

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

LINDA LINGLE
GOVERNOR
THEODORE E. LIU
DIRECTOR
MARK K. ANDERSON
DEPUTY DIRECTOR

No. 1 Capitol District Bldg., 250 South Hotel St., 5th Flr., Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: www.hawaii.gov/dbedt

Tel.: (808) 586-2355
Fax: (808) 586-2377

Statement of
THEODORE E. LIU
Director
Department of Business, Economic Development, and Tourism
before the
**COMMITTEE ON ECONOMIC DEVELOPMENT AND TAXATION AND
COMMITTEE ON TOURISM AND GOVERNMENT OPERATIONS**
Thursday, February 7, 2008
1:15 PM
State Capitol, Conference Room 229

in consideration of
SB 2362
**RELATING TO THE HAWAII ENTERTAINMENT AND SPORTS
AUTHORITY.**

Chairs Fukunaga and Nishihara, Vice-Chairs Espero and Kim, and members of the Committees.

The Department of Business, Economic Development & Tourism (DBEDT) has concerns regarding SB 2362 which creates a Hawaii Entertainment and Sports Authority to oversee the development and promotion of Hawaii's entertainment and sports industries.

The Sports and Entertainment industries have two distinctly different markets and would not be effective under one umbrella. While the concept of a separate sports authority may have merit, we defer to the Hawaii Tourism Authority and Office of the Tourism Liaison to comment on this aspect of the proposed bill.

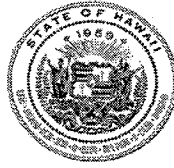
We would like to point out, however, that the proposed component of an Entertainment Authority would duplicate existing efforts and mandates of DBEDT's Creative Industries Division (CID) and specifically its Film Industry Branch (FIB).

CID was established to "promote, accelerate and advocate for the growth of Hawaii's creative industries, resulting in a vibrant internationally recognized self-sustaining sector of Hawaii's economy." Therefore, the creation of a stand-alone Entertainment Authority to "strengthen and grow Hawaii's entertainment industry" is an unnecessary duplication of the existing mandate of CID and its Film Industry Branch. In addition, CID's community-based strategic planning initiative which will bring together the entertainment, arts, music, culture, literary and performing arts sectors statewide, will be addressing the core needs and potential growth areas both locally and globally for entertainment and creative industries in Hawaii.

We encourage the committee to table the concept of creating a Sports and Entertainment Authority until more discussion on the merits for its creation can be reviewed by all affected parties.

Thank you for this opportunity to offer testimony on SB 2362.

LINDA LINGLE
GOVERNOR



PROCUREMENT POLICY BOARD
DARRYL W. BARDUSCH
LESLIE S. CHINEN
DARYLE ANN HO
GREGORY L. KING
KEITH T. MATSUMOTO
RUSS K. SAITO
PAMELA A. TORRES

AARON S. FUJIOKA
ADMINISTRATOR

**STATE OF HAWAII
STATE PROCUREMENT OFFICE**

P.O. Box 119
Honolulu, Hawaii 96810-0119
Tel: (808) 587-4700 Fax: (808) 587-4703
www.spo.hawaii.gov

TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE
SENATE COMMITTEES
ON
ECONOMIC DEVELOPMENT AND TAXATION
AND
TOURISM AND GOVERNMENT OPERATIONS

February 7, 2008

SB 2362

RELATING TO THE HAWAII ENTERTAINMENT AND SPORTS AUTHORITY.

Chair Fukunaga, Chair Nishihara and committee members, thank you for the opportunity to testify on SB 2362. The State Procurement Office (SPO) does not support the proposed language to exempt the Hawaii Entertainment and Sports Authority from chapter 103D, the public procurement code.

Statutory exemptions are contrary to the Hawaii Public Procurement Code (Code), section 103D-102, HRS, on the applicability of the chapter that states in part “. . . shall apply to all procurement contracts made by governmental bodies whether the consideration for the contract is cash, revenues, realizations, receipts, or earnings, . . .” Any governmental agency with the authority to expend funds should be in compliance with Chapter 103D, which promotes the policy of fair and equitable treatment of all persons who deal with the procurement system; fosters effective broad-based competition; and increases public confidence in public procurement.

The Code should not be viewed as an obstacle to a purchasing agency's mission, but rather as the single source of public procurement policy to be applied equally and uniformly to obtain its requirements. It was the legislature's intent for the Code to be a single source of public procurement policy. If individual agencies are exempted and allowed to develop their own individual processes, it becomes problematic for the administration and vendors/contractors that must comply with a variety of processes. Fairness, open competition, a level playing field, and government disclosure and transparency in the procurement and contracting process are vital to good government. For this to be accomplished, we must participate in the process with one set of statutes and rules.

The Code provides consistency in the manner in which purchasing agencies procure goods, services, and construction. Although an exempted agency may develop their own procurement source selection methods, it was the intent and goal of the legislature to have a single source of policy and procedures to ensure consistency and continuity in the application of the procurement process among government agencies throughout the State and counties.

Exempting agencies from the Code will jeopardize uniform and consistent protections against waste, fraud, and abuse the legislature placed in the Code; and will potentially hinder the legislature in promoting and supporting specific segments of the Hawaii economy through preferences allowed by the Code. "Preferences" permit the legislature to promote specific segments of the state's economy and encourage the development of new products and technologies. However, preference programs apply only to agencies subject to the Code, and exempt agencies are not subject to the legislature's designated preferences.

The Code enables the legislature to impose specific requirements to eliminate practices that are detrimental to the public's perception of government procurement. The legislature passed and the governor signed into law, Act 52(2003), amending Section 103D-304 to require that all contract awards to professional service providers be made based upon the merits of the provider, and not upon any other factors; thereby reaffirming the public's understanding that professional service contracts are not awarded to companies based on political affiliation or amount of political contributions.

To provide fairness and consistency, and due process for vendors/contractors, the Code offers a legal and contractual remedy process to resolve protested solicitations and awards, which includes impartial reviews by the Department of Commerce and Consumer Affairs administrative hearings process and the ability to request judicial review. The protest process also protects agencies and taxpayers from onerous and baseless protests, minimizes delays and disruptions in the award of contracts, and supports a prompt resolution.

To insure all vendors/contractors who seek public contracts compete on equal footing they are required to demonstrate compliance with Hawaii laws. The Code requires potential vendors/contractors to comply with Hawaii laws prior to award of a contract, i.e. DOTAX Tax Clearance Certificate including IRS certification, DLIR Certificate of Compliance; DCCA Certificate of Good Standing. Upon completion of goods provided or services performed, and before final payment is made, a vendor/contractor is again required to demonstrate compliance with Hawaii laws, thereby assuring that public funds are paid to compliant vendors/contractors.

