

NEIL ABERCROMBIE  
GOVERNOR

BRIAN SCHATZ  
LT. GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF TAXATION  
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FREDERICK D. PABLO  
DIRECTOR OF TAXATION

RANDOLF L. M. BALDEMOR  
DEPUTY DIRECTOR

## HOUSE COMMITTEE ON FINANCE

### TESTIMONY OF THE DEPARTMENT OF TAXATION REGARDING SB 318, SD 2, HD 1 RELATING TO BUSINESS DEVELOPMENT IN HAWAII

**TESTIFIER:** FREDERICK D. PABLO, DIRECTOR OF TAXATION (OR  
DESIGNEE)  
**COMMITTEE:** FIN  
**DATE:** APRIL 6, 2011  
**TIME:** 4:00PM  
**POSITION:** DEFER TO DBEDT; CONCERNS

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This bill proposes to amend Chapter 235 by expanding the film credit to include media infrastructure projects.

The Department of Taxation (Department) defers to DBEDT on the merits of expanding the film credit in general.

The Department has the following concerns and technical comments regarding this bill.

**CONCERN OVER WHEN CREDIT IS EARNED AND WHEN IT CAN BE CLAIMED** – Typically, a tax credit of this type can be claimed when the building or equipment is placed in service, generally meaning that the building or equipment is ready and available for use. In general the Department suggests that any infrastructure credit be patterned after the federal low-income housing credit, section 42 of the Internal Revenue Code, which is a proven method for providing tax credits to allow financing for construction of the desired buildings.

**CREATE A NEW SECTION** – The media infrastructure credit added to section 235-17 by this bill has different rules from the existing film credit. It operates in effect as an entirely separate credit and therefore the Department recommends the media infrastructure credit have its own section rather than be shoehorned into section 235-17.

**RECOMMEND ADHERENCE TO THE PROPOSED REGULATIONS CONTAINED IN TIR 2009-5** – The Department has published proposed administrative rules in Tax Information Release 2009-05 for the existing film credit and recommends that this bill's

expanded credit also be subject to those rules.

**RECOMMEND ALLOWING ANY TAX PRACTITIONER TO PERFORM THE INDEPENDENT AUDIT** – The bill requires an independent certified public accountant to certify applications submitted to the Director of Taxation. The Department recommends allowing any tax practitioner to make this certification.

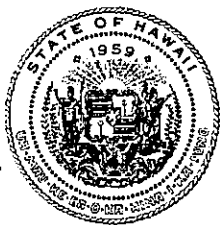
**RECAPTURE** – The Department recommends adding a recapture provision . If a taxpayer begins construction of a facility, claims the credit, and does not complete the facility, that taxpayer should be required to repay any amounts claimed under this credit.

**CAP ON PROJECTS** – The bill provides a credit cap for individual projects. However, the bill's definition of "qualified media infrastructure project" is vague. In addition, a movie theater is considered part of a qualifying project under this bill. Does a project include a commissary, office space, or parking?

**QUALIFIED PRODUCTION COSTS DEFINITION** – Section 235-17(c)(9) needs to be amended because banks would pay franchise tax rates rather than general excise tax on financing fees.

Section 235-17(p), paragraph (11) in the definition of "qualified production costs" the Department would be unable to administer because it is hard to determine "not readily obtainable in the State" and there are no criteria for "mark-up."

**REVENUE IMPACT** – The revenue impact is indeterminate because the amounts in the bill are blank.



NEIL ABERCROMBIE  
GOVERNOR

RICHARD C. LIM  
DIRECTOR

## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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STATEMENT OF  
**RICHARD C. LIM**  
DIRECTOR  
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM  
BEFORE THE  
**HOUSE COMMITTEE ON FINANCE**

Wednesday, April 5, 2011  
4:00 p.m.  
State Capitol, Conference Room 308

in consideration of

**SB318, SD2, HD1**  
**RELATING TO BUSINESS DEVELOPMENT IN HAWAII**

Chair Oshiro, Vice-Chair Lee and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of SB318, SD2, HD1 and appreciates that the existing HRS 235-17 (Act 88) Motion Picture, Television and Digital Media refundable tax credits of 15-20% remain in this draft. The infrastructure credit component is further defined in SB 318, SD2, HD1 which delineates parameters for qualifications and has blanked out the percentages to allow for further discussion.

We defer to the Department of Taxation on the overall fiscal impacts of this measure and express our concern and defer to the counties about the affect of potential impacts to the counties transient accommodations tax (TAT).

The department agrees that improving Hawaii's infrastructure and workforce development programs for the film, digital media and creative sectors are a priority. Since the inception of Act 88 in 2006, the film and television industry has generated \$1.1 billion in total estimated production expenditures with an estimated \$1.7 billion in economic impact statewide. However, given the recent implications of additional revenue shortfalls, we must be prudent and thoroughly weigh the economic benefits of increasing any tax incentives with potential fiscal impacts.

We call your attention to a potential typo on page 5, item C which defines that *“no tax credit shall be allowed for expenditures made for any infrastructure project after July 1, 2011 unless \_\_\_% of the total base investment provided for in the initial certification of the project has been expended prior to this date...”* The date should be modified to July 1, 2012.

The department agrees that the interest and commitment of local and offshore production companies like Relativity Media, RelativityREAL, Shangri-La, Hawaii Animation Studios, Avatar Reality, Blue Water Multimedia, Prox13, Lucent Film Academy are helping to define Hawaii as a vibrant hub of creative industry development. Coupled with the creative talent of Hawaii’s storytellers and our educational programs in creative media, the state has an unprecedented opportunity to build a sustainable sector through a broad spectrum of strategic partnerships for scalable industry growth.

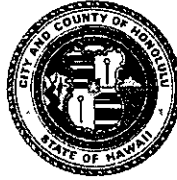
The ideas and programs proposed this session contribute to establishing Hawaii as a major production center, enhancing our traditional media and digital media sectors capacity.

DBEDT and its Creative Industries Division is committed to continued dialogue with all parties to find the appropriate balance between incentivizing industry, identifying the overall economic benefits and impacts, particularly in light of the fiscal challenges facing our state.

Thank you for the opportunity to testify on this measure.

**OFFICE OF THE MAYOR  
CITY AND COUNTY OF HONOLULU**

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PETER B. CARLISLE  
MAYOR

DOUGLAS S. CHIN  
MANAGING DIRECTOR

CHRYSTN K. A. EADS  
DEPUTY MANAGING DIRECTOR

April 6, 2011

The Honorable Marcus Oshiro, Chair  
House Committee on Finance  
Twenty-Sixth Legislature  
Regular Session of 2011  
State of Hawaii

**RE: Testimony of Mayor Peter B. Carlisle on S.B. 318, S.D. 2, H.D. 1, Relating to  
Business Development in Hawaii**

Chair Oshiro and members of the House Finance Committee, I support the intent of this measure, which is to support the growth of Hawaii's media industry and which recognizes that infrastructure development is an important step to building this sector. However I have strong concerns with the portion of S.B. 318, S.D. 2, H.D. 1 which seeks to alter the basic refundable tax credit known as Act 88 by including an infrastructure section that utilizes county transient accommodation tax monies as a funding source.

I believe the funding mechanism of infrastructure section is problematic and would benefit from additional input and more substantive discussions between the various affected state agencies, the counties, all potential beneficiaries of the legislation and the proponents on the financial effect this may have going forward in what is already a financially daunting year. I would hope that increased dialog would result in a consensus among all the parties as to the best way to proceed.

If this bill is to proceed to conference committee, I respectfully request that the infrastructure section of the measure be removed completely and that inclusion of all the various interested and affected parties in discussions be encouraged.

Thank you for this opportunity to testify.

# TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Qualified media infrastructure projects

BILL NUMBER: SB 318, HD-1

INTRODUCED BY: House Committee on Economic Revitalization and Business

**BRIEF SUMMARY:** Amends HRS section 235-17 to allow taxpayers, between July 1, 2011 and December 31, 2015, to claim a nonrefundable tax credit of \_\_\_% of the qualified costs incurred for qualified media infrastructure projects in any county with a population over 700,000; or \_\_\_% of the qualified costs incurred for qualified media infrastructure projects in any county with a population of 700,000 or less.

Provides that \_\_\_% of the qualified media infrastructure tax credit shall be funded by the transient accommodations tax (TAT) allocation of the county in which the project is located; provided that the project shall require the approval of the mayor and council of the county.

To qualify for the credit: (1) the base investment for a qualified media infrastructure project shall be in excess of \$ \_\_\_\_\_; (2) the qualified media infrastructure project tax credit shall be non-refundable with any tax credit that exceeds the tax liability of the taxpayer for the tax year carried forward to offset net income tax liability in subsequent tax years for up to ten years or until exhausted, whichever occurs first. The director of taxation may require the tax credits to be taken in the tax period in which the credit is earned or may structure the tax credit in the initial certification of the project to provide that only a portion of the tax credit be taken over the course of two or more years; (3) the total qualified media infrastructure project tax credit allowed for any state-certified infrastructure project shall not exceed \$ \_\_\_\_\_; (4) if any portion of an infrastructure project is a facility that may be used for other purposes unrelated to production or post production activities, then the project shall be approved only if a determination is made that the multiple use facility will support and will be necessary to secure production or post production activity for the production and post production facility; provided that no tax credits shall be earned on such multiple use facilities until the production or post production facility is complete; (5) tax credits for infrastructure projects shall be earned only if: (a) construction of the infrastructure project begins within six months of the initial certification and shall be \_\_\_% completed within a \_\_\_ year time frame; (b) expenditures shall be certified by the director of taxation and credits shall not be earned until that certification; (c) no tax credit shall be allowed for expenditures made for any infrastructure project after July 1, 2011 unless \_\_\_% of the total base investment provided for in the initial certification of the project has been expended prior to that date; provided that the expenditures may be finally certified at a later date; and (d) the tax credits shall be deemed earned at the time the expenditures are made, provided that all requirements of this subsection have been met and the tax credits have been certified; (6) for state-certified infrastructure projects, the application for a qualified media infrastructure project tax credit shall include: (a) a detailed description of the infrastructure project; (b) a preliminary budget; (c) a complete detailed business plan and market analysis; (d) estimated start and completion dates; and (e) if the application is incomplete, additional information may be requested prior to further action by the director of taxation; (7) an application fee shall be submitted

with the application for a qualified media infrastructure project tax credit; (8) prior to any final certification of a tax credit for a state-certified infrastructure project, the applicant for the infrastructure project tax credit shall submit to the director of taxation an audit of the expenditures audited and certified by an independent certified public accountant as determined by rule. Upon approval of the audit, the director of taxation shall issue a final tax credit certification letter indicating the amount of tax credits certified for the state-certified infrastructure project to the investors. Bank loan finance fees applicable to the qualified media infrastructure project expenditures, as certified by the director of taxation, and any general excise taxes that have been paid on the bank loan finance fees and remitted to the state may be included as part of the tax credit.

There shall be a qualified persons crew training program rebate equal to \_\_\_% of the hourly wages of each resident participant in a qualified local crew training program up to the first \_\_\_\_\_ hours physically worked by the qualifying crew member in a specialized craft position.

A qualified production shall be eligible for the motion picture tax credit if the qualified production has costs of at least \$ \_\_\_\_\_.

Delineates eligibility and filing requirements to claim the qualified media infrastructure project tax credit, including the pledge of a lien in the favor of the state in the amount of \$\_\_\_ million or collateral security in the amount of \$\_\_\_ million.

Adds definitions of "base investment," "director," "qualified media infrastructure project," "qualified person," and "qualified persons crew training programs" for purposes of the measure.

Amends the definition of "qualified production costs" to include: (1) costs for equipment or items not readily obtainable in the state which are passed through a qualified resident vendor and upon which a mark-up and general excise tax are paid.

EFFECTIVE DATE: July 1, 2112

STAFF COMMENTS: The legislature by Act 107, SLH 1997, enacted an income tax credit of 4% for costs incurred as a result of producing a motion picture or television film in the state and 7.25% for transient accommodations rented in connection with such activity. The credit was adopted largely to address the impost of the state's general excise tax on goods and services used by film producers. The exclusion of income received from royalties was initially established by Act 178, SLH 1999, as an incentive to attract high technology businesses to Hawaii. The original proposal would have applied to royalties and other income received from high technology businesses. This section of the law was later amended in 2000 by Act 297 which added the inclusion of royalties from "performing arts products" and again amended by Act 221, SLH 2001, to include authors of "performing arts products."

The legislature by Act 88, SLH 2006, increased the 4% credit to 15% in a county with a population over 700,000 and to 20% in a county with a population of 700,000 or less. Act 88 also repealed the income tax credit for transient accommodations and expanded the credit to include commercials and digital media productions, and limited the credit to \$8 million per qualified production.

