



MINUTES

**California Film Commission Board Meeting
November 25, 2014
1:30 p.m. – 3:00 p.m.
SAG-AFTRA Conference Room
Los Angeles, California**

COMMISSIONERS IN ATTENDANCE

Fred Baron
Bob Blumenfield
Thom Davis
Steve Dayan
Lindy DeKoven
Chris Essel
Morrie Goldman
Janet Knutsen
Megan McGuinness
Michael Nyman
Anthony Portantino

EX-OFFICIOS/DESIGNEES IN ATTENDANCE

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

GUESTS

Geoff Alexander, Santa Barbara Film Commission
Janice Arrington, Orange County Film Commission
John Connelly, SAG-AFTFA
Erik Deutsch, Excel PR Group
Ed Duffy, Teamster Local 399
Sheri Davis, Inland Empire Film Commission
Paul Eck, State Fire Marshal Office
Justin Hager, Office of Assemblymember Gatto
Tony Hoffman, State Parks
Ilyanne Morden Kichaven, SAG-AFTRA
Michael Owens, Office of Councilmember Blumenfield
David Phelps, AICP
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. Introduced new board members Michael Nyman, Chairman and CEO of PMK*BNC and Thom Davis, Business Manager for IATSE Local 80. Mr. Dayan thanked departing board member Mike Miller for serving on the board as both a member and Chairman and he will be receiving an honorary certificate of service.

II. APPROVAL OF MINUTES - Steve Dayan, Chair

Motion to approve the Minutes from July 25, 2014 was made and unanimously approved.

III. NOMINATING COMMITTEE – PRESENTS NOMINATIONS FOR OFFICERS.

Nominating Committee member Janet Knutsen presented the committee's recommendations for Officers of the Board. The Committee's nominations for officers were:

Steve Dayan for Chairperson;
Hilary Armstrong for Vice Chair; and
Lindy DeKoven for Secretary

Motion to elect the proposed slate of officers was made and unanimously approved.

IV. DIRECTOR'S REPORT - Amy Lemisch

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

Outreach – Public Engagements: Director Lemisch participated in the following events:

- Sept 29 – Fire safety officer training in Long Beach
- Sept. 30 – Panelist at **CityLab**: a conference for 35 global mayors and their top staff plus city innovators hosted by the Atlantic, Aspen Institute and Bloomberg Philanthropies. The conversation focused on the film industry, tax credit legislation, how cities/states can attract film production, and why a robust film and TV market is beneficial to local economies.
- Oct. 9 – Valley Industry and Commerce Assoc. Entertainment Committee (VICA) presentation.
- Oct. 21 – L.A. City Film Task Force – presented update on tax credit implementation
- On Oct. 27th, Deputy Director Honthaner attended a Public Safety Commission Meeting in La Canada Flintridge (along with Michael Walbrecht from Warner Bros. and Sarah Walsh from the MPAA). The new revised ordinance will be heard before the full city council on November 17th.
- Oct. 28 – hosted a Chinese delegation from Publicity Department of the Hunan Provincial Party Committee. Organized by Hunan Provincial Government, this delegation wanted to learn about the management of cultural/creative industry in the United States.
- Nov. 5 – EASE Entertainment Services Incentive panel –coincides with opening day of AFM.
- Director Lemisch and Deputy Director Honthaner had a meeting at FilmL.A. with Paul Audley and other FilmL.A. staff as well as Ed Duffy of Local 399 to discuss and strategize about production issues relevant to all of us.
- Ms. Honthaner had a meeting with Kristi Schaffer, the Manager of Special Events for the L.A. Dodgers regarding the filming and location fees for Dodger Stadium.
- Director Lemisch and Deputy Director Honthaner have been asked by the Newport Beach Film Festival organizers to judge a new category in their short film competition. It's called "Made in California".
- Tax Credit Program Director Nancy Stone was a panelist at Variety and Entertainment Partners' incentives webinar/panel.

Marketing Events:

AFM – 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.

Location CA Magazine – The CFC will not be moving forward with the 2015 edition of the Location CA Magazine as we were unable to get an exemption from the State Office of Printing to use the outside vendor Boutique Editions. Also, staff resources are stretched thin due to ongoing projects and the launch of the new

tax credit program. The publishers however have offered the CFC a 16 page spread in their magazine *Location International* that will launch at Cannes in May.

