



MINUTES

**California Film Commission Board Meeting
November 4, 2016
1:30 p.m. – 3:00 p.m.
DGA Conference Room
Los Angeles, California**

COMMISSIONERS IN ATTENDANCE

Eric Alegria
Hilary Armstrong (call-in)
Thom Davis
Steve Dayan
Chris Essel
Janet Knutsen
Fiona Ma
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
Ali Zaghari, Deputy District Director, Caltrans

GUESTS

Tyler Algozzino, CFC
Janice Arrington, OC Film Commission
Adrienne Behunin, CFC
Eva Bitar, City of Los Angeles
Sheri Davis, Big Bear Lake Film Office
Erik Deutsch, Excel PR
Ed Duffy, Teamsters Local 399
Kathy Garmezy, Directors Guild of America
Michelle Garrett, Pasadena Film Commission
Eric Klosterman, CFC
Leah Medrano, CFC
Kyle Miller, City of La Habra Heights
Phillip Sokolowski, FilmL.A.
Stephanie Stethem, Riverside Film Commission
Nancy Stone, CFC
Dan Taylor, San Bernardino Film Commission
James Valdez, State Parks
Sarah Walsh, MPAA
Mark Walter, Film Mare Island

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

Chairman Dayan welcomed board members including new boardmember Eric Alegria; followed by self-introductions of guests. Chairman Dayan thanked the DGA for the use of their conference room.

II. APPROVAL OF MINUTES – Steve Dayan

Motion to approve the Minutes from July 22, 2016 was made and approved unanimously.

III. NOMINATING COMMITTEE PRESENTS NOMINATIONS FOR SLATE OF OFFICERS – Janet Knutsen, Boardmember

Nominating Committee member Janet Knutsen presented the committee's recommendations for Officers of the Board as follows: Steve Dayan for Chairperson; Michael Nyman for Vice Chair; Lindy DeKoven for Secretary.

Motion to elect the proposed slate of officers was made by Boardmember Chris Essel, seconded by Boardmember Thom Davis and approved by Boardmembers Eric Alegria, Hilary Armstrong, Steve Dayan, Janet Knutsen, Fiona Ma and Anthony Portantino.

IV. DIRECTOR'S REPORT - Amy Lemisch

Office Expansion / Staffing – The CFC has hired another tax credit program analyst and two office assistants and the office is now fully staffed.

Public Engagements by Director Lemisch:

Past engagements include:

AICP Next Awards – CFC sponsored the reception following the screening of the Next Awards at the Hammer museum.

DGA – Presented an update on the tax credit program to the AD/UPM council meeting.

Made in Hollywood Honors – Participated at event to recognize EMMY nominated productions filmed in California.

VICA Entertainment Committee meeting – Presented an update on the tax credit program.

Hollywood Chamber Entertainment Committee meeting - Presented an update on the tax credit program.

13 Reasons Why set visit – Vallejo and San Raphael

Fire Safety Officer Training – presentation to trainees.

Caltrans Traffic Operations Executive Board – presentation

KPCC – The Frame - interview

Upcoming Events include:

California On Location Awards – November 13th at the Beverly Hilton Hotel. In addition to honoring location professionals, the event recognizes city, county, state and federal employees for their service to filming activities in California. This year our state partner liaisons James Valdez, State Parks; Roger San Juan, Caltrans and Kristi Cardoza, CHP have all been nominated. FLICS will also be honoring CFC Director Amy Lemisch with their COLA Signature Award. This award is not presented yearly – only when inspired by an individual or group of individuals who have gone above and beyond to promote and to keep film production in California.

Focus London – The CFC will be sharing a booth with Film L.A., Dec. 6 – 7 at the Business Design Center. A location event for international production which includes exhibition space, seminars, panels and receptions. Director Lemisch will be participating on a panel about sustainable practices in location production.

Hollywood Chamber State of the Industry Conference – Nov. 30th at the Loews Hotel – panelist with Paul Audley, FilmL.A.

Film in California Conference – May – CBS Radford – staff has begun working on the annual conference.

