CALL TO ORDER AND WELCOME

Administrative (Chair Gus Corbella)
Called to Order by Chair Corbella at 10:52 a.m.

Roll Call:

Members:
Chair Gus Corbella
Pieter Bockweg
Marc Meisel
Chip Merlin
Vice Chair Seth Schachner
Pamela Tuscany
Legislative Chair Kelly Horton
DeeDee Davis

ExOfficio:
April Money, Career Source Florida

Members of the Public:
Todd Roobin, Jacksonville Film Commission
Michelle Hillery, Film Florida
John Lux, IDEAS
Kelly Paige
Jud French

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

Welcome
Chair Corbella welcomed everyone and apologized for the technological difficulties regarding the call-in number. He suggested waiting a few minutes to see if we can have a quorum. Reminded everyone that future meetings will be announced via email.

OLD BUSINESS

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

Chair Corbella asked if there were any suggested edits to December’s minutes. Vice Chair Seth Schachner motioned to approve minutes. Member Chip Merlin seconded approval. Chair Corbella approved minutes.

NEW BUSINESS

Legislative Update

Legislative Chair Horton stated that she wishes we had better news going into the last few weeks of session when it comes to the film incentives. She stated that she spoke with Representative Mike Miller that morning, who has been our champion in the industry. He didn’t file a standalone bill this year for several different reasons, however, he filed an amendment to the appropriations bill earlier this week. Representative Miller stated that he ended up withdrawing the amendment out of deference to the incoming speaker, Richard Corcoran, who is not a huge fan of the film incentives. Representative Miller said that he had a conversation with the Speaker yesterday, and that he assured him that they are working hard on the film money and that he knows it is important to Representative Miller and his district. Representative Miller felt very optimistic about legislation for film. Senator Detert’s language is in the Senate economic development package, which contains pretty sweeping changes to the program. The bill has the quick action closing fund in it and it also restructures the Office of Film and Entertainment. Representative Miller was not optimistic about that particular language getting passed.

Legislative chair Horton stated that what she believes we will see is some proviso language that keeps the OFE going for another year, but these things are probably not going to shake out until the very end of session during budget negotiation. She stated that Americans for Prosperity has been adversarial when it comes to film legislation, as they oppose the incentive. They have also come out opposing the Governor’s economic incentive legislation, and they have started to go too far and people are not listening as much. AFP is still very powerful and they have a great deal of money to spend on mail pieces and TV ads. She stated that she feels it is in our favor that
they have balked on the Governor’s plan, but that we still do have a problem with the incoming Speaker, because he is not a fan of the Governor’s economic incentives. Legislative Chair Horton stated that she believes with Senator Detert’s passion for the issue and Representative Miller’s commitment to help, that we will have something in the budget when everything is said and done. Legislative Chair Horton asked if Chair Corbella agreed.

Chair Corbella stated that he agrees, and for those on the call who are not following the legislative process as closely as others, we just received an announcement late last night from Chairman Lee and Chairman Corcoran that they have made some progress, and that we should be seeing conferees and allocations coming out this weekend. Chair Corbella stated that most of our fate lies in the back and forth process between the Tourism and Economic Development Subcommittees, and then those issues will get bumped up to Chairman Lee and Chairman Corcoran, and then to the presiding officers if necessary. If session ends on time, which is March 11th, the finalized budget has to be prepared and presented to the members no later than March 8th, so we are getting ready to go into the fast and heavy period of the legislative budget process. Chair Corbella stated that Legislative Chair Horton is absolutely right, and that he has heard there will be no sweeping changes like the ones coming from Senator Detert. Senator Latvala has been very forceful saying that no economic development budget bill will pass if it does not include some of the entertainment language and funding that we are seeking. Senator Latvala put some money into the Visit Florida budget for advertising as a placeholder, obviously very minimal money, but at least there is a marker to begin negotiations and go from there.

Chair Corbella stated the he agrees with Legislative Chair Horton on the feedback they are getting that there will probably be some proviso language to keep OFE, the council, and the tax incentive program alive for another fiscal year, while they continue to work out some of the other details. We are heading into a time of leadership where we have been unfortunately lumped into the debate of incentives on sports stadiums, and other economic development packages, which philosophically the House of Representatives has expressed they are not very comfortable with as a means of economic development. Chair Corbella stated he appreciates the members of the council for their work and continuing to reach out to their legislators. He also stated he appreciates Film Florida and the hard work they are doing to keep this issue at the forefront and we expect to get some new information in the coming days and we will be sure to keep the council informed via email.

