CALL TO ORDER AND WELCOME

Administrative (Chair Gus Corbella)
Called to Order by Chair Corbella at 10:02 a.m.

Roll Call:

Members:
Chair Gus Corbella
Pieter Bockweg
Marc Meisel
Ryan Neves
Chip Merlin
Vice Chair Seth Schachner
Pamela Tuscany
Diana Gonzalez
DeDe Davis
Suzanne Neidland

Yvonne Boice and Legislative Chair Horton excused absence

ExOfficio:
April Money, Career Source Florida
Diana Gonzalez, Enterprise Florida

Office of Film and Entertainment (OFE) Staff:
Traci Colson
Donyelle Marshall
Caroline Ross
Commissioner Niki Welge
Susan Simms

Welcome

Chair Corbella welcomed everyone and reminded future meetings will be scheduled via email at a later date.
OLD BUSINESS

Approval of June 2015 FFEAC Meeting Minutes (distributed via email):

Corbella asked if there were any suggested edits
Vice Chair Schachner moved to approve minutes
Chip Merlin seconded
Chair Corbella approved Minutes

Legislative Update

Chair Corbella did legislative update for Representative Horton.
Went over dates of committee weeks and legislative session

Next committee week October 5
Committee week October 19
3 committee weeks in November
Legislative session starts earlier on January 12 and will go through March.

Chair Corbella opened floor to council for discussion for conversations members have had with members of local delegation.

Vice Chair Schachner stated he is continuing to watch the film and music side in Georgia and they seem so aggressive and he reiterated interest in helping with Marc on the music side and felt we are behind there.

Chair Corbella reminded that everyone on the council was appointed to be advisors and as we enter this session to set an appointment with the local House and Senate member.

Chair Corbella stated we are at a perilous time coming into the third year of no tax credits being awarded to our program. Chair Corbella state that we come at it after tireless work of bringing it to the forefront of the agenda, but we are at a do or die point. Chair Corbella reminded that the tax credit is due to sunset next year. Chair Corbella reminded that with no credits in the future, we are close to being at a dangerous spot for the future of this industry in Florida. Chair Corbella reminded that we are all aware of what neighboring states are doing and giving their dedication to this industry. Chair Corbella stated that efforts we have tried in the last few years have not succeeded with incentives being under scrutiny and have had a tough time responding how our industry fits into ROI model, being that it is different from a 9-5 FTE industry and proving that
point has been difficult. Chair Corbella encouraged members to focus on F&T committees and appropriation committees in the House and the Senate in a united way, to try and request tax credits for the coming fiscal year. Chair Corbella stated we are a car with no gas in the tank and hopes this provides urgency and focus to our efforts. Chair Corbella reminded that he believes this will be a difficult process especially being an election year and suggested a united effort with house and senate appropriations and F&T committees, give us a year of funding to show what we can produce.

Open to comments:

Member Bockweg stated he has been speaking to his lobbyist as far as taxes and incentives go. Member Bockweg stated he believes that whoever is the house and senate president plays a large role in whether or not this will be extended. Member Bockweg stated he will be seeing a good deal if not all of the delegation in the upcoming weeks for an event he is hosting at his CRA building for a movie production facility in Miami. Stated grand opening will be held October 5 and council is invited. Most of the Dade delegation, Lieutenant Governor and Governor have been invited. Member Bockweg stated he plans to use opening to show benefit of incentive packages and kick start the discussion in Tallahassee. Stated everyone will be receiving invitation and hopes everyone will be there and that it will kick start discussion.

Chair Corbella thanked Member Bockweg and agreed that it is a great opportunity to kick start the discussion, especially with the Dade delegation who have had the most resistance to our effort which is odd considering the amount of production that goes on in that area.

Member Bockweg stated putting great deal of effort into making sure Representative Alleva shows up with him being one of the hurdles that needs to be addressed, especially with him being an upcoming Speaker of the House.

Vice Chair Schachner asked about incentive efforts going forward being mostly film and TV focused. Vice Chair Schachner mentioned continues to see new businesses like Magic Leap coming to Florida and a great deal of digital start up coming to many cities and wanted to know if there was any money we could leverage to support the industry we are speaking to.

