



**PA Senate Finance Committee Hearing on Film Tax Credits
Testifying on behalf of the Pittsburgh Film Office
April 20, 2022
Dawn M. Keezer, Director**

Good morning, Chairman Hutchinson, Chairman Fontana, members of the Senate Finance Committee and Senators Bartolotta, Costa, and Robinson. Thank you for this opportunity to speak with you today.

I am Dawn Keezer, Director of the Pittsburgh Film Office. The Pittsburgh Film Office is a 501c3 non-profit economic development organization that markets the 10-county region of southwestern Pennsylvania to the film, television, and streaming industry.

In 1905, on a bustling Smithfield Street in downtown Pittsburgh, Pennsylvania, the very first Nickelodeon the world had ever seen opened its doors. An amazed public paid 5 cents apiece to sit in the dark and watch little flickering images dance on a screen. The flickering images opened the world to the viewers as they watched scenes from distant countries and distant times. Visions as simple as a train coming toward the audience would induce hysteria among some patrons not used to this first interactive media. As the nickels poured in and the exhibitors made enormous profits, it soon became apparent that there was money to be made from those little flickering images and Pennsylvania would lead the way with this exciting new engine for economic development.

In just a matter of few years, several brothers known as the Warner Brothers opened their first name theater in New Castle, Pennsylvania about 45 minutes north of Pittsburgh. They also saw big money in the production of films to feed their exhibition spaces and the first steps were taken by what would be the media-titan, Time Warner, a company with billions of dollars in annual revenue.

It's not surprising that the limitations of the techniques utilized by film production 100 years ago required conditions not readily available in our Commonwealth and soon, film production from Pennsylvania and New York headed to sunnier climes in southern California. By the 2nd half of the 20th century, the film industry would become a trillion-dollar industry with global influence. More importantly, as technology improved, it no longer became imperative that film production remain in the warmer sections of the United States. For the first time, the film industry started branching out, going "on-location", bringing production to the many corners of the country, and with it, film production dollars.

During the 1960s, fledgling filmmakers and studios sprung up around the country as producers started to seek out diverse locations and places where films could be made "more affordable" than in what could be done in Los Angeles. In Pittsburgh, George Romero and Russ Streiner led a group of young filmmakers by directing and producing the grandfather of the modern horror film, "Night of the Living Dead". An industry that had "gone west" with the exit of the Warner Brothers from Pittsburgh, had now returned and Pennsylvania would see the first steps in the re-birth of film production in the Commonwealth.

By the late 1980s and early 90s, film production had become so prevalent that the Pittsburgh Film Office was founded to act as an information center and marketing agent for the ever-expanding film industry.



In short order, dozens of films were produced for feature and television release. The foundation of this industry was the crew and support services that grew in the region and state to participate in this new industry. In a region that only 20 years prior had been the “steel furnace for the world”, now became a film center with millions of dollars and hundreds of jobs being created.

The city saw a new Renaissance as films seemingly were being produced almost daily. “Silence of the Lambs” and “Hoffa” utilized local crew, local goods, and services from restaurants to construction and shot at locations around the entire region and poured literally millions of dollars into the economy. Business and government leaders, seeing the “real people, real monetary value” of this industry opened their doors wide across the Commonwealth.

By the late 1990’s, the industry began to slow down as competition from Canada and other areas pulled production away. For the first time, “runaway production”, as it was soon named, would become a real threat to the American film industry. In Pittsburgh, production still moved along as alternatives developed in the form of commercial and industrial film production. But the film crews and support services needed the industry to step up and do something to allow the native industry to be able to compete on a level playing field.

State and local governments realized that tax incentives were needed to draw film production back. In 2003, New Mexico and Louisiana were among the first states to employ this method. Tax incentives utilized to encourage industrial development was hardly a new device. Core industries such as automotive and steel as well as new technology industries were all being drawn to cities like Pittsburgh and Philadelphia for years with great results. Finally, government leaders realized the film industry could be just as lucrative as all the other “traditional” industries.

By 2007, the Pennsylvania Legislature gave the film industry of the Commonwealth what it really needed, a tool that could be used to allow the industry to compete. No longer would the film offices in Pittsburgh, Harrisburg and Philadelphia feel they were employing a “darts at a board” strategy as they watched all the plum films land in other states, but now they had the Pennsylvania Film Tax Credit to attract film production and continue to build on a state-wide industry success story that started as far back as the 1980s.

The Pittsburgh Film Office was created in April 1990 and since that time has created thousands of jobs and countless business opportunities. More than 200 feature films and TV productions have been shot in the southwestern Pennsylvania region generating nearly \$2 Billion in economic impact.

The film industry in southwestern Pennsylvania is alive, well and growing, I am pleased to report.

Film, Television and Streaming productions choose to work in southwestern Pennsylvania for 3 main reasons:

1. Our amazing crew, we number over 30,000 strong state-wide and they are considered to be some of the best in the business.
2. Our diversity of locations, in southwestern Pennsylvania we can look like almost anything in the world, except for beaches or deserts...thankfully Erie is not that far away.



3. Economics: Southwestern Pennsylvania offers competitive rates for our crew, locations and vendors which makes our region very attractive to the film, television, and screen industry.

COVID was a challenge for our industry, like most, but one that the film industry was able to overcome quickly. Our crews were able to return to work in September of 2020, with strict protocols in place to keep everyone safe. We were thrilled to have our amazing crew back at work so quickly during the pandemic.

Additionally, our industry booked over 20,000 hotel room, at a time when the hotel business was in desperate need of revenue.

Pennsylvania's Film Tax Credit program is a key driver of film business to our region. Over 40 states offer an incentive program to the film industry. Pennsylvania is in the top 10 programs in the country and consistently under-budgeted and over-subscribed.

The Film Tax Credit Program, which is turning 18 years old this year is an incredible success story. One that should be a point of pride as a successful state program that has brought billions of dollars and thousands of jobs to the commonwealth.

We are lucky to have two production centers in the state, but it also means that we share the Film Tax Credits.

In the Pittsburgh area we have over \$500,000,000 in productions that would like to film here after July 2022: 3 television series and 3 features. It is only April, and we are fielding calls every day with interested producers and productions that want to work in our region. We want them all to be able to work in Pennsylvania.

On behalf of the entire film industry of southwest Pennsylvania, I would like to thank you for your past support and ask for your continued support as we move into the 2022-23 budget. We would like to request an increase of \$125,000,000 in Film Tax Credits.

Thank you for this opportunity to address the committees about the history and significance of Film Tax Credits. We would be pleased to answer any questions.