

## **Film And Digital Media Legislative Presentation March 4<sup>th</sup>, 2019**

**Good afternoon. My name is Wayne Holmes. I am a resident of Vernon, a film and media professional, and co-owner of Rockville USA Studios in Rockville. I'm here in support of House Bill 6267, an act restoring the film and digital media tax credits.**

I would like to thank Chairman Senator Fanfara, and Representative Rojas along with the other esteemed members of the Finance, Revenue and Bonding Committee for hearing our testimony today.

I would also like to acknowledge Representatives Gresko, De La Cruz, Paolillo and Rosario, and my representative Mike Winkler, for their advocacy and leadership in bringing this important matter forward. Special thanks to former House Speaker Jim Amann who led the way for Connecticut being a film and media economy back in 2005.

In 2006, The Digital Media & Motion Picture Tax Credit Bill passed quickly through the House and Senate, eagerly signed by Governor Rell, and was engaged in 2007. Why was this bill so popular? It was a good plan, plain and simple.

I grew up in Connecticut and left in 1988, moved to California, and became part of the film industry there. I moved back to Connecticut in 1998 to see if there was a chance that Connecticut had a film industry (we have a big beautiful film studio called Sonalysts) so I figured of course, we must!

I heard that then Speaker Of The House Jim Amman was taking steps to make Connecticut a film and media state, and I wanted to help in any way I could. I wanted to continue my career as a professional in motion picture art department. I first met the enthusiastic director of the Film Office, Guy Ordoleva. Guy was a perfectly competent film office director and manager with a film and legal

profession background. I had the honor to personally represent Frank Capra Jr., working with Jim Amann on the Hollywood East Task Force. We worked along side award winning producers Howard and Karen Baldwin, union leader John Ford, representatives of our renowned colleges and universities, and the best of Connecticut's filmmakers and production professionals from across the state. The industry was going gangbusters! Meanwhile, Connecticut was losing our youth population. We had so many projects in production being filmed in the state (once the tax credits passed), that we did not have the trained workforce to handle it all!

So what happened? The Film Industry Training Program supported professional training to create new film production teams from our colleges and universities to fill these jobs. The program was written from the recommendations of the Task Force and the idea was taken up by Governor Rell and immediately funded by The Office Of Workforce Competitiveness and rushed into practice to meet the demand for a qualified union work force.

This new, exciting, fast paced and successful Connecticut film and digital media industry became a shiny object of desire. At that time the Film Office was under the Office of Culture and Tourism exclusively, not the Department of Economic and Community Development (DECD). Guy Ordoleva helped usher in the tax credits, and was rudely pushed out of his well-earned career from behind closed doors. The membership of The Office Of Culture and Tourism at that time was fighting over the position and prestige of the Film Office - likened to three drunks fighting over the car keys.

The office was in disarray. The Film Office lost the respect from potential visiting productions, directors, and distribution studios. We wasted years of precious momentum and valuable guidance from the professionals who gave their time and energy. Unfortunately, our reputation to perform as a contending film industry state suffered greatly. There was however some good news. The Film Office was finally

and appropriately put under DECD where it belonged (we made that happen). George Norfleet, a sensible and competent steward, was appointed and stabilized the Film Office.

Now in 2019, the recession of 2008 is finally behind us. I ask this committee to consider reinstating the film and media tax credits this day for the following reasons: Governor Lamont announced a strategic vision to aggressively pursue businesses and drive economic growth in the state. It is no secret that the Governor has a strong business background; and the film tax credits along with other incentives is a perfect fit for his leadership style. He has announced a new ramped-up DECD under a new Secretary of Commerce, David Lehman, formally from Goldman Sachs. This is a game-changer compared to the downsized DECD under Malloy. This re-energized DECD should have significant positive impact on any department under it, such as the Connecticut Film Office. The Executive Branch will be able to monitor activity directly with the newly repurposed Connecticut Economic Resource Center (CERC).

