

**FLORIDA FILM AND ENTERTAINMENT ADVISORY COUNCIL**

1st Quarter Meeting

March 25, 2021

10 a.m. – 12 p.m.

**107 East Madison St.**

**Tallahassee, FL 32399**

**MINUTES**

**CALL TO ORDER AND WELCOME**

Administrative (Chair Nicholas Popp)

Call to Order by Chair Popp at 10 a.m.

Roll Call:

*Councilmembers:*

Interim Chair Ana Siegel

Aaron Bellamy

Kevin Ambler

Lisa Scott Founds

Pamela Tuscany

Ryan Neves

Sandy Lighterman

Durand Adams

*Ex-Officio Members*

Jake Felder, Enterprise FL, Inc.

*Members of the Public:*

Gail Morgan, Film Florida

John Lux, Film Florida

Chris Ranung, IATSE 477

Tyler Martinolich, Film Tampa Bay

Linda Dowell, SAG-AFTRA

Nicholas Popp, Former FFEAC Chair

Michelle Hillery, Palm Beach County Film and Television Commission

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

Commissioner Niki Welge

Susan Simms

Donyelle Marshall

Alec Swan

## **WELCOME**

Chair Popp welcomed everyone and stated it would be his last meeting due to his term ending, and Vice Chair Ana Siegel would be graciously taking over as Interim Chair of the Council. He said it has been a pleasure working with everyone on the council and with OFE staff. He will continue pursuing his goal to help the industry be an economic driver for the state and he thanked everyone for the honor of serving as Chair.

Commissioner Welge thanked Chair Popp for his leadership and his service to the council over the years. He is a passionate advocate for the industry and will be sorely missed.

Chair Popp turned the gavel over to Interim Chair Siegel.

Interim Chair Siegel welcomed the new members of the FFEAC and asked them to introduce themselves.

New councilmember Lisa Scott Founds introduced herself and said she is happy to be on the council representing Broward county. She has participated in the Broward Alliance Board in the past and is unfortunately unsure where the new Broward Film Office will land. Mayor Gellar is working furiously to find a commissioner to represent the county. She is the CEO of the Winter Fest Boat Parade and produces a TV show about the event but was unfortunately not able to do it last year. This year is the 50<sup>th</sup> anniversary and it's the single largest live one-day spectator event in the state, with a million people in attendance. The TV show airs in 34 markets and is produced by Fox locally with Fox Sports distributing. They are looking forward to this year's event in person after it being virtual last year. She is excited to be participating in the council and asked for ideas or suggestions to bring to the Mayor and thanked John Lux and Commissioner Welge for their guidance.

New councilmember Aaron Bellamy introduced himself. He has been working in the industry for about 5 years, working on various projects and had a small part in a movie called "Random Tropical Paradise," starring Joey Pantalone from "The Sopranos." He has also worked as a camera man on some projects and live tapings throughout high school. He looks forward to meeting the councilmembers and working together to boost the economy.

## **OLD BUSINESS**

### **2020 4th Quarter Meeting Minutes**

Councilmember Sandy Lighterman made a motion to approve the minutes as written.

Councilmember Pamela Tuscany seconded the motion.

The minutes were adopted unanimously.

## **NEW BUSINESS**

### Legislative Update (Commissioner Welge)

Commissioner Welge said the OFE is very focused on legislative session – and so are our clients. Anytime there is industry related legislation in the state, it makes us very popular.

Legislative session started on March 2nd and will run through the end of April. The focus for DEO includes revisions and funding to the Connect system, funding for the Office of Broadband, as well as the revival of the Qualified Targeted Industry program, all of which have had some momentum across the street. The Governor recently released his proposal for how to utilize a portion of federal funds the state is expected to receive via the American Rescue Plan Act of 2021. The Governor is recommending a portion to cover the revamping of the Connect system as well as more than \$500 million for economic development and recovery initiatives including \$150 Million (FY 21-22) for the Florida Job Growth Grant Fund administered by DEO for infrastructure and workforce projects as well as \$50 Million (FY 21-22) in additional funding for VISIT FLORIDA (which would bring their total budget to \$100M for next fiscal year).

