

FLORIDA FILM AND ENTERTAINMENT ADVISORY COUNCIL

December 14, 2017 (4th 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

Susanne Niedland

Cynthia Angelos

Pamela Tuscany

Michael Williams

Nicholas Popp

Members of the Public:

Bonnie King, President of Film Florida

John Lux, Film Florida

Sheena Fowler, Orlando Film Commission

Todd Roobin, Jacksonville Film Commission

Larry Novey, OPPAGA

Jennifer Pendley, Unique Producers Service

Office of Film and Entertainment (OFE) Staff:

Commissioner Niki Welge

Susan Simms

Traci Colson

Donyelle Marshall

Emily Fisher

WELCOME

Chair Schachner opened with a warm welcome to our newest member, Nicholas Popp.

Nicholas Popp introduced himself as a corporate and intellectual property attorney for Banker's

Financial Cooperation. He is a lifelong resident of Florida and has volunteered with numerous film festivals throughout the state.

Chair Schachner looked forward to his contributions to the council and proceeded with Legislative Updates.

Legislative Updates

Commissioner Welge addressed there are no more committee weeks until the start of legislative session on Jan 9th. OFE is working with their legislative affairs team to keep track of relevant legislation, but fortunately nothing to-date that specifically and/or majorly effects OFE. First, HB 409: Tax on Commercial Real Property and similarly, SB 902 are bills that will affect our Sales Tax Exemption Program: specifically, eliminating tax on commercial real property in a decade. Those pieces of legislation are currently being heard in Revenue Estimating to determine how they will affect the economy. They both have committee stops: HB 409 in Ways & Means and Appropriations and SB 902 in Community Affairs, Appropriations, and Sub on Finance & Tax. Neither bills have been calendared on committees, but OFE is keeping a close watch.

Next, HB 341– Motion Picture Capital Corp – Chris Ranung gave an update at the Film Florida meetings earlier this week and provided information about the legislation to the industry folks in attendance. The bill essentially would be creating an evergreen fund for financing independent feature films and television series with a budget of \$2-8 million. The bill has no movement, but has been referred to Careers & Comp, Appropriations, and Commerce.

One bill of concern to many local film commissions in the state is HB 815– County and Municipal Public Officers and Employees (Rep. Avila) that implements travel restrictions and approval requirements for county and local municipality employees. These are significant changes to county policies, so it is a marketing concern to many. Film Florida is making this bill part of their legislative agenda to keep track and potentially do some advocacy on the issue.

Chair Schachner mentioned that HB 815 sounds incredibly strict and asked if there is any need for immediate response.

Commissioner Welge said that Film Florida is putting together a strategy to combat the bill. HB 815 currently does not have committee stops, but OFE is keeping track as it is a serious concern.

Chair Schachner expressed his concern and will be following up with Film Florida. He moved to HB 341 and asked what are the economics behind what Chris Ranung is proposing.

Commissioner Welge advised it is solely a piece of legislation, there is no appropriation in the bill, but the goal eventually is to ask for \$16,000,000 in appropriation. Following, a board

would be formed to administer the program.

Chair Schachner understood and agreed it sounds very constructive and positive moving forward.

OLD BUSINESS

Approval of September 2017 FFEAC Meeting Minutes

Chair Schachner moved to approve the minutes as presented.

Michael Williams seconded the motion.

Minutes adopted.

NEW BUSINESS

Office of Film and Entertainment Team Report Summary of Activities:

Office Updates (Commissioner Niki Welge)

Commissioner Welge kicked off the office updates with WIG success news. This year, OFE implemented a wildly important goal beginning July 1st, 2017, which tried to pivot marketing activities away from the incentive program and rethink our strategy: focusing on what Florida has to offer and keeping Florida top of mind in a positive way. Last year, OFE worked on 1,200 projects; this year the goal was to increase that number to 1,400 for the fiscal year. OFE exceeded their goal by reaching 700 productions assisted on December 6th, 2017. A new WIG will be implemented starting in January 2018 to hit that 1,400-project mark.

OFE submitted their FY 16-17 Annual Report on November 1st, 2017 and it is available on the filminflorida.com website for review. The report showcases information about the Financial Incentive Program, Sales Tax Exemption Program and travel.

