

Michigan Film Office Advisory Council Minutes
Meeting of March 11, 2011

1. Call to order
 - a. The meeting was called to order by Chairman Emery King at 10:18 am in the Lansing Center. Council members introduced themselves to the public.
 - b. A quorum was present with the following members: Bob Brown, Jim Burnstein, Xenia Castillo-Hunter, Hopwood DePree, Marcia Fishman, Cory Jacobson, Emery King, Tim Magee, Sue Marx, William O'Reilly and Marc Prey.
 - c. Unable to attend were: Bill Black, Danialle Karmanos and Michael Moore.
 - d. Also present were Michael Finney, President/CEO, Michigan Economic Development Corporation, and Carrie Jones, Director, Michigan Film Office.
2. A motion to adopt the agenda of March 11, 2011 was made, supported and approved.
3. A motion to adopt the minutes of the meeting of October 8, 2010 was made, supported and approved.
4. **Film Office Director's Report:**
Carrie Jones first acknowledged the presence of Richard Jewell, the former Film Office Work Force and Training Manager. Her report followed.

INCENTIVES

Applications:

Since our last advisory council meeting on October 8 we have received 65 applications (18 in 2010 and 47 in 2011). Of those, 15 have been approved and 4 have been sent back due to an incomplete application, change of location or other reason. Three projects have been denied and the remaining applications are in various stages of review.

Since our last Advisory Board meeting, we have approved the following projects: GULLIVER'S TRAVELS (post-production), DETROIT WINTER, A DOG'S LIFE (documentary), BEN HOGAN WII (video game), HOUSE OF THE RISING SUN, OZ, FISH:ZOO ZOOS AND WHAM WHAMS, THE GIANT MECHANICAL MAN, DETROIT 1-8-7 (TV series, back 5 episodes), IDES OF MARCH, MANIAC (music video), WHEN I NEED TO SMILE (documentary), REPRISE, CHASING JIMMY (documentary) and KEYS TO THE GOOSE (documentary).

MBT Film Credit Refund:

As of March 10, 2011 \$116,426,069 has been paid out by Treasury. This includes \$38,363,525 in additional credits paid out since our last meeting.

PRODUCTION

Currently filming we have DETROIT HUSTLES HARDER, ARIEL & ZOEY SEASON 2, IDES OF MARCH, LITTLEST ANGEL, and BEN HOGAN WII and BEN HOGAN WEBSITE.

Projects in pre-production are BAGMONKEYS, SCAR 23, MARGINE WARS, DANCES WITH WEREWOLVES, OZ, WHEN I NEED TO SMILE, REPRISE, CHASING JIMMY, and KEYS TO THE GOOSE.

Wrapped in 2011 are DETROIT WINTER, DETROIT 1-8-7, FISH:ZOO ZOOS AND WHAM WHAMS, and FAMILY WEEKEND.

MICHIGAN FILM OFFICE UPDATES

LOCATIONS /PRODUCTION DIRECTORY

Our Locations team reports that since October, 2010, we have taken in 91 new projects, sent 112 location packages and led 14 scouts.

We now have 5,211 total locations in our database with a total of 72,600 photos. This is an increase of 422 locations since our last meeting.

We now have 1,443 crew listings and 1,309 listings for support services (vendors) approved and active.

MICHIGAN FILM OFFICE ANNUAL REPORT

Our annual report to the governor and the legislature was submitted on March 1. It is available on our website (www.michiganfilmoffice.org) for review. It is also in the MFOAC members packets.

As a quick summary:

Since the incentives took effect in April 2008, the Film Office and the Department of Treasury have approved a total of \$361,139,814 in film incentives on \$921,553,104 in total qualified expenditures by productions in Michigan. This represents the 207 projects that have been approved to date, including the 136 projects that have actually wrapped in the state.

Since the annual report was released last week, additional credits have been paid out by Treasury. As of March 10, 2011 a total of \$116,426,069 in incentives has been paid out by the state with \$244,713,745 in incentives that remain eligible to be claimed. Included in the \$244.7 million still eligible to be claimed is the \$57,475,260 in incentives already approved for projects set to shoot in 2011.

The Michigan Film Office received a total of 119 project applications in 2010 for the Film and Digital Media Incentive. Of these projects, 66 were approved and can be broken down as follows:

- 45 projects that wrapped in 2010
- 6 projects that did the bulk of filming in 2010, but carried over into 2011.
- 11 projects that shot, or are scheduled to shoot, entirely in 2011
- 4 projects did not move forward after approval

There were also seven projects approved in 2009 that shot in 2010. Because these projects' Michigan expenditures and hires occurred in 2010, they are included in this report.

Therefore, there were a total of 58 projects that shot in 2010, 52 of which wrapped by December 31, 2010.

In total, these 58 projects spent \$293,390,995 dollars in Michigan in 2010. These projects were awarded a total of \$115,037,182 in incentives by the state.

The 11 projects approved in 2010, but shooting in 2011 were awarded \$57,475,260 in incentives and will spend an estimated total of \$147,653,015 dollars in the state. These projects will create an estimated 1,188 Michigan production hires.

In 2010, 49 post-production certificates of completion were signed and issued by the Film Office, with a total value of \$72,325,772.