The Legislature, which at one time was looking at a massive budget shortfall because of economic fallout from the COVID-19 pandemic, is in the 4th week of the 60-day legislative session. We should start seeing early budgets from both chambers next week and they will need to reach agreement on a budget by sessions end for the fiscal year that will start July 1. As previously discussed this budget shortfall will significantly impact our office's ability to travel and market the state, as well as replacing our full time Marketing and Outreach Coordinator, so we are keeping a close eye on how our agency operating budget and FTE count is affected. Once we see the outcome of the budget negotiations at the end of session, we will be able to plan for next fiscal year starting July 1.

As many of you will recall, there have been several bills filed over the last few years that would have negatively impacted our office, our sales tax exemption or this council in some way. So far, no bills have been filed of that nature, but we are keeping a close watch. There are several incentive bills that have been filed since our last meeting that would benefit our industry if they were to pass, including SB 704 and HB 757, Film Florida's Targeted Rebate program, which has so far been heard and passed out of the Senate Commerce and Tourism committee, but has yet to be heard in a House committee. John Lux and Gail Morgan with Film Florida are on the call, and they may have an update on their bills to share with the council during their portion of the agenda. I also want to encourage those of you who are interested in the legislative process to consider joining Film Florida and participating on their Legislative Committee calls – as they are the primary advocacy organization for the industry and they meet much more regularly than we do as a council.

We are also closely monitoring SB 1390 and HB 1125, which add “intellectual property” to the eligible costs for the Capital Investment Tax Credit program, which includes “digital visualization and sound synchronization technologies for digital media, or that are necessary for the production of scripted content intended for theatrical, streaming, or television distribution.”

We know several of our major clients are pushing for the passage of this legislation, however so far neither bill has been heard in committee. SB 1390 was just placed on the agenda for Commerce and Tourism on Monday at 3:30. The House bill has not been heard in a committee yet.

As I mentioned, the Qualified Targeted Industry revival bills are moving along – at least in the Senate – the Senate Bill (982 – Gruters), has already passed unanimously out of Commerce and Tourism and Finance and Tax Committees, but has not been heard in a House committee yet. You can see the trend from previous years continuing, that the Senate is more supportive of this type of legislation. Even though this is a traditional bricks and mortar incentive program, companies in our industry headquartered here or with a large employment presence in the state have been able to qualify for this program in the past and we hope they will be eligible again in the future if the bills pass. We will continue to keep the council updated on any relevant legislative issues.

Commissioner Welge asked councilmember Ambler, as a former legislator, to provide an update from his perspective.

Councilmember Ambler said the rules require that a bill must have had at least one hearing in the House for the Senate to take it up on the floor and pass it. The bottleneck is emanating from leadership. There is a strong effort from Film Florida to email the legislators for support. He suggests calling as well, as sometimes it's better because the home district legislative office is quiet right now in comparison to the Capitol offices. The aides in the home offices are more available and you can speak to them and then follow up with an email asking them to get it to their boss. As a member during session you get inundated with emails, sometimes getting up to 3,000 emails a day, and it's hard to keep up.

This is a critical time and it's important to get at least one hearing in the House. He is a friend of Brad Drake's, the Chairman of the Tourism and Infrastructure Sub Committee, and he is very receptive. He is going to give him a call directly. His sense is that the resistance is emanating from the top down. The Majority Leader, Michael Grant, was there when he was a member. He takes direct instructions from the Speaker and they manage all the agendas for committees. He will try to find out what the holdup is and if the speaker has no appetite for this, so we know how to spend our resources. He encouraged members not to just email, but to call Drake, or send a handwritten letter asking for the important bill to be calendared to the Majority Leader and Speaker Sprowls. With our economy struggling, this is the right time to resurrect this program.

When he was struggling as a member to get his bills heard, he made an appointment with the Governor's Chief of Staff and the Lieutenant Governor's office, and in this case, the First Lady to try and get their support to put pressure on leadership in the legislature. There is momentum in the Senate, but they are almost out of time. There are a lot of diverse and influential members of the council on the call who can help make a difference by reaching out to the First Lady. It will make a difference if the Governor comes out in favor of this industry and legislation. Getting this heard before the budget is released is important, but it could be added as proviso language in the budget as well.