These credits have been morphing and expanding into full-blown tax credits since they "got their foot in the door" in 1997. This measure proposes to expand the existing motion picture, digital media and film

production income tax credits to media infrastructure projects which may include certain equipment costs, bank loan finance fees attributable to a qualified production, and other direct production costs. A qualified persons crew training program rebate equal to \_\_\_% of the hourly wages of each resident participant in a qualified local crew training program up to the first \_\_\_\_\_ hours physically worked by the qualifying crew member in a specialized craft position is also proposed.

It should be remembered that the perpetuation and expansion of the motion picture credits are a drain on the state treasury. It is incredulous how lawmakers can bemoan the fact that there are insufficient resources to catch up on the backlog of school repairs and maintenance, to fund social programs and not being able to provide tax relief to residents and yet they are willing to throw additional public resources at a subsidy of film production and media infrastructure as proposed in this measure. Taxpayers should be insulted that lawmakers can provide breaks for film productions but refuse to provide tax relief for residents, many of whom work two or three jobs just to keep a roof over their head and food on the table.

There is absolutely no rational basis for this proposal that the credit be expanded to include media infrastructure projects. Instead of utilizing back door subsidies through tax credits, film industry advocates need to promote the beauty that is synonymous with Hawaii.

Income tax credits are designed to reduce the tax burden by providing relief for taxes paid. Tax credits are justified on the basis that taxpayers with a lesser ability to pay should be granted relief for state taxes imposed. While the sponsors try to make an argument that Hawaii needs to enact such an incentive to compete for this type of business, one has to ask "at what price?" Promoters of the film industry obviously don't give much credit to Hawaii's natural beauty and more recently its relative security. Just ask the actors of "Lost" or "Hawaii 5-0" who have bought homes here if they would like to work elsewhere. While film producers may moan that they will lose money without the proposed tax credits, is there any offer to share the wealth when a film makes millions of dollars? If promoters of the film industry would just do their job in outlining the advantages of doing this type of work in Hawaii and address some of the costly barriers by correcting them, such tax incentives would not be necessary. From permitting to skilled labor to facilitating transportation of equipment, there are ways that could reduce the cost of filming in Hawaii. Unless these intrinsic elements are addressed, movie makers will probably demand subsidies, such as this incentive. Unfortunately, they come at the expense of all taxpayers and industries struggling to survive in Hawaii. While lawmakers look like a ship of fools, movie producers and promoters are laughing all the way to the bank and the real losers in this scenario are the poor taxpayers who continue to struggle to make ends meet.

This, along with proposals from film producers, seems to have caught the eye and excitement of lawmakers. Certainly the promise of the land of milk and honey seems all too good to be true especially amidst the doom and gloom of a \$1.3 billion budget shortfall. However, the harsh reality is that on the other end taxpayers are looking at proposals to raise taxes, tax pensions, raise alcohol taxes, slap new taxes on sugary drinks and yet another round of fee and user charge increases. With the loss of millions of dollars in tax breaks and tax credits, how can local taxpayers buy into proposals like these, especially in light of the fact that lawmakers are unwilling to make cuts in other programs? Before lawmakers go off on the deep end entranced by all of these wonderful offers to bring the state to the land of milk and honey, they need to address the fiscal realities on the road before them. On top of this all, lawmakers have yet to address the unfunded liability of the state's retirement and health systems.

So while there may be the promise of a new industry and increased career opportunities, lawmakers must



return to the cold hard reality of solving the problems at hand. The long and short of it is that due in large part to the irresponsibility of handling state finances in the past, taxpayers cannot afford proposals like this. Thanks to the gushing generosity of those lawmakers who gave the state's bank away in all sorts of tax incentive schemes in recent years, taxpayers cannot afford what looks like a promising opportunity.

Robert Tannenwald, a senior fellow at the Center for Budget and Policy Priorities, drew the following conclusions in a report entitled "State Film Subsidies Offer 'Little Bang for the Buck'," published in State Tax Notes Magazine, December 13, 2010:

"State film subsidies are a wasteful, ineffective, and unfair instrument of economic development. While they appear to be a "quick fix" that provides jobs and businesses to state residents with only a short lag, in reality they benefit mostly nonresidents, especially well-paid nonresident film and TV professionals. Some residents benefit from these subsidies, but most end up paying for them in the form of fewer services - such as education, healthcare and police and fire protection - or higher taxes elsewhere. The benefits to the few are highly visible; the costs to the majority are hidden because they are spread so widely and detached from the subsidies.

State governments cannot afford to fritter away scarce public funds on film subsidies, or, for that matter, any other wasteful tax break. Instead, policymakers should broaden the base of their taxes to create a fairer and more neutral tax system. Economic development funds should be targeted on programs that are much more likely to be effective in the long run, such as support of education and training, enhancement of public safety, and maintenance and improvement of public infrastructure. Effective public support of economic development may not be glamorous, but at its best, it creates lasting benefits for residents from all walks of life."

While this draft of the measure also provides that \_\_\_% of the TAT allocation which would have been a receipt of the county in which the media infrastructure project is located shall be used to fund the proposed tax credit, it would result in that much less revenues for that county which may result in an increase in other taxes and fees to make up for the loss of revenues. It could even mean an increase in the TAT rate to generate additional revenues if the existing imposition is not sufficient to meet the needs of the county.

Digested 4/5/11



# LOCAL 665

FILM, TELEVISION, STAGE, PROJECTION AND TRADESHOWS  
Since 1937

INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS, ARTISTS AND ALLIED CRAFTS  
OF THE UNITED STATES, ITS TERRITORIES AND CANADA, AFL-CIO, CLC

April 5, 2011

TO: House Committee on Finance  
Representative Marcus R. Oshiro, Chair  
Representative Marilyn B. Lee, Vice-Chair  
Members of the Committee

FROM: Henry H. Fordham III  
Acting Business Representative, IATSE Mixed Local 665

SUBJECT: SB 318; Wednesday, 04-06-11 4:00PM in House conference room 308

Aloha Chairman Oshiro, Vice-Chair Lee and Members of the Committee,

I represent the professional, skilled artisans and technicians that serve the projection, film, stage and video industries throughout these islands, the State of Hawaii. The International Alliance of Theatrical Stage Employees, Mixed Local 665.

Our membership supports SB 318, wholeheartedly. We are encouraged that our elected Legislators have been tirelessly working with Relativity Media and Shangri-La Construction, to develop this bill from concept, towards a tangible reality for the State of Hawaii.

Attending various hearings and meetings throughout this Legislative session, I have heard a common question keep coming up in both chambers, "in which industries can we invest, to grow lasting jobs for our young people"? The bottom line is;

This legislation will create immediate jobs for Hawaii's trade unions to build these facilities. As the infrastructure is implemented, and the industry grows, long-term employment opportunities will be created for our children and grandchildren, here at home.

On behalf of the IATSE Local 665 membership, I ask for your continued support of SB 318. Thank you for your time and consideration.

Henry H. Fordham III

Acting Business Representative  
IATSE Local 665  
Honolulu, Hawaii  
ba@iatse665.org  
(808) 596-0227

# Hawaii Actors Network

## Actors/Filmmakers Testimony

### SB318

To Members of the House of Representatives and Senate of the state of Hawaii:

I wish you let you know that I am in full support of the proposed Senate Bill 318 for these reasons.

It provides an incentive for film and TV productions to come to Hawaii, providing work and income for local actors, as well as generating income for local business. Taxes will also help to support the state. Also, more people are likely to stay here if there is work, rather than leave to the mainland.

Mahalo!

Theresa "Res" Martin

Hawaii Actors Network Member

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SB318 SD2 HD 1: Relating to Business Development in Hawaii

DATE: April 6, 2011

TIME: 4:00 pm

PLACE: Conference Room 308

TO: House Committee on Finance  
The Honorable Marcus R. Oshiro, Chair  
The Honorable Marilyn B. Lee, Vice Chair

FROM: Ricardo S. Galindez, Producer, Island Film Group

RE: Testimony In Support of SB318 SD2 HD1

Aloha Chair, Vice Chair, and Members of the Committee

Thank you for the opportunity to testify in support of SB318SD2.

**The Three Legs of a Stable Local Film Industry**

A successful local film industry is comprised of three sectors: 1) studio film and television production (including national commercials), 2) independent film and television production (including local commercials and short films), and 3) production infrastructure. Without all three sectors, a local film and television industry will remain in an unstable condition.

**Studio Production** – Studio film and television projects are defined as those projects that are financed and distributed by major studios, the key aspect being that distribution (either on television or in the theaters) is assured prior to production. Studio projects tend to have large budgets which translate into longer production schedules, larger crews, more equipment, and greater local spending.

**Independent Production** – Independent film and television projects are defined as those projects that are typically financed by individuals and which, most importantly, do not have distribution in place prior to production. Independent projects tend to provide the training environment for local cast and crew and provide an opportunity to tell local stories (e.g.

“Princess Ka`iulani”, “Soul Surfer”, etc.). In addition, independent projects are often produced in between studio projects, which help to keep local cast, crew and equipment working on a regular basis.

**Production Infrastructure** – Production infrastructure includes equipment (cameras, lights, trucks, trailers), facilities (production offices, soundstages, construction mills, post-production facilities) and local crew (directors, camera operators, production managers, location managers, art directors, drivers, electricians, grips, gaffers, etc.).

### **The Need for Film and Television Tax Incentives**

Every year, billions of dollars are spent on film and television production. Since most film and television projects lose money (films under perform or don't get distribution deals, television pilots don't get picked up to series, television series get cancelled, etc.), the cost of production is a major concern of studios and independent producers.

With the exception of star salaries (which are not location dependent), production costs are determined in large part by the availability of equipment, facilities and crew in a given location. The need to import any of these items increases the cost of production.

Over the last ten years many states have enacted film incentives. Most of the incentives are in the form of a rebate in the 20%-40% range. While the larger incentives are usually provided by states with limited infrastructure (Michigan - 42%, Puerto Rico - 40%), New York City, the busiest production center in the United States, has numerous film incentives, including a 30% refundable credit and a sales/use tax exemption.

Not only are film incentives used by studios to determine where to film a particular project, they are also used to identify which projects they will produce. If a particular script is set in an expensive or exotic location it is less likely to be produced than a script set in a large city.

Finally, no other state's visitor industry receives more additional economic benefit from a film or television project than Hawaii.

### **Specific Comments to SB318SD2HD1**

**Incentive Percentage** – Simply put, the greater the incentive, the greater the number of projects that will choose Hawaii as a production location. We propose that Hawaii match New York's program with a 35% refundable tax credit (which approximates the 30% refundable tax credit plus the sales/use tax exemption). In addition, the tax credit should not be capped per production, thus increasing the likelihood that large projects will complete 100% of their production in Hawaii (including soundstage work and post production).

**Infrastructure Credit** – While there has been much said about the need to craft specific legislation for film and television infrastructure, a simple solution would be to include infrastructure projects in the list of “Qualified Production Costs” that are eligible for the production tax credit. There is little economic difference between the “construction” of a film project and the

construction of a physical building. While a film project provides ongoing visual support of our visitor industry, construction of soundstages and post-production facilities provide ongoing support for additional film projects.

Animation/Visual Effects Tax Credit – Increasing the overall production incentive tax credit and removing the cap per production will provide the necessary incentive to utilize local post-production vendors.

Refundable vs. Non-Refundable Tax Credits – A refundable tax credit provides almost twice the benefit that a non-refundable tax credit provides. The use of a non-refundable state tax credit results in the loss of the federal deduction for state taxes paid. As a result, a non-refundable tax credit loses up to 35% of its value for Hawaii taxpayers (while still costing the state 100%). Also, since a non-refundable tax credit requires the identification of taxpayers that have tax liability, the tax credit is usually allocated to such taxpayers at a discount, further reducing the value of the tax credit (and thus reducing the incentive).

Local Crew Training Program – Unlike other trades, film and television production crews learn by experience. As their experience grows, they are more likely to be requested to crew certain productions. Studio productions are unlikely to engage in large-scale training of crew since a qualified crew results in greater production efficiency, which is of greater concern on large productions. A better, and more natural, environment for training is on the set of independent film and television productions. An incentive to support such independent productions would be a more effective way to train local crew. (See proposed incentives below).

Section 179 Limitations – Virtually all studio projects are produced through entities set up to provide production services for that specific project only. They typically do not purchase equipment that would be subject to capitalization or Section 179 deductions. Alternatively, local production companies may produce one or more projects and might find it cost effective to invest in equipment to be used on other projects, which would help them reduce their production budgets in the future. By including Section 179 limitations in the statute, the state is providing a disincentive to local producers to purchase film and television production equipment. (See proposed incentives below).

