

Proponent Testimony for SB 37
Senate Ways and Means Committee
OHIO MOTION PICTURE TAX CREDIT
Presented by Ivan Schwarz
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Mr. Chairman and Members of the Committee:

My name is Ivan Schwarz, and I am the President and CEO of the Greater Cleveland Film Commission. We are the only nonprofit dedicated to bringing jobs and economic impact to Northeast Ohio by supporting a thriving and adaptive local media industry. I am here today to testify as a Proponent for SB 37: thank you for the opportunity to testify before you on the matter of continuing to create a global media industry in the State of Ohio. Since 2009, we have proven Ohio is an extremely desirable place for filmmakers to create content, whether it is film, television or commercials. More content is being produced now than ever before. With Netflix, Apple AT&T, Hulu, EPIX, the new Disney Plus, Warner Brothers Streaming, CBS All Access, NBC All Access and HBO creating even more content, expanding from Sundays to 7 days a week, Showtime, as well as the terrestrial stations, we can carve out our share of this business. This new money to the State will not find its way into our economy without first attracting these productions.

Now, we must take the Ohio Motion Picture Tax Credit to the next level by establishing a year-round industry and building permanent infrastructure. This bill is critical in building and maintaining our media production industry. I look forward to working with the legislature to craft legislation that will encourage local businesses to grow and that will attract new businesses to Ohio; it will keep young people from leaving the state to seek employment elsewhere, and it will draw new residents to work in this growing industry. Adding a theatrical component will further this momentum, and more new dollars will come from out of state. Simply put, Senate bill 37 is the catalyst to create more jobs and promote more economic development across the entire state of Ohio.

Here are some facts and figures:

- We have successfully created a new stand-alone film school at Cleveland State University. It officially opened in October 2018 with 300 students, and it is expected to continue to grow each year. Once those students graduate, we must

provide them opportunities to stay and work here, versus them having to seek employment in other incentive states.

- The Ohio Motion Picture Tax Incentive returns \$2.01 into the Ohio's economy for every \$1 invested by the tax incentive, according to a Cleveland State University study.
- Since 2009 we have seen 4,162 FTE jobs in Ohio. Without the Incentive, those jobs would have gone to another state.
- The State of Ohio has lost over a billion dollars in production that would have filmed here if the incentive were higher and if we had infrastructure in place. The last two *Avengers* movies would have been filmed in their entirety in Ohio.
- Since passage of the Ohio Motion Picture Tax Credit in 2009, media production has brought in over \$572 million in economic impact to the state.

Some of the movies that have filmed in Northeast Ohio include:

- *Avengers*
- *Captain America: Winter Soldier*
- *Fast and the Fury (Fast and Furious 8)*
- *Draft Day*
- Netflix's *A Little Evil*
- *Kings of Summer*
- *Alex Cross*
- Matthew McConaughey's *White Boy Rick*
- Bruce Willis' *Acts of Violence*
- Sylvester Stallone's *Escape Plan 3*
- NBC Universal's *American Ninja Warrior*
- *Them That Follow*
- Netflix's *The Last Summer*
- Netflix's *All the Bright Places*
- *Native Son*
- *I See You*

**Commercials including Honda, Adidas, Nike, Beats, Ohio Lottery and VH-1

SB 37 does have several issues that will need to be resolved. Once the incentive is approved and the filmmaker meets the criteria, it should not be a the DSA director's discretion to retract the appropriation.

Ohio's incentive must be competitive to be effective. Our neighboring states, including Illinois and Pennsylvania, currently have higher caps in their tax incentive programs. This bill will help Ohio become globally competitive in attracting production work to the state.

A strong Ohio film industry will help retain Ohio's vast population of young talent, and create jobs for them right here at home. A strong Ohio film industry will provide retraining opportunities and jobs for displaced workers impacted by recent economic challenges. A strong Ohio film industry will bring new businesses, and with them, new job opportunities for Ohioans. A strong film industry is what Ohio needs.

Thank you, Mr. Chairman and members of the committee, for the opportunity to speak to you today in support. I am available to answer any questions you may have.