



September 2nd, 2009

Attention: Chairs Fukunaga and McKelvey, Vice Chairs Baker and Choy, Members of the Committees

It has recently come to my attention that Hawai'i Film Office may be eliminated. This, in my view, will cost the state millions of dollars in revenue; a far greater cost than the immediate savings.

Film productions shooting out-of-state rely on three key factors: a suitable location, the availability of a tax credit, and the apparatus to obtain the permits and locations. If any one of these three elements is not available it is extremely unlikely that state will be chosen as a location. There are simply too many choices out there. Should Hawai'i lose its film office, the word will spread fast that it is no longer film-friendly. This would be akin to the Hotel industry shutting down concierge and front desks.

For the few films that might have to shoot in Hawai'i regardless, it will be a long hard road. I don't think we could have made the story of Ka'iulani were it not for the film office. They opened the doors to the palace, offered advise on cultural sensitivity, provided names of historical experts, handled PR and protesting during filming, and assisted with locations and permits. Without their experience this film would have faltered, or may have never been made at all. Our film about the life of Princess Ka'iulani will be released theatrically next year across the U.S. The financial impact of its release to the State of Hawai'i will be the swell of visitors to Oahu, wanting to see the palace. Making more films in Hawai'i would increase interest in the state.

I understand the State of Hawai'i is in a financial crisis, much like California, and I don't profess to know anything about public office, but I do hope that I have offered you an outsider's perspective of this potential decision.

Respectfully,

Marc Forby
Trailblazer Films Inc.

Trailblazer Films, Inc.

Francis Choe

From: Chris Lee [chrisleeprods@gmail.com]
Sent: Thursday, September 03, 2009 12:14 AM
To: EDTTestimony
Subject: Proposed Lay Offs of State of Hawaii Film Industry Branch, DBEDT

re: The purpose of this informational briefing is to gather information relating to the potential impacts on Hawaii businesses and the local film industry, arising from the anticipated reduction and possible elimination of most of the Film Industry Branch, the Community Economic Development (CBED) and Enterprise Zone/Partnership programs. The reduction of staffing and consequent potential elimination of the Film Industry Branch and CBED/Enterprise Zone programs would occur as a result of Governor Linda Lingle's announced intention to lay off staff in these programs.

To: Senator Carol Fukunaga, Chair, Rep. Angus L.K. McKelvey, Chair, Senator Colleen Hanabusa, Senate President, Representative Calvin K.Y. Say, House Speaker

I write today as both a motion picture and television producer and the Founder and Director of the University of Hawaii Academy for Creative Media to express my profound distress, dismay and confusion over the proposed elimination of virtually the entire staff of DBEDT's Film Industry Branch, including State Film Commissioner Donne Dawson. This would be a TERRIBLE business decision by the State of Hawaii and makes no sense either in terms of policy, vision, or merit.

Full disclosure: Ms. Dawson is my calabash sister and we have been friends since childhood. But even if she had just come from the mainland ten years ago, as an entertainment professional, I cannot imagine Hawaii being better served by anyone in this crucial area of economic development. Donne and her staff have done an excellent, 24/7 job of representing the state of Hawaii to Hollywood and filmmakers from around the globe. Just as importantly, the staff of the Film Industry Branch manage the process for the people of Hawaii, fairly and transparently. This is not an easy job -- or a place for on the job training -- for either constituency.

Perhaps more than any other state, Hawaii has been defined by the media. Our film and television industry is a crucial component of marketing our state as a tourism destination to the world. But media in all its forms now offers Hawaii a vital opportunity to diversify our economy to keep our students here in the islands with living wage jobs.

There is no shortage of examples where Donne and her staff's keen expertise has made the difference in attracting production to Hawaii and keeping the film and television producers coming back by dealing with the most delicate and unexpected contingencies. With a minimal annual budget, this office has supervised approximately a billion dollars in production spending since Donne took the helm, and the notion that our struggling state can simply remove or replace this office without a severe negative economic impact is ludicrous. This is an office staffed by industry experts who make a positive difference for the state's tax revenues, tourism marketing, and diversified economy.