Chair Corbella asked if Legislative Chair Horton or Commissioner Welge had anything they would like to add to the update.

Legislative Chair Horton stated that the next few years will be a struggle based on the incoming legislative leadership and how they feel about film. When she first started on council, Film Florida used to host a reception at the Governor’s mansion, invite legislators, and bring a celebrity in to speak. Then they would go to the Capitol and do the same. Legislative Chair
Horton said she doesn’t know if it’s possible for Film Florida to do that again, but that we have some high profile projects that film in Florida and things like show the members there are heavy hitters out there and that film is good for Florida, and may help raise the profile on the issue. She stated that there is a lot of time between now and the next legislative session starting in March 2017, and suggested that be something to think about bringing back.

Todd Roobin - asked permission to speak on the subject.

Chair Corbella gave the floor to Todd Roobin.

Todd Roobin stated that Film Florida has considered having another legislative reception and that Legislative Chair Horton is referring back to when they had John Travolta and Kelly Preston at the Governor’s Mansion when Governor Crist was in office. He said it even goes further back to when Governor Chiles was in office when Sylvester Stallone came in. Another reception is something that would absolutely be considered, but the incoming Speaker has been adamant about not supporting anything regarding incentives, even calling the Governor’s $250 million for Enterprise Florida, corporate welfare. Roobin stated that Film Florida is optimistic that during conferencing something will shake out, but that the reception concept is something they would consider, but with leadership in the house, they would need to have the Governor embrace as well.

Legislative Chair Horton stated that in the past year and a half the Governor has been hosting a lot of functions at the mansion, and that as a part of his economic development incentive, that it may be something that would fit in with those functions. She asked Chair Corbella if he agreed.

Chair Corbella stated that we began with a relationship with Governor Scott on a very positive note. Recalled that we hosted Mrs. Scott on the set of Pain and Gain, 3-4 years ago, and he remembered Mrs. Scott saying she would make sure to talk to Governor Scott about supporting the film and television industry. Chair Corbella stated that obviously it has been a rocky relationship since then. He stated that we have some new leadership with Director Cissy Proctor at DEO and there is great hope that film and television will continue to be an issue of importance. Chair Corbella stated Legislative Chair Horton is correct and that he has had similar discussions with Todd Roobin, Michelle Hillery, and others at Film Florida that members of the legislature (he said very respectfully) are very star struck people and that they enjoy seeing members of the film and television industry. He can name a number of instances where an actor, singer, entertainer, or performer was able to appear before a committee, and things that were log jammed all of the sudden began to move. Chair Corbella stated that these are obviously very high-profile figures, and easily recognized, so we will continue to work closely with Film Florida, the Governor’s Office, and others to work on this issue.
Chair Corbella stated that he is optimistic that something will happen in the upcoming weeks as far as keeping things moving for next fiscal year. While we expect we won’t have support from some House leadership, there is support among the membership of the House. House leadership does recognize the importance of this industry, and that it plays a very important role in certain member’s backyards, and that it’s very important to support it. He encouraged everyone not to get discouraged, even though it can be difficult, and suggested that we need to try and move forward here in the coming weeks and months.

Michelle Hillery added to that by stating that along with the several set visits Film Florida has arranged over the past couple of years for legislators, they also did an event with John Travolta last year, and brought Burt Reynolds to the Governor’s Tourism Conference and honored him with the Film Florida Legendary Tourism Ambassador Award, which was a huge hit talking about the benefits of filming here in the state of Florida. While Film Florida hasn’t done anything at the Governor’s Mansion, we have done a couple of events similar to what we are talking about.

Chair Corbella stated that it will be helpful as we prepare for next session, to see what we can do during legislative session. Obviously, all eyes and ears are focused on Tallahassee during that time, with a lot of media attention, so we will continue to work closely with Film Florida to make sure we can use that star power to our collective benefit.

Chair Corbella asked if Legislative Chair Horton or Commissioner Welge had anything to add.

Legislative Chair Horton and Commissioner Welge said no.

