

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the House Committee on
WATER, LAND AND OCEAN RESOURCES**

**April 01, 2011
10:30 AM**

State Capitol, Conference Room 325

**In consideration of
HOUSE CONCURRENT RESOLUTION 100/HOUSE RESOLUTION 91
REQUESTING THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY TO
REPORT TO THE LEGISLATURE ON THE FEASIBILITY OF CONSTRUCTING A
MOTORSPORTS CENTER ON THE ISLAND OF OAHU**

House Concurrent Resolution 100/House Resolution 91 requests the Hawaii Community Development Authority ("HCDA") to report to the Legislature on the feasibility of constructing a motorsports center on the island of Oahu, and that HCDA specifically consider the former ewa feedlot site for such a facility. The Department of Land and Natural Resources ("Department") offers the following background information and comments.

1. The Department does not object to HCDA considering the feasibility of a motorsports center on lands at Kalaeloa under HCDA's jurisdiction, but objects to HCDA considering the feedlot parcel. The feedlot parcel is under the Department's jurisdiction and is already encumbered.
2. The feedlot parcel is encumbered by a development agreement between the Department and a renewable energy developer dated November 24, 2010. The development agreement provides for the development of a renewable energy park that would include different renewable energy facilities, e.g., solar, biomass, and wind facilities, under a ground lease to be issued by the Department. The developer was selected pursuant to a Request for Proposals ("RFP") issued by the Department on November 8, 2009.
3. The Department is responsible for managing approximately 1.3 million acres of public lands comprised of sensitive natural, cultural and recreational resources. The Department's responsibilities include managing and maintaining the State's coastal lands and waters, water resources, conservation and forestry lands, historical sites, small boat

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

harbors, parks, and recreational facilities; performing public safety duties (e.g., flood and rockfall prevention); issuing and managing leases of public lands (agriculture, pasture, commercial, industrial, and resort leases); maintaining unencumbered public lands; and enforcing the Department's rules/regulations.

To properly perform these fiduciary duties, the Board of Land and Natural Resources ("Board") determined the Department should utilize a portion of the lands it manages to generate revenues to support the Department's operations and management of public lands/programs. This is especially critical at this time due to the current condition of the State's economy. The feedlot parcel is one of the parcels identified by the Department (and supported by the Board) as a revenue producing asset. In furtherance of the Department's effort to generate revenues from these "revenue generating assets", the Board authorized the issuance of an RFP to select a developer/lessee for the feedlot parcel.

4. The RFP was open to all potential developers/lessees, including potential motorsports operators. The Department received applications/proposals from two entities proposing to construct and operate a motorsports facility. The RFP evaluation committee, however, determined that neither of the applicants possessed the necessary experience, expertise and financial resources to implement their proposals.
5. The feedlot property was not purchased by the State with the expectation that it would be an eventual replacement for Hawaii Raceway Park. Instead, the feedlot was acquired because of the planned shutdown of the then-existing feedlot operations on the site and the State's desire to assist the local beef industry. The State acquired the site to allow the feedlot operations to continue until the cattle industry could relocate the operations.

The Department appreciates the opportunity to provide these comments.

har3 - Megan

From: JEANETTE GRACE [jeanette@kalaeloaracewaypark.com]
Sent: Thursday, March 31, 2011 11:59 AM
To: WLOtestimony
Subject: Testimony HCR100/HR 91

Importance: High

Aloha,

My name is George Grace, the owner and developer of Kalaeloa Raceway Park. We, at Kalaeloa Raceway Park, would like to support HCR No. 100/HR 91, requesting the Hawaii Community Development Authority to report to the legislature on the feasibility of constructing a motorsports center on the Island of Oahu. However, we have some major concerns with it.

- It is unrealistic due to the current economic situation of our State. The State is in no financial condition to do a study or to start constructing a race track on the Island of Oahu.
- The location that is mentioned in the resolution, the feedlot, would be very costly because of the past use of the land and it's close proximity to the ocean.
- Any such resolution, that involves studies or construction of a motorsports facility should involve all motorsport venues.
- Nowhere in the current state of the resolution does it mention "non-asphalt" venues, such as a dirt oval track, off-road rally, mud and sand drags.
- HCDA has never been interested in solving the need for a race track on the Island of Oahu and have not been supportive of our race track in Kalaeloa, which they are currently trying to close.

