



## Governor's Film and Television Commission

February 26, 2008 – 3:00 PM

State Capitol Executive Tower –Governors Conference Room

### OVERVIEW

**ATTENDEES:** Barry Kluger, Chairman, Lawrence Moore, Chairman, Tony Astorga, Kay Daggett, Hugh Downs, Shelli Hall, Don Livesay, Kee Long, F. Miguel Valenti, Malachy Wienges,  
**BY PHONE:** Toni Hellon, Fred Johnston, Pete Mangelsdorf ,  
**EX OFFICIO:** Jan Leshar, Kelly Paisley  
**GOVERNORS OFFICE:** Jeff Schatzki  
**ADOC STAFF:** Julie Castro, Harry Tate, Ken Chapa, Mike Smith

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**Call to Order** – Chairmen Kluger & Moore

**Approval of minutes** – Chairman Moore

- Minutes approved by voice vote.

**Commission Announcements** – Chairman Kluger

- The next full Commission meeting is **May 12, 2008**
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#### **ADOC Film Office Update** - Harry Tate, Director

Mr. Tate provided an update relative to the State Film Office Tax Incentive Program. During calendar year 2006, the monetary cap on the program was \$30M with 33 applications being received. Of those, 18 were pre-approved and in process; six were withdrawn, six were denied; three were voluntarily relinquished; and six have been post-approved. The estimated Arizona spend of post-approved applicants equaled \$19,260,963. The estimated tax credits approved for post-approved applicants equaled \$2,397,173. Mr. Tate noted that since it took a couple years for the program to develop, 2006 is the first year there were any post-approvals. Also noted is that there are more post-approvals being processed by the Arizona Department of Commerce and that information will be provided to the Commission when it becomes available.

During calendar year 2007, the program cap was raised to \$40M with 51 applications being received; 26 being pre-approved and in process; nine withdrawn, nine did not timely begin their productions, five were denied; two were voluntarily relinquished and zero were post-approved. Mr. Tate also noted a program change in 2007 whereby applicants were given a four-month window in which to begin their productions explaining the nine applicants that didn't timely begin their productions thus having their approved amount being reverted back to the program. Also noted is that there weren't any post-approved applications mainly because they either haven't wrapped production or have wrapped production and haven't applied for the post-approval yet.

For calendar year 2008, program changes include a raise in the cap to \$50M, with \$2.5M being set-aside for commercial and motion picture applicants which started on February 1, 2008. Mr. Tate related there have been some applicants this year for the commercial portion of the program.

Chairman Kluger asked for clarification about when something is withdrawn, denied, or voluntarily relinquished. Mr. Tate explained that those that have been denied are mostly because they didn't meet some stipulation of the program, e.g. not meeting deadlines; none were denied due to content. Most of those that have withdrawn or have voluntarily relinquished usually revolves around financing or lack thereof.

Ms. Kelly Paisley asked how this year compares to other years with regard to pre-approved applications. Mr. Tate explained that a lot has to do with speculation in the industry as relates to the program cap; that companies might think that the program is capped out for whatever reason and then don't apply. Mr. Tate explained that the tax incentive program is a fluid program and that once money comes back in, that people move up in the cue which most people/companies may not be aware of.

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**State Film Office Activity Report - Ken Chapa, Program Manager**

Mr. Chapa presented information to the Commission as relates to web view/hits and inquiries to the State Film Office from July 2007 thru January 2008. Mr. Chapa explained that the film office changed to a new platform that tracks web hits differently and more accurately indicating a more true reflection of actual web hits that have steadily increased which could be seen as a reflection of the Film Office marketing and the comfort level of people visiting the website.

Chairman Kluger asked if there were any improvements made to the website. Mr. Chapa explained that the primary improvement was changing to a new platform and improving the way web hits are tracked.

As relates to Film Office inquiries, Mr. Chapa explained that there have been about 190 "real" inquiries since the beginning of the fiscal year. Of those, 42% were for feature films, 3% were TV series, with the remaining 55% being various other inquiries including commercials, still catalogs, multi-media, student projects, etc. These represent projects that we facilitate and help companies with, such as obtaining permits and that these also take up the majority of our time. With regard to feature films and TV series, these tend to be the "battle ground" for us with regard to marketing; with questions about incentives and crew base, which tend to be areas that we are competing with other states and countries for. Mr. Chapa indicated that we usually land about 98% of base projects because they are already committed to filming in Arizona.

