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# **ECONOMIC AFFAIRS COMMITTEE**

## **MEETING PACKET**

**Thursday, November 7, 2013  
11:30 AM – 12:30 PM  
Reed Hall (102 HOB)**



# **The Florida House of Representatives**

## **Economic Affairs Committee**

**Will Weatherford**  
Speaker

**Jimmy Patronis**  
Chair

### **Meeting Agenda** **Thursday, November 7, 2013** **Reed Hall (102 HOB)** **11:30 AM – 12:30 PM**

- I. Call to Order
- II. Roll Call
- III. Welcome and Opening Remarks
- IV. Presentation  

Florida's Film Industry
- V. Closing Remarks by the Chairman
- VI. Adjournment

**Presentation - Florida's  
Film Industry**

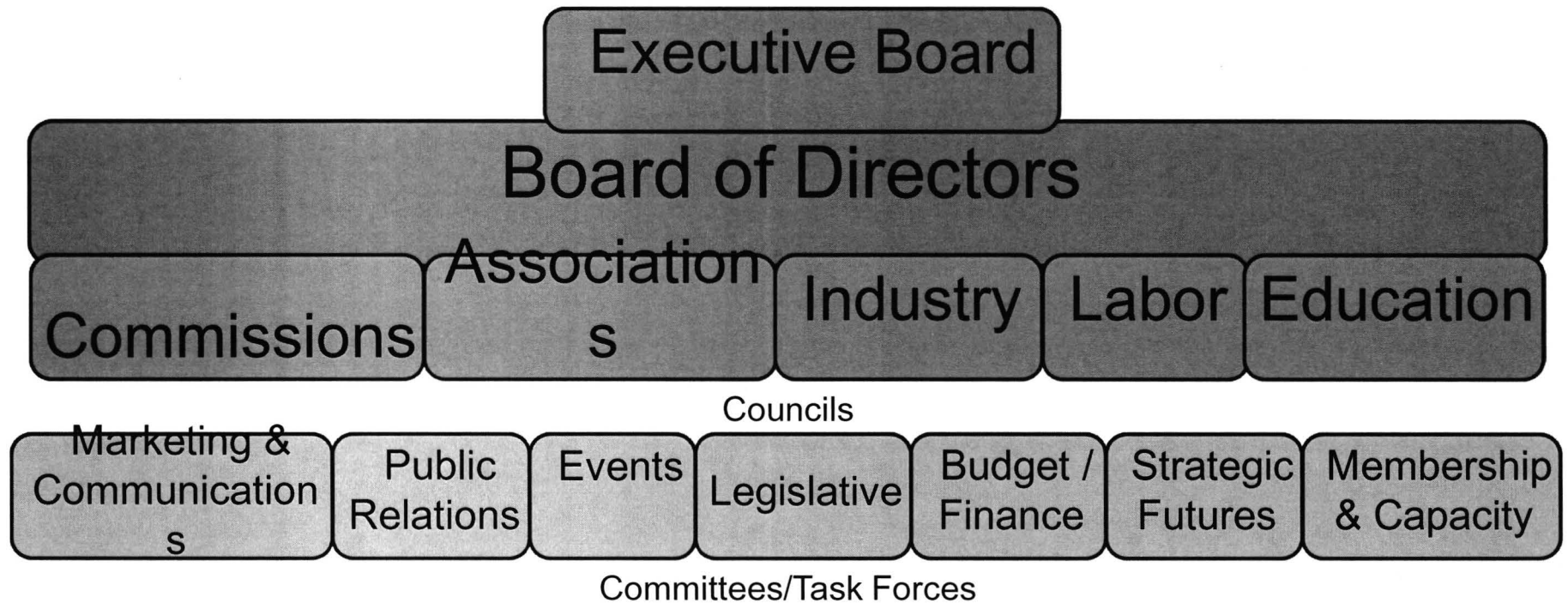
# House Economic Affairs Committee

November 7, 2013



Film Florida provides consistent, diverse leadership for Florida's entertainment production industries.

## Film Florida Organizational Chart



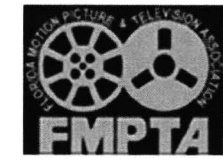
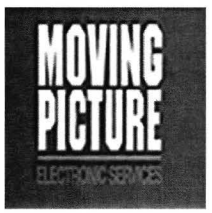
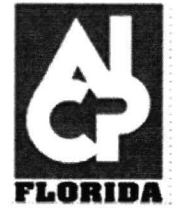
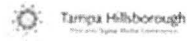
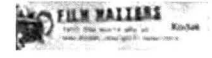
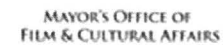
### What is Film Florida?

