



## LATE TESTIMONY

February 11, 2010

The Honorable Angus McKelvey, Chair  
Committee on Economic Revitalization, Business,  
and Military Affairs  
The Honorable Jerry Chang, Chair  
Committee on Higher Education  
State Capitol, Room 312  
Honolulu, Hawaii 96813

Dear Chairs McKelvey and Chang and Members of the Committee on Economic Revitalization, Business and Military Affairs:

**Subject: HB 2382 Relating to Digital Media**

I am Karen Nakamura, Chief Executive Officer of the Building Industry Association of Hawaii (BIA-Hawaii). Chartered in 1955, the Building Industry Association of Hawaii is a professional trade organization affiliated with the National Association of Home Builders, representing the building industry and its associates. BIA-Hawaii takes a leadership role in unifying and promoting the interests of the industry to enhance the quality of life for the people of Hawaii.

We apologize for missing the opportunity to send in testimony on this bill when it was previously heard and we offer these comments in support of this bill.

**BIA-HAWAII supports HB2382 Relating to Digital Media**

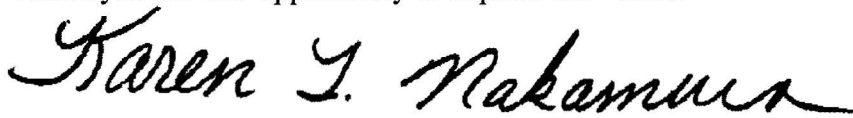
The bill proposes to:

- 1) Establish a digital media enterprise subzones as unspecified geographic areas surrounding University of Hawaii campuses that are also designated as enterprise zones;
- 2) Establish tax benefits for digital media infrastructure development and operation and local workforce employment;
- 3) Authorize insurance companies to invest in qualified digital media infrastructure projects in lieu of pay certain state taxes;
- 4) Renames and amends the Hawaii television and film development special fund to the Hawaii film office special fund;
- 5) Sunsets on 6/30/2020.

The intent of the bill is to provide significant “incentives” to attract private investment to develop the digital media industry in Hawaii. Providing incentives around the University of Hawaii campuses essentially leverages the public funds invested to grow the knowledge based digital media industry in Hawaii.

We have all heard and read about the continued success of the various high school digital media programs in Hawaii and more specifically along the leeward coast of Oahu. The bill provides incentives to stimulate private investment and leverage public investment towards growing the digital media industry. If done correctly, we see a bright future for students who wish to pursue a career in digital media with a program at the University and knowledge based jobs brought in through private investments in the digital media industry.

Thank you for this opportunity to express our views.

A handwritten signature in black ink that reads "Karen I. Nakamura". The signature is written in a cursive, flowing style.

Chief Executive Officer  
BIA-Hawaii

# LATE TESTIMONY

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**From:** Virginia [vaycock@gmail.com]  
**Sent:** Wednesday, February 10, 2010 10:18 AM  
**To:** EBMtestimony  
**Subject:** HB2382 MEDIA

To: COMMITTEE ON ECONOMIC REVITALIZATION, BUSINESS, & MILITARY AFFAIRS  
Rep. Angus L.K. McKelvey, Chair  
Rep. Isaac W. Choy, Vice Chair

and

COMMITTEE ON HIGHER EDUCATION  
Rep. Jerry L. Chang, Chair  
Rep. Mark M. Nakashima, Vice Chair

From: Virginia Aycock  
415 South Street, #1201  
Honolulu, HI 96813  
phone: 808 521-7178

Date: February 10, 2010

Dear Chairs McKelvey and Chang:

Re: HB2382 -- Relating to Digital Media

It is my sincere hope that you and all members of the Committee on Economic Revitalization and Committee on Higher Education will welcome the building of a \$109 million film studio in Kapolei which will provide 1645 jobs.

Though HB2382 calls for tax credits, it will be well worth it to the state of Hawaii to give them. Companies ready to expand will compete for locations which offer them the best deal -- especially during their high cost time of constructing and getting started. We're very fortunate this L.A. company wishes to expand into the state of Hawaii. In the long-term, this enterprise will strengthen our economy. Those 1645 people hired and working here will add to our coffers by paying taxes.

Please pave the way for this Los Angeles company to build a studio in Kapolei.

**Please vote YES.**

Best regards,

Virginia Aycock

# LATE TESTIMONY

**From:** Melissa Nilles  
**Sent:** Wednesday, February 10, 2010 12:12 PM  
**To:** EBMtestimony  
**Subject:** FW: HB2382/SB2355 Testimony

Aloha:

Please find below late testimony in support of HB2382 from Mr. Michael Rivero, Home Baked Entertainment / Alpheus Sacred Music.

Melissa Nilles  
Office Manager for Representative Sharon E. Har  
House of Representatives  
District 40 - Kapolei, Makakilo, Royal Kunia, Kalaeloa  
(o) 808.586.8500  
(f) 808.586.8504  
[m.nilles@capitol.hawaii.gov](mailto:m.nilles@capitol.hawaii.gov)

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**From:** Michael Rivero [mailto:[rivero@hbentertain.com](mailto:rivero@hbentertain.com)]  
**Sent:** Wednesday, February 10, 2010 11:43 AM  
**To:** Melissa Nilles  
**Subject:** RE: HB2382/SB2355 Testimony

Thank you.

I understand the concerns of those who insist that we cannot allow any tax credits during these economic hard times. Their philosophy is that we should collect the full 100% tax rates on all earnings within the state. But I would ask you to take out your pocket calculator and calculate how much tax 100% of nothing really is?

Then I would ask you to calculate is bringing new business to our shores at a reduced tax rate might yield more revenue than the aforesaid 100% tax rate on nothing.

The hard fact is that tourism has been destroyed and we are all adult enough to understand who and what destroyed it. Diversification is no longer a luxury here in Hawaii; it is a dire necessity. We must bring jobs to Hawaii. Jobs are the foundation of every economy. Any other viewpoint is just wishful thinking. The claim of a "jobless recovery" so often touted on the mainland is a myth. We can no more save Hawaii's economy without new employment than we can move a house by picking it up by the roof. Both will shatter.

I urge all support to bring computer graphics companies to Hawaii, to provide jobs for our young people graduating from the ACM so that our investment in their skills is not w2asted by allowing them to seek employment on foreign shores.

Please give due and serious consideration to the long term benefits of HB2382 and SB2355, and do not let the short term view sabotage an opportunity to grow our local computer animation industry.

Thank you.

Michael Rivero  
[whatreallyhappened.com](http://whatreallyhappened.com) / Home Baked Entertainment / Alpheus Sacred Music