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**STATEMENT TO THE COMMITTEE ON
ECONOMIC DEVELOPMENT, AGRICULTURE AND PLANNING
BILL #31-0009**

Good Day Madame Chairwoman, Committee on Economic Development, Agriculture and Planning, Committee Members, other Senators present and fellow testifiers. My name is Gail Glanville.

Thank you for this brief opportunity to submit additional testimony on the amended Bill #31-0009.

Following testimony submitted on February 23, 2015, it became apparent that recommendations submitted at that time could be improved upon in order to meet the needs of various members of the entertainment community.

It is also apparent, as Senator Millen-Young was quoted by the St. Croix Avis the following day: "The senators realize the territory is doomed without economic development."

To that end, three representatives of the local film location services industry met to brainstorm some solutions, based on our years of experience, that might support the territory's dire need for economic development, and still meet the needs of creative local people.

Present were Eric Matthews, Todd Hecht, and myself.



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After lengthy and sometimes contentious discussion, we came to agreement on the following 3 recommendations. These were subsequently submitted to Senator Clifford Graham and Attorney David Bornn for their consideration while creating the revised materials you have before you today.

The 3 recommendations:

1. Allow the original STARS LAW to stand as law, as enacted two years ago. This bill includes support for the film and music industries in much the same way that other EDC prospects are supported. Encourage EDC to promulgate rules and regulations so the STARS LAW can be more fully implemented.

2. Name Bill# 31-0009 either the Graham Act or the Film Incentives Act and limit it to incentives for the motion picture, TV and other aspects of the film industry. This is solely an economic development bill, oriented specifically to an industry that can bring in significant amounts of new money, hire local people, support a local industry and support our tourism industry. It is written to be self-funding and uses procedures that people in the world-wide film industry want, approve of and will respond favorably to.

It is important to note that, in years past, an “economic multiplier” was applied to the Territory’s income from the film industry. As the data was collected, it was run through a formula developed by a local EDC accountant that showed how \$1 million dollars from a film project was recycled through the economy and achieved a value of approximately \$1.5 million. According to Ms. Wheatley’s testimony last week, in the past 4 months approximately \$6 million has been spent here by various production companies. If the multiplier effect is included, that \$6 million



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cycles through our economy, becoming the equivalent of \$9 million. Each time that money passes through a business owner's hands, the government collects gross receipts tax on it, so both the economy and the territory's financial reserves grow.

And finally,

3. Provide a mechanism whereby EDC has the option to set aside a specific, capped amount of income from the film industry to be used for grants, sponsorships, scholarships, etc. for local artists, musicians and filmmakers. This fund would be developed and operated at the EDC discretion.

With these points considered, I wholeheartedly support the amendments to Bill #31-0009, which places the motion picture industry where it belongs as an important part of the Territory's economic development program.

Thank you for your time.