### **Proposed Additional Incentives**

Alternative Wage Tax Credit – While a 35% refundable tax credit will be an adequate “cost reduction” incentive for studio projects, such a credit alone will not be enough to provide funding for independent projects. As an alternative to the production tax credit, we propose a refundable wage credit that would provide 100% of the first \$20k of W-2 wages paid to employees by the production company (or its payroll company). This incentive would not be beneficial for studio projects that typically pay higher wages for longer periods of time, but for independent projects this incentive could provide up to 50% of the cost of production while encouraging the hiring of local crew members (since travel and lodging would not be eligible for the tax credit). The tax credit would also be easy to administer since the credit would be based on the information in payroll reports that are already required to be filed with the state.

Section 181 Deduction – As explained above, most investors in film and television projects lose money. What investors need are incentives that reduce the upfront risk of their investment. The federal government has recently extended the sunset date of Section 181 IRC, which allows investors to expense 100% of their U.S. production costs in the year the costs were incurred. Repealing Section 235-0009 HRS (which exempts persons involved in the motion picture and television production business from taxation and, as a result, limits the ability to deduct related expenses) and Section 235-2.3 HRS (which opts out of the provisions of Section 181 IRC) would provide an additional incentive of up to 11% for Hawaii residents to invest in local film project while at the same time providing for the taxation of any profits.

#### **About Island Film Group**

Island Film Group (IFG) is the largest local film and television production company in Hawaii. Since its formation in 2007, IFG has produced a television series (“Beyond the Break”), three television movies for Lifetime Television Network, countless national and international television commercials, and three independent feature films (including “Princess Ka`iulani” and “Soul Surfer”). Our projects have employed hundreds of Hawaii residents and spent tens of millions of dollars on local goods and services. Since IFG is a union signatory, most of our crew receive wages and benefits far exceeding those paid in Hawaii’s traditional economic sectors. In addition, IFG, in partnership with Hawaii Media Inc., owns and operates the largest private film and television production studio in Hawaii. IFG’s film and television projects have been seen by audiences around the world, thus supporting Hawaii’s visitor industry in a manner unmatched by any other industry sector.

Thank you for the opportunity to testify on this important bill.

Sincerely,



Ricardo S. Galindez

Island Film Group  
808-536-7955  
rgalindez@islandfilmgroup.com



# *Wai'anae Business Center*

## *Pacific Growth Associates*

### Planning Committee

Joseph W. Lapilio III  
*Wai'anae Coast  
Coalition*

Louis F. Perez III  
*The AKAMAI  
Foundation*

Naomi Digitaki  
*Hawai'i Technology  
Institute*

Richard Soo  
*Retired Fire Captain*

Paul Garner  
*Cent Film Academy*

Dan Gomes  
*Leeward Community  
Resident*

Bobbie Esperanza  
*Leeward Community  
Resident*

Candy Suiso  
*Searider Productions*

Tamar deFries  
*Project Director*

Kahealani Poe  
*Assistant Project  
Director*

April 5, 2011

**RE: SB 318, S.D. 2, H.D. 1 – Relating to Business Development in Hawaii,  
Film Production Tax Credits.**

Over the past eighteen (18) months, community leaders have been meeting regularly as a planning committee and with the Leeward Coast community to implement a model business incubator that combines education and business in the digital media and interactive entertainment industry. The Waianae Coast Coalition and the City & County of Honolulu Leeward Coast Community Benefits Program have supported our efforts by providing technical support and funding.

The business incubator for emerging digital media businesses will feature classrooms equipped with smart technology and production facilities that will also serve as a home to primary, secondary, and higher educational institutions. The design will accommodate 15 to 20 start-up companies, while providing them with networking opportunities to expand their company.

The primary target population of the business incubator will be low- to moderate-income Leeward Coast residents, by allowing residents the opportunity to enter into the media and technology fields through the development of a start-up company in the digital media and interactive entertainment industry, being employed by a company in such an industry, or through educational opportunities provided on-site in the fields of media and technology.

The incubator will be a significant strategy towards poverty alleviation. Each incubator tenant will be provided with competitive lease rates and services ranging from basic business consulting to marketing and advertising, human resources, accounting, web and promotional design and access to capital. Additional services are developed as the needs of the tenant business are identified. The primary point to be made is that the incubating business and students have support on site and are assisted as needed.

The space will provide a much-needed location to situate emerging entrepreneurial companies to start and grow. Trainings, seminars, conferences, symposiums, job fairs, trade shows, and networking events will be planned and implemented on an on-going basis. The incubator will be a vibrant and cutting edge working space of world-class companies, professionals, and students that are afforded opportunities to



Waianae Business Center  
SB-318 S.D.2, H.D. 1

learn, collaborate, and partner in creative and financial ways to grow, flourish, and compete globally.

The planning committee opposes the details of bill as we firmly believe the intent of the legislation is not to exclude any community efforts, but to include our community, businesses, and residents who have been working diligently towards securing a future for our children in this industry:

We look forward to working with you on all legislation pertaining to the motion picture, digital media, and film production industry to demonstrate our commitment to providing opportunities for residents and our children of Hawaii in this industry. Please feel free to contact us anytime at (808) 696-1217.

Sincerely,

*Tamar R. P. deFries S.*

Tamar deFries  
Project Director



HOUSE OF REPRESENTATIVES  
THE TWENTY-SIXTH LEGISLATURE  
REGULAR SESSION OF 2011

COMMITTEE ON FINANCE

Date: Wednesday, 4/06/11

Time: 4:00 PM

Place: Room 308, State Capitol

Testimony in support of SB 318

Rep. Marcus R. Oshiro Chair

Rep. Marilyn B. Lee Vice-Chair

Hawaii Animation Studios is an animation studio located in the heart of downtown Honolulu at 1132 Bishop St. and we are dedicated to building a world class animation and visual effects infrastructure in Honolulu.

Hawaii Animation Studios offers a creative, supportive environment for both staff and clients. Our goal is to utilize our experience and knowledge to enable young and burgeoning talent to gain the most from our own collective, substantial and diverse experience.

The measures that are proposed in SB 318 will place Hawaii on an even playing field with other States and other countries that are vying for the business of content creation. Currently film and digital production for feature films, television shows, websites, video games and other digital content, far exceeds the capacity for major studios to produce the amount of content that is in demand. There is a global infrastructure shortage for the creation of content. The state of Hawaii is poised to be a leader in this industry and this bill is the catalyst to huge success in the content creation arena. Here is why:

1. There is a Geographical advantage to being located in Hawaii. Everyone wants to come here to work..., to play. We are located in the center of the Pacific Rim. 80% of the worlds' population surround us and we are accessible to them with a short 6 hour flight to most countries.

2. Our climate is particularly conducive to the creative spirit. This is extremely important to the creators of motion pictures, television series etc.
3. Hawaii has developed a strong infrastructure for crews and locations. It is a film friendly island and there is a strong cornerstone already here for shooting film.
4. Hawaii is a destination of choice for all content creators. Large studios and small entrepreneurial support companies all want to come here, but until now they have not had the financial incentive to do so.

### **Infrastructure:**

There is at least one major studio that is seriously considering providing a major investment into the state. I feel certain that if this studio opens here, there will be others that will follow suit. It is imperative that the state understand the colossal positive impact having a major studio in Hawaii will provide for the current industry and the huge impact and exponential growth curve that will ensue if this bill is passed.

If only 1 major studio comes to Hawaii, there will be a huge cash injection and infrastructure renaissance. Not only will there be at least one major world class shooting facility built here, there will be at least 20 more support companies that will be created to support the efforts.

When the Act is put in place, Hawaii Animation Studios will expand our facilities and put in place a digital dailies service, a visual effects studio and we will have to expand our current animation and VFX facilities. We will immediately have to train at least 40 to 50 more local personnel to ramp up for the required level of work that a single studio will provide.

For major film projects there are always visual effects. If this Act had been in place during the filming of Pirates of the Caribbean, not only would this film have been shot here, there could have been 5 other visual effect and animation companies, labs and other post-production facilities formed to service this single feature.

If a major studio locates to the State, the post-production industry will grow by at least 5 fold to accommodate the increased activity of the film industry in Hawaii.

### **Animation:**

Hawaii Animation Studios is currently in the process of attaining financing to produce animated feature films. One of the most difficult things to do in business is to have access to capital. SB 318 provides us with the opportunity to finance the projects. Assignable, refundable tax credits give us the ability to finance the projects and will automatically create new work for the State.

If this Bill were in effect today, HAS would have already "greenlit" an animated feature and would have an additional 30 people in development of this film at our Bishop Street Studio. In 9 months' time after the development cycle was completed we would have an additional 150 people in place.

Currently Hawaii Animation Studios has 40 full time employees. We have successfully completed two Veggie Tale DVD's, we have worked as a co-producer on a series entitled Fish 'n Chips, with a French Producer and a Korean Animation House, and we are currently working on 3 one-hour episodes for The Discovery Channel entitled "Reign of The Dinosaurs". Even with the success of attaining these noteworthy productions, Hawaii Animation Studios is not yet profitable. Given the current financial environment, growth for our company and our industry will be solely reliable on our ability to finance projects and produce them at a cost far below industry average. Our margins are currently non-existent and at some point in order for us to make a substantial profit it is very possible that we may have to look elsewhere for financial incentives. If SB 318 becomes law, we will have a sustainable financial incentive that will allow us to grow and prosper and continue our mission to create new jobs, import key talent, and train local talent up to a level of a world class animation studio.

Hawaii Animation Studios currently has the rights to produce 5 animated feature films. If we greenlight just 2 of these films we will be able to create a minimum of 250 highly skilled high paying jobs in Honolulu. SB 318, if enacted will allow us to at least greenlight the development of one of these films.

In summary, we are extremely excited about the opportunities for growth and job creation that SB 318 will provide to the State. I was personally involved with the Ontario Tax Credit and my former company submitted the first animation tax credit application in 1999. My previous company grew from 14 people in 1992 to 350 people in 2004. Industry reports in Ontario estimated that the production community generated 1.2 Billion dollars in 2010. With employment of over 295,000, Ontario has the third-largest entertainment and creative sector in North America, after California and New York. SB 318 has many of the same attributes that currently exist in Ontario and in concert with the Hawaii's Geographic location as well as the intent of at least one major studio to invest in the State, I am certain that Hawaii can surpass these numbers in a very short time frame.

From an animation perspective Hawaii will be considered as a major destination for artists, producers and financiers. For the film industry, the enactment of SB 318 will vault Hawaii into the forefront and I am certain that the revenue generated by this act will IMMEDIATELY create a multi-billion dollar industry for the state through infrastructure investment, secondary entrepreneurial investment by smaller support companies, added incentives to foreign producers for complete services which will include stages, locations, hundreds of thousands of new skilled job opportunities, animation, visual effects and post-production services.

Sincerely,

Daniel J. Krech  
Executive Producer  
Hawaii Animation Studio

LUCENT INVESTMENT GROUP, LLC.  
DBA



2954 East Manoa Road  
Honolulu Hawaii, 96822

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*April 5, 2011*

**RE: SB 318, S.D. 2, H.D. 1 – Relating to Business Development in Hawaii.**

Prox13 Productions is a local film production company that is currently in development of the first full-length feature film of a franchise project. The production budget of the first film is approximately \$70 million and the estimated production budget (exclusive of marketing and advertising) of the franchise over the next 10 years is in excess of \$700 million. We work with local talent as well as some of the world's premier filmmakers. Currently our company is considering producing this franchise project in Hawaii.

We oppose the proposed bill, SB 318, based on its preclusionary treatment of existing community groups, local film companies, and other local parties that would stand to benefit from the bill. In our opinion this bill has been exclusive in its process to many possible participants and the community at large, focusing its effects to specific groups. Currently, there are many groups and organizations in Hawaii who work diligently to encourage the desired outcomes of this bill that are not considered in this bill.

We definitely support the intents of the bill to encourage creative and economic growth and we believe that it is not meant to be excepting to the groups noted. Therefore, we note the need to address and reconsider any unclear and/or exclusionary aspects of this bill. Among these aspects are the requirements of the workforce development program and the qualifications for the infrastructure credit.

We look forward to working towards the refinement of this legislation in order to cooperatively bring about the desired outcomes as outlined by the State.

Sincerely,

---

Paul Garner, Prox13 Productions

Prox13 Productions  
Paul@Prox13.com  
801.360.8472

# RELATIVITY

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 House of Representatives Committee on Finance

April 6, 2011, 4:00 pm

SB318, SD2, HD1 Relating to Business Development in Hawaii

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

We submit this testimony in support of SB318 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 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

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

# RELATIVITY

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.

SB318 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.

