

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON TECHNOLOGY

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February 6, 2017

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HELD AT: 250 Broadway - Committee Rm,
16th Fl.

B E F O R E:

JAMES VACCA
Chairperson

COUNCIL MEMBERS:

Annabel Palma
David G. Greenfield
Barry S. Grodenchik
Joseph C. Borelli

A P P E A R A N C E S (CONTINUED)

Julie Menin
Commissioner
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A P P E A R A N C E S (CONTINUED)

Joe Guest
Production Manager

Angela Miele
Representative
Motion Picture Association of America

Michael Jackman
Co-Chairman
New York Production Alliance

Daniel Hank
Film and Television Producer

[sound check]

[pause]

CHAIRPERSON VACCA: Okay, please take
your seats; we'd like to start. [background comment]

[gavel]

[background comment]

CHAIRPERSON VACCA: And thank you. Thank
you all for coming. Today is February 6; my name is
James Vacca and I am the chair of the Committee on
Technology. We are here today to discuss how the
film and television industry affects the New York
City economy.

Studies show that the motion picture and
video production industry is one of the few key
industries in New York State that has grown in
employment in the last ten years. Billions of
dollars are contributed to New York City's economy
when we attract film and television production.

New York State and City have both
experienced positive trends in the industry in the
last decade, and the last six years in particular.
According to a report from the Boston Consulting
Group (BCG), New York City production spending grew
6.4% (from \$7.2 billion to \$8.7 billion) between 2011

and 2014. Between 2013 and 2014, the number of scripted television shows produced in the City grew by 60% (from 29 to 46 shows). This increased production spending, particularly in television, has led to ample employment opportunities for our residents and a ripple effect on our community. Producers who use in-town production crews, catering and transportation and who contract with local residents who provide stages, production and post-production services direct tax revenue to the City and provide more New Yorkers with jobs.

From 2011 to 2014, for instance, full-time equivalent jobs in film entertainment grew from 94,000 to 104,000 employees, an increase of 15%. Further, film crews and out-of-state talent patronize restaurants, retail and other small businesses and sometimes enjoy long-term stays and pay rent and utilities.

We encourage the film and television industries continued growth and value how the State and City have positioned themselves to attract production. We also appreciate the work with the Mayor's Office of Media and Entertainment; working with them, we recognize all that they've done to

1
2 ensure that this industry remains robust and that New
3 York City residents benefit from this increased
4 growth.

5 Through this oversight hearing we would
6 like additional insight on the BCG report it
7 commissioned, learn about MOME's production
8 incentives and discuss potential initiatives to
9 increase diversity in the City of New York in our
10 film industry.

11 In a city with such a richly diverse
12 population, we'd love to see the film and television
13 industry providing its growing employment
14 opportunities equitably to all residents of our city.

15 With that, I want to thank you all for
16 coming; recognize my colleague, Councilman
17 Grodenchik, who's joined me, and we have Commissioner
18 Menin here and her staff. I'm obliged to swear you
19 in. Please raise your right hand. Do you affirm to
20 tell the truth, the whole truth and nothing but the
21 truth in your testimony before this committee and to
22 respond honestly to council members' questions?

23 COMMISSIONER MENIN: Yes, I do.
24
25

CHAIRPERSON VACCA: Okay. Commissioner, would you introduce yourself for the record? I know you have testimony.

COMMISSIONER MENIN: Thank you so much. I am Julie Menin, Commissioner of the Mayor's Office of Media and Entertainment. [pause] Great, can I begin? Thank you so much. Okay.

Well first of all, Chairman Vacca and members of the Committee, I am so delighted to be here. As I mentioned, I am Julie Menin, Commissioner of the Mayor's Office of Media and Entertainment, also known by the acronym MOME. I want to thank you so much for the opportunity to testify before you today on the incredibly important economic impact of the film and television industry to our city.

Our office is working extremely hard every day to attract new television and film productions to the city, to grow the number of jobs available to New Yorkers through workforce development and education initiatives, and foster a mutually beneficial experience when productions shoot on location in our city's neighborhoods.

Furthermore, I'd like to share information on the recent expansion of our office's portfolio to support

a number of important creative industries that are of vital significance to the economy of New York City.

Since I assumed this role last February, we've launched a number of exciting new initiatives to support the creative industries and to foster their continued support of New York City and our residents. We are delighted to tell you about these programs this afternoon.

First, let me take a moment to introduce a couple members of my staff who are here today. First of all, Deputy Commissioner Dean McCann; Chief Operating Officer and General Counsel Ann del Castillo; Director of Finance and Business Development Jacob Glickman; and Deputy Commissioner and General Manager of NYC Media Janet Choi, and we have other members as well of our staff who are here.

As you may know, the Mayor's Office of Media and Entertainment serves as a one-stop shop for all television and film production in New York City, issuing permits for productions filming on location, providing police assistance in traffic coordination, and facilitating production throughout the five boroughs. Our agency also runs NYC Media, the largest municipally-owned public broadcasting entity

1 in the country, with five television stations,
2 including our flagship channel, NYC Life or otherwise
3 known as Channel 25, and a radio station, all of
4 which have a reach of over 18 million people in a 50-
5 mile radius.
6

7 I was appointed by Mayor de Blasio in
8 February of last year, which I might add coincided
9 with a special landmark for our office; namely, that
10 it was our 50th year of service to the film and
11 television industry in New York City.

12 Founded in 1966, our office, then known
13 solely as the Mayor's Office of Film, Theatre and
14 Broadcasting, was the first municipal film commission
15 in the country. The television and film industry, I
16 am proud to report, has seen explosive growth over
17 the past year, contributing nearly \$9 billion and
18 over 130,000 jobs to the City's economy, but these
19 numbers do not fully capture the value of all the
20 creative industries that call New York City home.

21 Recognizing our city's identity as the
22 creative capitol of the world and the importance of
23 creative industries to our economy, the Mayor
24 expanded our portfolio. In addition to our
25 traditional support of film, television and theater,

our portfolio now includes, for the first time, music, advertising, publishing, digital content, and real estate as it relates to each of these industries. All of these creative sectors fuel economic development for our city and we are working hard to support them. I will touch on some of these efforts shortly. So first I'm going to talk about the subject of the hearing, obviously, which is economic impact of filming in New York City.

So as to the focus of today's hearing, New York City's film and television industry, I am happy to report that the industry has seen tremendous growth in recent years.

In 2015, we had more production shooting in New York City than ever before in the City's history. Specifically, in the 2015-2016 year, New York was home to 52 episodic TV series (and these numbers are cited from May to May), which is a 13% increase from the previous year, including well-known shows such as *The Americans*, *Orange Is the New Black*, *Madam Secretary*, and *Mr. Robot*. In that same year we hosted 336 film projects, an almost 40% increase from the previous year.

A dozen years ago four networks were filming scripted content in New York City; today about 20 different networks are shooting television series. Already this season we have seven new shows filming in New York City and we expect much more to come. This increased filming activity has also been accompanied by private infrastructure investment and expanding studio and post-production capacity, with a particular focus on expansion into the outer boroughs, which I'll be talking about momentarily.

I now want to turn to helping small businesses, because one of the constant refrains that I hear from communities is they're interested in how we're going to support small businesses and how we can help communities so that it's really mutually beneficial.

When it comes to economic impact, New York's media, TV and film industry is a tremendous force. According to an independent study conducted by the Boston Consulting Group, the industry generates a direct annual spend of almost \$9 billion. The money spent by the TV and film industry in New York City benefits New Yorkers in two important forms

-- jobs for New Yorkers and revenue for New York City businesses.

According to a recent report by the Center for an Urban Future, employment in film and television production soared by 53% over the past decade. The industry, as I mentioned earlier, currently employs 130,000 New Yorkers annually, including jobs such as location managers, script supervisors, camera operators, makeup artists, carpenters, set decorators, production assistants, among other roles on a film set.

Television production in particular is now a year-round business, allowing industry professionals in New York City to sustain full-time work. Importantly, New York City's small businesses also benefit from the industries throughout the five boroughs. TV and film productions spend locally on everything from stage space rentals to purchasing lumber for set construction; from buying furniture and props to patronizing local dry cleaners. Cast and crews are fed by local caterers or might visit local restaurants during walk-away lunches.

