



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of
Luis P. Salaveria
Director
Department of Business, Economic Development, and Tourism
before the
**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT, TOURISM, AND
TECHNOLOGY**

Monday, February 13, 2017
1:15 PM

State Capitol, Conference Room 414

In consideration of
SB905
**RELATING TO FUNDING FOR CREATIVE MEDIA AND FILM
DEVELOPMENT**

Chair Wakai, Vice Chair Taniguchi, and Members of the Senate Committee on Economic Development, Tourism, and Technology.

The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** SB905, which would amend and redefine the existing special fund (HRS §201-113) to establish the Creative Media and Film Infrastructure Special Fund, provides a mechanism to capture rental fees from the current Hawaii film studio, along with film permit and tax credit application fees, and expend these funds to support the infrastructure repair and maintenance of current and future studio facilities.

Film production activity has maintained a steady \$200M to \$250M per year in production expenditures and is on course to increase in 2017. The Hawaii Film Office currently has \$105,000 in general funds and \$30,000 in HTA special funds for repair and maintenance of the facility. Currently, ongoing repair and maintenance costs average approximately \$150,000 per year. The 16,500 square foot sound stage which was purpose built in 1994, is now over 20 years old. There are portions of the facility which have not undergone major renovations and these areas require more repair and maintenance.

By providing the ability to deposit and expend film studio rent payments and fees as noted, the program can allocate special fund revenues to the R&M of the existing 7-acre facility and future new infrastructure development. The

Hawaii Film Office will also be able to 1) increase the level of marketing for the Film Tax Credit, workforce and business development efforts for Hawaii as a premiere film production location; 2) expand state and counties presence at global trade shows and; 3) support an integrated shared marketing campaign amongst all film offices statewide.

Thank you for the opportunity to testify on this measure.

Bernard P. Carvalho, Jr.
Mayor

George K. Costa
Director of Economic Development



Wallace G. Rezentes, Jr.
Managing Director

OFFICE OF ECONOMIC DEVELOPMENT

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February 9, 2017

Testimony
Hawaiʻi State Senate
Monday February 13 2017
1:15 PM
Conference Room 414

Senator Glenn Wakai, Chair
Committee on Economic Development, Tourism and Technology
Hawaiʻi State Senate
Honolulu, HI 96813

Dear Honorable Senators Wakai and members of the Committee:
RE: SB 905: Relating to Funding For Creative Media And Film Development

My name is Randall Francisco, Kauaʻi Film Commissioner, County of Kauaʻi – Office of Economic Development. I am writing in **SUPPORT** of this important legislation. It provides the Department of Business, Economic Development & Tourism and its Creative Industries Branch a sustainable and economic pathway by retaining and reinvesting funds for infrastructure and other related activity in support of the production facilities and long-term development of the industry.

Thank you very, very much for taking this step and sending a message from Hawaiʻi throughout this very competitive industry that the state and counties of Hawaiʻi are indeed, a great and business-friendly place to do creative projects. From a production perspective, this gives a business/production company the ability to make short to long term and pragmatic decisions about timelines, budgets, and, locations that build upon the industry's many years of filming in the State of Hawaii.

Thank you for your consideration. Should I be of additional assistance, please feel free to contact me at rfrancisco@kauai.gov, office at 241-4953 or cell at 635-4130. Aloha.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Randall Francisco".

Randall Francisco
Kauaʻi Film Commissioner

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 7, 2017 3:11 PM
To: ETT Testimony
Cc: mendezj@hawaii.edu
Subject: *Submitted testimony for SB905 on Feb 13, 2017 13:15PM*

SB905

Submitted on: 2/7/2017

Testimony for ETT on Feb 13, 2017 13:15PM in Conference Room 414

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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