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

Testimony to  
House Committee on Finance  
Wednesday, April 6, 2011  
By: Stephan D. Smith  
President, SHM Partners/Film Studio Group

**SB 318, SD2, HD1 (HSCR1194)—Relating to Business Development in Hawaii**

Committee Chair Oshiro, Vice Chair Lee and Committee Members:

I am writing in ardent support of this bill, especially as it relates to the infrastructure credit, because without it the type of studio facilities necessary to attract continuous production and build a sustainable film and television industry in Hawaii will not be built.

Public assistance in building film and television production infrastructure is not new internationally but is relatively new in the U.S. Cinecitta in Rome, Studio Babelsberg in Potsdam-Babelsberg, Barrandov in Prague and Ciudad de la Luz in Alicante, Spain were all built with government funds (the former two have since been mostly privatized) while Fox Studios Australia, Warner/ (Village) Roadshow Studios in Queensland, Central City Studios in Melbourne, Stone Street Studios (Peter Jackson's) in Wellington, N.Z. Bridge Studios in Vancouver, B.C. were all built with very substantial government assistance in the form of free or subsidized land, grants, low interest loans and/or direct investment.

Vancouver's assistance to the Province's film infrastructure, together with its wage-based incentive program, is the reason it has grown into one of the four largest film centers in North America with over \$1.2 billion in 2008 expenditures and \$1.3 billion in 2009.

Meanwhile, Toronto's considerable assistance in underwriting Toronto Film Studios in the Portlands area and New York's sweetheart deal with Steiner Studios in the Brooklyn Navy Yards cemented them as two of the other primary production hubs in the Americas.

New motion picture/television studios now being considered in New Zealand and Puerto Rico will include considerable government assistance. While the former is an established production center with a moderate film incentive but a hunger for more of the benefits filming has brought them, the latter is an up-and-coming production location with a 40% film incentive but little in the way of infrastructure (yet).

Louisiana's 40% infrastructure credit was a key component in helping to underwrite a number of small studios and raise production from \$10 million in 2002 to over \$425 million in 2007. Arguably, Louisiana was less in need of the credit than Hawaii because of its plentiful underutilized resource options for filming, not the least of which has been the convention center in Shreveport.

Michigan's 25% infrastructure credit, in place for a couple of years, has led to the opening of one studio and a handful of projects in planning. Production in the state has increased



from 5 or fewer features per year to 31 in 2008, representing \$174 million in expenditures, 41 in 2009 (\$209 million) and over 65 projects in 2010 (\$323 million) based on the nation's highest incentive, 40-42%. Though not yet officially opened, the new studio has attracted the largest production to date in the state, approximately \$100 million; however, further activity is on hold until the Governor and Legislature sort out the future of the incentives. (Of interest is a February, 2011 Ernst and Young study which concludes an increase of nearly \$6 in Michigan output for each dollar of net film tax credit cost.)

Thanks to the combination of its 25% tax rebate, New Mexico's production expenditures rose from \$1.5 million in 2001 to at or over \$200 million per year since 2008 (the state estimates the total financial impact to be 3 times the actual spend). Albuquerque Studios, built with union funding rather than government assistance, has attracted a considerable amount of this activity-- to the state's benefit--but has struggled financially due to its high cost structure and "stand-alone" basis, i.e. lack of non-studio revenue streams. It could not be reproduced today.

It's clear that production is increasingly gravitating to places with studios, so jurisdictions which have supported studio infrastructure have set themselves apart from those offering only location opportunities by dramatically increasing local expenditures (location spending typically amounts to well under 50% of total production cost) and building an industry comprised of skilled, high paying and stable jobs as opposed to temporary and uncertain employment.

Hawaii offers lush tropical locations as well as more urban settings, optimal natural lighting, safety and talented crew. Interestingly, the State also boasts an abnormally high incidence of creative, media-savvy young people. However, unless there is public investment in infrastructure, Hawaii, which is already relatively expensive, will progressively lose productions to alternative tropical locations which offer studio facilities. This will inevitably lead to an ever greater exodus of students graduating in media disciplines seeking job opportunities elsewhere.

The lure of Hawaii for producers of visual content is incontrovertible—over 50 years of television production and nearly 100 years of filmmaking, not to mention hundreds of commercials—and production spending climbed from \$135 million in 2009 to over \$390 million in 2010, thanks in large part to Act 88 tax credits. However, most of this production is location-based with the majority of the spending occurring elsewhere, and *Lost*, accounting for nearly \$80 million per year in expenditures, wrapped last year.

Hopefully, *Hawaii Five-0*, which is off to a strong start, will prove to be as successful as *Lost*, as will *Off the Map*. Feature films, such as *Pirates of the Caribbean* and *Battleship*, really didn't have a local option for stage work, so the bulk of this work was done elsewhere. The film business is changing, and modern stage facilities are needed in order for the State to build a stable industry rather than enduring the boom and bust of the location-based business.

SB318

Re: Tax credits and support for film and television projects in Hawaii

At a time when the state needs revenue in order to support important public programs and education, there can be a short sighted outlook concerning economic stimuli such as tax credits, which serve to create jobs and therefore increase tax revenue overall.

People look at the projects that come to the state and say "See, we could have had that revenue". As has been demonstrated time and again, film projects go where they find the most fair and favorable terms.

Substantial tax incentive credits create a favorable environment for the film industry to film in Hawaii and create jobs and revenue directly for actors and crew, and indirectly through many ancillary revenues, ie. fuel, food , housing, etc.

Clearly, film and television projects help boost tourism and therefore stimulate excise tax revenues. They produce a lot of revenue with minimal environmental impact.

Great examples this year are Hawaii 5-0, The Descendants, and Just Go With It. In all these projects, Hawaii is a central "character"...great free advertising, better than the HTA can do by itself.

Please support our local creative community, and increase our overall tax revenue base by offering substantial incentives to the film industry.

Thank you,

Jim Pallett, actor

SB318

My name is Wyatt Knight. I have been an actor in film and television for more than thirty years. I live in Hawaii and I am writing today about SB318. Here in Hawaii we have many film industry professionals and an army of willing trainees. Building studios in Hawaii would create thousands of, much needed, new jobs and new business opportunities for Hawaiians. It would also create new revenue for existing hotels, restaurants and shops. Film makers would benefit from our "Aloha" spirit and; our vast and varied landscapes and climates. It's truly a win/win situation. Please vote to bring studios to this great state.

Sincerely,  
Wyatt Knight

I am a Musician, Composer, Arranger, Music Producer. I am grateful and proud to be living in Hawaii surrounded by so many of my fellow artists. Here we have a deep pool of talented singers, dancers, musicians, artists and crafts people. Building studios in Hawaii would give us all a chance to share our gifts with the world through the movies and tv shows that could be made here. Also, with film and tv crews coming into the state, it would be a much needed shot in the arm for our economy. I am asking for your kind consideration in voting to pass SB318 so that the studios can be built and we can share the magic of Hawaii with the world.

Sincerely,  
Francois Kie  
Aloha Melody  
[www.UniverseMelody.com](http://www.UniverseMelody.com)

# TESTIMONY OF REGINALD CASTANARES

President

The Hawaii Building and Construction Trades Council, AFL-CIO

**IN STRONG SUPPORT OF SB 318, SD2, HD1**

**BEFORE THE HOUSE: COMMITTEE ON FINANCE**

Wednesday, Mar. 22, 2011

4 PM, Conference Room 308

Aloha Chair Marcus Oshiro, Vice-Chair Lee and Committee Members,

My name is Reggie Castanares, I have the privilege to serve the Hawaii Building and Construction Trades Council as its President. Our organization and affiliates represent the largest association of the constructions trade's workers in Hawaii with 16 specialty crafts and trades labor organization.

The Building and Construction Trades Council **Strongly Supports SB 318, SD2, HD1**, which provides a tax credit for qualified media infrastructure projects. Establishes a qualified persons crew training program rebate. Requires that an unspecified percentage of the qualified media infrastructure tax credit be funded by the transient accommodations tax credit allocation of the county in which the qualified media infrastructure project is to be located, subject to a letter of approval of the project issued by the mayor and council of the county; and

We appreciate the potential, which it represents in helping Hawaii recapture its leading role in the lucrative motion picture industry. The success of the new Hawaii 5-0, Off the Map, and the latest sequel of Pirates of the Caribbean with more projects slated for the future, is a solid indicator of how the industry would like to keep working here. Although much of the activity is outdoors among our diverse scenery and environments, they will need facilities for high tech capabilities in sound and visual effects and animation will have tremendous impact on current construction demands and into the future. Our Members need the jobs that this industry will bring.

For these reasons, the Building and Construction Trades Council, Strongly Supports SB 318, SD2, HD1.

Thank you for this opportunity to testify.

Reginald Castaneras, President

# **Hawaii Actors Network**

## **Actors/Filmmakers Testimony**

### **SB318**

To Members of the House of Representatives and Senate of the state of Hawaii:

I wish you let you know that I am in full support of the proposed Senate Bill 318 for these reasons.

More films and television shows being made here in Hawaii will provide fantastic opportunity for growth in the State. There is so much talent on the islands that should be and must be given a place. Hawaii should be that place, not just New York, L.A. Or anywhere on the mainland.

I have spoken to countless of people in the entertainment industry who feel they must leave to have a successful career. With this bill the State will be providing these folk opportunity and a reason to stay.

Just the other day I was at the unemployment office. Many of us were complaining about the difficulty of finding work that will pay our expensive living. Hawaii is expensive by the way, and the few jobs being offered wants to pay you below the cost of living because they can't afford to pay more. With this bill the State will open the door to more opportunity to businesses on the island so that they can pay higher wages (wages that can afford us living here) and offer more jobs.

That same day I ran into a friend who was recently laid off from his job. He is a highly skilled salesman and broker, but can't find anything here. He recently was offered a high paying job on the mainland. He says to me "if you want to work you're going to have

to leave Hawaii.” This bill will help bring new jobs to the island and afford businesses to keep their employees. Why send people away who could be putting their money back into the state and NOT other states?

I recently started my own online magazine to showcase the arts and entertainment in Hawaii. With this magazine, I will be able to give jobs to many talented people. The bill will encourage the creation of many businesses that will be needed to be created because of the influx of needs once the Bill is signed and put into action. The creation of more small businesses will mean more job creation.

People want to see where their favorite show was filmed. The Bill will help increase tourism.

The people coming here to be a part of the productions will spend money and a lot of it...because they are usually pretty rich. The Bill will bring money to the island.

That tax credit is just a penny compared to the millions of dollars it will generate.

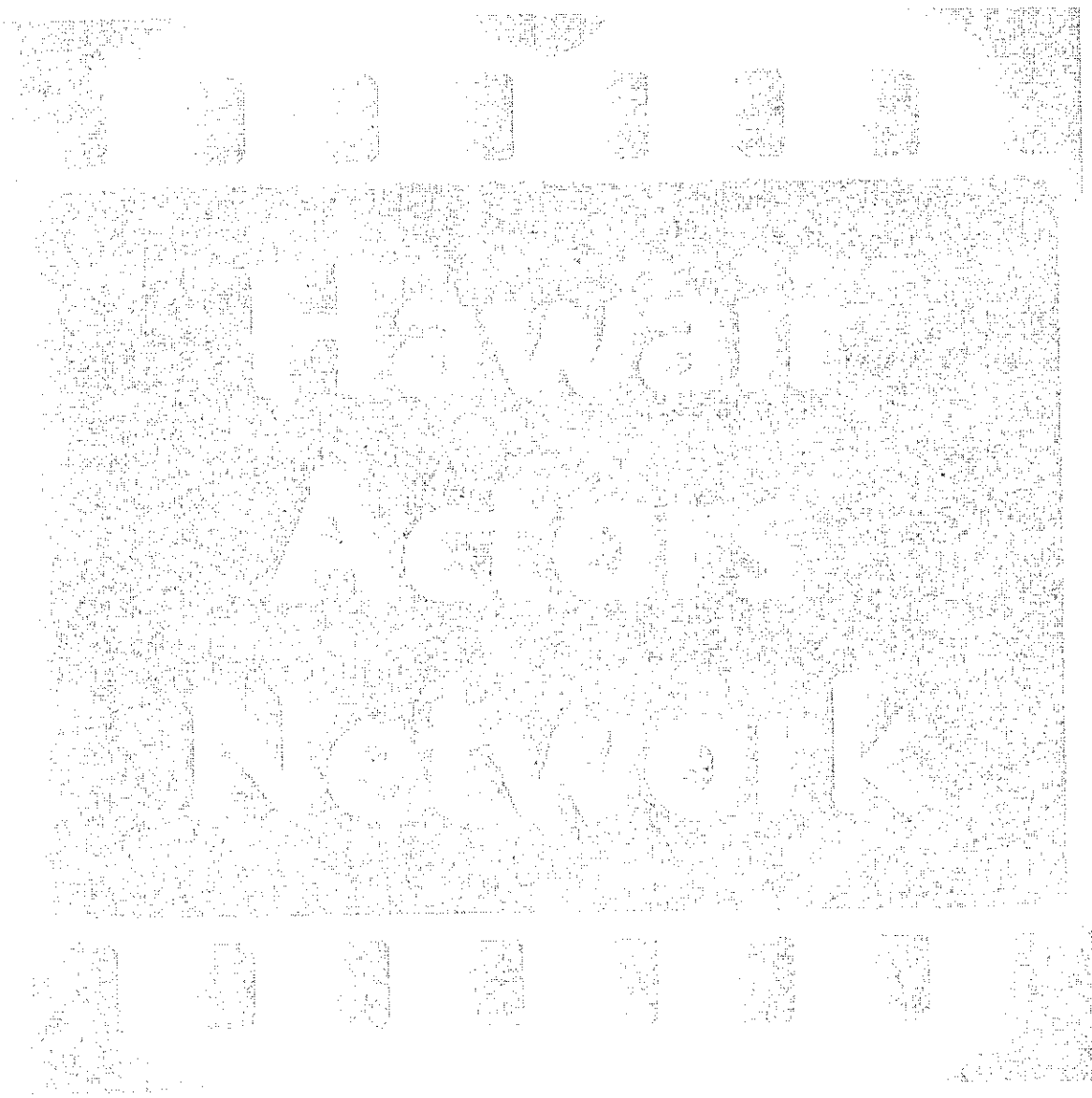
At an old job, one of the executives canceled a project of mine in the name of saving money. When our CEO found out that, in the past, this same project brought thousands of dollars of business to the company and helped create relationships with some of our top prospects he replied, “we lost a million to save a penny.” He was not thrilled. Please do not take away opportunities of financial stability, fulfilled dreams and exposure of our talents to the world to save a penny.

