

Michigan Film Office Advisory Council  
November 20, 2009

I. Call to order

- a. Meeting was called to order by Chairman Emery King (10:14 a.m.) at the Crowne Plaza hotel in Grand Rapids, Michigan.
- b. A quorum was present with the following members: Bill Black, Jim Burnstein, Xenia Castillo-Hunter, Hopwood DePree, Marcia Fishman, Emery King, Sue Marx, Tim Magee, Michael Moore, William O'Reilly and Marc Prey. Also present was Janet Lockwood, Director of the Michigan Film Office.
- c. Unable to attend was: Bob Brown and Cory Jacobson.

II. Introduction of Members

- a. Members of the Michigan Film Office Advisory Council introduced themselves.

III. Adoption of Agenda

- a. Motion made and duly supported to adopt the agenda of November 20, 2009. Passed unanimously.

IV. Director's Report

a. Production Update

- i. Since our July 31 meeting, Treasury has received no new Michigan Business Tax returns - the number remains at 25 - and 24 have received their refunds, for a current total incentive refund of \$32.8 million.

We have now received a total of 118 applications in 2009. We have approved 58, 21 are under review or holding at their own request, denials total 31. 8 have either folded or chosen to film elsewhere. Jackie has put a list of the films in your folders.

There are currently 7 or 8 films shooting in Michigan, primarily in the metropolitan Detroit area. We are hoping that at least 2 new films, now under review or recently approved, will be shooting in West Michigan.

Please check the website regularly, as we list all the new approvals, what's shooting, and production office information. We've stepped up our updates to you all, which I hope are interesting.

Scouting continues to keep our two location staff busy. Tony Garcia is today on a two day scout with a very large film in the metro Detroit area, and Mike Grabemeyer just returned earlier this

week from a two day scout that covered much of lower Michigan from Grand Rapids south. Neither of these projects have yet applied. In fact, the location team has worked with more than 20 projects that have not yet applied - these are primarily 2010 projects. Because of their being on the road, I don't have the usual numbers for you but will include it in one of our bi-weekly email updates to the Council.

b. Speaking Engagements

- i. Staff continues to take speaking engagements. Richard Jewell has spoken to several groups working with the workforce development; Ken Droz met with the Michigan Municipal League in Kalamazoo, The Detroit Movie Networking group in Detroit, the Governor's Small Business Summit, Detroit, attended the MELTDOWN premiere in Bay City, and the Talent Networking Seminar, Detroit. Janet Lockwood and Ken attended the OCEAN OF PEARLS premiere in Birmingham. Ms Lockwood was a panelist once again at the Tax Incentive Panel in Los Angeles in mid August, attended the National Association of Theatre Owners annual reception in Lansing, did a press event with Drew Barrymore in Farmington Hills, had numerous meetings with multiple producers to discuss filming in Michigan and the refundable tax credits, had meetings with at least three legislators, spoke at Justice Maura Corrigan's Women's Forum in Ferndale, spoke at the SE Michigan Governor's Office Dialogue with Chambers and Small Business Owners in Detroit, met with both the Director of the Wayne County Film Initiative and the Director of the Detroit Film Office, met with the producers of the soap opera "Days of Our Lives", a very interesting story I will share with the Council later, attended a Joint House Committee hearing called solely to hear testimony on the Film Credits - this was held Wednesday of this week and featured various people who have benefitted from the film credits. I did not speak; I believe all of the speakers were invited by the committee members. We will add a report on that hearing to our bi weekly updates. Also this week Wednesday, I did a 90 minute webinar sponsored by LA 411, Variety and the Producers Guild of America on the state incentives. The webinar featured Georgia, Michigan and New Mexico. It can be listened to online but I don't have the link at this time. We will post the entire webinar on our website as soon as it is available, which should be possibly today. We'll also enclose it with an update.

c. Infrastructure

- i. We have one new application, but it has not yet completed the review process and I'm not at liberty to discuss it without permission from the applicants. The other studios have not yet broken ground.

d. Incentive Program

- i. The new state budget did not change them, aside from some new reporting requirements for the film office. There is one bill currently extant, SB 838. This bill has been passed by the Michigan Senate and assigned to the House Tax Policy Committee, where it has not been scheduled for movement. SB 838 is a 90 page bill that radically changes the Michigan Business Tax law. The film credits are addressed in 2 of those 90 pages, as our statutes are part of the MBT law. I understand that the bill has problems far more pressing than our 2 pages and we have heard nothing of any particular support at this time. There are no other bills being actively promoted that address the film credits.

