

# **The Governor's Office of Film and Entertainment**

**Presentation  
House Transportation and Economic Development  
Appropriations Committee  
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# Office of Film and Entertainment (OFE)

## Who Are We?

- Created July 1, 1999
- Housed within the Office of Tourism, Trade, and Economic Development
- Purpose:
  - Market and promote the use of Florida as a location for production
  - Develop and sustain the workforce and infrastructure for film and entertainment production
  - Provide services to the entertainment industry

# Why Should Florida Attract and Retain the Entertainment Industry?

- \$17.9 billion in 2007 GSP (Florida's Gross State Product)
  - Increase of 13% from 2003
  - Represents 2.4 percent of the total state GSP
- 207,800 jobs (direct and indirect)
- \$8.5 billion in personal income
- \$498 million in tax revenue to Florida
- For every \$1 spent by a production within Florida, the state sees an additional 95 cents in impact (1.95 multiplier)
- \$29 billion total fiscal impact
- In 2007 projected potential job growth rate of 20%
- Feature films, TV series that showcase Florida “advertise” our state to the world.

# What Does the OFE Do?

- Serve as a single point of entry for productions
  - 54 local film liaisons
  - Client services and lead development
  - Approve sales tax exemption applications for entertainment industry production companies
- State-level promotion, outreach, advertising
  - National and international industry publications
  - Key trade shows and events
- Support educational and professional development activities
  - Panels, seminars at local film festivals, local film office and association events, programs at educational institutions
- Administer Florida's entertainment industry financial incentive program

# How Does the OFE Do This?

- 4 Full-time salaried staff (\$314,776)
  - Director
  - Los Angeles-based Liaison
  - Production Coordinator
  - Communication Coordinator
- Operating budget (\$453,296)
  - Temporary staff (OPS)
    - Full-time Incentives Administrator
    - Full-time Executive Assistant
    - Half-time Administrative Assistant
  - Marketing, Travel, Overhead
  - Florida Film and Entertainment Advisory Council (FFEAC)
- Entertainment Industry Incentive Program (\$10.8 million)

# What is Florida's Entertainment Industry Financial Incentive Program?

- Productions apply; are qualified and must be certified prior to principal photography start date
- 15% Cash Rebate for Qualified Florida expenditures – Florida workers, Florida vendors
  - + 5% Off season (June – November)
  - + 2% Family Friendly bonus (after review of final cut)
- 50% or more workers must be Florida residents
- Specific spending thresholds
- Rebate only on 1<sup>st</sup> \$400,000 of any individual wage
- \$8 million per production rebate cap
- Digital media production rebated only on wages at 10%; \$300,000 threshold; \$1 million per project cap

# Florida's Entertainment Industry Financial Incentive Program (cont.)

- Rebated after production
- CPA Verification
- Copies of Receipts
- Residence Verification
- Cannot be rebated more than certified amount
- Must include “Filmed in Florida” logo and/or Text Credits



# Florida's Entertainment Industry Financial Incentive Program Five Year Summary

- First funded in FY2004/2005
- \$42.8 million in total state investment over 5 years
  - 30,476 jobs provided to Floridians
  - \$175 million spent on Florida wages
  - \$113 million spent with Florida vendors
- Direct ROI = \$6.75 to \$1 (no multiplier)
- 78,993 hotel room nights

# The Numbers by Fiscal Year

Fiscal Year	Appropriation	Total Productions	Incentive Reimbursement Amount	Total FL Qualified Spend	Total Jobs	Total FL Wages	Est # Hotel Room Nights	ROI
2004/2005	\$2,450,000	4	\$2,405,316	\$16,467,848	939	\$9,123,199	5,382	6.85:1
2005/2006	\$10,000,000	15	\$5,648,898	\$39,419,261	4,027	\$20,629,218	13,632	7:1
2006/2007	\$20,000,000	22	\$8,055,516	\$58,823,460	3,803	\$34,466,039	16,800	7.3:1
2007/2008 *	\$25,000,000	53	\$18,027,613	\$118,361,848	15,273	\$73,386,145	36,556	6.56:1
2008/2009	\$4,799,929	29	\$8,586,041	\$55,336,270	6,434	\$37,320,813	6,623	6.44:1
<b>Totals</b>	<b>\$62,249,929</b>	<b>123</b>	<b>\$42,723,384</b>	<b>\$288,408,687</b>	<b>30,476</b>	<b>\$174,925,414</b>	<b>78,993</b>	<b>6.75:1</b>

## NOTES:

- FY2007/2008 unused funds at year end carried over and added to FY 2008/2009 appropriation resulting in \$11,727,959 total funds available. This was a one-time event.
- FY2008/2009 totals include nine FY2007/2008 projects that carried over into FY2008/2009

# Burn Notice: Case Study

**High Impact TV Series:** A production created to run multiple seasons with at least 7 episodes per season and \$625,000 Florida budget per episode.



## **Burn Notice: Pilot through Season 3 (Part 1)**

- \$46 million spent by production on qualified Florida expenditures
  - \$28.4 million in wages to Floridians in 6,380 + jobs
  - \$17.6 million spent with Florida vendors
- 7290 hotel room nights
- Average of 6.1 million viewers per episode
- Viewers in 215 countries around the globe
- Media value estimated at \$170,560,000 (next slide)

**Coming Soon:** Season 3 (Part 2) through Season 4 (Part 1) will result in an additional \$30.4 million spent in Florida

# Media Value – Option 1



## Commercial Buy-Out

- Applying cost per spot to a buy out of all advertising opportunity/commercial pods

Total Cost per Year based on Commercial Time					
Program	Network	Length of Show (Min)	Number of Airings	Cost per Spot	Total Cost per Year
Mas Sabe el Diablo	Telemundo	60	120	\$2,500	\$9,600,000
Descontrol	Telemundo	60	52	\$300	\$499,200
Miami Social	Bravo	60	7	\$16,713	\$3,743,712
Brooke Knows Best	VH1	30	8	\$13,250	\$1,696,000
Next Food Network Star	Food Network	60	9	\$57,110	\$16,447,680
Animal Cops: Miami	Animal Planet	60	10	\$4,974	\$1,591,680
CSI Miami	CBS	60	45	\$240,000	\$45,600,000
Burn Notice	USA	60	260	\$20,500	\$170,560,000
Grand Total:					\$549,738,272

# So What is Burn Notice About?

- When spies get fired, they don't get a letter from human resources.
- They get **BURNED...**
- **Burn Notice** is an action-packed original series starring **Jeffrey Donovan** as **Michael Westen**, a blacklisted spy who continues to use his unique skills and training to help people in desperate need of assistance...





## A Conversation with Jeffrey Donovan