The anticipated amount of 2010 redemption fees to be collected by the Film Office totals \$361,630.

MICHIGAN FILM OFFICE MOVING FORWARD

On February 17, Governor Rick Snyder presented his 2012 and 2013 budget recommendation which allocated \$25 million for film incentives in each fiscal year. Per our directive, we are working in 2011 within the budgetary framework that the Governor outlined in his proposal. We realize this has created a number of questions regarding status of projects that currently have applications pending as well as future projects. Our office is actively working with the administration to determine how the program will proceed for the remainder of 2011. Given that we are working with finite resources, we are taking extra time to ensure that the projects that we approve this year will bring the most economic benefit to the state.

In the meantime, the Michigan Film Office remains open for business. We are accepting applications, and assisting productions daily with finding the best locations, services, and people that Michigan has to offer.

5. Council Members' Comments upon the Governor's Incentive Proposal

The following council members commented on the proposed budget as it related to film incentives:

Chairman Emery King
Vice Chairman Jim Burnstein
Cory Jacobson
Hopwood DePree
Marc Prey
Sue Marx
Marcia Fishman
Bob Brown
Tim Magee
Xenia Castillo-Hunter

6. Remarks from MEDC President and CEO:

Mike Finney, President/CEO of the Michigan Economic Development Corporation, summarized the Governor's position on the budget proposal as related to film incentives. Mr. Finney also commented that going forward, the film industry should develop a plan for consideration to assure that the film industry can be made sustainable.

7. **Remarks from Several Film Industry Representatives**

Public comment was presented from the following attendees:

Liz Georgoff, production community
BJ Rack, line producer
Janet Lille, Associate Dean, Michigan State University
Robert Rayher, University of Michigan professor
Shannon Brandon, Cambridge Partners

8. **Motion**

Vice Chair Burnstein moved as follows: We, the Council, support and encourage the Michigan Film, Television, and Video Game Industry to develop a plan of viable incentives that will keep Michigan competitive and be acceptable to the state Legislature and the Governor's office. The motion passed unanimously.

9. **Public Comments:**

Rick Hert, West Michigan Film Office: indicated that a 7-movie package has already moved to Canada, another to New Orleans and a 7 million dollar construction project has ended. The \$25 million cap may be a place to start negotiations, the movie industry is still alive and we need to stay positive.

Ken Droz, private consultant: The film office and producers continue to wait for guidelines for 2011 from the Governor's office. The Governor has not consulted with anyone in the industry. The Budget Director is dismissive of the film program and does not consider the Below the Line employees. Droz encouraged people to contact their legislators as most legislators are new and unfamiliar with the film industry.

Keri Lowe, Compass College of Cinematic Arts: Must inform people about what the industry is, namely the entertainment industry, not just film. Michigan was leader in manufacturing, now is an innovation driver in the information age or "content manufacturer". This touches other industries and can help to overhaul education industries. The \$25 million cap is insufficient.

Cherie Happy, Detroit Institute of Arts: Stated that her fundraising event with Michael Imperoli from Detroit 1-8-7 raised \$18,000 for the DIA and also that the DIA would be hosting a red carpet event for the Film Consortium's premiere of Appleville. She emphasized that the fundraising was still another favorable aspect of the film industry.

Paul Fitzpatrick, entertainment attorney: The Governor has stacked the deck against the film industry if the program is to be evaluated solely on tax revenue. If the administration believes that \$25 million is sufficient, it is decimating the program based upon misunderstanding of the industry. The industry is working now and people have moved back to the State for the industry. The

Governor said that he would not pull the rug out from the industry, but has instead burned down the house.

Kathy McKee, Casting Motor City: Has met with her senator and representative, was told that the legislature is receptive to receiving information and that everyone should contact their own legislators.

Geoff George, recent U of M graduate and IATSE member: Indicated that he stayed in Michigan after graduation and is working in the industry. He stated that film crews are attracted to live in Detroit helping to develop that city.

Jean-Claude Lewis, Beneath the Underdog Films: Stated that a portion of the capped incentive should be allocated to incentivize local production companies. He inquired whether the ROI per industry was compared year to year e.g. the first year of Pure Michigan against the first year of the film incentive program.

Janet Mickel : Stated that she completed a No Worker Left Behind program and became an extra. She observed that workers coming from out of state became tourists in the State after their work on a film was completed. She indicated that Mr. Finney should visit a film set before making any decision about the industry.

Evan Koons, Compass Film Academy: Stated that he finds work for crew and students and helps interns in the industry. He emphasized the need for everyone to work together to promote the industry.

Chairman King suggested that the Council should meet monthly for the near future. The next meeting will be held on April 15, 2011 at the Phoenix Theatre, 17310 Laurel Park Drive North, Livonia MI 48152.

The Council at this time recognized Richard Jewell for his work on Work Force Development. Jewell responded by saying that he was honored to have worked with the Council and to have had the opportunity to work on a paradigm shift in the core curriculum and entrepreneurship training which will create an indigenous film industry in Michigan.

The meeting was adjourned at 1:08pm.

Respectfully submitted,

Emery King, Chair

Prepared by:

Alice Florida