Chair Corbella stated that there is a desire for people to come here, work and film. Chair Corbella stated that Commissioner Welge is consistently having to turn people away and there is a continuous calls to OFE regarding wanting to come back to Florida. Chair Corbella states that where council members can help bridge for these new businesses who may not have the legislative contacts and help facilitate discussion and let them know that this council is here to speak for them as well, is important because often times their voice feels like it is silent.
Member Merlin asked how Chair Corbella sees one year challenge and how they should approach people on it.

Chair Corbella stated tax incentive program is in the statute currently and sunsets next year, but there is a format in place that has proven to be wildly successful since it was established for producing TV, film and other entertainment production here in Florida. Chair Corbella stated the discussion in previous years has raised questions for members in the legislator with ROI and first come first serve concepts. Chair Corbella stated that there are systemic changes that need to be made to make decision makers more comfortable with the program. Chair Corbella reminded that to get production up and running in Florida it is important to get tax credits, and we will take whatever the legislator feels is adequate at this time to provide incentives for production to start again. Chair Corbella stated that there is a structure in place already that has worked and the call needs to be that given the looming deadlines in the sun setting of this program and the challenges we have faced, and all we need as an industry is the opportunity to show we can work once again. Chair Corbella reminded the language is already in statute and all it needs is the appropriation of tax credits for the coming fiscal year, so we can report back to the legislator the following fiscal year and say here is the opportunity you gave and tax credits you gave and here is what we were able to do. Chair Corbella stated that we can do anything we want to try and grow, modernize and switch the program around, but without the single aspects of no tax credits remaining to lure production companies to come to Florida, he doesn’t see us moving forward. Chair Corbella urged and encouraged once again to consider the idea of really providing a united front in approaching the legislative decision makers and using them to say look at our colleagues to the north in Georgia and ask why that is not happening here in Florida. Chair Corbella stated if there is a repeat of legislative session like we have had the last couple of years, we are in trouble.

Member Neidland stated that she felt it was great plan and really hopes all can plan to help.
Member Neidland stated she knows many people in production moving north and in are trouble financially, their homes are here and they want to stay in Florida. Member Neidland stated that there is no doubt that film production is good for the state on many levels and reiterated that it is a great plan.

Member Gonzalez stated she agrees with efforts and knows that Florida needs to do something to make Florida work again. Member Gonzalez had a question regarding the ROI issue and asked if there is any way to look at what other states are doing and compare with Florida on how we can look differently at this issue and how we can better respond to this concern.

Chair Corbella stated has been a question throughout the years on the part of legislators, and the challenge that the industry has faced is that historically that is something we haven’t looked at and in government there is a tendency to look at things with black and white lines. Chair Corbella stated it’s something that is difficult to quantify with us not being the typical FTE industry. Chair Corbella asked Commissioner Welge if we have looked at other states.
FLORIDA FILM AND ENTERTAINMENT ADVISORY COUNCIL
September 24, 2015 (3rd Quarter Meeting)
10:00 a.m. – 12:00 p.m.

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Commissioner Welge stated it’s difficult to look at what other stated are doing because states incentives are different than ours, so it’s not comparing apples to apples. Commissioner Welge also stated that there are different types of entities that do broad ROI assessments of incentives and some are glowing while some have negative ROI on some incentives and these broad differences and has a tendency to make them seem all inaccurate. Commissioner Welge stated that the OFE office was reviewed by EDR and conducted ROI for combination of both tax credit and exemption and ROI was not positive and wasn’t breaking even in terms of 1 to 1, and stated that EDR has requested additional information from OFE. Commissioner Welge stated that she doesn’t anticipate it looking much different from last years.

Member Gonzalez stated benchmarking was the only thing she could think of as a potential answer to this problem and that if we could be any assistance please contact her.

NEW BUSINESS

Office of Film and Entertainment Team Report
Summary of Activities:

Office Updates (Commissioner Niki Welge)

Commissioner Welge stated that last time we met we were trying to determine how to move forward with the 40% reduction from 5 FTE to 3 staff, and also reduced our salary and rate budget by $215,000.00. Commissioner Welge stated that unfortunately because the cuts were so large, Maya Moore’s position and the LA Liaison were eliminated. Commissioner Welge said we were able to keep Susan through working OPS part time for our office and Film Florida part time. Commissioner Welge stated the value of Susan for our industry and is grateful for Film Florida and their ability to help make this work and keep Susan on our team.

