

**Florida Film and Entertainment Advisory Council
3rd Quarter Meeting Minutes
September 30th, 2009
Teleconference Call**

The third quarter meeting for the Florida Film and Entertainment Advisory Council (FFEAC) was called to order by Chairman Suzy Spang on September 30th, 2009 at 10:37 A.M. A quorum was present.

Members Present

Leslie Bartlett
Suzy Spang
John Welch
Pamela Warren
Kelly Horton
Todd Roobin
Michelle Marx
Gus Corbella
Anita Mitchell
Seth Schachner
Julie Balter
Stephen Schlow
Chris Thompson

Office of Film and Entertainment

Lucia Fishburne, State Film Commissioner
Susan Simms, Los Angeles Liaison
Niki Welge, Production Coordinator
Herb Miller, Incentives Administrator
Jocelyn Mock, Communications Coordinator
Adam Madlinger, Executive Assistant

Members of the Public Present and Made Known to Council

Graham Winick
Paul Sirmons
Ryan Hoyle
Candace Barnes
Gabe Sheheane
Fred Moyse
Dave Caserta

ADMINISTRATIVE

Introductions were made. Suzy and other members congratulated Julie Balter and Seth Schachner on their appointment to the FFEAC. The schedule of future meetings was discussed,

and it was determined that the 4th quarter meeting will be in early December. Lucia went over the bylaws regarding the absence policy and what constitutes excused and unexcused absences. It was determined that the executive committee will take up more at a later time in their meeting.

Suzy discussed committee and taskforce assignments that currently exist and asked the new members to determine what committees they would like to participate on.

OLD BUSINESS

Approval of Minutes

A motion was made by Todd Roobin (second by Michelle Marx) to accept the 06/27/09 2nd Quarter FFEAC Meeting and the 07/24/09 Membership Committee Meeting minutes. The motion passed unanimously.

Office of Film and Entertainment (OFE) Report

1) Incentive Program Status Report

FY08/09 Incentive Program Year-End Closeout:

Lucia Fishburne reported that the OFE has been in the fiscal close out period for FY08/09. All 08/09 incentive projects have been reviewed and rebate checks requested (all but one check had already been received.)

The 08/09 annual incentive report would be delivered, per statute, to the Governor, the Speaker of the House, and the Senate President on October 1st (tomorrow). The report will provide more detailed information on the number of jobs, how much was spent on wages, vendors/services, and hotel room nights. It will also include a spreadsheet that will provide this information for each project. The FFEAC will be copied when the report is submitted electronically.

Highlights:

- 29 projects including 9 projects that crossed over from 07/08.
- \$11.8 million in available funding, which included the \$6.9 million that rolled over from 07/08 and the \$5 million 08/09 appropriation that was adjusted down by \$200,071 as a result of budget reductions in the spring.
- \$8.5 million was paid out to 29 certified projects
- \$55.4 million spent on Florida goods, services and wages
- ROI = \$6.45:\$1 (with no economic multiplier applied)

It was noted that the rollover of previous fiscal year funds was a one time provision for the 07/08 funds. For FY08/09 \$3.2 reverted back to general revenue September 30th (today). The FY09/10 fiscal year incentive funds will not rollover.

FY09/10 Incentive Program Status:

Highlights:

- \$10.8 million appropriated for incentive budget
- 39 productions applied as of this date
- All monies certified to 10 projects which includes 4 crossover projects from 08/09.
- Anticipated Florida spend by these projects is over \$70 million.
- 15 qualified projects currently on the wait list.

Lucia publicly commended her staff for their hard work and dedication during this extremely busy time for her office. July through September the OFE staff closed out the previous year, accepted, qualified and certified applications for the current fiscal year, conducted extensive follow up associated with the preparation of the annual OFE performance measures report, are involved in draft legislation and the Governor's legislative budget requests being prepared for the next year, conducted internal strategic planning, and much more.

She singled out Herb Miller, the Incentive Administrator, for his heavy lifting and burning of the midnight oil to make sure that all incentive recipients received every cent they were entitled to while ensuring the taxpayers' dollars were spent wisely.