While I recognize the State must deal with its budget issues, it is baffling that anyone would look at the immense return on the dollar that Donne's office provides to Hawaii and decide this is the place to cut.

I am sorry that I cannot be there today in person -- I am delivering the key note address for the Taiwan government-sponsored Digital Taipei 2009 -- dedicated to the building of Taiwan's digital content industry. Ironically, the head of a Taiwan production company who has worked in the US actually said to me today that

she heard there was trouble with Hawaii's film office. I have heard similar concerns from producers on the mainland who are not going to come to Hawaii if there is no one to facilitate their production needs in the state.

I am optimistic that the business sense of our executive branch will reconsider these lay offs and take them off the table as there is simply no justification for them.

Sincerely,

Chris Lee

Founder and Director, Academy for Creative Media

President, Chris Lee Productions

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Francis Choe

From: Sue Raymer [sue@p3update.com]
Sent: Thursday, September 03, 2009 8:45 AM
To: EDTTestimony
Subject: *****SPAM***** re: Senate committee on Economic Development & Technology & House Committee on Economic Revitalization, Business & Military Affairs - Testimony

Importance: High

Testimony of Sue Raymer, Director of Advertising

P3 Update Magazine before Senate Committee on Economic Development & Technology and House Committee on Economic Revitalization, Business & Military Affairs

Join Info Briefing 'Thursday, September 3, 2009 10AM

Hawaii State Capitol Rm 229

Chairs Fukunaga and McKelvey, Vice Chairs Baker and Choy, Members of the Committees,

Thank you for the opportunity to submit testimony on this important issue. My name is Sue Raymer. I am Director of Advertising for P3 Update Magazine in Los Angeles, California.

In my past ten years as an Account Manager with The Hollywood Reporter, and now as Director of Advertising at P3 Update, my current employer, I have worked with the film commissioner and her staff. Recently, it has come to my attention that there is discussion regarding the closing of the Film Industry Branch of the State of Hawaii Film Office.

It is my opinion that this decision would be a grievous error with long lasting repercussions. The expertise of this office in demonstrating the advantages of filming motion pictures, television shows and commercials in the State of Hawaii has been exemplary. Their constant devotion to bring revenue into the state and their desire to showcase Hawaii to the world

in a favorable light is unmatched. It is vital to the State of Hawaii to have an office not only knowledgeable about the entire state of Hawaii but equally knowledgeable about the inner workings and needs of filmmakers large and small on every level. This is the film commission's forte. To lose this vital input would be detrimental to the advancement of culture in Hawaii, the increase of tourism and the overall well-being of a state that is right now hanging in the brink of a recession.

Without a viable, working film commission the State of Hawaii would lose filming to Mexico, the Caribbean or Puerto Rico. Please remember when "Tropic Thunder" came to Kauai and left behind \$70 million. That movie could have been shot elsewhere, but with the film commission's assistance, the State of Hawaii claimed that revenue and again, beautiful Hawaii was shown to the world. This happens over and over. "Forgetting Sara Marshall," "Fifty First Dates" and "Lost" - all landmarks for Hawaii - all brought to Hawaii by the state film commission. Their record speaks for itself.

It is my hope that considering these important facts, you will understand that the State of Hawaii film office is imperative to keeping filmmakers interested in coming to Hawaii knowing that there is an infrastructure in place to guide them seamlessly through their project.

ATE

PACIFIC ISLANDERS IN COMMUNICATIONS



Dear EDT Committee:

I am the Executive Director of Pacific Islanders in Communications, a national nonprofit media arts corporation that was established in Honolulu in 1991. The mission of Pacific Islanders in Communications is to support, advance, and develop Pacific Island media content and talent that results in a deeper understanding of Pacific Island history, culture, and contemporary challenges. PIC is a member of the National Minority Consortia, which collectively addresses the need for programming that reflects America's growing ethnic and cultural diversity.