Chair Corbella stated that we will continue to keep the council members and interested parties informed. We expect to be hearing about conference here in the next couple of days, and as issues and progress start moving, he will do his best to get the information to Commissioner Welge and the film office to share with all interested parties.

Todd Roobin stated that he wasn’t sure if Chair Corbella had seen the press release from Enterprise Florida titled, Bill Johnson to AFP (Americans for Prosperity): Suspend Florida Operations Until Hypocrisy is Addressed.

Chair Corbella stated he saw the press release.

Todd Roobin stated that Bill Johnson is the CEO for Enterprise Florida (EFI) and Secretary of Commerce, and responded to a lot of the negative social media that AFP Florida has been posting. Bill Johnson, through EFI, came out with a very well-articulated press release in addressing the importance of the Governor’s need for funding and it was quite a great release.
Chair Corbella stated that politics are important, and as we get to the end, the heat gets turned up. As Legislative Chair Horton stated, AFP have been effective in not only providing opposition to our incentive, but other economic incentive programs as well. Chair Corbella stated that he tends to agree with Legislative Chair Horton in that they have a mixed record with the Senate and House and have overstepped things and are being too forceful with members back in their district. We will have to see how it all shakes out.

Member Pamela Tuscany stated that she had a question for Todd Roobin regarding the press release being from EFI and if it was out earlier today.

Chair Corbella stated the press release was out earlier this week, and it was from Enterprise Florida and came from Johnson. We will be sure to provide members with a copy.

Member Tuscany stated that what she is hearing is in line with what Legislative Chair Horton is hearing as well. Member Tuscany stated that she is curious if any action from the FFEAC Committee at this 11th hour could be of assistance. Member Tuscany asked if we end up with some funding in this larger economic development bill, if it is worth getting a letter to Commissioner Welge to provide to the Governor in support, because there are always those last minute changes.

Chair Corbella stated that prior to session, we had planned something similar, and we ran into some issues with efforts we wanted to do on behalf of the FFEAC. He stated that as soon as conferees are announced, that we will provide them to the members of this council. He stated that if they are your local legislator, or someone you may have a close relationship with that they should hear from you, because nothing is more powerful to a legislator then hearing from a constituent. Chair Corbella stated that as soon as the House and Senate conferees are announced, we will provide that list to you, along with a couple of paragraphs with a message of support we hope you will share with them. At this stage, hearing from you personally would be very helpful, and as we continue to monitor the proviso language or any tax credits or dollars that may be allocated our way, we will be sure to keep this group informed.

Chair Corbella stated because of the late start, he understands we have limited time so he would appreciate if we could expedite the upcoming reports and be mindful of the time.

NEW BUSINESS

Office of Film and Entertainment Team Report
Summary of Activities:
Office Updates (Commissioner Niki Welge)

Commissioner Welge stated update is fairly brief, but before we get started she wanted to see if any other council members who may have missed roll call have joined us.

Representative DeeDee Davis stated she was here.

Commissioner Welge stated Chair Corbella and Legislative Chair Horton touched on a few of the things she was going to talk about, but she will expand a little bit more. As discussed in the last meeting in December, Executive Director Panuccio had tendered his resignation, and Cissy Proctor was named as new Executive Director of DEO by the Governor. She is currently going through the confirmation process, which executive directors and secretaries of agencies have to go through every two years. Director Proctor has been put on the fast track and sailed through her three Senate confirmation hearings, and the issue now has to be voted on the floor of Senate before she can be officially confirmed as the Executive Director. Director Proctor has been with the agency for a while, and served as our Bureau Chief in Strategic Business Development before she was named Chief of Staff and now Executive Director. Commissioner Welge stated that we enjoy working with her and have a great relationship with her, which is beneficial to all of us. Commissioner Welge thanked Director Panuccio for his leadership, over the years he was here, he did tremendous things for the agency, and we were very fortunate to have had an opportunity to work with him and wish him well down the road, but we are glad Director Proctor is here and leading the charge for the agency.

