

Iron Lotus Holdings LLC  
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5 May 2019

Lou Terhar  
Chair, Ways and Means Committee  
Cleveland, OH 43215

Dear Mr. Terhar,

I am writing to you in support of retaining the Ohio Film Tax Credit.

I am a film producer with over twenty-five years of experience working in Philadelphia, Los Angeles, New York and other cities throughout the country, and I am a partner in Iron Lotus Holdings LLC, a Youngstown, Ohio based entertainment production company. Our multi-year plan includes a group of movie and television projects to be shot in the Eastern Ohio region. Our reasons for choosing the Youngstown region include enthusiastic support from the city itself, and the presence of a viable and ample Film Tax Credit with the State.

From my experience in neighboring Pennsylvania with dozens of projects there, I assure you that a Film Tax Credit is always a consideration when planning and financing entertainment projects. A Film Tax Credit is not only an inducement for productions to select a region for their work, it is an opportunity for the region itself to benefit from the presence of such work in a number of ways including but not limited to:

- Providing jobs for local production and service professionals
- Providing revenue for service companies like car rental companies, laundry services, restaurants and bars, hotels, caterers, beauty salons, gyms and health clubs
- Providing revenue for retail businesses like lumber yards and hardware stores, office supply stores, gas stations, clothing and furnishings stores, drug stores
- Generating revenue in the form of rentals for work and office space for the production

All of this additional spending from a production creates new revenue streams for local businesses, and for the State in the form of sales and use taxes, payroll taxes, hotel taxes, and any other regional levies imposed on purchases made there.

In Pennsylvania, a 2013 report by the state's Independent Fiscal Office found that the tax revenue generated by economic activity that film productions bring would total between \$7.5 million and \$14.9 million. In Georgia, the motion picture tax credit passed in 2008 transformed the state's economy with an economic impact of \$9.5 billion in 2017 alone. In New Mexico, Netflix recently purchased Albuquerque Studios and intends to invest over \$1 billion there to drive production. Established Film Tax Credit programs in New York, Louisiana and Massachusetts have long been significant revenue drivers there. A 2015 study commissioned by the Greater Cleveland Film Commission and conducted by Cleveland State University researchers found that there was approximately a two-to-one return on investment for each dollar spent in tax incentives. The following article contains more information: <https://www.hraadvisors.com/portfolio/economic-impacts-of-film-production-tax-credits>

In addition to the revenue considerations, there is the cachet and attraction of having a high profile event taking place within a municipality that improves morale and enhances civic pride in the region.

To make the Ohio Film Tax Credit even more attractive, my partners and I in Iron Lotus would encourage adjusting it to reflect the following requirements:

- Minimum production budget of \$250,000
- No project cap
- Tax credit rate of 20% for projects from \$250,000 - \$1,000,000
- Tax credit rate of 30% for projects \$1,000,000 and above
- A minimum 60% of the shooting must take place in Ohio
- Qualified expenses include wages, production expenditures, travel, lodging, cast wages, post production costs, sound, music and facilities and/or soundstage

It is important to note that, because of how it is structured, **no Film Tax Credit is issued until the work on the film or television project has been completed. In other words, the credit does not exist and is not paid until after the work is done and properly accounted for.**

The first film that Iron Lotus will shoot in Ohio is scheduled for Summer 2019. Even though it is a smaller independent feature it will bring to the Youngstown region the following:

- A minimum of 90 – 100 crew jobs
- Over 1200 hotel room nights of lodging
- Thousands of dollars in business to local service companies like caterers, car rental companies, restaurants and bars, health and fitness services
- Thousands of dollars in business to local retail companies from groceries, hardware, big box stores and drug stores to specialty retail like antique shops and boutiques
- Increased business for maintenance and cleaning companies, drycleaners and laundries, gas stations and auto maintenance shops and their suppliers
- Payroll, sales, use and occupancy, and hotel tax revenue from all the above purchases

The Iron Lotus overall production vision for the region includes potential permanent infrastructure elements like a production sound stage or stages, and community outreach programs and technical training for entertainment work, along with the many jobs such undertakings would create. There is already interest on the part of several multi-million dollar investors in our plan, should support remain for the \$40 million Ohio Film Tax Credit.

My partners in Iron Lotus and I urge you to continue to include the Film Tax Credit in the Ohio state budget at current or increased levels for the benefits and revenue it will create for the State, its municipalities, and its citizens.

Thank you very much for your interest and support.

Very truly yours,



Missy Moyer  
Producer, Partner Iron Lotus Holdings LLC

CC: Melanie Clarke-Penella, Partner Iron Lotus Holdings LLC  
Cindy Castro DiRusso, Partner Iron Lotus Holdings LLC  
April Maia Butler, Partner Iron Lotus Holdings LLC