I have always looked forward to CERC's annual economic presentations. Their research and presentations are outstanding. I once contacted CERC to opine on how a potential healthy Connecticut film industry could impact young adult retention in the state: A major concern then - and even more so today.

As part Governor Lamont's new strategic vision announcement, this exceptional public/private organization is repurposed to have direct and aggressive outreach as a recruiting arm for companies and CEOs that are a good fit for Connecticut. This is an outstanding development and supports reinstatement of the tax credit bill.

For example, through DECD and CERC, Connecticut can enter dialogues with companies such as DreamWorks, Paramount, New Line, Universal, directors,

producers and all the film, media, television and streaming content providers looking to manufacture their products in a state that provides good incentives as well as a great working environment.

Have you been following the scale of the recent acquisition of 21st century Fox by The Walt Disney Company? Connecticut is the home of ESPN, and Disney is the parent company of ESPN, the world leader of a global sports enterprise, as you all know. Several members of Disney's upper management are already here, living and working in Connecticut. With the Disney Company and 21st Century Fox merger, now is the perfect time for the Lamont Administration to reach out to Disney and Bob Iger.

Disney will now be competing with Netflix and Amazon to create a content platform that will need a massive amount of content. If you want enthusiastic young people to move to or stay in Connecticut - this would definitely help that to happen. March is the one-year anniversary of the new president of ESPN taking the helm. Jim Pitaro answers directly to Disney CEO Bob Iger. Mr. Pitaro is not only reinventing ESPN as we speak, but he is also co-chair of Disney Interactive, the gaming division of Disney Inc. Disney Interactive in Burbank California is currently recruiting and hiring hundreds of college graduates from all over the country, Canada, and India, to staff development of computer gaming and other tech positions. Disney and its combined companies could help transform our state towards a future of creating films, games, television and streaming content, creating thousands of new jobs.

The plan under Governor Lamont to repurpose and reinvent CERC and DECD is perfectly in line to not only create relationships with the major studios and smaller film companies, but also make aggressive outreach to CEOs of companies like Disney, who are already here, to discuss practical reasons why they should thrive

here. The Governor selected two amazing business leaders to accompany David Lehman to do just this type of negotiating: Jim Smith, president of Webster bank, and Indra Nooyi, former CEO of Pepsi Co. If anyone can champion a case to do business in Connecticut, they can!

There are a few improvements that I would like to offer the committee as you consider house bill 6267, an act restoring the film and digital media tax credits: Re-instate The Film Industry Training Program as mentioned above. Re-establish tax credits to be applied to feature films. I would also recommend film and digital media tax incentives based on a distance metric the further you travel from southwestern Connecticut. Sonalyst Studios and potential shoot locations now considered too remote should become cost effective to consider using. We should reinvent the Hollywood East Task Force, or a film and media think tank that is based upon membership of Connecticut film and media production professionals. We would hold meetings, organize crews, and act as a strategic consultant group that is focused on Connecticut's workforce.

As a final note: Compare our film industry to that of Rhode Island. Their industry started about the same time. Their corporate tax base is significantly smaller for trading tax credits. And Rhode Island only offers twenty-five percent on the dollar where Connecticut offers thirty percent. Rhode Island maintains a growing and vibrant film industry, enjoying repeat customers and a thriving workforce. Steven Feinberg is credited for managing a successful film office from 2005 until today. Examine the website for the Rhode Island Film Office and the website for Connecticut's Film Office. That will tell you all you need to know.

I would like to remember Frank Capra Jr., the creator of the third largest film industry at the time. In the early 90's, he was president of The United Artists/Screen Gems Studios in Wilmington, North Carolina, where he oversaw his

accomplishments. He chose Connecticut because of the tax credits, and was planning to retire here and emulate his strategy in North Carolina.

To see Frank Capra Jr. speaking at the ACT School in Wilmington, encouraging a new generation of filmmakers and talent to thrive in this industry, as was his intention: Watch "Wayne Holmes Presents Frank Capra Jr. on YouTube.

Thank you for listening to my testimony. I am prepared to answer any questions you may have.

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