Chairman Kluger asked that if a film maker wanted to shoot in Phoenix, that they could conceivably only call the City of Phoenix Film Office versus going through the State Film Office. Mr. Chapa indicated that most local production companies and scouts are aware of the protocol and unless they need assistance with state permits or have questions about the tax incentive program, then they often do go directly to the various film offices located throughout the state.

Chairman Moore asked how the website data helps in planning. Mr. Chapa indicated that it helps in that we know who our audience is and who to target with regard to marketing strategies and that the marketing campaign in-turn successfully drives people to the website.

Commissioner Daggett asked if the URL for our website is through the Department of Commerce or a separate one. Mr. Chapa indicated that our URL is through the

Commerce website at: [www.azcommerce.com/film](http://www.azcommerce.com/film) and that we can track web hits from web advertisements so we know what website people are coming from. Arizona Department of Commerce (ADOC) Director, Ms. Jan Lesher pointed out that the Department of Commerce has made one change in that if you go to the State of Arizona's website there's a box to click to go to the Commerce website and that there has also been a link added on the Governor's website as well to make it easier to locate and access the Commerce website which will ultimately generate more web hits.

Mr. Tate reiterated to Commissioners that the other film offices in the state have their own data that they share with the State Film Office independent from the data that our office compiles. At the end of the year, this assists in providing accurate data with respect to the generation of reports.

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## **Review of Workforce Workgroup Recommendations – Commissioner**

F. Miguel Valenti

Commissioner Valenti provided a recap of the Workforce Workgroup's activities to date noting that the committee was charged with coming up with an immediate, medium, and long-term plan. Mr. Valenti noted that one challenge to the committee is that in order to utilize the 2008 tax incentives, producers must hire 50% Arizona personnel; however Arizona lacks the workforce to satisfy the 50% requirement for more than a small percentage of productions that could be attracted, thus concluding that the workforce must be increased to maximize the value for Arizona.

A short-term, pilot program was devised to teach on-set safety; on-set skills; and on-set etiquette. The strategic partners for the first stage of the program included; the Governor's Film & Television Commission; Arizona Film Office; Maricopa Skill Center; Phoenix Film Commission; Arizona State University (ASU); the film industry, and IATSE. The Maricopa Skill Center (MSC) hosted a two-weekend seminar in October & November 2007 and was conducted by MSC; ASU; faculty from the University of Advancing Technology; and film industry experts.

The first program held on October 26<sup>th</sup> & 27<sup>th</sup>, 2007, consisted of an overview of the film industry; film-set environment; departments & positions; and set safety & etiquette and was geared toward students who were primarily in the construction, cosmetology, and business administration career fields. An overlay was given of film industry specific techniques to make them on set qualified with three breakout sessions consisting of On-Set Instruction in Safety; Breakout Instruction (in their course specialties), and shooting of a short film.

The second program held on November 2<sup>nd</sup> & 3<sup>rd</sup>, 2007, consisted of finishing/wrapping the short film that was shot. Following the program, a "wrap party" to show the students what they had shot was held which was very instructive to the students in that it showed them that making a film is not all fun and games and a lot of work goes into film production. 64 students graduated this program; far surpassing what was projected. Following the training seminars, meetings were held for analysis of the event and to plan future infusion of curriculum into the regular MSC course schedule. As a result, MSC has agreed to rotate this curriculum throughout the year for students in construction, cosmetology, and business administration specific to the film industry expecting to graduate several hundred students annually.

A public relations event was held on November 2, 2008 in an effort to raise the consciousness of what the workgroup was trying to accomplish. Commissioner Valenti noted that of the 64 students that graduated the program, six were offered jobs within the first week. Publicity generated by the public relations event established a solid precedent for training workers and raised awareness both in Arizona and elsewhere of the workgroups efforts to expand the workforce in addition to bringing parties into the system to provide training for below-the-line positions.

Subsequent to this event, an independent entrepreneur has volunteered to put together and host a database, at no expense to the state; to track student information provided by the schools, and the Union, about trained workers in the state. Registration will be voluntary, so not all students will be listed; however the information for those listed will include basic credits; e-mail contacts; union affiliation, etc. This will help to create a more efficient database for a large percentage of the trained workers in the state.

