



MINUTES

**California Film Commission Board Meeting
July 25, 2014
1:30 p.m. – 3:00 p.m.
SAGAFTRA Conference Room
Los Angeles, California**

COMMISSIONERS IN ATTENDANCE

Steve Dayan
Bob Blumenfield
Chris Essel
Wendy Greuel
Milton Jacobs
Megan McGuinness
Anthony Portantino

EX-OFFICIOS/DESIGNEES IN ATTENDANCE

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

GUESTS

Janice Arrington, Orange County Film Commission
Hanna Banian, CFC
Erik Deutsch, Excel PR Group
Ed Duffy, Teamster Local 399
Sheri Davis, Inland Empire Film Commission
Pauline East, Antelope Valley Film Commission
Paul Eck, State Fire Marshal Office
Justin Hager, Office of Assemblymember Gatto
Michael Owens, Office of Councilmember Blumenfield
David Phelps, AICP
Ramiro Rodriguez, CalFire
Matthew Salazar, Imperial Film Commission
Brenna Stewart, Imperial Film Commission
Nancy Stone, CFC
Tasha Sutherlin, CFC
Charla Teeter, Imperial County Film Commission

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

Motion to approve the Minutes from May 6, 2014 was made and unanimously approved.

III. DIRECTOR'S REPORT - Amy Lemisch

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

CFC Operations - Some IT issues remain unresolved however, at the end of the fiscal year the CFC upgraded some equipment – server switch, computers, and monitors.

California Locations Conference jointly produced with the FLICS took place at the Hollywood Museum on June 28th with record attendance.

Director Lemisch participated in the following events:

- Orange County Tourism Conference: - Director Lemisch was a panelist on the topic of how Film, Media and Entertainment can influence Tourism: moderated by Janice Arrington from the Orange County Film Commission.
- Fire Safety Officer Class – Director Lemisch and Deputy Director Honthamer attended Fire Safety class run by Deputy State Fire Marshal Ramiro Rodriguez.
- Produced By Conference – Director Lemisch represented the CFC at this conference presented by the Producers Guild of America.

Media Update:

California Location Magazine – CFC is consulting with GO-Biz about whether or not to move forward with a 2015 edition. There are issues related to using an outside vendor as opposed to using the Office of State Printing.

CFC News Articles - News articles of interest were summarized and a detailed summary was handed out. Articles of interest covered the CFC Tax Credit Program Progress Report and Press Release on projects in the current fiscal Tax Credit fiscal year and AB 1839 Legislative Efforts including a large rally in San Francisco.

Director Lemisch provided the board with a basic summary of the legislative calendar and the floor and hearing votes for AB1839.

- May 28 – Assembly floor – 76 - 0
- July 1 - Senate Governance & Finance hearing 6 - 0
- Legislative session ends at the end of August

IV. OPERATIONS REPORT – Eve Honthamer, Deputy Director

Marketing Events:

- California Locations Conference – event was hosted by the CFC with FLICS on June 28th at the Hollywood Museum. Exhibitors included FLICS members from throughout the state, sponsors and several community partners. Over 300 people attended with topical panels; trade show and wine tasting reception with the FLICS. There were also drawings for prizes and museum tours. The feedback has been very positive.
- MADE IN HOLLYWOOD HONORS – CFC is a sponsor of the MADE-IN-HOLLYWOOD awards. The awards go to nominated projects (in various categories) that have been shot in the southern California area to bring attention to those productions that have opted to stay in the state. Their next set of honors will be awarded on Thursday, August 7th.

CFC Operations

Ms. Honthamer briefed the board on CFC social media efforts and the new CFC Facebook page. The website has been updated with a page for Helicopter Use in California. It includes state guidelines for filming over state property and highways, landing within 1,000 feet of a school and regional requirements.

Outreach – Public Engagements:

- Deputy Director Honthaner attended one meeting and will soon be attending a second at FilmL.A. to discuss helicopter safety and regulations. Several highly-regarded industry helicopter pilots offered to meet with industry stakeholders to develop a CODE OF GOOD CONDUCT FOR PILOTS.
- Ms. Honthaner attended Citywide and County Film Task Force meetings, the Safety Advisory for Fire & FX in Entertainment.

