

**BILL045(21)**  
**Testimony**

**MISC. COMM. 139**

BUDGET

## **BUDGET Meeting**

Meeting Date: Apr 20, 2022 @ 09:00 AM

Support: 8

Oppose: 1

I wish to comment: 1

|  |                                   |                                       |
|--|-----------------------------------|---------------------------------------|
| Name:<br>Daniel Lin  | Email:<br>dan.lin@rideback.com    | Zip:<br>96816                         |
| Representing:<br>Rideback  | Position:<br>Support              | Submitted:<br>Apr 15, 2022 @ 01:40 PM |
| <p>Testimony:<br/>IN SUPPORT</p> <p>Dear Chair Say, Vice Chair Cordero, and Members of the Committee:</p> <p>Thank you for the opportunity to testify today in STRONG SUPPORT of Bill 45 (2021) – RELATING TO INCENTIVES FOR BUSINESS.</p> <p>My name is Dan Lin and I am the founder and CEO of Rideback, a film and television production company. My company and I have produced films that have generated over \$5 billion in global box office sales, including the SHERLOCK HOLMES, LEGO, and GODZILLA movies. We are based at our headquarters at Rideback Ranch in the Historic Filipinotown area of Los Angeles. Our work is focused on promoting diversity and inclusion in the world of entertainment and we offer numerous training programs to educate the next generation of under-represented voices.</p> <p>I moved to Honolulu full-time 2 years ago to raise my family here as I believe there is no better place for children to grow up than in Hawaii. I commute to the mainland for my work as I am currently in production on films and TV series in Vancouver, Atlanta, New Orleans, and Austin. The reason I film in these cities is because they have built state-of-the-art production complexes and offer economic incentives that make local productions financially viable. For example, I am currently filming the movie THE HAUNTED MANSION for Disney at Trilith Studios in Atlanta, GA. They not only offer top notch production stages and tax rebates for us to film there, but they have also built a local community including housing and businesses that thrive due to the productions that shoot there.</p> <p>However, despite those incentives, my crews and I would strongly prefer to work in Hawai'i! Hawai'i offers outdoor landscapes and a rich culture that are second to none, but we don't have adequate indoor facilities to accommodate interior filming. I am actively developing film and TV scripts that I can shoot in Hawaii to create jobs here and showcase our local talent to the rest of the world, but we lack the facilities to make the large-scale productions that I produce. Diamond Head Studios is constantly booked by CBS and is not big enough to film a large film. The budgets for my films and TV shows typically exceed \$100 million and require much more stage space than what Oahu currently offers. The passage of Bill 45 would allow for developers to build a film/TV studio in Oahu that would attract many more films and TV productions, thus creating hundreds of jobs and training for the next generation. Just as importantly, we would be able to share more stories that promote Hawai'i and its culture to the rest of the world.</p> <p>I am happy to discuss my thoughts further on this subject if it would be helpful to you and the committee.</p> <p>Sincerely,<br/>Dan Lin<br/>Founder and CEO</p> |                                   |                                       |
| Name:<br>David Zelon   | Email:<br>dzmgmt@hotmail.com      | Zip:<br>90402                         |
| Representing:<br>MBS Media Campus - Manhattan Beach Studios  | Position:<br>Support              | Submitted:<br>Apr 17, 2022 @ 09:10 AM |
| Name:<br>Chris Lee   | Email:<br>chris@chrisleemedia.com | Zip:<br>96816                         |
| Representing:<br>Self  | Position:<br>Support              | Submitted:<br>Apr 18, 2022 @ 10:52 AM |
| Name:<br>Michael Shibata   | Email:<br>shibatam@hawaii.edu     | Zip:<br>96822                         |