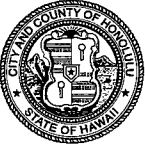
The Code contains a provision (§103D-102(b)(4)(L)) that allows a purchasing agency to request an exemption when it has been determined that procurement by competitive means is either not practicable or not advantageous to the State, thereby providing flexibility, but within the requirements of the Code.

Open bidding procedures assure that the State obtains value, and potential vendors/contractors are treated fairly. It is vital to good government to have a fair and consistent process to award government contracts that hold agencies responsible and accountable for their actions.

The SPO is against exempting specific agencies from the Code, as it is not in the best interest of government, the business community, and the general public. The Code establishes a time-tested, fair, and reliable set of rules and processes for award of contracts.

In conclusion, there is no compelling reason to statutorily exempt the Hawaii Entertainment and Sports Authority from the Code. The SPO recommends deleting Page 18, lines 1 through 5.

Thank you.



MILILANI/ WAIPIO/ MELEMANU NEIGHBORHOOD BOARD NO. 25

c/o NEIGHBORHOOD COMMISSION • 530 SOUTH KING STREET ROOM 400 • HONOLULU, HAWAII, 96813
PHONE (808) 527-5749 • FAX (808) 527-5760 • INTERNET: <http://www.honolulu.gov>

**Testimony of
DICK POIRIER, RESIDENT
MILILANI TOWN
before the
SENATE COMMITTEES ON ECONOMIC DEVELOPMENT & TAXATION AND
TOURISM & GOVERNMENT OPERATIONS
on
SB 2362 – RELATING TO THE HAWAII ENTERTAINMENT AND SPORTS
INDUSTRY
held at
1:15 p.m.
on
February 7, 2008**

Chairs Fukunaga and Nishara and Committee Members:

I strongly support SB 2362, the passage and implementation of which I believe is long overdue.

As a long-time resident of Central Oahu and a founding member of the Central Oahu Regional Park (CORP) Advisory Committee, I know first-hand how our renown soccer, tennis and swimming facilities at Waipio and CORPS are being underutilized as world-class sports venues.

I believed that SB 2362 will provide the means by which we can compete for our fair share of national and international sporting events, and in doing so, contribute to our continued economic well-being and our growing potential as a Pacific Rim sports industry destination area.

Thank you for the opportunity to testify.



To whom it may concern:

I am writing this testimony in support of SB2362. As a certified USPTA tennis (teaching) professional and coach for 32 years here, as well as an avid fan of sports in general, I have often longed for the establishment of a centralized sports authority for many years. In spite of numerous attempts by many sincere people over the years, efforts to unite the various interest groups here under a common banner have fizzled out, time and again. Why? Because the efforts lacked the full support of the state government. I believe that establishing the sort of sports commission proposed in this piece of legislation would allow Hawaii to achieve three key things:

1. It will enable our state to access and benefit from the multi-billion dollar sports industry, which will generate jobs, revenue, and a much-needed boost to our tourism industry.
2. It will establish our state not just as “another place with beaches”, but as the premier destination for world-class sporting events, education, and establishments.
3. It will motivate the various factions in our existing interest groups to move from a “me” mentality to a “we” mentality, and just maybe, exhibit the sort of state-wide unity necessary to attract (and keep) world-class individuals & organizations here.

With the amount of kids & teams I work with, the passing of SB2362 would not increase my income, so I don't stand to gain financially from the passing of this bill. Yet, I still believe this bill is worth passing, because long-term, it will benefit our state for generations to come. I want my adult children to be able stay here, raise their families here, and passing a bill like this will go a long way to provide the economic boost Hawaii needs.

Mahalo for your serious consideration in this!

Aloha,

Jerry Hubbard

Middle School Chaplain

Kaimuki Christian School

1117 Koko Head Avenue

Honolulu, HI. 96816

808-732-1781

I'm writing this testimony in support of SB2362. During my 32 years as a USPTA tennis professional here in Hawaii, I have longed for the establishment of a centralized sports authority. Although many attempts have been made to unite the various sports industries, the opportunities that this sort of authority would provide would be monumental for Hawaii. Clearly, many other states (in far more challenging locations) have benefitted immensely from centralizing their efforts like this, so many viable templates exist for those who would set ours up. Moreover, the experience that other states have had would provide a wealth of insight, which would enable our state to develop these multi-billion dollar industries much more quickly. In short, I hope that you will approve this bill, so that we can capitalize on the many income-producing (and job-producing) industries as soon as possible.

Mahalo,

Jerry Hubbard
USPTA Tennis Professional

I support SB2362. Thank you

Leo Wisniewski
91-1090 Koanimakani St.
Kapolei , HI 96707

From: J Richard Rountree [mailto:rickyv@aloha.com]
Sent: Tuesday, February 05, 2008 11:14 AM
To: testimony
Subject: Fw: SB2362 Establishment of Hawaii Entertainment and Sports Authority

----- Original Message -----

From: HaughJ@aol.com
To: rickyv@aloha.com
Sent: Tuesday, February 05, 2008 10:57 AM
Subject: Re: SB2362 Establishment of Hawaii Entertainment and Sports Authority

Thanks, Richard and can I get you to forward to the Legislator....instructions are provided within the link.

Jim

In a message dated 2/5/2008 10:48:06 A.M. Hawaiian Standard Time, rickyv@aloha.com writes:
On the subject concerning the establishment of Hawaii Entertainment and Sports Authority....I can only speak of the importance of a commission like this in one way.....without it, your chances of landing national or international events are lessened greatly. Since my field is tennis, I will compare two states that are similiar to Hawaii....California and Florida. They both have sports/events commissions that were established over 20+ years ago. Their commission acts as a liaison to the city, county, and state. When I first started traveling the tennis circuit many years ago, it was pretty much a hit and miss situation. Of course the major tournaments and events were successful, but, when it came to promoting new tournaments/events, potential sponsors, agencies were faced with heavy organizational problems. Now, with these commissions in place, a potential promoter/sponsor/agency has at it's disposal...site venue choices, local maket surveys, demographics, etc. And, as no two areas are alike, the commissions provide "local" background. It is evident in FL and CA the commissions have been of great assistance as the tennis field in these two states are the leaders in every aspect of the game. On an international level, the city of Melbourne Australia in the mid eighties, established a entertainment/sports commission.....their goal was to have a major event in the city every month, whether on a national or international level....the results now? try booking a room or a dinner reservation in Melbourne most months! It just seems to me the state of Hawaii, who promotes tourism at a high level, would find the Entertainment and Sports Authority commission an excellent addition to their program. Thank you....Richard Rountree, Nike Tennis Sports Marketing

----- Original Message -----

From: HaughJ@aol.com
To: rickyv@aloha.com
Sent: Tuesday, February 05, 2008 9:31 AM
Subject: Fwd: SB2362 Establishment of Hawaii Entertainment and Sports Authority

Thanks, Richard and below is Mark Zeug testimony which outlines a good 'story' to support this Bill...economic development of the sports industry...i.e. tennis events, better facilities/venues, education/training programs, etc.

