



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

DAVID Y. IGE
GOVERNOR

LUIS P. SALAVERIA
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: dbedt.hawaii.gov

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

Statement of
Luis P. Salaveria
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS
Wednesday, February 15, 2017
9:00 AM
State Capitol, Conference Room 309

In consideration of
HB1039
**RELATING TO FUNDING FOR CREATIVE MEDIA AND FILM
DEVELOPMENT**

Chair Nakashima, Vice Chair Keohokalole, and Members of the House Committee on Economic Development & Business.

The Department of Business, Economic Development and Tourism (DBEDT) **strongly supports** HB1039, 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. Rezendes, Jr.
Managing Director

OFFICE OF ECONOMIC DEVELOPMENT

County of Kaua'i, State of Hawai'i

4444 Rice Street, Suite 200, Līhu'e, Hawai'i 96766
TEL (808) 241-4946 FAX (808) 241-6399

February 13 2017

Testimony

**Hawaii State House of Representatives
Committee on Economic Development & Business
Wednesday February 15 2017 - 9:00 AM
Conference Room 309**

Representative Mark Nakashima, Chair
Committee on Economic Development & Business
Hawaii State House of Representatives
Honolulu, HI 96813

Dear Honorable Representative Nakashima and members of the Committee:
RE: HB1039: Relating to Funding For Creative Media and Film Development

My name is Randall Francisco, Kaua'i Film Commissioner, County of Kaua'i – Office of Economic Development. I am writing in **SUPPORT** of this important legislation, which provides a sustainable financial pathway for the Hawaii film office within the State of Hawai'i's Department of Business Economic Development & Tourism – Creative Industries Branch.

Thank you very, very much for taking a very bold step and sending a message from Hawai'i throughout this very competitive industry that the state and counties of Hawaii are indeed, a great and business-friendly place to do creative projects. The long-term view is that funds received and deposited into the fund will be re-invested in the Hawai'i film studio and other new infrastructure development. Maintaining a top notch and up-to-date facility sends an important message about our state remaining competitive and taking a business approach to the industry.

The other aspect of this legislation in regards to education and work force development provides an important pathway to growing and sustaining the industry for the present and future benefit of the industry.

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,


Randall Francisco

Kaua'i Film Commissioner

House of Representatives
The Twenty-Ninth Legislature
Regular Session of 2017

COMMITTEE ON ECONOMIC DEVELOPMENT & BUSINESS

Rep. Mark M. Nakashima, Chair
Rep. Jarrett Keohokalole, Vice Chair

RE: HB 1039 RELATING TO FUNDING FOR CREATIVE MEDIA AND
FILM DEVELOPMENT

Date: Wednesday, February 15, 2017

Time: 9:00 AM

Conference Room 309

State Capitol, 415 South Beretania Street, Honolulu, HI

February 14, 2017

From: Roy Tjioe and Ricardo Galindez
Island Film Group
POB 3261
Honolulu, HI 96801
Ph: 808-536-7955

Aloha Chair Nakashima, Vice Chair Keohokalole and Members of the Committee,

We support HB 1039, which provides for the expansion of funding sources to support creative industries development with the following comments and suggestions.

We have been working in Hawaii's film and television industry since 2001, starting as attorneys at the Hawaii law firm of Goodsill Anderson Quinn & Stifel where we represented local, independent and studio clients alike (including the hit ABC series "Lost" and the Fox series "North Shore"). Since our formation of Island Film Group in 2007, we have been working full-time as producers of feature films such as "Princess Kaiulani" and "Soul Surfer", network and cable television movies and series such as "Beyond the Break" for the N Network, as well as local, national and international commercial productions.

The State Film Office is critical to the continued success of our local film and television industry.

As our film and television industry grows, resulting in increased studio rental fees, increased permit fees and increased tax credit applications, all of which require more work on the part of the State Film Office, these fees should go back to the department that is generating these fees and supporting this important part of our economy.

Me ke aloha,

Roy Tjioe and Ricardo Galindez
Co-Founders
Island Film Group
Honolulu, Hawaii