In my line of work, the Hawaii Film Office is an invaluable resource: by ensuring that Hawaiian culture is respected not only on screen with an accurate portrayal, but also behind the scenes while filming, making sure that appropriate care is taken with locations and protocol. Additionally, the Film Office simplifies the filmmaking process for our producers who are shooting their documentaries in Hawai'i.

With regard to Hawaiian culture, the Film Office provides access to cultural consultants, guidelines to culturally appropriate behavior, and promotes deeper understanding of the culture, which in turn fosters respect for it. Without the Film Office, preservation of historic cultural landmarks would not occur.

Our producers benefit from having the Hawaii Film Office available to them because it expedites the processes and permits required for shooting a film in Hawai'i. Although filming can take place without the assistance of the Film Office, they make an arduous and time-consuming process much easier, which allows the producers to spend their valuable time focusing on the actual production of the film.

Ultimately, beyond the points stated above, the Hawaii Film Office is a revenue-generating entity that the state cannot afford to lose in this economic climate. Not only do films shot in Hawai'i bring millions of dollars in direct expenditures to the state, but the amount of exposure that Hawai'i receives on screen and as a location, which in turn promotes tourism, is immeasurable.

In conclusion, the Hawaii Film Office, as it is now with Donne Dawson and her experienced staff, is an invaluable resource that should not be taken away.

Sincerely,

Ruth Bolan
Executive Director

LATE

ANDREW V. BEAMAN
ANDREW R. BUNN
ANDREW W. CHAR
LEROY E. COLOMBE
RAY K. KAMIKAWA
DANTON S. WONG
ADRIENNE S. YOSHIIHARA

CHUN, KERR, DODD, BEAMAN & WONG

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1945-1991

BETHANY C.K. ACE
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KALEEN S. H. MIYASATO
JAMES T. OTA

**THE SENATE
THE HOUSE OF REPRESENTATIVES
THE TWENTY-FIFTH LEGISLATURE
INTERIM OF 2009**

**COMMITTEE ON ECONOMIC DEVELOPMENT AND
TECHNOLOGY**

Chair Fukunaga, Vice-Chair Baker, Members of the Committee:

COMMITTEE ON ECONOMIC REVITALIZATION, BUSINESS, & MILITARY AFFAIRS

Chair McKelvey, Vice-Chair Choy, Members of the Committee:

Hearing date: September 3, 2009

**Testimony on CBED/Enterprise Zone and Film Industry Branch
(Informational Briefing)**

I strongly support the retention of the staffing of the Enterprise Zone and Film Industry offices.

I have worked with Michelle Muraoka in particular, and have found her to be accessible and knowledgeable about the Enterprise Zone program. Michelle is a dedicated and committed public servant who has provided valuable advice to program beneficiaries, and worked effectively with the Legislature for the passage of enterprise zone legislation. She is instrumental in ensuring that the Legislature's objectives for the program are successfully implemented. Without Michelle and other staffers, the program would be rudderless and the Legislature's will frustrated.

Very truly yours,

CHUN, KERR, DODD, BEAMAN & WONG,
a Limited Liability Law Partnership



Ray Kamikawa

RKK/pss:130526.1

Community Voice, Collective Action

Board Members

President

Jason Okuhama (*at large*)
 Managing Partner,
 Commercial & Business
 Lending

Secretary

Rian Dubach (*at large*)
 Community Development &
 CRA Manager
 American Savings Bank

Treasurer

Wayne Tanna (*at large*)
 Asset Building Coalition &
 Chaminade University

Kipukai Kualii (*Kaua'i*)
 Anahola Kaua'i Agribusiness
 Microenterprise Project

Stacy Crivello (*Moloka'i*)
 President
 Ke Aupuni Lokahi

Puni Kekauoha &
 Adrienne Dillard (*O'ahu*)
 Papakolea Community
 Development Corporation