Being that you've traveled the world and have seen communities of excel lance you got a creditable and passionate story!

Jim

From: zeug@hawaii.rr.com
To: HaughJ@aol.com
Sent: 2/3/2008 11:13:51 P.M. Hawaiian Standard Time
Subj: RE: SB2362 Establishment of Hawaii Entertainment and Sports Authority

Jim:

See below.

Mark

TESTIMONY BY MARK ZEUG

IN SUPPORT OF SB 2362

RELATING TO ESTABLISHMENT OF

A SPORTS AND ENTERTAINMENT AUTHORITY

Before

Joint Senate Committee Hearing

Committee on Economic Development and Taxation

Committee on Tourism and Government Operations

Thursday, February 7, 1:15 pm

This testimony is offered in support of SB 2362 as a long overdue and absolutely necessary step if we are ever going to improve and expand the sports and entertainment industries in Hawaii.

For almost ten years during the 90s, a number of us tried unsuccessfully to persuade the State Department of Business, Economic Development and Tourism to support development of such a "commission." We pointed out then, and we do so again now, that there are more than 300 such sports commissions around the country. We explained then, to this legislature, and we say it again now, that this is the way the majority of sports and entertainment events are earned, organized and managed.

A decade later, the sports and entertainment world is even more heavily focused on the use of such commissions. In 2004, I helped the Business Roundtable organize a breakfast meeting with a senior vice president of the United States Olympic Committee. In the Q & A after his presentation on potential sports developments in the Pacific, he was asked what Hawaii could do to be a part of this growing sports industry. He said straight out, "The first thing you have to do is establish a sports commission – no one is going to take you seriously until you do."

Let me offer an example. I currently serve as chairman of the board of the National Senior Games Association. Our organization is now in the final stages of selecting the host site for the 2013 National Senior Games, the Senior Olympics, the largest multi-sport event of its kind in the world. The three finalist cities – Cleveland, Birmingham and Miami – each placed their bid to us through a sports authority or commission, and I can tell you flatly that we would not have accepted a bid from any other source within any of these host destinations.

This event is an example of the kind of opportunity that Hawaii is missing by not having a sports and entertainment commission. The Senior Olympics draws more than 12,000 competitors, and an average of two additional family members or friends usually accompany each competitor. They stay for an average of a week, because most are in competition over four or five days. The economic impact of the National Senior Games in Louisville last summer was conservatively estimated to be around \$30 million

You may not know that we had a chance to bring the National Senior Olympics to Hawaii in 2001, but the Hawaii Tourism Authority was not interested in helping us. And without that support, there was no chance that it could have been hosted here. Now these Games probably are too large for Hawaii to handle.

But there are hundreds of events that could come here if we had the right combination of management knowhow, support and resources. In 2005, I was the meet director for the USATF National Masters Track and Field Championships held at the University of Hawaii's Cooke Field. This event brought 800 athletes to the islands for four days of competition, and we managed it without the assistance of a sports commission. But I'm here to tell you that I would never do it again.

In 2006, the University of Hawaii hosted the WAC outdoor Track and Field Championships – I was meet director for that event, as well. UH put a lot of effort in making it a good meet, one of the best the WAC has ever had, and both the athletes and coaches are anxious to come back. A little help from a sports commission could help make that happen.

Just in Track and Field alone, there are numerous opportunities to create or host nation-wide, Pacific-wide, and World-wide events, IF we had the right combination of organization, promotion and resources. For example, we could create and host an annual world throwing championship – throwing javelin, hammer, discus and shot, as well as weight and super weight. There is no such event, but people have been talking about it for some time. We have one of the best throws coaches in the country at UH right now. We could do it, start small and grow it into a world premier event. We know the athletes would love to come here for a well-run event.

Or we could plan for, bid for and host the World Masters Games, which draws about 8,000 athletes from around the world. It was in Italy last year, and will be in Sacramento in 2011 – their sports commission went out and got it.

You may also be interested to know that the International Olympic community is working on plans for a new event called the World Youth Games, or World Youth Olympics. All the major cities of the world will be bidding for it, and we might be able to join them. But first, we have to

have an organizational entity – dedicated solely to sports and entertainment – to host, organize and manage the event. Without that, no one is going to take us seriously.

As Les Keiter told this group a decade ago, when addressing this same subject, “if you want to run with the big dogs, you can’t pee like a puppy.” There’s a huge industry out there and its passing us by because, a decade later, we are still acting like a puppy, while our competition is organized, experienced and financed far better than we are.

SB 2362 can change that. It’s time. Let’s do it.

Mark Zeug

President, Aloha State Games

President, Hawaii Senior Olympics

Chairman, National Senior Games Association.

From: HaughJ@aol.com [mailto:HaughJ@aol.com]

Sent: Friday, February 01, 2008 2:10 PM

To: a.shain2@comcast.net; ahf@oahucountryclub.com; MacTyWorld@aol.com; alfred.souza@ubs.com; amemiya@hhsaa.org; amiller@honoluluadvertiser.com; Ron_Lona@worldnet.att.net; anthony.guerrero@fhwn.com; bcoppa@commpac.com; bgusman@punahou.edu; earley@usta.com; caltakara@att.net; cdudley@lockemeredit.com; chong@nbbj.com; d.kurusu@hawaiiintel.net; d.onebasketball@hotmail.com; dhubbard@kaimukichristian.org; dieter_seeger@hilton.com; dons@dsasports.com; Ed Honda; elee1@honolulu.gov; frohlfing@casebigelow.com; FWR@casebigelow.com; mgallagher@kaimukichristian.org; gvw@mahalo.net; Irvaloha@aol.com; Hawaiiigr139@aol.com; jesse0599@aol.com; hminn@honolulu.gov; wittenbe@hawaii.edu; hsaunders@castlecooke.com; jackblezard@hawaiiintel.net; jacktihatit@tihati.com; ryan@usta.com; jfink@khn.com; jim@m2c.bz; jjdonovaniii@hotmail.com; jleahey@khn.com; JNelligan@islandpacificacademy.com; john@korffenterprises.com; jpv@insideoutse.com; JSagio@islandpacificacademy.com; kathy@kathymuller.com; kelly@hawaiiifamilyforum.org; kevin@gipexpo.com; KSSKCOACH@aol.com; ksugaya@benchmarkmanagement.com; lcataluna@honoluluadvertiser.com; leahey&leahey@pbs.com; lfried@croninfried.com; Lucien.Wong@actuslendlease.com; mac10s1@mac.com; mel.kaneshige@outrigger.com; M.Remick@asu.ed; nazarene@adragency.com; nhong@group70int.com; oda@group70int.com; porterd@byuh.edu; ptomonari@marcresorts.com; r.riggs@capitol.hawaii.gov; rblangiardi@kgmb.com; rkop@wailae.com; rmori@benefitsnw.com; Rodneysato@cs.com; romano@hawaii.usta.com; RPOIRIER3@msn.com; RTanoue@aol.com; rturbin@turbin.net; selwynk@yahoo.com; sstosik@141hawaii.com; tguard@mhrhawaii.com; thomasdeir@hawaii.rr.com; vvanwagner@punahou.edu; zeug@hawaii.rr.com; turtlebaygolf@hawaii.rr.com; jhubbard@kaimukichristian.org; Hughyo@aol.com; pkennedy@kahalanui.com; garykittay@sportstravelplus.com; kwatson@honolulu.gov; monizkah@hawaii.edu; bobbyc@hawaii.rr.com; titaahuna@gmail.com; anekona1@hawaii.rr.com; jbarahal@mac.com; ghirata@honolulu.gov; flewis@honoluluadvertiser.com; jared_m_anderson@yahoo.com; joe6lee@yahoo.com

