



NEIL ABERCROMBIE  
GOVERNOR

RICHARD C. LIM  
INTERIM DIRECTOR

## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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### STATEMENT OF

RICHARD C. LIM, INTERIM DIRECTOR  
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

### BEFORE THE

HOUSE COMMITTEE ON ECONOMIC REVITALIZATION AND BUSINESS

Thursday, February 10, 2011  
8:00 a.m.  
State Capitol, Conference Room 312

in consideration of

HB1551  
RELATING TO DIGITAL MEDIA

Chair McKelvey, Vice-Chair Choy and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) offers the following comments on HB1551, which seeks to increase the existing Motion Picture, Television and Digital Media refundable tax credits and amends HRS 235-17 to include infrastructure project income tax credits, an additional tax benefit for special effects or animation production in any county of the state, a qualified local crew training program rebate and an exemption from the transient accommodations tax after thirty days of Hawaii expenditures.

At this juncture, we do not recommend altering HRS 235-17 as it exists currently, as it is critical to provide stability of the credit going forward. We agree that the development of digital media infrastructure credits, workforce development, special effects, post production credits and the other ideas presented in HB1551 are worthy of further discussion and welcome the opportunity to dialogue with industry and lawmakers going forward. We defer to Department of Taxation on the fiscal impacts of the measure as well as its impact on existing staff that would be required to manage the additional proposed credits.

ALAN M. ARAKAWA  
MAYOR

KEITH A. REGAN  
MANAGING DIRECTOR



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**OFFICE OF THE MAYOR**

Kē'ena O Ka Meia  
COUNTY OF MAUI – Kalana O Maui

February 8, 2011

**TO:** The Honorable Angus L.K. McKelvey, Chair  
The Honorable Isaac W. Choy, Vice Chair  
Honorable Members of the House Committee on Economic  
Revitalization & Business

**FROM:** Alan Arakawa, Mayor *ae*  
Keith Regan, Managing Director  
County of Maui

**DATE:** Hearing of February 10, 2011

**SUBJECT:** **TESTIMONY OF MAUI COUNTY MAYOR ALAN ARAKAWA  
AND MANAGING DIRECTOR KEITH REGAN IN SUPPORT  
OF HB1551 RELATING TO TAX CREDITS**

Thank you for this opportunity to testify in support of **HB1551** relating to Tax Credits.

The County of Maui supports the intent of this measure which we believe will benefit the entire State of Hawaii by diversifying and stimulating our economy, creating new jobs for our residents, and producing long term opportunities through training/deeming programs for our children.

We thank you for considering our testimony and humbly ask for your support for **HB1551**.



Tom Forman, Chief Executive Officer, RelativityREAL

Testimony presented before the Committee on Economic Revitalization & Business

Thursday, February 10, 2011, 8:00 AM

HB 1551—Relating to Tax Credits

Members of the Committee:

My name is Tom Forman. I am Chief Executive Officer of RelativityREAL and have over 20 years experience as a television producer. I am here to testify in support of H.B. 1551, specifically as it relates to television production activity RelativityREAL can bring to Hawaii.

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

Tom Forman

Chief Executive Officer, RelativityREAL



Kenneth Halsband, President, Physical Production, Relativity Media, LLC

Testimony presented before the Committee on Economic Revitalization & Business

Thursday, February 10, 2011, 8:00 AM

HB 1551—Relating to Tax Credits

Members of the Committee:

My name is Ken Halsband. I am President of Physical Production at Relativity Media, LLC and have over 25 years experience in film production. I am here to testify in support of H.B. 1551, specifically as it relates to making Hawaii the most attractive filming location in the U.S.A.

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

Kenneth Halsband  
President, Physical Production, Relativity Media, LLC



Ryan Kavanaugh, Founder and CEO, Relativity Media, LLC

Testimony presented before the Committee on Economic Revitalization & Business

Thursday, February 10, 2011, 8:00 AM

HB 1551—Relating to Tax Credits

Members of the Committee:

My name is Ryan Kavanaugh, Founder and Chief Executive Officer of Relativity Media, LLC. I am here to testify in support of H.B. 1551, and the positive impact passing it will have on Hawaii's economy, employment opportunities and businesses.

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

Ryan Kavanaugh  
CEO and Founder  
Relativity Media, LLC



Ramon Wilson, Executive Vice President, Business Development

Testimony presented before the Committee on Economic Revitalization & Business

Thursday, February 10, 2011, 8:00 AM

HB 1551—Relating to Tax Credits

Members of the Committee:

My name is Ramon Wilson. I am Executive Vice President of Business Development at Relativity Media, LLC and have over 10 years experience in film and finance. I am here to testify in support of H.B. 1551, specifically as it relates to the benefits that it will bring to Hawaii.

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

Ramon Wilson  
Executive Vice President, Relativity Media, LLC

# UTICA FILMS

J.P. Pettinato, Film Tax Incentive Consultant, Utica Films

Testimony presented before the Committee on Economic Revitalization & Business

Thursday, February 10, 2011, 8:00 AM

HB 1551—Relating to Tax Credits

Members of the Committee:

My name is J.P. Pettinato, I have over twelve years of experience consulting in film production tax incentives. I am here to testify in support of H.B. 1551, specifically as it relates to the lasting, positive economic impact that film production tax incentives will have in Hawaii.

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

J.P. Pettinato  
UTICA FILMS



## **Production Finance Executive**

**Dawn Kealoha Darfus 307 Percy Street Natchitoches Louisiana 71457**

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Testimony presented before the Committee on Economic Revitalization & Business

Thursday, February 10, 2011, 8:00 AM

HB 1551—Relating to Tax Credits

Members of the Committee:

My name is Dawn Kealoha Darfus. I have over 25 years of experience in Film Production Finance, and am a member of Film Production Accountants IATSE Local 161. I am here to testify in support of H.B. 1551, specifically as it relates to the establishment of a film career advancement training program in Hawaii.

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

Dawn Kealoha Darfus  
Production Finance Executive  
Member, IATSE Local 161





Andy Meyers, CEO, Shangri-La Industries; President, Shangri-La Entertainment

Testimony presented before the Committee on Economic Revitalization & Business

Thursday, February 10, 2011, 8:00 AM

HB 1551—Relating to Tax Credits

Members of the Committee:

My name is Andy Meyers, CEO, Shangri-La Industries; President, Shangri-La Entertainment. I am here to testify in support of H.B. 1551, and the opportunity it could afford us to build an environmentally friendly, state-of-the-art production facility in Hawaii.

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

Andy Meyers  
CEO, Shangri-La Industries; President, Shangri-La Entertainment