

**FLORIDA FILM AND ENTERTAINMENT ADVISORY COUNCIL**

June 22<sup>nd</sup>, 2017 (2<sup>nd</sup> Quarter Meeting)

10:00 a.m. – 12:00 p.m.

Teleconference Information

**1-888-670-3525**

**Participant Code: 4091758923**

<p><b>MINUTES</b></p>
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**CALL TO ORDER AND WELCOME**

Administrative (Chair Seth Schachner)

Call to Order by Chair Schachner at 10:05 AM

Roll Call:

*Members:*

Chair Seth Schachner

Vice Chair Marc Meisel

DeeDee Davis

Ana Siegel

Michael Williams

Dick Kravitz

Yvonne Boice

Susanne Niedland

Cynthia Angelos

*Members of the Public:*

Bonnie King, Space Coast & Film Florida

Sheena Fowler, Orlando EDC

Larry Novey, OPPAGA

Todd Roobin, Jacksonville Film Commission

John Lux, Film Florida

Kevin Richards

*Office of Film and Entertainment (OFE) Staff:*

Commissioner Niki Welge

Susan Simms

Traci Colson

Donyelle Marshall

Emily Fisher

## **WELCOME**

Chair Seth Schachner thanked the council for being in attendance. Chair Schachner welcomed everyone to the call and wanted to extend the welcome to new member, Richard (Dick) Kravitz. The board is sincerely happy to have him on the council. Chair Schachner invited him to introduce herself.

Dick Kravitz stated that he was the first executive director of the Jacksonville Sports & Entertainment Commission in the 70s and early 80s. He was also President of the Duval County Tourist and Development Council. He was General Manager of a few minor league baseball teams, including the Chicago Cubs. He served in the legislature from 2000-2008. He has personal and professional relationships with 2/3 of the Senate and feels he will be a great asset to the FFEAC. He thanked everyone for his inclusion and hopes to aid in his participation forthcoming.

Chair Schachner is pleased to have Dick Kravitz on the Advisory Council.

## **OLD BUSINESS**

### Approval of March 2017 FFEAC Meeting Minutes

Chair Schachner moved to approve the minutes as presented.

Suzanne Niedland seconded the motion.

## **NEW BUSINESS**

### Legislative Updates

Commissioner Welge addressed that the Office of Film and Entertainment (OFE) amongst other programs were faced with elimination during session. OFE was luckily able to come out of session unscathed. The advocacy of Film Florida and other industry members was very effective in communicating the value of OFE and what we bring to the economy in the state of Florida. OFE is extremely pleased that we can continue to operate in current form and also tremendously thankful for the advocacy from the industry.

Commissioner Welge stated that Susan Simms has become a full time employee again with OFE. Her FTE status was reinstated by the Senate during session. This is a huge deal for OFE and the continued success of the industry here in Florida. Susan is a crucial part of our marketing success. During session, DEO lost 63 positions and Susan's position was the only one the agency gained. That says a lot about how hard the industry worked to advocate on our behalf. When the FTE position is completely worked out, it will create an opportunity for us to increase our marketing and travel budget. We lost the biggest tool in our toolbox when the Financial Incentive sunset in 2016. Having the ability to be at trade shows and talk about

Florida in a positive way with studio heads and decision makers is increasingly important. This increase will also afford us the opportunity to co-op marketing efforts with Film Florida. We are working with DEO leadership to see how our marketing plan will look for the new fiscal year.

Commissioner Welge stated that during special session, the legislature passed the Florida Job Growth Grant Fund within DEO, which is an \$85 million fund for state and local public infrastructure projects and for work force training grants. DEO will be working with Enterprise Florida to accept applications and implement the program. OFE will be looking closely at how this can possibly benefit the film and entertainment industry, specifically the work force training piece. We hope this is something the industry can take advantage of for growth.

Bonnie King, President of Film Florida, asked if any of the \$85 million in the fund could be used towards marketing or possible incentive money in the film and entertainment industry.

Commissioner Welge answered that the statute specifically says that the dollars cannot go to one specific company. It is specifically for local and statewide infrastructure improvements or work force training, and money going to local governments or state colleges to create these programs. We suggest looking at the work force training aspect, as it provides participants with transferrable and sustainable work force skills applicable to more than one single employer.

#### Office of Film and Entertainment Team Report Summary of Activities:

##### Office Updates (Commissioner Niki Welge)

Commissioner Welge first addressed that this calendar year, OFE is undergoing a review by OPPAGA and EDR. Once every three years, the Financial Incentive program and Sales Tax Exemption undergo a programmatic review and economic impact review. The results of both reviews will become available in January 2018. At our entrance meeting with EDR, they stated they will try to work more closely with DOR to determine how the tax credits were being utilized, as well as work to obtain data and models on film induced tourism. There have been studies conducted over the last several years; for example, USF did a study about the impact that Dolphin Tale had on Pinellas County. Also, Monroe County did a study on the impact of Bloodline. There will hopefully be more data out there now to use and capture a more accurate picture of the impact that film induced tourism has on the economy in the state. Hopefully, this will improve the ROI for the two programs. The OPPAGA entrance meeting also went well. Larry Novey and his team were very thorough during the last review, making this review mostly an update. In past years, OPPAGA has reached out to Film Florida and other local film commissions asking about our programs, so be on the lookout for them reaching out again this year.

