

FLORIDA FILM AND ENTERTAINMENT ADVISORY COUNCIL

September 19, 2017 (3rd Quarter Meeting)

10:00 a.m. – 12:00 p.m.

Teleconference Information

1-888-670-3525

Participant Code: 4091758923

<p>MINUTES</p>

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

DeeDee Davis

Ana Siegel

Susanne Niedland

Cynthia Angelos

Pamela Tuscany

Members of the Public:

Kelly Paige, Level Talent

Gail Morgan, Emerald Coast Film Commission

Nelson Mongiovi, VISIT FLORIDA

Todd Roobin, Jacksonville Film Commission

Sandy Lighterman, Miami-Dade County Film Commission

Leah Sokolowsky

Office of Film and Entertainment (OFE) Staff:

Commissioner Niki Welge

Susan Simms

Traci Colson

Donyelle Marshall

Emily Fisher

WELCOME

Chair Schachner thanked the council for joining the call during this tough week for those in Florida. He asserted that today's call may be different than normal due to Hurricane Irma. During the call, there will be discussion of resources in the state and what is out there to help

those affected.

Chair Schachner is keeping a close eye on what is happening in our neighboring state with Governor Deal; not only has Georgia implemented a gaming interactive tax incentive, but there is also a tax incentive for music and incentivized tours. Georgia is lowering the threshold for gaming projects and allowing people to stitch projects together to qualify. In our current climate, it is interesting to see if that is something we can reach for in this state. Chair Schachner asked the council their thoughts on what we would need to do to put this into practice.

Kelly Paige remarked that if we take a look back in Florida's history, Georgia has borrowed some of our incentive techniques and marketing ideas that worked well. There was also a music challenge at one point through Governor Crist. She continued that this is not something new in Florida, in the prior program there was a digital media component; unfortunately, we do not have that program anymore.

Chair Schachner liked the idea of incentivizing digital media and feels we need to look deeper into how to encourage this in the State of Florida. He continued to hammer on what the future of music and digital media look like.

Sandy Lighterman said that we have discussed trying to find a way to find out how digital media benefits the community and state, so we can prove their impact. A couple years back, the industry had a challenge with the legislature over gaming. The legislature questioned the games for violence; however, maybe in the future we can find a different way to market video games.

Susan Simms revealed that Louisiana is the pioneer in that particular industry. They have a Digital Interactive Media and Software Development Incentive, piggybacking an even more aggressive incentive for theatrical, music and live productions. As a result, AEG Live moved to Louisiana and employs numerous people. If doing any kind of research regarding this platform, Louisiana is the place to focus.

Chair Schachner said we can have smaller breakout sessions to think about these discussions. He believes this is a marketing discussion, not necessarily entirely incentive and legislative. He believes in smart incubation for the future; everyone from individual directors to back office production companies are tooling up for it. We must think about ways to project that out.

Commissioner Welge agreed with Chair Schachner that there can be things done to help on this subject. The council can create a marketing committee and/or a legislative committee for members who are simply interested in continuing the conversation. We can schedule meetings anytime. Members of the FFEAC and/or public can let OFE know if they are interested in a sub-committee or anything specific of this nature.

Chair Schachner ended explaining that these conversations may be stronger with the introduction of fresh people on the board. He mentioned he has several candidates who are eager to be part of the FFEAC.

Legislative Updates

Commissioner Welge said the conversation was timely, as we are gearing up for legislative session. The first committee week was cancelled due to Hurricane Irma, but the next committee week will be October 9th. Legislative session will start on January 9th and will wrap on March 9th. OFE is very grateful for Film Florida's consistent advocacy on behalf of our office. Susan Simms is officially back on board as an FTE, effective July 1st. Moving into this session, it is hard to tell whether or not OFE will be under fire again, but there is a possibility. West Virginia's film commission was recently eliminated, which means things like that are being discussed. Compass has submitted legislation to bill drafting; last year they filed two bills: HB 1345 and SB 1576, both of which died in committee. Chris Ranung has promised to keep everyone posted.

