

Turning the Tide

Financial incentives and a new-found spirit of cooperation between government, business and labor are bringing a new wave of film productions to Hawaii.

N WHAT IS QUICKLY BECOMING a Hawaii entertainment legend, *Baywatch* is rescued from Australian waters and delivered to the shores of Hawaii. Greg Bonann, the show's producer had just returned to Los Angeles from Avalon, Australia, *Baywatch*'s new proposed home, where townspeople had protested his show's relocation. The producer was back home and hastily putting together a plan to move to Queensland, further down the Australian coast.

But then he got a call from April Masini, who had read about the show's rocky reception. Masini, who with her husband Al have almost single-handedly revived Hawaii's television industry, made a pitch for *Baywatch* to make Hawaii its new home.

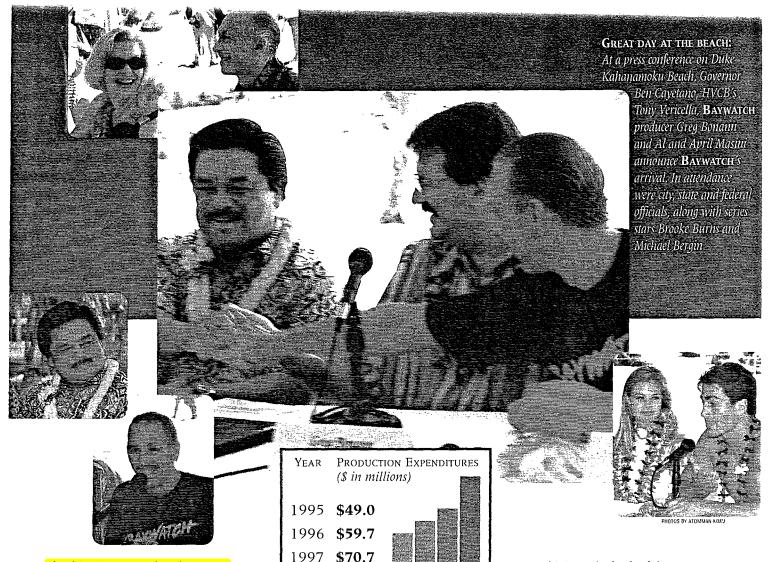
BY DAVID CHOO

Masini was representing the Hawaii Visitors and Convention Bureau and informed Bonann of a new current in the Pacific:

Hawaii has adopted a new, proactive approach when competing for high-profile exposure that will increase tourism while simultaneously building the entertainment industry.

"I had come back to Los Angeles on a Wednesday and was going back to Australia on a Friday when April called," says Bonann. "My assistant came into my office and said, 'You've got to take this call. I think you should listen to what this woman is saying.'"

Bonann and Masini talked. Bonann liked what he heard, but he was literally on his way to catch a plane to Australia, where scripts had been written, actors cast and newspapers were already reporting that Queensland was *Baywatch*'s new home. However, Masini managed to convince the producer to give Hawaii a chance and arranged for Bonann to visit the islands



after his trip to Australia. The rest, as they say, is television history.

"When I came to Hawaii I was just blown away," says Bonann. "My first stop was Washington Place. Governor Cayetano sat me down and told me how important having *Baywatch* is to the state. He told me that he would do anything and everything that he could to bring the show to Hawaii ... and he did."

The plot to this high-seas drama was actually written months earlier. With the help of the Masinis, Governor Cayetano had put together legislation with taxincentives designed to attract television and film productions to the islands. The Governor and the Masinis were well aware that other states and countries like Canada and Australia were actively luring film and television shows away from Hollywood and Hawaii should do the same.

The tax incentives and a new-found spirit of cooperation between government, business and labor have started to pay big dividends. So far, Baywatch is on the crest of a wave of new television shows and feature films that have been shooting in Hawaii this year. The popular game show Wheel of Fortune had a successful week of filming here, along with network television movie Too Rich: The Story of Doris Duke and a cable television movie for Disney called Johnny Tsunami. A big-screen version of the island classic Hawaii Five-0 will start filming this fall, and there are a couple of other feature films slated for production in the state that Georgette Deemer, Hawaii Film Office Manager, is not at liberty to discuss.