Commissioner Welge stated that OFE is working on their annual performance measures. Donyelle and Susan are diligently reaching out to productions that our office has worked with to obtain the most accurate information possible. OFE's one performance measure is how many

projects worked that result in business for the State of Florida; dollars being spent in Florida and Floridians being employed here. Last fiscal year (2015-2016), OFE worked on 1,363 projects; more than 1,000 of which resulted in business in Florida. This is the first fiscal year in which the Financial Incentive was completely out of play, and that may reflect in our numbers. July 21<sup>st</sup> is when performance measures are due and they will be reported on in the next FFEAC meeting.

In regards to the Financial Incentive, Traci Colson will be giving a full data report. Commissioner Welge gets numerous information requests for the status of remaining audits. The back end of the Financial Incentive is still in full swing, with 10 audits remaining for award, four of which are in-house. There is no timeline for when audits must be submitted to OFE for processing, and the tax credits are valid until 2021. OFE is communicating with production companies to get all audits completed as soon as possible. Since the Financial Incentive program has ended, OFE has been focusing on more of a push for the Sales Tax Exemption program. It is surprising that some production companies in Florida are still not taking advantage of our STE program. We are working with Film Florida and the local film offices to market this program. OFE is working on a marketing piece, while Film Florida is working on a press release to show the benefits. We appreciate Film Florida's efforts.

Commissioner Welge provided everyone with the Labor Market Statistic Information for 2016. The data became available in mid-June. NAICS codes are the federal government's way of collecting employment data. We have a list of codes associated with the film and entertainment industry in Florida and according to the data, there were 4,377 establishments (bricks & mortar companies) in the industry that employed more than 26,500 employees and the annual average wage amongst those employees was more than \$78,000 a year. That wage exceeds the annual average wage across all industries by more than 67%. Anyone interested in the breakdown of the NAICS codes, feel free to email OFE.

Commissioner Welge mentioned she had the opportunity to be manage the contract for eMerge Americas this last fiscal year and went down to the conference June 12-13<sup>th</sup> in Miami Beach, Florida. It is a two-day technology and entertainment conference that connects global industry leaders with top business executives, IT decision makers, and entrepreneurs in South Florida. It is an emerging technology hub for North America, Latin American and European markets. The technology world and the film & entertainment world combine through digital media, virtual reality and augmented reality. Commissioner Welge hopes that in coming years we will be able to venture out more to the digital realm and learn more about virtual reality and how the paradigm is shifting towards that market.

Chair Seth Schachner agreed with Commissioner Welge that eMerge Americas is a great model for what the future looks like. It is a nontraditional event that blends technology and content.

Chair Schachner asked if there are local incentives being put in place to off-set the loss of the Financial Incentive program.

Commissioner Welge answered that there are quite a few markets in the state that have local incentives. On Film Florida's website there is a list of all the local incentive programs that are out there. Sandy Lighterman is working very hard to get a local incentive passed in Miami-

Dade County. Commissioner Welge encourages production companies who are interested in the state to take advantage of those local incentive programs.

### Future Business Development (Susan Simms)

Susan Simms opened with stating “you must be present *and* engaged to win” as her updated mantra. Susan was on the finance and distribution panel at the International Women’s Film Festival in LA. The panel was fantastic and the audience was engaged. The event took place just after the Academy Awards so everyone was very excited about ‘Moonlight,’ but also asking about incentives. However, in the indie world of low-budget films, the incentives available through the local community are helpful.

The AFCI Locations Show was immediately following in Burbank, CA. AFCI brings more than 238 film offices from around the world to one central location. Sandy Lighterman was asked by Entertainment Partners to participate in the incentives panel and was asked to speak about the emphasis on local incentives in her area (Miami-Dade). Susan was pleased to have an extra person at the Locations Expo.

Susan also attended the California Film Day Conference, which is put on by all the local film offices in the State of California. While there, she happened to sit next to a woman who recently filmed in Florida. That just goes to show how you have to be present to win.

Susan attended Film Florida’s quarterly meetings in Destin, FL. She was excited to hear more about what people are working on, what’s important to them, and what’s going on in their community. She thanked Bonnie King for the luxury it was to be involved.

Susan also remarked on two other huge conferences that she attended: Produced By and Reel Screen. The Reel Screen Summit focuses on reality television and was a three day event. Susan explained that she spoke with numerous people regarding TV shows filmed in Florida and HGTV, for example, increasing sales of real estate. This can be used as a talking point in Tallahassee to more explain our worth, and that we as an industry are not just about production, the industry also impacts tourism and real estate, etc.

