

MEMORANDUM

Agenda Item No. 14(A)(7)

TO: Honorable Chairman Esteban L. Bovo, Jr.
and Members, Board of County Commissioners

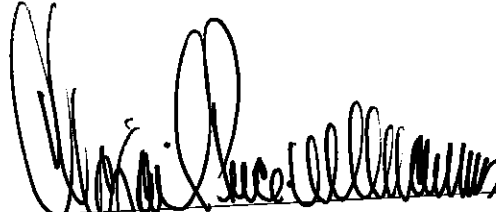
DATE: July 18, 2017

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Resolution creating the Miami-Dade County Television, Film and Entertainment Production Incentive Program; directing the County Mayor to implement the program and establish guidelines to attract television, film and entertainment productions through rebates on expenditures within the County; providing minimum application requirements and procedures; providing for a maximum per production rebate under certain circumstances; providing for program evaluation

A substitute was presented and forwarded to the BCC with a favorable recommendation at the 7-13-17 Economic Development and Tourism Committee. The substitute differs from the original in that it requires an initial program evaluation within two years of the program's commencement.

The accompanying resolution was prepared and placed on the agenda at the request of Prime Sponsor Commissioner Sally A. Heyman and Co-Sponsors Commissioner Bruno A. Barreiro, Commissioner Daniella Levine Cava, Commissioner Barbara J. Jordan, Commissioner Dennis C. Moss, Commissioner Rebeca Sosa and Senator Javier D. Souto.



Abigail Price-Williams
County Attorney

APW/lmp



MEMORANDUM

(Revised)

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and Members, Board of County Commissioners

DATE: July 18, 2017

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County Attorney

SUBJECT: Agenda Item No. 14(A)(7)

Please note any items checked.

- "3-Day Rule" for committees applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Statement of social equity required
- Ordinance creating a new board requires detailed County Mayor's report for public hearing
- No committee review
- Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous ____) to approve
- Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 14(A)(7)
7-18-17

RESOLUTION NO. _____

RESOLUTION CREATING THE MIAMI-DADE COUNTY TELEVISION, FILM AND ENTERTAINMENT PRODUCTION INCENTIVE PROGRAM; DIRECTING THE COUNTY MAYOR OR COUNTY MAYOR'S DESIGNEE TO IMPLEMENT THE PROGRAM AND ESTABLISH GUIDELINES TO ATTRACT TELEVISION, FILM AND ENTERTAINMENT PRODUCTIONS THROUGH REBATES ON EXPENDITURES WITHIN THE COUNTY; PROVIDING MINIMUM APPLICATION REQUIREMENTS AND PROCEDURES; PROVIDING FOR A MAXIMUM PER PRODUCTION REBATE UNDER CERTAIN CIRCUMSTANCES; PROVIDING FOR PROGRAM EVALUATION

WHEREAS, Miami-Dade County has been a world class production hub for film, television, television commercial and digital media; and

WHEREAS, Miami-Dade County is currently home to 200 production companies, 15 soundstages, 15 recording studios, three Spanish-language production facilities and many businesses that support motion pictures and videos; and

WHEREAS, in a continuous effort to coordinate cities and make Miami-Dade County more film-friendly, the Miami-Dade County Office of Film and Entertainment offers a one-stop permitting process for all film, photo and video productions that take place on County-owned property and on property owned by municipalities that have interlocal agreements with the County; and

WHEREAS, those municipalities include the Town of Cutler Bay, City of Doral, Village of El Portal, City of Florida City, City of Hialeah, City of Hialeah Gardens, Town of Medley, City of Miami Gardens, Town of Miami Lakes, City of Miami Springs, City of North Miami Beach, North Bay Village, Village of Palmetto Bay, City of South Miami and the Village of Virginia Gardens; and

WHEREAS, each year between 2010 and 2016, film, television, digital media and still photo projects expended anywhere from \$160,000,000 up to \$406,000,000 in Miami-Dade County for productions that were permitted through Miami-Dade County, City of Miami and City of Miami Beach film offices; and

