



MINUTES

California Film Commission Board Meeting

January 29, 2016

1:30 p.m. – 3:00 p.m.

DGA Conference Room

7920 W. Sunset Blvd.

Los Angeles, CA 90046

COMMISSIONERS IN ATTENDANCE

Fred Baron
Bob Blumenfield
Thom Davis
Steve Dayan
Chris Essel
Wendy Greuel
Janet Knutsen
Anthony Portantino

EX-OFFICIOS/DESIGNEES IN ATTENDANCE

Amy Lemisch, Director, California Film Commission
Eve Honthaner, Deputy Director, California Film Commission
Paul Eck, Division Chief, State Fire Marshal's Office

GUESTS

Bill Anderson, IFTA
Catharine Beverly-Bishop, Santa Monica Mountains National Recreation Area
Sarah Brennan, IFTA
Joseph Cruz, California Film Commission
Tasha Day, Long Beach Film Commission
Erik Deutsch, Excel PR
Ed Duffy, Teamsters 399
Verlette Franck, Media Services
Kathy Garmezy, DGA
Adam Graddick, California Film Commission
Troupers Snow, Santa Monica Mountains National Recreation Area
Phillip Sokolowski, FilmL.A.
Stephanie Stethem, Riverside County Film Commission
Nancy Stone, California Film Commission
Dan Taylor, San Bernardino Film Commission
Michael Walbrecht, Warner Bros.
Sarah Walsh, MPAA

I. CALL TO ORDER and WELCOME; INTRODUCTION OF MEMBERS/GUESTS - Steve Dayan, Chair

Chairman Dayan welcomed board members and guests followed by self-introductions

II. APPROVAL OF MINUTES – Steve Dayan

Motion to approve the Minutes from Nov. 12, 2015 was made and approved unanimously.

III. DIRECTOR'S REPORT - Amy Lemisch

Office Expansion / Staffing – The CFC budget increase was approved and the hiring process to grow our staff is in progress. The staff will be increasing from 10 to 18 once all the positions are filled. Two

positions are still vacant. In addition, we plan to bring on a temporary hire to upgrade the photo content in CinemaScout. This will be a 6-month position specific to this project. The library is being remodeled to accommodate additional cubicles.

Outreach – Public Engagements:

Director’s upcoming events and meetings include:

San Luis Obispo- educational seminar hosted by Visit San Luis Obispo
US Forest Service – Los Padres National Forest

Director’s past engagements include:

L.A. Chamber - diplomatic & commercials group presentation on entertainment production in California
KPCC, The Frame – interview on tax credit program
KPBS interview on tax credit program
Local 600 – Western Council meeting – update on tax credit program
Hollywood Chamber Entertainment, Arts & Emerging Media Committee
American Film Market
Secrets & Lies – press conference at Paramount – August
Outreach meetings with executive teams at: Fremantle / Legendary TV / MRC Studios / Amazon / Lionsgate / A & E / AMC Studios

2015 State film permit / filming days statistics

Total State Film Days: **3171**

Total State Permits: **1941**

On-line Tax Credit Application – GO-Biz IT team built the on-line tax credit application system based on the existing California Competes tax credit application framework. One of the CFC’s vacant positions is for a programmer who will take over management of the system. We’re still waiting for some of the internal functions that will allow us to generate statistical reports.

Tax Credit Progress Report - We have now completed a total of 4 application periods. Two for TV categories in May and November, and two for features and independent projects in July and January. The final application period for TV will be conducted in February. This will be the final application period for the first fiscal year.

Legislative Analyst’s Office – Staff visited the CFC in November for several days to gather final data for a report they are mandated to issue on the impact of the tax credit program. We’ve shared extensive data with them over the past year. They have not yet indicated when the report will be released.

IV. TAX CREDIT PROGRAM REPORT – Nancy Stone, Tax Credit Program Director

The CFC began Program 2.0 operating under Emergency Regulations which were re-adopted October 15, 2015 with no changes. The Emergency Regulations were re-adopted for a second time on January 7, 2016 and will expire on April 6th. The 2nd re-adoption regulations contained some revisions from the original emergency regulations.

The proposed Permanent Regulations for AB1839 are currently in a 45-day comment period which ends Feb. 29th. To date, the CFC has received multiple letters of support for a change in the definition of “production facility” in the proposed Permanent Regulations and a few comments regarding the Agreed Upon Procedures. Some of those procedures have been revised based on the comments and will be going out for a 15-day comment period in early March.

We will be preparing a Final Statement of Reasons for the Office of Administrative Law (OAL) and will be asking the CFC board for a vote on the adoption of the permanent regulations and forms in mid-March. We expect our Permanent Regulations, Agreed Upon Procedures and forms to be approved by OAL in early April before the expiration of the Emergency Regulations.

Regulations are not retroactive. Projects that receive Credit Allocations Letters beginning July 1st will be operating under the Permanent Regulations.

