

Council Chair
Danny A. Mateo

Vice-Chair
Joseph Pontanilla

Council Members
Gladys C. Baisa
Robert Carroll
Elle Cochran
Donald G. Couch, Jr.
G. Riki Hokama
Michael P. Victorino
Mike White



LATE TESTIMONY
Director of Council Services
Ken Fukuoka

COUNTY COUNCIL
COUNTY OF MAUI
200 S. HIGH STREET
WAILUKU, MAUI, HAWAII 96793
www.maui-county.gov/council

March 2, 2011

TO: Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Gladys C. Baisa *GCB*
Council Member

DATE: Wednesday, March 2, 2011

SUBJECT: **SUPPORT OF HB 1551 HD 1, RELATING TO TAX CREDITS**

Thank you for the opportunity to testify in support this important measure. The purpose of this measure amends the motion picture, digital media, and film production tax credit to remove tax credit caps; establishes a non-refundable tax credit with a carry forward period of up to ten years to encourage media infrastructure development; permits certain production tax credits to be assigned; effective 7/1/2012.

I support this measure for the following reasons:

1. This bill has the potential in stimulating our economy and local businesses.
2. By having various media productions film their projects in our islands will not only create many new job opportunities for our local residents but also will promote the pristine beauty of our islands globally.
3. This huge opportunity will mutually benefit our state and the movie industry.

For the foregoing reasons, I support this measure.

GCB:amm

LATE TESTIMONY

TESTIMONY BILL: HB1551

This bill is a win-win situation for Hawai'i. With the big 5 industries waning, and our heavy dependence on the tourist industry, this industry would bring people, money, jobs, education, which are all needed here.

I support this bill because it will help bring a strong industry, which would include a huge increase of jobs that are not just menial jobs where people have to supplement with more jobs. From the time I was in National Thespians in high school, I knew that the entertainment industry was my calling and when I moved to Hawai'i in the late 1980s it was tough to work because it was far too expensive for productions to work here. Only the big multi-million dollar films had a chance of using the backdrop of our beautiful islands. Consequently, I had to move away for a bunch of years to gain skills, and continue my career. As many people over the years have found, being away from the islands is harder and my heart had to be here even if it meant less jobs and less money. I moved back recently knowing that a few more productions were coming here, but this bill insures that my industry can soar. I have done film, commercials, and even music videos, am a writer, artist, and videographer, and know the plethora of jobs that each project needs. There is no industry that I've experienced that uses "team" better than ours to get a job done..."teamwork makes the dream work."

The fact that this bill and plan also incorporates the training of our young people to participate fully and enables them to get jobs that pay much more than menial, service oriented labor (where they have to have two and three jobs to make ends meet), I think will be a boon for Hawai'i. In addition, I know productions care about the 'aina itself and don't take away land for development, but nurture it because it IS the backdrop for their work! We need another strong industry that supports Hawai'i in being Hawai'i in all its magnificence.

In addition, this would only feed tourism...because people around the world would see Hawai'i, front and center in the media that comes across their screens (a constant flow of free advertising!). This trickles down to other businesses and people. It is a win-win for our state and I believe you should pass this because though you're giving a tax break, it will come back, a hundred fold, and more than pay for itself directly to our island economy which is desperately needed!

Robyn Eastman
8189 Kula Hwy
Kula, HI 96790
818-292-3945

On Location Services

Distinguished Senators and Committee Members,

March 1st, 2011

Aloha ka kou,

LATE TESTIMONY

My production services company, On Location Services, is in full support of the proposals and increased tax credits of HB1551.

With the increase in tax credits, the commitment to build out the production infrastructure on Maui, Oahu and subsequently other islands, will directly and dramatically increase employment and educational opportunities for the near and foreseeable future.

As the testimonies will show, full support of HB1551 is clear and most evident by private industry, vendors, Union membership and management, County Government representatives and their constituents.

It is a very rare opportunity proposed by Relativity Media and one that will immensely benefit a very wide swath of the population base.

It will give current students of the crafts an employment option, right here at home. It also will benefit the construction industry by employing many idle craftsmen across the State.

It will help diversify our economy in addition to actually adding to tourism and help to increase reliance on and improving the quality of local agriculture.