Commissioner Welge stated that when DEO was created by the legislature an OPPAGA review was put into the statute, and OPPAGA (which is a legislative body that does audits on programmatic and administrative areas) is currently doing a review of agency performance over the last 5 years. In July of 2016 they will be releasing the information and will state how they think we are doing. In coordination with that our agency is doing a 3 year look-back internally, and our office is participating. Commissioner Welge stated that OPPAGA will be looking at ways the agency can improve, things we are doing well and make recommendations for the future of the agency. As everyone knows, not last year, but the year before, our office went through an OPPAGA and EDR review on our incentives, and we spent a year working with them and it was very time consuming. There are a lot of requests for information during reviews of this nature, and we are more than happy to provide information, and look forward to reviewing the findings for ways we can improve. Commissioner Welge stated that this will be a more high level review, and that she doesn’t anticipate them getting in the weeds with our incentives, like previously. The review is more programmatic and administrative, more of a macro level of our agency and our office, and of course we will be happy to provide findings of those reports to council members and anyone else who may ask.
Commissioner Welge stated that the incentive review is every 3 years, so next year we will be going through another OPPAGA and EDR review to fulfill that statutory requirement. Of course the primary focus for all of us right now is what is going on with legislative session. Caroline provided everyone with a copy of the current bill, Senate Bill 1646. This is the economic development package in the Senate. There is no language in the House right now dealing with our office or our incentives. The Senate bill is very long and our language starts around line 2500, and is an interesting read. Commissioner Welge stated the primary changes between this session’s Senate language and last session’s Senate language is a repeal issue, which some of you are familiar with, but will go into a little more detail on it as it does affect our office and the administration of our current program.

Commissioner Welge stated that the current sunset is July 1, 2016, which is the end of this fiscal year, but we still have 5 years after the sunset to award the remaining tax credits that are left in the program. The bill amended the repeal date of our current incentive to April 1, 2016, which is in just a few weeks, making the last day for certification and award April 1st. This sent our office and the industry into a bit of a panic because at the time, there were a large number of audits and productions still in progress, and the deadline got everyone’s attention. Since then, the bill was amended so that the repeal date is April 1st which is the last day our office can certify new tax credits, meaning that any tax credits that come back in through the audit process or through projects withdrawing, the last day for us to recycle those tax credits will be April 1, 2016. August 1, 2016 is the last date a production company can submit their audit to our office to be reviewed. If the audit is not in-house by August 1st, the project is no longer eligible for tax credits. Additionally, June 30, 2017 is the last day our office can award tax credits. OFE is doing our best to communicate these dates to the CPAs and our applicants that still have outstanding audits in case the legislation passes. As of today (02/26/16) we have 55 projects that have not been awarded tax credits, some of which are already in-house and we are processing those as quickly as possible. The remainder of them are still gathering information to provide to a CPA. Some of them, like Ballers and Bloodline, just wrapped production in the last week and are still gathering all of their information to provide to a CPA, which can take quite a bit of time. Many of the 55 projects already have submitted their information to the CPA, but as you can imagine, it is tax season and those CPAs are very busy working on other items. There is a bit of a log jam, but the CPAs are doing their best to get the audits out, the production companies are doing their best to get everything to the CPAs, and our office is working really hard to communicate with everyone so they can prepare in case this legislation passes. The bill is effective upon signing, which means that it doesn’t become effective as of July 1, like other legislation, it goes into effect when the Governor signs it, which can always be unpredictable, so we will keep everyone up to date.

Commissioner Welge stated that there is currently no money or tax credits in the bill, so if it does pass, we have no idea what any future program would look like. There is always the possibility that the legislation may pass with no money attached to it, which means we would have to go through all the programmatic changes, including the repeal, and there would be no new incentive
dollars to try and bring projects to the state. Senate Bill 1646 still has another committee stop at Senate Appropriations Tuesday of next week, but they have not announced the agenda as of yet, so we have no idea if the bill will be included in that meeting. If the bill does pass, we will work with leadership on the transition to Enterprise Florida, and we will keep everyone posted as there will be changes to the Council, changes to the Sales Tax Exemption program, and changes across the board to all programs. We should know in the next few weeks.

Commissioner Welge stated that there are $6 million earmarked for Visit Florida’s budget in the Senate, and to keep an eye on that as well. There is no money in the House budget for them, but it is in the Senate budget. Six million of the $80 million budget earmarked for Visit Florida is to be used to create, produce, and market entertainment industry productions that are filmed in Florida, and they have to promote the state as a tourist destination. We don’t know exactly what that looks like or how that money will be distributed, but we plan to keep an eye on that and to work with Visit Florida to see how that moves forward.