Film Florida is a not-for-profit corporation that provides a leadership role in Florida's film and entertainment industries by representing a coalition of interests, including private industry, local film commissions, industry associations, educational institutions and labor organizations.

Its purpose is to offer to businesses and individuals the benefits of a statewide trade association to promote the creation of jobs in the film and entertainment production industries and to promote economic development and tourism.

Film Florida meets quarterly to discuss topics and issues of concern to us all, and then moves forward with a plan of action to help achieve our goals. We are very closely connected with the Governor's Office of Film and Entertainment.

# Who is Film Florida?



# **Statewide Regional Events**

## **WEST FLORIDA REGIONAL SUMMIT**

**An Update: The State of Florida's Entertainment Industry and Film-Induced Tourism**

Clearwater - Thursday, August 1, 2013

## **SOUTH FLORIDA REGIONAL WORKSHOP/FORUM**

**The Economic Impact of Film, TV and Commercial Production**

Miami - Tuesday, August 6, 2013

## **CENTRAL FLORIDA REGIONAL WORKSHOP/FORUM**

**A Convergence of Traditional Film & Television & Digital Media Production**

Orlando - Friday, August 23, 2013

## **NORTHEAST FLORIDA REGIONAL WORKSHOP/FORUM**

**Encouraging Film & Entertainment Production in Underutilized Regions**

Jacksonville - September 10, 2013

## **NORTHWEST/TALLAHASSEE FLORIDA REGIONAL MEETING**

**Recap - Short & Long-Term Growth Strategies for Cultivating and Growing Florida's Entertainment Production Industry**

Tallahassee – State Capitol Building – 4<sup>th</sup> Qtr. 2013

# The Film & Entertainment Industry Strategic Plan (2013-18)

*Florida will have the nation's top performing economy and be recognized as the world's best place to live, learn, play, work and do business.*

To achieve this bold vision for Florida's film & entertainment industry, the following concerns will need to be addressed:

Today's Challenges	Tomorrow's Opportunities
Lack of a unified vision for Florida's film & entertainment industry.	Alignment of industry stakeholders around a consensus-backed five-year strategic plan.
Lack of consistency in tax credit and incentive program, and increased competition from other states and countries.	Consider revisions to the current incentive programs to increase competitiveness and maximize the return on investment and benefits to the state.
Short-term nature of projects.	Establish a permanent infrastructure to attract and retain long-term productions.
Workforce graduating from Florida's educational institutions and leaving the state to work in competing states	Establish a permanent and successful industry in Florida to encourage the retention of the graduating workforce.

*“These strategies pave the way for **business-led**, agency-supported improvement of collaboration among currently fragmented stakeholders” - OFE 5-Year Strategic Plan for Economic Development 2013-2018*



**Challenge:** Lack of a unified vision for Florida's film and entertainment industry.

**Opportunity:** Alignment of industry stakeholders around a consensus-backed five year strategic plan.

- Strong industry leadership was discussed as the most necessary component of unification and alignment.
- The short-term nature of Florida's current public policy towards growing the industry was thought to be the leading factor causing industry factions to focus on competing for their survival, instead of planning for their future.
- Reorganization of the state's industry support into a public-private partnership (i.e. VISIT FLORIDA or Enterprise Florida) was thought to be the most beneficial.

## **Challenge:** Short-term nature of projects

## **Opportunity:** Establish a permanent infrastructure to attract and retain long-term productions

- A project based incentive with consistency will bring investment and infrastructure development

“In the last three years, 11 new studios have made announcements to move to or expand in Georgia. EUE/Screen Gems, which signed a 50-year lease with the city for its complex located on the former home of the Lakewood Fairgrounds, has invested tens of millions of dollars, and is expected to add additional sound stages in the coming years. Jacoby Enterprises, the firm that turned a shuttered steel mill into Atlantic Station, has announced plans to build a 100-acre soundstage facility off I-85 in Gwinnett County. To much excitement earlier this year, Pinewood Studios, the British studio best known for filming the James Bond series and which stands equipped to handle big-budget productions, signed on to bring a 288-acre facility to Fayette County.

"The reason why this is important in Georgia's growth is none of our other competing states, certainly in the Southeast, are developing infrastructure, solid brick-and-mortar infrastructure, at the pace we are," says Ric Reitz, actor, filmmaker, and former president of the Georgia Production Partnership, a media advocacy group, who helped state lawmakers author the film tax credit legislation.

**Challenge:** Workforce graduating from Florida's educational institutions and leaving the state to work in competing states.