This past year our office utilized a new model to actively encourage TV and film productions

1
2 to track and increase their local spend in New York
3 City. During the filming of Sony's *Money Monster*,
4 our office encouraged the production to hire local
5 labor, give cast and crew members walk-away lunch
6 money to use at local restaurants and to use local
7 hotels for wardrobe changes instead of production
8 trailers. The *Money Monster* model resulted in
9 \$300,000 in local spending in small businesses during
10 a 15-day block of shooting principal photography in
11 New York City.

12 And so -- I'm going to deviate from the
13 testimony for a minute -- we really want to be able
14 to utilize this paradigm moving forward so that,
15 first of all, we can encourage productions to utilize
16 local businesses, but also that we can hopefully
17 track it as well, to quantify it.

18 To highlight this boon to our local
19 businesses, our office has produced a series of PSAs
20 aimed at highlighting the impact of local spending by
21 TV and film productions on New York City small
22 business owners. One of our reels features an
23 independently-owned local business called Café
24 Grumpy, which opened shop in 2005 as a small coffee
25 shop adjacent to Broadway Studios in Greenpoint,

1 Brooklyn. The owner illustrated the impact of the
2 industry on her business -- I'm going to quote her
3 directly -- "Some days we've had very little
4 business; then someone from the studio would show up
5 at the end of the day with a 75-drink order; we'd
6 stay open a little later to get that business; it
7 made a big difference; if it wasn't for that, we
8 couldn't have opened our second location. Thanks to
9 continued industry support over the years, including
10 being featured in the hit HBO series *Girls*, this
11 business expanded from one small coffee shop to six
12 locations citywide. Café Grumpy currently employs 65
13 New Yorkers." And that's one of many stories,
14 obviously, that we have in that regard.

16 In addition to encouraging productions to
17 adopt the *Money Monster* local spend model, our office
18 has continued to promote several initiatives to
19 enhance the economic benefit of the industry to New
20 York City.

21 The "Made in NY" Marketing Credit program
22 is a unique incentive that no other city provides and
23 that directly speaks to our commitment to helping
24 productions from script to screen. Any project that
25 shoots at least 75% of its work here in the city is

1 eligible to receive co-sponsored advertising. As a
2 requirement for participation, productions donate to
3 an organization of their choice through a partnership
4 with the Department of Cultural Affairs to further
5 advance the arts in New York City. Through this
6 partnership, in 2015 and 2016 film and TV productions
7 have donated over \$200,000 to local cultural
8 institutions, including Creative Arts Workshop for
9 Kids, El Puente de Williamsburg, and the Ghetto Film
10 School, to name a few. We expect these numbers to
11 increase in the coming years.

12
13 To further encourage a production
14 industry to support the local economy, our Made in NY
15 discount card program connects productions to local
16 vendors that offer discounts on these services.
17 There are now over 1,200 participating vendors in
18 this program, with new local vendors seeking to be
19 listed every day.

20 We continue to promote New York City as a
21 prime location for film and television production
22 through partnerships with film festivals, including
23 the Urban World Film Festival, the New York Indian
24 Film Festival, the Asian International Film Festival,
25 the Queens World Film Festival, the New York Film

Festival, and the New York International and Children's Festival, just to name a few.

In addition to promoting the benefits of filming in New York City, these festivals bring revenue to our communities in the form of tourism and local spending.

I am now going to talk about the subject of expansion to outer boroughs.

MOME is also deeply committed to ensuring that the tremendous benefit of this industry is spread equitably throughout all five boroughs of the city. I've personally met with the borough presidents in the Bronx, Queens and Staten Island to focus on how to increase production in the outer boroughs. We've seen some notable success stories in recent years, including a 28% increase in the number of TV film projects in the Bronx in recent years. With the opening of Silvercup Studios North in the Port Morris section of the Bronx last August, we anticipate more filming activity and economic benefits to this neighborhood.

To that end, we're also working on a redesign of our office's Made in NY location library for productions looking to shoot on location in New

1
2 York City. This reboot would expand the number of
3 images and improve access to the many iconic
4 locations and breathtaking vistas throughout the five
5 boroughs. To this end, our knowledgeable location
6 team continues to refer location scouts to amazing
7 locations in the outer boroughs to help filmmakers
8 understand all the locations that the City has to
9 offer.

10 MOME has supported various efforts to
11 increase TV and film production in the outer
12 boroughs, including the utilization of city assets
13 for filming and supporting expansion efforts by the
14 large sound stages in the outer boroughs. In April
15 of last year, for example, MOME facilitated the use
16 of the Staten Island Courthouse for the production of
17 *Spano* [sp?], preventing the relocation of this
18 production, along with potential jobs and revenue to
19 local businesses to Toronto.

20 In August, 2016, Silvercup Studios opened
21 its Silvercup North location in the Bronx and looking
22 ahead, Broadway Stages also plans to open a new
23 facility in Staten Island. Our office is working
24 very closely with New York City's Economic
25 Development Corporation and the City's many sound

1 stages, both large and small, to sustain and expand
2 capacity for this growing industry throughout the
3 five boroughs.

4
5 I am now going to address quality of life
6 concerns and how our office has worked incredibly
7 hard on this particular issue.

8 We also understand the day to day impact
9 of this industry on the local community and residents
10 and we work collaboratively with local elected
11 officials, community leaders and production companies
12 to respond to any neighborhood concerns. There is
13 some very good news to report on this front -- and I
14 say this, having, as you know, Mr. Chairman, chaired
15 a community board in Lower Manhattan for seven years
16 that at the time had a lot of, and still does, a lot
17 of filming -- so we wanted to obviously make sure
18 that we are constantly minimizing community impacts.
19 So I'm now going to cite some very interesting
20 statistics.

21 While filming in New York City is at an
22 all-time high, the number of complaints from New
23 Yorkers about filming is quite low, so I want to
24 quantify that for you. Out of the 19,378,299 calls
25 to 311 this past year, only 1,053 or to quantify

that, .005%, were complaints about film or television production. We attribute this low complaint rate to a number of factors, including a number of proactive policies that we've put into place to minimize the disruption of filming on the quality of life in our community. Our first priority is of course to always provide adequate notice. Our office makes every effort to notify communities well in advance of local productions coming to their neighborhoods. Whenever a permit is approved for production to film and hold parking in a given neighborhood, an automated notification is sent to the local council member and to the community board indicating the location, the date and the time of the shoot. These notices are intended to help local officials and community boards inform their constituents of film activity in their area. In 2015, our office expanded this notification system to include borough presidents' offices as well. We also require productions to post signage in neighborhoods to provide residents with information on how to contact the production directly with any questions that they might have. We require all production shooting on location in New York City to be good neighbors. We have, to that end, revoked

permits when productions have failed to adhere to our requirements.

To ensure compliance with permits, we send out field representatives from our office daily to conduct set visits and inspections on parking and on safety. When problems do arise, our production and external affairs teams make every effort to expeditiously resolve them. We promptly respond to every call, letter and email we receive so that we can remedy issues immediately. Additionally, New York City is the only city that has a police unit dedicated to television and film. Our production team works very closely with the NYPD TV Film Unit, which provides police assistance in traffic coordination, ensuring that film shoots prioritize public safety and minimize inconvenience to neighborhood residents. And every year our staff invites community boards, business improvement districts and council members to our office to discuss any concerns or questions they might have about filming in their communities.

I'm now going to turn to the subject of workforce diversity and inclusion.

As I mentioned earlier in my testimony, television and film is a \$9 billion industry to the City of New York, employing over 130,000 New Yorkers in good-paying jobs. Add to that 80,000 jobs from advertising, over 11,000 from book publishing, 60,000 from the music industry, and 89,000 jobs supported by Broadway; that's 370,000 New Yorkers employed across the media and entertainment industries. I might add; that compares to 334,000 jobs in finance and insurance, so in terms of the diversification of the city's economy, we can certainly see that media and entertainment is now out-pacing finance and insurance in the city.

So in addition to our efforts to incentivize filming and spending in New York City, a primary focus of our office is investing in the future of our local media and entertainment industry throughout workforce development and education initiatives.

Various studies have confirmed that women and... [interpose]

CHAIRPERSON VACCA: Can I... **[inaudible]**...

COMMISSIONER MENIN: Yeah.

CHAIRPERSON VACCA: let me interrupt.

Your testimony's very long and so, you know... it's very long, but I did want to mention Council Member Palma was here; I mention we've been joined by Council Member Palma and my colleague, Councilman Borelli may have a meeting, and I wanted to call upon him for a statement before he... [crosstalk]

COMMISSIONER MENIN: Okay.