|  |  |                                       |
|--|--|---------------------------------------|
| Representing:<br>University of Hawaii  | Position:<br>Support                         | Submitted:<br>Apr 18, 2022 @ 12:01 PM |
| Name:<br>Candy Suiso   | Email:<br>candysuiso@seariderproductions.com | Zip:<br>96792                         |
| Representing:<br>Self  | Position:<br>Support                         | Submitted:<br>Apr 18, 2022 @ 02:22 PM |
| Name:<br>Bryan Li  | Email:<br>bryan@blacksandcapital.com         | Zip:<br>96817                         |
| Representing:<br>BlackSand Capital, LLC  | Position:<br>Support                         | Submitted:<br>Apr 18, 2022 @ 11:25 PM |
| Name:<br>Natalie Iwasa   | Email:<br>iwasajunk@mail.com                 | Zip:<br>96825                         |
| Representing:<br>Self  | Position:<br>Oppose                          | Submitted:<br>Apr 18, 2022 @ 11:58 PM |
| Name:<br>Roy Tjioe   | Email:<br>roy@islandfilmgroup.com            | Zip:<br>96701                         |
| Representing:<br>Island Film Group   | Position:<br>Support                         | Submitted:<br>Apr 19, 2022 @ 08:23 AM |
| Name:<br>Alana Pakkala   | Email:<br>alana@kobayashi-group.com          | Zip:<br>96814                         |
| Representing:<br>Kobayashi Group LLC   | Position:<br>Support                         | Submitted:<br>Apr 19, 2022 @ 09:42 AM |
| Name:<br>Brickwood Galuteria   | Email:<br>brickwoodg@gmail.com               | Zip:<br>96816                         |
| Representing:<br>Self  | Position:<br>I wish to comment               | Submitted:<br>Apr 20, 2022 @ 05:49 AM |
| <p>Testimony:</p> <p>Dear Chair Say, Vice Chair Cordero, and Members of the Committee:</p> <p>Thank you for the opportunity to testify today in <b>STRONG SUPPORT</b> of Bill 45 (2021) — RELATING TO INCENTIVES FOR BUSINESS.</p> <p>Bill 45 expands our capacity for production while further diversifying our economy. Currently our state-owned Diamond Head Studio, although deeply appreciated, can only accommodate one TV show at a time, and is challenging for any large films. Today's production capacity requires not just Hawaii's beauty, but extensive studio sound stages and post production facilities.</p> <p>Bill 45 creates an entire eco-system beginning with facilities construction through the productions it will attract to our state while fostering and supporting local businesses and hundreds of living wage jobs.</p> <p>In addition, it provides an asset for our visitor industry, particularly on the west side of O'ahu. Indeed, with UHWO ACM already built, Bill 45 will further West O'ahu as Hawaii's digital production center of gravity, providing employment for our graduates who chose this field for their life's work while accelerating high-quality job creation on the West Side.</p> <p>As a former State Senator, I recall this idea being introduced as a Bill each year by the areas elected officials. The discussion was quite vibrant, resulting in tax credits for the industry. Their advocacy was key. Bill 45 takes us to the next step offering real property tax rebates to businesses engaged in film/media. The creative media talent will thrive on the westside and throughout Hawaii.</p> <p>Mahalo for the opportunity to submit testimony for Bill 45 and I commend the City Council for advancing this dialogue. I rarely submit testimony and it's quite interesting sitting on this side of the table. However, these are bold ideas for which I advocate. As</p> |  |                                       |

we know, it's about timing. It appears the time is now!

Mahalo for your consideration. Aloha and Malama for now.

Brickwood Galuteria

Hawaii State Senator, Ret.



February 7, 2022

The Honorable Calvin Say, Chair  
The Honorable Radiant Cordero, Vice Chair  
Members of the Committee on Budget  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

**RE: Bill 45 (2021) – Relating to Incentives for Business**

IN SUPPORT

Dear Chair Say, Vice Chair Cordero, and Members of the Committee:

Thank you for the opportunity to testify today in STRONG SUPPORT of Bill 45 (2021) – RELATING TO INCENTIVES FOR BUSINESS.