## Office of Film and Entertainment Team Report

### Office Updates (Commissioner Niki Welge)

Over the spring semester, we had a fantastic Marketing and Outreach Intern named Alec Swan, who is a Full Sail University student and will be graduating with his Bachelors in Entertainment Business next Friday! His last day with us is coming up and I wanted to take an opportunity to thank him for his hard work. Alec was responsible for our social media channels, graphic design and website maintenance during his internship and he created all our graphics for social media including our Black History Month, Women's History Month and "Reasons to Film in Florida" location campaigns. We are sad to see him go but know he will go on to do great things.

We have had three interns in a row from Full Sail, and they have all been fantastic. Their Career Development office is awesome, and I'm working with them to hopefully find another intern for the next 9 weeks. If you know a student who may be interested in earning course credit for interning, please let me know. They are all working remotely, so it doesn't matter where in Florida they are located.

The OFE participated in Film Florida's quarterly meetings last month and provided updates. One major subject of discussion is the recent National park permitting changes. In January, a D.C. Federal judge ruled that it's unconstitutional for the National Park Service to require permits or charge fees for commercial filming on its land. This ruling forced the National Park Service to reevaluate their process, and in late February they issued interim guidance to manage filming activities. At this point, low-impact filming will not require a permit or fee of any kind, but non-low impact filming may depending on their procedures. With so many National Parks in Florida popular with filmmakers, this is obviously something we are keeping an eye on. The ruling also has broader implications to permitting requirements across the board, and several local film commissions are researching the impact it may have on permitting in their markets and potentially revising language in their local ordinances. I've reached out to DEP regarding any potential State Park permitting reforms and none have been implemented at this time, but their legal team is reviewing the ruling. I will report back if any permitting changes are made on the state level.

Another item of note is that some of the full-service local film commissions were severely impacted by the loss of bed tax revenue over the last year and two offices let their film office teams go due to budget cuts – specifically the Sarasota Film Commission and the Broward/Greater Fort Lauderdale Film Commission. The permitting responsibilities for these two markets were transferred to other entities, but they aren't being proactive to bring additional projects to their markets. Luckily, both counties are moving forward to create new Film Offices.

We also talked about the increased interest in filming in Florida since Governor DeSantis has reopened the state. This is evidenced by the success of the Sales Tax Exemption program. Donyelle will be giving her update in a few minutes, but I want to highlight that Donyelle has approved 705 applications for the fiscal year so far since July 1<sup>st</sup>. These applications represent at

least 705 different projects that have filmed in the state and employed Floridians so far this fiscal year with an estimated Florida spend of \$1.1B. Updated data for this program will be available at the end of the fiscal year, on June 30 and Donyelle is doing an amazing job.

OPPAGA and EDR statutory reviews regarding our Financial Incentive program and Sales Tax Exemption program were released in early January. We have been through two EDR reviews in the past yielding low ROIs for our programs and the results were similar this time. As a reminder, the Financial Incentive program sunset in 2016, so they are partially reporting on a program that no longer exists. Both programs contributed to the broader economic health of the Florida economy, producing additional income, state gross domestic product (GDP) and jobs.

OPPAGA reported that Industry stakeholders were generally satisfied with the services provided by the OFE, including the administration of state incentives. They reported that the tax credit program's expiration had a significant negative effect on the industry. Industry stakeholders continue to suggest that the office conduct additional marketing.

Commissioner Welge provided an overview of the current vacancies on the council and their term end dates.

She mentioned that it was Dick Kravitz's last meeting, and that the Senate already had someone to replace him and the announcement would be next month. She thanked him for his service on the council and encouraged members of the public to apply for vacant seats.

#### Future Business Development (Susan Simms)

Susan continues to have whiplash from living in California and representing Florida, the most open state. Production is happening here in California and everyone is working. Labor is getting to the bottom of their membership list and payroll companies are saying they are working at pre-pandemic levels. We've discussed clients going back to the office in January, which got pushed to April, and now June, and some are saying as late as Christmas.

