

March 20, 2023

TO: The Minnesota Senate Taxes Committee

RE: In support of SF2765

Dear Legislators,

My name is Sara Hamilton, and I live in Rochester, Minnesota. I'm an independent film, episodic and commercial media producer and a part of the Minnesota Film&TV community. I'm also a Board member of FilmNorth, a 501(c)(3) nonprofit organization that empowers artists to tell their stories, launch and sustain successful careers, and advance The North as a leader in the national network of independent filmmakers. I am writing to urge your support of SF2765, which would increase our Production Tax Credit Incentive and enable us to attract more and larger budget productions to Minnesota, encouraging long-term growth of the industry in our state.

This industry is a thriving business. Minnesota was once in the top five states for film and TV production — and our goal is to make it back on that list! The passage of the first Minnesota Production Tax Credit Incentive in 2021 was a game-changer that allowed us to enter the race...and we are so grateful to Senator Nelson, the late Senator Tomassoni and other supporters in the Minnesota State Senate for believing in this important initiative! Over the past year we have been able to prove the incentive works, with results to date including \$20m+ in spending due to production in the state, \$7.8m in wages, 2200+ hotel room nights and 1000+ Minnesota jobs.

However, we're currently losing larger productions, episodic projects — and a lot of jobs and money — to other states that offer more competitive tax incentives...and the longer Minnesota remains out of the running, the further we move down the list. Support of SF2765 would offer a long-term positive effect on our state's economy and job market, along with an immediate boost in the livelihood of Minnesotans in this industry. This is NOT about subsidizing Hollywood. This initiative is critical to your constituents and small businesses — and to the future of economic and workforce development throughout our state. An enhanced tax credit incentive will attract film and TV production to *every* region of Minnesota.

While the tax credit incentive is designed to attract large budget projects and millions of dollars in new spending to the state as a whole, local workers and businesses will reap benefits from the jobs created by production. The production industry also supports indirect jobs and wages in companies with which it does business, such as retail outlets, caterers, dry cleaners, restaurants, hotels, florists, hardware and lumber suppliers, software and digital equipment suppliers. Up to \$250,000 per day can be introduced into local economies when a film shoots on location.

I've produced independent films and corporate/commercial productions in and around Rochester, and I've been a part of productions in the Twin Cities, Winona and Duluth as well. I know first-hand the business and economic impact even a small independent film can make. As an example, I was a producer on an independent feature film that was shot in Rochester before the pandemic. We had 35 cast and crew on set in our city for over three weeks. This brought money into our local economy through labor, vendor services and purchases — from HyVee catering and big orders at local restaurants, recreation at bars and local venues, hotel rooms and Air BnB rentals, and purchases at retail stores (including a small local frame shop and local natural foods store). The production also employed local crew and actors, including talent from the local theater. This film and other productions shot in Rochester and other cities over the past several years have also provided educational opportunities for local high school and college students. In addition, any production — and especially the larger ones — are amazing for tourism and exposure, and they build excitement and goodwill in the community.

I have witnessed the incredible growth of this industry within the past year because of the introduction of the Production Tax Credit Incentive, and I have seen the energy, hope and excitement building throughout the production community around the entire state, including here in Rochester. For decades, Minnesota had been losing some of our top cast and crew members and professionals to other states because they believed they needed to move in order to find the level of productions that would provide increasing levels of experience and higher wages. With the passage of SF2765, our state will be better positioned for future growth and we will be able to not only retain but also attract professionals in the production industry.

A few years ago, I considered leaving the state to pursue more enriching opportunities in this field. However, I was incredibly fortunate to have met and partnered with some dynamic professionals within the Minnesota and Upper Midwest Film and TV Community, and I have been honored to be a part of the team advocating for our industry. Our team's work and accomplishments over the past years inspired a new career path for me as well; and with the support of Minnesota Film&TV, I completed coursework and received certification as a film commissioner from the Association of Film Commissioners International. This certification has enabled me to be an even stronger and more vocal advocate for the production industry in Minnesota.

Over the past several months, I have been acting as an evangelist for our state's production community and speaking at virtual and in-person industry events and festivals, including the Sundance Film Festival in January. I'm thrilled to report production companies and filmmakers are excited about what Minnesota is offering, and we're currently working with several of them to lock down narrative features ranging from \$2-\$5million that plan to shoot in Minnesota within the next year or two. None of this would be possible without our state's current Production Tax Credit Incentive. And although it is an incredible start, we could be doing SO much more!

We have proven over the past year that there is a viable market for what our production industry in Minnesota has to offer. With your support of SF2765, we can help Minnesota win more and larger budget productions — and bring economic development, new business and jobs to the state!

Thank you for your consideration and your support.

With gratitude,

Sara Hamilton
2293 Jasper Place NE
Rochester, MN 55906
312.838.3031