My name is David Zelon and I am a Founder of the Manhattan Beach Studio Group's Advisory Board. MBS specializes in building, operating and servicing independent studios around the world. Through our affiliate Hackman Capital we own 123 stages across 16 studios and operate another 15 studios for other property owners and major content creators. We currently supply lighting and grip equipment to over 450 stages as well, across more than 65 locations in six different countries. One of our strongest attributes are our excellent relationships, cultivated over the past 30 years, with every network, content studio and streaming service. Through this we know every project going into production which allows us to fill our studios with TV shows, films and streaming programs. We are the largest independent studio operator in the world.

We have been reviewing and researching the possibility of building a major studio on the island of Oahu for the past 24 months. This studio would consist of approximately 6-12 soundstages, production offices, construction mills and associated warehouse buildings. It would be the biggest studio in the State since filming started there over a century ago and be one of the most technically advanced studios in the world.

Building this studio complex will translate to jobs -- literally hundreds of living wage jobs during construction and hundreds more as the studio complex becomes the operational hub for Hawaii's growing production industry. Films, television shows, streaming content and commercials in 2021 will exceed \$400 million in direct spend in the State of Hawaii. With a first-class studio complex, that number could more than double to a consistent \$1 billion a year in direct spend. Large studio complexes such as the ones we



manage globally create entire eco-systems through the innumerable tertiary businesses they foster and support.

Hawaii's successful diversification of the economy through the filmed production industry is currently constrained by the severe lack of physical infrastructure. There is only one small stage complex -- Diamond Head Studios, which can only accommodate one tv show at a time and is not fit for any large films. The blockbuster films of today require not just Hawaii's beautiful scenery and culture, but extensive studio sound stages and post production facilities. Through the University of Hawaii Academy for Creative Media, the State has developed a steady pipeline of qualified production workers. This human infrastructure coupled with responsible economic incentives still lacks the physical facilities to significantly magnify the full potential of the film & TV industry.

We have been working with our local development, architectural and construction partners to develop a significant film studio on Oahu. A major obstacle to launching this project is the vastly increased cost of construction. Any developer who wishes to build a film studio in the State will encounter this hurdle. The passage of Bill 45, which would provide property tax relief for this project -- currently estimated to cost well more than the \$100 million threshold as stated in Bill 45, would be a crucial step to making this project a reality.

I would be happy to make myself or any of my colleagues available to discuss our plan so you could see the enormous benefit it would have for the local film community and the number of jobs it would create immediately and over the next decade.

Thank you for your consideration.

Sincerely,  
David Zelon

**David Zelon**  
Founder, Advisory Board  
The MBS Group  
c) 310-567-2700  
e) dzmgmt@hotmail.com

April 20, 2022

The Honorable Calvin Say, Chair  
The Honorable Radiant Cordero, Vice Chair  
Members of the Committee on Budget  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

**RE: Bill 45 (2021) – Relating to Incentives for Business**

IN SUPPORT

Dear Chair Say, Vice Chair Cordero, and Members of the Committee:

Thank you for the opportunity to testify today as a private citizen in STRONG SUPPORT of Bill 45 (2021) – RELATING TO INCENTIVES FOR BUSINESS.

My name is Chris Lee, Founder and Director of the University of Hawaii Academy for Creative Media System. Since starting the ACM at UHM Manoa in 2003, the program has expanded to all ten campuses on all islands and resulted in hundreds of graduates staying in the islands contributing to our growing creative economy.

Hawaii's successful diversification of the economy through the production industry is currently constrained by the severe lack of physical infrastructure. We have only one stage -- Diamond Head Studios, which can only accommodate one tv show at a time, and is not fit for any large films. The blockbuster films of today require not just our scenery, but extensive studio sound stages and post production facilities. Through the University of Hawaii Academy for Creative Media, the State has developed a steady pipeline of qualified production workers. This human infrastructure coupled with responsible economic incentives still lacks the physical facilities to significantly diversify our economy.

