



Senate Committee on Ways and Means
State Capitol, Room 207
Honolulu, HI 96813

January 19, 2016

ATTN: GIA

RE: Chapter 42F Grant Application of the Maui Motorsports and Entertainment
Group, Inc (dba PARADISE SPEEDWAY MAUI)

Please find attached our application for the Chapter 42F grant money to be reviewed for the 2017 fiscal year.

The Maui Motorsports and Entertainment Group, Inc., a Hawaii Domestic Nonprofit Corporation, has operated a stock car circle track racing venue on the island of Maui since 2003. Our objectives in applying for grant monies from the State of Hawaii at this time are (1) to upgrade our outdated safety barriers and catch fence, and (2) installing portable light towers with shielded lights for sea birds, in order to provide a safe facility for spectators and racers alike.

Thank you for the opportunity to apply and we appreciate your attention to this application. If you have any questions, please feel free to contact me at (808)281-0364 or paradisepedwaymaui@hotmail.com.

Mahalo,

Tim Nav, President

[REDACTED] Group, Inc.

1. Application
2. DCCA – State of Hawaii – Letter of Good Standing
3. IRS – Determination Letter Non-Profit 501 (c)(4) and Articles of Incorporation

House District _____

Senate District _____

THE TWENTY-EIGHTH LEGISLATURE
APPLICATION FOR GRANTS
CHAPTER 42F, HAWAII REVISED STATUTES

Log No:

For Legislature's Use Only

Type of Grant Request:

GRANT REQUEST -- OPERATING

GRANT REQUEST -- CAPITAL

"Grant" means an award of state funds by the legislature, by an appropriation to a specified recipient, to support the activities of the recipient and permit the community to benefit from those activities.

"Recipient" means any organization or person receiving a grant.

STATE DEPARTMENT OR AGENCY RELATED TO THIS REQUEST (LEAVE BLANK IF UNKNOWN):

LNR

STATE PROGRAM I.D. NO. (LEAVE BLANK IF UNKNOWN): LNR - 806

1. APPLICANT INFORMATION:

Legal Name of Requesting Organization: Maui Motorsports and Entertainment Group, Inc.
Db/Trade Name: PARADISE SPEEDWAY MAUI
Street Address: Maui Motorsports Park
Mokulele Hwy, Puunene 96793
TMK: (2)3-08-008
Mailing Address: P.O. Box 1440
Kiihei, HI 96753

2. CONTACT PERSON FOR MATTERS INVOLVING THIS APPLICATION:

Name: Tim Nay
Title: President
Phone: 808-281-0364
Fax #: 808-879-7820
E-mail: paradisepedwaymaui@hotmail.com

3. TYPE OF BUSINESS ENTITY:

- NON PROFIT CORPORATION INCORPORATED IN HAWAII
- FOR PROFIT CORPORATION INCORPORATED IN HAWAII
- LIMITED LIABILITY COMPANY
- SOLE PROPRIETORSHIP/INDIVIDUAL
- OTHER

6. DESCRIPTIVE TITLE OF APPLICANT'S REQUEST:

Capital Improvements Funds for safety barriers and lighting.

4. FEDERAL TAX ID #: [REDACTED]

5. STATE TAX ID #: Not applicable

7. AMOUNT OF STATE FUNDS REQUESTED:

FISCAL YEAR 2017: \$ 782,000.00

8. STATUS OF SERVICE DESCRIBED IN THIS REQUEST:

- NEW SERVICE (PRESENTLY DOES NOT EXIST)
- EXISTING SERVICE (PRESENTLY IN OPERATION)

SPECIFY THE AMOUNT BY SOURCES OF FUNDS AVAILABLE AT THE TIME OF THIS REQUEST:

STATE \$ _____
FEDERAL \$ _____
COUNTY \$ _____
PRIVATE/OTHER \$ _____

Tim Nay, President

1/19/2016

NAME & TITLE

DATE SIGNED



RECEIVED

1/22/16 [Signature]

Application for Grants

I. Background and Summary

The Maui Motorsports and Entertainment Group, Inc. have been serving the community on the island of Maui since 2003 in offering recreational and sporting events for families and stock car drivers. Comprised of an eight member Board of Directors, the organization utilizes from the County of Maui a 14 acre plot of land in the Maui Motorsports Park located in central Maui. The monthly events are attended by spectators and racers from Kauai, Oahu, Maui, and the island of Hawaii. The Directors, as well as the members, volunteer their services in the upkeep of the acreage and running of the events. There is a general membership of 84 people. The monthly event spectator turnout has numbered as high as 1000 people. Since there is no circle track for stock car racers on the Island of Oahu, our track provides a racing venue for the three teams who ship their vehicles to participate in our monthly events. Also, two racing teams from the island of Hawaii ship their vehicles to Maui to participate. There are twenty-eight drivers who register each month for our races. Our objectives in applying for State of Hawaii grant monies are to upgrade our outdated guard rail and fencing in order to provide a safe zone between the track and the spectators; and secondly, to build portable light towers to better light the track and spectator area for the night events since there is no electrical service in the Maui Motorsports Park.