Commissioner Welge asked if anyone had any questions regarding legislation or anything else she may have touched on.

Member Bockweg asked what committee is being heard on Tuesday.

Commissioner Welge stated the Senate Appropriations committee, which is from 10am-5pm on Tuesday, and is unaware if this bill is going to be calendared for that or not.

Chair Corbella stated that the agenda came out this morning and Senator Latvala’s Economic Development Bill is not on there.

Future Business (Susan Simms)

Susan Simms stated that you must be present to win, and that we continue to have many opportunities by being in the right place at the right time. We have something fantastic to sell, which is of course, Florida. Since our last meeting, Susan stated she was at the London Focus Production show, which had 100 exhibitors from 40 countries, and was paid to go by the Keys and Naples Film Offices. We had a booth with a beach background, chair, and towel, and you could have your picture taken with your parka on because it was about 9 degrees outside. The interest in Florida was fantastic, and that was a real draw to the booth.

Susan stated that she then went to Sundance, which was paid for by the Greater Miami Visitors and Conventions Bureau, and helped staff there 3-day Miami Oasis, which is a store front that hosted people from 11:00-6:00. We partnered with The Wrap, which is an industry/trade magazine like Variety and Hollywood Reporter. We were also able to do a number of things with HBO and their Corporate Responsibility team, which is very active in the Miami community.
Susan was also able to attend the Mississippi Grammy Music Night, which she is lucky enough to be invited to every year because of her friendship with the Mississippi Film Commissioner. When she got to the event, there were two people there from Florida who were talking about shooting their next project in Mississippi, one of which was our old FFEAC member Charlene Closshey. The last film she produced was shot in North Carolina, and the next one will be shot in Mississippi.

Susan stated we have managed to keep some of the issues, mainly the language that has been going through with the April and August deadlines, out of the payroll email blasts, because of our relationships with them. We have been able to keep our name out of the news in any negative way.

In closing, Susan stated that we are in pilot season, and it is depressing to work on TV pilots set in Florida, and to see people’s signage for projects that are supposed to look like Florida, but obviously aren’t. Susan thanked Dwayne Johnson for having his homes, family, and baby in Florida. He is the number one star on the planet, and because he wanted paternity leave, we are able to enjoy 2-3 weeks of Baywatch, which is set in Florida but was supposed to be filmed entirely in another state.

In April, we will be attending the AFCI Locations Trade show with 200+ film offices from a number of countries. Georgia and Atlanta are not exhibiting at the show, which should be interesting. Susan reminded everyone about the 1,400 projects we work on every year and that all the projects are important.

Chair Corbella stated that Susan makes a good point that the film office has a large number of responsibilities, and we tend to be focused on the incentive discussion but that is only a small part of a much larger service that is provided.

Chair Corbella asked if there were any other questions for Susan.

Chair Corbella recognized Traci Colson for her Financial Incentive report.

Entertainment Industry Financial Incentive Summary Report (Traci Colson)

Total Number of Projects Certified: 307
Projected Total Florida Wages: $735,000,000+
Projected Number of Florida Jobs Created: 116,000+
Estimated Room Nights: 213,000+
Qualified Florida Expenditures: $1,260,234,946
Total Certified Tax Credits: $296,000,000
Total Tax Credits Awarded: $198,000,000
Total Projects Awarded Tax Credits: 251
Remaining Projects: 55
Tax Credits that Have Not Been Awarded: $97,000,000+
Florida Expenditures Pending Certification: $95,500,000
Total Projects Pending Certification: 10

Chair Corbella asked if there were any questions for Traci Colson.
Kelly Paige asked if she should wait to ask her questions for Traci.
Chair Corbella stated to make a note of question for open comment if she doesn’t mind.
Chair Corbella recognized Donyelle Marshall and asked for her report.

Sales Tax Exemption through February 22, 2016 for Fiscal Year 2015-2016 (Donyelle Marshall)
Number of Applicants Processed: 529
Amount of Tax Exempted Based on Florida’s 6% Tax Rate: $15,900,000
Estimated Florida Jobs: 29,000
Estimated Florida Expenditures: $1,000,000,000
ROI: 64:1

Chair Corbella asked if there were any questions for Donyelle.
Chair Corbella recognized Caroline Ross for the marketing report.