She also commended Susan Simms and Niki Welge for their tireless service to clients and the outstanding performance report that documented the OFE once again exceeded the previous year's performance numbers.

2) Sales Tax Exemption & OFE 2008/2009 Performance Measures Report

Niki Welge, Production Coordinator, presented a brief overview of the FY08/09 Sales Tax Exemption numbers and reviewed the related materials provided in the meeting packet.

FY08/09 Summary Data:

- Total Production Expenditures: **\$780,849,043**
- Total Amount of tax exemption given based on Florida's general state sales & use tax rate of 6%: **\$14,038,041**
- Combined Return on Investment: **\$55.6 : \$1**
- Total Number of Applicants: **762**
 - Out-of-State Applicants: **259**
 - In-State Applicants: **503**
- Total Jobs Created: **33,353**
 - Full-Time Jobs Created: **5,671**

- Freelance Jobs Created: **27,682**

Niki provided a summary of the OFE FY08/09 performance goals (all goals were met and exceeded previous years):

- 364 liaison and development activities conducted by OFE staff
- 1145 productions worked by OFE staff
- 772 productions worked by OFE staff that resulted in business in Florida

Michelle Marx commended those that helped put together such information and Suzy agreed that the data was wonderful to have.

3) Internal Staff Recommendations to the Incentive Program

Lucia reported that she and her staff held several internal meetings related to long range improvement to the current incentive program. The overarching conclusions were that continuity and consistency that allowed for productions to be able to count on Florida as a future location could be achieved by offering a multi-year program possibly through a transferable tax credit approach. The staff recommendations were based upon simplifying the program by providing a “base amount” for all productions with the availability of specific bonus add-on amounts that would incentivize specific behavior and production activity.

The current off-season (hurricane) bonus was cited as a good example of how a bonus can actually change behavior. Suggestions for bonuses included a post-production bonus to encourage the use of Florida’s existing post-production businesses, a “Florida-friendly” bonus to encourage positive portrayal of the state as a potential tourism destination, and a “new title” bonus for digital media projects.

Seth Schachner and Jud French commented about the digital media connections to the incentive program and how important it is to include the emerging technology, much of which is made by college students and the like.

4) Status of Five Year Strategic Planning

Lucia requested to temporarily table this item due to the many other activities staff had been engaged in, as well as the many other regional strategic planning workshops taking place this summer. She asked the Chair to call an Executive Committee meeting for next month to discuss the approach to the five year planning and bring back a recommendation to the full council at our next meeting.

Suzy agreed that an Executive Committee meeting is necessary as a ‘gut check’ so that aspects of the FFEAC could be revised to get a better handle on assisting in the five year strategic planning effort.

5) Legislative Budget Request (LBR) Process and 2010/2011 Request

Lucia reported that in early September all agency heads were asked what they wished to request for next year's budget with the caveat to not expect more than what they already have. She requested \$20 million for the film and entertainment incentive program.

The Executive Office of the Governor (EOG) at this time has included \$15 million in the LBR for the incentive. It is important to note that this is only the LBR, not necessarily the Governor's final recommendations. It is too early to say for certain what will go in his recommendations. The Governor's budget will be released in January.

All agency LBR's will be shared at the Agency Public Hearings on October 30th. The hearing for the EOG's budget request will take place as part of The Transportation And Economic Development portion scheduled for 1:00 – 3:00 p.m. in 116 Knott Building.

6) Other

Visit Florida Board Meeting:

Last week, Lucia attended her first Visit Florida board meeting and was very warmly received. She thanked Chris Thompson for the opportunity to bring their organizations together to examine how they can cooperatively work to achieve the joint mission of promoting Florida as a tourism destination.

She attended both their Marketing and Government Relations Committee meetings. Visit Florida is launching a very exciting integrated communications campaign that will target key feeder markets to Florida. They are also in dialog about the implications of offshore drilling in the state. Chris was given the opportunity to comment.