II. Service Summary and Outcomes

The scope of work that will be attached to these grant monies is to improve our circle track facility in the Maui Motorsports Park, which we have secured from the County of Maui. We are challenged each year with the upkeep of the 14 acre scrub piece of land that has no access to water, electricity, or toilet facilities and is bordered by HC&S cane fields. This infrastructure is provided by us out of our monthly operating funds. With the growth in spectator turnout over the past ten years, the insurance requirements placed on our organization by the County of Maui and insurance underwriters have stipulated that current safety guardrails, fencing, and lighting be upgraded to meet with their specifications. The projected timeline for accomplishing these results is a twelve month deadline. Upon request, quality assurance and evaluation will be provided by the President of the organization on a quarterly basis. It is for these reasons that we are seeing the grant money to complete this project in fiscal year 2017.

III. Financial

The annual budget for this grant project for the circle track operated by the Maui Motorsports and Entertainment Group, Inc. for the total amount of \$782,000.00 is listed per quarter as follows:

**Refer to Budget Justification – Capital Project Details – page 8*

<u>Quarter 1</u>	<u>Quarter 2</u>	<u>Quarter 3</u>	<u>Quarter 4</u>	<u>Total Grant</u>
10,000	682,000	00	0	782,000
Planning & Design	Construction & Equipment			

(Financial – continued)

The objective of the project is that the necessary funds come from the grant money within the first two quarters so that all materials can be purchased and that suppliers, haulers, fuel, and heavy equipment contractors can be paid upon completion of the project under a six month timeline. The applicant does not have any other sources of funding for fiscal year 2017. Also, the applicant has not within the past three years, or will it be receiving any federal, state, and county government contracts and grants pertaining to program funding. There are no unrestricted current assets as of December 31, 2015.

IV. Experience and Capability

The Maui Motorsports and Entertainment Group, Inc. has the following persons on the board of directors with the necessary skills and experience to coordinate, train, evaluate and oversee a project of this magnitude: a business owner with twenty years experience in running a business in Hawaii; a manager with ten years experience; one State of Hawaii licensed heavy equipment operator with twelve years experience with Goodfellow Brothers; and a skilled construction worker who has operated the construction equipment on the circle track in building and grooming it for the past ten years. An ariel view of the circle track facility located in the Maui Motorsports Park is attached.

V. Proposed Personnel / Staffing

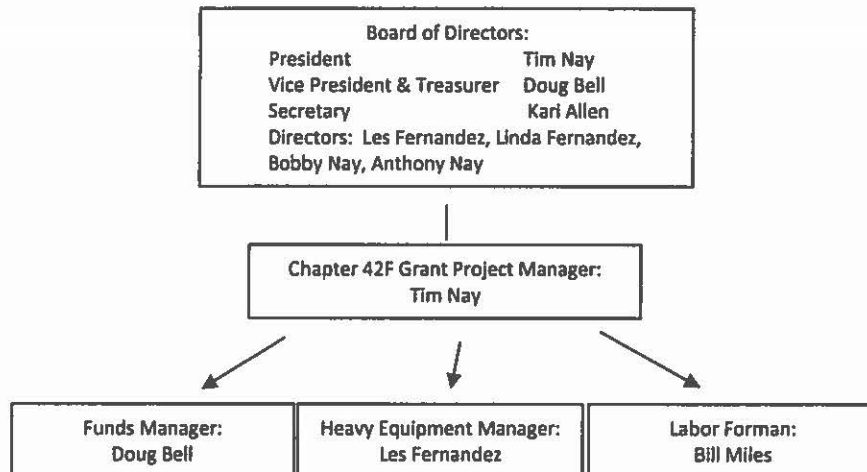
Three Board of Directors of the Maui Motorsports and Entertainment Group, Inc. are qualified to supervise, train and provide administrative direction relative to this project:

- The President (Tim Nay) will serve as *project manager* of this project by coordinating materials and heavy equipment, as well as setting schedules and finding licensed contractors to work with the electrical portion of the project. He has worked in the area of business management for many years.
- The Vice President and Treasurer (Doug Bell) will serve as *funds manager* of this project and responsible for handling all grant money receipts and disbursements. He has over twenty years of experience as owner of South Maui Appliance.
- The Board of Director (Les Fernandez) will serve as *heavy equipment manager* for this project and work directly under the project manager in working with the heavy equipment on site and coordinating the delivery of materials at the Kahului harbor to the track. He is a licensed heavy equipment operator with the State of Hawaii and works for Goodfellow Brothers Construction.