Commissioner Welge paused to introduce our new division director, Greg Britton. He joined from the private sector where he was CEO of Fort Walton Machining which is a \$30 million dollar manufacturing company. Prior to that he was the operations manager for Brit Tool Inc. in Indiana, past chairman of Okaloosa County Economic Development Council, and past chairman of Northwest Florida Manufacture Council. He has been here for a little over a month and has been very supportive and interested in our industry.

Greg Britton mentioned he is here to learn about what is going on and appreciates the council for letting him sit in on the call. He is eager to work with us and see what happens in the future of film and entertainment.

Commissioner Welge moved to discussion of Hurricane Irma and what we have all been facing these past two weeks. Each of us were impacted in some way by the storm and unfortunately some of us greatly impacted. The road for the state's recovery will be long, but response teams are doing everything they can. Donyelle Marshall, on our team, has been working at SERT on behalf of OFE and SBD helping to provide resources to small business owners. Commissioner Welge mentioned she has been participating in VISIT FLORIDA's marketing strategy calls to see how we can help push out their messaging and speak with one voice. It is important that our industry members perpetuate the message that Florida is still open for business, as tourism is a big part of our economic development in the state and industry. We have had several production companies reach out to us asking if everything is back to normal. We are working with local film offices to make sure things are still in order. We have also been participating in daily calls with our partners to make sure we are assisting in the best way possible and making sure we are aware of all the resources available to those impacted in our industry. As of now, all but two local film offices in the state have reopened. Sandy and her team in Miami-Dade are open for business, Orlando, Jacksonville, Broward County, etc. Donyelle Marshall has also been reaching out to folks in the business community to see who was impacted and received a few reports of damage and relocation. If anyone on the council knows a small business community member who was impacted, we want to reiterate that no-interest bridge loans are available to help them. You can learn more about the Florida Small Business Emergency Bridge Loan at floridadisasterloan.org and also on DEO's website. OFE is willing and available to assist in any way possible.

OLD BUSINESS

Approval of June 2017 FFEAC Meeting Minutes

Chair Schachner moved to approve the minutes as presented.

Suzanne Niedland seconded the motion.

Minutes adopted.

NEW BUSINESS

Office of Film and Entertainment Team Report Summary of Activities:

Office Updates (Commissioner Niki Welge)

Commissioner Welge stated that OFE has one performance measure: how many projects OFE assisted that resulted in business in the state. We anticipated the number for FY 16-17 would be a little lower than in previous years because it is the first full year without an incentive program. We worked on 1,270 projects; previously in FY 15-16, we worked on more than 1,300 projects. During FY 16-17 of those 1,270 projects, more than 80% resulted in business in the state (1,095).

Our focus is now on pivoting away from incentive marketing and focusing on engagement and building relationships. Competition is stiff with all of the lucrative incentives out there, but our Sales Tax Exemption Program (STE) is still in place. Film Florida included the STE information on various press releases and Sandy Lighterman added it to her email signature.

We still have talent and crew, infrastructure, fantastic weather and the tools to be successful. OFE will continue to pursue those goals and enhance performance measures using 'WIG' and 4DX, the Four Disciplines of Execution. The Wildly Important Goal is a great way to clarify goals and employs the philosophy that people play differently when keeping score. This year our goal is 1,400 productions assisted, which is 700 every six months (117 monthly). Right now, we are exceeding monthly goals. One way OFE achieves these goals is through engagement. Engagement, means participating in industry events, building relationships with industry partners, social media advertising, posts/renditions on our website, taking meetings, and making sure everyone knows Florida is still here and open for business. Commissioner Welge is very proud of everyone's efforts so far in OFE. Furthermore, with Susan becoming FTE again, we have doubled our marketing budget and are moving straight ahead to stay engaged.

