

Michigan Film Advisory Commission

Minutes

April 1, 2004

The Chairperson, Richard McLellan, called the meeting to order at 3:00 p.m. He thanked Grace and Wild Studios and Ms. Jenny Hart for hosting and providing refreshments for the meeting.

Members present: Mary Kay Baribeau, Bill Black, Bob Brown, Harry Carlson, Alice Gilbert, John Kelly, and Sue Marx.

Janet Lockwood, Director of the Michigan Film Office, was also present.

1. Introduction of Members; Announcement of Resignations: The Chairperson announced that Commissioners Kurt Ludetke and Dan Burton have resigned from the Commission. As of the meeting, the Governor had not replaced them, nor had she appointed a new chairperson. Each member introduced himself or herself.
2. Agenda: The Commission unanimously adopted the agenda, which is attached to these minutes.
3. Previous Minutes: The Commission unanimously adopted the minutes of the November 19, 2003 meeting.
4. Update on the Michigan Film Office: Ms. Lockwood reported that the Film Production Guide is online, and she has submitted a press release about it. They are working out some minor glitches. She invited anyone not registered in the guide to do so online. Further, the proof of the hard copy looks good, and the initial printing will be 1,000 copies. There are twelve smaller films that plan to shoot in Michigan in 2004. Ms. Lockwood said she has a report of all work in Michigan since November that is available for inspection. She will spend a week at a trade show in Los Angeles later this month running a booth. She has also scheduled meetings with people in the film industry during the trade show's off hours. The legislature is considering the budget for the Film Office. As it stands, the Office will receive an increase of \$6,000 bringing the total budget to \$130,000.
5. Update on Financial Incentive Legislation: Ms. Lockwood reported on the Legislation that the Commission has been working on. Representative Huizenga has the Blue Backs for the incentives. The program is modeled on Louisiana's program. It will be three separate bills. It has a sales tax incentive and two levels of rebates for productions based on their budget. The legislation is revenue neutral, in other words, the State of Michigan has to spend no money to implement these incentives. The bill should be introduced this month and could be passed by the end of the year. Because the industry is viewed as glamorous or "Hollywood," it is important for everyone in the industry to actively support the bill. Mr. Carlson wanted to thank Mr. Brown for his work on this legislation. Mr. Black offered lobbying support to help the bill. The

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Chairperson explained the blue back process, and said it is important for people in the industry to write the sponsor(s) and their own representatives, to volunteer to go to meetings, and to work with the sponsor once the bill is introduced. Ms. Lockwood explained Rep. Huizenga is involved because he enjoys film and works with Compass Arts Film School on the West side of the State. She also reported that Commissioner Tom Shields has asked Senator Jason Allen to put forth a bill to limit State agencies use of out-of-state crew and facilities for their film and video needs.

7. Chairperson's Report:

- a. Letter to the Governor: The Chairperson sent a letter to the Governor detailing the inaugural year of the Commission. The letter also requested a meeting to discuss the Commission's work. He will send a copy to the Commissioners.
- b. New Chairperson: The Chairperson's term as Chairperson is for one year. The Governor has not appointed a new Chairperson yet, although Mr. Geoffrey Fieger has been mentioned as a possible replacement. The new Chairperson, whomever that may be, may change the schedule, so the Commission needs to be flexible during the transition.
- c. New Appointments: The Governor has to replace the two members of the Commission who resigned. Also, the enabling legislation provides for three year terms, but Governor Engler gave some Commission members one or two year terms. Mr. Kelly suggested asking for an opinion from the Attorney General for the correct interpretation of the statute and the commissions. The Chairperson suggested that the letter be directed to Senator Allen, and that the Governor's counsel should be copied on the letter. Mr. Carlson suggested that the letter also ask for clarification on the length of the terms of the replacement members. Mr. Kelly made a motion to send a letter to Senator Allen and the Governor's counsel to ask: Are the terms of less than three years valid under the statute? And when the Governor appoints commissioners to replace the members who have resigned, will they serve out the terms of the departed members, or will they have full terms? The motion passed unanimously.
- d. Private Funding for MFAC Activities: The Chairperson has circulated a memorandum to the members of the Commission on private funding to lessen the burdens of government. He suggested asking the Attorney General for the Film Office about the Film Office and the Commission's ability to accept funds. Mr. Kelly will follow up once Ms. Lockwood determines who the letter should be directed to. Mr. Carlson asked whether there should be a separate entity or should contributions be made directly to the Film Office. Ms. Lockwood said there is a restrictive fund in place for the Film Office, and she will distribute documentation on the fund.
- e. Meeting with the Governor: Ms. Lockwood said that the Governor's scheduling people had asked for the Commission's meeting schedule. She also

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said that she has a meeting with the Governor near the end of the month, and she will tell the Governor about the Commission’s ideas and desire to meet. The Chairperson said it would be a good idea to meet with the governor. He asked for ideas from the Commission members for topics for the meeting.

- Mr. Kelly said the commission should look into fostering a bilateral relationship with other film commissions. He also thought that it would be important to get more input from the Governor.
- Mr. Carlson said that the Commission should work to get corporate leaders to work to keep advertisements in the State. He gave the example of the State of Minnesota, which has kept business in the State by partnering with high profile leaders. Ms. Lockwood said that hard economic times have limited the program’s effectiveness.
- Ms. Gilbert wanted a list of the film festivals in the state and suggested that the Commission ask them for issues.
- Mr. Brown said the main concern is business leaving, and that the solution is to establish a competitive edge. He also suggested that the Commission should reach out to advertising agencies and other businesses in the industry.