Commissioner Welge informed the council that because of transition her responsibilities have changed, and we had to reduce marketing activities along with reduction and staff and that the majority of Susan’s marketing responsibilities have been transferred over to Film Florida. Commissioner Welge stated that she is still representing Florida in very specific activities our office is able to attend. Commissioner Welge stated that while going from 5 FTE’s to 3 FTE’s is an enormous blow, the statutory requirements have not changed just 40% less staff to accomplish the goals.

Commissioner Welge stated that Sean Cooley has officially moved on to Department of Financial Services and that we have 2 new interns for the fall semesters from FSU.
Commissioner Welge stated we are getting close to launching new website within the next couple of months.

Commissioner Welge stated that performance measures for last fiscal year were due in August and that over the years it has morphed into one main performance measure that is how many projects that OFE worked on that actually resulted in business in Florida. Commissioner Welge stated that every year we exceed our goals and that last fiscal year (14-15) OFE assisted more than 1,300 projects. Commissioner Welge said that of 1,300 productions, 1,040 actually resulted in business in Florida, which is a 76% success rate. Commissioner Welge stated the reason she wants to point that out is that over the lifetime of financial incentive program, only 314 have been certified for tax credits since 2010. Commissioner Welge stated that while it’s a big part of what we do, we still work on a lot of production that don’t receive tax credits and those projects are a small percentage of what the state sees.

Commissioner Welge stated that annual report is due November 1st and the staff is working to put data together due to the Governor, Speaker and the Senate President. Commissioner Welge stated is will be posted on our website and it encompasses financial incentive, sales tax exemption and all travel reports. Commissioner Welge stated as Chair Corbella mentioned, this is the last year of the program and without any legislative updates will sunset June 30, 2016. Commissioner Welge stated we have the remainder of that time to get as many tax credits distributed as possible, and allow tax credits to roll back into the program and be recycled on the wait list, but after June 30 any tax credits that come back into the program will no longer be available for re-certification. Commissioner Welge stated staff is working diligently with production companies to get the audit to CPA’s and have the CPA’s get everything to us so that we can do our back end audit review. Commissioner Welge stated tendency for production companies to overshoot their budget by 15-20% and so there is a tendency for production companies to have tax credits left over that can be recycled back into the program.

Commissioner Welge said that there is still 5 years of administration after June 30 left of the program because after tax credits are awarded a production company has up to 5 years to transfer the credits. Commissioner Welge stated still have $118 million dollars left to reward and anticipate accepting audits so even if the program sunsets a lot of work to be done for the program.

Vice Chair Schachner stated great to hear something was figured out for Susan with her being such a valuable asset.

Corbella: on behalf of council, thanks to Film Florida and local commissioners to putting efforts into making sure Susan remained a vital part of our industry and thanked Commissioner Welge for reminding everyone of all the functions that the film office helps with, not just the incentives.
Future Business (Susan Simms)

Susan Simms thanked Commissioner Welge for finding a way to keep the LA Office open. Susan Simms also thanked Film Florida for working on behalf of the LA Liaison and dipping into their own budget to make sure we could still have an LA Office and the LA effort.

Susan Simms returned from the Toronto Film Festival and said it was a great event. Susan Simms stated that they partnered with Film Florida and Miami Film Festival and had a reception that they were privy to Miami Film Festivals guest list. Susan Simms stated will be on finance and distribution panel, and will be doing everything to focus on commercials to get word out on commercial clients and working with local film offices and put particular emphasis on commercials because this has been our bread and butter because they will come without incentive have been doing commercials for years.

Susan Simms stated that North Carolina, received 60 million in incentives over a 2 year period and lost television series and it is a concern for us because we are in the same situation to some degree. Susan Simms stated that Florida has 2 high profile, high impact television hits, Netflix – Bloodline that was nominated for 2 Emmy’s and the other being HBO – Ballers which was the highest rated half hour comedy series since Entourage. Susan Simms stated that both of these productions will be taking advantage of their last incentive tax credit and said that if we can’t help the two hits we have, we don’t need to be looking for more because people are looking to see if we can take care of our current two hit shows.

Member Tuscany stated that it is great to have Susan still with us and that we have to stay united and continue to tell law makers story because its continuing education. Member Tuscany stated that our lawmakers keep changing when your think you have someone you can align with and we just have to continue to tell our stories.