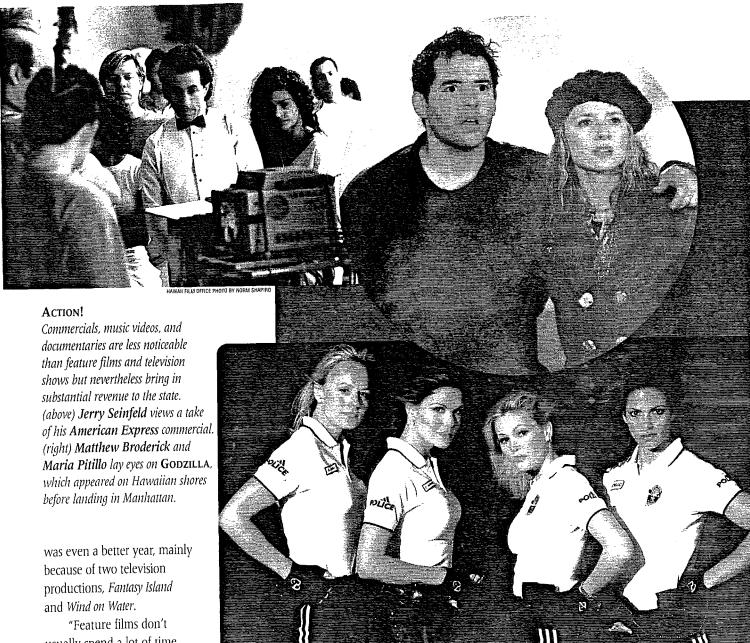
\$99.1

1998

This is on the heels of the state's best year ever in which film and television productions spent \$99.1 million in production revenues, which translates into \$13 million in tax dollars. This is up from \$71 million and \$13 million for 1997 and \$59.7 million and \$10.9 million in 1996.

"Until last year, our biggest year was 1994 and that was thanks to *Waterworld*, which was here for over a year and spent \$35 million," says Deemer. "I don't think we can count on that ever happening again."

According to Deemer, while movies may have more prestige and glamour, television shows are the real money makers for Hawaii. For instance, in 1996 the state had a particularly good year in feature film productions with *Godzilla*; *Mighty Joe Young*; *Six Days, Seven Nights*; and *George of the Jungle* all filmed in Hawaii. But 1997



"Feature films don't usually spend a lot of time here. Typically, they might spend about \$10 million," says Deemer. "However, a television series will be in production for 6 to 9 months and spend from \$15-\$20 million. Both Fantasy Island and Wind on Water were both eventually canceled but their stay was long, which translated into substantial revenue for the state."

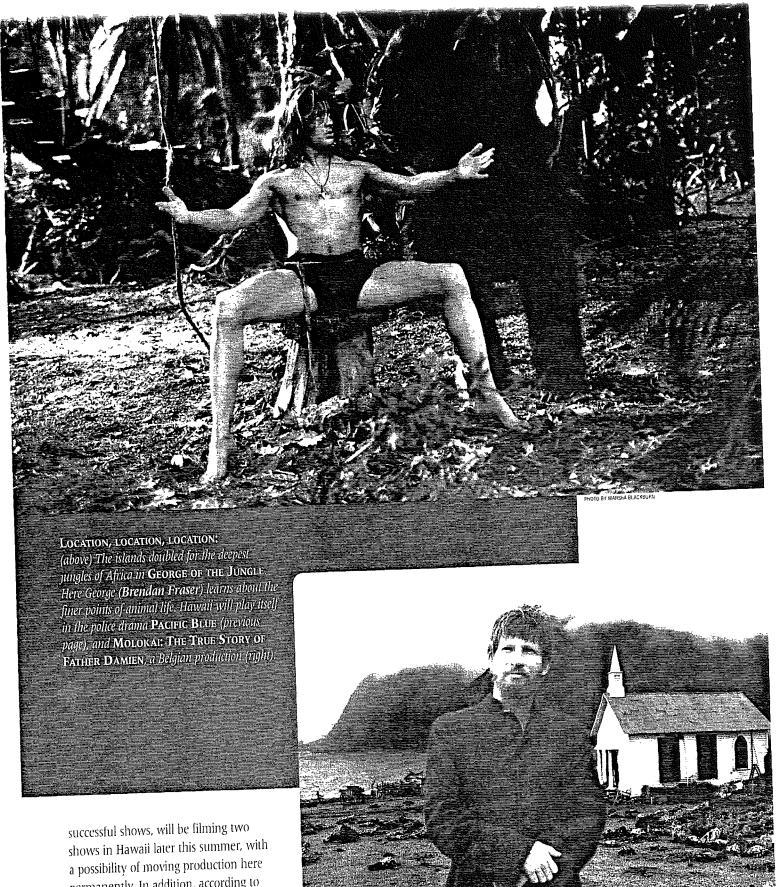
"I think it is terrific that the tourist industry has been able to contribute funds and things like airline tickets and hotel rooms to the incentive package," continues Deemer. "It's all part of the larger picture,"

According to Deemer, now that the deal to land *Baywatch* is history there will be a lot of people watching — both here and on the mainland — to see how things turn out.

