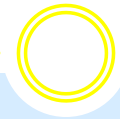


State of the Industry Legislative Update

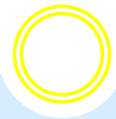


**Presented to Women in Film & Television –
Florida**

July 20, 2009

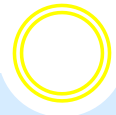
**Lucia Fishburne, Director
Governor's Office of Film & Entertainment**

2009 Legislative Session Summary



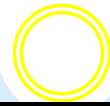
- Two entertainment incentive bills filed
- Tax credit bill passed in one Senate committee
- House version died in committee (never heard)
- \$10.8 million appropriation for current incentive program
- 40% reduction to the Office of Film & Entertainment's (OFE) operating expenses

2009 Legislative Session Summary (cont.)



- **11th hour changes to incentive statute in the implementing bill for the appropriations bill:**
 - Increased the percentage of appropriation for the Florida Filmmaker queue from 5% to 10%
 - Decreased the percentage of appropriation for the Digital Media queue from 10% to 5%
 - “In the event there are no qualified applications in this queue, funding shall be made available to a qualified project in the digital media projects queue”

Comparison with Funding for Other Economic Development Incentives (in millions)



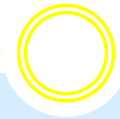
Qualified Targeted Industry (QTI)	\$20.4
Road Fund	\$20
Quick Action Closing Fund (QAC)	\$13.45
Film & Entertainment Industry Incentive	\$10.8
Brownfield Re-Development	\$1.68
Space, Defense & Rural Infrastructure	\$1.65
Rural Community Development	\$1.3

*“The only way to predict the future
is to create it.”*

Peter Drucker

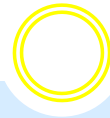
Creating the Future through the Strategic Planning Process:

Step One



Where are we now?

Florida's Entertainment Industry Sector



- \$17.9 billion in 2007 GSP (Florida's Gross State Product)

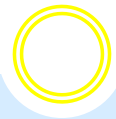
Increase of 13% from 2003

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
- 20% Projected potential job growth

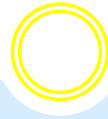
Governor's Office of Film and Entertainment (OFE)

Purpose: To develop, market, promote, and provide services to the state's entertainment industry



- Created July 1, 1999
- Housed within the Office of Tourism, Trade, and Economic Development
- Administer Florida's entertainment industry financial incentive program
- Approve sales tax exemption applications for entertainment industry production companies
- State-level promotion, outreach, advertising
- Client services and lead development

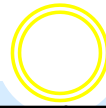
The Entertainment Industry Financial Incentive Program



Five Year Summary 2004 - 2009

- First funded in FY2004/2005
- 117 Productions
- 38,290 jobs
- \$301 million spent on Florida wages and Florida businesses
- \$44.8 million in total state investment for 5 years
- Direct ROI = \$6.7 to \$1 (no multiplier)
- 83,852 hotel room nights

Florida's Incentive Performance



Fiscal Year	Appropriation	Total Producti ons	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	\$18,102,994	\$118,633,583	15,323	\$73,466,526	36,581	6.55:1
2008/2009 *	\$5,000,000	23	\$10,573,487	\$67,970,597	14,198	\$45,601,232	11,457	6.43:1
Totals	\$62,450,000	117	\$44,786,211	\$301,314,749	38,290	\$183,286,214	83,852	6.73:1

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 projected totals include nine FY2007/2008 projects that carried over into FY2008/2009

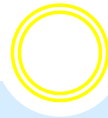
Entertainment Industry Sales Tax Exemption



Florida's "first" tool . . . FY 2007-2008 Statistics:

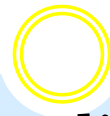
- 841 Total Approved Applications
- \$816,462,452 Total Estimated Florida Expenditures
- \$14,389,854 Eligible for Sales Tax Exemption
- ROI: \$56.7 spent on non-exempt expenditures for every \$1 sales tax exempted

Where do we want to be?



- More productions
- More jobs
- More infrastructure
- Bigger productions
- Better productions
- Floridians in better jobs
- Keep our workforce here
- Keep our graduates here
- More innovation

What do we need to change in order to get there?



- Continuity and reliability for clients
 - Two year cash rebate incentive program?
 - Multi-year tax credit incentive program?
 - Hybrid incentive program?
- Strengthen relationships with stakeholders
 - Legislators, Associations, Chambers, EDO's
- Added incentives for using Florida post production facilities
- Added incentives for using Floridian's in above the line positions

*“This time, like all times,
is a very good one if we but know
what to do with it.”*

Ralph Waldo Emerson