CHAIRPERSON VACCA: he had to...

COUNCIL MEMBER BORELLI: Thank you very much for the opportunity; I do have to run somewhere.

I just wanted to take the time to say that everything you are saying is completely accurate and it's wonderful and we have seen the impact on Staten Island tremendously. You know it's such a great fit for my district where the constraints of parking trailers and things like that just don't exist and I told the Chairman, jokingly, that I can't walk down any street in my district without tripping over the cast of *The Americans*. My old assembly office was the doctor's office on the show; fields are often, you know, the site of Normandy type invasions and it's been wonderful, but I also want to add that I had a friend who had closed his brick and

1
2 mortar pizzeria to do primarily catering for this
3 type of work, so it is having the impact that you say
4 it is; I just hope I don't walk in on any mom hits in
5 a... I literally walk in a basement of my friend's
6 diner one time and walked right into a mob hit and it
7 was -- Richard Grieco was there; it was awkward for
8 everyone, [laughter] but it was... you can't make it
9 up. So thank you very much for the work you guys are
10 doing and it is having an impact, at least on Staten
11 Island. Thank you.

12 COMMISSIONER MENIN: Thank you Council
13 Member.

14 CHAIRPERSON VACCA: Thank you Councilman.
15 Please resume.

16 COMMISSIONER MENIN: Okay, thank you.
17 Various studies have confirmed that women and people
18 of color, among other groups, are consistently
19 underrepresented both on camera and behind the
20 scenes. At MOME we are committed to increasing
21 workforce and training opportunities for women and
22 people of color who pursue careers in our city's
23 media and entertainment industry.

24 Last September MOME announced a slate of
25 five initiatives specifically targeting the

underrepresentation of women in the film and television industry.

First, we announced the MOME Women's Fund for Film and Theater, a \$5 million fund that will provide grants to support film and theater projects by, for and about women.

Second, recognizing that women filmmakers often face significant challenges in getting funding for their projects, MOME hosted a film finance lab for 50 filmmakers working on projects directed by, for and about women. Filmmakers participating in the MOME Finance Lab participated in a pitch training workshop and were then provided with the opportunity to pitch to funders who could provide much-needed access to capital.

Third, in partnership with the Feirstein Graduate School of Cinema at Brooklyn College and the Made in NY IFP media center, MOME is hosting a script-writing and film production competition which will select two pilot scripts for an episodic series spotlighting stories by, for and about women in New York City's five boroughs. These scripts will be produced by a team of students at Feirstein under the mentorship of industry professionals.

Fourth, our office produced and broadcast two new documentary programs focused on women -- *The Vanguard: Women in Media*, featuring profiles of leading women in media, such as Connie Chung, and *Her Big Idea*, featuring NYC-based women entrepreneurs who transformed a concept into a thriving business.

Finally, we are working on a report that analyzes the gender and equity of directors in the film industry. MOME is proud to be the first municipal entity in the country to address gender and equity in the film, television and theater industries with such a comprehensive slate of programming.

Further, the Mayor's Office of Media and Entertainment recognizes that the industry in New York City must continue to invest in the aspects of our city that make us truly great -- our diversity and our communities. To that end, MOME connected over 500 New Yorkers to job internship opportunities this past year; we partnered with the Department of Youth and Community Development and the Mayor's Fund to support Ladders for Leaders, a program that provided almost 200 New York City high school and college students with paid summer internships in the TV and film production, media, theater, and

advertising, with a long-term goal of developing a more diverse pipeline into the below-the-line positions in these industries.

Through partnerships with SBS we continue to support the Brooklyn Tech Triangle Internship Program, which has provided almost 100 undergrad students at City Tech with paid internships with web developers and programmers, media specialists, designers and engineering technologists and innovative organizations located in the Brooklyn Tech Triangle.

We've also increased funding for small businesses in the media and entertainment sectors to train their employees in new technologies, granting up to 70% of such training costs -- 22 employees received this training in 2016.

We're currently structuring programs in partnership with SBS to create 200 new jobs in theater production, film production and post-production during the next fiscal year.

Also in partnership with SBS and the Writers Guild East, we announced the Made in NY Writers Room, a mentorship program pairing aspiring television writers from diverse backgrounds with

experienced New York City-based show runners for a six-month fellowship.

In June, MOME made a million dollar grant to CUNY's Journalism School to support training for over -- it's actually 1,200 journalists each year from community and ethnic publications. The funding allowed a major expansion of training opportunities for journalists at these publications, which will have an enormous readership and are of vital importance to diverse communities across the five boroughs. The goal of the grant is to help New York City's community and ethnic media outlets stay competitive in the current media landscape and bring them further into the digital age.

We continue to sponsor the Made in NY PA program in partnership with Brooklyn Workforce Innovation. This program provides hands-on training, job placement and a supportive network for individuals seeking entry-level positions on film sets and in production offices. We're extremely proud of the fact that over 700 PAs have gone through the program and that we have a 97% job placement rate; 95% of our graduates are people of color and a majority of our grads are women. Many are currently

working as camera assistants, grips, set directors, and technical operators on Made in NY productions. MOME is currently working with SBS to expand this program to train underserved New Yorkers for jobs in the growing post-production industry as well.

Our office continues to support the Feirstein Graduate School of Cinema, which is the nation's first public grad school of cinema integrated into a working studio lot. Funding for the school is the result of an extensive public-private partnership among notable Brooklyn College alumni, our office, the Council, the borough president's office, CUNY, and Steiner Studios.

Since 2014, the City has invested \$2 million toward scholarships, our inaugural class of 69 students accepted in the fall of 2015 and really represents the multicultural creativity of our city and I'm proud to note that nearly half of them are women and 43% are people of color.

In addition, we support the Made in NY Media Center by IFP in DUMBO, Brooklyn, which is a 20,000-square-foot incubator space that brings together innovators in film, video-gaming technology and more through education, mentorship,

entrepreneurship, and content creation. The Media Center is the result of a partnership between our agency, IFP; New York's EDC, to bring together innovation in media, digital and the entertainment industry.

MOME is strongly committed to increasing diversity in the media and entertainment industry at large through the initiatives just mentioned and many others; we hope to unlock the door of opportunity for talented and diverse men and women to obtain skills and professional experience in this industry and then put them to use right here in New York City.

I am now going to address expanding access to underserved communities.

An important priority of this administration is to expand access to family-friendly cultural opportunities for all New Yorkers, regardless of income or borough residence. In celebration of our office's 50th anniversary, we presented 50 free cultural events throughout the five boroughs. These events provided New Yorkers in all five boroughs exposure to cultural offerings, such as film screenings, panel discussions and concerts, and

I'm happy to share a few of these initiatives with you now.

In partnership with the Parks Department we expanded our Movies Under the Stars program, featuring hundreds of free screenings in parks across the city; over 60% of Movies Under the Stars events in 2016 took place in parks that had never before received this kind of programming, and I'm happy to say we expanded it this past summer to over 300 screenings throughout the summer.

Over the course of our anniversary year we've partnered with local trade unions and philanthropic organizations to provide over 1,000 free tickets to Broadway shows throughout the year for residents of New York City public housing in a program called Access Broadway, that's a new program that we did.

Last August we worked with four of the major movie studios and movie theater companies to provide families living in New York City public housing with over 2,000 tickets to attend feature films free of charge through an initiative called MOME Movie Matinees.

Through our Broadway in the Boroughs Initiative -- and I might add, all of these programs that we did are new programs that we launched this year. Through our Broadway in the Boroughs Initiative, last summer we brought free performances from Arcade Broadway shows, such as *Fiddler on the Roof*, *Phantom of the Opera*, to Fort Greene Park in Brooklyn, Flushing Meadows-Corona Park in Queens, St. Mary's Park in the Bronx, and the Staten Island Lighthouse, and the response was tremendous; we plan to bring this highly successful program back this summer. And these are just a few of the new programs we launched to reach underserved communities.

We also host community appreciation screenings, working closely with council members and community boards, so residents have the chance to see their neighborhood on screen after hosting a film crew on their street and share in the pride of the finished product. And we encourage productions to give back to their communities in which they film.

We're working on new initiatives that will enable New Yorkers to better see the benefits of hosting film crews in their neighborhood.

And then briefly, I'm just going to end with some additional programs and initiatives that we have launched.

