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March 4, 2008

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Press Release

DON'T GIVE ALOHA STADIUM TO UH

In Opposition to SCR 1022 HB 2429 HD 2 – RECREATION

Honolulu - This measure will transfer the operations of Aloha Stadium to the University of Hawaii. The existing Stadium Authority will be kaput. A new Stadium Corporation will take its place. The Stadium, come July 1, will be administratively-attached to the University and will be "run like a business".

Aloha Stadium may indeed do better under new leadership. Revenues could increase. Behind the leadership of banker Tony Guerrero, UH football could move into the "big time". I commend these business leaders who want to help UH football and other athletic programs.

But, is there a hitch? Aloha Stadium needs *fixing*, and it needs it bad. I hear that our beloved "rust bucket" venue will require \$120 – 150 million to improve its health and safety. The members of the new corporation are asking us legislators to pay for these repairs, and then they will take it from there.

The corporation can make further improvements by issuing general obligation and revenue bonds. They can also "sell" the name of the stadium. They could build sky boxes and sell them to corporations and big time fans. They contend that they could do a better job of negotiating TV rights and marketing the place. And when all is said and done they might even turn excess revenues over to UH athletics. Sounds wonderful – if it works.

What if the Stadium doesn't make money? What if the UH football team suffers a slump and fans stay away? Will skyboxes continue to sell? Will national TV still be interested? If revenues fall or are lackluster, there will be no funds for UH athletics. The bills says, "the board of directors *may*...transfer...moneys...to the U of Hawaii and its intercollegiate programs. Who will get stuck with the revenue loss and/or CIP debt

service? If I were President McClain, I would be most concerned about the financial liability of this venture. The Stadium loses money now, and I fear, will also lose money in the future. Perhaps this is an unlikely scenario, but one that we, as legislators, should consider.

Let's take a step back and look at the big picture. What are our plans for the stadium? Do we fix it up for one or two decades? Do we eventually build a new stadium – at the present site - or somewhere else? Are we going to build a rail transit station near the present stadium? What will happen to attendance and the parking lot while a station and commercial areas are being built? Alas, I do not know these answers. But, don't you think the Legislature or UH or the public should know the plan before we turn the stadium over to a new entity?

HD 2 is an improved version of its previous manifestation. HD1 cut the Board of Regents and UH Administration out of the action. It ignored the Governor and Department of Budget and Finance to approach the Legislature directly to ask for money. HD 1 summarily dismissed union employees. It was an arrogant take away and an unforgivable give away. I need not remind my colleagues that past provisions can re-emerge in conference committee deliberations.

There is also the possibility that the Senate would adopt this version without amendment. In that case, absent a veto, the Stadium Corporation will take over July 1 – in just four months. I voted no on the chamber floor out of concern for the University, my alma mater and the alma mater of my four children. Are we considering all the intended and unintended consequences of this far reaching proposal? Are we not moving too fast? This institution is too important to our state to jeopardize its reputation or financial standing.

Should this measure be enacted, however, I would wish the Corporation great success and financial vindication. That would be good news to the football team and the Athletic Department, the entire University system with its thousands of administrators, faculty members, students and alumni.