Marketing and Advertising (Caroline Ross)

Caroline Ross reminded the council members to submit their headshots if they have not already so that we can have everything up to date for the website when it comes time to launch.

Caroline stated we would be participating in the Produced By events in both LA and New York, and again will be the only film office with “swag in the bag”. We will be doing redesign on the notebooks for the upcoming year, but will send 1,400 notebooks to LA and 600 to New York in the fall.

Chair Corbella asked if there were any questions for Caroline.
Chair Corbella recognized Kelly Paige to ask her question so that we do not venture too off topic.
Kelly Paige asked for clarification on the pending to be certified and what exactly that means.
Commissioner Welge stated the title is a little misleading and those are the 10 productions in-house to be audited currently.

Kelly Paige stated that she understood from the report, there were 55 left to be audited but she knows that the Office of Film and Entertainment had 11 in the house to be audited as of 3 weeks ago, and out of those 11 in house 3 weeks ago, how many have been audited?

Commissioner Welge stated we have 10 projects in house to be audited.

**Family Friendly Discussion (Commissioner Welge):**

Commissioner Welge stated that the definition of Family Friendly was forwarded in the email that was sent out, so she will forgo reading the definition, but this is something that OFE takes very seriously and we look at it very closely. This meeting we have 4 digital media projects up for review.

**Madden NFL 2014 Gen4:** The difference between Gen3 and Gen4 are the different platforms, where Electronic Arts developed different games for different consoles. The older version of the games are not compatible with the newer consoles and vice versa. Commissioner Welge gave a recommendation that it is family friendly, the reasoning being the ESRB rating is E for everyone, along with the previous versions of game were voted on and awarded family friendly.

**Madden NFL 2015 Gen3:** Commissioner Welge recommended that it is family friendly, because, again, it has an ESRB rating of E for everyone, previous versions of game were awarded family friendly.

**NBA Live 2014:** Commissioner Welge recommended that it is family friendly, with an ESRB rating of E for everyone. This is the first version of the game that we have reviewed, and it is very similar to the NCAA Football and Madden NFL games in that you can create teams and characters, can have legacy games, similar content.

**Madden Mobile 2015:** Commissioner Welge stated this is the first time we have had discussion about a mobile game or app. Apps are in general rated by the ESRB. It was also rated E for everyone, similar to the game on console play, but this is on the phone. High quality games, still very costly to produce, is recommended family friendly on the app store and Commissioner Welge state her recommendation is family friendly based on ESRB rating.

Chair Corbella asked if there were any questions.

Member Bockweg asked what the total amount of money to be provided to these 4 games.
Commissioner Welge stated that the total amount that they have been certified for you can add together, their audits have not been completed yet, so we do not have an exact number and does not know off the top of her head whether or not they will be returning any tax credits back into the program through the audit process.

Member Bockweg asked what the total amount right now would be.

Commissioner Welge stated that she does not have it and if you have the email, you can add up the numbers to get what they were certified for.

Member Bockweg asked if the money would be going to any other projects in line that are currently in the queue if these Electronic Arts projects weren’t approved.

Commissioner Welge stated that if tax credits were to roll back into the queue through any kind of withdrawal, the credits would be recycled to the next projects on the wait list.

Member Bockweg asked in her professional opinion as Film Commissioner if it’s fiscally sound to provide money over $11 million to games as opposed to providing it to a TV show or a series that is currently in the queue.

Commissioner Welge stated that as Member Bockweg knows, our office administers the statute, and the statute very clearly states that video games qualify for the Family Friendly Bonus and it is not based on her opinion, but on the statute.

Chair Corbella stated that as we have discussed before, the family friendly subsection of the statute requires the Council to consider them and make a recommendation moving forward and that it’s nothing that Commissioner Welge pushes or puts in front of anything else. This is a separate discussion that we have pursuant to the statute. He stated that he understands that some members of the council feel that some of these projects shouldn’t be considered, but it is the current law that we are dealing with here in Florida. If there is going to be a change, it would have to be statutorily before we can consider that.