Los Angeles Liaison's Report on Business Development:

Susan reported on Independent Film Week (IFW) indicating it was successful noting that it is an important event for outreach to independent filmmakers. She suggested re-looking at the show,, as it is getting smaller over time. She then touched on IFTA Production Conference and how she was able to talk to numerous clients and stay on everyone's radar. The OFE provided blue spiral notebooks and pens as part of the event sponsorship, and by the end of the event virtually everyone was using the notebooks.

Comment [jm1]: I'm not sure about this. Sounds like it's getting mixed up with the Production Conference. I don't think we provided spiral notebooks for IFW.

Jud French mentioned that he had not heard mention of selling digital media and suggested that there needs to be a strategy to pitch the state to that part of the entertainment industry as well. He also wanted to know if there was anything regarding digital media that people should know about that was discussed on the panel that Susan attended. Susan mentioned that Summit and Lions Gate are developing content with text message based digital media on phones.

Membership Committee Update

Lucia reported that there were two open seats for the Governor to appoint. Gus asked about the status of Vivian's seat, and Lucia informed the council that Vivian was stepping down from her seat and thus a third appointment would technically be opening up once Vivian submitted her resignation letter. Michelle wondered why some people may have been told they were no longer being considered. Lucia explained that because there are three different appointment bodies, each one follows its own schedule, and just because one said a person is no longer being considered does not mean that they will not be considered for an open seat by another. Suzy once again welcomed Julie and Seth.

Legislative Committee Update

Lucia reported that committee meetings will start next week and will take place the first week of every month through December. In January there will be a few weeks of committee meetings, followed by every week in February until Session begins.

Kelly Horton, Legislative Committee Chair, informed the council that Rep. Precourt had been working on a draft transferable tax credit bill and had been soliciting input from the OFE as well as organizations like FFPC and Film Florida. There is some concern with digital media being pulled into the main queue without caps and limitations. Lucia agreed that digital media needs a bigger piece of the pie, but the existing language is something that needs to be worked on.

As a council the FFEAC had not taken a vote to support the bill, and no action will be taken until it is filed and can be looked at. Suzy asked Lucia to keep the FFEAC apprised of the changing environment and specifics of the bill as they become known.

Film Florida Update

Suzy introduced Graham Winick, President of Film Florida. He recapped events, starting with the St. Petersburg legislative event in August. The Legislative Launch received good attention and quite a few legislators participated on the panel. The live video from the event is available online at www.filmflorida.com. Dr. Rick Harper also discussed the fiscal impact scoring used on the bill last year and how it differs from dynamic scoring.

Film Florida is working on putting together similar events in South, Central, and North East Florida. They had been following up with the MPAA and the gaming industry, and they all agree that the core concept needed is more and consistent money, and the best bet currently is through the use of a tax credit. Due to budget cuts, their main focus currently is legislative in nature. He noted that Rep. Precourt's draft bill is an aggressive one at seventy-five million a year for five years as a tax credit. If it were to make it through it would put the state of Florida either at the top or very close to it in comparison to other states.

NEW BUSINESS

Meeting Schedule

Dates for later meetings, both the FFEAC and the various Committee meetings will be decided offline. Standard times for the quarterly teleconference meetings will be discussed at the Executive Committee meeting. While face to face meetings are preferred, budget cuts have made them difficult to accomplish. This issue, and others that are wrapped up in a 'gut check' of the statute that created the FFEAC and its bylaws and standing rules, will be something that the Executive Committee will address.

Public Comment

Jud French commented on the need to make adjustments to the OFE's marketing efforts and materials to ensure that they include the digital media incentive and other opportunities. He suggested the council try to address it overtly on the agenda and form strategies towards transitioning digital media into where it needs to be.

Michelle Marx informed those listening that Ted Swanson had passed away and that his memorial service was going to be on Saturday the 24th in Fort Lauderdale.

Meeting Adjourned

Suzy motioned to adjourn and Michelle seconded the motion. All agreed and none opposed. The teleconference call ended at 12:16pm.