In short, it is the best use and most viable option available to get many people back to work to help generate desperately needed State and County tax revenues.

Mahalo Nui Loa,

Glenn Beadles,
On Location Services

594-C Stable Road, Paia, Hawaii 96779
808-870-7499
www.onloc.com

Aloha,

I would like to express my desire to see more jobs for Hawaii actors.

I am a local actor who has a small part in the film "Soul Surfer" to be released April 8, 2011.

I was happy to see this film employ so many local actors.

We need more film like this. Hawaii is such a beautiful place.

We need to entice film companies to want to come here.

We want them to employ more Hawaii actors.

I would like to see a "Yes" vote to Bill HB# 1551.

Thank-you for your time,

Aloha

Avan

LATE TESTIMONY

To whom it may concern,
My daughter is an actor. It is something she has worked hard for her entire life.
I stand by her, in that we need more jobs here in Hawaii for local actors.
Vote "Yes" to Bill HB# 1551.
Thank-you,
John Newman

LATE TESTIMONY

Aloha,
We need more jobs for Hawaii actors.
I am an actor and my wife is in the military.
I would like to have more work to support my family.
Vote Yes on Bill 1551.
Thank-you
Peter

LATE TESTIMONY

Aloha.
I am a local actor. I need more work to feed my family.
Vote "Yes" to Bill HB# 1551.
Aloha,
Bill V

LATE TESTIMONY

HB 1551

To the House of Representatives.

Aloha! I am Leiohu Richmond: I am of twenty-one years of age. I have had hopes and dreams of being involved in the entertainment industry since I was a young girl in the Performing Arts Program. Living in upcountry Maui, I am surviving with my grandmother, working while attending a full time schedule at Maui Community College. I understand job opportunities in the film industry have been developing in Oahu as well as Maui. I am excited that such big productions are developing in our beautiful state of Hawaii. Our amazing state has so much potential for entertainment purposes. Our lands are varied between tropical, dry, and city-like. The young demographic among me has been so awakened by the new movies and shows that have come to our islands. In all of our interest, we are ready and so eager to work on all of these productions. This bill will allow our generation to grow in prosperous job opportunities while learning the industry. Our local community has been waiting for such opportunities to arise. Most of my generation will travel to the main land to pursue a successful career. This bill will help my generation flourish here will blooming to other lands. Besides our younger demographic, our locals have been waiting to be utilized. With our diligence, previous experience, knowledge, enthusiasm, I am confident that our local Hawaii will be able to properly manage the entertainment business that Hawaii calls for.

Sincerely,
Leiohu Richmond

LATE TESTIMONY

The Twenty-Sixth Legislature
Regular Session of 2011

HOUSE OF REPRESENTATIVES
Committee on Finance
Rep. Marcus R. Oshiro, Chair
Rep. Marilyn B. Lee, Vice Chair

LATE TESTIMONY

State Capitol, Conference Room 308
Wednesday, March 2, 2011; 10:00 a.m.

STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1551, HD1 RELATING TO TAX CREDITS

The ILWU Local 142 supports H.B. 1551, HD1, which amends the motion picture, digital media, and film production tax credit to remove tax credit caps and establishes a non-refundable tax credit with a carry forward period of up to 10 years to encourage media infrastructure development.

Film and other media production in Hawaii help to market Hawaii as a desired destination. The success of television shows like "Hawaii 5-0" feature the beauty of Hawaii and the aloha spirit of its people. Tax incentives to facilitate development of studios work to make future productions possible, thus supporting the creation of jobs and additional revenue into the State.

The ILWU supports passage of H.B. 1551, HD1. Thank you for considering our testimony.

To whom it may concern,

I am an actor who has lived in Hawaii for 20+ years.

I have found it difficult devote a 100% to my career due to the lack of work.

I have to work other jobs in between to stay off unemployment.

I need to and want to work! Vote "Yes" to Bill HB# 1551.