In compliance with the By-Laws of the Maui Motorsports and Entertainment Group, Inc, no director who serves on the Board is permitted to receive any compensation.

Applicant: MAUI MOTORSPORTS and ENTERTAINMENT GROUP, INC.**(Staffing & Personnel– continued)**

The Maui Motorsports and Entertainment Group, Inc. Organization Chart

**VI. Other**

Litigation: The applicant currently has no pending litigation or has any outstanding judgements.

Licensure or Accreditation: The Maui Motorsports and Entertainment Group, Inc. Board of Directors will provide work relevant to this request, other than work requiring the State of Hawaii licensed tradesmen which will be contracted for the specialized work (i.e., electricians, equipment operations, drivers/haulers)

Private Educational Institutions: *Non-applicable.*

Future Sustainability Plan: The upgraded improvements to the circle track facility funded by the grant money will insure safety for racers and spectators without depleting the 2016-2017 the organization's operating budget. Upon completion of the project, annual maintenance and repairs to sustain the improvements provided by the grant money will be supported by monthly fund raising (events).

Certificate of Good Standing: Attached to this application is a DCCA – Certificate of Good Standing.

BUDGET REQUEST BY SOURCE OF FUNDS

Period: July 1, 2016 to June 30, 2017

Applicant: Maui Motorsports and Entertainment Group, Inc.

BUDGET CATEGORIES	Total State Funds Requested (a)	Total Federal Funds Requested (b)	Total County Funds Requested (c)	Total Private/Other Funds Requested (d)
A. PERSONNEL COST				
1. Salaries				
2. Payroll Taxes & Assessments				
3. Fringe Benefits				
TOTAL PERSONNEL COST	0			
B. OTHER CURRENT EXPENSES				
1. Airfare, Inter-Island				
2. Insurance				
3. Lease/Rental of Equipment				
4. Lease/Rental of Space				
5. Staff Training				
6. Supplies				
7. Telecommunication				
8. Utilities				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
TOTAL OTHER CURRENT EXPENSES	0			
C. EQUIPMENT PURCHASES	0			
D. MOTOR VEHICLE PURCHASES	0			
E. CAPITAL	0			
TOTAL (A+B+C+D+E)	0			
SOURCES OF FUNDING	Budget Prepared By:			
(a) Total State Funds Requested				
(b) Total Federal Funds Requested	0			
(c) Total County Funds Requested	0			
(d) Total Private/Other Funds Requested	0			
				(808) 281-0346 Phone
				1/19/2016 Date
TOTAL BUDGET	0	<u>Tim Nay, President</u> Name and Title (Please type or print)		

BUDGET JUSTIFICATION - EQUIPMENT AND MOTOR VEHICLES

Period: July 1, 2016 to June 30, 2017

Applicant: Maui Motorsports and Entertainment Group, Inc.

DESCRIPTION EQUIPMENT	NO. OF ITEMS	COST PER ITEM	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				0

JUSTIFICATION/COMMENTS:

DESCRIPTION OF MOTOR VEHICLE	NO. OF VEHICLES	COST PER VEHICLE	TOTAL COST	TOTAL BUDGETED
			\$ -	
			\$ -	
			\$ -	
			\$ -	
			\$ -	
TOTAL:				0

JUSTIFICATION/COMMENTS:

BUDGET JUSTIFICATION - CAPITAL PROJECT DETAILS

Period: July 1, 2016 to June 30, 2017

Applicant: Maui Motorsports and Entertainment Group, Inc.

FUNDING AMOUNT REQUESTED						
TOTAL PROJECT COST	ALL SOURCES OF FUNDS RECEIVED IN PRIOR YEARS		STATE FUNDS REQUESTED	OF FUNDS REQUESTED	FUNDING REQUIRED IN SUCCEEDING YEARS	
	FY: 2014-2015	FY: 2015-2016	FY:2016-2017	FY:2016-2017	FY:2017-2018	FY:2018-2019
PLANS				5,000		
LAND ACQUISITION						
DESIGN				5,000		
CONSTRUCTION				482,000		
EQUIPMENT				290,000		
TOTAL:	-0-	-0-	-0-	782,000		
JUSTIFICATION/COMMENTS:	Starter Tower	30,000	Grader	160,000		
	Crash Wall/Barrier	202,000	Loader	50,000		
	Lighting	200,000	Water Truck	20,000		
	Fgelro (catch fence)	<u>50,000</u>	Dozer	<u>60,000</u>		
		482,000		290,000		

GOVERNMENT CONTRACTS AND / OR GRANTS

Applicant: Maui Motorsports and Entertainment Group, Inc.