We feel that, instead of wasting time and money to determine whether it would be feasible to build a race track, perhaps the State should encourage HCDA, DLNR and the City to provide land to build the race track and to create a public/private partnership to construct it for all race venues.

If the State is looking for a revenue generating source through a motorsports facility, it would have to be constructed to attract tourism and mainland venues. And then it would be too costly for the local racers to use and enjoy. A good example is the Hawaii Convention Center. Beautiful, cost a lot to build, run and maintain and yet not affordable for the locals to enjoy.

We, at Kalaeloa Raceway Park, humbly request that this resolution be broken down and looked at very carefully and identify all the backers of this resolution and the motives of their selfish demeanor in which it is driven.

At this current time, where much needed programs are being cut for children & senior citizens, furlough days and State taxes going up, it would be very unprofessional and disrespectful to back a resolution such as this one as it is stated.

Mahalo for your time & consideration.

Mahalo,

George Grace

Date: March 31, 2011

To: Jerry L. Chang
Chair for the Water, Land and Ocean Resources Committee

From: Gerald Ing
7280 Mokuone Street
Honolulu, HI 96825

Subject: Motorsports Facility on the Island of Oahu

Dear Representative Chang and Members of the Water, Land and Ocean Resources Committee,

I am 61 years old, born and raised on Oahu, and an avid Drag racer for 44 years.

I believe that Oahu desperately needs to have a safe and legal place for all motor sports enthusiasts, both young and old. The young drivers need to understand that racing belongs on the racetrack and not on the streets. The old timers have invested huge amounts of money into their racing vehicles, only to sit in garages collecting dust. I have invested well over \$30,000 into my racecar and I know of many others who have invested well over \$100,000 in theirs.

I also believe that a Motorsports Facility would benefit the state's economy by generating increased tax revenue from entry fees, event ticket sales, gasoline/racing fuel, food vendors, racing car parts, and services that are related to racing. Automotive businesses such as machine shops, transmission rebuilding, racing parts sales, racing equipment installation shops, welding, painting, tire shops, etc. would see an steady increase in business. This would create new jobs opportunities and possibly necessitate acquiring larger shop space to meet the increased demand for parts and services. Construction jobs would be created to build the new track and other miscellaneous jobs would be created to run and manage the track itself.

I would urge you to pass HR 91 on to the full House for consideration.

Sincerely Yours,
Gerald Ing

Testimony from Cathy Siu
Committee on Water, Land & Ocean Resources
April 1, 2011, 10:30am
HCR100/HR91

REQUESTING THE HAWAII COMMUNITY DEVELOPEMENT AUTHORITY TO
REPORT TO THE LEGISLATURE ON THE FEASILIBITY OF CONSTRUCTING A
MOTORSPORTS CENTER ON THE ISLAND OF OAHU

Committee requests 4 copies (including an original) to Room 438 in the State Capitol

I am writing to you in support of the above resolution.

We are the most heavily populated island in this State and the only island without an asphalt motorsports center/track.

I believe that by continuing with this study you will find that a motorsports complex will create jobs in the construction and the running of the center. Businesses that specialize in performance parts and repairs will benefit and create jobs. It will also bring in money from racers fees, spectators entrance fees, and of course taxes paid in numerous areas. Races can be organized to bring in racers and spectators from the mainland bringing in more tourism and spending.

The track could be used by HPD, driving schools, numerous other organizations for training, driving and safety education.

The people in the racing community on Oahu have been without a track for a long time. Some racers have even gone as far as to move to the mainland in order to pursue their passion. There are many families here that would love to have a track to spend their weekends with other motorsports enthusiasts doing what they love to do.

Please support this effort to complete a feasibility study.

har3 - Megan

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, March 31, 2011 3:30 PM
To: WLOtestimony
Cc: RSOUZA001@hawaii.rr.com
Subject: Testimony for HR91 on 4/1/2011 10:30:00 AM

Testimony for WLO 4/1/2011 10:30:00 AM HR91

Conference room: 325
Testifier position: support
Testifier will be present: No
Submitted by: Robert Souza
Organization:
Address:
Phone:
E-mail: RSOUZA001@hawaii.rr.com
Submitted on: 3/31/2011

Comments:
I support the measure.