Medium and long-term solutions of the Workforce Workgroup Committee include making a commitment through its members to train the MSC instructors in what they're going to need to be teaching as relates to the film industry curriculum. This will result in several hundred trained workers per year whose progress can then be tracked. Eventually, a multiple certification process would be put in place. Initially, certification will be assumed if the student has received Union or Non-Union training however eventually a group of organizations will standardize the curriculum including the Union and educational institutions and put into place a new certification process. Discussions are in progress to enable cross-training with IATSE and various educational institutions to increase and standardize training and certification.

Commissioner Astorga asked if there will be career fairs to attract students in this career field. Commissioner Valenti indicated that as of now there aren't any on the horizon; however there will be in the future once there's more substance behind the program, i.e. successes.

Chairman Moore lauded and thanked Commissioner Valenti for his outstanding efforts with the Workforce Workgroup committee. Mr. Moore also thanked the various volunteers and organizations that have stepped forward to ensure the success of this committee.

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### **Entertainment & Marketing Review – Chairman Kluger**

Chairman Kluger mentioned that on March 1<sup>st</sup> Commissioner Hugh Downs will be at the Scottsdale Center for Performing Arts interviewing Frank Rich of the New York Times.

Commissioner Shelli Hall noted that on March 2<sup>nd</sup> Old Tucson Studios, The Fox Tucson Theatre, and BATJAC Productions will present the newly re-mastered version of the 1953 movie HONDO starring John Wayne. Ms. Hall also mentioned that on March 27<sup>th</sup> & 28<sup>th</sup> the University of Arizona will host the U.S. Mexico Border States Conference on Film Making and Economic Development and Intellectual Property Rights.

Commissioner Don Livesay gave an update on the Screen Actors Guild (SAG) 75<sup>th</sup> anniversary birthday celebration which will tentatively be held a day early on June 20<sup>th</sup>; at the Old Tucson Studios. Commissioner Livesay also provided copies of a "special issue" of SAG's magazine entitled "Screen Actor" to the Commission members.

Commissioner Astorga asked if the Commission was engaged with the Sedona Film Festival. Commissioner Wenges noted that the Sedona Film Office is represented at the film festival. Mr. Tate indicated that there are local group members from the APA and AFMC that are participating and assisting with the Sedona Film Festival as well. Mr. Tate noted that participation of the State Film Office is limited to listing all film festivals that occur in Arizona on the Film Office website and that the Commission as a whole is not actively involved with film festivals around the state. Chairman Kluger asked if it would be useful to let Commissioners know on a regular basis about film festivals occurring around the state. Commissioner Astorga suggested having a notification process to notify Commissioners when and where film festivals will be taking place. Chairman Kluger offered to disseminate information to the Commissioners on a bi-monthly basis regarding any festivals, or other relevant entertainment related events via email.

Commissioner Astorga mentioned that by knowing about and attending the events; it helps show us what it's all about and reap some of the rewards of what we do with the community(s) and the film industry. Commissioner Livesay suggested having commissioners try and coordinate sitting on panels at some of the film festivals to reach out and increase awareness of what we do in Arizona. Mr. Tate noted that when invited, State Film Office personnel (and some commissioners) regularly participate in film festivals and sit on panels. Also noted was that all the film festivals in the state are listed on the State Film Office website which is updated annually; with about 11 total festivals that are tracked. Chairman Kluger reiterated his desire to ensure information about all festivals and entertainment events are distributed to each commissioner thus keeping everyone informed.

Chairman Moore suggested that the Entertainment & Marketing Committee take the lead on developing a structured way to solicit commissioner involvement in film festivals and events so that we don't duplicate efforts. Chairman Kluger said he will ensure the Entertainment & Marketing Committee will figure out a way of communicating and letting people know when events are coming up and encouraging their support and also begin discussion as to what we will do, how we make ourselves known at these events, etc. Mr. Kluger also indicated that he will convene a meeting in the next six weeks or so to discuss ways to implement this.

Commissioner Long mentioned that there will be a dedication for the Navajo Code Talkers on February 28<sup>th</sup> at the Capitol. Chairman Kluger asked Commissioner Long to also keep him apprised of any tribal festivals that the Commission may be interested in attending and/or facilitating.

With regard to public relations, Commissioner Livesay suggested possibly adding the Film Office newsletter to our website for greater awareness of the commission as a whole and possibly adding a summary of commission meetings as one of the news articles. Chairman Moore suggested this matter would be better addressed by the Entertainment & Marketing Committee and Chairman Kluger indicated that he would broach this subject during the next marketing meeting.

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**Call To The Public** – There were no public comments received.

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**Meeting Adjourned** – Chairman Kluger