As a reminder, 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 be available in January 2018. We appreciate the support and participation from local film offices. In 2018, OFE will have an

updated strategic plan, as well. We will keep posted with our efforts on that.

Chair Schachner moved to Susan Simms for the business development report.

Future Business Development (Susan Simms)

Susan Simms started with a discussion about Hurricane Irma. Netflix was the first to reach out about recovery efforts asking what they could do, followed by HBO. It did not go unnoticed. Susan just returned from the Toronto International Film Festival (TIFF). Due to Irma, six local film offices in Florida were unable to attend. She did her best to represent the entire state in their absence. Florida had several productions in the festival: six films, two shorts, and four features. The features were 'The Leisure Seeker' shot in the Florida Keys and 'The Florida Project' shot in Orlando. 'The Florida Project' has lots of buzz for possible Oscar consideration. The two other features that were a treat to see were 'Love Means Zero' shot in Bradenton and 'Life and Nothing More' shot in Tallahassee, directed by one of the FSU Film School instructors. Another takeaway from Toronto was that folks in Toronto really know their Florida geography. Susan was stunned by the numerous amount of people who own property in Florida. Commercials, until recently, were on the rise. HGTV loves the fact that they can shoot 365 days a year in Florida. There will be six more episodes of 'Beach Front Bargain Hunt.' When you turn on the television you are seeing people looking at real estate, buying real estate, and planning vacations in the state of Florida. We need to consider this impact and look at the bigger picture.

Susan mentioned upcoming events that should be on the radar including, AFCI Cineposium, Produced By NY, LaFemme Film Festival, AFM and London Focus. Early next calendar year, there is Sundance and NATPE. Susan will be in attendance at all of them. Susan also wanted to bring our attention to our messaging. We need to continue to be sensitive to our various constituencies. Susan proceeded with talk of scripted TV and scripted content. This year there are 455 original scripted shows. In 2002 there were 182. From 2011-2016 the number of scripted shows on broadcast cable and digital platforms increased 71%. That indicates absolutely no sign of getting smaller. Georgia just announced that they have the largest IA in the United States with more than 3,000 members. Finally, IFTA just released a report using the US Bureau of Labor Statistics, ranking Florida in a four-way tie for 9th place in feature film production; however ranking 4th in employment: 29,841 direct jobs and 10,349 production related jobs with \$1.8 billion in earnings.

Chair Schachner asked Susan if she is seeing new players on the rise in the industry.

Susan Simms responded that everyone has their eye on Netflix. However, she argued that since there was a 71% increase in television content within the last five years, there is an opportunity for business growth regardless of platform, as long as we focus on content.

Pamela Tuscany asked if Susan could share the source of the content numbers, displaying 455 original scripted shows. Pamela is interested in how to lure some of that business and create their own incentive.

Susan replied that she found those numbers in a study done by FX Network that was announced by the Wall Street Journal, then picked up by Variety.

Chair Schachner asked if we have communicated with Apple. Apple is out cultivating all the studios.

Susan mentioned that she would be happy to meet with anybody, but we have at least three aggressive local markets working with them. She believes any input and introductions are fantastic.

Commissioner Welge briefly interrupted to let Nelson Mongiovi speak regarding VISIT FLORIDA's marketing efforts after Irma. Nelson had another meeting and was moved up on the agenda due to time constraints.

Nelson thanked Commissioner Welge and the council and appreciates the work everyone has done already. He mentioned that VISIT FLORIDA is rolling out their Irma marketing strategy in phases. He voiced that the content and messaging has to be watched closely in order to send the right message. We have to quickly put ourselves out there as a reliable source of information. VISIT FLORIDA has hired a public relations firm for assistance. Their first report indicated that the numbers are staggering: Hurricane Irma created \$550 million worth of PR value with global and domestic audiences and north of 5.5 trillion media impressions.

Commissioner Welge declared that OFE is happy to help in any way and perpetuate anything on social media, website, email, etc. in the future.