Building a studio complex will translate to jobs -- literally hundreds of living wage jobs during construction and as the studio complex becomes the operational hub for Hawaii's growing production industry. Films, television shows, streaming content and commercials in 2021 will exceed \$400 million in direct spend in the State of Hawaii. With a first-class studio complex, that number could double to a consistent \$1 billion a year in direct spend. Large studio complexes create entire eco-systems through the innumerable tertiary businesses they foster and support. This is not possible with just the Diamond Head Studio which is restricted in a residential neighborhood and does not have the scale to accommodate more than one television series

As Sumner La Croix and James Mak have written on behalf of [UHERO](#) in their report [Understanding the Role of the Hawaii Film/TV/Digital Production Tax Credit In Diversifying the Hawaii Economy](#), "Since the passage of the film credit in 2006, spending in Hawaii on TV/film productions has soared, with inflation-adjusted spending increasing by 116 percent between 2007 (\$164.5 million) and 2019 (\$355.6



million). This is much larger than the overall increase in Hawaii real gross domestic product over the same period, a modest 17 percent. “ Indeed, with Direct Spending exceeding \$400 million a year now, film, television and streaming content production ranks as Hawaii’s most successful diversification of our economy. Bill 45, if passed, offers an opportunity to dramatically build on this success.

Mahalo for the opportunity to testify today and I am happy to answer any questions from the Committee.

Thank you for your consideration.

Sincerely,

Chris Lee  
Founder and Director,  
Academy for Creative Media System, University of Hawaii



# UNIVERSITY OF HAWAII SYSTEM

## Testimony

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Testimony Presented Before the  
Committee on Budget  
April 20, 2022 at 9:00 a.m.  
By  
David Lassner  
President, University of Hawai'i

### BILL 45 – RELATING TO INCENTIVES FOR BUSINESSES

Chair Say, Vice Chair Cordero, and Members of the Committee:

Thank you for the opportunity to present testimony on this issue. With the consideration as an “Anchor institution,” the University of Hawai'i supports Bill 45, which would provide added incentives to entice high-value commercial development in selective re-development areas that could spur economic growth and job creation – especially in transit development areas.

The University of Hawai'i is already working to advance transit-oriented development opportunities and potentials on our lands at or surrounding the transit stops. While the University of Hawai'i would not benefit directly from a real property tax exemption, the proposed approach in Bill 45 would create an attractive benefit to some private developers or businesses that may eventually develop on or around UH properties. Taking the current exemption of three years and extending the exemption to 30 years, while expanding the list of eligible businesses types that may fall under this extension would further the opportunity for growth.

The University of Hawai'i believes that for at least one major project we are attempting to develop, the proposed tax incentives would significantly improve the financial feasibility of the opportunity for private development and investment that could be a significant contributor to economic diversification and job creation on O'ahu.

We welcome the opportunity to support economic development and business sustainability as a vital part of post-pandemic recovery. Thank you for your consideration of our testimony in support of Bill 45.

April 18, 2021

The Honorable Calvin Say, Chair  
The honorable Radiant Cordero, Vice Chair  
Members of the Committee on Budget  
530 South King Street, Room 202  
Honolulu, Hawaii. 96813

RE: Bill 45 (2021) - Relating to Incentives for Business

IN SUPPORT

Dear Chair Say, Vice Chair Cordero, and members of the committee,

Mahalo for this opportunity to testify in VERY STRONG SUPPORT of Bill 45 (2021) - RELATING TO INCENTIVES FOR BUSINESS.

My name is Candy Suiso, Founder of the Searider Productions Creative Media Program at Waiʻanae High School. Our goal since 1993 has always been to provide our secondary and post-secondary students with the educational support, job training and workforce development opportunities necessary for success as citizens of local and global communities.