Keikialoha Kekipi &
 Susie Osborne (*Hawai'i*)
 Ho'oulu Lahui/ Kua O Ka La
 Public Charter School

Kukui & Gary Maunakea-Forth
 (*O'ahu*)
 Wai'anae Community Re-
 development Corporation -
 Maia Ai 'Opio (MA'O)

Tommy Otake (*at large*)
 Attorney At Law

HACBED Staff

Robert Agres, Jr
 Executive Director

Brent Dillabaugh
 Asset Policy Coordinator

Larissa Meinecke
 Asset Policy Associate

John Higgins
 Capacity Building Associate

Briana Monroe
 Program Support Assistant

Trung Doan
 Graduate Research Assistant

Senate Committee On Economic Development & Technology House Committee On Economic Revitalization, Business, & Military Affairs

Informational Hearing

Thursday, September 3, 2009, 10:00 am
 Conference Room 22, State Capitol

Aloha Chairs Fukunaga and McKelvey and committee members.

Thank you for the chance to express our **strong support** for the CBED and Enterprise Zone Programs within DBEDT.

While we at the Hawai'i Alliance for Community-Based Economic Development (HACBED) recognize the extraordinarily difficult economic times that we all face here in Hawai'i, we believe that the public sector's response to the situation should be thoughtful, strategic, and vision led. It would be helpful for the community to have information from DBEDT regarding its analysis and prognosis of Hawai'i's current and projected economic situation; the specific goals and strategies it has developed to help the State negotiate through these challenging times; and its analysis of why it believes the CBED and Enterprise Zone Programs do not have a role in helping shape a viable and sustainable economy for our island communities moving into the future.

The CBED Program was designed to engage communities as full partners with the private and public sectors in the economic development process. Its inception was the result of a collaborative vision and effort between community development practitioners from every island across the State with Governor Waihee, DBEDT, and the State Legislature.

Since its establishment, the CBED Program has provided small investments of funding and financing resources along with technical support to community-based entities that have been able to leverage public resources at an average rate of 11:1 (\$11 leveraged for every \$1 of public funds invested); impact an average of 50 jobs a year (based on data from 1999 to 2005); and generate a range of benefits to more than 110,000 Hawai'i residents, most of whom come from low to low moderate income families. It has helped catalyze a diversity of economic ventures within Hawai'i's low income communities including business incubators, commercial marketplaces, sustainable agriculture ventures, social and health service ventures, cultural and educational centers, workforce development initiatives, small and micro business development and financing programs, and other community development ventures. Just as importantly, it has helped to build the capacity

Senate Committee On Economic Development & Technology and House Committee On
Economic Revitalization, Business, & Military Affairs

September 3, 2009

Page 2

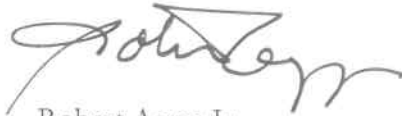
- *Waipahu Community* – community-based entities and ventures like the Waipahu Festival Marketplace, the Filipino Community Center, and Hawai'i's Plantation Village are creating viable economic opportunities for local residents and entrepreneurs while providing unique experiences for visitors to engage with community.

We hope that this brief sharing helps to highlight the need for State program and policy support for the actions that communities are taking to help revitalize and establish more sustainable economic approaches for their own community and for the State as a whole. In its effort to be thoughtful and strategic in developing a viable strategy for Hawai'i to address the economic challenges that we all face, we also hope that the State Legislature and Administration will see the wisdom of investing in rather divesting resources from the CBED and Enterprise Zone Programs and similar State program and policy initiatives that support community initiative and action to sustain the quality of life that makes Hawai'i such a special and unique place.

If we can be of any assistance or provide additional information to you, please feel free to contact us at 550.2661.

Thank you again for this opportunity to share our perspectives on these important State programs.