Member Bockweg stated that he knows we have had this discussion before, and by no means is he opposed to digital media being a part of the film and entertainment tax credits. Member Bockweg again feels it is important to be on the record that we have people in the queue asking for tax credits, and that we are in a fiscal bind because we have not gotten any news on tax credits from the state legislature. It is important that something is on the record as a board member, that this money could be used in other areas like a movie, TV series or other projects that are in the queue. Member Bockweg stated that he understands the law, and understands that Commissioner Welge is doing what she needs to do, but feels important that as a board, we are
looking at these projects like video games, that have been produced almost 2 years ago, and that other projects are in the queue that credits could be allocated to. Member Bockweg stated that in no way is he opposed to digital arts, he is a strong supporter, but again, we need to make hard decisions as a board and say some of this money should go to someone else in the queue. Member Bockweg stated this isn’t a discussion against Commissioner Welge, but rather a discussion we should be having as a council, because at some point everybody in the queue is not going to get anything except for video games.

Chair Corbella stated that in the past this is something that was discussed as a board, and an entire meeting was devoted at one time to this discussion. It’s a statutory requirement and statute would have to change first for any changes to be made.

Member Bockweg stated he is not talking about changing the statute, he is talking about reallocating the money and spreading it out more.

Chair Corbella stated that can only be done by changing the statute.

John Lux asked if he could ask a question pertaining to this or if he should wait until later.

Chair Corbella asked to save question for public comment.

Chair Corbella stated given that the meeting started 15 minutes late, if we could have a motion to extend meeting to 12:15.

Vice Chair Schachner seconded motion.

The motion was seconded and approved, meeting end time was extended to 12:15pm.

Member Bockweg asked for his own clarification if there is a certain amount of money allocated for family friendly.

Chair Corbella said yes, that is correct.

Member Bockweg stated that that money could not be reallocated for something else.

Chair Corbella said it cannot, it is by statute.

Chair Corbella asked if there were any other questions for Commissioner Welge.
Chair Corbella said it is by the recommendation of the Film Commissioner that we approve these 4 projects for the family friendly bonus, and if there is no other discussion, if all in favor could say “aye”.

Chair Corbella asked if anyone opposed.

Unanimous approval of family friendly tax credits.

Association Updates: (Film Florida, SAG, IATSE, etc.)

Film Florida - Michelle Hillery asked if before we get off topic, if John could ask his question now.

Chair Corbella recognized John Lux.

John Lux asked for clarification regarding family friendly tax credits. His question for Commissioner Welge is when tax credits move to the next project in line, if they are projects that have yet to begin and do their work, or if they are projects that have already done their work, have turned in their audit, are in the queue, and we may be calling them a year or two afterward saying money has become available for them. What exactly is meant by next in the queue?

Commissioner Welge stated that we are talking about projects that have been on the wait list a very long time. Most applied a while ago and were conditionally certified at the time they applied. As tax credits recycle back into the program, they go to the next projects on the wait list. The applications are submitted, and they stay in line in the queue until tax credits become available for them.

John Lux asked if Member Bockweg was hoping that if the money wasn’t allocated to the Electronic Arts games, if that money could bring new projects and new jobs. If he is understanding correctly, it wouldn’t bring new projects or jobs because it would roll over to the next project because that project has already been done and gone.

Member Bockweg said he understands what John Lux was saying, and understands that we can’t do anything until we change the legislation, which he was surprised to hear. He stated that just because the projects have come and gone, it doesn’t mean that the money can’t be made available for new projects down the line, and that he wants to make sure that we put out there that there might be money available.
John Lux stated that the problem is that there wouldn’t be money for new projects, it would go to old projects that have been waiting for money to become available. He just wanted clarification from Commissioner Welge as to what exactly it meant by next in line.

Michelle Hillery stated she has a brief report, since we have already done a legislative overview. Film Florida is obviously still very concerned with the funding for the state film office and the LA Film Office and what will happen this next fiscal year in terms of funding. Michelle stated that she hopes the council is advocating for the need to replenish those funds so that those offices can operate appropriately moving forward.

Michelle stated that she wanted to reiterate Todd’s sentiments regarding Bill Johnson’s statement, and that it was very bold. We try to sit on the sidelines and try not to engage AFP as much as possible, but we are all thinking what Bill Johnson has very publicly said, and was granted permission by the Governor’s Office to do. Michelle stated she applauds the press release, and feels that it was of major significance for him to do that.