Filming Issues:

- FAA has been working on proposed rules for the commercial use of UAS and on June 2nd, they announced that with the help of the MPAA, seven independent aerial photo and video production companies have asked for regulatory exemptions that would allow the film and television industry to use unmanned aircraft systems.
- TERMINATOR 5 will be shooting in San Francisco from July 27th – August 3rd, including aerial photography. CFC hosted a conference call with interested parties (representatives from Caltrans, CHP, Golden Gate Bridge, Highway & Transportation District, production company, SF Film Commission) to discuss shooting on and over Highway 101 from the Rainbow Tunnel to the Golden Gate Bridge, the interchange of the 101 and 280 freeways and the Bay Bridge. The film is set in Los Angeles and San Francisco with a majority of the filming taking place in New Orleans. The production will be in SF for 6 days of principal photography and some additional VFX work.
- CRYSTAL COVE – it’s been very difficult to shoot at Crystal Cove (environmentally, special events, etc.). Deputy Director Honthaner had discussions with Park employees including the Orange County District & Interim Southern Division Chief who met with location manager to discuss shooting a Fox feature there for a week or two this fall.
- LA CANADA FLINTRIDGE - Issues are still not resolved there. At the suggestion of Boardmember Anthony Portantino, Ms. Honthaner set up a phone call with Jonathan Curtis, a member of the La Cañada Flintridge City Council. Mr. Curtis supports the industry’s position, and will be an advocate once the ordinance comes up for a vote before the city council.
- FRED C. NELLES YOUTH CORRECTIONAL FACILITY - By the end of the year, Nelles will no longer be available as a filming location. The property sale is finally concluding and escrow should be closing at the end of December.
- METROPOLITAN STATE HOSPITAL - Some new areas may be available for filming – a softball field, the hospital auditorium and the staff library. CFC is exploring what this might entail as far as monitors, security, etc., and anticipate doing a walk-through in the near future (with a photographer along to take pictures).

V. Tax Credit Program Report – Nancy Stone, Tax Credit Program Director

CURRENT FISCAL YEAR

The current fiscal year began with a record 502 (497 on the first day) applications, from which 26 projects were initially reserved credits. That is a 29% increase compared to 389 applications last year. Due to the long waiting list, the CFC has stopped accepting applications for the current fiscal year. Per the statute, we are able to roll over unused credits from previous fiscal years into this year’s pot. As a result, we had \$109M of credits to allocate this fiscal year.

Tax credit allocation letters were issued to 11 independent and 15 non-independent projects. By project type, this breaks down to:

- 11** Feature Films (24% of allocations)
- 2** TV Movies (.09%)
- 13** TV Series (75%)

As revealed by the above statistics, the program is dominated by television series, as the amount of returning series has increased each fiscal year as new series are added. Series are guaranteed credits in

subsequent fiscal years for the life of the series, and credits are automatically reserved each fiscal year for recurring television series.

The total estimated California spend for all projects which received allocations this fiscal year is over **\$800 million dollars**. This figure includes over \$290M in qualified wages, nearly \$230M in non-wage expenditures, and over \$280M in non-qualified expenditures.

The estimated aggregate direct spending by all projects for 7 program years is \$5.39 Billion dollars. This includes \$1.72B in qualified wages, \$1.3B in non-wage spend, and \$2.37B in nonqualifying expenditures. This additional nonqualifying revenue is a bonus for the state, as this includes wages for talent which live in California and will pay taxes and spend those wages in the Golden State.

One series which will be relocating from Georgia as the result of getting tax credits is "Being Mary Jane". This is a BET/Viacom series, which produced its previous season in Atlanta. It will be moving to California for its next season and is estimated to spend over \$21M in the state.

ADMINISTRATIVE UPDATE

The CFC is working with GO-Biz to explore the building of a new database system should AB1839 pass. This would be an on-line application process, eliminating delivery of paper application packets.

In anticipation of the bill's passage, the CFC is already working on how best to administer the tax credit programs including the optimal number of allocation periods and at what time of year they would be held. This involves looking at the potentially new types of qualified productions – pilots and network series – and positioning the allocation periods so as to accommodate their production schedules. We anticipate requiring additional staff should AB1839 become law.

OUTREACH

In May, the CFC arranged a tour at the request of Senator Pavley, for legislative aids in the San Fernando Valley to tour the stages of one of our relocating television series, TEEN WOLF.

Ms. Stone participated on an incentives panel at the NALIP (National Association of Latino Independent Producers) Media Summit, which is the largest and most prestigious annual gathering of Latinos in the media field nationwide.

V. REGIONAL FILM OFFICE REPORT – Antelope Valley – Pauline East, Film Commissioner

Pauline East provided an overview of filming in the Antelope Valley. The Antelope Valley is 60 minutes from Los Angeles, has over 3000 square miles of terrain and has the closest desert to Hollywood. Antelope Valley Film Commission has a digital location library with resource guide, offers scouting assistance and 24/7 on-location production support. Films & TV shows shot in the Antelope Valley include: '*Lone Ranger*'; '*Superman*'; '*Parenthood*'; & '*The Mentalist*'.

VII. NEW BUSINESS – Steve Dayan, Chair

None

VIII. PUBLIC COMMENT

None

IX. BOARD MEETING SCHEDULE FOR 2014:

November 7, 2014 (Los Angeles)

XII. ADJOURNMENT – Steve Dayan, Chair

The meeting was adjourned at 2:50 p.m.