The commercial real estate market will never be the same, your office will never look the same, pod spaces are the new thing at the studios and indie production companies. Traffic in Los Angeles is somehow the same. A high-level exec at Netflix emailed and said he was at his office for the first time since November and found a Christmas card from her on his desk. He wrote to thank her for the card, so she's not holding it against him that they are filming "Florida Man" in North Carolina. She recently spoke to the Los Angeles rep from Savannah about stage space issues and inquired about Florida related projects happening in his area. There are three other Florida Man projects – Florida Man is the new Tiger King. More and more content is being produced, but it's becoming more difficult to secure business for the full-time, union crew. Decisions in television production are being made right this second, pilot orders, and Florida decisions will fall off considerably if there is not a positive outcome to legislative session.

Unfortunately, season 2 of "The Right Stuff" is relocating to California and getting their relocating TV incentive, which we've discussed in the past because California used our TV incentive language and it's been wildly successful. She watched an AFCI webinar recently about

local incentives and we are lucky to have great local incentives. We learned that Oklahoma bundles their commercials like we did and many of our competitors are using our High Impact TV language. While we don't have a program, we were instrumental in other states incentives. We will have to pivot one way or the other after session.

In the meantime, we continue to virtually attend as many events as possible and make the best of every opportunity. Variety had a streaming summit, which was excellent. Other virtual events are not as great, but there is no comparison to attending things in person. Focus in London was great because we got to attend an international summit, but if you can't have coffee with someone in person it's not as effective. Sundance lost something in the virtual translation, especially when you normally meet more people in the van to the hotel than at the event itself. As always, you must be present to win. One of the few virtual bright spots was the Realscreen Summit. Apple and Netflix are getting into reality in a very serious way and there were 59 Florida related projects being pitched from food to fishing. No other state had nearly as many. Commercials continue to be our bread and butter. Unfortunately, there is a depletion of crew – specifically location managers.

VISIT FLORIDA recently announced their next target for marketing is California and the west coast. Not just tourists, but also celebs are flocking to Florida. Not just Miami, they are moving all over. Just read a New York Times article about restaurants relocating and opening here in Florida too.

We are lucky to have a great network of local film offices who do such a great job keeping Florida on the map for storytelling. There is a lot going on in the state - south Florida is the new technology hub, St. Pete/Clearwater and Miami were recently chosen as two of Movie Maker's top places to shoot. Panama City is the number 2 top destination in the world according to Trip Advisor. Tampa had the Superbowl. In closing, a cool thing happened in Gail's area. She worked really hard on securing a Jason Aldean music video that shot at Henderson State Park Inn. A woman was in the lobby of the Inn and told the owner that she was visiting from San Francisco for a week because she saw it in the music video. Gail went to her favorite burger place a few weeks later and saw Jason Aldean there with his wife and family having dinner and told them the story about the San Francisco lady and they were so excited. These are the reasons people make decisions and the industry is important in fueling tourism and we're all an important part of the effort.

Councilmember Pamela Tuscany asked Susan to remind her of the status of California's tax incentive.

Susan said CA's incentive is still going strong, and New York is planning to use COVID money to add additional dollars to their incentive program. The only project we know we have lost to CA so far this year is season 2 of "The Right Stuff." They will be getting \$13M dollars from CA. Not sure if the show has been picked up yet.

Councilmember Tuscany said they are keeping an eye on what's happening in California, as they are holding on to hope for "The Right Stuff" getting picked up. The loss of the incentive has caused a great loss of business for Universal and they are very appreciative of everyone's efforts

and they see light at the end of the tunnel. Representative Ambler did a good job of suggesting how to contact legislators, which is very important at such a difficult time. They are doing all they can to lobby on behalf of the industry and they are making investments in their facilities because it's important to them. They are engaged at every level they possibly can and can't do it without all of you. There has been a business influx with Warner Bros "David Makes Man," and they are hoping it will be here for season 3. Phones aren't ringing like they should, but they are pushing out a lot of messaging and marketing and hoping the summer will be busy. She thanked Chair Popp for his leadership during these difficult times.

Former Chair Popp thanked her and Universal Studios Production Group's efforts.