There are also no new directives from the Department of Treasury, regardless of what you might hear or read. We are tightening up the audit guidelines, but have not yet posted the new guidelines. Two of the films that have completed shooting in 2009 have filed their audits and post production forms with us and they are in review. We expect many more very soon.

e. Workforce Development

- i. We have our full time staffer, Richard Jewell, with us. He will give a brief report and address the new competencies. Richard has done stellar work on the workforce issues, working with several of the Council members, with DELEG, with IATSE, Wayne County, and others.
- f. Marcia Fishman asked if there had been any publicity done to Los Angeles on the fact that the budget had been passed and that the incentives have not been changed.
  - i. Janet Lockwood said not at this time but she would discuss the possibility with Ken Droz.
- g. Bill Black clarified that Senate Bill 838 passed the Senate and is in the House but it is his understanding that it won't be moving anywhere at this time.
- h. Jim Burnstein asked if there were any start dates for the infrastructure projects.
  - i. Janet Lockwood announced that there are none at this time.
  - ii. Mike Mosallum of Wayne County discussed the Wonderstruck studios project and announced that the county was working with Michelle Richards and the project to find another suitable property.
  - iii. Marc Prey asked if the discussions regarding changing the incentives were having a negative impact on funding for these infrastructure projects
    1. Bill Black said there was no doubt that the rumor mill was having a negative impact on the industry and pointed out that we are not competing for business in different areas of

the state but that we are competing against other states in trying to build the industry here.

2. Janet Lockwood also pointed out that the industry was particularly fragile with what happened to Iowa in September.

#### V. West Michigan Film Office Update

- a. Chairman King thanked the Crowne Plaza and the West Michigan Film Office for hosting the council in Grand Rapids. He asked Rick Hert to say a few words on behalf of the West Michigan Film Office.
- b. Rick Hert thanked the council for coming to the west side of the state. He discussed how the West Michigan Film Office is becoming his own entity and also recognized the board members who were present in the audience. He thanked Hopwood DePree, Harold Kronk, Rich Brauer and a lot of other companies that have produced films on the West side of the state.

#### VI. Workforce Development Competencies

- a. Chairman King welcomed Richard Jewell to introduce the competencies.
- b. Richard Jewell established that the competencies are going to be used to show the industry that when they hire people, these are the standards they will be held to. He thanked Tim Magee, Jim Burnstein, Rick Fisher with the Department of Energy, Labor and Economic Growth and Sante Perelli with the Attorney General's office for all of their help in developing these competencies. He emphasized that these competencies are voluntary and that we will have no regulatory authority to make these mandatory, however we hope to change that one day.
- c. Sue Marx asked how many schools were in business in Michigan currently.
  - i. Richard Jewell estimated that there were around forty-five right now.
- d. Chairman King asked that Richard Jewel give an overview on how this all fits together and how important or necessary this can be without our ability to mandate it.
  - i. Richard Jewell stated that we want employers and production to know that when they land here they have competent and trained people.
- e. Jim Burnstein added that these are the standards that we'd like all graduates in the programs to have. He also asked what minimum length of training Richard Jewell foresaw in order to achieve these competencies.
  - i. Richard Jewell said that he was currently working on developing a model curriculum which would incorporate quantity, time length and quality. This model curriculum would be developed with the major stakeholders who have a vested interest in the curriculum (unions, employers and educational institutions).

- f. Jim Burnstein emphasized that he was concerned about the programs that are springing up everywhere and making tremendous promises and costing a lot of money.
  - i. Hopwood DePree asked if the proprietary school license requirements were helping with this problem.
  - ii. Richard Jewell said that it is helping a little bit but there is still a gap between being licensed to be a proprietary school and enforcing regulations for a curriculum.
- g. Jim Burnstein said he heard that there is not a lot of diversity on set and asked if there were any special training programs we have in mind to help with that problem
  - i. Richard Jewell state that we are currently working on a pilot program that will be training inner city people for the industry. It is the hope that this program can be taken around the state and used as a standard.
- h. Chairman King asked what the likelihood of Lansing adopting mandatory standards for workforce.
  - i. Bill Black said he didn't see it happening this year but could see potential for it happening next year if we gain support and start setting up meetings. He also volunteered to get that process started.
- i. Marcia Fishman asked if there is a way we can inform the public consumer more.
  - i. Richard Jewell stated that that was the reason for these competencies. By the council voting to adopt these industry standards, it will place them in a level of respect and show them what needs to be achieved. He stated that we will place them on the website for the public to view and be held as the industry standards.
- j. Tim Magee discussed that the IATSE is currently not affiliated with any school across the state. As a non-profit organization they do not want to get involved with proprietary schools but they have been looking for a partner through community colleges or universities. He discussed that they have been working with the city of Detroit and Wayne Community College to create a pilot program and hope to get it off the ground in the next few months. He stated that they are looking for a year long program and want to arrange for real internships. IATSE members would not be instructors of the courses but would come in and teach as needed.
  - i. Chairman King asked if these internship days would count towards their union membership.
  - ii. Tim Magee said it would not, however he was more than happy to pass on the "alternate" roster to low budget and ultra low budget projects to help them get experience. He also said that when all union members are working he would forward on these resumes and in those instances their employment would count towards union days.

