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March 4, 2015

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Hon. Sylvia Luke
Chair, Committee on Finance
House of Representatives
State of Hawaii
415 South Beretania Street
Honolulu, Hawaii 96813

Re: HB No. 1329 HD1

Dear Representative Luke and Members of the Committee on Finance:

We write on behalf of Paradise Ohana Automotive Training & Education, LLC, Paradise Ohana Automotive Technologies, LLC, Paradise Ohana Automotive Discovery Center, LLC, and Paradise Ohana Automotive Motorsports Center, LLC (collectively the "Paradise Ohana Companies") who are the subject of HB No. 1329 HD1. The purpose of this bill is to authorize the issuance of special purpose revenue bonds for:

- (1) \$15,000,000 for the purpose of assisting Paradise Ohana Automotive Training & Education, LLC with the planning, design, and construction of an automotive training and education facility (Part I);
- (2) \$20,000,000 for the purpose of assisting Paradise Ohana Automotive Technologies, LLC with the planning, design, and construction of an industrial facility (Part II);
- (3) \$30,000,000 for the purpose of assisting Paradise Ohana Automotive Discovery Center, LLC with the development of an education facility (Part III); and
- (4) \$35,000,000 for the purpose of assisting Paradise Ohana Automotive Motorsports Center, LLC with plans and construction of a motorsports center (Part IV).

These four projects (the “Paradise Ohana Automotive Projects”) will be operated on the same property – a four hundred acre park in West Oahu or any other large acreage property in West Oahu – and will be fully integrated with and rely upon each other.

The Department of Attorney General submitted testimony on February 10, 2015, expressing concerns about HB No. 1329 HD1. In particular the Attorney General questioned whether the projects proposed fell under the scope of “industrial enterprises” under Article VII, Section 12 of the State Constitution.

Neither Hawaii Revised Statutes nor Hawaii Administrative Rule offer any guidance as to the definition of “industrial enterprise.” We agree that the natural or common definition applies.

It is commonplace that the term “industry” does not only narrowly mean the production of goods but also is used to describe a general area of business activity. Indeed, the Attorney General's cited definition of “industrial enterprise” from Webster’s Third New International Dictionary and Black’s Law Dictionary include the supply of services as well. Furthermore, the Random House Webster's College Dictionary (2000) defines industry as, among other things: “any general business activity: *the tourist industry*,” and “the aggregate of work, scholarship, and ancillary activity in a particular field, often named after its principal subject: *the Mozart industry*.” The Merriam Webster dictionary elaborates on the definition of industry to include, “a distinct group of productive or profit-making enterprises [such as] the banking industry.” And, the Random House Webster's College Dictionary (2000) defines “industrial park” as “an industrial complex, typically in a suburban area and set in parklike surroundings.”

We believe an industrial enterprise may be broadly construed to include components of the motorsports industry, under which the four Paradise Ohana Automotive Projects may be classified. For example, the motorsports industry is defined by the North American Industry Classification System (“NAICS”) as an **“U.S. industry compris[ing] establishments primarily engaged in operating racetracks”** and designated by NAICS code 711212. See United States Census Bureau, 2012 NAICS Definition 711212 Racetracks (available at [http://www.census.gov/cgi-bin/sssd/naics/naicsrch?code=711212 &search=2012 NAICS Search](http://www.census.gov/cgi-bin/sssd/naics/naicsrch?code=711212&search=2012%20NAICS%20Search)). The motorsports industry is commonly described as the range of engineering and service businesses that support the sporting discipline of motorsports. Thus, because the U.S. government designates motorsports as a U.S. industry, we believe that the Paradise Ohana Automotive Projects could reasonably be construed as an industrial enterprise under Article VII, Section 12 of the State Constitution.¹

¹ Other states and institutions refer to motorsports as an important economic industry. For example, a 2012 study titled “Race to the Future: the Statewide Impact of Motorsports in Indiana,” produced by Purdue University shows that Indiana's motorsports industry contributes more than 23,000 jobs for the state, and pays an average annual wage of nearly \$63,000, well above the \$39,700 state average. Furthermore, the motorsports industry is indirectly

We note the Attorney General's concern that IRC §144(a)(8)(B) expressly precludes the use of tax exempt bonds to finance a "racetrack." The Paradise Ohana Companies intend to build the racetrack itself using private funds. Based on the common definitions and conceptions of "industry" and the NAICS designation of automobile racetracks as an U.S. industry, it is also reasonable to conclude that the ancillary enterprises surrounding the racetrack that would contribute to the development of a motorsports industry – *i.e.*, the automotive training and education center (Part I), the technologies facility (Part II), the discovery center (Part III) and the motorsports center (Part IV) – also fall under the industrial enterprise umbrella of Article VII, Section 12 of the State Constitution.

The Attorney General also points out that the Paradise Ohana Automotive Projects described in HB No. 1329 HD1 may not qualify for an exemption from federal income tax on the interest on the bonds because none of the projects may qualify as an exempt facility within the meaning of IRC §142 (a). The Paradise Ohana Companies also acknowledge that interest on bonds proposed to finance the Paradise Ohana Automotive Projects may exceed the small issue limitation for industrial development projects contained in IRC §103, and therefore interest on these bonds would not qualify for exemption from federal income tax.

We note that federal tax exemption is not a prerequisite for issuance of bonds under HRS §39A-124.5, which provides: "Nothing in this part shall be deemed to prohibit the issuance of special purpose revenue bonds, the interest on which may be included in gross income for federal income tax purposes."