Contracts Total: -

	CONTRACT DESCRIPTION	EFFECTIVE DATES	AGENCY	GOVERNMENT ENTITY (U.S. / State / Haw / Hon / Kau / Mau)	CONTRACT VALUE
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
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21					
22					
23					
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27					
28					
29					
30					

**DECLARATION STATEMENT OF
APPLICANTS FOR GRANTS PURSUANT TO
CHAPTER 42F, HAWAII REVISSED STATUTES**

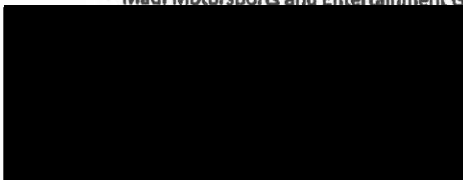
The undersigned authorized representative of the applicant certifies the following:

- 1) The applicant meets and will comply with all of the following standards for the award of grants pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
 - b) Complies with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability;
 - c) Agrees not to use state funds for entertainment or lobbying activities; and
 - d) Allows the state agency to which funds for the grant were appropriated for expenditure, legislative committees and their staff, and the auditor full access to their records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditure of the grant.
- 2) If the applicant is an organization, the applicant meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is incorporated under the laws of the State; and
 - b) Has bylaws or policies that describe the manner in which the activities or services for which a grant is awarded shall be conducted or provided.
- 3) If the applicant is a non-profit organization, it meets the following requirements pursuant to Section 42F-103, Hawaii Revised Statutes:
 - a) Is determined and designated to be a non-profit organization by the Internal Revenue Service; and
 - b) Has a governing board whose members have no material conflict of interest and serve without compensation.

Pursuant to Section 42F-103, Hawaii Revised Statutes, for grants used for the acquisition of land, when the organization discontinues the activities or services on the land acquired for which the grant was awarded and disposes of the land in fee simple or by lease, the organization shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amount of the grant used for the acquisition of the land.

Further, the undersigned authorized representative certifies that this statement is true and correct to the best of the applicant's knowledge.

Maui Motorsports and Entertainment Group, Inc.



1-19-2016

(Date)

Tim Nay, President

(Typed Name)

(Title)



Department of the Treasury
Internal Revenue Service
P.O., Box 2508, Room 4010
Cincinnati OH 45201

In reply refer to: 4077552845
May 28, 2009 LTR 4168C 0
03-0496117 000000 00 000
00035204
BODC: TE

MAUI MOTOR SPORTS ENTERTAINMENT
GROUP INC
% EDWIN E BRITTON
57 KEAPUA ST
WAILUKU HI 96793-9309

010599

Employer Identification Number: 03-0496117 ✓
Person to Contact: Mrs. Jones
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your request of May 14, 2009, regarding your tax-exempt status.

Our records indicate that a determination letter was issued in March 2004, that recognized you as exempt from Federal income tax, and discloses that you are currently exempt under section 501(c)(4) of the Internal Revenue Code.

Because you are not an organization described in section 170(c) of the Code, donors may not deduct contributions made to you. You should advise your contributors to that effect.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,


Cindy Westcott
Manager, EO Determinations

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
Business Registration Division
1010 Richards Street
Mailing Address: P.O. Box 40, Honolulu, Hawaii 96810

ARTICLES OF INCORPORATION

(Section 412B-04, Hawaii Revised Statutes)

PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK

The undersigned, desiring to form a nonprofit corporation under the laws of the State of Hawaii, certify as follows:

I

The name of the corporation shall be:

MAUI MOTORSPORTS AND ENTERTAINMENT GROUP, INC.

II

The mailing address (must be a street address including number, street, city, state, and zip code) of the initial or principal office of the corporation is:

P. O. BOX 3164, WAILUKU, HI 96793

III

The period of its duration is perpetual.

IV

Section 1. The purpose(s) for which the corporation is organized is:

PROMOTION OF MOTORIZED SPORTING EVENTS AND AMATEUR SPORTS.

PROVIDE SAFETY EDUCATION FOR THE SPORT AND GENERAL PUBLIC INFORMATIONAL SERVICES.

and the transaction of any or all lawful activities for which nonprofit corporations may be incorporated under Chapter 415B, Hawaii Revised Statutes.