Searider Productions recently moved into their newly renovated expanded \$10.5 million facility at the same time the University of Hawaii West Oahu opened their \$37 million state of the art student production facility. We now see the results of this seamless pipeline of creative media workforce training, from elementary to high school to college on the Westside and beyond.

Many of our graduates are working successfully in many areas of Creative Media. Our goal to create the workforce is now a reality. The stories created by our students are recognized nationally and beyond. However many of our best and brightest have left Hawaii for better paying positions on the mainland.

Our journey began with the inception of our program in 1993 however the statewide Creative Media momentum started in 2004 with the opportunity to travel to Shanghai, China with a few teachers and students to experience the Shanghai International Film Festival. Our students also had the opportunity to share their work with several Chinese high schools. This was followed by many local, national and international awards and recognitions including the Olelo youthXchange competition (sponsored by Sony and First Hawaiian Bank), the Hawaii International Film Festival, UH College of Engineering's FIRST Academy initiatives, PBS Hawaii's HIKI NO student run news program, the National Academy of Television Arts & Science student Emmy awards, the Robert F. Kennedy Journalism award, the nationally competitive Student Television Network's National competition and more.

Bill 45 would accelerate high-quality job creation on the West Side, one of the fastest growing areas in Hawaii for film/media and other high-tech jobs by building a studio space large enough for multiple sound stages and post production facilities. I remember dreaming about this idea over 20 years ago thinking with students and supporters "maybe some day". Our students would have the choice to stay home to work and live.

We certainly created the workforce. Bill 45 takes us to the next step offering real property tax rebates to businesses engaged in growth industries such as film/media. The creative media talent continues to thrive on the westside. The possibilities are endless.

Mahalo Nui for this opportunity. This is a tremendous opportunity for Hawaii to continue to take the lead in Creative Media. As educators, we want to make sure our students exit our schools with the skills and education needed to be successful in our workforce.

Sincerely,

L. Candy Suiso  
Executive Director  
Searider Productions Foundation

BLACKSAND  
CAPITAL

April 18, 2022

The Honorable Calvin Say, Chair  
The Honorable Radiant Cordero, Vice Chair  
Members of the Committee on Budget  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

**RE: Bill 45 (2021) – Relating to Incentives for Business**

Dear Chair Say, Vice Chair Cordero, and Members of the Committee:

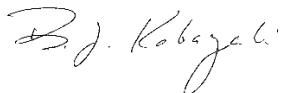
Thank you for the opportunity to testify in **STRONG SUPPORT** of Bill 45 (2021) – RELATING TO INCENTIVES FOR BUSINESS. BlackSand Capital is a locally owned and operated real estate investment firm based in Honolulu. A large part of BlackSand Capital's investor base is composed of people who live in or have a connection to Hawaii — including beneficiaries of local retirement funds and endowments. We invest in, finance, and develop real estate projects solely in the state of Hawaii.

Bill 45 provides incentives for certain qualified businesses in certain locations to be eligible for real property tax rebates, waiver of City imposed fees, and expedited permits. The Bill appropriately categorizes the level of incentives based on two categories of investment: 1) investments greater than \$10 million and 2) investments greater than \$100 million.

The COVID-19 pandemic has emphasized the need to make the State's economy more resilient, and Bill 45 will be a strong catalyst to achieve this goal. Significant and meaningful investments in infrastructure for various growth industries including healthcare, film and creative media, and specialty tourism can create new employment opportunities for our island residents. Acting now will allow our State to grow our economy expeditiously.

Mahalo for the opportunity to submit testimony for Bill 45. We commend the City Council for proposing bold ideas to spur economic growth and to provide new employment opportunities for our island residents.

Sincerely,



B.J. Kobayashi  
Chairman and CEO

TO: Members of the Budget Committee

FROM: Natalie Iwasa  
808-395-3233

DATE: Wednesday, April 20, 2022

SUBJECT: Bill 45 (2021), Business Incentives within TODs - **OPPOSED**

Aloha Chair Say and Councilmembers,

Thank you for allowing testimony on Bill 45 (2021), which would provide incentives for certain businesses within Transit-Oriented Development areas.