In the past year, MOME has launched a number of groundbreaking new programs to address emerging concerns among the media and entertainment industry. While our efforts have led to tremendous growth in the city's film and television production industry, we also take very seriously the impact the industry might have on the environment. We recently announced NYC Film Green, a groundbreaking sustainability program for New York City's film and television industry that encourages productions to reduce waste, conserve energy and educate their crews on green production practices. NYC Film Green is the first green production designation program in the country administered by a government entity, making New York City the nationwide leader in setting environmental standards for the film and TV industry. We're proud to have secured CBS' *Madam Secretary*, Showtime's *Billions*, and HBO's *Divorce* and *Sesame Street*, to name a few of the productions for our pilot program, which launched in January.

To assess the impact of our work, we're analyzing our agency's activities on an annual basis, as well as the overall economic development and growth of New York City's media and entertainment industry. We're preparing white paper reports on gender and equity of directors in the film industry, the economic impact of the music industry, and the impact of diversity on New York City's filmmaking tradition, just to name a few. We plan to release these important reports later this year.

Last December, in partnership with EDC, we announced plans for a City-supported virtual reality and augmented reality -- otherwise known as VRAR -- lab which will support growing VRAR companies and entrepreneurs with a goal of positioning New York City as a global leader in the emerging VR and AR industry. We are excited to move forward with plans for this space, which will be the first VRAR on the east coast and the first publicly funded VRAR lab in the country.

In music, last June we held our first NY music industry convening to determine how our office might best support the music industry in New York City; over 75 different music companies and

1 organizations were represented, including record
2 labels, recording studios, venue owners, publishers,
3 and musicians for a tremendous discussion. And in
4 addition, as you know, we have been spearheading
5 efforts focused on bringing The Grammys back to the
6 City and so we continue to work on that effort.

7
8 And in publishing, last week we launched
9 our One Book One New York campaign in support of the
10 City's important publishing industry. One Book is
11 the largest community leading program in the country
12 and the first-ever One Book One City campaign for New
13 York City. Through our Citywide Public Awareness
14 campaign and celebrity advocates we're encouraging
15 New Yorkers to vote for their favorite of five books
16 this month, which will be available at libraries and
17 bookstores throughout the city and then we'll reveal
18 the winning book in early March.

19 The many programs and initiatives that
20 our office has launched are the result of tremendous
21 partnerships with local council members, our sister
22 agencies, external partnerships, and I mean there are
23 many groups to name, which are all in our testimony;
24 in the interest of time, I'm not going to go through
25 all of them. Wherever possible, we look to amplify

our efforts through strategic partnerships in support of this important industry. We'll continue to work with the City Council, industry stakeholders and local communities to create even more opportunities for New Yorkers and to ensure that New York City remains at the forefront of the entertainment industry. This is, quite frankly, just a small slice of what we're doing at MOME.

I thank you once again for the opportunity to speak with you today; as you can see, we are working very hard to make sure that the media and entertainment industry in New York City continues to thrive and to contribute to the cultural and economic wellbeing of all New Yorkers. I look forward to answering any questions you might have. Thank you.

CHAIRPERSON VACCA: Thank you. I think that this was outstanding and the testimony's great.

COMMISSIONER MENIN: Thank you.

CHAIRPERSON VACCA: I don't think most people realize all that the office does and I'm glad that you went through so much of it, and it does have a major impact on our city. We've been joined by Council Member Greenfield, who just joined us. I do

1
2 have some questions, however, and I wanted to talk to
3 you about certain tax issues as well, because I know
4 New York State offers a tax credit...

5 COMMISSIONER MENIN: Uhm-hm.

6 CHAIRPERSON VACCA: that's key to the
7 industry's growth and do you think that this tax
8 credit is sufficient or are we in jeopardy of losing
9 it; would you enhance it? What kind of role does the
10 tax credit play?

11 COMMISSIONER MENIN: Sure. Well thank
12 you for that question. The State tax credit is
13 approximately \$420 million and it is very important
14 to make New York competitive with other locations,
15 because when productions are deciding if they want to
16 come to New York or do they want to be in L.A. or do
17 they want to go to Atlanta or Toronto, or the myriad
18 of locations that they can choose from, the State tax
19 credit is incredibly important. And so that credit
20 is administered by the State, not the City. We work
21 incredibly closely with our State counterparts to
22 support the industry and that's something that we are
23 in very close conjunction with them on.

CHAIRPERSON VACCA: So this tax credit is not endangered at all; it's in the budget, coming up budget or tell me **[inaudible]**... [crosstalk]

COMMISSIONER MENIN: It is in the budget. Correct.

CHAIRPERSON VACCA: It is in the budget... [crosstalk]

COMMISSIONER MENIN: Yes.

CHAIRPERSON VACCA: and we've had it for several years now...

COMMISSIONER MENIN: Yes.

CHAIRPERSON VACCA: and it's been very helpful?

COMMISSIONER MENIN: It's been very helpful; it is in the budget right now for a three-year extension, yes.

CHAIRPERSON VACCA: Now in 2015 a report was commissioned about the film and television production industry and there were recommendations made; have any of those recommendations been adopted or have you assessed whether or not, if they have been adopted, how successful they are?

COMMISSIONER MENIN: Sure. Are you referring to the Boston Consulting report?

CHAIRPERSON VACCA: Yeah, right.

COMMISSIONER MENIN: Yes, absolutely. So our office works very closely with Boston Consulting every few years to do a report. We will next year do another update, because in all candor, the last numbers of \$9 billion in impact to New York City, in terms of revenue and 130,000 jobs, both of those numbers will be going up, so the good news for the City is; those numbers are actually, right now, even higher than that, but the report will then come out next year; every other year we measure that.

In terms of recommendations that they had; yes, we work very closely with them on that. I mean, recommendations -- one is, first of all, to make sure that we can best support the industry; one of the ways that our office does that, of course, is our one-stop shop permitting and that kind of seamless permitting really makes a difference. If I can compare it to what other cities do, if you're filming a production -- and I'll take Atlanta as an example -- it's not the same one-stop shop, so oftentimes you're dealing with a number of different agencies -- Parks Department, Transportation Department, the Film Department -- and so you may

1 have to deal with a number of different agencies in
2 order to get your permitting. In New York City
3 you're dealing with us, and as I mentioned before,
4 we're the only city in the country that has a
5 dedicated NYPD unit, so that's important; so we
6 continue that work.

7
8 In terms of recommendations that the
9 report had; I mean, some of them focus on making sure
10 that the economic benefits of filming, that we're
11 also spreading them out, and I think that's exactly
12 actually what we've done this year is really making
13 sure that we're pushing out production into the outer
14 boroughs, 'cause there's a lot of production in
15 Manhattan, so we're trying to change some of the
16 equation; also making sure that we're supporting the
17 small businesses, and so in the testimony today I
18 talked about a number of different ways that we're
19 doing that.

20 CHAIRPERSON VACCA: Where did that \$9
21 billion figure come from that you eluded to that the
22 Boston Consulting people had...

23 COMMISSIONER MENIN: That's...

24 CHAIRPERSON VACCA: what does it include
25 or where did it come from?

COMMISSIONER MENIN: So it includes everything from when a production is filming in a neighborhood -- what is the economic impact of that; part of it is the labor benefit, in terms of hiring labor in New York City; some of it is money that the production spends in local businesses. So for every production that happens, they're using local dry cleaners, they're using lumber yards, they're using delis, they're using... so it's that figure that encompasses all of it, including wages.

CHAIRPERSON VACCA: So if they're using a lumber yard, they pay rent; if they're using a deli, it's lunches and dinners and... [crosstalk]

COMMISSIONER MENIN: It... It's... It's...

CHAIRPERSON VACCA: all of that is...
[crosstalk]

COMMISSIONER MENIN: It's lumber that's needed to build the set; it's everything from various costumes need to be dry-cleaned, it's things of that nature, so it's that overall.

CHAIRPERSON VACCA: But the report does not itemize these things; is there an itemization that you could share with the Committee, like which...

COMMISSIONER MENIN: Yeah, we can get you
a... I mean they have a very detailed breakdown on
this; I'm happy to send that over, if that's helpful...
[crosstalk]

CHAIRPERSON VACCA: Thank you. Thank
you. Alright, let me hold off; I'll go to Council
Member Grodenchik.