"The *Baywatch* negotiations demonstrated that there are ways that people can come together and work for the good

of the whole," says Brenda Ching, head of the local chapter of the Screen Actors Guild. "If things work out well, maybe this will inspire a lot of people to move their productions to Hawaii."

That may have already started to happen. *Pacific Blue*, a police drama, which is one of cable television's most



successful shows, will be filming two shows in Hawaii later this summer, with a possibility of moving production here permanently. In addition, according to Bonann, a number of other television producers who were prepared to follow him to Australia are not going there. Are they coming to Hawaii? Bonann



couldn't say but he is optimistic.

People in the entertainment industry will also be watching Bonann and Baywatch closely because the show will be the first to be entirely produced in the state. Both island stalwarts Hawaii Five-0 and Magnum P.I. were only shot in the islands. All writing and the post-production work were done in Los Angeles. Not so with Baywatch. It will be made entirely in Hawaii.

"It's a huge challenge," says Bonann. "We're going to do it all in Hawaii, and a lot of people are going to be watching to see if we can pull it off.

"Los Angeles is increasingly becoming unaffordable," continues Bonann. "The kinds of benefits that the Governor showed is possible in Hawaii is forcing L.A. to look at itself and say, 'We used to lose productions to Australia, Canada and New Zealand, now we are losing things to Hawaii. Now Hawaii has figured out how to do it!""

n recent years The Chamber of Commerce of Hawaii's Government Affairs Council has adopted a strategy of fostering dialogue

to create a partnership between business and state government. We have met with the Governor and legislators regularly to discuss the actions we must take to build sustained economic growth and prosperity in Hawaii. State leaders were

receptive to our input in 1999. Business is the engine that drives Hawaii's economy, and this vear the economy has been top priority for business

and government. To this end, a few important partnerships have been established.

Hi-Tech Hawaii: The Governor's Partnership for Action is an excellent example of how government and the private sector can work together to foster positive change. The Governor and the Department of Business, Economic Development and Tourism worked with The Chamber to bring together the state's high-tech leaders in working groups. These groups produced realistic action plans with the potential to serve as blueprints for Hawaii's role in the economic sector of the future.

The Slice Waste And Tape (SWAT) program, under the leadership of Lieutenant Governor Mazie Hirono, has consulted with business experts from The Chamber's Service Excellence Center (SEC) to develop the techniques and processes to reduce government regulation by the stated goal of 40% and improve customer service of state programs. The Chamber has always believed that efficiency and production from state government could be vastly improved

Let's Wake

BY STANLEY HONG, PRESIDENT & CEO, THE CHAMBER OF COMMERCE OF HAWAII



by consulting successful business leaders. The SEC has helped many local businesses improve their operations. If state agencies heed the SEC's

advice, we will see better customer service from our state offices. The expertise SEC members bring to SWAT can facilitate regulatory reduction without compromising public safety or security.

I believe that a board of experienced citizens should guide each department with expertise and experience in that department's area. These boards would bring community support and

resources to assist each department to become more efficient, productive, and effective in doing the people's business.

There has also been an increased degree of partnership and collaboration with the state legislature this year. Legislators were open and receptive to our proposals. Many legislators worked closely with us on the General Excise Tax Reform proposals for 1999. The support of government, business, labor and other community groups for tax relief produced a diverse and effective coalition. This was truly an exam-

ple of the type of partnership I envision.

The Chamber of Commerce of Hawaii has made "lokahi" (unity) our theme for 1999. Hawaiians highly value "lokahi," and wisely so. Lokahi allows us to create the partnerships that build a better community. We all live and work together, and each of us has a stake in the future of Hawaii. Let's put the "unity" in community and continue to work in lokahi to build a better future for Hawaii.