Marketing and Advertising:

Location California – publish April 2017

SHOTS magazine – California section

Media – The board previously received link to CFC News Articles Summary

LAO report – The Legislative Analyst's Office released their report on the tax credit program in late Sept. (The Legislative Analyst's Office provides fiscal and policy advice to the Legislature). They were required by statute to conduct this report on Program 1.0. A few highlights:

- Increased revenues indirectly caused by tax credit: *Over the life of the first film tax credit program, we estimate that new spending in the economy resulting from the credit has increased and will **increase General Fund revenues by \$300 million - \$500 million.***
- *Furthermore, these increases in state tax revenue boost overall school funding requirements under Prop 98...*
- Net state revenue: *the first film tax credit program can be viewed as having provided a net benefit to the state General Fund for the first few years of the program.*

- Multiplier effect: Using the RIMS II model, they conclude that the multiplier for motion picture and video industries is roughly 2. For every \$1 million in net new production spending, total gross output of the California economy will grow by a total of \$2 million.
- After making adjustments to the total additional spending by tax credit recipients, they estimate that *\$4.5 billion of the \$6.1 billion in total production spending by tax credit recipients was additional spending on film production in the state's economy that resulted from the first film tax credit program.*

USC articles – Earlier in Sept., an Assistant Professor at the USC School for Public Policy published two articles about the efficacy of film tax credits nationwide. California was not singled out but overall the articles were quite negative and found no benefit to the states from these programs.

Progress Report – The CFC's annual progress report was published last week and is available on the website.

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

Tax Credit staff is still working with IT personnel in Sacramento to improve the on-line application portal. Staff is creating tutorials aimed at independent filmmakers which will provide an overview of the program, a budgeting tutorial to help them create qualified expenditure budgets, and an application tutorial which will provide a step by step guide to the on-line portal application process. Staff has also been engaged with compiling the Program 1.0 and 2.0 statistics.

Program 1.0

To date over \$675 million in tax credits has resulted in over \$5.5 billion in estimated direct spending by these productions. The CFC held its last lottery April 1, 2015 and reserved tax credits at the beginning of the fiscal year July 1, 2015.

The CFC also continues to receive tax credit requests for new seasons of recurring Program 1.0 TV series, and the CFC can statutorily allocate tax credits for Program 1.0 until June 30, 2017. As Program 1.0 projects complete production, the CFC continues to issue tax credit certificates.

Program 2.0

The first year of Program 2.0 provided \$230 million in tax credits. The 55 projects accepted into the program will generate an estimated aggregate direct spend of \$1.5 billion, which includes \$600 million in estimated wages.

The program reserved credits for 13 feature films, 5 independent films, 18 TV series, 5 relocating TV series, 8 pilots, 5 mini-series, and 1 MOW.

Program year 2 has had one TV project allocation period thus far – in May. As in Program 1.0, Program 2.0 mandates priority for returning TV series or TV series from pilots which were admitted into the program.

The May allocation period was held only for Relocating TV series and for recurring TV series or TV series from pilots in the program. Tax credits were reserved for 10 returning TV series and 1 relocating TV series.

This fiscal year, the CFC will hold two additional TV allocation periods – one in Nov and another in February – and will determine if tax credits will be available for new series based on up to date estimates and projections we receive from the TV production companies and studios.

Our second allocation period for this fiscal year was for feature films and independent films. Of the 26 projects that received a reservation of credits, 16 were non-indies and 10 were Indies. Together, they are estimated to spend \$875 million dollars in the state, with \$324 million of that in qualified wages.

Career Readiness Requirement

Donations from 22 projects have gone either to the Californians Dedicated to Education Foundation or The Foundation for California Community Colleges.

Out of a total of 64 projects currently in the program, 15 projects have hired interns that successfully completed internships.

Most internships were from various community colleges, including Santa Rosa, West L.A. and Santa Clarita. Two projects hired interns from Mayor Garcetti's Hire L.A. Youth program

The film commission continues to explore other types of workforce programs which will continue to diversify the intern pool and provide opportunities to Californians from all over the state.

VI. OPERATIONS REPORT – Eve Honthaner, Deputy Director

FAA - On August 29th, the FAA's permanent regulations for the commercial operation of small Unmanned Aircraft Systems (UAS) went into effect. These new regulations provide guidance for conducting UAS operations in accordance with Title 14 of the Code of Federal Regulations Part 107.

Among other requirements, UAS operators flying drones under Part 107 must possess a Remote Pilot Airman Certificate. In addition, Part 107 requires a waiver to fly over people (including cast and crew). Drone operators who have been working under FAA 333 exemptions may continue to do so, as a 333 exemption remains valid until it expires.