COUNCIL MEMBER GRODENCHIK: Thank you,
Mr. Chairman. Thank you, Commissioner; thank you
everybody for being here today; even see a
constituent with you. It's really good to hear all
this wonderful news and I want to thank you; soon
after I became a councilman, we got some reports -- I
know you do a lot of filming out at Long Island
Jewish Hospital, so a couple of issues that we had to
deal with there and your staff was outstanding, and I
really appreciate that, and since then, Mr. Chair and
Madam Commissioner, I'm happy to tell you I haven't
gotten a single complaint and there's a lot of
filming going on in Eastern Queens.

A couple of questions. You said you're
moving the location... or you're upgrading the... wait,
let me make sure I have the right words... the location
library; is that in your offices now...? [crosstalk]

COMMISSIONER MENIN: Yes. So it's not a physical library; it's an online library, so... and I'm so glad you're asking about the, Councilmember, because this is incredibly important. So in my first week as commissioner, one of the things that I took a look at is; our on location library, which is on our website, has pictures of various locations in all the boroughs, and then I took a look at Los Angeles' location library and I saw that they had a fully built-out location library, so if you're a location scout, no matter where you might be physically located in the United States, you're not always flying to look at that; sometimes some of this is done online, and so I want to make sure that our location library is competitive with anything else that's out there, and I did not, in all honesty, feel that it was showing off the best assets that we have in New York City. So what we're doing is; we are adding a whole host of various photos, video; utilizing Google Maps, so we can really make it as easy as possible for location scouts to see the tremendous assets that we have in New York City.

COUNCIL MEMBER GRODENCHIK: I appreciate that, and I've seen some filming locally, as probably

1 just about every councilman in the city has seen. I
2 have received word -- I used to work in the borough
3 president's office; did that for many years --
4 sometimes those who are filming in the city will make
5 donations, whether it's through a local community
6 group or community board or, etc., etc.; is there a
7 formal process for that; is it hit or miss? I know
8 you mentioned that you're looking to firm that up;
9 how does that work?

11 COMMISSIONER MENIN: So there is no
12 formal process... [interpose]

13 COUNCIL MEMBER GRODENCHIK: Okay.

14 COMMISSIONER MENIN: and I'm glad you
15 asked about that, because -- and I've spoken publicly
16 about this -- I would like there to be a more
17 formalized process, so that is something that we are
18 working on. So I will have more details to share as
19 we get a little farther along in that process, but I
20 can assure you that we have spent many months this
21 year focused on that; looking at various options,
22 because we would like to standardize it, we'd like
23 to... [interpose]

1
2 COUNCIL MEMBER GRODENCHIK: I think there
3 really does need to be a process, because...
4 [interpose]

5 COMMISSIONER MENIN: Right.

6 COUNCIL MEMBER GRODENCHIK: without
7 process, that's... you start to run into trouble.

8 COMMISSIONER MENIN: Well that's exactly
9 right. And there are so many productions that are
10 doing tremendous work in communities, in terms of
11 supporting local communities; it might be computers
12 for a PTA; it might be tree plantings; it might be
13 supporting a local senior center, but again, it's not
14 standardized, so in a lack of standardization, it's,
15 in my opinion, a lack of transparency; some of the
16 problem, so we want to be able to highlight this
17 incredible work that's going on and make sure that
18 people are cognizant of it.

19 COUNCIL MEMBER GRODENCHIK: It would be
20 great if once established it would be online at your
21 website so people can see, and then we would know,
22 and I really do want to thank you for -- you know we
23 do get regular notices and the signage seems to be
24 adequate -- I haven't gotten a single complaint about
25 filming since that one at LIJ... [crosstalk]

COMMISSIONER MENIN: That's what we want to hear; that's terrific.

COUNCIL MEMBER GRODENCHIK: Lastly, the Made in NY; how does that work? I know you said 75%; is it... If I wanted to make a movie...

COMMISSIONER MENIN: Uhm-hm.

COUNCIL MEMBER GRODENCHIK: my brother's a professional actor, but I'm not shooting any movies -- go ahead.

COMMISSIONER MENIN: Okay, I'm going to turn it over to Ann del Castillo to talk about that.

ANN DEL CASTILLO: So the Made in NY Marketing Credit program is actually a rules-based program where productions that produce 75% of their productions here in New York City are eligible for marketing support through our office...

COUNCIL MEMBER GRODENCHIK: Okay.

ANN DEL CASTILLO: and they get bus and subway shelter... bus shelter and subway advertising in exchange for that and they have to provide an accounting of their shooting days and their budget.

COUNCIL MEMBER GRODENCHIK: Do you find that bigger shows, you know the ones we know

commercially or is it generally smaller, you know
maybe even non-commercial activity or is there a mix?

ANN DEL CASTILLO: It's actually quite a
mix of productions... [interpose]

COUNCIL MEMBER GRODENCHIK: Okay.

ANN DEL CASTILLO: which is great; it
allows us to showcase the diversity of production
that's being done here in the city.

COUNCIL MEMBER GRODENCHIK: Okay. Thank
you very, very much, Mr. Chair; thank you,
Commissioner **[inaudible]**... [crosstalk]

COMMISSIONER MENIN: Thank you very much.

CHAIRPERSON VACCA: Council Member
Greenfield.

COUNCIL MEMBER GREENFIELD: Thank you,
Mr. Chair and thank you, Commissioner for coming out
and for enlightening us all on the many wonderful
facets of the Mayor's Office of Media and
Entertainment. Just a quick question.

I don't want to talk about budget stuff,
because I hope and understand that this year you'll
be -- we'll see you during the budget hearings;
you'll testify about some of those...

COMMISSIONER MENIN: Yeah.

COUNCIL MEMBER GREENFIELD: some of those budget items, so we can talk about that in more detail; yes?

COMMISSIONER MENIN: Uhm-hm. Yeah.

COUNCIL MEMBER GREENFIELD: Okay, great. So all I really just wanted to say was; I appreciate you coming out here; I'm grateful that you're very focused on including diversity within the portfolio that you advocate for, and I also am appreciative that your office has been very responsive, especially Dean, to the requests that come in from our constituencies regarding accommodations regarding film shoots as well and we think that's been working well as well. So thank you for coming out here; thanks for what you're doing; thank you, Dean and we hope to see you in the upcoming months and we'll talk a little bit more during the budget process as well.

COMMISSIONER MENIN: Thank you.

COUNCIL MEMBER GREENFIELD: Thanks.

CHAIRPERSON VACCA: How many employees approximately does your agency have?

COMMISSIONER MENIN: 112.

CHAIRPERSON VACCA: 112 employees?

COMMISSIONER MENIN: Yes.

CHAIRPERSON VACCA: Okay. What are we doing to get more of the film industry to go to the Bronx? As a Bronx councilman, I have to ask that question. Someone once told me that they always want to go to Brooklyn or Manhattan because of all the brownstones; is this true, that they... when they film they look for brownstone buildings I guess this is more... [crosstalk]

COMMISSIONER MENIN: Well let me...

CHAIRPERSON VACCA: of a traditional... is that a traditional New York thing, brownstones, 'cause we don't have many in the Bronx, so but... I mean we can make it look like a brownstone if I have to, but I mean what can we do...? [crosstalk]

COMMISSIONER MENIN: Well we have very good news about the Bronx, some of which I include in the testimony; that permitting is up in the Bronx and so we're really seeing that, but we're going to see that much more now that Silvercup North is open, because again, a lot of time when productions come in they're shooting within the stage itself, but oftentimes they need exterior shots, so then they're going out into the neighborhood. So we're really going to start to see those numbers increase, which

is very exciting for the Bronx, and we're really focused on trying to increase production there.

CHAIRPERSON VACCA: Now most of our talent comes from Los Angeles, it's mostly based in Los Angeles, 70% above-the-line talent in film and TV production -- creators, like creative writers, directors, producers, and actors -- is this true that we have so much based in Los Angeles [background comment] and it's not based here?

MALE VOICE: It's a trend that's shifting greatly, actually. I mean, to give you an example, there are several episodic TV shows that are filming in New York right now -- *Madam Secretary*, where the star is Tea Leoni; she relocated to New York, she brought her family here, and she mandated, if that show went to series after the pilot, they had to shoot it in New York, even though it was scripted for Washington, D.C. A lot of our [inaudible] main talent is what drives the projects to be in New York; they live in New York, their families go to school in New York. So most of the talent on the above-the-line, high-end stuff, over the last couple years have been relocating to New York because that's where all the work is.

CHAIRPERSON VACCA: Are we growing because of the cable industry, the fact that we have 150 channels, 200 channels; is that a growth potential for us that we've tapped or that we can tap more?