Thank you for the opportunity to present our opinions in support of HB No. 1329 HD1.

Very truly yours,

Alston Hunt Floyd & Ing



William W.L. Yuen
Melissa M. Uhl

responsible for approximately 421,000 jobs. Indianapolis is known as the "Racing Capital of the World."

TESTIMONY FROM PARADISE OHANA CENTERS LLC
RODNEY Y. SATO, MANAGING MEMBER
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 1329

March 5, 2015
Thursday
2:00 p.m.
Room 308

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR ASSISTING AN INDUSTRIAL ENTERPRISE.

Thank you very much for scheduling this hearing and giving us an opportunity to present testimony.

H.B. 1328 was introduced along with H.B. 1329 to assist in the financing and development of a motor sports industry here in Honolulu, Hawaii.

H.B. 1328 requires Department of Business, Economic Development, And Tourism to study and analyze the feasibility of establishing a motor sports center in Hawaii, including but not limited to location, cost of land acquisition, costs of construction and development, projected revenues, and means of financing. Requires a report to the legislature.

H.B. 1329 is authorizes the issuance of special purpose revenue bonds for not-for-profit corporations that provide industrial enterprises.

We are very thankful to State Senator Maile Shimabukuro and House Speaker Joseph Souki for introducing these bills in the Senate and the House.

Hawaii needs a motor sports center.

HB1329 authorizes four (4) special purpose revenue bonds totaling \$100mil. \$30mil. for an Automotive Discovery Center, \$20mil. for an Automotive Technologies Center, \$15mil. for an Automotive Training & Learning Center and \$35mil. for a Motorsports Center. Like type businesses would cluster around these centers and have synergy and critical mass to launch a Motorsports industry here in Hawaii.

Stand alone projects like the Honolulu Stadium, Hawaii Convention Center, University of Hawaii John A. Burns School of Medicine, Cancer Research Center, Deep Barber's Point Deep Draft Harbor cannot be successful if like type business are not clustered around these anchor

entities. The anchor entity is as important as the like type business. They need to be clustered to be economically & financially successful.

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There are many great examples of motor sports centers and motor sports industry in the U.S.A and other parts of the world. Attached is a copy of the items as follows:

1. Motors Sports Centers State Legislature Summary Of Bills
1-page
2. Motorsports Talking Points
2-pages
3. Motorsports Economic Impact
2-pages

We strongly support H.B. 1329.

PARADISE OHANA MOTOR SPORTS CENTERS
Hawaii Not For Profit Corporations
SUMMARY OF HAWAII STATE LEGISLATURE BILLS
as of 02/04/15 8:00 a.m.

NO.	BILLS	AUTHORIZATION	AMOUNT
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<p>HB 1328 01/29/15 Introduced and Passed First Reading 02/02/15 Referred to EDB, TRN, FIN, referral sheet 6 02/03/15 Bill scheduled to be heard by EDB on Friday, 02-06-15 9:30AM in the House conference room 312. 02/06/15 The committees on EDB recommend that the measure be PASSED, UNAMENDED. The votes were as follows: 9 Ayes: Kawakami, Kong, Brower, Cachola, Choy, Ohno, Onishi, Tsuji, Ward; Ayes with reservations: none; 0 Noes: none; and 4 Excused: Ito, Tokioka, Woodson, Matsumoto.</p> <p>SB1274 01/29/15 Introduced 01/29/15 Passed First Reading 01/29/15 Referred to EDT, WAM</p>			
2.	HB 3129/SB1275	Authorizing the issuance of special purpose revenue bonds to assist industrial enterprises.	\$100mil.
<p>Section 12: \$30mil. SPRB Paradise Ohana Automotive Discovery Center.</p> <p>Section 7: \$20mil. SPRB Paradise Ohana Automotive Technologies Center.</p> <p>Section 2: \$15mil. SPRB Paradise Ohana Automotive Training & Education Center.</p> <p>Section 17: \$35mil. SPRB Paradise Ohana Motorsports Center.</p> <p>HB 1329 01/29/15 Introduced and Passed First Reading 02/02/15 Referred to EDB, TRN, FIN, referral sheet 6 02/06/15 Bill scheduled to be heard by EDB on Tuesday, 02-10-15 9:00AM in House conference room 312.</p> <p>SB1275 01/29/15 Introduced 01/29/15 Passed First Reading 01/29/15 Referred to EDT, WAM</p>			