Subject: SB2362 Establishment of Hawaii Entertainment and Sports Authority

Dear friends and colleagues of the Entertainment and Sports Industry:

This coming **Thursday, February 7th, 1:15pm at the State Capitol**, the Senate Committees on Economic Development & Taxation and Tourism & Government Operations will hear SB 2362 testimony relating to the establishment of Hawaii Entertainment and Sports Authority.

SB2362 presents a call to action from those whom directly or indirectly benefit from the entertainment and sports industries...the message/story behind this legislation is simple 'to grow the economy of these multi billion dollar industries'!

Please visit the following links for more information on this important legislation:

<http://www.capitol.hawaii.gov/site1/docs/getstatus2.asp?billno=sb2362>

http://www.capitol.hawaii.gov/session2008/hearingnotices/edt-tsq_02-07-08_.htm

If you plan on attending the hearing, please inform Senator Mike Gabbard office at 586-6830 or myself(808) 627-1388(h)/(425)503-9913(c).

For those who can't attend, please provide via fax (808)586-6659 or email testimony@capitol.hawaii.gov. your testimony NLT 24 hours prior to the hearing. Instructions for submitting testimonies is provided on the second above link.

As legendary coach John Wooden says it so well, "effective leadership is that much can be accomplished when no one is looking to take credit." Our common goal is for our industry and community to embrace and strive for excellence!

Let's leave a legacy for future generations!

Mahalo for your time and consideration.

Jim Haugh

2007/1/09
12:00 PM
Jim Haugh

SB 2362

To Whom It May Concern:

I am writing in support of this very important legislation. For Hawaii to be truly competitive in the sports and entertainment industry, a coordinated and well funded effort is necessary. Your state stands to benefit greatly from the economic impact produced through visitor spending, but the benefits hardly stop there.

Establishment of the Hawaii Entertainment and Sports Authority can result in:

- A thorough analysis of your infrastructure leading to modifications that will produce benefits for your residents and visitors
- Focus on the benefits of wellness for all residents
- Further polish on an already favorable image as a destination
- Focus on creating economic development through visitor spending stemming from entertainment and sporting events, a market segment not currently served
- The knowledge that your residents will benefit first from the activities of the HESA

Our organization represents all of the host organizations for sports events...everything from the Super Bowl to a statewide bowling tournament. We have 470 members throughout the county.

I have served as executive director since 1995, and have 25 years of experience in the industry. I am also a board member of the Travel Industry Association (TIA).

Thank you for your kind attention,
Don Schumacher

Don Schumacher
Executive Director
National Association of Sports Commissions
513 281-3888
dons@dsasports.com
www.sportscommissions.org

SB#2362

This e-mail is in support of SB2362. I believe strongly in this measure because it will be an economic driver for Hawaii. Sports and entertainment tourism in Hawaii has for too long been a reactive process. As an organizer of events in Hawaii, we are encouraged to go to the State (HTA) with our ideas. But never has the state reached out with a coherent plan to attract sports and entertainment tourism. With the changing demographic of Americans who travel and why they travel, this is an opportunity Hawaii can ill afford to miss. Other states have picked up on this with great success. This is not an analysis/paralysis group that discusses things until the opportunity passes. This is in support of a bill that will generate new money, jobs, and opportunity for the state. Hawaii cannot afford to miss its share of this multi-billion industry.

John Korff
Korff Enterprises
250 W. 57th Street Suite. 1713
New York, New York 10107
212-691-2200 (office)
212-691-6009 (fax)
201-888-8916 (cell)
808-630-1950 (HI cell)
John@Korffenterprises.com

Organizers of the Nautica New York City Triathlon
Organizers of the Toyota US Open Triathlon

TESTIMONY BY MARK ZEUG
IN SUPPORT OF SB 2362
RELATING TO ESTABLISHMENT OF
A SPORTS AND ENTERTAINMENT AUTHORITY
Before
Joint Senate Committee Hearing (via fax to 586-6659)
Committee on Economic Development and Taxation
Committee on Tourism and Government Operations
Thursday, February 7, 1:15 pm

This testimony is offered in support of SB 2362 as a long overdue and absolutely necessary step if we are ever going to improve and expand the sports and entertainment industries in Hawaii.

For almost ten years during the 90s, a number of us tried unsuccessfully to persuade the State Department of Business, Economic Development and Tourism to support development of such a "commission." We pointed out then, and we do so again now, that there are more than 300 such sports commissions around the country. We explained then, to this legislature, and we say it again now, that this is the way the majority of sports and entertainment events are earned, organized and managed.

A decade later, the sports and entertainment world is even more heavily focused on the use of such commissions. In 2004, I helped the Business Roundtable organize a breakfast meeting with a senior vice president of the United States Olympic Committee. In the Q & A after his presentation on potential sports developments in the Pacific, he was asked what Hawaii could do to be a part of this growing sports industry. He said straight out, "The first thing you have to do is establish a sports commission – no one is going to take you seriously until you do."

Let me offer an example. I currently serve as chairman of the board of the National Senior Games Association. Our organization is now in the final stages of selecting the host site for the 2013 National Senior Games, the Senior Olympics, the largest multi-sport event of its kind in the world. The three finalist cities – Cleveland, Birmingham and Miami – each placed their bid to us through a sports authority or commission, and I can tell you flatly that we would not have accepted a bid from any other source within any of these host destinations.

This event is an example of the kind of opportunity that Hawaii is missing by not having a sports and entertainment commission. The Senior Olympics draws more than 12,000 competitors, and an average of two additional family members or friends usually accompany each competitor. They stay for an average of a week, because most are in competition over four or five days. The economic impact of the National Senior Games in Louisville last summer was conservatively estimated to be around \$30 million

You may not know that we had a chance to bring the National Senior Olympics to Hawaii in 2001, but the Hawaii Tourism Authority was not interested in helping us. And without that support, there was no chance that it could have been hosted here. Now these Games probably are too large for Hawaii to handle.