COMMISSIONER MENIN: Oh absolutely, and I think I mentioned earlier in the testimony, I mean people ask all the time, well why is it that, particularly on the TV side, we're seeing such explosive growth? We're seeing explosive growth because if you think about it, years ago you were dealing with three or four networks; now we're dealing with over 20 networks, I mean 20 different networks are now creating this content, so this is great news for the growth of television in our city, and sort of attendant to that, and I alluded to this, is also what's happening in VR and AR; these industries are also experiencing tremendous growth and I think what we have done as a city to be the first city to invest public money in a VRAR lab is exactly positioning New York City where we want to be.

CHAIRPERSON VACCA: Talk to me a second -- I know you and I had spoken recently about the growth of the music industry and...

COMMISSIONER MENIN: Yes.

CHAIRPERSON VACCA: you had said that... [interpose]

COMMISSIONER MENIN: Yes...

CHAIRPERSON VACCA: it's really taking off; what is...

COMMISSIONER MENIN: it is.

CHAIRPERSON VACCA: what is the relationship there...? [crosstalk]

COMMISSIONER MENIN: So... Right. So music is now in our portfolio for the first time and we have undertaken a music impact study; it is being finalized now; we will issue that report in the coming months. But I can tell you that in terms of what the music industry -- and I mentioned approximately 60,000 jobs in New York City -- but it's exciting, because the new shows -- for example, in ticket sales for venues, we are far outpacing other cities in New York City in terms of ticket sales; in terms of what it's meaning for the revenue, because it's not just the shear ticket sale; it's the

1 person then goes and gets something to eat at that
2 stadium; it's all of the ripple effect of what that
3 means in terms of the economy in the City. So the
4 music industry, we have 120 labels right here in New
5 York City, 60,000 jobs, and when we actually release
6 this music economic impact study, I think people will
7 be astounded at what the growth has been in that
8 industry; not only what the growth has been, but
9 where the future is.

11 CHAIRPERSON VACCA: Have we done a
12 comparative analysis as to how friendly we are to
13 these industries as compared to other cities, like
14 Los Angeles? What is the conduciveness for coming to
15 New York or the degree of outreach we do? Has there
16 been a study overall of why New York is the best
17 place to do, so...

18 COMMISSIONER MENIN: That's exactly what
19 our study looks at. Our study has comparative data
20 to other cities in the U.S., because again, we want
21 to make sure that we're always positioning New York
22 City to be as competitive as possible, both for
23 economic growth; for job attraction, so this study
24 does do just that and it really talks about how we
25 stack up to other cities in terms of our

competitiveness, and I think people will be very pleased by what they see.

CHAIRPERSON VACCA: And that package is handed out or given out to perspective companies looking to come to New York; when they're considering where to go, is there a package that we have that encourages them to come here specifically, giving them that information?

COMMISSIONER MENIN: Well that's a very good question. I mean I think one of the things that's very exciting is the fact that music has now been added to this agency's portfolio; there had not been in the past a City agency that was exclusively charged with being a liaison to the music industry, as this agency had done for years with film and TV. So it's precisely to the point you're raising, like when you have an agency that's now tasked with focusing on supporting that industry; those are exactly the kind of things we want to do. But the report will show that New York is at the forefront in terms of competitiveness of the music industry, but we want to make sure that we're positioning it that way for many years to come.

CHAIRPERSON VACCA: One more question,
Councilman Grodenchik.

COUNCIL MEMBER GRODENCHIK: You mentioned
the graduate school at Brooklyn College... [crosstalk]

COMMISSIONER MENIN: Uhm-hm.

COUNCIL MEMBER GRODENCHIK: are there any
other colleges, public colleges or high schools
participating -- you know when I was a kid, which is
going back, where there was an automotive, there was
a printing high school; those times have changed, but
this is a big and growing industry in New York City..
[interpose]

COMMISSIONER MENIN: Right.

COUNCIL MEMBER GRODENCHIK: I'm
wondering; do you have formal partnerships other than
the graduate school you mentioned with the DOE or
with CUNY?

COMMISSIONER MENIN: We do. I mean there
are many different schools; some at the high school
level, that are offering programs in film, which is
exciting. Feirstein is unique in that it's the only
graduate film school on a working studio lot, and why
does that matter... [crosstalk]

COUNCIL MEMBER GRODENCHIK: At Steiner?

COMMISSIONER MENIN: at Steiner -- I think that is very important it matters because these young students are now getting real-world work experience right on-site; they're seeing things that a lot of other film schools across the country, they're not necessarily get that same type of exposure being on a working studio lot.

COUNCIL MEMBER GRODENCHIK: And if I wanted to follow up with someone in your office about possibly expanding -- you know we're always looking to bring new programs to the district at an educational level -- who would we talk to?

COMMISSIONER MENIN: Absolutely. So Ken Ebie, who is our Director of External Affairs.
[background comment] Yes.

COUNCIL MEMBER GRODENCHIK: Okay, thank you very much. Thank you, Mr. Chair... [crosstalk]

COMMISSIONER MENIN: Thank you.

COUNCIL MEMBER GRODENCHIK: Thank you, Commissioner.

COMMISSIONER MENIN: Thank you so much.

CHAIRPERSON VACCA: One last question.
We did speak about women and diversity...

COMMISSIONER MENIN: Uhm-hm.

CHAIRPERSON VACCA: let me ask you; are there incentives for, diversity programs for encouraging women... [crosstalk]

COMMISSIONER MENIN: There's not a... There's not a tax incentive, and again, the State does a tax incentive; not the City, so we don't have tax incentives, but we do have our really deep level, phenomenal training programs, so whether it's the Made in NY PA program, where 700 young people have gone through that, so that's a free training program, it's literally a five-weeks training program that we offer, or whether it's the Ladders for Leaders Program that I spoke about in here, which is again, funded, a fully funded program. We're creating these opportunities for young people to enter into the film and TV business and get the training, so it's not a tax incentive; it's more of funding their educational development and workforce training to position them for jobs.

CHAIRPERSON VACCA: Is there a way you envision working with the State to incentivize more diversity in the field?

COMMISSIONER MENIN: There was discussion at the state level on an element of that and I know,

you know as we move forward with some of the new studies that we're doing on diversity we look forward to be able to share that information, because we do think it's incredibly important and something that aligns obviously with the Administration's goals.

CHAIRPERSON VACCA: And one last thing. I know when we met we touched on this, but I wanted to take it from a different angle. We had mentioned internships...

COMMISSIONER MENIN: Yes.

CHAIRPERSON VACCA: and I know internships within the agency may be an issue of space and other... [crosstalk]

COMMISSIONER MENIN: Right.

CHAIRPERSON VACCA: considerations, but can we encourage these film companies to take many of our students as interns; that's an incredible experience if we can you that... [crosstalk]

COMMISSIONER MENIN: Yes. Yes. Well that's exactly right and that's precisely what we do. So whether it's through Ladders for Leaders or the other internship opportunities I mention in here, we actually find private sector media companies, not just in film and TV, but really all media across the

board and encourage them to see if there are internships and then we place young people into those internships.

[background comment]

CHAIRPERSON VACCA: Yes. It's okay.

COUNCIL MEMBER GRODENCHIK: **[inaudible]**

COMMISSIONER MENIN: Right.

COUNCIL MEMBER GRODENCHIK: around since before... since I was going to high school, you know kids are walking into those jobs that are very, very well-paid with a high school diploma... [crosstalk]

COMMISSIONER MENIN: Right.

COUNCIL MEMBER GRODENCHIK: I'm just wondering if you've thought about it or...

COMMISSIONER MENIN: So we work very closely with the existing high schools that offer film and television emphasis, and we can give you a list of them, because they're really doing fantastic work, so we're very supportive of those; in terms of... I mean obviously we'd love to see more of those programs, because again, if you can reach a young person at that critical age when they're making some of their career decisions, the younger we can reach them the better. I can tell you -- and I did include

1 this in my testimony -- but to that end, we are
2 working on developing an after school program focused
3 on animation, where we're going to be training young
4 people in animation skills so that they can have a
5 career in that. We will get your office a list of
6 the current high schools that are offering film and
7 TV programs, and happy to discuss that further with
8 you.