Motorsports Talking Points

- **Motorsports is among the most watched sports worldwide**
 - Global fanbase both locally, nationally, and internationally
 - Annual physical attendance at US events estimated at 15 million people
 - Fastest growing spectator sport in the United States
 - F1 Viewership ratings on par with Olympics and Soccer World Cup (30 million)
- **Motorsports is an economically important statewide cluster**
 - Involves both racing and non-racing firms
 - Includes firms that specialize in engineering, advanced manufacturing, transportation, education and logistics
 - Large source of statewide employment
 - Promotes education and training
- **Motorsports would enhance many positive attributes of our state**
 - Increase our national and international image resulting in increased tourism and revenue
 - Attract human capital and foreign investment and drive local economic expansion
 - Engender national and international market relationships through positive imports and exports
- **Local economic impact is immense**
 - Facilities can generate massive amounts of annual incomes and jobs
 - Example: Phoenix International Raceway generates approximately \$475 million annually and over 5,000 jobs.
 - Example: Indiana motorsports industry directly employs 23,000 people and generates \$3 billion to the state annually while providing 421,000 jobs indirectly
 - Strong spending in nearby localities for lodging, food, gas, miscellaneous supplies, tips, air fare, and medical expenses
 - Example: Summit Motorsports Park:
 - * Food, more than \$6.1 million
 - * Drinks, more than \$4.6 million
 - * Gas, more than \$6.4 million
 - * Miscellaneous supplies, more than \$5.1 million
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- * Other expenses such as airline, repairs, souvenirs and medical, more than \$5.4 million
 - Promotes existing workforce mobilization while providing new avenues for job creation such as construction and development
- **The motorsports industry is high tech, innovative, and attracts the same**
 - Attracts high tech firms, well-educated workers, and promotes constant innovation
 - Includes a wide range of high technology engineering and manufacturing firms as well as NAICSs
 - Includes firms that provide materials, parts and service firms that benefit from financial and technical interactions
- **Motorsports can foster new avenues of education and training while supporting current ones**
 - Students will support existing educational courses
 - Examples: 3D and computer aided design, marketing, accounting, logistics, business management, engineering, programming, marketing
 - Local community colleges and universities can develop technology and business related programs to support the industry
- **Motorsports is a community based industry**
 - Racing promotes family and community concepts
 - Fosters safety and education amongst our youth
 - Provides opportunity for self-improvement

MOTORSPORTS ECONOMIC IMPACT

The following is a sample of economic impact studies from various industry partners and from racing facilities.

This summary does not reflect the overall economic impact of the industry or the industry's significant contributions to local and state income, sales, property and other taxes.

Alabama

Talladega Superspeedway

Talladega Superspeedway generates a \$407 million economic impact and nearly 8,000 jobs for the state each year. *Source: Washington Economics Group, June 2008.*

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"Project agreement" means any agreement entered into under this part by the department with a project party to finance, construct, operate, or maintain a project from the proceeds of special purpose revenue bonds, or to lend the proceeds of special purpose revenue bonds to assist an industrial enterprise, including without limitation any loan agreement.

"Project party" means a person, firm, or corporation qualified to do business in this State and conducting or proposing to conduct an industrial enterprise in this State.

"Special purpose revenue bonds" or "bonds" means bonds, notes, or other evidences of indebtedness of the State issued pursuant to this part. [L 1981, c 122, pt of §2; am L 1985, c 43, §1; am L 1999, c 105, §6]