But there are hundreds of events that could come here if we had the right combination of management knowhow, support and resources. In 2005, I was the meet director for the USATF National Masters Track and Field Championships held at the University of Hawaii's Cooke Field. This event brought 800 athletes to the islands for four days of competition, and we managed it without the assistance of a sports commission. But I'm here to tell you that I would never do it again.

In 2006, the University of Hawaii hosted the WAC outdoor Track and Field Championships – I was meet director for that event, as well. UH put a lot of effort in making it a good meet, one of the best the WAC has ever had, and both the athletes and coaches are anxious to come back. A little help from a sports commission could help make that happen.

Just in Track and Field alone, there are numerous opportunities to create or host nation-wide, Pacific-wide, and World-wide events, IF we had the right combination of organization, promotion and resources. For example, we could create and host an annual world throwing championship – throwing javelin, hammer, discus and shot, as well as weight and super weight. There is no such event, but people have been talking about it for some time. We have one of the best throws coaches in the country at UH right now. We could do it, start small and grow it into a world premier event. We know the athletes would love to come here for a well-run event.

Or we could plan for, bid for and host the World Masters Games, which draws about 8,000 athletes from around the world. It was in Italy last year, and will be in Sacramento in 2011 – their sports commission went out and got it.

You may also be interested to know that the International Olympic community is working on plans for a new event called the World Youth Games, or World Youth Olympics. All the major cities of the world will be bidding for it, and we might be able to join them. But first, we have to have an organizational entity – dedicated solely to sports and entertainment – to host, organize and manage the event. Without that, no one is going to take us seriously.

As Les Keiter told this group a decade ago, when addressing this same subject, “if you want to run with the big dogs, you can't pee like a puppy.” There's a huge industry out there and its passing us by because, a decade later, we are still acting like a puppy, while our competition is organized, experienced and financed far better than we are.

SB 2362 can change that. It's time. Let's do it.

Mark Zeug
President, Aloha State Games
President, Hawaii Senior Olympics
Chairman, National Senior Games Association.

Aloha Senator Mike Gabbard,

I am writing in support of SB 2362. As we all know and believe our state has great potential when it comes to entertainment and sports-related activities and events. The establishment and funding of the Hawaii Entertainment and Sports Authority is a step in the right direction in creating real value and opportunity for Hawaii in this competitive market place.

Please feel free to contact me if I can be of further assistance on this matter.

Aloha,

RICK BLANGIARDI | President & General Manager | KGMB9 – Hawaii's Severe Weather Station

Phone: 808.973.9378 **Cell:** 808.753.4232 **Fax:** 808.973.9354 **E-mail:** rblangiardi@kamb9.com

Address: 1534 Kapiolani Boulevard; Honolulu, HI 96814

Website: www.kgmb9.com

Proposed Bill SB 2362

As a 35 year member of the Investment Banking Community, I am IN FAVOR of SB 2362, which if passed, would create a Hawaii Entertainment and Sports Authority.

If the last few months of amateur attempts to manage the great success our University's sports programs having convinced our states leaders of this, I can't imagine what would. We're competing against better financed and more widely recognized sports programs across the country, and we need a professional group that is experienced with promoting, developing and coordinating our states entertainment and sports -related activities.

Pass this Bill and bring us into the 21st Century.

Sincerely yours,
Gordon Van Wagner
Managing Director
International Finance Group

gvanwagner@hawaii.rr.com

February 5, 2008

To: Senate Committees on Economic Development & Taxation and Tourism & Government Operations

Subject: SB 2362 hearing on February 7, 2008 at 1:15 p.m.

Dear Senate Committee:

My name is Reinaldo Corpuz, a special education teacher at Puu'hale Elementary School, and a United States Professional Tennis Association instructor. I am also the father of Katreina Corpuz, a seven year old tennis prodigy. I am writing in support of SB 2362.

Ann Miller of the Honolulu Advertiser wrote a feature article on June 29, 2007 about Katreina's pursuit to be a world class tennis player. She is among the top tennis players in the nation age 10 and under. I understand why people may find her goal to be too ambitious or even outlandish for a seven year old. Yes, it would seem unrealistic for Hawaii to produce world class athletes given the lack of world class training facilities. In addition, the level of competition to develop top national players in Hawaii is nonexistent. Our own professional tennis players Dennis Lajola and Christopher Lam needed to train full time on the mainland to develop their games. Katreina has to travel to Florida at least twice a year to receive world class training in one of Florida's many outstanding tennis academies. In a few years, she will require full-time tennis training in a tennis academy.

I have lived in Hawaii all my life. I have taught our public schools for 15 years. Katreina just loves attending Punahou School. She is in the second grade and the other day, asked me, "Dad, can I at least stay at Punahou until 5th grade because we will be going to the Big Island?"

We love Hawaii and there is no other place in the world that I can imagine ever living. However, the truth is, unless Hawaii builds adequate training facilities for world class tennis players and athletes, my family will move to Florida so that Katreina will be able to pursue her dream to be an elite tennis player.

The passing of SB 2362 will help Katreina and other Hawaii athletes compete in the national and international level and still will be able to live in Hawaii.

Thank you for considering my testimony.

Sincerely,

Reinaldo Corpuz

Cronin, Fried, Sekiya, Kekina & Fairbanks

Attorneys at Law, A Law Corporation

Paul F. Cronin
Gerald Y. Sekiya
David L. Fairbanks
Stuart A. Kaneko
Keith K. H. Young
Patrick F. McTernan
Sylvia J. Luke
Denise K. H. Kawatachi
Brian T. Toma

L. Richard Fried, Jr.
Wayne K. Kekina
John D. Thomas, Jr.
Bert S. Sakuda
Gregory L. Lui-Kwan
Geoffrey K. S. Kameya
Howard G. McPherson
Laura E. Ozak

Davies Pacific Center, Suite 600
841 Bishop Street
Honolulu, Hawaii 96813-3962

Telephone (808) 524-1433
Toll Free 1 (800) 227-8601
Facsimile (808) 536-2073
E-mail cfskf@croninfried.com
www.croninfried.com

February 5, 2008

Senator Carol Fukunaga, Chair
Senator Will Espero, Vice Chair
Committee on Economic Development and Taxation

Senator Clarence K. Nishihara, Chair
Senator Donna Mercado Kim, Vice Chair
Committee on Tourism and Government Operations

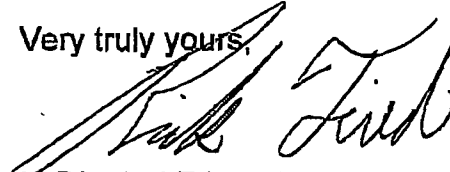
**Subject: Support SB 2362 Establishment Hawaii Entertainment & Sports Authority
Hearing: Thursday, February 7, 2008, 1:15 p.m.**

I'm writing this testimony in support of SB2362. As a avid competitive tennis player and fan of sports, I have longed for the establishment of a centralized sports authority for many years. In spite of numerous attempts by many sincere people over the years, efforts to unite the various interest groups here under a common banner have failed, time and again. I believe that establishing the sort of entertainment and sports authority proposed in this piece of legislation would allow Hawaii to achieve three key things:

- 1) It will enable our state to access and benefit from the multi-billion dollar entertainment and sports industries, which will generate jobs, revenue, and a much needed boost to our economy.
- 2) It will establish our state not just as 'another place with beaches', but as the premier destination for world-class sports events, education, research and facilities.
- 3) It will motivate the various factions in our existing interest groups to move from a 'me' mentality to a 'we' approach, and just maybe, exhibit the sort of state-wide unity necessary to attract and retain world-class talented professionals and organizations.