Michelle stated that she wanted to make sure everyone understood the strategy behind Representative Miller making the amendment on the floor of the House, and then withdrawing that amendment. The purpose, which may have been missed in the process, was to let that body know that the amendment was choreographed to end the debate about the existing tax credit program, which has been scored as a $0.43 return on investment, and replace it with this new entertainment industry targeted program. This was part of the language that Paul Sirmons, Todd Roobin, and Film Florida had worked on for Representative Miller. This new language was submitted by the House and has gone through dynamic scoring and has come back as a 1:1 ROI. The purpose of this amendment was to let the House know now we have a program with a 1:1 ROI. AFP keeps using the $0.43 return as leverage, and this was a big statement we wanted to make. While the program isn’t the 3:1 ROI that the House is looking for, it is a program that is not costing the government anything. Going back to the statement that Amy Baker made, this ROI calculation is not taking into account the other economic and tourism benefits that we all know our industry has. She asked if anyone had any questions and if anyone from her board had anything they would like to add.

Kelly Paige stated that Michelle may want to mention how the scoring came back in the Senate as well.

Michelle Hillery stated that Senator Detert also had her language, which is waiting to go through Appropriations, put through dynamic scoring and it came back as a 1:1 ROI as well. That is something we feel is a big achievement for us this year, and it is something that both sides may be able to handle.
Jud French asked for a point of information, he stated that Michelle Hillery has been referring to this as dynamic scoring, but his understanding is that it is not officially considered dynamic scoring from EDR yet, it is traditional scoring that is being used. This approach is used as an apples to apples type scoring with all the other programs rather than a dynamic scoring approach.

Michelle Hillery thanked him for that clarification.

Chair Corbella asked if there were any questions for Michelle Hillery.

Chair Corbella thanked Michelle Hillery and every member of Film Florida for all they are doing to keep this issue on the forefront of the legislative agenda.

Kelly Paige stated she had a question for Commissioner Welge. Kelly asked when we are dealing with digital media, is each game getting an incentive for each platform that they make the game for.

Commissioner Welge stated she understands it is confusing, but it’s not that they make a separate game for Xbox and a separate game for Play Station, they do, but they don’t apply that way. There are two generations for games available on the market. There is Xbox 360, then Xbox 1 which is the newer version, and then there is Play Station 3 and Play Station 4 which are still on the market. They make games for each, but you are unable to use a Play Station 4 game in a Play Station 3 console. What the companies are doing is they are having to make games for both, because they are still selling games and consoles for both. Companies like EA are having to make different versions of the same game but they require different coding because they are different platforms. Xbox and Play Station are very smart because they are making these new generations and consoles where the games aren’t compatible for a reason. Companies are submitting applications for both generations because they are separate games, even though it is the same title, there is separate coding, separate work, separate generations of the games.

Kelly Paige stated she understands, they are the same package but they are getting the incentives because of different versions of the game.

Commissioner Welge stated she can understand how it can be confusing for people who may not be a gamer or are not necessarily involved in that industry.

Jud French stated if you think in terms of movie production, what you are incentivizing is a lot of extra labor effort in production to produce another version. It is almost like producing a sequel of a movie. Though much of the visual content may be the same, the coding effort, the effort the different teams put in, it is all very different, they are billing for additional effort to build the game.
Michelle Hillery stated she just wanted to extend an invitation to everyone on the call to participate in Film Florida’s quarterly meeting via conference call on Monday between 2:00-4:00pm. Typically these meetings are done in-person but this one will be held via teleconference and she would like to welcome anyone to join the call.

Chair Corbella said as he mentioned earlier in the legislative report, news will be coming fast and heavy in the next few days. As suggested, we will send conference information out to interested parties and members of the council as soon as the information is available. Again if you have personal relationships with members of the TED committee, to use those connections in the coming days to keep our issue on the forefront. We will do the best we can to keep you all informed.

Michelle Hillery stated that Film Florida has a spreadsheet they are working on that lists members of Film Florida or other associations that have close relationships with some of these legislators. Michelle stated that the list is color coded by who is a yes vote, no vote, or in between, and if anyone is willing to include their name, once there is an immediate call to action, they will get that information out to people who can make a phone call when they are needed.

Chair Corbella stated that the council welcomes any tool that can be used by the group as a whole, and anything that makes it easier for us to be effective.

Chair Corbella thanked everyone for everything they are doing, their time, and their work moving forward.

Vice Chair Seth Schachner moved to close.

**ADJOURNED at 12:15 p.m.**