



## MINUTES

**California Film Commission Board Meeting  
February 12, 2015  
1:30 p.m. – 3:00 p.m.  
SAG-AFTRA Conference Room  
Los Angeles, California**

### **COMMISSIONERS IN ATTENDANCE**

Hilary Armstrong  
Fred Baron  
Bob Blumenfield  
Thom Davis  
Steve Dayan  
Wendy Greuel  
Janet Knutsen  
Michael Nyman  
Anthony Portantino

### **EX-OFFICIOS/DESIGNEES IN ATTENDANCE**

Eve Honthaner, Deputy Director, California Film Commission  
Amy Lemisch, Director, California Film Commission

### **GUESTS**

Paul Audley, FilmL.A.  
Catharine Beverly-Bishop, National Park Service  
Eva Bitar, City of L.A.  
Eric Cady, IFTA  
RajivDalal, City of Los Angeles  
Erik Deutsch, Excel PR Group  
Ed Duffy, Teamster Local 399  
Paul Eck, State Fire Marshal Office  
Mike Gatto, Assemblymember & CFC Boardmember (via conference call)  
Justin Hager, Office of Assemblymember Gatto  
Tony Hoffman, State Parks  
Elizabeth Isenberg, The Hollywood Reporter  
Kate Kuykendall, National Parks Service  
Sandro Monetti, L.A. Business Journal  
Ilyanne Morden Kichaven, SAG-AFTRA  
Michael Owens, Office of Councilmember Blumenfield  
James Parsegian, CalFire  
David Phelps, AICP  
Orson Rheinfurth, IFTA  
Ramiro Rodriguez, CalFire  
Nancy Stone, CFC  
Michael Walbrecht  
Sarah Walsh, MPAA  
Ali Zaghari, Caltrans

### **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, Chair

Minutes from Nov. 6, 2014 was unanimously approved by all board members present: Hilary Armstrong; Fred Baron; Bob Blumenfield; Thom Davis; Steve Dayan; Wendy Greuel; Janet Knutsen; Michael Nyman; Anthony Portantino

## III. DIRECTOR'S REPORT - Amy Lemisch

The Director's report included updates on the following topics:

**Outreach – Public Engagements:** CFC Director and/or staff participated in the following events:

Nov. 5-12 American Film Market; FilmL.A. had a booth at AFM and the CFC was invited to participate with them to talk about the California Film & TV Tax Credit Program.

Nov. 21 Director Lemisch participated on the Hollywood Chamber Entertainment Conference panel

Jan 29 Tax Credit Program Director Nancy Stone participated in an incentives webinar/panel in conjunction with Variety and Entertainment partners.

April 7-9 Fire Safety Officer Training in Roseville near Sacramento – Deputy Director Honthamer will be participating with the CFC presentation.

### **Marketing Events:**

AFCI – March 5-7 at the Century City Plaza. The CFC will be sharing a booth with Santa Clarita Film Commission and FilmL.A. The CFC has a presentation slot AFCI off presentation slot to talk about the new tax credit program. Board members are welcome to attend AFCI.

CFC Annual VIP Breakfast April 29 – W Hotel Hollywood (sponsors are: CAPS payroll, Golden Oak Ranch, HUB International Insurance and CASHet)

California Location conference June 13 – California Location conference at CBS Radford

**Media:** we are replacing our printed news summary with an online content platform called Storify for our quarterly news clips.

### **Tax Credit Program:**

**Process** – CFC staff spent the past several months analyzing the statute and drafting regulations in order to administer the newly expanded tax credit program. The process began with a small working group which was helpful in working through some of the bigger concepts and the jobs ratio factors. Additional meetings were held with stakeholders, alliance members, studio executives, labor representatives, CPAs, GO-Biz, production accountants and potential applicants.

The CFC also received pro bono assistance from a teacher and PhD candidate from the Wharton School of Economics who helped analyze the various factors under consideration, and assisted in testing the ranking process using a variety of factors that were under consideration. He also helped craft the ranges for the points factors by analyzing existing program data.

**On-line Application** – GO-Biz IT building the on-line application system - built on the existing California Competes tax credit application framework.

Beginning in March we will be holding webinars and workshops on the application process and program rules.

**Staffing** – Budget Change Proposal approved by Dept. of Finance and included in Governor's budget. CFC requested 9 new positions – 6 for the tax credit program and 3 to support core services. \$1.1 in year one and \$800,000 in ongoing additional funding.

Must pass through Senate and Assembly budget committees and then the May revise.

No new hires or equipment until July 1 at the earliest.

Regulations are **not** final. If the board approves, the packet will be submitted to OAL. Their process includes a public comment period and OAL review. Only after the regulations are approved by OAL do they go into effect.