Thanks for your time and consideration.

Very truly yours,



L. Richard Fried, Jr.

LRF:lo

Hawaii State Legislature

Bill Status

SB2362

RELATING TO THE HAWAII ENTERTAINMENT AND SPORT AUTHORITY

TO: Senator Mike Gabbard
FROM: Ty Aki, 3362 Winam Ave., Hon. HI. 96815, 808-258-8677
RE: SB2362, Hawaii Entertainment and Sport Authority
DATE: February 4, 2008

Dear Senator Gabbard,

I am writing this letter to support the upcoming bill regarding the Hawaii Entertainment and Sport Authority. The concept of a governing body to facilitate entertainment and sports events to help boost the economy is a great idea. It would bring more opportunities for businesses to work closely with several different industries--more jobs. This would bring more attention to Hawaii as a destination for events not just tourism. Tourism has been the driving force for our island's economy for many years; isn't it time we find another way? The HESA would bring more mainland shows and events to the islands. It would mean more jobs. Did I mention more growth in our economy? I see this as a good thing for everyone here. It is my experience most governing positions related to the sports industry works it's way to the people in general. I know you will champion this bill to benefit the economy as well as the greater good for Hawaii. Please support Senate Bill 2362.

Yours truly,

Ty Aki

testimony

From: markgaloha@juno.com

Sent: Wednesday, February 06, 2008 2:37 PM

To: testimony

Subject: Testimony re the establishment of Hawaii Entertainment and Sports Authority

Senate Committees on Economic Development & Taxation and Tourism & Government Operations

SB 2362

Dear Senators,

I wish to voice my support for the establishment of a state level authority to develop and promote these arenas. This will, I am convinced, be a worthy investment for our future, not only economically (along the same lines as the state's already established bodies promoting the film/TV and tourism industries), but with the added benefit of contributing to the cultural and physical well-being and the less tangible but none-the-less real sense of spirit and pride of our community.

Mahalo,
Mark E. Gallagher
Hawai'i Kai

testimony

From: Randy Kop [rkop@waialae.com]
Sent: Wednesday, February 06, 2008 12:59 PM
To: testimony
Cc: HaughJ@aol.com
Subject: SB 2362 Establishment of Hawaii Entertainment and Sports Authority

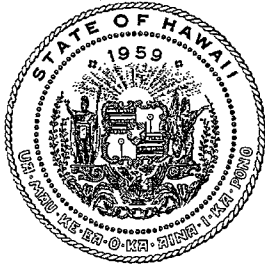
Aloha,

My name is Randy Kop and I am currently The Director of Tennis at the Waialae Country Club. I am writing to you in support of Senate Bill 2362. Establishing a Hawaii Entertainment and Sports Authority.

As a former Operation Manager for Professional Tennis Events in Hawaii, a Sports Authority Board would be a great asset in the recruiting, developing and marketing of sporting venues here in Hawaii.

I hope you consider SB 2362 and I thank you for your time and consideration.

Randy A. Kop



Hawai'i Tourism Authority

Hawai'i Convention Center, 1801 Kalākaua Avenue, Honolulu, Hawai'i 96815
Website: www.hawaiiitourismauthority.org

LINDA LINGLE
Governor

REX D. JOHNSON
President and Chief Executive Officer

Telephone: (808) 973-2255
Fax: (808) 973-2253

Testimony of
Rex Johnson
President and Chief Executive Officer
Hawai'i Tourism Authority
on
S.B. 2362
Relating to the Hawaii Entertainment and Sports Authority

Senate Committee on Economic Development and Taxation
Senate Committee on Tourism and Government Operations
Thursday, February 7, 2008
1:15 p.m.
Conference Room 229

The Hawai'i Tourism Authority (HTA) opposes S.B. 2362, which proposes the establishment of a Hawaii Entertainment and Sports Authority in the Department of Business, Economic Development and Tourism to, among other responsibilities, develop a long-range plan for entertainment and sports tourism; develop state policies and directions for entertainment and sports tourism; maintain a permanent, strong focus on marketing and promotion; and acquire, maintain, and operate various entertainment and sports facilities.

As part of its responsibilities to market and promote sports-related activities and events, the HTA has on staff a Sports Manager. The Sports Manager, worked with the HTA's Sports Investigative Committee, to develop a plan for the promotion of sporting events and new sporting products that could be integrated into an overall sports marketing and promotion program for the state. In 2007, HTA funded nineteen sports events from which Hawai'i benefited from \$113,130,000 in visitor spending and over 75 hours of television coverage, which reached more than 20 million households. HTA's sports budget, in 2007, for the nineteen events was \$7.8 million, about 10.5 percent of the HTA's total budget.

The HTA's Sports Program is one of the major components of the Authority's overall State Marketing Program which is designed to market Hawai'i as an overall visitor destination. Having the sports program under the HTA's purview allows for its integration into the Authority's overall global marketing efforts. As such, establishing a separate entity for entertainment and sports would take away from the marketing synergy and continuity that HTA presently has.

The HTA is already addressing sports marketing, promotion, and product development to enhance Hawaii branding as a sporting events and activity destination. Therefore, S.B. 2362, is

not necessary and we request that it be held. Thank you for the opportunity to provide these comments.



**TESTIMONY OF THE STATE ATTORNEY GENERAL
TWENTY-FOURTH LEGISLATURE, 2008**

ON THE FOLLOWING MEASURE:

S.B. NO. 2362, RELATING TO THE HAWAII ENTERTAINMENT AND SPORTS AUTHORITY.