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GEORGE "JUNIOR GRACE, III, MANAGING MEMBER
TO THE HOUSE COMMITTEE ON FINANCE
ON
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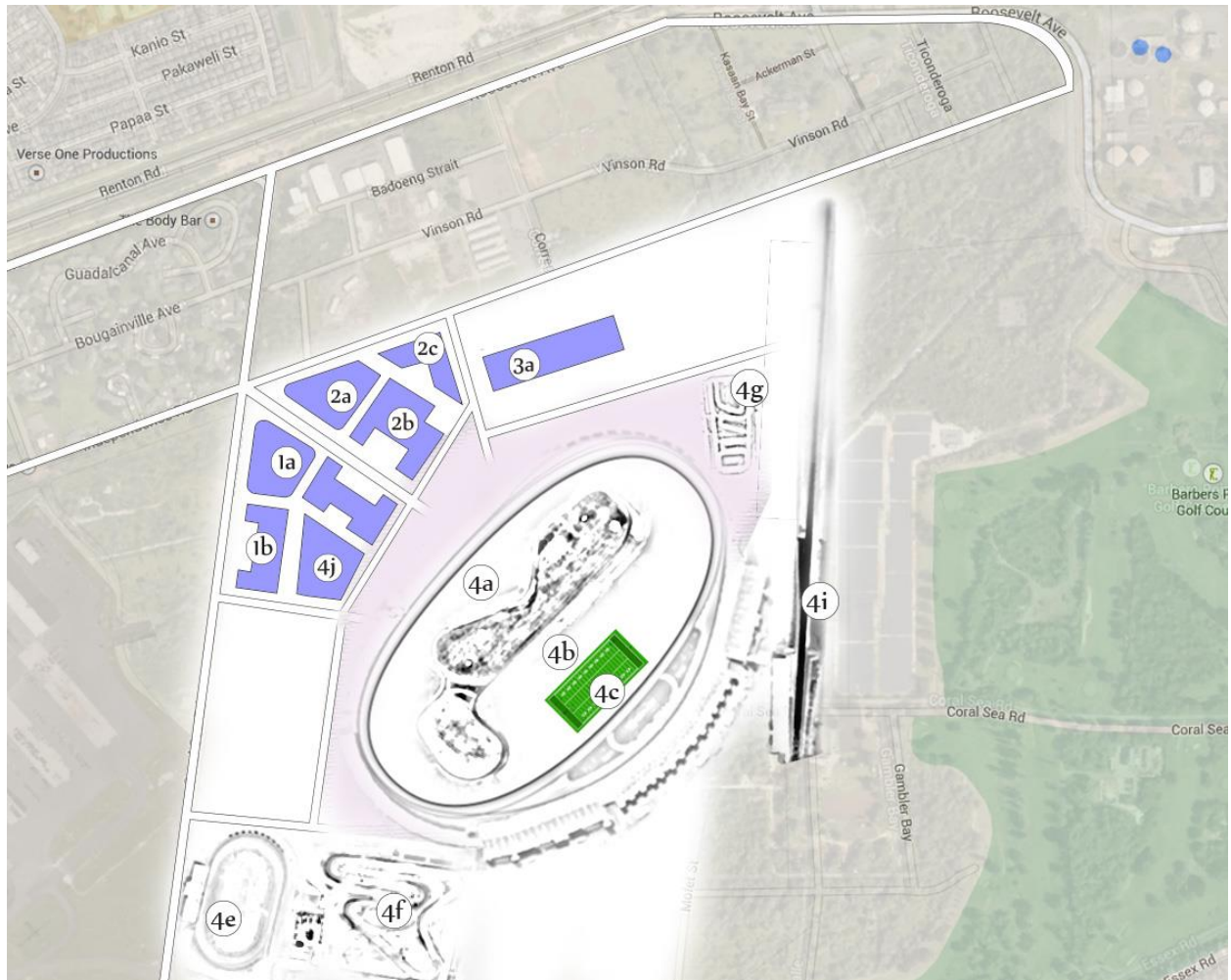
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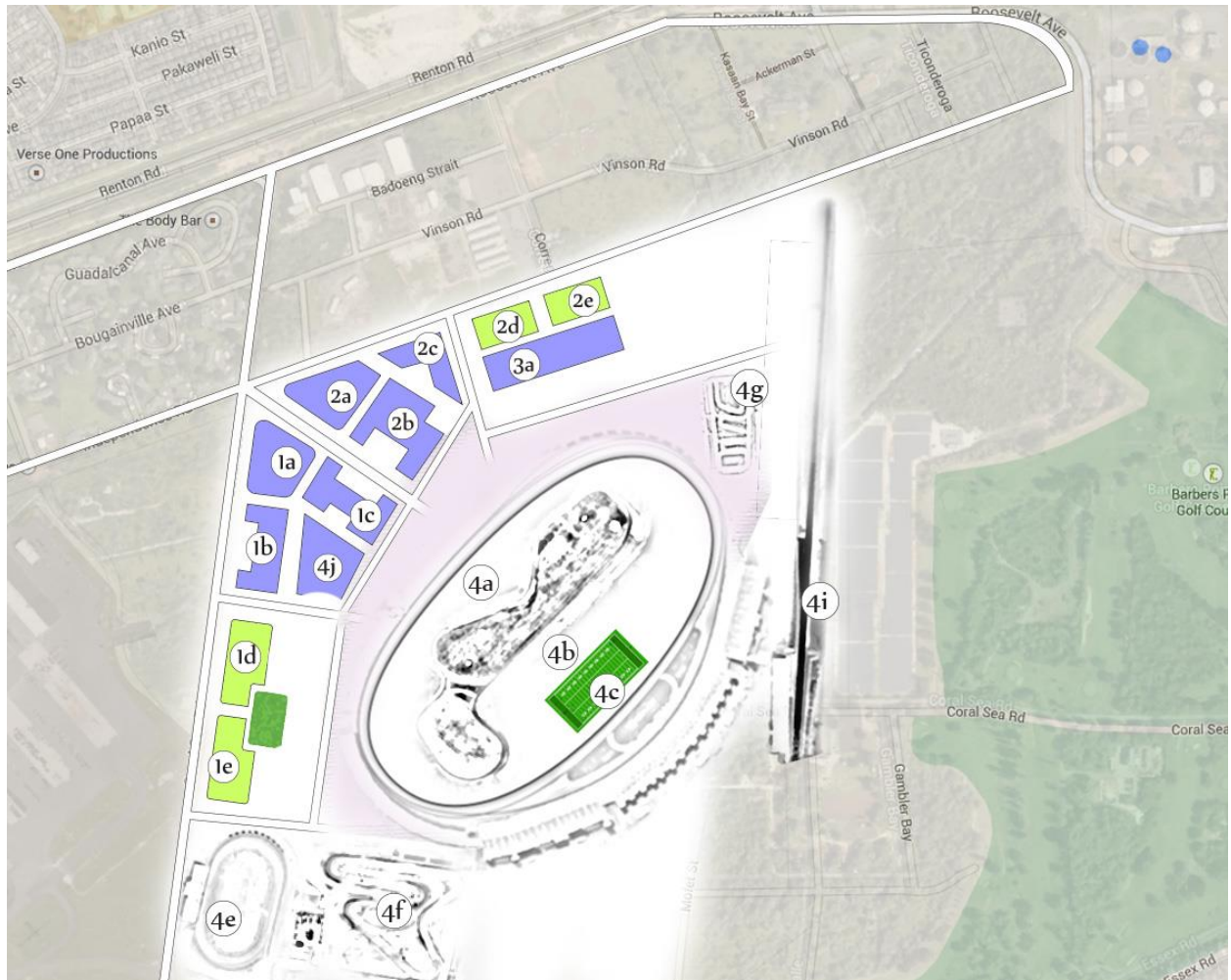
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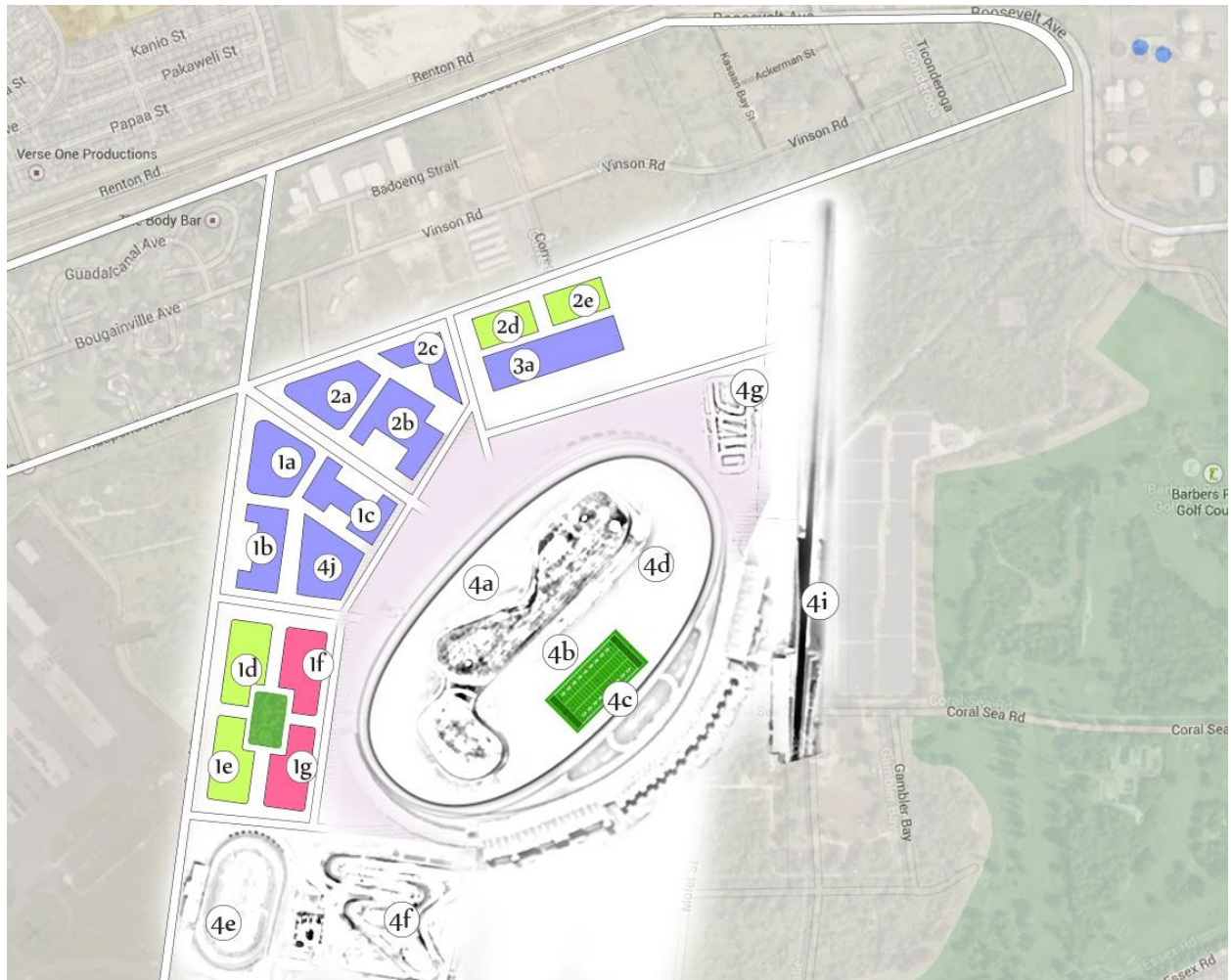
There are many great examples of motor sports centers and motor sports industry in the U.S.A and other parts of the world. Attached is a copy of the Master Plan that I prepared for Paradise Ohana MotorSports Center.