Thank you for your consideration.

Mahalo!

Hawaii Actors Network Member

Jeanne Wynne Herring





HOUSE OF REPRESENTATIVES  
THE TWENTY-SIXTH LEGISLATURE  
REGULAR SESSION OF 2011

COMMITTEE ON FINANCE

Date: Wednesday, 4/06/11

Time: 4:00 PM

Place: Room 308, State Capitol

Testimony in support of SB 318

Rep. Marcus R. Oshiro Chair

Rep. Marilyn B. Lee Vice-Chair

Hyperspective Studios, Inc. is a media production, animation, visual effects and media technology development company located in Honolulu at the Manoa Innovation Center. Hyperspective has been headquartered in Hawaii since 1999 and for the past twelve years has been committed to growing the media industry and supporting workforce development within that industry.

Hyperspective's commitment to workforce development and growth in Hawaii is illustrated through internal education and training programs as well as personal growth opportunities offered to our staff. Hyperspective is also dedicated to hiring local residents and graduates from Hawaii's higher education facilities. We participate in outreach and training efforts in early education through high school and college in a belief that our efforts will assist in greatly expanding the available pool of local talent. It is our intent to assist in the evolution and growth of the creative and skilled talent that exists in Hawaii.

Our state attracts a wide array of creative people for a variety of factors, such as the natural beauty of the landscape and the diverse cultural makeup of the population. However, without State incentives, large and small businesses within the media industry struggle to compete globally, hindering opportunities for these skilled and talented individuals and leaves them with no other choice but to seek employment elsewhere. SB 318 will help companies like ours locally cultivate and uplift highly skilled and creative individuals to empower a new generation of creative media developers in Hawaii and bring talented people back home.

SB 318 has the potential to incentivize large-scale media groups to set up permanent production facilities on the islands. There is a great deal of infrastructure to be built and maintained for those sorts of facilities, and the need for experienced support would allow local companies to flourish and become dedicated service-providers. SB 318 can help offset the high cost of doing





# Hypersperspective

Studios

business in Hawaii for media producers who are burdened with substantial overhead expenses.

The benefits of SB 318 are cumulative; the incentives in the bill will initially attract larger media companies from outside the state to invest in production and industry infrastructure here in Hawaii. If only one large company successfully establishes a facility here, it will attract others and get the ball rolling on the path toward a long-term, viable media industry in Hawaii. The influx of work will help grow local production companies like Hypersperspective and enable them to begin developing their own intellectual properties. Successful IP's owned and managed in Hawaii will in-turn generate even more companies, production opportunities, jobs, and revenue in the state. Hawaii's strategic location can also act as a bridge between mainland and international markets, and the lasting partnerships created with international production groups will drive even more production work to Hawaii. In addition, these international ties and partnerships will serve to stimulate global distribution and market opportunities for locally produced media.

SB 318 will be integral in fund-raising efforts and development of projects currently owned and produced by Hypersperspective. Without incentives like SB 318, it could be difficult or impossible to raise enough capital to go into full production of our media projects in Hawaii, forcing us to look elsewhere for competitive opportunities. It is our intent to sustain long-term development of projects in Hawaii and keep ownership of intellectual property of those projects in the state but we need State support like SB 318 to do so.

The incentives proposed in SB 318 are not simply beneficial, but are actually necessary for Hawaii to compete on the international market for media production. SB 318 will provide a competitive resource to expand and grow the media industry and position Hawaii as a world-class leader and destination of choice for production of media on a global scale.

Sincerely,

Todd Robertson  
President/CEO  
Hypersperspective Studios, Inc.

Testimony of Glenn Ida  
Representing,  
The Plumbers and Fitters Union, Local 675  
1109 Bethel St., Lower Level  
Honolulu, Hi. 96813

**In Support of SB 318, SD2, HD1**

Before the House:  
Committee on Finance  
Wednesday, April 6, 2011  
4 PM, Conference Room 308

Aloha Chair Marcus Oshiro, Vice-Chair Lee and Members of the Committee,

My name is Glenn Ida; I represent the 1300 plus active members and about 600 retirees of the Plumbers and Fitters Union, Local 675.

Local 675, **Supports SB 318, SD2, HD1**, which provides a tax credit for qualified media infrastructure projects. Establishes a qualified persons crew training program rebate. Require that an unspecified percentage of the qualified media infrastructure tax credit be funded by the transient accommodations tax credit allocation of the county in which the qualified media infrastructure project is to be located, subject to a letter of approval of the project issued by the mayor and council of the county.

Their economic impact will be spread throughout the local business communities of the State. Production Companies rent, lease, and buy a variety of equipment, along with lodging, transportation, and catering. They hire extras to fill their movie scenes and workers to build sets. There is a potential to renovate and expand the current studios at Diamond Head and build new State of the Art facilities for special effects and high tech animation on other islands. A training program will provide workers the essential skills required for the various crafts that make up the film and media industry.

The Plumbers and Fitters, Local 675, **Support SB 318, SD2, HD1.**

Thank you for the opportunity to testify.

Glenn Ida, 808-295-1280

From: Brenna Charlebois

To: FINANCE COMMITTEE

Hearing: April 6, 2011 / 4:00 pm

Measure: SB318

Dear Finance Committee:

My name is Brenna Charlebois, I am a member of I.A.T.S.E. Local 665. I am in strong support of SB318. This is an unprecedented opportunity for Maui and the state of Hawaii to have a thriving industry that will support not only the people that work in film, but a wide infrastructure of business. In addition, it will offer training for a sustainable future in the film industry and provide work for our children and residents. SB318 will bring critically needed JOBS to our community!

Passing this Bill will keep our families in Hawaii and not force them to leave because there is no viable industry here or high paying jobs. Mr. Ryan Kavanaugh proposes to bring an unprecedented amount of film, television and reality television projects to our Islands that will create Hawaiian jobs and increase Hawaiian tax revenue. Direct spending generated by the film industry will positively affect a wide scope of support businesses and also create the opportunity for new small business as the film infrastructure emerges. His plan has been proven in States such as Louisiana, Michigan and New Mexico.

The F.A.C.T. Training Program will grow a permanent base of high wage, skilled film crew members at no cost to the state!!

We must give a little to gain much! The tax incentive will be offset by the general excise tax that will be pouring into our economy because the employed residents will have more money to spend on goods and services and State Income Tax will increase. There will be savings on unemployment and worker's comp payments.

Films shot in our state will bring the beauty of our Islands to a wide demographic of people and seeing the beauty, especially through this alluring media, will positively affect our tourism.

Besides the above benefits, Mr. Kavanaugh has proposed to use his own money to build, not one, but TWO Platinum Leed certified film studio's on both Maui and Oahu. We will continue to break ground as an eco-friendly, green state!

Please do not pass up this tremendous opportunity that will create jobs and raise revenue for Hawaii!  
Please consider the countless benefits in this win-win proposal and pass SB318.

Thank you.

To Members of the House of Representatives and Senate of the state of Hawaii:

I wish you let you know that I am in full support of the proposed Senate Bill 318.

I am a member of the Australian film community, working in collaboration with Australia film director, Paul Cox. Paul and I are currently reworking a script entitled 'Beyond Wailea', which deals specifically with Hawaiian themes, will be shot in Maui if financing is obtained, and will give employment and exposure to many Hawaiian actors and technicians.

I fully support the proposed Senate Bill and all moves to empower the Hawaiian film industry. Such initiatives as this Bill are vital to the heart of any nation's arts industry.

Margot Wiburd  
Member of Australian film community

Mahalo!

## Why support the film industry bill?

By Elizabeth R. York

Throughout the course of our everyday lives, many of us find it difficult to put energy and attention toward supporting a bill through the legislative process. The demands of daily living take much of our time, leaving little for additional efforts. For many of us, just accomplishing the tasks of taking care of family, earning a living and supporting friends is enough. Supporting a bill like the one now facing review by the Hawaii legislature is one of those actions that we just don't seem to have time for.

So the question arises - Why support a bill like the Film Industry Bill (SB No.318)? Excellent question...

Each of us is painfully aware of the state of our economy. As we watch the news we are overwhelmed with news about how Hawaii is dangling at the end of a thread. And our legislators see no other recourse but to ask for even more money from us in the form of higher taxes, and additional fees for everything. We want to say to them "STOP! WE HAVE NOTHING LEFT TO GIVE! WE HAVE NO MORE MONEY TO SPARE!". And we despair that our voices are being drowned out by the sound of stampeding feet exiting our state.

But... We DO have something that can turn our ailing economy around. Something that will help to relieve our enormous burden, something that will not only stop our government administrators from bleeding us dry, but will heal the wound. We have the Film Industry Bill.

The Film Industry loves Hawaii. We all know this, without question. They love our beautiful scenery, our lush foliage, our delicately perfumed flowers, our joyous and welcoming people. And Hawaii loves the film industry. We welcome each production with open arms. We provide skilled labor, talented performers, first class technology and luxurious and engaging accommodations. Clearly the film industry loves Hawaii - they have been coming here for more than a century. Hundreds of films, movies, TV shows, documentaries, and more have been shot in Hawaii. And each of these has brought money to our state. They have hired actors and crew, they have rented locations and equipment, they have brought people to stay in our hotels, eat in our restaurants and buy our products. At least 115 motion pictures have been made in Hawaii just since Jack Lord brought the first Hawaii 5-0 to the state in 1968. The infrastructure he created is his legacy - that infrastructure supported Magnum PI, Baywatch Hawaii, North Shore, Lost, and now Off the Map and the new Hawaii 5-0 as well as the countless movies also shot here. And a ripple effect happens every time someone watches a show, and says "What a wonderful place for vacation! Hey, let's go to Hawaii this year!" Even Disney sees the value of this mindset. They see the value to the tune of a multi-million dollar resort in Ko'Olina.

But all is not perfect in paradise. When a movie or TV production is debating a location to shoot, the biggest factor is not talent, accommodations or technology. The deciding factor is always money. Every production must look at their budget and determine the best use of the funds. As beautiful as our state is, we still have to compete with other locations. Other states are a choice - Louisiana and others offer tax incentives and deals to encourage productions to choose them. We have lost out to Puerto Rico more than once. The bottom line is this - it costs less to film in Louisiana or Puerto Rico than it does to film in Hawaii. This is a pure, simple, undeniable, irrefutable fact. IT COST LESS. Budgets can be organized to allow less money for location costs and more money for other things that will enhance the film or TV show. They can hire more prominent actors. They can put the money toward CGA or other technology.

What do they see when they look at Hawaii as a possible venue?

Beautiful scenery. And a legislature that does not see the value of having them shoot here and so offers no monetary incentives.

Talented actors. And actors leaving in droves to go to cities where they can make a living, nor find the training they need to hone their craft.

First rate technology and equipment. And vendors who must charge exorbitant fees for its use because they are paying huge taxes.

Gorgeous accommodations, 1st rate restaurants and unique products. And exorbitant prices because of hotel fees, out of control GE tax, and huge liquor taxes.