BEFORE THE:

SENATE COMMITTEES ON ECONOMIC DEVELOPMENT AND TAXATION AND ON TOURISM AND GOVERNMENT OPERATIONS

DATE: THURSDAY, FEBRUARY 7, 2008 **TIME:** 1:15 PM

LOCATION: State Capitol, Room 224
Deliver to: Committee Clerk, Room 216, 1 copy

TESTIFIER(S): Mark J. Bennett, Attorney General
Or Gregg J. Kinkley, Deputy Attorney General

Chairs Fukunaga and Nishihara and Members of the Committees:

The Department of the Attorney General is in strong opposition to the part of this bill (at page 13, lines 1 - 12) that authorizes a newlycreated Hawaii Entertainment and Sports Authority ("Authority") to hire its own attorneys independently of the Department of the Attorney General. We believe it is unnecessary.

Under existing law, the Authority would already be able to hire its own attorneys with the approval of the Attorney General. In all cases in which there is a need for additional expertise, our Department has approved and will continue to approve the hiring of outside counsel under existing statutory authority in section 28-8.3(a) and (d), Hawaii Revised Statutes (2007 Cum. Supp.). A bill allowing the Authority to employ its own attorneys is legally and fiscally unnecessary. This bill could lead to the situation where outside counsel is advising the Authority contrary to the Department's opinion.

In addition, deputy attorneys general should be the persons to advise state agencies because our Department is able to offer a wide range of expertise. The attorneys in our Department have the breadth of experience that state entities require, including knowledge of the

unique state laws that apply to state agency activities. We have often learned that attorneys in private practice must take time to learn these laws, leading to duplicate knowledge at additional expense. Our Department has provided advice ranging from routine matters such as the sunshine law to unique design-build and marketing contracts. A small group of in-house attorneys for the Authority could not duplicate these services.

We therefore respectfully request this bill be amended to delete the provision (at § __-4, lines 1 - 12 of page 13) allowing the Authority to hire its own attorneys. We take no position on the remaining provisions of this bill, except to point out that if this provision of the bill is retained, it will also be necessary to amend section 28-8.3(a) and (c), Hawaii Revised Statutes, which currently does not provide for an exemption from the general rule that state agencies may not retain private attorneys.



HAWAII HOTEL & LODGING

ASSOCIATION

2270 Kalakaua Ave., Suite 1506
Honolulu, HI 96815
Phone: (808) 923-0407
Fax: (808) 924-3843
E-Mail: hha@hawaiihotels.org
Website: www.hawaiihotels.org



30th Anniversary
Are You Walking???
May 17, 2008
(Always the 3rd Saturday in May)
www.charitywalkhawaii.org

**TESTIMONY OF MURRAY TOWILL
PRESIDENT
HAWAII HOTEL & LODGING ASSOCIATION**

February 7, 2008

RE: SB 2362 Relating to the Hawaii Entertainment & Sports Authority

Good afternoon Chairs Fukunaga and Nishihara and members of the Senate Committees on Economic Development & Taxation, and Tourism & Government Operations. I am Murray Towill, President of the Hawaii Hotel & Lodging Association.

The Hawaii Hotel & Lodging Association is a statewide association of hotels, condominiums, timeshare companies, management firms, suppliers, and other related firms and individuals. Our membership includes over 170 hotels representing over 47,300 rooms. Our hotel members range from the 2,523 rooms of the Hilton Hawaiian Village to the 4 rooms of the Bougainvillea Bed & Breakfast on the Big Island.

The Hawaii Hotel & Lodging Association opposes SB 2362 Relating to the Hawaii Entertainment & Sports Authority. We believe the functions spelled out for this new entity especially in marketing are duplicative of activities undertaken by the Hawaii Tourism Authority ("HTA"). We oppose the separation of marketing activities for sports and entertainment from the overall marketing programs of the HTA. We believe the creation of separate marketing plans and activities directed by a separate Authority would lead to inefficiencies and potentially a lack of effectiveness.

We are especially concerned because this bill proposes to fund this new entity, at least in part, by diverting funds from the Tourism Special Fund. Our members supported increasing the Transient Accommodations Tax ("TAT") with the understanding that expenditure of the funds would be directed by the Hawaii Tourism Authority. The idea was to have a group with substantial industry representation making decisions relative to the visitor industry. This authority would also coordinate the State's tourism marketing efforts. We see SB 2362 as a departure from this purpose and a fragmentation of responsibility from marketing activities.

We urge you NOT to pass SB 2362. Mahalo again for this opportunity to testify.

Testimony by Jim Haugh in support of **SB 2362**
Relating to Establishment of Hawaii
Entertainment and Sports Authority

Before Joint Senate Committee Hearings
Committee on Economic Development and Taxation
Committee on Tourism and Government Operations
Thursday, February 7, 2008

Executive Summary

- This testimony is to support SB2362 as a much needed legislation to 'champion' the growth and development of Hawaii's entertainment and sports economy. As a senior sports executive with over 38 years of international, national and local expertise, Hawaii remains reactive rather than proactive to these global billion dollar industries. If Hawaii's vision is to be a community that seeks 'innovation, creativity and excellence' in the business of entertainment and sports, an organization which mission is solely focused on driving economic development, education/training, quality of life and media exposure has been void for decades. With a number of high profile sports events, venues and professionals in need of an organization to address issues in a timely manner, i.e. pending loss of NFL Pro Bowl and PGA Senior Turtle Bay Championships, renovation/governance of Aloha Stadium, development of Hawaii Raceway Park, establishment of an MBA and Undergraduate Entertainment/Sports Management program at University of Hawaii-Moana and the exit of coach June Jones are among several 'train wrecks' Hawaii can no longer afford...does Hawaii have the political capitol, resources, leadership and commitment to compete in a competitive global economy?
- Let's move from analysis/paralysis and pass this legislation now!
- Jim Haugh
- Former Senior Director IMG Sports, Entertainment and Media
- Former President/CEO Seattle/King County Sports & Events Council

U.S. Entertainment and Sports Industry Overview

- Hawaii Entertainment and Sports industries is estimated at \$2.4 billion dollars
- In 2004 U.S. Sports Industry was estimated at \$213 billion. It is far more than twice the size of the U.S. auto industry and seven times the size of the movie industry:
- Advertising \$27.43B
- Endorsements \$897 MM
- Sporting Goods \$25.62 B
- Facility Construction \$2.48 B
- Internet \$239.1 MM
- Licensed Goods \$10.50 B
- Media Broadcast Rights \$ \$6.99B
- Professional Services \$15.25B
- Spectator Spending \$26.17 B
- Sponsorships \$6.40B
- Medical Spending \$12.60B
- Travel \$16.06B
- Multimedia \$2.12B
- Gambling \$18.90B
- Operating Expenses \$22.98B
- Source: Street & Smith Sports Business Journal 7/1/05

Why the need for a Hawaii Entertainment and Sports Authority

- Over 325 US mainland states and cities have established an entertainment and/or sports authority/commission...why not Hawaii?
- Hawaii must take an pro-active role rather than reactive in developing these industries....who is driving economic future of these global industries?
- Hawaii is not represented within the international or national entertainment/sports community or trade organizations
- Hawaii entertainment and sports industries lacks qualified leadership and organizational structure to address; better paying jobs, education/training programs, economic impact, quality of life benefits, future direction and opportunities for growth
- It will provide for the study and research of the size, scope, future and opportunities of these industries.
- Eliminate ineffective governance and beauracracy of State funded/ managed sports events and venues i.e. Pro Bowl, UH Athletics, Aloha Stadium, Hawaii Raceway Park
- Develop an organization as the 'clearing house' for all entertainment and sports business, trade, associations, clubs, governing bodies, etc. so to bring order to this very dysfunctional and fragmented industries.
- These industries need to establish their own voice/identity within government to maximize their potential growth/development...why should tourism, travel or other vendors/suppliers represent sports or entertainment?

