



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

**NEIL ABERCROMBIE**  
GOVERNOR

**RICHARD C. LIM**  
DIRECTOR

**MARY ALICE EVANS**  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [www.hawaii.gov/dbedt](http://www.hawaii.gov/dbedt)

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**RICHARD C. LIM**  
**Director**

Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Tuesday, March 25, 2014  
9:00 AM

State Capitol, Conference Room 211  
in consideration of  
**HB2253, HD1, SD1**  
**RELATING TO FUNDING FOR FILM AND DIGITAL MEDIA  
DEVELOPMENT.**

Chair Ige, Vice Chair Kidani, and Members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports HB2253, HD1, SD1, which would create the Hawaii Film and Digital Media Development Special Fund, providing a mechanism to capture rental fees from the Hawaii film studio, film permit fees and tax credit application fees.

Film production activity is on course to increase in 2014 and beyond, and with it, the demands on the film studio and office. The costs to support, manage and maintain the statutory obligations of the office, which include the film permit and tax credit programs, as well as the Hawaii film studio, exceed the existing allocations.

By providing the ability to deposit and expend film studio rent payments, fees from processing film permits and tax credit applications, the Hawaii Film Office can: 1) better maintain the Hawaii Film Studio facility which is a key asset to Hawaii's film industry; and 2) address increased program costs, including marketing Hawaii as a primary film location.

Thank you for the opportunity to testify on this measure.

Written Statement of  
**ROBBIE MELTON**  
**Executive Director & CEO**  
High Technology Development Corporation  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Tuesday, March 25, 2014  
9:00 a.m.  
State Capitol, Conference Room 211  
In consideration of

**HB2253 HD1 SD1 RELATING TO FUNDING FOR FILM AND DIGITAL MEDIA  
DEVELOPMENT.**

Chair Ige, Vice Chair Kidani, and Members of the Committee on Ways and Means.

The High Technology Development Corporation (HTDC) offers **comments** on Part II of HB 2253 HD1 SD1 relating to funding for Film and Digital Media Development. HTDC supports innovation and technology development in any industry, including creative film and media. Today, creative media is inseparable from technology with companies in this sector developing applications, games, and multimedia productions. HTDC comments that our agency has a core competency in technology and manufacturing and works closely with the Department of Business, Economic Development and Tourism (DBEDT) Creative Industries Division in this sector. HTDC has statute to develop technology parks through HRS 206M-2 paragraph (1) and suggest section 9 of this bill is redundant and unnecessary. HTDC does not have resources to explore private sector partnerships in this area.

Though we support the intent of this measure, HTDC will need \$500,000 to research and build expertise in this focus areas, dedicate resources to explore partnership opportunities, and solicit proposals to ensure the best use of State resources. This would be a project specific appropriation and should not replace or adversely impact the Administration's budget request.

HTDC does not offer comment on the location selected as identified by the TMK (UH West Oahu) and further suggests that DBEDT CID is conducting a feasibility study for a Creative Media/Film Studio Facility.

Thank you for the opportunity to offer these comments.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Ways and Means  
March 25, 2014 at 9:00 a.m.

by  
Sherry Proper  
Director of Strategic Initiatives  
University of Hawai'i – West O'ahu

### HB 2253 HD1 SD1 – RELATING TO FUNDING FOR FILM AND DIGITAL MEDIA DEVELOPMENT

Chair Ige, Vice Chair Kidani, and Members of the Senate Committee on Ways and Means:

Thank you for the opportunity to express our support and concerns on Part II of this measure.

The University of Hawai'i - West O'ahu supports the intent of HB 2253 HD1 SD1. We would very much like to be a part of such an innovative opportunity to further the film production and creative media industries in Hawai'i. The creation of a Film and Media Park near the University of Hawai'i - West O'ahu campus, in conjunction with our new Academy for Creative Media academic programming, will establish a strong connection between education and high-technology industry in Hawai'i.

A Film and Media Park near our campus would encourage highly talented high school students in programs like Searider productions to continue their education and pursue a bachelor's degree in creative media at the University of Hawai'i - West O'ahu. This hub of activity and creativity would be a showcase of university student talent. Hands-on opportunities in a dedicated Film and Media Park at the University of Hawai'i - West O'ahu will better prepare baccalaureate students for professional work in the industry. The collaborative nature of the park will also draw attention to the innovative academic programs in our State's high schools and University system – a win-win situation for our State.