Sincerely,



Robert Agres Jr.
HACBED Executive Director

LATE TESTIMONY

HAWAII STATE SENATE

Committee on Economic Development and Technology
Senator Carol Fukunaga, Chair
Senator Rosalyn H. Baker, Vice Chair

HAWAII HOUSE OF REPRESENTATIVES

Committee on Economic Revitalization, Business and Military Affairs
Representative Angus L.K. McKelvey, Chair
Representative Isaac W. Choy, Vice Chair

INFORMATIONAL BRIEFING

Thursday, September 3, 2009, 10:00 a.m.
State Capitol, Conference Room 229

Good Morning Chair Fukunaga, Chair McKelvey, and Members of the Committees. Thank you for the opportunity to testify in support of DBEDT's Community-Based Economic Development (CBED) program, the Enterprise Zone (EZ) program, the Film Industry Branch and the Small Business Regulatory Review Board (SBRRB).

I am familiar with all of these programs because I have had the opportunity to work in the CBED Program and the EZ Program with program manager Wayne Thom for two years during the 1990s. I am also acquainted with the **Film Industry Branch** which has spurred Motion Picture revenues and much needed advertising for the State of Hawaii before and after the nation's economic financial meltdown. **The Small Business Regulatory Review Board (SBRRB)** has assisted the small business community with addressing regulatory concerns of Hawaii's small business owners. In my humble opinion, I believe that the most cost effective and community effective programs in the State are presently being downsized, gutted or threatened into extinction by the Director of DBEDT and the Lingle Administration.

The CBED and EZ Programs have enabled non-profit organizations to create meaningful jobs in the small business private sector as well as in the non-profit community. The sustainable jobs created have greatly benefited our non-profit and small business communities within the state of Hawaii. Frankly, it astounds me that the very programs giving the state of Hawaii the greatest bang for the buck are being eliminated, butchered, or left dead in the water. For years, both of these programs have been severely under-funded and understaffed and yet have been asked to provide the same effectiveness for our struggling communities with fewer resources at their disposal.

The Film Industry Branch and **The Small Business Regulatory Review Board** have both done an effective and efficient job for the State of Hawaii in generating revenue and advertising and cutting regulatory red tape for small businesses. The elimination or reduction in managers and staffing within these programs severely undermine the effectiveness and efficiency of work

for our state. The Small Business Regulatory Review Board and the Legislature were responsible for ACT 230 HB2781 HD2 SD2 CD1 which went into law without the Governor's signature RELATING TO SMALL BUSINESS requiring the state agencies to provide additional justification for proposing rules that are more stringent than federal, state or county laws; establishes a Small Business Bill of Rights; and creates a working group to review the process and procedures related to rulemaking.

I STRONGLY SUPPORT the CBED Program, the EZ Program, the Film Industry Branch of DBEDT, and the Small Business Regulatory Review Board of DBEDT in their quest to maintain their manager positions, staffing, and continued funding within DBEDT.

Submitted by:

Art Mori

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LATE

September 2, 2009

Fax TO: Committee on Economic Development and Technology AND
Committee on Economic Revitalization, Business & Military Affairs
c/o Senate Sergeant-At-Arms Office
586-6659

From: Jean Olvey

Number of pages (including this one): 1

Subject: Testimony for Thurs, September 3, 2009 Informational Briefing

The one person who coordinates ALL the activities and tasks for the Enterprise Zone (EZ) program is Michelle Muraoka. She is the EZ Program Coordinator and her position should NOT be eliminated which will allow the program to continue successfully. She is a one-woman operation and performs all the functions of promoting and maintaining this worthwhile program. She is the one person that updates the website, promotes legislation and lobbies for the EZ program, performs outreach, makes presentations, processes forms, sends us our annual certification letter and answers our questions. The complexity of the EZ program tax credits coupled with complex business models and practices makes this program extremely difficult for someone else to "pick up and figure out."

The Enterprise Zone program has been beneficial to our small manufacturing business. Oils of Aloha™ makes kukui oil and macadamia oil. Both these oils are shipped worldwide to manufacturers in the pharmaceutical, food and cosmetic industry. The EZ program has allowed us to expand and promote our business and also create new jobs. This is a worthwhile program that encourages local small business growth and generates new jobs in Hawaii.