The first item Commissioner Welge reported on was the NAICS code 2016 statewide employment data. There were 4,377 bricks and mortar businesses within the film and entertainment industry in the state of Florida that employed 26,512 Floridians. The total wages paid to those Floridians was \$2,090,901,752. The average annual wage for film industry was \$78,866, exceeding the state annual average wage for all industries of \$47,060 by 67.6 percent.

Commissioner Welge continued to highlight the Financial Incentive Program. OFE staff awarded Tax Credits to 20 Projects in FY 16-17 and of those projects there are four audits

remaining: one in house, one with CPA and two outstanding with the client.

OFE's Sales Tax Exemption Program approved 848 applications last year: 295 out of state, 553 in-state. From the 848 apps, \$1.06 billion in estimated Florida spend, \$16.3 million tax exempted, and 33,724 estimated Floridian jobs.

OFE spent \$8,000 on travel last fiscal year. OFE has plans to increase travel greatly. The office had to rearrange the budget to help keep Susan Simms, Los Angeles Liaison, on board. Her position was eliminated two years ago by the legislature, but the position was reallocated beginning July 1st, 2017 as a Full Time Employee and because of that OFE can reassess the marketing strategy to add more participation with industry events.

Nicholas Popp questioned if there was a more detailed report of the STE Program to see a clear breakdown.

Commissioner Welge directed that there is a breakdown via county within the Annual Report.

Chair Schachner examined if there are other ways to capture digital media and other platforms of production not being showcased in these numbers.

Commissioner Welge urged that the federal government does not have a specific NAICS code for digital media to include within our numbers, but from a project standpoint, OFE keeps track of all stats that come across throughout the year.

Commissioner Welge closed discussing the OPPAGA/EDR reports due on January 1st, 2018. The Five Year Strategic Plan is also due in 2018. The statute asks for FFEAC input on the plan, and OFE is working with the DEO strategic planning team on the process. Last time, OFE asked members of the industry to participate in a collaborative labs process in St. Petersburg, but this time we may be conducting surveys and doing other methods of information gathering.

Chair Schachner restated the importance of pending appointments and vacancies within FFEAC to better help these efforts for the strategic plan.

Pamela Tuscany applauded OFE for keeping their eye on the ball with marketing efforts. Pamela mentioned the bricks & mortar business numbers via Labor Market Statistics are excellent talking points to begin legislative session. She encouraged sending numbers out to the council.

Future Business Development (Susan Simms)

Susan Simms began with stating "700 projects, 700 projects, 700 projects!" Susan was astonished and proud of OFE's great success with the WIG. She recognized 'The Florida Project' for having numerous nominations. Regina Williams, local actress in Tallahassee, has been nominated for an Indie Spirit Award for 'Life & Nothing More.' That film was also nominated

for the John Cassavetes Award. That award goes to a creative team with a budget less than \$500,000. Susan stated that indie filmmaking is our roots in Florida. Helen Mirren was nominated for a Golden Globe for 'The Leisure Seeker' filmed in the Florida Keys. Another nomination was for an animated short from a team at Ringling College. As one can see, Florida is still leading the boards with many nominations without a state incentive. The nominations and wins worldwide continue to keep Florida on everyone's radar.

Susan was eager and pleased that she has an office in Los Angeles, as many do not. She raved that she comes across more things by accident than what is in people's marketing plans for a whole year just because of the access. "Access, access, access" Susan exclaimed; you can have the best location in the world, but if you don't have access to the decision makers then your location is obsolete. Susan provided that Florida's local film offices have been working so hard on local incentives to nurture and improve them, keeping Florida top of mind. Local offices like St Petersburg, Miami, and the Keys have come out to Los Angeles to market.

Susan revealed her recent travels and upcoming industry events. In October, she attended the AFCI Cineposium with 200+ film offices from around the world. There, she attended two days of seminars, panels and workshops. She explained Cineposium is where film offices go to school for a few days to talk about best practices, incentives, problem areas, how to capture data, etc., forming a 'groupthink' atmosphere. Also in October, OFE sponsored the La Femme Film Festival and for the sixth year, hosted the Finance and Distribution Panel. Produced By New York followed where OFE sponsored as well, filling all welcome bags with Film in Florida notebooks. Susan attended AFM—American Film Market in November; she did not get a booth, rather solely sponsored the event. She attended seven consecutive days; including both finance conferences. In December, the Florida Keys Film Commission went to Focus in London, which is the major European tradeshow. OFE was happy to sponsor and provide business cards and STE flyers to hand out.