Some key changes in the Permanent Regulations beginning July 1, 2016 include:

- Pilots were added to the list of types of productions that must have a pick up order to apply for a tax credit.
- Since the program operates on a fiscal year basis, administratively it is preferable to prioritize projects on a fiscal year basis as well.
- Running time of at least 75 minutes have been added as further clarification of the definition of an “independent film”
- Applicants will now “tag” their budgets for any out of zone expenditures, which will be prorated and the uplift tax credit amounts will now more accurately reflect their actual out of zone expenditures.
- The financial contribution for the Career Readiness Initiative will be based on a .25 percentage of the estimated tax credit reservation, with a floor of \$5K and a ceiling of \$12K. This means that productions with larger tax credit estimates contribute more than projects with less tax credit. It also may encourage more productions to choose other options, such as hiring interns or providing learning opportunities for teachers.
- Change to the definition of a “production facility” which allows the CFC to approve a building, ranch or other facility whose primary use is film production.

V. OPERATIONS REPORT – Eve Honthaner, Deputy Director

Marketing Events:

Made in Hollywood Honors – Feb. 4th - Event acknowledges Oscar and Emmy-nominated projects made in California. We’ll be honoring two animated films shot here – *Inside Out* and *Anomalisa*. This year, there will be a special Diversity Leadership Honor being given to the creative team behind *Straight Outta Compton* and a special honor given to John Williams who scored the latest *Star Wars* score in California.

AFCI Locations Show - April 21st – 23rd Show will be at the Marriott Burbank this year. The CFC will be sharing a booth with the Santa Barbara Film Office.

Film in California Conference – May 21st - We’re planning more panels this year. We’ll also be presenting an award to an individual who has championed film in California and has been responsible for creating production jobs in the state. The event will be held at CBS Studio Center. The Hollywood Reporter is the primary media partner.

Filming Issues:

San Diego is still going through the Request for Proposal process with regards to forming a new regional film office. There is a new contact at the SD City Office of Special Events. Brandy Shimabukuro is the Filming Program Manager and will be helping with permits and is working on their website.

Drones - there are now over 130 companies that have been given an FAA exemption to operate drones for filming. Contract Services Administration Trust Fund has issued a new industrywide safety bulletin on the use of drones.

Army Corp of Engineers - a meeting was held with David van Dorpe, Chief of the Program & Management Division of the Army Corps of Engineers to discuss filming issues at the Sepulveda and Hansen dams and other Army Corps properties. We were told that they would look into something called “categorical exclusions”, which (depending on the proposed activities) could eliminate the need for 30-day environmental assessments and reduce their permit process from 30-90 days down to four or five.

State Parks – is now accepting credit card payments for review and monitor fees. This is saving staff time and allows us to ensure payment before a film permit is released.

Caltrans - We’ve had several freeway closures since our last board meeting, including one for *LaLa Land* which included a musical number entailing 60 picture cars with people singing and dancing on and in-between the cars. We have also coordinated quite a bit of freeway work for the Warner Bros. film *CHiPs*.

CHP - has also provided guidance and support to the *CHiPs* production. CHP hosted tours through the CHP Academy and other facilities, provided a technical advisor that worked with the production and CHP film liaison, Kristi Cardoza has been on set during the filming.

Other productions seeking assistance from the CFC include: *Rosewood*, *Scorpion*, a Warner Bros. pilot called *Animal Kingdom*, a film called *The Circle*, *Bosch*, *CHiPs*, and several commercials. A complex one involved working with Caltrans and the CHP to move a 204-ft. long, 21-ton plane fuselage from Victorville to Universal Studios for the Clint Eastwood film *Sully*.

Outreach – Public Engagements:

Deputy State Fire Marshal, Ramiro Rodriguez will be holding another **Fire Safety Officer training class** in Los Angeles on April 19th through the 21st.

VI. REGIONAL FILM OFFICE REPORT – Long Beach – Tasha Day

In the early 90's, the City of Long Beach started the Office of Special Events and Filming. The Office of Special Events and Filming is the bureau within the City Manager Department responsible for permitting all special events and film productions within the City of Long Beach

The Office of Special Events and Filming is a full-service operation dedicated to promoting Long Beach as a film-friendly region, coordinating and facilitating the permission process and serving as a liaison with local government, the community and the production industry

In 2015, the City issued 442 film permits with 631 production days. The City's credits include: *Rosewood*; *Scorpion*; *Jane the Virgin*; *Supergirl*; *Criminal Minds*; *Straight Outta Compton*; *American Sniper*; *Transformer* and *X-Men First Class*.

Long Beach locations include: airport, beaches/piers/marinas; parks, bridges, the Queen Mary and aquarium.

VII. NEW BUSINESS – Steve Dayan, Chair

None

VIII. PUBLIC COMMENT

None

IX. BOARD MEETINGS SCHEDULE FOR 2016:

March 18th Los Angeles (TBD)

July 29th Los Angeles (SAG-AFTRA Conference Room)

November 4th Los Angeles (SAG-AFTRA Conference Room)

X. ADJOURNMENT – Steve Dayan, Chair

The meeting was adjourned at 2:55 p.m.