1. Paradise Ohana MotorSports Center Phase 1
1-page
2. Paradise Ohana MotorSports Center Phase 2
1-page
3. Paradise Ohana MotorSports Center Phase 3
1-page

We strongly support H.B. 1329.







TO: Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Committee on Finance

FROM: Jeanette Grace

BILL: H.B. 1329

DATE: March 5, 2015, Thursday 2:00 p.m. Room 308

RE: H.B. 1329 Relating To The Issuance Of Special Purpose Revenue Bonds For Assisting An Industrial Enterprise (Motor Sports Centers).

Good morning. My name is Sabrina Grace DeReis. I am a resident of Waianae.

Thank you very much for scheduling this hearing and giving us an opportunity to present testimony.

H.B. 1328 was introduced along with H.B. 1329 to assist in the financing and development of a motor sports industry here in Honolulu, Hawaii.

H.B. 1328 Requires Department of Business, Economic Development, And Tourism to study and analyze the feasibility of establishing a motor sports center in Hawaii, including but not limited to location, cost of land acquisition, costs of construction and development, projected revenues, and means of financing. Requires a report to the legislature.

H.B. 1329 is authorizes the issuance of special purpose revenue bonds for not-for-profit corporations that provide industrial enterprises.

We are very thankful to State Senator Maile Shimabukuro and House Speaker Joseph Souki for introducing these bills in the Senate and the House.

Hawaii needs a motor sports center.

HB1329 authorizes four (4) special purpose revenue bonds totaling \$100mil. \$30mil. for an Automotive Discovery Center, \$20mil. for an Automotive Technologies Center, \$15mil. for an Automotive Training & Learning Center and \$35mil. for a Motorsports Center. Like type businesses would cluster around these centers and have synergy and critical mass to launch a Motorsports industry here in Hawaii.

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There are many great examples of motor sports centers and motor sports industry in the U.S.A and other parts of the world. Attached is a copy of the items as follows:

1. Motors Sports Centers State Legislature Summary Of Bills
1-page
2. Motorsports Talking Points
2-pages
3. Motorsports Economic Impact
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We strongly support H.B. 1329.