10 COUNCIL MEMBER GRODENCHIK: Thank you
11 very much.

12 COMMISSIONER MENIN: Great, thank you.

13 CHAIRPERSON VACCA: I want to thank the
14 Commissioner and thank your staff... [crosstalk]

15 COMMISSIONER MENIN: Thank you so much
16 for having me.

17 CHAIRPERSON VACCA: for coming and we
18 wish you the best and look forward to working with
19 you. Thank you.

20 We have a panel -- Rolf Carle, Green
21 Street; David Salvador, from Teamsters Local 817; Joe
22 Guest, Film Production Community; [pause]

23 Okay, can we please take our seats, the
24 next panel, and we'll... there's only two people? One
25 person's not here? Oh, is that him? Do you want to

take your seat, sir? Are you on the panel?

[background comments] Yeah, sit up there.

[background comments] Okay, sir; would you like to identify yourself for the record please and make sure the microphone's on? Thank you. [pause] Every speaker will have three minutes, yes. [pause]

ROLF CARLE: Hello. My name is Rolf Carle. Chairman Vacca, I thank you for holding these meetings; you always ask great questions, and I'm usually stuck in the last panel, so I appreciate being the first to speak.

So hello, my name is Rolf Carle; I'm a cabinetmaker by trade; in 2015, after 25 years in the same location in a woodworking co-op that was founded in 1970s, over 40 woodworkers who were forced out after -- according to our landlord -- executives from the film industry offered her a sweetheart deal; we could say, she said, but we would have to match their offer. Our rent was \$20,000 a month; she now wanted \$55,000. We were forced to leave on short notice; not an easy fete, considering the tonnage of woodworking machinery that had to be moved.

At the time we heard of a City fund set up to help displaced businesses, but when we

1 researched further we learned there was only \$90 in
2 that fund. As businesses, we understand and support
3 free enterprise, capitalism and competition; we
4 support our fellow tradesmen in the film industry,
5 but we were outraged when we learned that the film
6 industry receives both City and State subsidies;
7 virtually paying no taxes. We cannot compete with
8 that. The painful irony here is that our taxes are
9 supporting an industry that is putting us out of
10 business.
11

12 If a true objective picture of the
13 economic impacts by the film industry on our city is
14 being sought here today; I challenge this Committee
15 to request independent studies. For example, survey
16 all the businesses in a two-block radius from a major
17 film studio and ask what the economic impact is on
18 them. Randomly survey all the businesses on a
19 commercial avenue when a film shoot has taken all the
20 metered parking meant for their customers and ask;
21 how are they doing? Ask all the restaurants, not
22 just a select few, if film crews are frequenting them
23 and not the free craft trucks parked close by.

24 In conclusion, I ask this Committee, what
25 kind of outreach was done for this hearing today?

How were average businesses like mine invited to tell their story? And since I see I have 25 seconds left, I would... I understood this was a hearing on economic impacts; the Commissioner spoke on the film complaint process, which I found a lot of inaccuracies to what she has said, and if I'd known we were talking about that today, I would have gone on further, so I urge you to have hearings perhaps on [bell] the actual complaint process of the Mayor's Office. Thank you.

DAVID SALVADOR: I'm David Salvador; I'm with Local 817, Teamsters. Good afternoon Chairman Vacca and members of the Committee, my name is David Salvador and I thank you for the opportunity to provide testimony on the incredible impact the state's film industry has had on the City of New York. I welcome this opportunity on behalf of all members of Theatrical Teamsters Local 817.

For many years now the New York State Film Tax Credit has produced thousands of job opportunities not only for our members, but for other union and guild members, as well as thousands of other ancillary workers in the film and television industry; it has been a successful tax credit program

as well as a welcomed economic stimulus to the City of New York.

The State's incentive has allowed our membership continuous employment and growth since 2004, when the State's Film Tax Credit was first enacted, and it was 841 then and almost doubled, to 1,659 today. This year we look forward to working with the Governor and the Legislature to extend the Film Tax Credit program to continue these opportunities, which contribute greatly to the City's economy. Clearly this production tax incentive program has created new opportunities for well-paying job growth not only for our members, but many facets of the City's businesses and workforce. Continued growth of this industry spawns expansion of the necessary production-related infrastructure and other related businesses which are here today.

We look forward to continuing our great relationship with the New York City Council to ensure productions continue to contribute in a large way to the economy for many years to come. Thank you.

CHAIRPERSON VACCA: Thank you.

JOE GUEST: Hi. I'll try to be brief, 'cause I know there are some great small businesses here who are also going to speak.

But my name is Joe Guest; I want to thank the Committee, Chairman Vacca for having this meeting and the opportunity to testify here. I'm a production manager here in New York and have been a location manager for many years. I also serve as an elected representative on our DGA Council here in New York; that's the Directors Guild of America. We have over 4,000 members here in New York working as directors, assistant directors, production managers; location managers and we're committed to working with the Mayor's Office of Media and Entertainment and to ensure that our work in communities is positive and continues to be a good experience for everyone.

Just a note on our members, Directors Guild members working, we've talked about the growth in this industry, but between 2005 and 2015, as production increased by more than 300%, the earnings of our members who live and work in New York's communities grew by 350%, so it's a growing industry and that was happening even during the recession.

The Mayor's Office and Commissioner Menin also touched on people like Tea Leoni, creative folks keeping shows here; I just wanted to say, my wife is the costume designer on *Madam Secretary* and so we've seen that firsthand, the impact of a show staying here and employing New Yorkers. So you know when we see a film crew in our neighborhood -- we're in the West Village -- it's a good feeling; we know our fellow New Yorkers are working and gainfully employed and supporting their families with good.. well-paying union jobs.

The Commissioner also highlighted some of the work that we did on *Money Monster*; I was a location manager on *Money Monster*, and we used this kind of model of really trying to have a positive community impact with the economic spend, using hotels to support the production, and I recently worked on another project where we used that model, again, downtown, it was a Netflix movie called *Okja*; it'll be out later this year. We filmed in Lower Manhattan for just about seven days last summer, but our neighborhood spend for that period of time was over \$475,000, and that number includes over, what we estimated was over \$74,000 that went to local

businesses [bell], local restaurants, cafés, delis, and coffee shops and for other meals.

So I'll sum it up, but I'm proud to be part of this creative industry and it's successful, thriving here in New York; this is an extraordinary business we're involved in. Aside from bringing some of the most creative talents on the planet here to New York, we're a diverse community and we're actually producing a product here in the United States and exporting it as entertainment, so I'm proud to be a part of that. And again, thank you; thank you for having us.

CHAIRPERSON VACCA: I thank you. Thank you all very much. Thank you. Our next panel, our last panel, is Angela Miele, Motion Picture Association of America; Joseph Muller [sic], Gotham Sound; Michael Jackman, New York Production Alliance; and Daniel Hank, New York Providers, I think... [background comment] Producers -- sorry. [background comments] Ladies, like to introduce yourself, please?

ANGELA MIELE: Sure. Is this on? It's on? Thank you, Chairman Vacca; I'm Angela Miele with the Motional Picture Association of America (MPA).

Thank you very much for the opportunity to testify.

The Motion Picture Association of America has membership including the large major motion picture studios -- Disney, Sony, Warner Brothers, Paramount, Fox, Universal, and CBS is actually an affiliate member of MPA.

What I want to talk about today is that our members have always enjoyed coming to New York City, and even more so now, with the tax credit that was talked about earlier, it's really become a very robust place for us to come film and so it's also meant not only jobs for our members, but thousands and thousands of City residents.

As a result of the State's program that we talked about earlier today, New York's experiencing a welcome economic stimulus; we're pleased to share the Governor's budget proposal that you mentioned earlier that includes a program extension until 2022, with \$420 million annually for that program. According to the Governor's release, when he took office more than 1,000 projects have participated in the program, generating an estimated \$15 billion in direct spending and some 934,000 hires, and that's actually a total statewide number;

I know you heard a \$9 billion, but this is a total statewide number.

Since 2011, the number of series participating in the program has increased every year, from 24 in 2011 to 66 in 2016, an increase of 175%. In 2016, these 66 series represented more than \$2.7 billion spending and 160,000 hires in New York.

In addition, the growth of this industry in New York City has led to a number of new production-related projects pumping jobs; dollars into the boroughs, including sound stages and obviously a recent one in the Bronx and in Staten Island. Both the City and State have made significant long-term investments in the motion picture and television production industry and fought to bring and retain related infrastructure here, which now grazes the landscape.