Produced By was a few days after Reel Screen. OFE provided 1,500 notebooks/pens to put in the attendees bags. It was a huge success and we plan to do it again next year. The main take away from that event was there’s no film market, there’s no TV market, rather a content market. It is all about the content and good story telling. Film Florida sponsored the Native Florida Producer’s Event, which is a small event with usually 30-50 people from Florida to encourage them to come back. The theory is that it’s easier to have someone stay in love with you, then to fall in love with you. Also, Gail Morgan and Susan attended a few meetings with the Navy, Air Force, and Coast Guard. They made plans to stay in touch with them, because there are all kinds of information and projects stumbled upon that aren’t captured in our data. So, part of the mission moving forward is to see if we, as an industry, can capture these projects using other resources, community, and local film offices.

Chair Schachner commented on Susan's discussion about content and asked if we are touching things like virtual reality and augmented reality.

Susan Simms responded that there are only so many constituents that can be served well at one time; however, she has a numerous amount of intelligent sources that know the ins and outs of virtual reality and digital media that she can contact for information about these platforms.

Chair Schachner agreed and stated he thinks the virtual world is still an immature part of the industry but with lots of potential; furthermore, there are many resources and he urged everyone to keep eyes on it.

Susan Simms mentioned that there are local offices putting their efforts towards that specific market. We have 60+ film offices, so it's interesting to see the different markets that people have chosen within the industry.

Chair Schachner moved to summary reports.

#### Film and Entertainment Industry Incentive Summary Report (Traci Colson)

Total Number of Projects Certified: 300  
Projected Total Florida Wages: \$754,757,694  
Projected Number of Florida Jobs Created: 121,956  
Estimated Room Nights: 208,119  
Qualified Florida Expenditures: \$1,270,646,439  
Total Certified Tax Credits: \$288,622,482  
Total Tax Credits Awarded: \$270,774,428  
Total Projects Awarded Tax Credits: 290  
Outstanding Audits: 10  
Tax Credits that Have Not Been Awarded: \$17,848,054  
Florida Expenditures for In-House Projects Pending Award: \$8,477,335  
Total Projects In-House Pending Award: 4

#### Sales Tax Exemption (Donyelle Marshall)

Number of Applications Approved: 828  
Amount of Tax Exempted Based on Florida's 6% Tax Rate: \$16,302,787  
Estimated Florida Jobs: 33,443  
Estimated Florida Expenditures: \$1,060,843,097  
ROI: 65.1: 1

John Lux, Film Florida, asked to clarify if the ROI is a different number than the EDR reports because they use a different formula.

Commissioner Welge specified that all EDR reports on is what comes back to the state coffers in sales tax, only 6%; whereas these calculations takes a more holistic view of the money spent.

The numbers are determined by the Department of Revenue. She also stated the reason for difference is DOR only considers the total spend divided by estimated tax exemption.

#### Marketing and Advertising (Emily Fisher)

Emily Fisher stated we have been working on creating a filmography and history pages for our website. We want to showcase major features and also give our viewers a taste of how our industry got started here in Florida. Emily mentioned that Susan attended the 'Produced By' Los Angeles conference. They will have another conference held in New York City in October that we will also sponsor. Again, this show helps get information into the hands of numerous top producers and executives. ABFF (American Black Film Festival) happened last weekend in Miami Beach. This is the nation's largest gathering of black film and television enthusiasts. We sent more than 100 swag bags filled with notebooks and pens to be distributed to filmmakers. Emily also stated she will send an email to all members who are close to term expiration, regarding reappointment information. That being said, there are four vacancies currently on the Advisory Council.

Chair Schachner interjected that he highly encourages getting the word out to people who want to get involved in the council to benefit our state.

#### Family Friendly Discussion: (Commissioner Niki Welge):

Commissioner Welge moved to discuss one of the potentially Family Friendly projects in house for approval: Madden NFL 2016 Generation 4 game. Our last meeting, we voted to approve Generation 3 of the same game. FFEAC helps to advise OFE on decisions on the Family Friendly 5% bonus if the content of their project is "family friendly." OFE reviewed the game and considered it viewable to all, as it is rated E for Everyone because of the appropriate theme, content and language.

Chair Schachner motioned to approve.

Dick Kravitz seconded the motion.

#### Association Updates: (Film Florida, SAG, IATSE, etc.)

Bonnie King introduced herself as Film Commissioner of Florida Space Coast and the new president of Film Florida. She raved about the fabulous meeting in Destin, FL and thanked Niki and Susan for being a part of it. She indicated that looking into next year's meeting, she wants to engage more with community outreach. Film Florida's next meeting will be held in Hollywood, FL during the Florida Governor's Conference on Tourism: Aug 27 and 28. Film Florida has an annual Legends Award they give out that is a great way to demonstrate the impact of our

industry. Film Florida is also looking to work with lobbyists on strategies for the coming legislative session and how we can continue to educate our legislatures so they can support us. Also, continuing to do trade shows like NATPE and Toronto, etc. and having a strong relationship with the FFEAC members while looking into new ways to market Florida.

Ex-Officio Updates: (Enterprise Florida, Inc., VISIT FLORIDA, and CareerSource Florida)

No comment.

Public Comment

No comment.

Chair Schachner moved to close.

**ADJOURN 11:25 AM.**