**Opportunity:** Establish a permanent and successful industry in Florida to encourage the retention of the graduating workforce

- Develop stronger relationships between educational facilities, companies, industry leaders and investors to create better opportunities for recent graduates.
- Expand access to Florida-based private capital and develop "angel" investor networks to fund projects - this will create more opportunity for developing workforce.
- Lure professionals with Florida ties back here to work and build their own projects/companies - this will create more jobs for developing workforce.

**Challenge:** Lack of consistency in tax credit program, and increased competition from other states and countries.

**Opportunity:** Consider revisions to the current incentive programs to increase competitiveness and maximize the return on investment and benefits to the state

- In the current business environment, consistency, long-term commitment and adequate funding for the program are a must.
- The incentive program is the foundation upon which we can continue to build our existing industry assets throughout our state.
- The program is fiscally conservative and responsible - there are some minor tweaks that can be made, but it is well structured to serve the diverse needs of the various industry sectors it represents throughout the entire state.

# West Florida

## The State of Florida's Entertainment Industry and Film-Induced Tourism

“Film-induced tourism” is defined as “a tourist visit(ing) a destination or an attraction as a result of the destination being featured on television, video, DVD, or the cinema screen.”

“Our research shows that when considering tourists to the St. Petersburg/Clearwater area, the **Dolphin Tale** movie is the driver of approximately 72.7% of visitors to CMA. The model forecasts approximately eight hundred thousand visitors in 2013, growing to 2.3 million in 2016. These visitors will provide a total economic impact to the local economy of approximately \$580 million in 2013, which increases to \$1.7 billion in 2016.” - USFSP/CMA, The Economic Impact of Dolphin Tale on the St. Petersburg/Clearwater local economy (2012)

- The entertainment production industry is like a tourist on steroids - they come, spend a HUGE AMOUNT of money, and leave. And more come after them, just like tourists.
- Shows that portray Florida are literally free advertising for the state around the world.

# South Florida

## The Economic Impact of Film, TV and Commercial Production

### **Tremendous economic impact**

“...approximately \$150 million in total Florida spending over a seven year period, approximately 25,000 jobs were created in seven years, approximately 18,000 hotel rooms were occupied during that time. And that's one show.” - *Terry Miller, Producer*

“...this was just one year, hotel rooms, \$461,000; transportation, trucks and vehicles, \$1,000,000; car rental \$54,000; gasoline \$310,000; local wardrobe \$395,000; catering, \$1,037,000; electric rentals, \$2,586,000; local office personnel, \$1,000,000; office facility, \$275,000 -- we got a great deal. Location fees to private rentals, private homes and so forth, \$1,295,000 and on and on; crew \$14,255,000; off duty police and fire, \$230,000; local security, \$381,000; extras, \$426,000; local cast \$6,000,000; permit fees \$8,000.” - *Terry Miller, Producer*

### **Huge marketing value and capacity to grow infrastructure**

“The Greater Miami Convention and Visitors Bureau estimated the commercial value of television productions in 2011 and 2012 and concluded...that the exposure value in terms of ads...to promote Miami as a destination...and the economic impact in terms of the units is \$8.2 million....that's the value you're getting for just one project...” - *Juan Delgado, Telemundo*

“We've converted 475,000 square feet of warehouse space that's been converted to offices and production studios. And those are active working day-to-day studios in south Florida.” - *Juan Delgado, Telemundo*

### **Incentives drive business decisions in the current market**

“Florida is one of the top for production domestic locations for commercial shooting, but prior to the credit here in Florida it only represented about two percent of the domestic market share. Since the incentive has been passed the community has almost doubled and now represents four percent of the national market share.” - *David Phelps, Association of Independent Commercial Producers*

“If you offer an incentive for just one year you may get a few productions to come in and it may benefit the state marginally, but what really, really sets the tone for where commercial producers go is knowing they're going to have an incentive there for five years.” - *David Phelps, Association of Independent Commercial Producers*

- “There are accredited institutions, 34 schools throughout the state turning out somewhere in the field of nine hundred students a year with associate's, bachelor's or master's degrees in the field.” - *Barry Gordon, Miami Dade College*
- **Significant benefits extend to the Tourism & Hospitality sector**
- “Last year we had a record number of visitors again drawn to a large extent because of the amazing media impressions that film and production broadcast not just throughout the United States but throughout the globe...Economic impact, \$22 billion...that sustains a lot of jobs.” - *Rolando Aedo, Greater Miami Convention and Visitors Bureau*
- “At the risk of being a little bit melodramatic, tourism, the most recent success would not exist if it weren't for the film industry. I say it, I believe it.” - *Rolando Aedo, Greater Miami Convention and Visitors Bureau*
- **With a consistent, funded program - there will be investment in infrastructure**
- “We've got several people that are just interested in building a full blown production studio in Miami-Dade County, something we're very excited about, it does a lot of things, it guarantees that the work all stays here, it guarantees that our highly trained staff has constant work.” - *Jack Osetrholt, Miami Dade County Vice Mayor*

