



UNIVERSITY OF HAWAI'I SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committees on Economic Development and Business
and
Lower and Higher Education
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SB 33 SD3 – RELATING TO ECONOMIC DEVELOPMENT

Chairs McKelvey and Woodson, Vice Chairs Kitagawa, Hashem, and Perruso, and members of the Committees:

Thank you for the opportunity to present testimony on SB 33 SD3. The University only offers the following comments on this measure. This bill proposes to repeal the annual \$35,000,000 rolling cap and extends the repeal date for the motion picture, digital media, and film production income tax credit; provided that title to a portion of a parcel of University of Hawai'i (UH) – West O'ahu (UHWO) land is successfully transferred to the Hawaii Technology Development Corporation. While the University would defer to Department of Business, Economic Development and Tourism (DBEDT) or the State Department of Taxation as to the merits of changing the structure of the tax credit, the University does offer comments on the condition of transferring University real estate to another agency.

The UH has been developing an academic program to elevate creative media education at UHWO for the better part of the past decade. Furthermore, the University's Academy of Creative Media System (ACM System), helps fund and coordinates collaboration among 17 different programs at all ten UH campuses throughout the islands. The Legislature has been supportive of this effort and have even appropriated funds towards the construction of an Academy for Creative Media building at UHWO. Through the UH efforts and buoyed by the Legislature's support, the film, television and digital content industry, hires ACM graduates and makes it possible for them to stay in the islands with living wage jobs.

Since 2015, the UH has been working on a partnership with the DBEDT on their efforts to develop a film production studio on the west side of O'ahu. UH has provided DBEDT with a letter of intent and have already reserved 30 acres of land from UHWO's campus and University village development plans in order to lease the property to DBEDT for its film studio project.

The University does not want to be the developer of the film studio, but does want to support DBEDT's efforts in this area, because UH believes that a studio in close proximity to the UHWO campus will not only help develop the local industry, it will also help with the State workforce, our University graduates, and also elevate our ACM program academically.

The University does not favor transfer of its real estate in the nature proposed in this bill. The University has been a very cooperative partner to make its own land available for the project – even incorporating it into the University's development plans for the UHWO campus. Having property legislatively stripped away from the University is objectionable, but to do so without regard for the specifically desired shape, project scope, or accommodation of the development itself is probably not the best approach to real estate development.

Thank you for the opportunity to submit testimony on this measure.