but not until it is completely repaired, as they do not have the funds for this undertaking. Therefore, I didn't think it was still an option until the stadium repairs are 100% completed.

Hosting new events at the Stadium are always uppermost on the Authority's list of "to do's" and I am always working with people I know on the mainland to look into accomplishing this goal.

4. The Authority hired Centerplate to oversee the operations of the Swap Meet. From the monthly reports we receive from them, and by interacting with the vendors individually at their meetings and at our meetings, I find that Centerplate and our stadium management team have operations for food and beverage well in hand. There have been good "business/marketing" changes made to improve the Swap Meet/Marketplace. When we had a large meeting with the Vendors, we all learned that the few who complain are the "few who complain" often, while the others are taking their businesses in new directions and finding success with the assistance of the Centerplate staff and our stadium management team. With all due respect to previous Board's, our team feels we have established an environment for open and candid discussion. Transparency has been our hallmark.

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5. The communications between the "Authority and its user constituencies and general public" has never been better. As required, all of our meetings and agendas are posted six days prior to our meetings. Moreover, all of our communications are posted on our much improved and interactive web site. All of our general meeting minutes upon approval, are posted. We invite all members of the public to address us at any of our meetings and to email or call us at any time if they need assistance. If requested prior to the six day rule for agenda's to be posted, their subject matter to discuss is added to that months agenda. We are a very open and inclusive board.

Mahalo for this opportunity to respond to your inquiry of March 23, 2009. I am available to add additional points of interest if you have the time.

With aloha,



Marcia Klompus

Cc: Senator Roz Baker, Senator Sam Slom, Senator Clayton Hee, Senator David Ige, Senate President