# Central Florida

## A Convergence of Traditional Film & Television & Digital Media Production

### **Measuring the benefit to the public**

“...it's critical to show return on investment. And that includes not just return on investment with the tax base, but actually return to GDP. Return to the overall economy. I know the industry cares a lot about that, and at DEO we think that is a good measure as well, looking at overall economic impact and not just tax basis.” - *Jesse Panuccio, Director Florida Department of Economic Opportunity*

“...return on investment, sustainability, and then tweaks or adjustments to how we operate an actual program I think are the critical questions for this crowd to be addressing over the course of this conference and others like it.” - *Jesse Panuccio, Director Florida Department of Economic Opportunity*

### **The more crew and infrastructure you have - the less you need an incentive...but right now States do need something to compete**

“...and I will tell you, if you don't have an incentive, you are not even on the map. Even California and New York realized that, without an incentive, they were going to lose the industry. It's just become a way of doing business...But I will tell you that it's a balance. The more crew, local crew you have, the more infrastructure you have, the less of an incentive you have to have.” - *Mary Ann Hughes, Disney Studios*

“...until there is funding to the program, we won't be looking at Florida. And I'm sorry to say that, but, you know, I'm the advisor to our business units, and you are not on the map right now for us.” - *Mary Ann Hughes, Disney Studios*

“If you don't get funding this next year, you are going to see everything drop off the cliff. It will be a free fall...our CFO told us we're not even allowed to look at jurisdictions that don't have an incentive. He considers that we are being fiscally irresponsible if we go to locations that don't have an incentive.” - *Mary Ann Hughes, Disney Studios*



# Central Florida

## A Convergence of Traditional Film & Television & Digital Media Production

### **Clustering and cross-pollination is starting to occur between industry segments**

“...a lot of people think that video games or interactive entertainment or digital media is all about software engineering, computer programming. The reality is that we employ script writers, we employ sound engineers, we employ lighting engineers; a lot of the same functions that you find in traditional film, television, and commercial development.” - *Craig Hagen, EA Sports*

“Florida has created the pipeline for us to be able to find the qualified, high-skill employees that we need to have in order to make the best-selling video games in the world.” - *Craig Hagen, EA Sports*

### **Cultivating a “Creative Economy” will spurn economic development and growth**

“...the Creative Villages is 60 acres in downtown Orlando where the old arena used to be. It is earmarked by the city and the city counsel that it's going to be built in a way that it supports film and digital media. So we have a university down there working already. And we have not only our university, the University of Central Florida, the University of Florida's graduate architectural program has studios in there. We are working with Valencia College and their film program in there. And across the street, soon to be, will be about a million or 2 million -- about a million nine and a half square feet of office space, green space, residential space, and an area that's built for these type of people.” - *Ben Noles, Florida Interactive Entertainment Academy*

### **There are major benefits to other unrelated industry sectors**

“The modeling simulation and training industry in Florida is absolutely critical to our economy. We are the nation's center, epicenter for modeling simulation and training. There are over 100 companies doing that work in Florida...So supporting the digital media and the model simulation and training industries are absolutely critical.” - *Casey Barnes, Metro Orlando Economic Development*

# **Northeast Florida**

## **Encouraging Film & Entertainment Production in Underutilized Regions**

- Expanding the under-utilized region bonus would help many of the communities throughout the State who have invested significant local resources to build the industry in their area, but do not have the same amount of natural resources as the traditional “production centers”.
- Opportunities may exist to use the Georgia incentive to bring production to the northeast regions of the State and the Panhandle.
- The region could be poised to dominate micro-budget production.

# A few key points...

- Long-term commitment to the program in the form of additional years is fundamentally necessary;
- Adequate funding for the remaining fiscal years of program and beyond will encourage more long-term investment and growth in local communities throughout the State;
- Adequate funding and support for the Florida Office of Film & Entertainment will insure that the State can continue to protect the public's investment in the industry by properly overseeing and administering this highly successful economic development/job creation tool.
- There is desire to create a public-private partnership organization for the industry 1.) to provide consistent leadership for the industry 2.) to focus and work on the opportunities identified in the 5-year plan and 3.) to protect the public investment in the industry by insuring its continued viability and success 4.) to develop a collaborative, comprehensive and educational marketing strategy (in-State, nationwide and internationally) including all sectors of the industry.

# Thank You!

...for your time and continued commitment to our state.



[www.filmflorida.org](http://www.filmflorida.org)