Mrs A Newman

LATE TESTIMONY

LATE TESTIMONY

Branscombe Richmond in support of HB1551

aloha , branscombe richmond here ,, 35 yrs in the movie and tv industry ,, hawaiian boy ,,
kanaka ,,i live in hawaiian homes ,, we need this bill to pass so that we can put people to work ,
to be able to feed our familys , to teach a craft to our young ,, where do our kids go for a job if
no industry is here in hawaii --please ,, give us this chance --- its not just about tourism ,, so
please ,, we need the jobs and we want to go to work ,, now , not later ,, but NOW mahalo nui
,, branscombe richmond --- union ,, sag ,, aftra ,, dga ,, wga

To whom it may concern;

My name is Maiva Blaisdell, and I am writing in support of (House Bill) HB1551. I am currently working as a Theatrical Director/Drama Instructor and Student Activities/Events Coordinator at a local Charter School located in Puna (Pahoa) on the Big Island of Hawai'i. Working with the youth in our community for the past

15 years has been a very rewarding experience, having been a part of their individual growth and watching

them move forward to the next step in their lives, as most venture to a new life on the mainland in hopes of achieving his/her dream of acting, film production, digital media, fashion/makeup design, studio work etc. With all of that being

a very positive action, our up and coming generations should not have to relocate their lives in order to feel they

have more opportunities or job security elsewhere. Over the years I have seen numerous talent leave our beautiful state.

And why? We here in Hawai'i should be giving not only our youth and not only those who work in and around the film industry,

but every qualified male and female the same opportunities they would receive elsewhere. In

short, people of Hawai'i need to eat,

people of Hawai'i need to pay bills, people of Hawai'i need jobs. The establishment of a Film Industry in the State

of Hawai'i would open the door to endless opportunities for so many people. What a gift to give.

Aloha Pumehana,

Maiva N Blaisdell
RR# 4 Box 2271
Pahoa, Hi 96778
808-756-3004
macb347@aol.com

LATE TESTIMONY

LATE TESTIMONY

March 1, 2011

Aloha Kakou!

I am Leialoha Maa Richmond, born and raised on Oahu, lived in Los Angeles for 25 years, and am blessed to reside in Waiohuli Hawaiian Homestead, Kula, Maui for the last 5 years.

I am a former Miss Hawaii USA, actress and model. My husband, Branscombe Richmond, is 2nd generation in the Motion Picture Industry. We have 4 children, the oldest 2 make it 3 generations in the business. Our eldest son works with the Panavision Crane, our second son is on Hawaii 5-0 in locations. This is the business they were raised in, and we are all grateful they are able to work in Hawaii. We know how fortunate they are. Jobs in this industry are not always available in the islands.

We have been following this bill, HB1551, through the Senate, and now it is before you, The House of Representative Finance Committee. I urge you to take advantage of the proposal that is in front of you. No other corporation has offered to build a studio in Hawaii, and put countless unemployed laborers, and union drivers and local film crew to work. I implore you to do the due diligence of looking at the amount of dollars invested, and include the "trickle down" of residents who will benefit, from the farmers whose produce will be consumed to the young people who will have an opportunity to participate in the Motion Picture Industry close up... be it tours or intern opportunities... working in alternative energy solutions... the possibilities are endless. More importantly, unavailable, at this time.

When we are looking for ways to get people back to work, and ways to keep our young people at home, not having to move to the mainland because they can not pursue their dreams here....this is the answer.

I thank you for your time and consideration.
Please do the right thing. Please make the time to fully understand the numbers.
When you do, I am sure you will see that Hawaii needs this opportunity.
It is about putting residents to work now.
It is about providing our children with endless possibilities for the future.

Mahalo!

Leialoha Maa Richmond

Aloha,

I am an actor and a comedian living in Hawaii.

We Hawaiians need to show the world not only our "Aloha" but that there are very talented actors and comedians here.

"Yes" to Bill HB# 1551. I want to see more work in Hawaii for Hawaii actors!!

Thank-you and much Aloha,

Lillian Lee

LATE TESTIMONY



LATE TESTIMONY

Ryan Kavanaugh, CEO, Relativity Media LLC
Kenneth Halsband, President, Physical Production, Relativity Media LLC
Ramon Wilson, EVP, Business Development, Relativity Media LLC

Testimony presented before the Committee of Ways and Means

March 2, 2011, 10:00 am

HB 1551 Relating to Tax Credits

Dear Chair Oshiro, Vice Chair Lee, and Members of the Committee:

We submit this testimony in support of HB 1551 and are honored to have the opportunity to participate in improving the film tax incentive program in Hawaii.