Media: – CFC News Articles - News articles of interest were summarized and a detailed summary was handed out. Articles of interest included the coverage of passage of AB1839.

Legislation: AB1839

Aug. 28 – passed out of the Senate 72 - 0

Bill Signing – Sept 18 at Chinese Theater with the Governor, elected officials and stakeholders.

Mayor Garcetti held a breakfast with stakeholders prior to the bill signing.

Tax Credit Program:

Budget Change Proposal (BCP) was submitted for an increase in funding and staffing for the expanded Tax Credit Program. The BCP must first be approved by Dept. of Finance. Budget hearings will take place in March. CFC will receive no additional funding until next fiscal year.

CFC is in the process of gathering stakeholder input and forming a working group with regards to rules and regulations for the new Tax Credit Program. The new Program is much more complicated than current program. The goal is to simplify this for applicants. Once the regulations are sorted out, the CFC will start holding seminars and pushing out more information.

Key changes from the prior program:

- Increases tax credit program to \$330 million per fiscal year
- Expands eligibility to big-budget feature films and 1-hr TV for any distribution outlet and pilots
- Eliminates budget caps
- Eliminates the state's existing tax credit lottery
- New selection process based on a Jobs ratio formula and other ranking criteria
- Multiple allocation periods throughout the year.
- 5% credit "Uplifts"

V. OPERATIONS REPORT – Eve Honthaner, Deputy Director

Filming Issues:

- The FAA has granted exemptions to seven aerial photo and video production companies for the commercial use of unmanned aerial systems (UAS) for Film, TV and commercial production. Each state agency is now assessing and creating their own policies for the use of UAS over their properties. The studios are working with Contract Services to develop a new Safety Bulletin on the topic, and several stakeholders are still assessing insurance requirements. We are in the process of setting up a UAS demo in the near future.
- With the signing of AB 1839 and an anticipated rise in production activity next year, we're starting to address some ongoing and upcoming production issues and have been talking to various stakeholders about what can be done to increase efficiencies. We've also talked to both Caltrans and Parks about the possibility of doing some training sessions with employees from other districts who are in charge of permitting.
- There have been some ongoing issues regarding filming at the Pt. Sur Lighthouse in Monterey County. Filming from the lighthouse inland toward outside properties is legally permissible as long as the filming activities don't involve zooming into identifiable structures. Anyone who applies for a permit to film from the lighthouse should be made aware of the guidelines contained in the MOU.
- Fred C. Nelles Youth Correctional Facility will no longer be available for filming. The property has been sold, and escrow will soon be closing.

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

Tax Credit Program Director Nancy Stone gave an overview of the tax credit program.

Program Year 6 (FY14-15):

497 applications received on day one.

26 projects selected by lottery
433 projects currently on the wait list.

Program Year 1-6:

700 million total allocations to date
308 approved projects aggregate spend = \$5.1 billion
Total below-the-line wages = \$1.59 billion

AB 1839 Regulations Timeline:

- Draft Emergency Regulations
- Submit to GO-Biz for Comments
- Submit Documentation to the Office of Administrative Law (OAL)
- Notify Industry Stakeholders of 5 day comment period
- CFC Board Approval / OAL review
- Emergency Regulations become effective
- Effective for 180 days
- Develop Permanent Regulations
- OAL Review

VII. REGIONAL FILM OFFICE REPORT – ORANGE COUNTY – Janice Arrington, Film Commissioner

Orange County Film Commissioner Janice Arrington provided an overview of filming in Orange County which includes:

- 8 cities in the 30 mile studio zone including beaches
- John Wayne International Airport which also handles private jets, helicopters
- Hotel partners who discount for film crews
- Newport Beach Film Festival
- Harbors with 5 Piers
- 42 miles of coastline
- Tustin Blimp Hangar
- Angels Stadium
- 2 military bases

Orange County Film Credits: *Savages; J Edgar Hoover; Star Trek; Iron Man; & Transformers*
TV Credits: *House; Criminal Minds, & CSI Miami*

VIII. NEW BUSINESS – Steve Dayan, Chair

None

IX. PUBLIC COMMENT

None

X. BOARD MEETING SCHEDULE FOR 2015:

Feb. 12, 2015 (L.A.)
TBD (SAC)
July 31, 2015 (L.A.)
Nov. 6, 2015 (L.A.)

XI. ADJOURNMENT – Steve Dayan, Chair

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