#### Sales Tax Exemption (Commissioner Welge)

Commissioner Welge gave Donyelle Marshall's Sales Tax Exemption update, as Donyelle had to step away from the meeting. As of March 22, 2021, OFE has approved 705 applications for the Entertainment Industry Sales Tax Exemption program for the fiscal year starting July 1, 2020. Those applicants have an estimated Florida spend of \$1,105,274,749 (\$18,057,901 of which is tax exempt) and are employing 28,696 Floridians. The Department of Revenue's generated return on investment (ROI) for the program this year so far is 61.2 : 1.

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

Commissioner Welge turned the discussion over to Chris Ranung, President IATSE Local 477. Chris said they are thankful for "David Makes Man" because they employed a lot of Floridians during production. The IATSE and other unions track the COVID issues in the United States and Canada, including outbreaks, positive tests and which pods they happened in, etc. Because of the efforts of Wayne Morris, they had almost no recurrences or COVID scares on the show. They did an amazing job of protecting crew and set standards that are being replicated across the country. Hopefully Wayne will bring additional projects to the state. There is a lot of commercial work in the state and there may be some additional projects coming in the summer. The crew is ready and they keep adding new members who are stable and well trained on safety and on their craft.

Chris continued with an update on Feature Florida Partnerships and talked about wearing a few hats. FFP is a separate endeavor and is not association with the IATSE. Their primary goal is to establish financing for indie films in the \$2-8M range. Their efforts have proven viable as there is interest from all over the state. He anticipates there being a lot to talk about over the summer as funds become available to support production in the state with a goal to be in operation in the fall. FFP has a mission to help indigenous Florida filmmaking. The theme is "Keep it Here" - keep cast here, keep crew here, keep creatives here. We have a richness of talent, great creative energy, great diversity, and we are focused on bringing these stories to life and producing them here in Florida. Their first program was released in September called, "Create it Here," for screenwriters who have not been produced yet. From a group of 22 screenplays, they selected 2



for phase 2. The selected writers will receive \$1,250 for script coaching. They plan to relaunch “Create it Here” again in April for writers from underserved communities and different ethnic groups to help bring their stories forward. They are working with film schools in the state but appreciate any suggestions for how to connect with underserved communities. Read about it at [www.FFP.org](http://www.FFP.org) or via email.

Commissioner Welge invited Gail Morgan to give an update on Film Florida’s activities.

Gail Morgan, President of Film Florida provided an update from their organization. They are closely monitoring progress on their two bills. The Senate bill has 16 cosponsors in comparison with only 12 last year. The House bill has 25 cosponsors and last year the bill only had 12. There is overwhelming bipartisan support for the legislation. The Senate bill passed its first committee 9 to 2, but unfortunately, just like last year, it’s not moving in the House and a few legislators are stonewalling their efforts. Chair Gainer and Drake want to put it on the agenda, but they can’t get approval from their higher committee chair. She tips her hat to John and the legislative committee team and all the members of Film Florida who worked tirelessly to work every angle and use every relationship to try to make it work. They will never give up on the effort.

Film Florida had their quarterly meetings via Zoom. They announced the new Florida Emerging Filmmakers Fund, with \$500- and \$1,000-dollar grants for projects being made in Florida. Submissions are currently being evaluated and will be announced at the annual meeting in June. They hosted a webinar with Dana Pellerin from USPG and will be unveiling a new series of coffee talks soon. They are in the home stretch of season 3 of their podcast and are encouraging everyone to listen.

They are wrapping up a series of focus groups for members to make sure they are serving them as an organization and the final report will be distributed at the annual meetings on the 24<sup>th</sup> and 25<sup>th</sup> of June. The Board of Directors meeting is open to the public.

Gail thanked Susan for the Jason Aldean story, which filmed in her area and was a miracle production. They had less than 48 hours to make it happen and it filmed in May during lockdown. She has had previous issues with that location in the past, but this project helped turn that relationship around because the video was a huge success especially with the Inn getting business from the video. Jason and his wife were blown away and were so happy and want to come back.

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

Commissioner Welge asked if any Ex-Officio members had an update.

Jake Felder with Enterprise Florida, Inc. had no official update, but appreciates the work we do to bring economic development to the state and to let him know if they can assist with legislative efforts or projects down the road.

Public Comment

Commissioner Welge opened the floor to public comment and there was none.

**ADJOURN 11:37 A.M.**