

Michigan Film Office Advisory Council
April 2, 2010

- I. Call to order
 - a. Meeting was called to order by Chairman Emery King (10:06 a.m.) at Wayne State University in Detroit, Michigan.
 - b. A quorum was present with the following members: Bob Brown, Jim Burnstein, Hopwood DePree, Marcia Fishman, Danialle Karmanos, Emery King, Tim Magee, Sue Marx, William O'Reilly and Marc Prey. Also present were Janet Lockwood, Director of the Michigan Film Office and Carrie Jones, Deputy Director of the Michigan Film Office.
 - c. Unable to attend was: Bill Black, Xenia Castillo-Hunter, Cory Jacobson and Michael Moore.

- II. Introduction of Members
 - a. Members of the Michigan Film Office Advisory Council introduced themselves.
 - b. Janet Lockwood introduced the new Film Office Deputy Director, Carrie Jones.
 - c. Chairman King congratulated Tim Magee on his new position with the International union. Tim Magee introduced the new business representative for Local 38, Cal Hazelbaker.

- III. Adoption of Agenda
 - a. Motion made and duly supported to adopt the agenda of April 2, 2010. Passed unanimously.

- IV. Approval of Minutes
 - a. Motion made and duly supported to approve the minutes of the January 29, 2010 meeting.

- V. Director's Report – Janet Lockwood
 - a. Incentives
 - i. The 2009 incentive information remains the same, except that we have signed multiple Certificates of Completion. To recapitulate, the year ended with 126 applications, 62 approved, 36 denied and the rest either filming elsewhere, pushed forward, on hold or still under review. Of those approved, 52 completed their work in 2009. The remaining 10 are still in some stage of production or plan to shoot in 2010. Of the 52 who finished, 38 submitted their post production audit paperwork by December 31, 2009, the end of their fiscal year. The remaining 14 have varying fiscal years and will be submitting as they choose. Those 14 will not be receiving incentive credits in 2010 but in 2011.
 - ii. Our estimate of Michigan expenditures by those 52 projects is in excess of \$225 million.
 - iii. So far in 2010, we have received 27 application packages and have approved 9, denied 1, with 1 other canceling their production. 1 short film approved – LOVE ME, LOVE ME NOT – has already wrapped. We have put in place a new process: if the application package is sadly lacking, rather than hand hold the company

through the correction process (which can take weeks), we are returning the entire package with a letter enumerating the problems and advising them to revisit their paperwork and resubmitting when corrections have been made and data supplied. We are not cashing their checks at this point.

- iv. Re the infrastructure tax credit program, there is still no studio fully open and functioning aside from those who did not use the infrastructure tax credit (10 West in Manistee, Grace & Wild, etc.). A number of new possible studio projects have surfaced but there is nothing to report at this time.
- v. Currently, only the television series THE WANNABES is shooting; they continue filming at Parker High School in Howell. A number of films are in pre production: REAL STEAL, S.W.A.T. FIREFIGHT, THE THIRD, SUCKER, and THE FRONTIER BOYS. Jackie will keep you updated in the bi-weekly MFOAC emails. As films are approved, they will be posted on the website, along with any production office information. It is going to be a very busy summer.

b. MFO updates

- i. Since our last meeting, the Location Team has handled 10 new scouts, 5 of which have chosen to shoot in Michigan. The other 5 have made no decisions yet. 51 photo packages have been sent since January 29th. Scouts include VAMPS, 30 MINUTES OR LESS, FAMILY WEEKEND, GENUINE IMITATION, FREAKY DEAKY, NEIGHBORHOOD WATCH, NORTHERN LIGHTS, SALVATION BOULEVARD and Z.
- ii. The Locations Team also reports that we now have 49,216 photographs on the website, which cover 3,747 separate locations. Mike Grabemeyer, our webmaster, reports there were 27,581 web hits in January, 25,758 web hits in February, for a total of 53,439 web hits. Jackie Wressell reports we now have 2,027 listings in the Production Directory; 1,068 Crew, 959 Support Services.
- iii. Staff continues with speaking engagements and panels. Richard Jewell spoke at the Chelsea Library, Madonna University, Baker University and did a WDET radio interview. Since our last meeting he visited with Grand Valley State University, West Shore Community College, Compass Academy, Kendall/Ferris School of Design and IATSE 26 in Grand Rapids. He will give a brief Workforce Development report shortly.
- iv. Ken Droz spoke at the Bay City Rotary Club, Saginaw Valley State University, Washtenaw Area CVB, and was on panels at the Detroit International Film Festival and a Media Communications event at Detroit Public Television. He also attended a benefit premiere of ANNABELLE AND BEAR at the Detroit Music Hall.
- v. Carrie Jones had meetings with two gaming companies (Scientifically Proven and PixoFactor), the Michigan Department of Agriculture regarding possible Food Network participation, a Michigan bank re film financing, a film production

company (Bad Kids LLC), a Michigan production services company and attended THE WANNABES premiere in Howell.

