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EMPIRE STATE DEVELOPMENT ANNOUNCES RECORD POST-PRODUCTION GAINS IN NEW YORK STATE

Companies say phones have been ringing off the hook since strengthened NYS post-production incentives took effect

New data shows 173 new hires, projects nearly \$70 million in spending in NYS

One year after the strengthened post-production tax credit took effect, Empire State Development President, CEO & Commissioner Kenneth Adams today released new data showing post-production business is booming in New York State. The data, compiled by the Post New York Alliance, shows post-production hiring is up (by 25 percent, on average) with 173 new hires since this time last year. It is estimated that the uptick in new post-production business will generate nearly \$70 million in new spending in the state. In the last year alone, post-production companies reported spending nearly \$18 million to expand and purchase new equipment to accommodate the increase in business demand.

“Last July, the State sent a clear message that we wanted to attract the good-paying jobs this fast-growing industry provides,” said Empire State Development President, CEO & Commissioner Kenneth Adams. “A year later, from Buffalo to New York City, post-production business is booming. Under Governor Cuomo’s leadership, the State’s film and television program is taking off – bringing new business and jobs to New York and making it the place to be for the film and television industry.”

Yana Collins Lehman, managing director of Trevanna Post and executive board member of the Post New York Alliance, said, “In the last twelve months, the Post New York Alliance has witnessed an expansion of the film and television post production industry that has surpassed our greatest expectations. All of our members, and the entire industry, owe a huge debt of gratitude to Governor Cuomo and his administration for removing barriers to job creation in the state and supporting our efforts to grow our industry. We have seen consistent hiring and revenue increases across the board since the post incentive was improved last July. So much so that a new visual effects company, Empire Visual Effects, is now doing business in Buffalo: the first of many partnerships between upstate and downstate-private business and public education.”

The strengthened legislation, which Governor Cuomo championed and signed into law last July, was designed to help the State compete for post-production business and jobs, a fast-growing segment of the motion picture and television industry. The law boosted the available post-production tax credit from 10 percent to 30 percent (for post-production work in the New York metropolitan commuter region), and from 10 percent to 35 percent (for post-production work done Upstate.)

Since taking effect:

- 61 productions have applied for post-production work in New York – more than triple the number of applications received during a two-year period under the previous tax credit;
- Seven post-production companies have established new operations, including three Upstate; at least two New York post-production companies have significantly expanded their operations; and
- Revenue has increased, on average, by 31 percent for participating post-production companies in New York.

Productions consistently cite the enhanced credit as key to their decision to bring their post-production work to New York, instead of another state. Pam Williams, producer of soon-to-be-released “Lee Daniels’ The Butler,” said the enhanced credit made it possible for her to finish the film in New York State instead of Louisiana.

“We always knew we wanted to do our post-production in New York because of the great people and facilities here, but we weren’t sure we could make the numbers work,” Williams said. “So when Gov. Cuomo signed the law increasing the post production tax credit to 30 percent last July, it made it possible for us to be where we really wanted to be. Being in New York for our post production has been a terrific help to the film; we have everything we need, every kind of facility and all the most skilled people together, all right around the corner from one another. Only in New York do you get that kind of close community of top notch talent and resources.”

Post-productions companies say the enhanced credit means big business and new jobs for New York:

Dominic Rom, General Manager of Deluxe NY said, “Deluxe/Company 3 is experiencing a remarkable increase in business and it is a direct result of the tax incentives championed by Governor Cuomo. We anticipate further growth as news of the incentive spreads and New York becomes the destination for Post-Production.”

Alex Halperin, founder and CEO of Post Factory said, “I thank Governor Cuomo and his entire staff for their hard work on this program. The credit has enabled Post FactoryNY to accelerate its growth by attracting new film and television clients that have come to New York because of the credit. We have grown our staff, expanded our facility and improved our technology.”

Eric Robertson, Co-founder of Mr. X Gotham said, “Our plans for creating local jobs during the first year were modest. We wanted to create a full service studio with 3D and 2D capabilities, but on a boutique scale so that our overhead was minimal during the start up. We didn't anticipate the enormous demand that came immediately. Instead of creating 15 – 20 jobs over the first 12 months, we skyrocketed to over 30 artists in under nine months – and we're still hiring.”

Christina Graff, Co-founder and CFO of Crazy Horse said, “We considered opening our company in New York City, but we also scouted the Hudson Valley and are happy we chose New Paltz. It’s a very pleasant environment to work in – the scenery is gorgeous, the townspeople have been supportive, the restaurants are great, there are universities nearby full of students who would like internships, and it is a bonus for the studios to get the extra 5 percent tax incentive on top of the 30 percent.”

Post-production includes all of the editing after filming is complete and includes visual effects, color correction, sound editing and mixing. The industry also includes thousands of other jobs, from engineers

and messengers to creative and support staff. The strengthened law was designed to expand state support by specifically focusing on attracting post-production work to communities in all corners of the state. At a time when other states are experiencing production flight, New York's strengthened credit supports a robust industry cluster which has become a major source of direct and indirect employment and economic opportunity for hundreds of thousands of people.

Donald Rosenfeld, Producer of the upcoming film *Effie Gray* said, "I want to hail Governor Cuomo's progressive and highly successful legislation, ushering in both production and post-production incentives to work both upstate and downstate as a filmmaker in New York. My work has greatly benefited from the creative and business communities of New York City for the past 26 years. Through these current incentives, it is now possible for me to shoot in locations throughout the world and do post-production in New York – back to the place I have always most liked to call home. *Effie Gray*, my latest film, was shot in London, Paris, the Western Isles of Scotland and Venice, Italy – yet, the entire post production of the film took place between Hudson Street and West 57th Street in New York City. This great opportunity for me and my post-production crew based in New York City would never have been possible without Governor Cuomo's embrace of the film business."

Paul Moore, Eastern Executive Director, Motion Picture Editors Guild, Local 700, IATSE, said, "Motion Picture Editors Guild initiated an effort seven years ago with our New York State legislative and executive branches to capture post-production work on films being produced outside of New York State. It was not until Governor Cuomo's vision and his expansion of benefits to employers by improving the post-production tax credit last July did we see an increase in jobs with excellent health and pension benefits. On this first anniversary we offer a heartfelt thanks to Governor Cuomo!"

ABOUT EMPIRE STATE DEVELOPMENT

Empire State Development (ESD) is New York's chief economic development agency (www.esd.ny.gov). The mission of ESD is to promote a vigorous and growing economy, encourage the creation of new job and economic opportunities, increase revenues to the State and its municipalities, and achieve stable and diversified local economies. Through the use of loans, grants, tax credits and other forms of financial assistance, ESD strives to enhance private business investment and growth to spur job creation and support prosperous communities across New York State. ESD is also the primary administrative agency overseeing Governor Cuomo's Regional Economic Development Councils and the marketing of "I Love NY," the State's iconic tourism brand. For more information on Regional Councils and Empire State Development, visit www.regionalcouncils.ny.gov and www.esd.ny.gov.

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