SB No.318 is specifically constructed to (quote from the bill):

1. Infuse significant amounts of new money into the economy, which is dispersed across many communities and business and which benefits a wide array of residents;
2. Creates skilled, high-paying jobs;
3. Has a natural dynamic synergy with Hawaii's top industry - tourism, and is used as a destination marketing tool for the visitor industry; and
4. Is a clean, nonpolluting industry that values the natural beauty of Hawaii and its diverse multicultural population and a wide array of architecture.

Realistically, though, as residents of Hawaii, we have to embrace our responsibility in this effort. This bill won't pass on its own. It can't be an orphan child with no support and no care. In order for this bill to pass, we need to recognize that talking about it and wishing are not enough. Actions are what will speak to the legislators - actions that bring home the message loud and clear.

All residents of Hawaii stand to benefit from this bill. Actors, producers, residents of Hawaii, a veritable tsunami of support exists for passage of this bill and should demonstrate to the powers that be that this bill is needed, wanted and supported by the people of Hawaii.

Mahalo and aloha!

Elizabeth R. York

Actor-Producer-Writer-Graphic Artist

808.551.1956

Lizyork2@hawaii.rr.com

[www.yorkdesigns.com](http://www.yorkdesigns.com)

[www.yorkcreative-actorsite.vpweb.com](http://www.yorkcreative-actorsite.vpweb.com)

TESTIMONY FOR S.B. NO. 318 S.D. 2 & H.D. 1

April 6, 2011

Testifier: Michael Cusato, Business Investor, Hawaii Resident

**I am in support** of a tax incentive to build infrastructure for the film industry in order to bring the film industry to Hawaii as a new economic component for the state.

To build the film industry to a minimal \$2 billion a year industry in Hawaii, infrastructure must come first. The state does not currently have the infrastructure to grow the industry. To understand the needs, Hawaii Five-0 occupies a 4 acre parcel utilizing approximately 130,000 square feet of space for studios, set design and construction, wardrobe, business offices, etc. and inadequate parking. The property just happened to be available otherwise they may have only done location shoots here and the rest on the mainland. This one television show brings approximately \$65 million a year to Hawaii that qualifies for tax credits and another approximately \$10 million that do not qualify for credits.

The bill in its current form overlaps with S.B. 1550. If it is to address infrastructure, then Section 2 (1) & (2) on page 3 should be stricken.

The bill puts unnecessary and limiting qualifications on who would qualify for the incentives.

1. It should be open to investment groups who may only want to develop property into studio complexes. They may not produce anything but solicit producers to rent their facilities.
2. If the state wishes to draw the film industry to Hawaii permanently, as a substantial driver of the economy, then placing a 5 year limit on infrastructure development is unrealistic. And the July 1, 2011 deadline to begin the process should be stricken.

I don't think that the bill needs to provide for credit funding from the transient accommodations tax because the credits should come at the end of development and be against State tax liability in one year or over a period of years. It should not be up to the director of taxation to determine how and when the credit will be applied. Make the bill definitive on this matter. It will make budgeting and decision making a little easier.

The credit should be against actual investment cost and the deduction for depreciation (p. 10) should be stricken.

There should be a specific ratio of Hawaii residents employed.

There should be no limits on the types of films (meaning commercials, training films, short films, etc.) produced because a lengthy training film for the military or an industry would pay rent to use a facility which supports the basis for this bill.

# On Location Services

Distinguished Senators and Finance Committee Members, April 5<sup>th</sup>, 2011

Aloha ka kou,

My production services company, On Location Services, is in full support of the proposals and increased tax credits of SB 318.

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 SB318 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](http://www.onloc.com)



CHRIS LEE

TESTIMONY IN SUPPORT OF SB 318  
HOUSE COMMITTEE ON FINANCE  
APRIL 6, 2011, 4:00P

REP. MARCUS R. OSHIRO, CHAIR  
REP. MARILYN B. LEE, VICE CHAIR

CHAIR OSHIRO, VICE CHAIR LEE, MEMBER OF THE COMMITTEE,

THANK YOU FOR THE OPPORTUNITY TO TESTIFY TODAY IN SUPPORT OF  
SB 318, RELATING TO BUSINESS DEVELOPMENT.

I AM VERY PLEASED TO COME BEFORE YOU AS A PRIVATE CITIZEN AND  
AS THE FOUNDER AND DIRECTOR OF THE ACADEMY FOR CREATIVE  
MEDIA AT THE UNIVERSITY OF HAWAII SYSTEM WHICH THIS COMMITTEE  
WAS INSTRUMENTAL IN FUNDING BACK IN 2004.

I AM PROUD TO REPORT THAT THROUGH YOUR EFFORTS AND A GREAT  
FACULTY, OUR FIRST PROGRAM AT MANOA IS OVER SUBSCRIBED WITH  
AN AGGREGATE ENROLLMENT OF 361 STUDENTS, 145 MAJORS, AND 103  
BA DEGREES ALREADY CONFERRED.

BUT WHAT REALLY MATTERS IS THE NUMBER OF GRADUATES WHO  
HAVE FOUND EMPLOYMENT IN THE MEDIA INDUSTRY RIGHT HERE IN  
HAWAII.

ACM WAS DESIGNED TO BE A CATALYST FOR THE DIVERSIFICATION OF  
OUR ECONOMY.

TODAY WHEN YOU WATCH THOSE COMMERCIALS FROM HAWAIIAN TEL  
"ALWAYS LOCAL, ALWAYS ON" YOU SHOULD KNOW THAT THEY WERE  
SHOT IN HIGH DEFINITION STATE OF THE ART RED CAMERA SYSTEMS  
BY OUR GRADUATES WHO FOUNDED THE 1001 STORIES PRODUCTION  
COMPANY.

OR WHEN YOU SEE THE WALKING TALKING STORAGE UNITS OR THE  
GIANT TARO OR TALKING OMILU, YOU SHOULD BE PROUD THAT THOSE  
ANIMATED ELEMENTS WERE DESIGNED AND EXECUTED BY ANOTHER  
ACM GRADUATES' COMPANY, BLUE WATER MULTI MEDIA – THE FIRST 3D  
EFFECTS COMPANY IN THE STATE.

IF YOU WERE TO VISIT HAWAII ANIMATION STUDIO, YOU WOULD FIND  
THAT THE MAJORITY OF THEIR EMPLOYEES COME FROM THE ACM OR  
KCC'S NEW MEDIA ARTS.

ON THE SETS OF HAWAII FIVE-0, LOST, OFF THE MAP, PIRATES OF THE CARIBBEAN, THE DESCENDANTS, AND VIRTUALLY EVERY TV AND FILM SHOT IN HAWAII, THERE ARE ACM GRADUATES NOW FULLY EMPLOYED IN THE UNIONS BEHIND THE CAMERAS.

AND JUST THIS WINTER, THE FIRST HAWAIIAN LANGUAGE FILM EVER TO SHOW AT THE PRESTIGIOUS SUNDANCE FILM FESTIVAL, "STONES," FROM ACM GRAD TY SANGA, PREMIERED TO GREAT ACCLAIM.

BUT THIS IS NOT LIMITED TO ACM. GO OUT TO WAIANAE AND YOU'LL FIND A HUNDRED HIGH SCHOOL STUDENTS CREATING 3D ANIMATION WITH THE SAME SOFTWARE AS THE PIXAR MOVIES.

THANKS TO THE FORSIGHT AND FUNDING OF THIS LEGISLATURE, OUR STUDENTS ARE SUCCEEDING IN BUILDING A HAWAII BASED DIGITAL MEDIA INDUSTRY.

BUT THIS SUCCESSFUL WORKFORCE DEVELOPMENT OF 21<sup>ST</sup> CENTURY, LIVING WAGE JOBS IN THE GLOBAL ENTERTAINMENT BROADBAND ECONOMY NEEDS TO GO TO THE NEXT LEVEL.

WE'RE A SMALL POND. IT'S NOT ENOUGH TO MAKE LOCAL COMMERCIALS OR FIND PRODUCTION WORK WHEN IT HAPPENS TO COME HERE.

WE NEED TO GROW THE PIE.

THIS BILL, SB 318, HAS THE OPPORTUNITY TO BE A GAME CHANGER.

THIS BILL HAS THE CHANCE TO TRANSFORM OUR PRODUCTION CAPACITY AND MOVE US BEYOND THE "FEAST OR FAMINE" CYCLE THAT HAS CHARACTERIZED OUR TRADITIONAL FILM AND TELEVISION INDUSTRY.

HAWAII HAS BEEN BLESSED WITH LONG RUNNING EPISODIC SHOWS FILMED ENTIRELY IN OUR STATE, STARTING WITH HAWAII FIVE-0, CONTINUING WITH MAGNUM, PI, AND NOW, ONCE AGAIN, WITH FIVE-0 2.0.

WHY DO SHOWS COME HERE? WE ARE THE PREMIERE TROPICAL LOCATION IN THE WORLD. NO ONE CAN BEAT OUR BLUE SKIES, BEACHES, AND JUNGLES. THIS HAS PROVIDED A STEADY STREAM OF PRODUCTION WHEN HOLLYWOOD NEEDS THESE KINDS OF LOCATIONS.

THIS LAST YEAR, THE DESCENDANTS, PIRATES OF THE CARRIBEAN 4, SOUL SURFER, JOURNEY TO THE CENTER OF THE EARTH, BATTLESHIP,

JUST GO WITH IT, THE TEMPEST AND OTHERS ALONG WITH FIVE-0 AND OFF THE MAP BROUGHT IN OVER \$400 MILLION IN DIRECT SPEND FROM PRODUCTION COMPANIES.

THIS YEAR, IT'S NOT LOOKING SO GREAT. HAWAII FIVE-0 WRAPS THIS MONTH AND THERE ARE RUMOURS OF SHOWS COMING IN THE FALL, BUT NOTHING DEFINITE.

WHY? WELL, I GUESS THERE AREN'T A LOT OF GREEN LIGHTS FOR SCRIPTS INVOLVING BEACHES AND JUNGLES.

AND WE'RE MORE EXPENSIVE OR JUST AS EXPENSIVE AS LOS ANGELES.

AND WE DON'T HAVE THE INFRASTRUCTURE TO SHOOT ANYTHING EXCEPT EXTERIORS SAVE FOR THE SINGLE, STATE OWNED STAGE AT DIAMOND HEAD OR WHEN SHOWS ARE LUCKY ENOUGH TO FIND LANDLORDS WILLING TO REPURPOSE EXISTING BUILDINGS – AS WITH HAWAII FIVE-0 AND THE FORMER ADVERTISER BUILDING.

BUT THAT'S A SHORT TERM LEASE.

AND THAT'S WHAT MAKES THIS BILL DIFFERENT – IT INCENTIVIZES THE BUILDING OF ACTUAL STUDIOS AND THE BUILD OUT OF THE PRODUCTION SERVICES COMPANIES – VISUAL EFFECTS, POST PRODUCTION, SET BUILDING, SOUND RECORDING, ANIMATION FOR PRE-VISUALIZATION, DIGITAL DAILIES AND DIGITAL INTERMEDIATE COLOR CORRECTION ETC – THAT ENHANCE OUR DESIRABLE LOCATIONS.

AND IT CALLS FOR BUILDING OUR WORKFORCE WITH JOBS THAT OUR STUDENTS ARE MORE THAN QUALIFIED TO DO.

WHY ARE DIGITAL COMPANIES SO IMPORTANT? BECAUSE THEIR COMPUTER ANIMATED OUTPUT IS NOT BASED ON OUR TROPICAL LOCATION. WHILE TV SHOWS MAY BE LIMITED BY THE SEASON'S ORDER AND FILMS DEPENDENT ON OUR EXTERIORS, CGI ANIMATION CAN BE SET ANYWHERE.

HAWAII ANIMATION STUDIO HAS DONE "VEGGIE TALES," A CARTOON SERIES CALLED "FISH AND CHIPS" IN TANDEM WITH A STUDIO IN PARIS, AND NOW ARE CREATING DINOSAURS FOR THE DISCOVERY CHANNEL.

SB 318 MAKES POSSIBLE THE SHOOTING OF VISUAL EFFECTS DRIVEN FILMS LIKE "300" WHICH UTILIZE VAST GREEN SCREEN STAGES TO COMPOSITE VIRTUAL SETS. MOST BLOCKBUSTER TENTPOLE FILMS

REQUIRE THIS KIND OF STAGE SPACE TO EXECUTE. WE ARE NOT IN CONSIDERATION FOR THESE PICTURES.