- vi. Janet Lockwood did an interview with the new Michigan Entertainment Radio network, attended the Workforce Development Skills Alliance meeting in Detroit, did an interview with the Bloomberg Television Network, sat on a tax incentive panel in Century City for Variety, and visited the Howell set of THE WANNABES (very talented group) for their premiere event.
- vii. There is still no legislative movement so far in 2010 that affects the incentive legislation.
- viii. One bit of miscellany to report: the Troy area has created a Troy Restaurant Discount Card that will give casts and crews of films shooting in Michigan a 20% discount at 21 separate restaurants and grills. The film office will be giving these to companies as they scout and open offices here in Michigan. The effort was spearheaded by The Somerset Inn and sponsored by Rehmann, a business consulting firm. The film office has suggested such discount a card to every community we've spoken to and it's great to see someone move forward.

VI. Workforce Development Report

- a. Richard Jewell stated that the competencies have been listed on the website and gave examples where they have been utilized by education institutions. He reported that the grant program in conjunction with IATSE and Wayne Community College is going well and thanked Tim Magee for all of his help. He announced that the United States Department of Labor has released more funding and they are currently working with that and looking for other opportunities to expand across the state. He discussed the Skill Alliance meeting which happened and the creation of his seminar, "Doing Business with the Business," which will show vendors how to best service the film industry. He also noted that they have applied for the Detroit-Lebanon training grant that will bring Lebanese filmmakers to Michigan. This grant is through the U.S. Department of Education.

VII. Appropriations Committee Annual Report

- a. Carrie Jones discussed the report that was required by law to be submitted to the Appropriations subcommittees on March 31st. She stated that 59 contracts were signed in 2009 between production companies, the Michigan Film Office and the State Treasurer. Of those 59 contracts, 38 projects completed filming and submitted post-production documentation or requests for exception. Those 38 productions spent \$161,846,486 with a maximum anticipated tax credit of \$61,002,855.
 - i. Infrastructure
 - 1. She reported that in 2009, two contracts were signed between the Michigan Film Office, the State Treasurer and qualified film and digital media infrastructure projects with an estimated investment of \$115,000,000 and an anticipated tax credit of \$19,820,625. However to date, no credits have been awarded.

2. She reported that in 2009, four Michigan Economic Growth Authority (MEGA) contracts were signed for an estimated value of \$122,257,160. However, to date, no MEGA funds have been awarded.
- ii. Job Creation
 1. In 2009 there were 3,240 temporary film industry positions created by productions. When translated into positions on an annualized full time equated basis, this equals 1,333 permanent positions were created as a result of the incentive.
- b. Chairman King asked if we knew what the formula was applied to project the permanent job positions.
 - i. Carrie Jones said that they worked with an economist at Michigan State University and presuming that the average work year is 250 days and the average length on a movie is 90 days, they derived the 1,300 plus jobs.
 - ii. Janet Lockwood commented that this report is good news because it means more jobs but that we were still lacking infrastructure.
- c. Chairman King asked the union representatives on the Council to comment on the growth of the industry from their perspective.
 - i. Tim Magee reported that IATSE was still growing at approximately a 30% clip and that there was a 40% increase in wages last year. He also commented that we needed the infrastructure to keep the business steady during the winter months but that IATSE was looking forward to a busy summer and a great year. He estimated that we could crew up five and half to six projects depending on the size.
 - ii. Marcia Fishman reported that SAG's rate of growth last year has increased by 154% and estimated that they had approximately 100 new members. She also suggested adding a footnote to the report to go further and discuss the average salaries for a freelance person.
 1. Carrie Jones suggested we take the total salaries and divide them by the number of jobs to potentially get a number.

VIII. Chairman's Report

- a. Higher Education Initiative
 - i. Chairman King discussed that at the last meeting there were talks of bringing the three major universities in the state together to create opportunities between the universities for above the line jobs.
 - ii. Dean Vasquez thanked the Council for being at Wayne State University. She announced that the Film and Media Arts departments at Michigan State University, the University of Michigan and Wayne State University have entered into a collaborative relationship and are announcing a proof of concept pilot project this summer for advanced level film students. She also announced that they have created task forces to shape and finalize this program and hope to launch pre-production in June. They are also crafting a creative film alliance that will continue once the summer project concludes. Dean Vasquez also introduced staff from Wayne State University.
 - iii. Jim Burnstein discussed that retaining and attracting young talent is vital to the success of the incentives. He introduced Chip Steinfeld from Michigan State University.
 - iv. Chip Steinfeld stated that was a pleasure to collaborate and introduced other members at the meeting representing Michigan State University.