Coming up in 2018, Susan will attend Sundance with GMCVB in January, followed by AFCI Week at the end of February. AFCI Week is an entire week of events with studio producers, content crew, game developers, industry decision makers, etc. Lastly, SXSW in March. SXSW begins the last day of legislative session.

Entertainment Industry Financial Incentive Summary Report (Traci Colson)

Total Number of Projects Certified: 296
Projected Total Florida Wages: \$742,393,137
Projected Number of Florida Jobs Created: 113,035
Estimated Room Nights: 207,849
Qualified Florida Expenditures: \$1,237,595,435
Total Certified Tax Credits: \$282,946,781
Total Tax Credits Awarded: \$276,418,297
Total Projects Awarded Tax Credits: 292
Outstanding Audits: 4
Tax Credits that Have Not Been Awarded: \$6,528,484
Florida Expenditures for In-House Projects Pending Award: \$401,141

Total Projects In-House Pending Award: 1

Sales Tax Exemption (Donyelle Marshall)

Number of Applications Approved: 394

Amount of Tax Exempted Based on Florida's 6% Tax Rate: \$10,506,769

Estimated Florida Jobs: 13,300

Estimated Florida Expenditures: \$753,720,971

ROI: 71.7: 1

Marketing and Advertising (Emily Fisher)

Emily Fisher began with a brief update on the FFEAC members. Currently, there are 12 members in term and five vacancies: three in the Governor's Office, one in House, one in Senate. Emily is working with the appointments offices to fill these vacancies, as there are a lot of applications turned in at this time.

OFE is very excited to see the accomplishments of several films that shot in Florida recently. The film 'The Florida Project' has more than 20 award wins and nominations, including Willem Dafoe's nomination for a Golden Globe. Helen Mirren was also nominated for a Golden Globe for 'The Leisure Seeker': for Best Performance by an Actress in a Motion Picture-Musical or Comedy. We are also proud of Tallahassee's own Regina Williams for her Independent Spirit Award nomination for Best Female Lead in 'Life and Nothing More'.

Emily Fisher cited there have been some recent improvements to the website, including a page on resources for small businesses in Florida, as well as additional resources for connecting production companies with the local film commissioners in Florida. We created a map of the regions in the state and the film commissions in those areas. Also, working with our graphics team on the 2017 holiday card, which we hope to send out soon.

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

Bonnie King, President of Film Florida, started discussion of Film Florida's recent quarterly meeting in Orlando; they had the pleasure of hosting with Women & Film. The Florida Film/Digital Focus event took place in October featuring multiple panel discussions during the morning, and labs, workshops, and demos in the afternoon.

John Lux stated that over the course of the last two years, the Film Florida Education Council has been contacting the universities, colleges, and even technical high schools in the state of Florida with film and tv specialties to gather information with an end goal to figure out how Film Florida can help them achieve their goals. Their hope is to help students along if the institutions needs additional assistance.

Bonnie King noted her legislative committee has been working with Chris Ranung on HB 341

and will help continue to express the benefits it will have on the industry. In addition, Film Florida is going to work with associations to make sure HB 815 does not get any traction. Film Florida will continue to participate in tradeshows and will be attending NATPE in January and SXSW in March 2018. Bonnie urged how excited she is to see Susan Simms back on as a FTE and will like to see her at future quarterly meetings. John Lux is putting together a one-sheeter to defend the Sales Tax Exemption Program, also putting together bullet points for legislature. We need to have a consistent industry message, so we can all be speaking from the same voice echoing that Florida is open for business and we are competing for high wage jobs in the film and entertainment industry. For upcoming travel, the board will go to Tallahassee on Jan 30th to meet with legislatures and the next quarterly meeting will be in Coco Beach on April 8th-10th.

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

No Comment.

Public Comment

No Comment.

Chair Schachner moved to close.

ADJOURN 11:20 AM.