PARADISE OHANA MOTOR SPORTS CENTERS
Hawaii Not For Profit Corporations
SUMMARY OF HAWAII STATE LEGISLATURE BILLS
as of 02/04/15 8:00 a.m.

NO.	BILLS	AUTHORIZATION	AMOUNT
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<p>HB 1328 01/29/15 Introduced and Passed First Reading 02/02/15 Referred to EDB, TRN, FIN, referral sheet 6 02/03/15 Bill scheduled to be heard by EDB on Friday, 02-06-15 9:30AM in the House conference room 312. 02/06/15 The committees on EDB recommend that the measure be PASSED, UNAMENDED. The votes were as follows: 9 Ayes: Kawakami, Kong, Brower, Cachola, Choy, Ohno, Onishi, Tsuji, Ward; Ayes with reservations: none; 0 Noes: none; and 4 Excused: Ito, Tokioka, Woodson, Matsumoto.</p> <p>SB1274 01/29/15 Introduced 01/29/15 Passed First Reading 01/29/15 Referred to EDT, WAM</p>			
2.	HB 3129/SB1275	Authorizing the issuance of special purpose revenue bonds to assist industrial enterprises.	\$100mil.
<p>Section 12: \$30mil. SPRB Paradise Ohana Automotive Discovery Center.</p> <p>Section 7: \$20mil. SPRB Paradise Ohana Automotive Technologies Center.</p> <p>Section 2: \$15mil. SPRB Paradise Ohana Automotive Training & Education Center.</p> <p>Section 17: \$35mil. SPRB Paradise Ohana Motorsports Center.</p> <p>HB 1329 01/29/15 Introduced and Passed First Reading 02/02/15 Referred to EDB, TRN, FIN, referral sheet 6 02/06/15 Bill scheduled to be heard by EDB on Tuesday, 02-10-15 9:00AM in House conference room 312.</p> <p>SB1275 01/29/15 Introduced 01/29/15 Passed First Reading 01/29/15 Referred to EDT, WAM</p>			

Motorsports Talking Points

- **Motorsports is among the most watched sports worldwide**
 - Global fanbase both locally, nationally, and internationally
 - Annual physical attendance at US events estimated at 15 million people
 - Fastest growing spectator sport in the United States
 - F1 Viewership ratings on par with Olympics and Soccer World Cup (30 million)
- **Motorsports is an economically important statewide cluster**
 - Involves both racing and non-racing firms
 - Includes firms that specialize in engineering, advanced manufacturing, transportation, education and logistics
 - Large source of statewide employment
 - Promotes education and training
- **Motorsports would enhance many positive attributes of our state**
 - Increase our national and international image resulting in increased tourism and revenue
 - Attract human capital and foreign investment and drive local economic expansion
 - Engender national and international market relationships through positive imports and exports
- **Local economic impact is immense**
 - Facilities can generate massive amounts of annual incomes and jobs
 - Example: Phoenix International Raceway generates approximately \$475 million annually and over 5,000 jobs.
 - Example: Indiana motorsports industry directly employs 23,000 people and generates \$3 billion to the state annually while providing 421,000 jobs indirectly
 - Strong spending in nearby localities for lodging, food, gas, miscellaneous supplies, tips, air fare, and medical expenses
 - Example: Summit Motorsports Park:
 - * Food, more than \$6.1 million
 - * Drinks, more than \$4.6 million
 - * Gas, more than \$6.4 million
 - * Miscellaneous supplies, more than \$5.1 million
 - * Tips, more than \$4 million

- * Other expenses such as airline, repairs, souvenirs and medical, more than \$5.4 million
 - Promotes existing workforce mobilization while providing new avenues for job creation such as construction and development
- **The motorsports industry is high tech, innovative, and attracts the same**
 - Attracts high tech firms, well-educated workers, and promotes constant innovation
 - Includes a wide range of high technology engineering and manufacturing firms as well as NAICSs
 - Includes firms that provide materials, parts and service firms that benefit from financial and technical interactions
- **Motorsports can foster new avenues of education and training while supporting current ones**
 - Students will support existing educational courses
 - Examples: 3D and computer aided design, marketing, accounting, logistics, business management, engineering, programming, marketing
 - Local community colleges and universities can develop technology and business related programs to support the industry
- **Motorsports is a community based industry**
 - Racing promotes family and community concepts
 - Fosters safety and education amongst our youth
 - Provides opportunity for self-improvement

MOTORSPORTS ECONOMIC IMPACT

The following is a sample of economic impact studies from various industry partners and from racing facilities.

This summary does not reflect the overall economic impact of the industry or the industry's significant contributions to local and state income, sales, property and other taxes.

Alabama

Talladega Superspeedway

Talladega Superspeedway generates a \$407 million economic impact and nearly 8,000 jobs for the state each year. *Source: Washington Economics Group, June 2008.*

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Phoenix International Raceway

Phoenix International Raceway generates approximately \$475 million annually and over 5,000 jobs. *Source: Arizona State University Study, November 2005.*

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Auto Club Speedway created 5,000 jobs in 2007 and the regional economic impact is estimated at \$210 million annually. *Source: Conventions, Sports & Leisure Report, August 2008.*

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Daytona International Speedway and Homestead-Miami Speedway

The two facilities generate an annual economic impact of over \$2.1 billion and over 35,000 permanent jobs in the State of Florida. *Source: Washington Economics Group, December 2007.*

Georgia

Atlanta Motor Speedway

Atlanta Motor Speedway contributes \$455 million annually to the Atlanta economy which is more than the combined total of all other sporting events in the city. *Source: Atlanta Journal-Constitution, March 11, 2004.*