Entertainment Industry Financial Incentive Summary Report (Traci Colson)

Total Number of Projects Certified: 299
Projected Total Florida Wages: \$751,064,097
Projected Number of Florida Jobs Created: 113,277
Estimated Room Nights: 210,414
Qualified Florida Expenditures: \$1,249,241,093
Total Certified Tax Credits: \$286,408,243
Total Tax Credits Awarded: \$277,524,704
Total Projects Awarded Tax Credits: 293
Outstanding Audits: 6
Tax Credits that Have Not Been Awarded: \$8,883,539
Florida Expenditures for In-House Projects Pending Award: \$2,691,724
Total Projects In-House Pending Award: 2

Sales Tax Exemption (Donyelle Marshall)

Number of Applications Approved: 177
Amount of Tax Exempted Based on Florida's 6% Tax Rate: \$7,855,041

Estimated Florida Jobs: 5,325
Estimated Florida Expenditures: \$612,975,690
ROI: 78.0: 1

Marketing and Advertising (Emily Fisher)

Emily Fisher hoped that everyone is recovering well from the storm and encouraged everyone to utilize the many resources available for individuals and businesses in Florida affected by Hurricane Irma. Commissioner Welge sent an email last week detailing these resources.

Just recently, OFE put together a Sales Tax Exemption flyer/one-sheeter, recognizing the program and how businesses can save up to 7.5% on qualified Florida expenditures. We are really excited about the feedback we've received from production companies and sincerely thank all the film commissions for sharing the flyer on social media, email distributions, and their websites.

Our website now has a slideshow of Florida's Local Film Commissions via their logos. It's easy on the eyes and a quicker way to navigate directly to the film commission sites.

The following FFEAC members have recently termed out; however, are still occupying their seats. For those named, they can be reappointed if they wish. We encourage everyone to reacquaint with, and engage those who appointed you.

Those expired from the Governor's Office are:

Kelly Horton	Governor (Vacant)
Gary 'Bryan' Anderson	Governor (Vacant)
Ryan Neves	Governor (Vacant)
Pieter Bockweg	Governor (Vacant)
Pamela Tuscany	Governor (Vacant)

The direct point of contact is Tyler Jefferson from the appointments office. His number is 850-717-9235.

Those expired from the Senate are:

Marc Meisel	Senate (Vacant)
William 'Chip' Merlin	Senate (Vacant)

The direct point of contact is Holly Demers. Her number is 850-487-5229.

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

Kelly Paige started by asking if we had an idea of who the new Legislative Chair would be.

Commissioner Welge replied that Kelly Horton's term has expired, but at this point we would be happy to hear from any council members who would like to take on a leadership role.

Kelly Paige continued Film Florida's report on behalf of John Lux and Bonnie King. Film Florida had their quarterly meeting in Hollywood, FL followed by the Florida Governor's Conference on Tourism. She recognized both Commissioner Welge and Chair Schachner for being in attendance, stating it is great to have leadership there. This year, Film Florida presented the Legends Tourism Ambassador Award to recipients Emilio and Gloria Estefan. Their accomplishments are outstanding: 19 Grammy awards, worked with three different presidents, work in the tourism industry, and are very impressive people. Also, Film Florida had the honor of sitting with Senator Jack Latvala at the Chairman's dinner. The Senator has worked diligently with Film Florida on legislative issues. Looking ahead, Film Florida is hosting an event on Saturday Oct 21st in partnership with WIFT called the Florida Film/Digital Focus Workshop, which will include hands on tutorials, networking and panel discussions in Orlando, FL. Film Florida is preparing for legislative session and is trying to figure out what direction the industry is going. Luckily, we have the same leadership in place this year and great chairs. As it gets closer, Film Florida will chisel out a plan for the industry, incorporating lots of member education.

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

Nelson previously commented. No additional comment.

Public Comment

No Comment.

Chair Schachner moved to close.

ADJOURN 11:41 AM.