A PICTURE LIKE "JOURNEY TO THE CENTER OF THE EARTH" SHOT ALL THEIR EXTERIORS HERE – THEN WENT TO NORTH CAROLINA TO USE THEIR STAGES. "BATTELSHIP" DID THE SAME THING – THEY WENT TO LOUSIANA FOR THEIR STUDIO WORK. "PIRATES OF THE CARRIBEAN 4," SAME THING, EXCEPT THEY WENT TO LONDON AND LA ONCE THEY HAD FINISHED IN KANEOHE BAY.

WE WILL NEVER GROW THE PIE UNTIL WE HAVE THE STUDIO SPACE AND THE COMPANIES THAT SUPPORT STUDIO BASED SHOOTING.

WHY GET ONLY HALF THE PRODUCTION?

WE'RE LUCKY TO HAVE WHAT GET, BUT WE WILL NEVER TRULY MANAGE THIS AS A BUSINESS IF WE RELY SOELY ON WAITING FOR HOLLYWOOD TO GREENLIGHT PICTURES THAT HAVE TO HAVE BEACHES OR JUNGLES.

THINK OF ALL THE COMIC BOOK ADAPTATIONS, THRILLERS, ROMANTIC COMEDIES, AND DRAMAS YOU SAW AT THE WARD OR DOLE LAST YEAR. HOW MANY OF THEM COULD HAVE BEEN SHOT IN HAWAII IF WE HAD THE RIGHT INCENTIVES AND THE RIGHT STUDIO SPACE?

HAWAII IS UNIQUE IN MANY WAYS. BUT ONE OF THE THINGS THAT SETS US APART FROM OTHER STATES AND THEIR DESIRE TO GROW THEIR FILM AND TELEVISION SECTOR IS THAT MEDIA HAS DEFINED OUR STATE.

OUR NUMBER ONE INDUSTRY – TOURISM – GETS AN INCALUCULABLE BOOST WITH EVERY EPISODE OF HAWAII FIVE-O AIRING IN THE US AND 200 OTHER COUNTRIES.

EVEN SHOWS NOT SET IN HAWAII FROM "LOST" TO "PIRATES" BOOST OUR APPEAL TO VISITORS FROM AROUND THE WORLD.

BUT FOR ME, THE MAIN REASON FOR SUPPORTING THIS BILL IS THE OPPORTUNITIES IT WILL BRING FOR OUR STUDENTS, WHETHER FROM THE ACM OR OTHER MEDIA PROGRAMS ACROSS THE STATE.

THIS LEGISLATURE HAD THE FORESIGHT TO FUND AN EDUCATIONAL PROGRAM AT UH TO GIVE OUR STUDENTS THE SKILLS TO CONNECT TO THE GLOBAL ENTERTAINMENT ECONOMY AND TO STAY IN HAWAII.

AND OUR KIDS HAVE RESPONDED WITH AWARD WINNING SHORTS,  
STARTING NEW BUSINESSES, AND BUILDING A NEW PILLAR FOR OUR  
ECONOMY.

THIS BILL WILL HELP THEM TO FULLY REALIZE THAT DREAM.

THANK YOU FOR THE OPPORTUNITY TO TESTIFY TODAY.

SINCERELY,

CHRIS LEE

FOUNDER AND DIRECTOR  
ACADEMY FOR CREATIVE MEDIA  
UNIVERSITY OF HAWAII SYSTEM

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, April 06, 2011 1:05 PM  
**To:** FINTestimony  
**Cc:** exstuntman@gmail.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: bob bralver  
Organization: bob bralver productions inc.  
Address:  
Phone:  
E-mail: [exstuntman@gmail.com](mailto:exstuntman@gmail.com)  
Submitted on: 4/6/2011

### Comments:

We must stay competitive with other states on tax incentives. We should increase the limits to 30% and 25 % respectively. Also we should give the airline that signs deals with the companies tax break for specifics they do for the company. There is no reason we can't support more production with locals. Several key members of the Five-0 crew are ready to become heads of departments and continue the teaching process. More production means more jobs. More jobs means more money in the state. Step it up people. Aloha

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, April 06, 2011 10:38 AM  
**To:** FINTestimony  
**Cc:** mike@macprofessionalvideo.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Michael A. Currier  
Organization: Individual  
Address:  
Phone:  
E-mail: [mike@macprofessionalvideo.com](mailto:mike@macprofessionalvideo.com)  
Submitted on: 4/6/2011

Comments:

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 2:57 PM  
**To:** FINTestimony  
**Cc:** film@bigisland.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: comments only  
Testifier will be present: No  
Submitted by: John L. Mason  
Organization: Big Island Film Office  
Address:  
Phone:  
E-mail: [film@bigisland.com](mailto:film@bigisland.com)  
Submitted on: 4/5/2011

### Comments:

Thank you for the opportunity to testify regarding SB 318 SD2 HD1.

In my opinion there are a number of things in this bill that need to be clarified before moving forward. The state has an abundance of natural beauty suitable for film production, an attractive and competitive tax incentive program, and has enjoyed record levels of revenue from production over the past year or so. It is tempting to believe, as this bill would underscore, that there is a direct relation between revenue taken in and tax programs, and that higher tax rebates will result in automatically higher levels of production and revenue. The first thing that needs to be looked at here is this basic claim: what is the real relationship between tax programs and the decisions to shoot on location, and are the full costs of these programs truly offset by the revenue taken in? Are these programs "revenue neutral"? Do they make money? At the end of the day, do taxpayers end up subsidizing the subsidy, so to speak?

The job training theme also has significant implications for the sustained growth of film production in the state. It is of course clear that a well trained work force makes us competitive as a location because location production costs can be lowered, but many of the jobs stimulated and/or created by incentive programs are short term, lower skilled, and lower paying in relation to the more creative "key" production positions, the difference between "above the line" vs "below the line" production positions. If we enact a job training program, let's build into the program a way to incent more "above the line" positions so that we expand our supply of creative talent, the true driving force to build an industry.

Lastly, the proposal to have the Counties pay for infrastructure costs through an annexation of a percentage of TAT does not sound like a good idea. This provision needs to be reconsidered.

Thank you.

John Mason  
Big Island Film Office



## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 2:38 PM  
**To:** FINTestimony  
**Cc:** maumasterjewelers@hawaiiantel.net  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: John Eckhart  
Organization: Individual  
Address:  
Phone:  
E-mail: [maumasterjewelers@hawaiiantel.net](mailto:maumasterjewelers@hawaiiantel.net)  
Submitted on: 4/5/2011

Comments:  
extremely important opportunity for all of Hawaii but especially the new graduates who leave Hawaii in search of film work on the mainland--many of who never return

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 2:27 PM  
**To:** FINTestimony  
**Cc:** lynn@araki-regan.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: LYNN A.S. ARAKI-REGAN  
Organization: Individual  
Address:  
Phone:  
E-mail: [lynn@araki-regan.com](mailto:lynn@araki-regan.com)  
Submitted on: 4/5/2011

### Comments:

My name is Lynn A.S. Araki-Regan. I am a business owner on Maui and I am in strong support of SB318. This is an unprecedented opportunity for Maui and the state of Hawaii to have a thriving industry that will support not only the people that work in film, but a wide infrastructure of business. In addition, it will offer training for a sustainable future in the film industry and provide work for our children and residents. SB318 will bring critically needed JOBS to our community!

We must give a little to gain much! The tax incentive will be offset by the general excise tax that will be pouring into our economy because the employed residents will have more money to spend on goods in Hawaii and the employed residents will also generate State income tax.

Films shot in our state will bring the beauty of our Islands to a wide demographic of people and seeing the beauty, especially through this alluring media, will positively affect our tourism. Besides the above benefits we have a well known film producer who is willing to use his own money to build, not one, but TWO Platinum Leed certified film studio's on both Maui and Oahu. We are breaking ground as an eco-friendly, green state!

Please do not pass up this tremendous opportunity for Hawaii! Please consider the countless benefits in this win-win proposal and pass SB318.

Thank you,  
Lynn Araki-Regan  
620 Mapuana Place  
Wailuku, HI 96793  
808-280-1299

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 2:17 PM  
**To:** FINTestimony  
**Cc:** pm8@iwado.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Jenny Meekhof  
Organization: Individual  
Address:  
Phone:  
E-mail: [pm8@iwado.com](mailto:pm8@iwado.com)  
Submitted on: 4/5/2011

Comments:

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 7:21 PM  
**To:** FINTestimony  
**Cc:** dadosantos@live.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: dado santos  
Organization: Individual  
Address:  
Phone:  
E-mail: [datosantos@live.com](mailto:datosantos@live.com)  
Submitted on: 4/5/2011

Comments:

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 4:35 PM  
**To:** FINTestimony  
**Cc:** mauipro@usa.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM  
**Attachments:** Support The Bill.pages

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Sascha Bauml  
Organization: Rotary International Lahaina  
Address:  
Phone:  
E-mail: [mauipro@usa.com](mailto:mauipro@usa.com)  
Submitted on: 4/5/2011

Comments:  
I want this to pass!

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 8:33 PM  
**To:** FINTestimony  
**Cc:** tsmithmaui@yahoo.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Taylor Smith  
Organization: Individual  
Address:  
Phone:  
E-mail: [tsmithmaui@yahoo.com](mailto:tsmithmaui@yahoo.com)  
Submitted on: 4/5/2011

**Comments:**

To Members of the House of Representatives and Senate of the state of Hawaii:  
I wish you let you know that I, a Hawaii resident am in full support of the proposed Senate Bill 318.

Mahalo,  
Taylor Smith  
Kihei, Hawaii

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Wednesday, April 06, 2011 5:21 AM  
**To:** FINTestimony  
**Cc:** oahu4us@yahoo.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: Yes  
Submitted by: Deborah Ramirez  
Organization: Individual  
Address:  
Phone:  
E-mail: [oahu4us@yahoo.com](mailto:oahu4us@yahoo.com)  
Submitted on: 4/6/2011

**Comments:**

I support the passage of SB318. Without this bill Hawaii is in great danger of losing revenue from Hollywood and other nations, and even greater danger of losing local actors to go elsewhere to find work. Please pass SB318. Mahalo.  
Deborah Ramirez

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 10:37 PM  
**To:** FINTestimony  
**Cc:** ent.navin@gmail.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Randy Sarran  
Organization: Individual  
Address:  
Phone:  
E-mail: [ent.navin@gmail.com](mailto:ent.navin@gmail.com)  
Submitted on: 4/5/2011

Comments:  
Peace to all,

I'd like to first look beyond the horizon a bit, to talk about the needs of Hawaii and the role that filmmakers play if this state is to move forward and thrive. Hawaii was given a gold rush with the Hawaii Actors Network showing our nation that there is talent and experience leaders in the film industry right here in paradise.

For many years, people in Hawaii had to leave their homes, their motherland just go to the mainland and get jobs and secure a future for their children. They should not have to do that. No one should have to leave their homes just to be successful. People move to LA to succeed, but LA don't help draw the truth from our deepest and most inner soul. If filmmakers want to shoot a movie, we can be accessible with our doors wide open to all. And affordable that compares well to those of our peers. And we can ensure excellence.

In my view, you can't give up on Hawaii. Generations of Hawaiian's invested in this industry and watched it grow into an envy of the world. Hawaii is slowly being destroyed by lack of jobs, but it can be rebuild in just a matter of years through the film industry. Families wouldn't have to leave their homes anymore. You will be giving the people exactly what they want.

In conclusion, for us to preserve excellence and remain affordable at our own homes, that leaves us with access to films. It is the future and the next big thing for Hawaii.

If trends are not reversed, we will soon approach the day when we will be forced to tell Hawaiians and actors that there is no longer a place for them here. Matter of fact, that is being said to children in middle school. But these sort of things are what the film industry can fix, and HAN and its members are determined to do everything in their power to ensure that paradise lives up to its name and dosen't change.

I would ask you to engage with us, to consider us your partner in working through these dark times. With the passion and people power that over 5000 Hawaii Actors represent, we can be an effective ally.

God Bless!



## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 8:22 AM  
**To:** FINTestimony  
**Cc:** ChanaBoone@hotmail.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Chana Boone  
Organization: Individual  
Address:  
Phone:  
E-mail: [ChanaBoone@hotmail.com](mailto:ChanaBoone@hotmail.com)  
Submitted on: 4/5/2011

**Comments:**

I am in support of SB318 Movie Industry being brought to Maui. It will energize our economy and give our people a future a voice and a presence. We have a lot to offer, think of not just the jobs, but the careers this move will make for people in Hawaii! This is the most impactful move we could accept with the least amount of a foot print. This is a move that will tell our children "Yes, we CAN!"