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Overall economic impact is estimated at \$140 million annually and creates nearly 2,000 full-time equivalent jobs. *Source: Frost Motorsports, LLC, February, 2005.*

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Indianapolis Motor Speedway

Indianapolis Motor Speedway provides approximately \$727 million in annual economic impact for the local economy. *Source: September 2000 study by Dr. Mark Rosentraub of Indiana University – Purdue University at Indianapolis.*

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The total economic impact of the motorsports industry to the State of North Carolina is estimated at nearly \$6 billion and generates over 27,000 jobs for the local economy. *Source: Dr. John Cannaughton, Dr. Ronald A. Madsen at UNC Charlotte, January 2006.*

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Pocono Raceway

Pocono Raceway generates more than \$363 million for the State's economy. *Source: Pocono Raceway and Buhart Horn, Inc/BASCO Associates, 2006.*

Virginia

Martinsville Speedway and Richmond International Speedway

The two facilities generate an annual economic impact of \$637 million and over 10,000 jobs in the State of Virginia. *Source: Washington Economics Group, March 2009.*

TO: Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Committee on Finance

FROM: Polly A.K. "Granny" Grace

BILL: H.B. 1329

DATE: March 5, 2015, Thursday 2:00 p.m. Room 308

RE: H.B. 1329 Relating To The Issuance Of Special Purpose Revenue Bonds For Assisting An Industrial Enterprise (Motor Sports Centers).

Good morning. My name is Polly A.K. "Granny" Grace. I am a long time resident of Waianae.

Thank you very much for scheduling this hearing and giving us an opportunity to present testimony.

H.B. 1328 was introduced along with H.B. 1329 to assist in the financing and development of a motor sports industry here in Honolulu, Hawaii.

H.B. 1328 Requires Department of Business, Economic Development, And Tourism to study and analyze the feasibility of establishing a motor sports center in Hawaii, including but not limited to location, cost of land acquisition, costs of construction and development, projected revenues, and means of financing. Requires a report to the legislature.

H.B. 1329 is authorizes the issuance of special purpose revenue bonds for not-for-profit corporations that provide industrial enterprises.

We are very thankful to State Senator Maile Shimabukuro and House Speaker Joseph Souki for introducing these bills in the Senate and the House.

Hawaii needs a motor sports center.

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There are many great examples of motor sports centers and motor sports industry in the U.S.A and other parts of the world.

We strongly support H.B. 1329.

TO: Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair
Committee on Finance

FROM: Michael J. Kitchens

BILL: H.B. 1329

DATE: March 5, 2015, Thursday 2:00 p.m. Room 308

RE: H.B. 1329 Relating To The Issuance Of Special Purpose Revenue Bonds For Assisting An Industrial Enterprise (Motor Sports Centers).

Good morning. My name is Michael J. Kitchens. I am a resident of West Oahu.

Thank you very much for scheduling this hearing and giving us an opportunity to present testimony.

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1-page
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PARADISE OHANA MOTOR SPORTS CENTERS
Hawaii Not For Profit Corporations
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as of 02/04/15 8:00 a.m.

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FROM: Jeanette Grace

BILL: H.B. 1329

DATE: March 5, 2015, Thursday 2:00 p.m. Room 308

RE: H.B. 1329 Relating To The Issuance Of Special Purpose Revenue Bonds For Assisting An Industrial Enterprise (Motor Sports Centers).

Good morning. My name is Jeanette Grace. I am a resident of Kapolei.

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<p>HB 1328 01/29/15 Introduced and Passed First Reading 02/02/15 Referred to EDB, TRN, FIN, referral sheet 6 02/03/15 Bill scheduled to be heard by EDB on Friday, 02-06-15 9:30AM in the House conference room 312. 02/06/15 The committees on EDB recommend that the measure be PASSED, UNAMENDED. The votes were as follows: 9 Ayes: Kawakami, Kong, Brower, Cachola, Choy, Ohno, Onishi, Tsuji, Ward; Ayes with reservations: none; 0 Noes: none; and 4 Excused: Ito, Tokioka, Woodson, Matsumoto.</p> <p>SB1274 01/29/15 Introduced 01/29/15 Passed First Reading 01/29/15 Referred to EDT, WAM</p>			
2.	HB 3129/SB1275	Authorizing the issuance of special purpose revenue bonds to assist industrial enterprises.	\$100mil.
<p>Section 12: \$30mil. SPRB Paradise Ohana Automotive Discovery Center.</p> <p>Section 7: \$20mil. SPRB Paradise Ohana Automotive Technologies Center.</p> <p>Section 2: \$15mil. SPRB Paradise Ohana Automotive Training & Education Center.</p> <p>Section 17: \$35mil. SPRB Paradise Ohana Motorsports Center.</p> <p>HB 1329 01/29/15 Introduced and Passed First Reading 02/02/15 Referred to EDB, TRN, FIN, referral sheet 6 02/06/15 Bill scheduled to be heard by EDB on Tuesday, 02-10-15 9:00AM in House conference room 312.</p> <p>SB1275 01/29/15 Introduced 01/29/15 Passed First Reading 01/29/15 Referred to EDT, WAM</p>			

