

TESTIMONY FOR HB 475  
MAY 3, 2016  
PRESENTED BY IVAN SCHWARZ  
PRESIDENT, THE GREATER CLEVELAND FILM COMMISSION

In 2007, I moved from Los Angeles and a 20-year career in film and television to become the President of the Greater Cleveland Film Commission. Many of my friends and colleagues thought I was crazy, but I had scouted Cleveland for HBO's Band of Brothers several years before and was blown away by not only the variety and number of great shooting locations, but also by the people and the sense of community in this city that I had never even thought about before.

But for an aggressive push from the British government, in the form of tax incentives, Band of Brothers could very well have been shooting in Cleveland, Ohio, and the course of my life would have been very different. I met my wife in London. I worked with fantastic people, and had experiences that I will never forget in London. However, Cleveland always stayed in the back of my mind.

In 2007, I was ending a run on HBO's Entourage and starting a family in Los Angeles. As my wife and I discussed our options, and the possibility of a return to London, I was presented with the opportunity to return to Cleveland, this time as the head of its Film Commission. My wife and I said we would give it six months, and if we didn't like it, we could move to London as we had been planning.

Almost ten years later, we are now proud Clevelanders, raising two young Clevelanders of our own, in a home that I couldn't even dream about owning in a place like Los Angeles.

Of course, Ohio isn't just a great place to live, but also an amazing place to make movies.

When I first arrived, I immediately got working on getting a tax incentive passed. I knew how the industry worked, and where the industry was headed. In order for Ohio to become a player in the entertainment industry, it would need some sort of tax incentive if there was even a chance to lure productions away from states with more established industries.

In 2009, with the help of Sen. Tom Patton and many other dedicated individuals, we passed the Ohio Motion Picture Tax Credit, and it has been a true success. Since then, more than 65 productions have filmed in Northeast Ohio alone. Movies like The Avengers, Captain America: The Winter Soldier, and Draft Day, as well as Take Shelter, Unstoppable, The Soloist, Kings of Summer, The Land, Criminal Activities, and Dog Eat Dog. As I sit here and address this body, the next installment of the Fast & Furious franchise is prepping to shoot at the end of May.

Since the passage of the Tax Credit, Ohio has seen over \$400 million in economic impact from production dollars spent in the state. Over 1,700 full-time equivalent jobs have been created.

Perhaps most importantly, for every dollar spent by the State on the Tax Credit, Ohio's economy has received \$2.01.

This success, though encouraging and a validation of our efforts at GCFC to bring jobs and economic impact to Ohio through a thriving and adaptive media industry, is modest compared to that of other states who lead the industry as production destinations.

Georgia has become the Hollywood of the South, with over 79,000 jobs averaging \$84,000 a year in salary across countless productions. What propels this success? Is it the weather? Is it a better selection of locations? No. Two things make Georgia a preferred production destination over Ohio: their incentive and their infrastructure.

Georgia's motion picture tax credit has no per-project cap, and a 30% tax credit. The structure of their incentive, especially with not having a per-project cap, is such that no production needs to look at the State of Georgia and ask "is our production too big for them?" It is quite simply the gold standard in this country.

The capacity and flexibility of Georgia's tax credit makes it easier for investment in media infrastructure. By this, I mean sound stages, studios, post-production facilities, and technology campuses, among other things. These are basic necessities that allow Georgia to accommodate projects of all sizes and scope, from superhero movies to television series and beyond.

Due to the limitations of our incentive, along with the lack of basic infrastructure, Ohio has lost out on over \$1 billion of production spend. These aren't just projects that thought about filming in Ohio, but decided to shoot elsewhere. These are projects that wanted to work in Ohio but couldn't because we had hit our annual cap, or were stifled by the per project cap, or needed to shoot on a soundstage. These projects were ours to lose, and we lost them.

The changes to the Ohio Motion Picture Tax Credit proposed by Rep. Schuring in HB 475, and supported by Sen. Patton, who has been with us from the beginning, would bring Ohio even closer to the goal of becoming a premiere media production destination. By increasing our cap to \$75 million annually, along with the removal of the per-project cap, and an increase to a flat incentive rate of 30%, we will not only see thousands more high-paying jobs for Ohioans along with hundreds of millions of dollars more in economic impact, but we will also be able to build much needed industry infrastructure in Ohio, solidifying our place as a preferred place of business in the media industry.

The most important part of this bill is the jobs that it will create. Thousands of jobs will be created in the media industry, and while we may not reach the 79,000 jobs created by Georgia, we will get to that \$84,000 average salary mark. These jobs will not only attract production professionals to Ohio, but businesses that support the media industry.

We can keep our young Ohioans in-state, and attract other young people from all over the world to call Ohio their home. Jobs in video game development and other forms of digital

entertainment will attract and retain young tech professionals. Since 2009, membership in local industry unions like IATSE and the Teamsters has increased tremendously, and will continue to do so at an even higher rate once we make the changes proposed in HB 475.

I want to take this opportunity to thank some people who were integral to getting Ohio's media industry in the position it is in today:

- Cuyahoga County Executive Armond Budish,
- Sen. Tom Patton
- Rep. Mike Dovila and former Rep. Matt Patten
- Rep. Kirk Schuring
- Senate President Keith Faber
- Speaker Cliff Rosenberger
- Former Governor Ted Strickland
- Governor John Kasich

Without the hard work, determination, and vision of these men, as well as and so many others who have helped us along the way, Ohio's media industry could have quite possibly vanished long ago.

Instead, here we are, on the verge of becoming a global production destination on par with any other. If we make the changes outlined in HB 475, the annual production spend in Ohio could become close to \$1 billion, realizing almost \$2 billion in economic impact per year.

I urge the Ohio General Assembly to pass House Bill 475, and secure that future for all Ohioans

Thank You.