



Testimony to the Finance Committee Regarding the Governor's Budget.

S.B. No. 946 AN ACT CONCERNING REVENUE ITEMS TO IMPLEMENT THE GOVERNOR'S BUDGET.

Thomas Madden, AICP
Director of Economic Development
City of Stamford

March 9, 2015

Good afternoon Senator Fonfara, Representative Berger and distinguished members of the Finance, Revenue and Bonding Committee. My name is Thomas Madden and I am the Director of Economic Development for the City of Stamford.

I am here to speak on two issue today, the first is in support of the continuation of the tax credits for film and television; second is in opposition to the proposed changes to the Urban Reinvestment Act.

The City of Stamford is the media capital for the State Connecticut with NBC Sports, YES network, WWE, A&E, Encompass Digital Media, the Connecticut Film Center, and over 100 other media companies that call Stamford home.

The City of Stamford supports portions of S.B. No. 946 which extends the availability of these credits to 2017 and request that the moratorium on tax credits for films be lifted.

In 2006, the Connecticut General Assembly established a tax credit program to encourage the production of digital media and motion pictures in the State of Connecticut.

From 2006 to 2013 the State has seen approximately \$504 million in revenue from the film industry and \$977 million from TV and digital outlets. Film and television continues to be a growing industry in the State. To stifle this young industry would not benefit the State nor the city of Stamford. The city looks at this industry as an important component in its plan to diversify its own local economy. It is this industry that is leading to new jobs and opportunities for its students. Our local universities, such as UConn and Sacred Heart even recognize this burgeoning industry and are now offering course to help educate and train this growing work force. I would like to highlight the fact that Sacred Heart has open new graduate film school in Stamford which is designed to foster innovative filmmakers through dynamic workshops and independent projects. It will be theses film makers that will use Connecticut as part story and character in their films.

It is these smaller films that act as incubators for training the workforce that can then work for both film studios and television shows here in Stamford.

I would urge the resumption of the motion picture tax credits with caveat that the State consider setting a threshold for eligible productions of \$200,000 and capping the total amount of the credit available for each year while requiring Connecticut residents to make up at least half of any film crew. By making these changes, this ensures that the films that are made here would provide employment for the residents that are being trained to work in the film and television industry would remain to work here.

The second item that concerns the City is proposed changes to the Urban Reinvestment tax credits.

The proposed changes would impact have profound impact on NBC Sports, Gen RE, Nestle, Design Within Reach, and Starwood Hotels & Resorts which are located in Stamford.

For example, Starwood announced their moved to Stamford from New York in 2009, bringing with them 800 jobs. As part of the incentive package that was offered to Starwood under Governor Rell, the Department of Economic and Community Development would provide up to \$75 million in Urban and Industrial Site Reinvestment Tax Credits and this credit maybe assign to another taxpayer provided that taxpayer claims the credit in a taxable year.

The proposed changes before this committee would establish a limit of the amount of corporate tax liability that can be offset by URA Tax Credits to 35%. This would have an indirect effect for companies to have the ability to market the tax credit and cause a portion of the issued credits to potentially go unused.

While this may seem like small change in order to recover money to help with the budget, this change has a larger impact on the reputation of the State to attract companies to come to Connecticut. This change in effect says to companies that State is not willing to hold up it's end of deal and is willing to change the rules (or the terms) during the middle of the game. This action sends the wrong message about the business climate in the State.

The City of Stamford respectfully requests that you modify these two items in SB 946.

I thank you for your time and consideration of our request.