We would appreciate assurance from the DBEDT Director Ted Liu that the EZ program can continue if the EZ Program Coordinator is terminated. Ms Muraoka is truly our advocate for local businesses.

P.O. Box 36, Kahuku, Hawaii 96731
Telephone: 808 293-9450



Facsimile: 808 293-8263
Email: info@kahukubrand.com

LATE

September 1, 2009

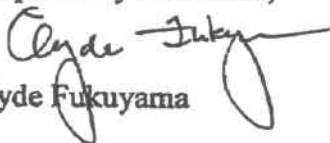
Honorable Senator Carol Fukunaga, Chairperson and Committee Members
Economic Development and Technology Committee
Honorable Representative Angus L K McKelvey, Chairperson and Committee Members
Economic Revitalization, Business and Military Affairs

Re: Testimony against potential elimination of CBED/Enterprise Zone Programs Staff members

My name is Clyde Fukuyama, a 3rd generation farmer located in Kahuku, Oahu. We farm over 165 acres in diversified agriculture which includes: papayas, bananas, eggplant, and taro leaves. We have 18 workers employed on our farm. Majority of our workers are from the North Shore.

The EZ program has been a tremendous help to our small agricultural business. The administrators have been very helpful in processing our yearly forms and notifying us on new updates to the program. Our farming business is counting on receiving the tax credits which the EZ program helps us with. Without the certification and form processing, we would not be able to complete our taxes. The EZ program administrators' role is very important in this process and without them would jeopardize our viability.

Respectfully submitted,


Clyde Fukuyama

P.O. Box 36, Kahuku, Hawaii 96731
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LATE

September 1, 2009

Honorable Senator Carol Fukunaga, Chairperson and Committee Members
Economic Development and Technology Committee
Honorable Representative Angus L K McKelvey, Chairperson and Committee Members
Economic Revitalization, Business and Military Affairs

Re: Testimony against potential elimination of CBED/Enterprise Zone Programs Staff members

My name is Melvin Matsuda, a 3rd generation farmer located in the Haleiwa-Waiialua area of Oahu. We farm over 200 acres in diversified agriculture which includes: papayas, bananas, and vanilla. We have 23 workers employed on our farm. Majority of our workers are from the North Shore.

The EZ program has been a tremendous help to our operations. This program has given us incentives to grow our business and hire people from the community. The administrators have been very informative and helpful in filing our yearly forms. Without the certification and form processing, we would not be able to complete our taxes. The EZ program administrators' role is very important in this process and without them would jeopardize our viability.

Respectfully submitted,
Melvin Matsuda
Melvin Matsuda

LATE TESTIMONY



**Hawaii
Aquaculture
Association**

THE SENATE
THE TWENTY-FIFTH LEGISLATURE
INTERIM OF 2009

COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY

Senator Carol Fukunaga, Chair
Senator Rosalyn Baker, Vice Chair
and

COMMITTEE ON ECONOMIC REVITALIZATION, BUSINESS, & MILITARY
AFFAIRS

Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair

DATE: Thursday, September 3, 2009
TIME: 10:00 a.m.
PLACE: Conference Room 229
State Capitol
415 South Beretania Street

Honorable Chair Fukunaga, Chair McKelvey, Vice Chair Baker, Vice Chair Choy, and
Committee Members,

The Hawaii Aquaculture Association (HAA) strongly supports the State Enterprise Zone (EZ) Program and current staffing which supports agricultural producers and manufacturers. Given the current recession and the difficulties of maintaining agricultural operations under such conditions, the HAA finds the program to be very beneficial to agricultural operations in the State Enterprise Zones and therefore strongly supports continuation of the program and current staffing. Thank you for the opportunity to testify in support of the EZ program and staff.

Ronald P. Weidenbach, HAA President, hawaiiifish@gmail.com, (808) 429-3147