The Chairperson said the Commission should get ideas together, winnow them down, and present them to the Governor’s people. The Commission should take the response from the Governor’s people and incorporate their ideas, then further winnow the items for discussion. Mr. Kelly said the Commission should set a due date for ideas. The Commission agreed on April 21.

Mr. Black said that it was important to focus on legislative action and the loss of jobs in the industry. He said the Commission should review legislation before it is submitted to make sure it protects the existing labor pool and creates new jobs in the state. Mr. Brown said the focus should be on getting the initial incentive package passed and not bogging it down with more “bells and whistles.” The Chairperson reminded the Commission and the public that the legislation has not yet been introduced, and that it is important to wait until it is to contact their representatives.

8. Committee Reports: There were no reports from the committees, outside of the continuing efforts to pass the incentive legislation.
9. Schedule of Meetings for 2004: The meeting schedule is tentative until the Governor appoints a new Chairperson.
 - May 20, 2004 at Dykema Gossett’s offices in Lansing and Bloomfield Hills. The offices will be connected by video conference.

- September 8, 2004 in Grand Rapids at a location to be determined.
- October 11, 2004 at Dykema Gossett's offices in Lansing and Bloomfield Hills. The offices will be connected by video conference.

10. Comments from the Commissioners: The Chairperson asked for additional comments from the Commissioners.

- Mr. Kelly suggested that the Commissioners work with Ms. Lockwood to establish bilateral relationships with Film Commissions or Offices in other states that have different film resources than Michigan.
- Ms. Gilbert mentioned that Canada's program allows for up to 25% of a film to be shot outside of Canada and still qualify for benefits. She suggested courting this business. Mr. Brown said that most companies would prefer to have the benefits applied to their whole production.
- Mr. Carlson is encouraged by the progress on the legislation, and suggested that the Commission look into the benefits and possibility of creating a separate non-profit entity.
- Ms. Barbieau said helping the Film Office get funding should be a priority. She will speak to Commissioner Jim Burnstein about his contacts with Michigianians in Los Angeles for fundraising purposes. She believes it is important to sell Michigan to the film industry.
- Mr. Black asked to see the study commissioned by Governor Engler and compiled by Commissioner Dan Pero. The Chairperson provided a copy.

11. Public Comment: The Chairperson invited the public to make comments.

- Mr. Bill Cannot said that it is important to encourage and support commercial business. While feature films are a nice bonus, commercial and corporate films are the basis of Michigan business. Filming of things that are generic should be kept in the State, along with the filming of things that are unique. He also said that it is important to keep workers in the State.
- Ms. Marcia Fishman, SAG executive, offered her services to help the Film Office. She has experience passing bills on a national level. She said there is a possibility of using high profile people to testify on behalf of the incentive legislation.
- Mr. Marc Adler of the MPA echoed the sentiments of the earlier speakers, and gave kudos to Ms. Lockwood for her work on the film production guide. He brought up the plan he had distributed at an earlier meeting. Some areas of focus that he mentioned were creating a promotional disc

for Michigan, much like a recent effort by the city of Seattle; an AICP study; an economic impact study on the benefits of the film industry; and to align Michigan with other programs. He also said it is important to support the existing infrastructure.

- Mr. Gaylen Chandler of the MPA said he agreed with Mr. Brown's comments. He added that it is important that the incentives support in-state businesses.
 - Mr. Ed Kelly of the SAG Board advocated a campaign to advertise to advertisers, and to give them accolades for using local crews. He said it is important to focus on the competition in Canada. Mr. Brown replied that Michigan needs to give productions a reason to stay in the United States.
 - Mr. Jason Rosin of IATSE Local 600 is responsible for union members in eleven states, including Michigan. He said that Illinois has extended its program for five more years and that the incentives have worked well. Hollywood has responded to the program more than commercial productions. He said it is important to take the opportunity that is available and use that to build a reputation that will lead to better incentives. He believes partnerships with corporations are a good idea, but partnerships between vendors, labor, and producers are more important to secure legislation. He also said that it is important to protect local workers.
 - Mr. Henry Mayers of Methods and Madness has recently finished a feature film, Brewster Project, that will be released on DVD and home video. He would like to see incentives for investors to invest in local independent projects. He said it is important to nurture creative local artists and to maintain the local production base.
 - Ms. Laurie Mecker, President of the Detroit SAG, said there are over 600 members in the Detroit area, and that union talent includes crew members.
 - Mr. John DeMonaco of Local 812 IATSE submitted written comments, which are summarized here. The job market in the United States has dwindled in the past three years. The manufacturing sector has been hit very hard by this downturn. The downturn for the film industry has been worsened by films developed in the United States and filmed in other countries, which have cost tens of thousands of U.S. jobs and billions in revenue. The Commission should work for legislative solutions to the problems in the film industry.
12. Resolution of Thanks: The Chairperson made a motion to issue a resolution of thanks to the departed members of the commission. The motion passed unanimously.

The Chairperson adjourned the meeting. After the meeting, Grace and Wild Studios offered a tour of its facility to the Commission and the public.

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