We've been told many times over the past decade that one of the benefits of rail is that properties would be revitalized and revenues would increase due to TODs. Now you're considering giving certain businesses real property tax rebates for not just three years but up to 30.

Besides the lost tax revenue, how much would it cost to administer this annual rebate program?

Who's going to monitor businesses to ensure they continue to meet the requirements?

Please vote "no" on Bill 45.

*Testifying in my individual capacity.*



CITY COUNCIL  
City and County of Honolulu

COMMITTEE ON BUDGET  
REGULAR MEETING

RE: BILL 45 (2021)

Date: Wednesday, April 20, 2022  
Time: 9:00 a.m.  
City Council Chamber

April 19, 2022

From: Roy Tjioe and Ricardo Galindez  
Island Film Group  
99-1245 Halawa Valley St.  
Aiea, HI 96701  
808-536-7955

Aloha Chair Say and Vice Chair Cordero, and Members of the Committee:

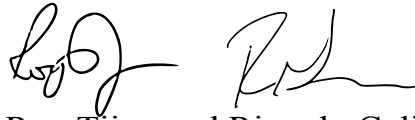
### **Our Background**

Island Film Group is a locally owned and operated production company. We began working in Hawaii's film and television industry in 2001 as attorneys at Goodsill Anderson Quinn & Stifel, where we represented filmmakers and other production companies. Since our formation of Island Film Group in 2007, we have been working full-time as producers of feature films such as "Princess Ka'iulani" and "Soul Surfer", network and cable television movies and series, as well as a large number of commercial productions.

**We SUPPORT** Bill 45 (2021) – Relating to Incentives for Businesses. The bill provides incentives to businesses located within certain areas to create new jobs and generate economic benefits for the city, including those that support the film and television

industry. We see a need to strengthen the film and television industry infrastructure through the construction of purpose-built soundstage and production facilities, which will boost our efforts to promote Hawaii as a filming location. While the natural beauty of Hawaii is obviously a major factor in the decision of where to film, the existence of an established infrastructure helps to make the numbers pencil out.

Me ke aloha,

Two handwritten signatures in black ink. The first signature on the left is for Roy Tjioe, and the second signature on the right is for Ricardo Galindez.

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



April 19, 2022

The Honorable Calvin Say, Chair  
The Honorable Radiant Cordero, Vice Chair  
Members of the Committee on Budget  
530 South King Street, Room 202  
Honolulu, Hawaii 96813

**RE: Bill 45 (2021) – Relating to Incentives for Business**

Dear Chair Say, Vice Chair Cordero, and Members of the Committee:

Thank you for the opportunity to testify in support of Bill 45 (2021) Relating to Incentives for Business. As the Chief Operating Officer of Kobayashi Group, I am writing on behalf of our company deeply rooted in Hawai'i. Kobayashi Group is a family owned and managed real estate development and investment firm with its focus solely in Hawai'i. We envision all of our projects to provide solutions for Hawai'i, thoughtful development to remain deeply grounded in the unique landscape of our island home, and to meet the needs of our diverse community.

Bill 45 provides incentives for certain businesses in certain locations to qualify for real property tax rebates, waiver of city-imposed fees and expedited permits. As our local economy has recently been affected by the COVID-19 pandemic, Bill 45 will be meaningful to help it to recover and generate economic benefits, and can result in long-term benefits within growing industries such as life and ocean sciences, film and creative media, specialty tourism, and education. This growth can positively impact the employment opportunities for our state's residents.

We humbly request your consideration of this important measure for the State of Hawai'i, its working community and their benefits, and for the future generations to come. Thank you for the opportunity to submit testimony for Bill 45.

Sincerely,



Alana Kobayashi Pakkala  
Chief Operating Officer  
Kobayashi Group, LLC.