Entertainment Industry Financial Incentive Summary Report (Traci Colson)

Total Number of Projects Certified: 314
Projected Total Florida Wages: $741,274,239
Projected Number of Florida Jobs Created: 117,241
Estimated Room Nights: 210,354
Qualified Florida Expenditures: $1,260,234,946
Total Certified Tax Credits: $296,000,000
Total Tax Credits Awarded: $177,796,408
Total Projects Awarded Tax Credits: 235
Tax Credits Pending Certification: $61,631,334
Total Qualified Projects Pending Certification: 7

Member Tuscany asked if the report was on the website since it has so much detail.
Commissioner Welge stated that while it is not on the website, it was provided to the council in the meeting packet with the agenda and minutes.

Member Tuscany stated that wanted to know if it was on the website as something they could use as a reminder for lawmakers and the impact that these numbers are making.

Commissioner Welge stated anytime anyone wants any information they can ask us and we will get that to them.

Chair Corbella stated that as we move toward the session, we will work with the Film Office to have a packet to use for our legislative efforts.

Commissioner Welge stated that Film Florida has a great legislative packet if you are planning on meeting with a legislator and aren’t sure what to say, they have great resource on their site.

Sales Tax Exemption through September 2015 (Donyelle Marshall)
Number of Applicants Processed: 59
Amount of Tax Exempted Based on Florida’s 6% Tax Rate: $8,598,296
Estimated Florida Jobs: 11,863
Estimated Florida Expenditures: $619,140,240
ROI: 72:1

Marketing and Advertising (Caroline Ross)

Caroline Ross stated that like Susan said, she was in Toronto, we also have Produced By New York coming up and will be the only “Swag” in the gift bags with having pens and notebooks and will be sending that out next week.

Caroline Ross stated that Commissioner Welge and she spent a lot of time working on the marketing matrix for the upcoming year and it is significantly less than last year. Caroline Ross stated that she and Richard Smith have been plugging away at the website and it will be very up to date and easy to navigate, but with that, our marketing will focus on Twitter and Facebook to share everything that we can on Facebook and the website and that Florida is not dead and that we are still a great state and still are plugging away.

Caroline Ross stated that we will be doing the Film Florida Meetings, Governors Tourism and the Locations Conference but will again be relying heavily on social media to help with the little budget we have to market the state.

Chair Corbella asked if any members had any questions for the film office.
Association Updates: (Film Florida, SAG, IATSE, etc.)

Film Florida – Michelle Hillary reminded that Florida is made up over 16,000 companies and over 100,000 Floridians working in this industry and we are losing a great deal of graduates to other competing states and that this is a do or die year. Michelle Hillary stated we need support more than ever this coming year. Michelle Hillary stated we have made some changes going into legislative session, and cannot continue to do the same thing we have done in previous years, because status quo is not going to work. Michelle Hillary stated that because this upcoming session is so important the changed legislative lobbyist this coming year to Slater Balif who will be representing their efforts in Tallahassee this upcoming year. Michelle Hillary stated that early on she would like to share and provide information to Chair Corbella and the council so that we can all be on the same page with everything. Michelle Hillary said they are providing a menu of items to key legislators to figure out where to put a great deal of effort towards since we have much shorter deadlines this year and can be having meaningful conversations with legislators.

ExOfficio Updates:

Enterprise Florida – Dianne stated stand prepared to work with the organization and that they understand tax incentives are coming under attack and they are ready to work with everyone.

VISIT FLORIDA – Meredith DeSilva on behalf of Susanne Costella who is on vacation. Meredith DeSilva stated currently in production of Season 4 Emeril’s Florida and Bass to Billfish, and that their seasons will start in January.

Chair Corbella stated that these shows have had a huge impact on our state and we appreciate all of the help of VISIT FLORIDA.

Public Comment:

Caroline Ross asked if members of the public could announce themselves since she forgot to ask at the beginning of the meeting:
John Lux IDEAS
Jud French from Film Florida
Todd Roobin from Jacksonville Film Commission

Chair Corbella asked if members of the public had anything to add.

Todd Roobin – stated that Michelle Hillary said it well and that he is looking forward to working with the team to get it across the finish line this upcoming sessions.
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Jud French – echoed Todd Roobin’s comments and said the ability to be on the same page will be absolutely crucial and that legislators are hearing a clear message.

Chair Corbella thanked partners for coordinating to be on the same page and help moving forward. Chair Corbella also welcomed council members to communicate any information they feel is important and no piece of information is too small and that this is the year to share it and provide information to all of us.

Chair Corbella reminded to be on the lookout for the upcoming quarterly meeting survey and thanked everyone once again for all they are doing.

ADJOURNED at 11:32 a.m.