

Michigan Film Office Advisory Council
March 19, 2009

- I. Call to order
 - a. Meeting was called to order by Chairman Emery King (10:00 AM) at the Temple Theater in Saginaw, Michigan.
 - b. A quorum was present with the following members: Bob Brown, Jim Burnstein, Xenia Castillo-Hunter, Hopwood DePree, Danialle Karmanos, Emery King, Sue Marx, Tim Magee, William O'Reilly and Marc Prey. Also present was Janet Lockwood, Director of the Michigan Film Office and Lisa Dancsok of the Michigan Economic Development Corporation.
 - c. Unable to attend were: Bill Black, Cory Jacobson and Michael Moore.
- II. Introduction of Members
 - a. Chairman Emery King said it was great to be in the Saginaw area and thanked everyone who assisted in organizing this meeting. Chairman King said we try to move the meetings around the state to help people become more involved and learn how we are trying to sustain and grow the film and television industry in Michigan.
 - b. Members of the Michigan Film Office Advisory Council introduced themselves.
- III. Adoption of Agenda
 - a. Motion made and duly supported to adopt the agenda for March 19, 2009. Passed unanimously.
- IV. Approval of Minutes from January 15, 2009
 - a. Motion made and duly supported to adopt the minutes of January 15, 2009. Passed unanimously.
- V. Director's Report
 - a. Overview
 - i. Since our January meeting, all productions that completed their post production work have received their post production certificate. However, only one project, INTENT, has gotten a check. This production chose to sell their credit to an eligible Michigan taxpayer. We have a photo of the happy recipients taken in Los Angeles earlier this week.

The remaining 29 recipients have not been paid for several reasons. Surprisingly, only 8 companies have filed their Michigan Business Tax Return. Treasury has requested additional documentation for MI withholding taxes from all 8. We are hoping checks will soon be on their way to all of the production companies.

We have received 27 new Applications in 2009; 7 were denied but the rest are moving through the review process, with several already fully approved. The majority of the budgets range from \$2

million to \$20 million, with one large feature (over \$75 million) approved. We also have 5 carryovers from 2008.

None of the 2008 films aside from those noted in January have been released yet, but most of them have 2009 dates in place. A few will go straight to DVD.

Currently shooting are HOPEFUL NOTES in Grand Rapids, and BETTY ANNE WATERS, currently shooting in Ann Arbor and other metro Detroit locations (starring Hilary Swank, Peter Gallagher, Sam Rockwell, Minnie Driver, Juliette Lewis and directed by Tony Goldwyn.) UP IN THE AIR filmed at both Metro Airport terminals for 4 days in February, with George Clooney.

As you can see from the Agenda, Ken Droz will be discussing the REMI with you. You should have received a Good News email; those will be coming to you once a month. You'll find some new ones in your folder.

b. Production Directory

- i. The new Production Directory is up and accepting listings. As of this date, more than 1500 crew and support services have entered their data; Katy Rogers and two interns have been going through all of the entries, checking for professional production credits in those categories where credits are important. Because the numbers of fully approved listings are not yet high enough due to the labor involved, the site is not live yet but we expect it will replace the current searchable guide by March 31st if all goes well.

c. Staff

- i. The Locations Department, Mike Grabemeyer and Tony Garcia, continue their stellar work with new photographs for Reel Scout. We have 14 location scouts, 43 convention bureaus and 3 city offices with their own passwords and access so they can download their local pix for much wider exposure. The Locations Dept has sent out 37 photo packages since our last meeting.

Staff continues to take speaking engagements to encourage support for and explain the incentive program and to help local municipalities become active participants. A partial list includes The Dick Purtan Show, Sen Jason Allen's weekly television show, the Legislative Black Caucus, a U of M film incentive panel, a tax panel at the Sundance Film Festival, the Michigan Municipal League, the Howell Chamber of Commerce, and a tax incentive panel in Beverly Hills. I did the last panel, which was followed by

several meetings, including a chance introduction and lunch with Sidney Poitier and Walter Mirisch, both legends.

d. Locations

- i. Coming up in mid April is Locations 2009 in Santa Monica. The State film office is exhibiting with the West Michigan Film Office and Film Detroit, as well as arranging multiple meetings with studios, independent film companies, financing companies and one of our infrastructure credit recipients, Raleigh Studios.

e. Infrastructure

- i. Let me segue into my Infrastructure tax credit report. As you probably know, in her 2009 State of the State speech in early February, Governor Granholm announced the awarding of both infrastructure tax credits and MEGA grants to three companies:
 1. Wonderstruck aka Detroit Center Studios, Michele Richards. A full service animation studio as well as 4 stages to be built in the old MGM Casino property in downtown Detroit
 2. Motown Motion Pictures, a combination of Michigan investors and Raleigh Studios. Up to 8 stages with all support services to be built on the site of the GM Centrepointe property in Pontiac
 3. Stardock, a games company, planning an extension of their business in Plymouth.