Motorsports Talking Points

- **Motorsports is among the most watched sports worldwide**
 - Global fanbase both locally, nationally, and internationally
 - Annual physical attendance at US events estimated at 15 million people
 - Fastest growing spectator sport in the United States
 - F1 Viewership ratings on par with Olympics and Soccer World Cup (30 million)
- **Motorsports is an economically important statewide cluster**
 - Involves both racing and non-racing firms
 - Includes firms that specialize in engineering, advanced manufacturing, transportation, education and logistics
 - Large source of statewide employment
 - Promotes education and training
- **Motorsports would enhance many positive attributes of our state**
 - Increase our national and international image resulting in increased tourism and revenue
 - Attract human capital and foreign investment and drive local economic expansion
 - Engender national and international market relationships through positive imports and exports
- **Local economic impact is immense**
 - Facilities can generate massive amounts of annual incomes and jobs
 - Example: Phoenix International Raceway generates approximately \$475 million annually and over 5,000 jobs.
 - Example: Indiana motorsports industry directly employs 23,000 people and generates \$3 billion to the state annually while providing 421,000 jobs indirectly
 - Strong spending in nearby localities for lodging, food, gas, miscellaneous supplies, tips, air fare, and medical expenses
 - Example: Summit Motorsports Park:
 - * Food, more than \$6.1 million
 - * Drinks, more than \$4.6 million
 - * Gas, more than \$6.4 million
 - * Miscellaneous supplies, more than \$5.1 million
 - * Tips, more than \$4 million

- * Other expenses such as airline, repairs, souvenirs and medical, more than \$5.4 million
 - Promotes existing workforce mobilization while providing new avenues for job creation such as construction and development
- **The motorsports industry is high tech, innovative, and attracts the same**
 - Attracts high tech firms, well-educated workers, and promotes constant innovation
 - Includes a wide range of high technology engineering and manufacturing firms as well as NAICSs
 - Includes firms that provide materials, parts and service firms that benefit from financial and technical interactions
- **Motorsports can foster new avenues of education and training while supporting current ones**
 - Students will support existing educational courses
 - Examples: 3D and computer aided design, marketing, accounting, logistics, business management, engineering, programming, marketing
 - Local community colleges and universities can develop technology and business related programs to support the industry
- **Motorsports is a community based industry**
 - Racing promotes family and community concepts
 - Fosters safety and education amongst our youth
 - Provides opportunity for self-improvement

MOTORSPORTS ECONOMIC IMPACT

The following is a sample of economic impact studies from various industry partners and from racing facilities.

This summary does not reflect the overall economic impact of the industry or the industry's significant contributions to local and state income, sales, property and other taxes.

Alabama

Talladega Superspeedway

Talladega Superspeedway generates a \$407 million economic impact and nearly 8,000 jobs for the state each year. *Source: Washington Economics Group, June 2008.*

Arizona

Phoenix International Raceway

Phoenix International Raceway generates approximately \$475 million annually and over 5,000 jobs. *Source: Arizona State University Study, November 2005.*

California

Auto Club Speedway

Auto Club Speedway created 5,000 jobs in 2007 and the regional economic impact is estimated at \$210 million annually. *Source: Conventions, Sports & Leisure Report, August 2008.*

Florida

Daytona International Speedway and Homestead-Miami Speedway

The two facilities generate an annual economic impact of over \$2.1 billion and over 35,000 permanent jobs in the State of Florida. *Source: Washington Economics Group, December 2007.*

Georgia

Atlanta Motor Speedway

Atlanta Motor Speedway contributes \$455 million annually to the Atlanta economy which is more than the combined total of all other sporting events in the city. *Source: Atlanta Journal-Constitution, March 11, 2004.*

Illinois

Chicagoland Speedway and Route 66 Raceway

Overall economic impact is estimated at \$140 million annually and creates nearly 2,000 full-time equivalent jobs. *Source: Frost Motorsports, LLC, February, 2005.*

Indiana

Indianapolis Motor Speedway

Indianapolis Motor Speedway provides approximately \$727 million in annual economic impact for the local economy. *Source: September 2000 study by Dr. Mark Rosentraub of Indiana University – Purdue University at Indianapolis.*

Kansas

Kansas Speedway

Kansas Speedway generates approximately \$243 million for the local economy annually and over 5,000 jobs. *Source: Washington Economics Group, August 2008.*

Michigan

Michigan International Speedway

Michigan International Speedway creates more than \$400 million in economic impact and over 6,000 jobs for the State of Michigan. *Source: Hillsdale Policy Group, Ltd., May 2007.*

Nevada

Las Vegas Motor Speedway

The Speedway generates approximately \$200 million in annual economic impact. *Source: Scene Daily, LVCA study 2006.*

North Carolina

The total economic impact of the motorsports industry to the State of North Carolina is estimated at nearly \$6 billion and generates over 27,000 jobs for the local economy. *Source: Dr. John Cannaughton, Dr. Ronald A. Madsen at UNC Charlotte, January 2006.*

Pennsylvania

Pocono Raceway

Pocono Raceway generates more than \$363 million for the State's economy. *Source: Pocono Raceway and Buhart Horn, Inc/BASCO Associates, 2006.*

Virginia

Martinsville Speedway and Richmond International Speedway

The two facilities generate an annual economic impact of \$637 million and over 10,000 jobs in the State of Virginia. *Source: Washington Economics Group, March 2009.*

finance1-Kim

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 05, 2015 2:04 PM
To: FINTestimony
Cc: rodneysato@cs.com
Subject: *Submitted testimony for HB1329 on Mar 5, 2015 14:00PM*

HB1329

Submitted on: 3/5/2015

Testimony for FIN on Mar 5, 2015 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
George Bungi Grace IV	Kalaeloa Raceway Park	Support	Yes

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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