

My name is Fredrick Maynor. I am Managing Director of Clearlight Group and a partner in Clearlight Digital Studios. I thank you for the opportunity to present some thoughts about the debate raging here today.

Late last year, my company moved our operations, in their entirety, from the town of Wilton to the City of Bridgeport. We did this in preparation for the construction, on the Bridgeport waterfront, of an over \$20 million dollar, 86,000 square foot, state of the art, end-to-end digital production studio. We are building it for the specific intent of supporting the accelerating growth in the Connecticut film, television, and digital media industries. We diligently researched locations until we found suitable property that perfectly coincided with our belief that it is possible to provide great benefit without heedless disruption to the lives of those we would ask to let us be their neighbors. We then met with state and local officials as well as the people of the economically battered city of Bridgeport to ask for their input, permission, support and trust. We undertook these efforts to build an anchoring location for a new Connecticut industry that would create benefit for ourselves and our fellow citizens. In doing so, we combined years of business experience with an abiding love for this state. We have made promises and pledges of our labor, our personal financial resources, and our reputations.

I come here as a lifelong Connecticut citizen out of concern for the direction of our state and how it is perceived by those who would do business here. We are here today to discuss an initiative that would strip away the digital media tax credit. As I understand it, the reason for this is that in order to balance the budget, money perceived to be somehow

"lost" to in some way "fund" the credit, is instead to be "recovered" to add to the overall revenue available. As this initiative is purported to have arisen purely as a result of financial expedience, it is critical to understand that the tax credits are not giveaways to anyone. They are a financial tool, that by creating a salable tax offset to companies in return for spending their millions of production dollars in state, derive benefit to everyone in the state by doing exactly what is so necessary today - attracting business that employs our residents.

The amount of in state taxable employment thus created far outweighs the offset the state has authorized to be sold. Clearlight Digital Studios' on set production crews, along with the construction teams, drivers, caterers, cleaners, lawn workers, and security personnel, we must employ for our productions are proof of this value.

Our project is a large one and even when first envisioned, our original projections anticipated employing 50 to 100 people regularly. Today, because of our success in attracting work, we now expect 200 people working on site. These will be the kinds of jobs that inherently call out for Connecticut talent looking for opportunities in a growing business, within the state of their birth. Without this credit, the work all expected and that we brought because of it, the newly-minted graduates of the film and television production schools we just launched would have never had reason to learn new skills to support the industry. Certainly, and of course, education is important, but education constantly yearns for the chance to be applied to true employment. We are bringing that employment.

Today, development of film projects requires the willingness to combine funding packages in innovative ways. By carefully combining our production skills and technical capabilities, with the promise of our still to be built infrastructure and supported by the enticement of our Connecticut credits, we have an abundance of work that is ready to come to us. We have cast a wide net and spoken to producers, visionaries and investors throughout the world. We are ready to begin production on as much as \$125 million of film and television work. We have secured commitments to produce over thirty television shows using our Connecticut crews and our Connecticut facilities. We have secured commitments for ten movies this year and as many as twenty more subsequently. We have worked hard to achieve this, understanding all the time that the funding for film at all levels, from the smallest independents to those of the largest studios, does anticipate tax credits as a major component. While we attracted the commitments based on presentation of the benefits of working with us in our new complex, the tax credits have been a major aid in our efforts. Producers who have worked in other states were moved to contact us. They originally came for the credits, now they plan to stay for the partnership.

The actions of many states, from New York, to Michigan, to California bear out the importance of credits in this industry. Legislators in these and other states have come to understand that by offering tax credits their states are considered by producers first, while those without them fall to the bottom of the list. Every state that wishes to attract media business understands this simple equation. And they are all making efforts to attract this clean, responsible, recession resistant industry.

Last year Ernst & Young conducted a study, it reveals that New York state and the city combined have issued \$690 million in tax credits and have collected \$2.7 billion in taxes from movie and TV productions. They have created 7000 jobs directly connected to the industry and 12,500 indirectly. Their credits were not as well crafted as ours, and now a great deal of the work that had located to New York is seeking a new home. And properly fought for, that work can be ours. California sees its own opportunity. Just last week, the very state Hollywood calls home, enacted a defensive tax incentive program to attempt to defend what it considers "it's" industry. The issue is not now even whether credits work, or are a good idea, but which state has the best credits. Currently, because our program was crafted from the best of the incentives of every other state, it is the best in the nation. While we may love the beauty that Connecticut presents in the fall, our scenery and Yankee-history are not the primary drivers of what first attract the media industry to spend millions of dollars in our state.

If this credit is reneged upon then our Clearlight projects will still move forward, but our state will, without benefit, be dismissing an opportunity to take a dominant role in this industry. Connecticut will pointlessly throw away a substantial advantage that could quickly provide jobs and even complete careers for its citizens. We should make no mistake... if the credit is killed now, at the point of its most eagerly sought success, it will be an illustration that without question, at least as far as this industry, we act erratically, and have irrational mindsets. Why should others easily trust our promises again?

Thank you.