The reality of infrastructure as a result of the film incentives makes the program the success we had hoped for. That's not to say these are the only projects that will be built in Michigan but they are the first. Both Wonderstruck and Motown plan to be open for business by the end of this year, if not earlier.

f. Workforce Development

- i. Work Force Development has not come along as well as our other programs. We did post the job within the Michigan Civil Service structure and currently have 72 applications. We plan to interview some of those applicants but if any of you have candidates, please don't hesitate to contact me. The immediacy of this hire continues to grow because of the proliferation of training programs without basic standards in place. We hope to have good news on this front very soon.

g. Annual Report

- i. Last, you received by email and also have a copy in your folder of the film office Annual Report. There are few changes from what I reported in January but considerable more detail. If you haven't read it yet, take a look, it is interesting.
- ii. In closing, as I always say, I personally couldn't do what needs to be done without the support of Lisa Dancsok of the MEDC, Nate Lake of the Governor's Office, Penny Launstein and Greg West

of the MEDC, an exceptional staff and members of the Advisory Council.

- h. Marcia Fishman asked how jobs were determined in the Annual Report.
 - i. Janet Lockwood explained that jobs reported by the production companies via the Post Production Certificate are in the Annual Report while the REMI report took the part time jobs and translated them into full time jobs. Therefore the REMI reported the job equivalency number.
- i. Bob Brown asked if we have a projected number of projects coming in 2009.
 - i. Janet Lockwood said no we do not have that, it's hard to determine and was open to any suggestions on how to do that
- j. Chairman Emery King asked to discuss the difficulties in finding a Workforce Development Director.
 - i. Janet Lockwood said that she's afraid it simply hasn't happened yet, we posted it on the civil service website as well as the AFCI website but it just hasn't happened yet. The position offers 65k a year plus benefits and is term limited for a year, which can be extended. Janet Lockwood also asked the council to offer any qualified candidates they may know.
- k. Jim Burnstein spoke on behalf of the Workforce Development task force group and emphasized the fact that we know that groups are popping up all over the state and the key is we must have union involvement in the design of a state wide training program because the people we are training will ultimately want to get into the union. The task force is trying to get the resources together and get the wheels in motion.
 - i. Hopwood DePree stated that maintaining the quality in the training programs is important and suggested finding a way to offer the names of trainees to the incoming productions.
 - 1. Janet Lockwood said that if they have training credits we may be able to list them in the Production Guide for entry level positions.
 - 2. Tim Magee said that union membership is still based on working 30 days on a union shoot; however they stand ready to have the members help teach courses and give input regarding training programs. He also discussed that when all of their members are working they would like to have a program that they can recommend the trainees from.
- l. Sue Marx suggested bringing the New Mexico IATSE leader to the next MFOAC meeting to discuss their program.
 - i. Jim Burnstein said the New Mexico curriculum is two semesters and very extensive, everyone must work hands on a production before the end of the curriculum.
 - ii. Chairman Emery King asked if they feel it is necessary to bring the New Mexico IATSE leader to the next meeting.

1. Tim Magee said he does not feel it is necessary to physically bring him here because he has access to all of the resources.
 2. William O'Reilly suggested getting the Workforce Development Director in place and then looking into those options.
- m. Danialle Karmanos suggested putting out a press release on what to expect at the end of the training program. With our current economic climate, these training programs are preying on the vulnerable. It needs to be emphasized that going through some programs doesn't guarantee you a job and we need to educate the media on that fact.
- i. Xenia Castillo-Hunter suggested the Advisory Council to be responsible for speaking to the media and making them aware of the industry and training programs, perhaps a message from the Chairman.
 - ii. Bob Brown cautioned that it is walking a fine line; we need to be cautious that we are not dampening the entrepreneurial spirit.
 - iii. Jim Burnstein suggested working with Michigan Works to have them help finance only Michigan state approved programs.
- n. Chairman Emery King summed up that it's premature to bring in the New Mexico IATSE representative and that we will work with Janet Lockwood to draft something up and send out to the council and then the press regarding training programs. Janet Lockwood and Danialle Karmanos will work together on that.
- o. Bob Brown had a question about the incentives; his interpretation was that you can use either the job training tax credit or the refundable tax credit, not both.
- i. Janet Lockwood is going to look into it and clarify.