While we are supportive of the initiative, we are concerned about the governance of the park and decisions regarding location of the park. Providing employment opportunities for high school graduates is beneficial to Hawai'i, but we also believe workforce needs could be addressed even more broadly and robustly through a strong partnership between the park and University of Hawai'i – West O'ahu. Other state initiatives, such as improving degree completion, could be supported with a joint governance approach. We respectfully request that the governance of the park include representation by University of Hawai'i – West O'ahu officials to ensure a connection to the University through academic programming, internship opportunities, and other collaborative ways in which we can serve workforce needs in the broadest way possible.

We are also seriously concerned about the designation of specific lands to be included in the park. The list of parcels in the bill appears to be intended to cover significantly more land than needed, including significant University of Hawai'i – West O'ahu lands. If the list is intended only to designate the general area in which a site is to be located, we would respectfully suggest clarification of that intent. We also note that the Board of Regents has formed a task group to plan for University of Hawai'i – West O'ahu lands, which they expect to have in August. The University of Hawai'i has long planned to include a science and technology park in the future development of lands adjacent to the campus and to include creative media in mission of the park. We welcome discussion of that vision with other interested parties to achieve the greatest possible economic and educational impact. However, until the task group's planning process is complete, the University cannot support any transfer of University of Hawai'i – West O'ahu lands or designation of specific University land for the Film and Media Park.

Again, thank you for the opportunity to express our support in concept and our concerns on Part II of this measure.

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



**STATE OF HAWAII**  
**DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621  
HONOLULU, HAWAII 96809

**Testimony of**  
**WILLIAM J. AILA, JR.**  
**Chairperson**

**Before the Senate Committee on**  
**WAYS AND MEANS**

**Tuesday, March 25, 2014**  
**9:00 A.M.**  
**State Capitol, Conference Room 211**

**In consideration of**  
**HOUSE BILL 2253, HOUSE DRAFT 1, SENATE DRAFT 1**  
**RELATING TO FUNDING FOR FILM AND DIGITAL MEDIA DEVELOPMENT**

House Bill 2253, House Draft 1, Senate Draft 1, proposes to expand funding sources to support the Hawaii film studio and Hawaii Film Office and development of the film and digital media industry, repeals statutory sections relating to the Hawaii Television and Film Development Board, and requires the High Technology Development Corporation establish a creative film and media park on designated State lands. Specifically, the bill identifies twelve parcels of land in Kapolei, Oahu, for the proposed creative film and media park, three of which are under the jurisdiction of the Department of Land and Natural Resources (the "Department"). **The Department opposes the bill to the extent it seeks to utilize lands currently in the Department's inventory at below market rates.**

The Department is responsible for managing approximately 1.3 million acres of public lands including the State's unique and limited natural, cultural and historic resources held in public trust for current and future generations of the people of Hawaii nei. The Department's responsibilities include managing and maintaining the State's coastal lands and waters, water resources, conservation and forestry lands, historical sites, small boat harbors, parks, and recreational facilities; performing public safety duties (e.g., flood and rockfall prevention); issuing and managing leases of public lands (agriculture, pasture, commercial, industrial, and resort leases); maintaining unencumbered public lands; and enforcing the Department's rules/regulations.

To properly perform these duties, the Board of Land and Natural Resources (BLNR) determined that the Department should utilize a portion of the lands it manages to generate revenues to support the Department's operations and programs. The three parcels under the Department's

**WILLIAM J. AILA, JR.**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**JESSE K. SOUKI**  
FIRST DEPUTY

**WILLIAM M. TAM**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS



jurisdiction that are identified in this bill have been designated by the Department as long term revenue generating properties that are critical to the Department's ability fulfill its fiduciary responsibilities to protect, preserve and manage Hawaii's natural, cultural and historic resources.

The three parcels under the Department's management include TMK: 9-1-017:097 with an area of 36 acres, over which the BLNR has approved two dispositions to the Honolulu Authority for Rapid Transportation (HART). One is a non-exclusive easement for an overhead guideway for the rail project, and the other is a lease of an area of approximately five acres for a park-and-ride facility. On the balance of the remaining 31 acres, the Department intends to develop commercial or mixed commercial-light industrial uses to support the rail and surrounding community. The two other parcels, TMKs: 9-1-018:005 and 008, are currently leased to Larry Jeffs for agriculture purposes under a revocable permit but are also targeted for development at the appropriate time. All development would occur in accordance with the City's Transit-Oriented Development implementation framework.

For the foregoing reasons, the Department opposes this bill to the extent it seeks to utilize the three parcels under the management of the BLNR without payment of market rents to the BLNR.