



**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

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

Monday, February 19, 2014
9:25 AM
State Capitol, Conference Room 211

in consideration of
SB2776, SD1
RELATING TO ECONOMIC DEVELOPMENT

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

The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of SB2776, SD1 which seeks to establish a creative film and media park as part of the statutory duties of the High Technology Development Corporation (HTDC) to be set in West Oahu. The bill also designates certain properties to be included in the park through TMK numbers listed in the measure.

DBEDT agrees that our state must evaluate all opportunities to support infrastructure development, investment attraction and multi-purpose facilities for high growth sectors such as creative media, technology and film. Recognizing this, the Legislature appropriated \$250,000 to DBEDT's Creative Industries Division in FY14 and the department is in the process of conducting a statewide market analysis which will provide site recommendations and a business plan for a second creative media and film studio complex.

As this feasibility study directly addresses infrastructure development, and while a West Oahu Creative Film and Media Park designation may have benefits as noted, DBEDT would prefer to wait for the recommendations of this study to best determine where to locate such a facility.

The department welcomes the opportunity to collaborate with the Legislature and stakeholders on initiatives that grow our creative and technology sectors. Should this measure pass, both Creative Industries/DBEDT and HTDC would require additional funds to manage this effort.

Thank you for the opportunity to testify on 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**

**Wednesday, February 19, 2014
9:25 A.M.
State Capitol, Conference Room 221**

**In consideration of
SENATE BILL 2776, SENATE DRAFT 1
RELATING TO ECONOMIC DEVELOPMENT**

Senate Bill 2776, Senate Draft 1 proposes to establish a creative film and media park to facilitate economic growth of the creative film and media industry by locating film and media entities in a designated geographic hub. Specifically, this 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 (Department). **The Department offers the following comments to the extent it seeks to utilize lands currently in the Department's inventory.**

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 jurisdiction that are identified in this bill have been identified 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.

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

ESTHER KIA'AINA
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

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.

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

Wednesday, February 19, 2014
9:25 a.m.
State Capitol, Conference Room 211
In consideration of

SB 2776 SD1 RELATING TO ECONOMIC DEVELOPMENT.

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

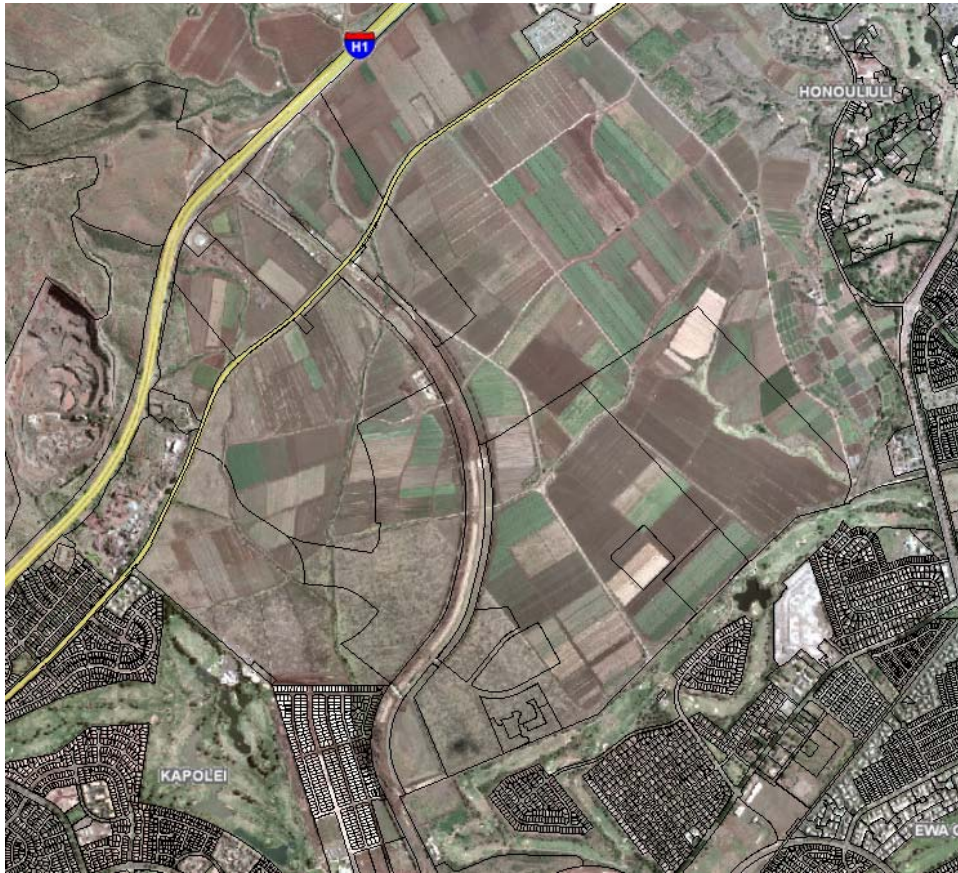
The High Technology Development Corporation (HTDC) **supports the intent** of SB 2776 SD1 relating to Economic Development. HTDC supports innovation and technology development in any industry, including creative film and media. Today, creative media is inseparable from technology with companies in this sector developing applications, games, and multimedia productions. HTDC comments that our agency has a core competency in technology and manufacturing and partners closely with the Department of Business, Economic Development and Tourism (DBEDT) Creative Industries Division in this sector. HTDC has statute to develop technology parks, but 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 area, 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.

Furthermore, HTDC will lose its current source of revenue for programs in April 2015 which will further diminish our ability to provide support for new projects. In the Administration's budget, HTDC has requested CIP funds to build a new innovation hub which will: restore our source of operational funding, provide a resource for the primary sector we are mandated to support, and house a base innovation and entrepreneurial program that we can leverage into other industries.

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

<http://gis.hicentral.com/FastMaps/ParcelZoning/>



Thank you for the opportunity to offer these comments.