VI. REMI Report

- a. Ken Droz presented the PowerPoint presentation regarding the REMI report.
- b. Bill O'Reilly asked if we are taking into consideration movies that are more likely to be seen and/or movies that are made in areas of Michigan that we want to be seen.
 - i. Janet Lockwood said that we try to encourage all types; we do look at projects economic and tourism impact when reviewing the applications.
 - ii. Lisa Dancsok discussed from a tourism standpoint possibly including a two or three minute clip on shooting in Michigan at the beginning of a film, like the We Are Marshall example.
- c. Jim Burnstein discussed the brain drain and how having these actors and connections within the state of Michigan helps students within our state make connections that can help them with their careers.

VII. Code of Conduct

- a. Marc Prey discussed the two documents that were handed out to the council, the Code of Conduct that the council is already subject to under law and the Conflict of Interest document which discusses things in more detail that may be lacking in the first document. Specifically, the Conflict of Interest defines a process and protocol of what to do if a conflict of interest may arise and also discusses the ability of the council to consult the Attorney General's office, specifically Sante Perelli should there be any questions.
- b. Sante Perelli stated that Marc highlighted the most important part of the documents and that it is important to lay out the process of notifying the chair and commission of any potential conflicts of interest.
- c. Bob Brown asked to table the document until a future meeting.
 - i. Tim Magee said this is more of a process document and sees nothing wrong with it.
- d. Sante said this council is required to adopt a policy, this is an advisory group and not a decision making body. However, the policy intends to give you a step by step process on how to address conflict.
- e. Motion made and duly supported to adopt the Conflict of Interest policy. Motion passed, Bob Brown voted nay.
- f. Chairman Emery King stated that everyone here walks a fine line with being on the council and working in the industry, we need to use our better judgment on what is and isn't a conflict of interest.

VIII. Task Force Groups

- a. Chairman King apologized for a lack of clarity regarding the task force groups from the last meeting. Chairman King was seeking input and approval of the Task Force document that was presented to the council. Chairman King wants this to be a standing item for team updates on the issues.
- b. Marcia Fishman wanted to clarify that when she was speaking with legislators as the SAG director and not as a member of the Advisory Council it would be off the record.
- c. Marc Prey brought up the issue of non-council members being on task forces.
 - i. Chairman King said that if you need valued input from members of the public, you take those people on and seek input for the meetings. Chairman King also asked that the task forces select a chairperson to speak for the task forces at council meetings.

IX. Speaker's Bureau

- a. Chairman King asked that the members of the council make themselves available for speaking engagements. A PowerPoint would be available, you would be asked to notify the MFO if you are doing speaking engagements. It is not anticipated that anyone would be paid for speaking engagements.

- i. Janet Lockwood added that the MFO gets a lot of requests and doesn't have a lot of people; we would like to know who would want to take these speaking engagements if members of the MFO were unable to.
 - ii. Chairman King asked for volunteers, all members present at the meeting volunteered.
 - b. Lisa Dancsok said that we will develop a PowerPoint and presentations and run through those at the next meeting to make sure everyone is comfortable with the information. She also stated that Jackie Wressell will be the source who reaches out and communicates what's available.

X. Old Business

- a. Sue Marx said that she is getting calls from media and wants to know how everyone is handling them.
 - i. Chairman King says to utilize the talking points and anything you are uncomfortable discussing with the media needs to be referred to the Film Office.

XI. New Business

- a. There was no new business to report.

XII. Public Comments

- a. Val Moskalik with the Motion Picture Institute in Troy announced that they are celebrating their tenth anniversary. She also stated that she agrees with Danialle regarding the conflicting information in the press and wants to offer their help and support.
- b. Jean Claude-Lewis with Beneath the Underdog wanted to know if there were any dates set for the announced studios to be opened and also wanted to make sure we are not steering away business from underprivileged areas of Michigan.
- c. Michael Whittaker from RSIG Security discussed how the incentives have helped his security business from being in the red to back into the black zone.
- d. Peter Fabbri from West Branch wanted to say congratulations to all and also wanted to discuss the new Children's Film Festival they were organizing. He also invited the Council to meet in West Branch.
- e. Henry Celistino wanted to discuss the process for casting Latinos and specifically in principal roles.
- f. Steve Gast with Bierlein Entertainment showed the trailer for Street Boss and announced the tentative premiere date at the Temple Theater on May 29, 2009.

XIII. Adjournment (12:32 PM)

- a. Chairman King again thanked the Saginaw CVB and the Temple Theater for all of their assistance in organizing the meeting. Chairman King also discussed meeting again in the next month and will get dates out in the next few weeks.

Respectfully submitted,

Emery King, Chairman

Prepared By:

Jackie Wressell