- k. Michael Moore addressed the diversity question and explained that if you are poor or working poor you don't have the luxury to intern for free or to work for minimum wage. The people that are normally able to get their foot in the door and work for these low paying jobs for an extended period of time come from families who allow that to be possible.
  - i. Tim Magee said that they were going to make sure all internships would be paid positions from the funds made available by the city of Detroit and Wayne County.
- l. Chairman King turned the floor over to the public for comments on the competencies.
  - i. John Liebman from Specs Howard suggested we put out a list of schools that are licensed and complying with the competencies for the consumer's benefit. He also addressed his concerns about the qualifications to the instructor and that he would feel better if it didn't say feature film.
  - ii. Cameron Preston-Hinton from the Motion Picture Institute of Michigan wanted to know how these standards apply to schools that teach above and below the line. He also wanted to know how these standards would apply to schools that are currently up and running.
    - 1. Richard Jewell said that if the school was up and running they would simply look at the competencies and let us know if they were complying or make adjustments if they choose. He emphasized again that these competencies are voluntary.
  - iii. Jim Oakkonen with the Muskegon Chronicle asked Tim Magee to clarify if there was a timeline to roll out the pilot program to other schools.
    - 1. Tim Magee clarified that this was a Michigan Film Office program and IATSE is involved with. However, he hoped that within 6 months of this pilot program we would be able to get a good idea of what the curriculum guidelines should be.
  - iv. Frank Boring with Grand Valley State University stated that there are currently great film schools within the state that exist and let everyone know that they make films every summer with their students.
  - v. A representative for Compass Academy asked if there going to be assistance from the film office or unions to help supply people for the provision regarding the instructors.
- m. Council members discussed implementing some of these changes, specifically the instructor requirements.
  - i. Tim Magee said that his fear with changing the requirements is that we will have people who have worked on a few commercials who are teaching classes. He also pointed out that we don't require them to be large budget features.

- ii. Richard Jewell agreed that we want room to move within the requirements but that we don't want to open Pandora's Box.
- n. Motion made and duly supported to pass the competencies as the industry standard. Passed unanimously.

#### VII. IATSE Update

- a. Tim Magee said that they were growing at about a thirty percent clip since the incentives passed. He said they currently have around 350-400 members and that there are probably 150 people over the last four months who are coming into line because we are at an over hire. He also said that we can currently staff about 4.5 to 5 productions when we could only staff 2.5-3 a year ago.

#### VIII. SAG Update

- a. Marcia Fishman said that SAG is just starting to get figures to see the impact and that they are currently experiencing a 154% increase in their rate of join. She discussed that the number of Michigan actors that are employed is tremendous. She also wanted to comment that she needed to broaden the SAG membership in West Michigan and that she has been making trips to encourage people to join. She also stated that there are currently over 700 SAG members in Michigan.

#### IX. Teamsters Update

- a. Bill Black introduced Bill Huizenga who was one of the former Representatives who helped establish this legislation. He stated that we currently have 121 drivers working this week at an average pay of \$2,400 a week.

#### X. Old Business

- a. Chairman King asked the council if there was any old business to address.

#### XI. New Business

- a. Chairman King recognized Xenia Castillo-Hunter and asked for an update on Film Detroit.
- b. Xenia Castillo-Hunter thanked the council for the time to speak and introduced Chris Baum.
  - i. Chris Baum discussed Film Detroit's presence and experience at the American Film Market. He also discussed the research project that Film Detroit has done to get the exact number of hotel rooms generated from the film industry, 33 hotels had responded with a total of just under 50,000 room nights generated since the incentives passed. He also noted that Motor City Motors will debut on the Discovery channel Monday, December 28<sup>th</sup>.
- c. Michael Moore discussed how he saw the early screening of Up in the Air and how it was great to see Detroit actually being shot in Detroit and not Toronto or Pittsburg. He also discussed the Time Warner project where

they have bought a house in Detroit and are making their reporters live there. He also discussed that he finished his film that was done from beginning to end in Michigan for the first time in 20 years. He stated that he intended to write up his thoughts on the experience and distribute that to the council.

## XII. Public Comments

- a. Chairman King emphasized that there is a mandate that the council has to beat the drum and appear on panels to get the word out. Chairman King then opened the floor to public comments.
- b. Bob Schellenberg from Schellenberg & Evers discussed that they were having a hard time finding production accountants on the west side of the state.
- c. Jean Claude-Lewis discussed the success with they had when bringing in Dov Simons to teach. He also stated that he thought it was very important to cultivate above the line talent. He asked if there was a public relations program in place to get information out to Hollywood.
  - i. Janet Lockwood responded that the Michigan Film Office as well as council members are traveling to Los Angeles all the time and spreading the word and that we also have Ken Droz in the Film Office who assists in the communication efforts.
  - ii. Tom Fletcher with Fletcher Cameras wanted to know the council's opinion on pass throughs and if it will change in the future.
    1. Bill Black said that he understood the concerns and that he hopes that more local based companies can grow.
    2. Janet Lockwood said that Treasury and the Film Office have been trying to see if there is a solution but that there was no answer right now because it is free enterprise.

## XIII. Adjournment (12:15 p.m.)

- a. Chairman King thanked everyone for coming and stated that the next meeting will be in late January or early February in Ann Arbor.

Respectfully submitted,

Emery King, Chairman

Prepared by:

Jackie Wressell