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Studio trades credit for promos

Terrence Sing Pacific Business News

A Hollywood studio and the state visitors bureau have agreed to crosspromote the islands with the upcoming release of a made-in-Hawaii movie -- a pioneering deal with a promotional value worth millions of dollars.

"Blue Crush," scheduled for release this summer, is about surfer girls in Hawaii. Formerly known as "Surf Girls," Academy Award-winning Imagine Entertainment is producing the film for Universal Studios.

The state this week confirmed a deal with Universal that lets Hawaii market the islands in conjunction with the movie because movie financiers took advantage of Act 221, the state law that provides tax breaks for qualified high-technology businesses. The credit extends to entertainment because of production technology.

"This is the first time that I have heard of a studio making a commitment to foster a mutually beneficial cross promotion between the film and the location where it's been shot," said Los Angeles-based entertainment attorney John LaViolette of Bloom Hergott Deimer and Cook, which represents Hollywood A-list actors like Arnold Schwarzenegger and Sylvester Stallone. LaViolette worked in conjunction with producers April Masini and Adam Fields, who advised the state in its negotiation.

It's a win-win situation for everyone, said Tony Vericella, CEO of the Hawaii Visitors and Convention Bureau, which is working with Universal on the deal.

"If it helps attract business to Hawaii, then that's a positive thing," Vericella said. "If this helps us attract one more television or film production or TV commercial, then it's good for everyone. 'Blue Crush' is a story that's more than just surfing; it's a story about kids growing up. To the degree it showcases people, places and the Hawaii lifestyle to an audience that is global, it's a very positive thing."

It's too early to put a dollar amount on the promotional value to Hawaii as a result of the working arrangement with Universal, Vericella said.

"It's possible once you know the scope of all the marketing Universal is going to do, as well as how long the movie will be showing and what Universal's plans are for DVD release and all that," Vericella said. "You can start to do projections, but you need to see all the pieces and then add them up."

Promotional tie-ins

The crosspromotion was offered largely because the movie makers received attractive tax credits, sources for this story said.

Masini of Masini Television and Film Enterprises LLC hopes the deal will serve as a template for future ventures.

"[HVCB] can use interviews with the stars and filmmakers; Universal's written and photo press kits; the film's trailer; and film clips, basically forever. Think about what it means in promotion."

Universal also agreed to allow Hawaii to link between HVCB's Web site and the Web site for "Blue Crush," Masini said.

This type of program from Hollywood's perspective is unique, LaViolette said.

"This is the first film to take advantage of Act 221; it's been a great experience for Universal," LaViolette said. "The basic theory is the more people see movies of Hawaii the more people will travel to the state."

Deal could attract more films

The long-term plan is to get more TV and film productions to come to Hawaii that normally wouldn't, LaViolette said.

"This type of program [Act 221] is very well thought out to promote the moving of films here," he said. "It's very important to understand when something new comes along, like a tax incentive plan that hasn't been used before, studios are very reluctant to use it. It's the chicken-and-egg thing. If they don't see that somebody else has successfully done it, they don't want to be the ones to actually try it."

Now that a deal is done, a lot of the other studios are now interested and we are getting phone calls from them, LaViolette said.

"When we were in the early stages of explaining Act 221, the studios were interested but skeptical," he said. "Now that it's worked for Universal, the other studios fully understand that it's a real successful state incentive program."

Joe Blanco, technology adviser to Gov. Ben Cayetano, was involved throughout the process. He credits Masini and LaViolette for being bold enough to sign the agreement.

"April[Masini], who has worked to bring TV and movie productions to Hawaii for years, has said all along that she would help promote Hawaii," Blanco said. "She's kept to her word. I am very confident that because of the movie's executive producers -- Ron Howard and Brian Grazer -- it will be a blockbuster hit this summer."

Imagine Entertainment is run by Howard and Grazer, the creative talents behind films like "A Beautiful Mind," "Apollo 13," "Liar Liar" and "The Nutty Professor."

"What are the odds that the state of Hawaii would ever have the opportunity to obtain Imagine Entertainment to help advertise and market Hawaii?" Masini said. "Indirectly, what we've got is Imagine Entertainment marketing Hawaii. You've got the best guys in Hollywood promoting a film about Hawaii. And now Hawaii has the rights to market that film."

Blueprint for future deals?

This is the first time HVCB will market Hawaii through a film, Vericella said.

"It's precedent setting," he said.

The state is going to try to make this a negotiating point with all TV and film productions that use Act 221, Vericella said.

"There's no obligation on the part of the state or Universal," Vericella said. "Nobody's committing to do a certain dollar amount of marketing together. What it does do is set the ability to do that together without any obligation. Imagine Entertainment's coming to Hawaii and taking advantage of Act 221 is going to be watched and understood by other producers in television and film, and may encourage them to come here and do the same."

Vericella plans to begin talks with Universal executives within the next two weeks to learn about the finer details of their marketing plan for "Blue Crush."

"The next step is for us to sit down with the marketing folks from Universal to make sure we understand how they are going to promote the film itself and the stages where there might be some opportunities we can create to market Hawaii," Vericella said.

Masini said she won't bring any film or production into Hawaii unless they agree to give HVCB similar marketing rights to this deal.

"There is no stronger advertising than television or film," Masini said.

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