The CFC has a new questionnaire for those who wish to fly UAS over state property. The completed form and all accompanying documentation must be submitted with the production's permit application.

Also note that meeting all qualifications required of a Part 107 Remote Pilot does not automatically guarantee permission to fly a small UAS over State property. CFC State partners (Caltrans, State Parks, etc.) also review applications on a case-by-case basis and consent or deny requests based on their specific criteria.

Outreach – Public Engagements by Deputy Director Honthaner:

Made in Hollywood Honors – Event acknowledges Oscar and Emmy-nominated projects made in California.

Fire Safety - Fire safety training class in Porterville – guest speaker

Porterville High School – spoke to students about CFC and careers in the entertainment industry.

Location California Magazine – arranging interviews for the writers and selecting photos for magazine

Filming Issues

Facilitated talks between Exposition Park and Disney to help revise Exposition's filming terms and conditions to meet Disney's legal requirements.

Involved in talks regarding a moratorium on filming at the VA cemetery in Westwood.

Worked on city of Whittier filming ordinance.

CFC Senior Permit Coordinator Eric Klosterman worked with jurisdictions needed for filming by *13 Reasons Why*; facilitated logistics for a Netflix series filming on the Golden Gate Bridge and Vista Point; and facilitated last minute filming request including one involving Metrolink.

VII. REGIONAL FILM OFFICE REPORT – Pasadena – Michelle Garrett, Film Commissioner

The Pasadena Film Office is part of the Economic Development Division in the City Manager's Office. The Pasadena Film Office coordinates all on-location production in the city of Pasadena. Services include coordination of all permits in accordance with their local zoning ordinance; marketing of Pasadena to the film industry; and increasing awareness of Pasadena as an innovative, event filled and enjoyable city in the L.A. metropolitan area.

Pasadena has over 1,000 locations, is within "The Zone," and issues permits in 3 business days. Pasadena averages over 500 permits annually. Productions which have recently filmed in Pasadena include: *'Surburbicon'*; *'Live By Night'*; *'Veep'*; *'Scream Queens'*; *'Ray Donavan'*; *'The Goldbergs'*; and *'Shameless'*.

VIII. GUEST SPEAKER – Mark Walter, General Manager, Film Mare Island

Cinelease, the largest independent lighting and grip provider in the U.S., has partnered with "Film Mare

Island” to provide film facilities to the Bay Area production community.

Currently there is 180,000 sq. ft. in use (5 buildings total); 500 acres exterior locations. Expansion will include 4 sound stages totaling 100,000 sq. ft.

Mare Island has over 1 million square feet of existing buildings available for filming including auditoriums, industrial buildings, period residences, maritime berths, dry docks, waterfront areas and a golf course.

IX. NEW BUSINESS – Steve Dayan, Chair

In 2017, there may be a need for a legislative affairs committee which will address reviewing and potentially amending board by-laws; review the need for any amendments to the tax credit regulations and any pending legislation that might impact the CFC. Will wait until the next meeting in Feb. to formally appoint committee members. Chairman Dayan as well as boardmember Fiona Ma volunteered to serve on the committee.

X. PUBLIC COMMENT

David Phelps of AICP discussed the Commercial Directors Diversity Program, or CDDP. The program was created through a partnership with the AICP (Association of Independent Commercial Producers) and the DGA.

The CDDP is committed to increasing the number of minority and women directors in both the commercial directing ranks and DGA membership.

The CDDP will achieve its goals by presenting showcases of unsigned directors to the AICP membership in the hopes of creating relationships which would lead participants to sign with a production company.

The first CDDP Showcase will be held in Los Angeles on January 11th, 2017 at the DGA Theater.

XI. BOARD MEETINGS SCHEDULE FOR 2017:

February 3:	SAG-AFTRA Conference Room 1:30 p.m. - 3:00 p.m.
May 5:	SAG-AFTRA Conference Room 1:30 p.m. - 3:00 p.m.
August 4:	SAG-AFTRA Conference Room 1:30 p.m. - 3:00 p.m.
November 3:	SAG-AFTRA Conference Room 1:30 p.m. - 3:00 p.m.

XII. ADJOURNMENT – Steve Dayan, Chair

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