Hawaii is a beautiful state, with a well trained local film crew and filming-friendly weather year round. As a result of these fundamental elements, Hawaii is poised to experience significant and sustainable growth in the amount of film-related production, infrastructure, job/career opportunities and economic activity, if it improves its film tax incentive program.

Currently, most films come to Hawaii for its natural beauty, unique exteriors and film-friendly weather year round as it also has among the highest film union labor rates in the country, high cost to travel crew and ship equipment, and limited local infrastructure. If Hawaii was to improve its film tax incentive program, based on the proposed amendments, it would mitigate these factors and attract both major Hollywood and independent film/television productions, which currently do not film in Hawaii, thereby creating a lasting surge of film production and related economic activity.

As Hawaii has very limited production space, it needs additional film stages in order to support the growth of its film industry. Relativity, with the support of Steve Bing's Shangri-La Industries and JP Morgan, is prepared to build 180,000 square feet, state-of-the-art, first-class production facilities, on Oahu, Maui and potentially other neighbor islands, budgeted at \$300-500 million with the capacity to house multiple film/television productions simultaneously. These facilities will be built "green" and to qualify as two of very few LEED Platinum Certified (the highest environmentally friendly rating awarded) buildings in Hawaii. The proposed amendment makes building these facilities financially viable and will drive economic development associated with

Relativity Media, LLC
8899 Beverly Blvd, Suite 510, West Hollywood, CA 90048
Phone: 310.849.4747, Fax: 310.849.1250

RELATIVITY

major construction projects. It will also drastically increase the economic activity associated with film production generally as more production dollars will be spent in Hawaii.

Hawaii has a thriving group of local film makers, film production crew and businesses that benefit from the limited number of films currently shot in Hawaii. An improved film tax incentive program, coupled with a formal local film crew training program, would drive growth of this film community and further development of the local film industry. This would give more local residents the opportunity to work in the high-paying film-related jobs. Over time, a majority of the jobs on each film production, including department heads, would be filled by State residents as opposed to out-of-state workers. And the training program, as proposed, would not cost the state a penny, but rather generate a surplus.

HB 1551 will set the stage to allow Hawaii's film industry to flourish, in a controlled way, and turn Hawaii into a major film production center leading to thousands of high-paying local jobs and major growth in local economic activity.

HB 1551 highlights the following improvements:

- an increase in the film tax credit (to 35% in counties with populations over 700,000 and to 40% in counties with populations under 700,000 – refundable and assignable) which will bring more production immediately and provide more job opportunities
- a 5% visual affects tax credit which will over time create a new post production industry in Hawaii
- establishes an infrastructure credit (25% in counties with populations over 700,000 and to 40% in counties with populations under 700,000 with a \$25mm cap per project – refundable and assignable) which will allow the film industry to build state-of-the art production facilities with 10 Stage
- a Film Advancement Career Training (FACT) Program which will increase the local crew base and build careers for local state residents at no cost to the State (rebate equal to 50% of the hourly wages of each resident participant in a qualified local crew training program up to the first nine hundred hours physically worked by the qualifying crew member in a specialized craft position)
- an increased permit fees to productions which will help to fund the training program the first year as well as create a surplus of funds to oversee the film incentive programs. The fee is equal to ½ of 1 percent of the production spend for the administration, monitoring, auditing and certification of the tax credit with a cap of \$75,000
- Allows for purchases and rentals not available in Hawaii to qualify for the tax credit if obtained through a resident production services company



We have done extensive research and analysis on how to make the film tax incentive financially competitive with other production centers in the United States of America and around the world. This analysis shows how the proposed amendments achieve this in a manner that is economically advantageous to Hawaii. We look forward to working with the State Legislature, the Department of Business, Economic Development and Tourism, the Department of Taxation and the local film community to increase film/television production, build stages and related infrastructure and create new job and career opportunities for state residents.

We thank the Committee for the opportunity to present testimony on this matter.

Sincerely,

Ryan Kavanaugh, CEO, Relativity Media LLC

Kenneth Halsband, President, Physical Production, Relativity Media LLC

Ramon Wilson, EVP, Business Development, Relativity Media LLC