

NBCUniversal

Monday, March 4, 2013

Good afternoon Senator Fonfara, Representative Widlitz and distinguished members of the Finance, Revenue and Bonding Committee. NBC would like to offer comments on SB 843 specifically with respect to the impact of Section 4 on entertainment related tax credits.

NBC Universal is a charter sponsor and consistent advocate for Connecticut's entertainment related tax credit program created by the General Assembly in 2006. Since the inception of the program, NBC has worked diligently with other industry players in Connecticut and with the legislature and the Governor's office to make constructive changes while protecting the original intent and policy behind the program's creation – i.e. create jobs and promote the growth of a permanent entertainment, film and TV production industry in Connecticut.

Over the past five years NBC Universal has been involved in the following activities here in Connecticut as a direct result of the film and digital media tax credit program:

NBC SPORTS

NBCUniversal's most recent investment is NBC Sports, which is adding more than 450 jobs and investing over \$130 million to create a 350,000 square foot state of the art sound stage and broadcasting facility. We expect the facility to be fully functional and at full capacity by midyear this year at which point total employment will exceed 600 full time employees.

NBC TALK SHOWS

- NBCUniversal announced the creation of the Stamford Media Center and Productions, LLC (SMC) in April of 2009. Under the Stamford Media Center umbrella, NBCUniversal moved the production of its three "First Run Syndicated" shows (*Maury*, *Jerry Springer* and *Steve Wilkos*) from New York and Chicago to Stamford, Connecticut. Initial investment by NBCUniversal was approximately \$5.5 million.
- NBCUniversal's deal to lease the Rich Forum Theater "for productions" from the Stamford Center for the Arts (SCA) set the stage for the SCA to emerge from bankruptcy and thereby relieved the State of Connecticut from assuming the expense of the theater while the SCA was in bankruptcy.
- To date, the Stamford Media Center has paid the City of Stamford the following in operating costs:
 - \$462,117 in property tax payments
 - \$96,841 in parking
 - \$257,809 for Stamford PD security detail
- NBCUniversal's Stamford Media Center employs approximately 280 people ranging from Producers, Directors, Production Assistants, Stagehands, Accountants, Technical Crew, Security guards and Freelancers during a production season.

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- During the first three years of production on *Maury*, *Jerry Springer* and *Steve Wilkos*, the Stamford Media Center attracted over 240,000 audience members to the downtown Stamford area. Approximately 70% of the SMC's live audiences travel from out-of-state to visit and spend money in Connecticut.
- In addition to audience members, all four shows collectively travel approximately 185 guests per production week. Since opening the doors in August of 2009, the SMC's talk shows have traveled 16,800 guests to the greater Stamford area and the direct spend impact to downtown Stamford is approximately \$2.14M to date. These guest expenditures include money spent on food, wardrobe, hair styling, props, movies (theaters/hotels), bowling, misc. entertainment, florists and in stores such as Target and the Stamford Town Center Mall.
- Because of the Connecticut Production Tax Credit, NBCUniversal's Stamford Media Center has spent over 35 million dollars with Connecticut-qualifying vendors in just 3 years of production. Local restaurants (such as Atlantic Pizza and Remo's Pizza) have sold approximately 75,000 slices of pizza to our guests, audience members and staffers. Other local businesses benefiting from NBCUniversal's presence in Stamford are Wolfe's Cleaners, Katie's Gourmet, Simply Signs, Building One Cleaning, Fairfield County Vending, Encon Heating/Air, Garden Catering, Pitney Bowes, ABM Janitorial, Ready Carpet, American Landscape, City Carting, Fairfield Electric, AP Construction, Atlantic and Remos Pizza, Absolute Plumbing, Classic Graphics, Comprehensive Dental Group, HB Communications, and Sarracco.

We understand the state is in a serious budget crisis and we appreciate the motivation behind the administration's proposal, and short of the much sought after program stability the industry has sought, we respectfully submit that alternatives exist that will result in the fiscal balance sought through the administration's proposal while fostering additional development in Connecticut's areas of strength, television programming and digital media production .

In the interests of enhancing a sector of the entertainment industry that continues to demonstrate growth, we offer for your consideration elevating the TV and digital media tax credit from 30 to 35%, and placing a two year moratorium on awarding tax credits for movie productions. It would appear – from a review of the numbers provided by the Film Office at DECD - that such a modification to the statutes will serve to actually save more money that that projected to be saved by reducing the ability to offset insurance premium taxes from 70% of the liability to 30% of the liability (Section 4 of SB 843)..

We appreciate your consideration of the foregoing and do not hesitate to contact me if I can answer any questions or otherwise be of assistance.

Brian O'Leary, Esq.