The State's Film Tax Credit Program also provides the necessary catalyst for growth of the neighborhoods -- lots of well-paying jobs, from carpenters, scenic designers, electricians, production staff, actors, bookkeepers, hair stylists, etc. The expansion of these direct and ancillary production-related businesses provide significant

1
2 fuel for increasing local economic development and we
3 applaud the Committee's focus on this key New York
4 City economic engine. The motion picture and
5 television industry is a true economic engine,
6 spending by the on-location production industry;
7 pump, as you heard, \$9 billion into the local
8 economy. And I thank you for your leadership; I'd be
9 happy to answer any questions.

10 CHAIRPERSON VACCA: Thank you. Sir.

11 MICHAEL JACKMAN: Hi. My name is Michael
12 Jackman; I am the Co-Chairman of the New York
13 Production Alliance (NYPA); we are an organization
14 made up of key stakeholders in the entertainment
15 industry in New York; our guilds and unions are
16 members representing our labor; our studio stages and
17 facilities representing our brick and mortar
18 facilities, as well as the labor to run those, and
19 then individual producers, insurance companies and
20 law firms, accounting companies; payroll services,
21 etc. We are able to bring together this large group
22 of people representing the voices of over 100,000 New
23 Yorkers to gain commonality in terms of how we want
24 to represent the industry. Our goal is to, our
25 charter is to create and maintain and promote jobs in

1 New York City and New York State in the entertainment
2 industry. And I wanted to sort of say firsthand;
3 also my company FilmNation is a film production,
4 sales and financing company based predominantly here
5 in New York, and as a company who has produced a film
6 last year in New York called *The Big Sick* and
7 prepping a new film this year called *Life Itself*, I
8 can tell you firsthand the decisions on where you
9 shoot literally turn on a dime, and you had asked
10 about the value of the production tax incentives and
11 other incentives; also MOME and the great job they
12 do, outreach and facilitating films. The value is
13 huge because it turns on a dime; the margins are
14 very, very small, the ability to make a movie is not
15 easy, finding the money to do it is not easy, and so
16 anything that helps bring a movie here, like the
17 incentive, which really does not only level the field
18 but in some cases moves that weight towards New York;
19 allows us to shoot here when we couldn't, and it
20 doesn't have... has nothing to do, or little to do with
21 where it's scripted. People will say, well it's
22 scripted here, you've got to shoot it here; it's so
23 not the case; I've been doing this for 30 years and I
24 have seen many, many shows and movies with names like

1
2 *Empire State* not shoot here because they couldn't
3 afford to shoot here at a time before the incentives
4 were in place, so it's a hugely valuable program that
5 we have, both Statewide and Citywide.

6 I'd also say -- you talked about
7 diversity -- the New York Production Alliance, we
8 have a diversity task force that is an initiative
9 that we started this past year to help facilitate
10 women, people of color; people with special needs
11 having opportunities to or finding the opportunities
12 that already exist within the State and City for
13 themselves, and we also work to create scholarships
14 for young people, mostly in high schools around the
15 City and the State; we work with the Academy for
16 Careers in Film and Television, we give out
17 scholarships annually and we work with them and do
18 workshops to let them understand that there are all
19 kinds of jobs [bell] within the industry; not just
20 the ones they've heard of, but electricians,
21 carpenters, wardrobe people, hair stylists; it's an
22 amazing array accessible to our youth and we work
23 very hard towards that end. Happy to take any
24 questions.

CHAIRPERSON VACCA: It's great; when you think of the opportunities, there's so many of them, there's so many fields, like you just outlined; it's just fantastic; you don't think of that, but boy, like soup to nuts, as they say, in television, film and production and just the day-to-day operation. Sir; do you want to introduce yourself, please? You have the microphone.

DANIEL HANK: Thank you, Chairman...
[interpose]

CHAIRPERSON VACCA: Thank you.

DANIEL HANK: Vacca for holding this hearing today; members of the Council. My name is Daniel Hank; I'm a film and television producer. I've been privileged to call New York my home for my entire life and my entire career; New York is the greatest city in the world and there is no better place in the world to make great movies and television shows. I've also had the privilege of traveling the world and filming other countries, experiencing other tax credits and various incentives, and New York's is about as competitive as they get anywhere in the world. We have the finest technicians, the finest locations, the finest facilities, and the greatest

1
2 artisans and highly-skilled craftsmen. The thing
3 that sets New York apart from most other places in
4 the world is; you don't have to transport anybody
5 here; you can find your entire cast, all of your crew
6 people; all of your catering. There's pretty much no
7 other place in the United States, except for Los
8 Angeles, where you don't have to transport somebody.
9 As competitive as Georgia is, every show in Georgia
10 brings in at least a dozen, two dozen people and has
11 to put them up; New York is the only place, other
12 than Los Angeles, that has built an entire industry
13 about it, and it hasn't always been that way.

14 We're very impressed with the strides
15 that the Mayor's Office has taken in building out the
16 infrastructure in the last several years to support
17 the growth of our industry, because I remember back
18 in 1985, when I got into this business, the Mayor's
19 Film Office was about six or seven people and now
20 it's over a 100. Why? Because there are over
21 100,000 people working in this industry and if you
22 want to see what happens to an industry where the tax
23 credit goes away, take a look at New Orleans or the
24 State of Louisiana, which was probably number one or
25 two in the United States as far as growth of the film

1 industry, which had none 20 years ago; it has gone to
2 virtually zero since the elimination of their tax
3 credit; it is just starting to come back this year,
4 with its tax credit being renewed.
5

6 Credentials-wise, I'm a member of the
7 Directors Guild of America for over 20 years, the
8 Producers Guild of America, the Academy of
9 Television, Arts and Sciences, and I'm an award-
10 winning producer, and I'm proud to call New York
11 home.

12 JOE MULICA: Hi, my name is Joe Mulica; I
13 am the General Manager at Gotham Sound and
14 Communications. I want to say thank you to the
15 Chairman of the Committee for giving me the
16 opportunity to testify.

17 Gotham Sound is a hands-on company that
18 provides rentals, sales and service of sound
19 equipment for all or the majority of the TV shows and
20 films you see shooting on your block from time to
21 time. We do not directly benefit from the film and
22 TV production tax credit, yet we would not be here if
23 it weren't for that credit; 95% of our customers are
24 in the TV and film genre, whether it's movies or a TV
25 show, like we've been mentioning all day.

1
2 Gotham Sound provides the wahees [sp?],
3 the fuzzy mics you see on a boom, and the recorders
4 that capture the sound you hear. We grew as the film
5 industry did; we were a company of two in 2002 and
6 now we're a company of 30 full-time employees --
7 strong thanks to the tax credit that started in 2004
8 -- and 2016 was our best year, you know and that has
9 everything to do with the tax credit.

10 Gotham Sound is a company that holds
11 teaching above profit; we are a company that knows
12 that more the invest in our employees the better our
13 industry will be as a whole. No employee at Gotham
14 Sound works for less than \$15.00 an hour; we provide
15 health benefits and we've been that way for many
16 years, not because we had to, but because we wanted
17 to.

18 In a time where online companies shrink
19 the number of jobs and customers buying based on the
20 cheapest of products, the film industry keeps good
21 jobs in the City; it is the life in the City that
22 brings the tourism, it brings all of the larger, the
23 big picture items of where TV and film kind of
24 spreads the heartbeat of New York and the vision of
25

New York into the minds of people all across the country.

We employ a diverse group of people from all five boroughs that have a passion for TV and film; TV and film companies rely on us to rent the wahees, to fix their gear and to get the gear they need as soon as possible. We have to be local and near the action because everybody knows a director needs everything now; there's no time to wait for it to be shipped in.

Exactly eleven and a half years ago I decided either I was going to move to L.A. or to New York to start my career and no other city holds a candle to the strength, the diversity, the compassion, and the love that New York City has. Actually, within my first week of trying to find a job, I got a job getting coffee for Sarah Jessica Parker on a film that you produced. There are 29 other stories like mine of people at my company that have a job because of the tax credit.

Again, we do not receive any incentives from the tax credit, but we are able to employ 30 amazing individuals because the tax credit exists; not to mention the dozens of other companies like

mine that exist because of the tax credit for TV and film. Thank you to the Committee for letting me testify.

[bell]

CHAIRPERSON VACCA: Thank you. Thank you all very much; very enlightening; we learned a lot today and we thank you for all you're doing. New York is better off because of all that you do, so thank you.

[collective thank yous]

CHAIRPERSON VACCA: Thank you. There being no further questions and no other speakers; it is now 2:25 and I am happy to hereby adjourn this hearing.

[gavel]

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date February 10, 2017