#### **IV. OPERATIONS REPORT – Amy Lemisch, Director**

##### **Filming Issues:**

- Once the FAA granted exemptions to a handful of aerial companies to operate drones for commercial filming, the CFC hosted a drone demonstration on January 8<sup>th</sup> at Malibu Creek State Park. One of the FAA-exempted operators volunteered to conduct the demo. About 200 people attended including law enforcement representatives from the state, county and multiple cities, representatives from various film offices, Caltrans, State Parks, state and county fire departments. Also present were studio safety and production executives as well as insurance personnel. Each state agency is now assessing and creating their own policies for the use of UAS. Caltrans is still studying the issue, and in the meantime, is not issuing encroachment permits if a UAS is involved. State Parks is evaluating each request on a case-by-case basis.
- As PCH is a very popular filming location having part of it shut down because of ongoing repair work (to shore up the road and hillside damaged by rock slides) has been an inconvenience for many productions. HBO was relying on shooting the last scene of the premiere episode of one of their series along PCH. After multiple calls we were finally able to get permission for HBO to use the section of PCH they needed to shoot their scene.
- When a production shoots on or near PCH and production vehicles are parked along PCH or in a driveway off of PCH to load and/or unload (often on a narrow or blind shoulder), Caltrans is not allowed to post warning signs, impose intermittent traffic control and/or lane closures – the same protocol they would require for construction work along PCH. Malibu's 2005 Ordinance doesn't allow for these safety measures, and these types of situations create significant safety risks – not only for production personnel working along PCH, but also for local motorists, pedestrians and cyclists. With help from Kara Seward from Senator Fran Pavley's office, the CFC will attend a PCH Safety Task Force meeting next week.
- Cal State Fullerton - in addition to the \$5,000-a-day location fee and cost recovery fees for parking, lights, maintenance, etc. – the school had added a new "cast and crew" fee. Deputy Director Honthaner, along with Janice Arrington (Orange County Film Commissioner) have a meeting with school officials next week to discuss the situation further.
- Army Corps properties – CFC is working to get the Army Corps could to waive their 6-week to 3-month approval process for low-impact, "temporary" events such as filming. Ms. Honthaner has enlisted the help of one of Dianne Feinstein's staff, and discussions are ongoing.
- Fred C. Nelles Youth Correctional Facility is no longer be available for filming. CFC is researching the possibility of filming at the recently closed Lanterman Development Center in Pomona which is or will soon become a Dept. of General Services (DGS) property.

#### **V. TAX CREDIT PROGRAM REPORT – Nancy Stone, Tax Credit Program Director**

Tax Credit Program Director Nancy Stone gave an overview of the "old" program and "new" program.

##### **Application Process – "Old" Program**

- April 1, 2015 is the application date for final lottery under the 'old program'.
- \$10 million reserved for independent projects
- Renewed TV series will automatically receive reservation of credits, therefore credits will only be available for independent projects
- Credit Allocation will be issued on or after 7/1/15
- Principle photography may not begin prior to receiving a credit allocation; costs do not qualify until 7/1/15

- \$230 million in funding available for fiscal year 2015-16 split into two allocation periods – Spring / Winter
- 1<sup>st</sup> year only, Initial application period will be split
  - One for TV only in May
  - One for Features and Independents in July
- Principal Photography may not begin prior to receiving a Credit Allocation
- Projects will be selected via the new jobs ration ranking system
- Separate funding “pots” for different types of productions:
  1. Independent films (5%)
  2. Non-Independent films (35%)
  3. Relocating TV Series (20%)
  4. New TV Series, MOWs, Mini-series, Pilots (40%)

**VI. APPROVAL OF DRAFT REGULATIONS FOR THE FILM & TV TAX CREDIT PROGRAM – Steve Dayan, Chair**

Call for motion to approve draft regulations package and to authorize Director of the CFC to submit it to the Office of Administrative Law for formal review and approval.

Motion was unanimously approved by all board members present: Hilary Armstrong; Fred Baron; Bob Blumenfield; Thom Davis; Steve Dayan; Wendy Greuel; Janet Knutsen; Michael Nyman; Anthony Portantino

**VII. REGIONAL FILM OFFICE REPORT – Los Angeles, FilmL.A. – Paul Audley, President**

FilmL.A. released a new report “On-Location Filming in Los Angeles: 2010-2014. The report reveals a 9.6 percent increase in filming for 2014 as measured in total annual Shoot Days.

Some of the report’s finding include:

- On-location Feature Film production slipped 3.2% for 2014 after feature film production dropped 28% in the fourth quarter.
- On-location Television production increased 12.2% for 2014 boosted by increases in TV Drama and Reality production.
- Commercial production increased 9.0% for 2014. Projects classified as internet commercials are powering much of the category’s growth.

FilmL.A. updates its on-location production reports on a quarterly basis and issues television pilot and feature film production reports annually. FilmL.A. is currently researching local soundstage based production for a new report.

**VIII. NEW BUSINESS – Steve Dayan, Chair**

None

**IX. PUBLIC COMMENT**

None

**X. BOARD MEETING SCHEDULE FOR 2015:**

May 7<sup>th</sup> (Sacramento) tentative  
July 31, 2015 (Los Angeles)  
Nov. 6, 2015 (Los Angeles)

**XI. ADJOURNMENT – Steve Dayan, Chair**

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