Section 2. And in furtherance of said purposes, the corporation shall have all powers, rights, privileges and immunities, and shall be subject to all of the liabilities conferred or imposed by law upon corporations of this nature, and shall be subject and have all the benefits of all general laws with respect to nonprofit corporations.

01/30/200320053

V

The number of directors shall not be less than three (3). The number of directors constituting the initial Board of Directors is 3. The names and addresses of the initial directors are as follows:

	<u>Name</u>	<u>Address</u>
1.	<u>EDWIN E. BRITTON</u>	<u>P. O. BOX 3164, WAILUKU, HI 96793</u>
2.	<u>PAUL ANDRES</u>	<u>550 AWALUA RD., HAIKU, HI 96708</u>
3.	<u>CAROLYN L. TODEY</u>	<u>343A HANAMAU ST., KAHULUI, HI 96732</u>

VI

The officers of the corporation shall consist of a president, a vice-president, a secretary and a treasurer. The names and addresses of the initial officers are as follows:

<u>Office Title</u>	<u>Name</u>	<u>Address</u>
President	<u>EDWIN E. BRITTON</u>	<u>P. O. BOX 3164, WAILUKU, HI 96793</u>
Vice-President	<u>PAUL ANDRES</u>	<u>550 AWALUA RD., HAIKU, HI 96708</u>
Secretary	<u>CAROLYN L. TODEY</u>	<u>343A HANAMAU ST., KAHULUI, HI 96732</u>
Treasurer	<u>CAROLYN L. TODEY</u>	<u>343A HANAMAU ST., KAHULUI, HI 96732</u>

VII

The corporation shall have and continuously maintain in the State of Hawaii a registered office and a registered agent. If the corporation has an officer or director who is a resident of Hawaii, this requirement is optional.

a. The name (and state or country of incorporation, if applicable) of the corporation's registered agent in the State of Hawaii is:

EDWIN E. BRITTON HI
(Name of Registered Agent) (State/Country of Incorporation)

b. The street address of the corporation's registered office in the State of Hawaii is:

343A HANAMAU ST., KAHULUI, HI 96732

01/30/2002 20053

VIII

Please check one:

- The corporation has members.
- The corporation has no members.

IX

The corporation is nonprofit in nature and shall not authorize or issue shares of stock. No dividends shall be paid and no part of the income or profit of the corporation shall be distributed to its members, directors, or officers, except for services actually rendered to the corporation, and except upon liquidation of its property in case of corporate dissolution.

We certify under the penalties of Section 415B-158, Hawaii Revised Statutes, that we have read the above statements and that the same are true and correct.

Signed this 9TH day of DECEMBER, 2002

EDWIN E. BRITTON

(Type/print name of incorporator)



(Signature of incorporator)

Maui Motorsports and Entertainment Group
Inc.

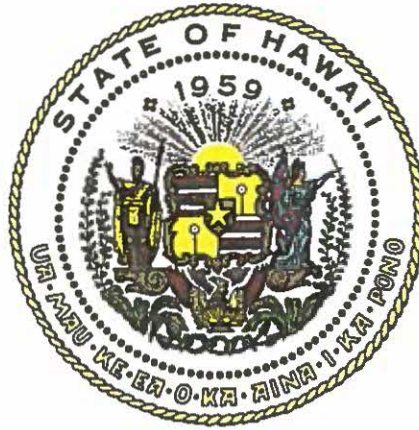
(Type/print name of incorporator)



(Signature of incorporator)

01/30/2002 10053

SEE INSTRUCTIONS PAGE. The articles must be signed by at least one individual (incorporator).



Department of Commerce and Consumer Affairs

CERTIFICATE OF GOOD STANDING

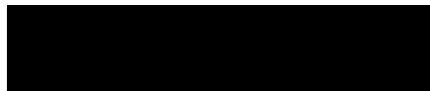
I, the undersigned Director of Commerce and Consumer Affairs of the State of Hawaii, do hereby certify that

MAUI MOTORSPORTS AND ENTERTAINMENT GROUP, INC.

was incorporated under the laws of Hawaii on 02/28/2003 ;
that it is an existing nonprofit corporation; and that,
as far as the records of this Department reveal, has complied
with all of the provisions of the Hawaii Nonprofit Corporations
Act, regulating domestic nonprofit corporations.

IN WITNESS WHEREOF, I have hereunto set
my hand and affixed the seal of the
Department of Commerce and Consumer
Affairs, at Honolulu, Hawaii.

Dated: January 13, 2016



Director of Commerce and Consumer Affairs

MAUI MOTORSPORTS AND ENTERTAINMENT GROUP, INC.

Grant Application Attachment

Location of Circle Track Facility at Maui Motorsports Park