## **FINTestimony**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 7:41 AM  
**To:** FINTestimony  
**Cc:** mauibb2002@yahoo.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Deborah R Manzano  
Organization: Maui Holistic Gardens  
Address:  
Phone:  
E-mail: [mauibb2002@yahoo.com](mailto:mauibb2002@yahoo.com)  
Submitted on: 4/5/2011

**Comments:**

Please pass it. I am spending most of my retirement \$ in CA training to be an actor for 4 months. Then when I come home, I will have a solid resume to start working in the industry and encourage and teach others how to get started. I was in Just Go with It last year that filmed on Maui. This will keep my family on the island and not have to move to CA for work.

## **FINTestimony**

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, April 04, 2011 11:54 PM  
**To:** FINTestimony  
**Cc:** mermiz808@gmail.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Jean Simon  
Organization: Individual  
Address:  
Phone:  
E-mail: [mermiz808@gmail.com](mailto:mermiz808@gmail.com)  
Submitted on: 4/4/2011

**Comments:**

To Members of the House of Representatives and Senate of the state of Hawaii:

I wish you let you know that I am in full support of the proposed Senate Bill 318 for these reasons.

Filming brings in much needed revenue to the state and to the residents of the state. As an actor, I supplement my income by working on films that come in.

Filming is a "green" industry. It does not harm the environment.

Films made in Hawaii help promote tourism!

Money spent to promote the film industry in Hawaii comes back to the state in many ways, it is money well spent.

Mahalo!

Jean Simon

Hawaii Actors Network Member

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, April 04, 2011 11:45 PM  
**To:** FINTestimony  
**Cc:** jeffahsam@gmail.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Jeff Ah Sam  
Organization: Individual  
Address:  
Phone:  
E-mail: [jeffahsam@gmail.com](mailto:jeffahsam@gmail.com)  
Submitted on: 4/4/2011

**Comments:**

I am writing this in support of SB318. I am hoping that movie/tv productions be given the tax credits so that way, jobs may be provided for the locals. I have been one of the many locals that have benefitted as being employed by CBS, ABC and Disney. I have worked on Hawaii 5-0, Off the Map, Cougar Town, and Journey to the Center of the Earth 2. I got laid off due to cuts in the Human Services department. However, with the shows filming here in town, I was able to manage living without resorting to using Unemployment benefits. Working for the production companies have provided me the wonderful opportunity to network with a lot of other striving actors as well. I have met people I may have never otherwise crossed paths with. Hawaii offers a diverse crowd of people from which to choose from. It keeps us from having to relocate to Los Angeles or other places. If we can keep the movie industry here, think of the many benefits that will produce. There have been so much Hawai'i-based talent... You have Joji Yoshida, Mark Dacoscos, Dwayne Johnson, Tia Carrere, Kelly Hu, Carrie Inaba, Keanu Reeves, Jason Lee, just to name a few. I hope you decide that the movie industry deserves those tax breaks... Tax breaks does equal jobs and opportunity.. Thank you.

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, April 04, 2011 11:41 PM  
**To:** FINTestimony  
**Cc:** kalanizone@gmail.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: Yes  
Submitted by: Jayson Kalani  
Organization: Individual  
Address:  
Phone:  
E-mail: [kalanizone@gmail.com](mailto:kalanizone@gmail.com)  
Submitted on: 4/4/2011

**Comments:**

Hello,

The entertainment industry brings so much revenue and free tourist/visitor advertisements for Hawaii. Hawaii needs this bill for private industry to build studios and bring the much needed jobs and make Hawaii and competitor in the TV/Film Industry.

Please PASS this bill.

Mahalo,

Jayson Kalani

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, April 04, 2011 9:27 PM  
**To:** FINTestimony  
**Cc:** ag1now@aol.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Andrew Grant  
Organization: Individual  
Address:  
Phone:  
E-mail: [ag1now@aol.com](mailto:ag1now@aol.com)  
Submitted on: 4/4/2011

Comments:

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, April 04, 2011 9:33 PM  
**To:** FINTestimony  
**Cc:** brebiz1@yahoo.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: Yes  
Submitted by: Branscombe Richmond  
Organization: Individual  
Address:  
Phone:  
E-mail: [brebiz1@yahoo.com](mailto:brebiz1@yahoo.com)  
Submitted on: 4/4/2011

**Comments:**

ALOHA ,,im an actor 35yrs , hawaiian ,, also director , producer ,,, we need the work here  
,, not in the other states ,,ALASKA JUST UPED THIER TAX CREDIT FOR FILMING TO 30 PER CENT ,,,  
please lets get with the program , we need to compete in order to be in the game ,,, TOURISIM  
IS NOT THE ANSWER--- WE NEED TO THINK OUTSIDE THE BOX--- PLEASE PASS THIS BILL ,, HAWAII  
NEEDS THE JOBS ,,, J.O.B.S.,,NOW ,, MAHALO ,, BRANSCOMBE RICHMOND

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, April 04, 2011 9:27 PM  
**To:** FINTestimony  
**Cc:** ag1now@aol.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Andrew Grant  
Organization: Individual  
Address:  
Phone:  
E-mail: [ag1now@aol.com](mailto:ag1now@aol.com)  
Submitted on: 4/4/2011

Comments:



## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, April 04, 2011 9:33 PM  
**To:** FINTestimony  
**Cc:** brebiz1@yahoo.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: Yes  
Submitted by: Branscombe Richmond  
Organization: Individual  
Address:  
Phone:  
E-mail: [brebiz1@yahoo.com](mailto:brebiz1@yahoo.com)  
Submitted on: 4/4/2011

**Comments:**

ALOHA ,,im an actor 35yrs , hawaiian ,, also director , producer ,, we need the work here ,, not in the other states ,,ALASKA JUST UPED THIER TAX CREDIT FOR FILMING TO 30 PER CENT ,, please lets get with the program , we need to compete in order to be in the game ,, TOURISIM IS NOT THE ANSWER--- WE NEED TO THINK OUTSIDE THE BOX--- PLEASE PASS THIS BILL ,, HAWAII NEEDS THE JOBS ,, J.O.B.S.,,NOW ,, MAHALO ,, BRANSCOMBE RICHMOND

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Monday, April 04, 2011 9:31 PM  
**To:** FINTestimony  
**Cc:** brebiz1@yahoo.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: Yes  
Submitted by: Branscombe Richmond  
Organization: Individual  
Address:  
Phone:  
E-mail: [brebiz1@yahoo.com](mailto:brebiz1@yahoo.com)  
Submitted on: 4/4/2011

**Comments:**

im an actor 35yrs , hawaiian ,, also director , producer ,,, we need the work here ,, not in the other states ,,ALASKA JUST UPED THIER TAX CREDIT FOR FILMING TO 30 PER CENT ,, please lets get with the program , we need to compete in order to be in the game ,, TOURISIM IS NOT THE ANSWER--- WE NEED TO THINK OUTSIDE THE BOX--- PLEASE PASS THIS BILL ,, HAWAII NEEDS THE JOBS ,,, J.O.B.S.,,,NOW ,, MAHALO ,, BRANSCOMBE RICHMOND

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 9:40 AM  
**To:** FINTestimony  
**Cc:** dmivideo@hotmail.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Dan McMahon  
Organization: Individual  
Address:  
Phone:  
E-mail: [dmivideo@hotmail.com](mailto:dmivideo@hotmail.com)  
Submitted on: 4/5/2011

Comments:  
We need more work in order to pay our taxes

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 9:43 AM  
**To:** FINTestimony  
**Cc:** mauiislandvideo@hotmail.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Jeane McMahon  
Organization: Individual  
Address:  
Phone:  
E-mail: [mauiislandvideo@hotmail.com](mailto:mauiislandvideo@hotmail.com)  
Submitted on: 4/5/2011

Comments:  
If I don't work I don't pay taxes

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 9:35 AM  
**To:** FINTestimony  
**Cc:** hsballet1418@yahoo.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Georgina Landovsky  
Organization: Individual  
Address:  
Phone:  
E-mail: [hsballet1418@yahoo.com](mailto:hsballet1418@yahoo.com)  
Submitted on: 4/5/2011

**Comments:**

This bill must be passed. Filming movies in Hawaii is good for EVERYONE.

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 10:34 AM  
**To:** FINTestimony  
**Cc:** RhondaRossi@aol.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Rhonda Rossi  
Organization: Individual  
Address:  
Phone:  
E-mail: [RhondaRossi@aol.com](mailto:RhondaRossi@aol.com)  
Submitted on: 4/5/2011

**Comments:**

I am in strong support of SB318 and urge you to vote yes for the future of Hawaii

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 10:34 AM  
**To:** FINTestimony  
**Cc:** jhammon@iwado.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Joseph Hammon  
Organization: Individual  
Address:  
Phone:  
E-mail: [jhammon@iwado.com](mailto:jhammon@iwado.com)  
Submitted on: 4/5/2011

Comments:

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 11:02 AM  
**To:** FINTestimony  
**Cc:** cilla.sphere@yahoo.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Cilla Mitchell  
Organization: Individual  
Address:  
Phone:  
E-mail: [cilla.sphere@yahoo.com](mailto:cilla.sphere@yahoo.com)  
Submitted on: 4/5/2011

**Comments:**

I am in strong support of SB318 please vote yes-for a better future of Hawaii



## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 10:00 AM  
**To:** FINTestimony  
**Cc:** reception@iwado.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Aileen Ramos Lily Acain  
Organization: Individual  
Address:  
Phone:  
E-mail: [reception@iwado.com](mailto:reception@iwado.com)  
Submitted on: 4/5/2011

### Comments:

I am extremely supportive of SB318, I have been in the Film Industry as an actress, and producer for over 30 years. In Hawaii, California, New York, and overseas. I have seen a lot in being in the film industry, and have been the forefront in the movement to bringing the Film Industry to Maui since I moved here in 2003, from Los Angeles. I'm a local born actor from Oahu, and really would love to see this come to fruition of all the hard work from all islands.

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 11:32 AM  
**To:** FINTestimony  
**Cc:** byamamoto@iwado.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Barbie Yamamoto  
Organization: Individual  
Address:  
Phone:  
E-mail: [byamamoto@iwado.com](mailto:byamamoto@iwado.com)  
Submitted on: 4/5/2011

### Comments:

I strongly support SB318, and am urging my co-workers, friends and family to support this Bill. I have lived in on Maui for over 35 years of my life raising my children here and building my home here. I have seen what the Film Industry has brought to Maui over the decades, and has always been beneficial to our islands.

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 11:44 AM  
**To:** FINTestimony  
**Cc:** info@michaelsellsmaui.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Michael C. DiBella  
Organization: Individual  
Address:  
Phone:  
E-mail: [info@michaelsellsmaui.com](mailto:info@michaelsellsmaui.com)  
Submitted on: 4/5/2011

**Comments:**

I strongly support SB318. It is imperative that Maui's economic basis be diversified and not solely dependent on the tourism industry. This will provide additional jobs from both the entertainment side and technical aspect. I have been on the forefront of helping this industry migrate to Maui using my Real Estate expertise.

## **FINTestimony**

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**From:** mailinglist@capitol.hawaii.gov  
**ent:** Tuesday, April 05, 2011 1:42 PM  
**To:** FINTestimony  
**Cc:** info@secondwindmaui.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Ralf Sifford  
Organization: Individual  
Address:  
Phone:  
E-mail: [info@secondwindmaui.com](mailto:info@secondwindmaui.com)  
Submitted on: 4/5/2011

Comments:

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**Sent:** Tuesday, April 05, 2011 1:02 PM  
**To:** FINTestimony  
**Cc:** dan@iwado.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Dan Olson  
Organization: Individual  
Address:  
Phone:  
E-mail: [dan@iwado.com](mailto:dan@iwado.com)  
Submitted on: 4/5/2011

**Comments:**

I support the bill for the following reasons:

1. Attract more business to Hawaii.
2. The film industry is a relatively low environmental impact industry compared to manufacturing industries.
3. The exposure to the rest of the world with Hawaii set locations will attract more visitors from around the world.
4. Influx of industry employees will add a little and much needed boost to the real estate market.

This is an industry we want to attract to Hawaii.

## FINTestimony

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**From:** mailinglist@capitol.hawaii.gov  
**ent:** Tuesday, April 05, 2011 12:16 PM  
**fo:** FINTestimony  
**Cc:** jenbarr9@yahoo.com  
**Subject:** Testimony for SB318 on 4/6/2011 4:00:00 PM

Testimony for FIN 4/6/2011 4:00:00 PM SB318

Conference room: 308  
Testifier position: support  
Testifier will be present: No  
Submitted by: Jennifer Barr  
Organization: Individual  
Address:  
Phone:  
E-mail: [jenbarr9@yahoo.com](mailto:jenbarr9@yahoo.com)  
Submitted on: 4/5/2011

**Comments:**

I am n support of the &quot;Film Tax Incentive Bill&quot;; It will enable our future generations to stay on Maui and be afforded the same &quot;film industry&quot;; standards as other states...