Primary Objectives of Hawaii Entertainment and Sports Authority

- Provide educational, training and recognition programs for the growth and development of industry professionals in order to attract and retain a skilled work force and study of industry best practices.
- Advocate for additional and maximize the use of entertainment and sports training/competition venues and facilities.
- Attract major entertainment and sports events to Hawaii that will provide internship programs, better paying jobs, positive media exposure and enhance the economic vitality and quality of life for the State of Hawaii.
- Support the efforts of entertainment and sports state and county departments or agencies, collegiate and high school programs, event promoters and amateur athletic associations with marketing, promotion, funding and organizational development.
- Partner with Hawaii Tourism Authority, UH Manoa School of Business, County Entertainment and Sports Commissions, Federal agencies and other public/private organizations to foster a collaborate economic development agenda to grow the economy of entertainment and sports industry.

Hawaii Entertainment and Sports Authority

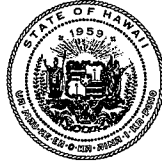
Five Year Business Development Agenda

- HESA benchmark of success will be to support, investigate and develop existing and new sustainable business models that can serve as economic drivers for the industry.
- Establish through UH College of Business an MBA and under graduate degree Entertainment and Sports Management Program.
- Develop life learning, recognition and training programs/seminars for those industry professionals and sponsors/vendors.
- Establishment, coordinate, fund and support a Kauai, Hawaii, Maui and Oahu County Entertainment and Sports Commission.
- Advocate, plan and fund additional entertainment and sports competition, performance, education and training facilities.
- Investigate best practices and governance/operation of Aloha Stadium, Hawaii Raceway Park and UH Athletic Complex.
- Organize and host every two years 10 day Hawaii Pacific Entertainment and Sports Summit from 14 Pacific Rim Countries.

Questions and Comments

-
- Thank you for your time and consideration.

LINDA LINGLE
GOVERNOR



RUSS K. SAITO
Comptroller

BARBARA A. ANNIS
Deputy Comptroller

**STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES**

P.O. BOX 119
HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
RUSS K. SAITO, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
SENATE COMMITTEES
ON
ECONOMIC DEVELOPMENT AND TAXATION
AND
TOURISM AND GOVERNMENT OPERATIONS
ON
February 7, 2008

S.B. 2362

RELATING TO THE HAWAII ENTERTAINMENT AND SPORTS AUTHORITY

Chairs Fukunaga, Nishihara, and members of the Committees, thank you for the opportunity to testify on S.B. 2362.

The Department of Accounting and General Services (DAGS) has concerns about S.B. 2362 as it is currently written because it creates a Hawaii Entertainment and Sports Authority (Authority) to oversee the operations of an executive director and officers, agents and employees to perform functions partially being performed by an existing State agency. DAGS would oppose any funding appropriated for the Authority if it takes away from any programs in the administration's supplemental budget.

DAGS opposes the bill's proposal to exempt the Authority, whose functions are declared to be public and governmental functions, exercised for a public purpose, and matters of public necessity, from the requirements of the Hawaii procurement code.

Chapter 103D-102 (a), HRS, states the following:

§103D-102 Application of this chapter. (a) This chapter shall apply to all procurement contracts made by governmental bodies whether the consideration for the contract is cash, revenues, realizations, receipts, or earnings, any of which the State receives or is owed; in-kind benefits; or forbearance; provided that nothing in this chapter or rules adopted hereunder shall prevent any governmental body from complying with the terms and conditions of any other grant, gift, bequest, or cooperative agreement.

The bill does not establish a basis for the Authority's exemption from the procurement code.

DAGS advises that this bill if passed will require funding that is not available, and would enable the Authority to procure goods, services, and construction without illumination from the bright light of the procurement code.

Thank you for the opportunity to testify on this matter.

From: Carl Clapp

Testimony on SB2362

Thursday, February 07, 2008, Capitol Room 229

Attention:

Chairs Fukunaga, and Nishihara and Vice Chairs Espero and Kim, Aloha and thank you for this opportunity to support SB362 that establishes the Hawaii Entertainment and Sports Authority.

The state of Hawaii is a premier destination for entertainment and spots productions and events. The community has demonstrated the ability to support these activities and even more importantly others see our state as a destination of choice. We have the necessary industries and commitments to bring these activities to Hawaii. Our location and natural environment provide us with a unique opportunity to develop and promote these opportunities, bring visitors to Hawaii, and create an economic impact for our State. Our investment of time and resources will support our economy, provide entertainment, and provide an outstanding platform to share Hawaii with the world.

There are a number of cities and states that are very successful in brining these types of events to their local. Upon closer examination one will find that many if not all of these locations have a coordinating committee or body that works to identify opportunities, facilitate conversations, provide leadership, and offer support to encourage entertainment and sports events to consider and decide on their locale.

This bill allows Hawaii, already a popular destination for these events, to strategically enhance our position in this competitive market place.

Mahalo for the opportunity to support this bill.

From: Carl Clapp

Testimony on SB2362
Thursday, February 07, 2008, Capitol Room 229

Attention:

Chairs Fukunaga, and Nishihara and Vice Chairs Espero and Kim, Aloha and thank you for this opportunity to support SB362 that establishes the Hawaii Entertainment and Sports Authority.

The state of Hawaii is a premier destination for entertainment and sports productions and events. The community has demonstrated the ability to support these activities and even more importantly others see our state as a destination of choice. We have the necessary industries and commitments to bring these activities to Hawaii. Our location and natural environment provide us with a unique opportunity to develop and promote these opportunities, bring visitors to Hawaii, and create an economic impact for our State. Our investment of time and resources will support our economy, provide entertainment, and provide an outstanding platform to share Hawaii with the world.

There are a number of cities and states that are very successful in bringing these types of events to their local. Upon closer examination one will find that many if not all of these locations have a coordinating committee or body that works to identify opportunities, facilitate conversations, provide leadership, and offer support to encourage entertainment and sports events to consider and decide on their locale.

This bill allows Hawaii, already a popular destination for these events, to strategically enhance our position in this competitive market place.

Mahalo for the opportunity to support this bill.