- v. Chairman King asked what the next steps are in this process and also asked the Film Office to consider appointing someone within the office to work directly with these people.
 - 1. Janet Lockwood said Richard Jewell would be the point person.
 - vi. Marc Prey asked if this program was going to be available only to students from these three schools.
 - 1. Jim Burnstein said yes for the pilot program and also clarified that the pilot program will be the students making a short film from June to August.
 - b. Proposed Detroit Film Theatre Initiative
 - i. Chairman King invited Elliott Wilhelm to speak from the Detroit Institute of Arts (DIA).
 - 1. Elliott Wilhelm suggested that in conjunction with the Council and Film Office, the DIA would like to have an ongoing regular program of Michigan made films, not in the concentrated form of festival but year round on a regular basis. He also wants to have an evening with producers, directors, etc. while the productions are going on here where the general public can come and interact with them.
 - 2. Chairman King suggested Mr. Wilhelm put a plan on paper to be distributed to members of the Council and the Film Office.
- IX. Strategic Plan and Video Game Research
 - a. Marcia Fishman provided the Council with notes from the small group that met from the Skills Alliance meeting. The group included herself, Than McClure, Derrick Ferruchi, Thad Johnson and Pam Johnson. She stated that their overall vision was to make Michigan the next great video game state. The group looked at what we currently have and is working on action steps.
- X. Wayne County Updates
 - a. Chairman King thanked Wayne State University for hosting the Council and asked the Dean to come up and discuss their curriculum.
 - i. Dean Vasquez stated that Media Arts is Wayne State's old radio, television and film program and that the University set the standard for many years. She is hoping that this new initiative will keep our talent here and listed this collaboration as one of the most important things they have done in a number of years.
 - b. Chairman King also thanked Wayne County and asked Mike Mosallam from the Wayne County Film Initiative to discuss the film industry within their county.
 - i. Mike Mosallam thanked Wayne State University for all of the great work they have done in cooperation with filming on campus. He updated the Council on filming in the county and infrastructure projects. He also mentioned that they were now on Facebook, Twitter and have a newsletter. The County is also working with Marcia Fishman on expanding the video game industry.
- XI. Old Business
 - a. Chairman King asked the council if there was any old business to attend to. There was none.

XII. New Business

- a. Chairman King asked the council if there was any new business to attend to. There was none.

XIII. Public Comment

- a. Thad Johnson of Wonderstruck Studios will be working with CGI effects for films and games. He announced that they will be opening the doors at Ford Field on June 1st.
- b. Gary Bourassa wanted to make the council aware that on April 22nd Rising Dragon will be hosting the Michigan Film Investment Summit. The Summit will be for investors only but filmmakers are able to provide packets, business plans, etc. to give to investors. He instructed people to visit the website, www.risingdragondetroit.com for more information.
- c. Katherine McDermott, an independent producer asked for clarification on the qualified job training.
 - i. Janet Lockwood said that it can only be used by a Michigan based company with Michigan tax liability. The credit allows each department to hire one person union approved and bring them up to key level during the film. The Film Office would pay 50% of that person's salary as a tax credit only.
- d. Dick Rolfe with the Dove Foundation discussed the new issue of Making Movies in Michigan that was handed out at the meeting. He noted that the magazine had been sent to a large number of California and New York producers.
- e. Debra Osment inquired on the status of Hangar 42 Studios.
 - i. Janet Lockwood said that without a Power of Attorney she was unable to discuss the project with anyone but that the ball was in their court.
- f. Garrett Clinard expressed his support for the Detroit Film Theatre Initiative as a student filmmaker.
- g. Jean Claude-Lewis with Beneath the Underdog wanted to commend the Council for putting the program in place with the three universities.
- h. Janet Pound with Pound and Mooney Casting stated that they were unhappy that productions such as Real Steel were bringing their casting directors from out of state. She also offered to assist the universities to find talent for the pilot program this summer and also offered to assist with getting Michigan based talent for the Detroit Film Theatre Initiative.

XIV. Adjournment

- a. Chairman King thanked everyone for coming and stated that the next meeting would be on Friday, June 11th in Saugatuck, Michigan at the Waterfront Film Festival.

Respectfully submitted,

Emery King, Chairman

Prepared by:

Jackie Wressell