WHEREAS, from 2010 through 2016, film, television, digital media and still photo projects hired cast and crew that averaged between approximately 20,000 and 35,000 local hires on a yearly basis; and

WHEREAS, the film, television and digital industry supports direct and indirect jobs and wages in many companies, such as hotels, restaurants, caterers, dry cleaners, for-hire transportation companies, florists and landscapers, vehicle and truck rental companies, furniture companies, hardware and lumber suppliers, lighting and grip rental companies, clothing stores, private and public office spaces, location rentals, digital equipment suppliers, tent suppliers, and portable air suppliers, among others; and

WHEREAS, motion pictures and television series augment the destination image and lead viewers to have favorable perceptions of the destinations featured; and

WHEREAS, a study conducted in 2012 by the Greater Miami Convention and Visitors Bureau on the impressions and media value of different television series featuring Miami, found that those programs had an advertising value equivalent to \$404,916,367 with over 1.5 billion viewers seeing images of Miami; and

WHEREAS, a 2012 Visit Florida study on how movies and television shows influence travel found that 22.7 percent of people interviewed said that viewing a movie or television series that was filmed in Florida guided their decision to travel to Florida; and

WHEREAS, each year from 2010 through 2016, there were between 15,000 and 39,000 hotel room night stays that resulted from production projects; and

WHEREAS, the State of Florida instituted the Florida Entertainment Industry Financial Incentive Program (the "Florida Incentive Program"), which began on July 1, 2010 and expired on June 30, 2016; and

WHEREAS, Miami-Dade County benefited greatly from the Florida Incentive Program as indicated by the aforementioned data regarding County job creation and economic growth from 2010 through 2016; and

WHEREAS, a 2013 summary produced by the Miami-Dade County Department of Regulatory and Economic Resources analyzed the local impacts of television and feature film production in the Miami-Fort Lauderdale-West Palm Beach Metropolitan Area as a result of the implementation of the Florida Incentive Program, and noted that "from FY 2010-11 to FY 2012-13, each dollar of film production incentive, on average, induced \$9.00 of additional qualified wages and other local expenditures"; and

WHEREAS, in the absence of state incentives, other counties in Florida such as Broward, Palm Beach, Hillsborough, Duval, Pinellas, and Manatee have created their own programs; and

WHEREAS, Louisiana, North Carolina, and Georgia have also created their own incentive programs, which have led to films being shot in those areas rather than Miami-Dade County; and

WHEREAS, in order to stabilize the exodus of support personnel, crews, talent and ancillary businesses to other states and other Florida counties that have financial support programs, a local program in Miami-Dade County is important for the County's tourism and economy; and

WHEREAS, the Miami-Dade County Television, Film and Entertainment Production Incentive Program (the "Program") would accomplish this; and

WHEREAS, the County Mayor or County Mayor's designee would implement and operate the Program as prescribed herein; and

WHEREAS, the Program would require a production seeking County grant funds to submit an application to the County Mayor or County Mayor's designee; and

WHEREAS, among other things, such application must indicate that 70 percent of the entire production be filmed in Miami-Dade County, 80 percent of hired vendors and contractors be Miami-Dade County registered businesses and that the production would produce a return on investment of a minimum of \$10 of every \$1 provided in grant funds; and

WHEREAS, upon proper and thorough review of applications, the County Mayor or County Mayor's designee will recommend production projects for approval of County funds; and

WHEREAS, all production projects recommended for approval will be presented to this Board for approval and receipt of County grant funds; and

WHEREAS, distribution of grant funds will be subject to an audit of each production project and its corresponding documentation to ensure compliance with all guidelines and requirements of each respective grant agreement,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. *Creation.* There is hereby created the Miami-Dade County Television, Film and Entertainment Production Incentive Program (the "Program").

Section 2. *Purpose and Intent.* The purpose of the Program is to incentivize television, film and entertainment production projects that ultimately lead to investment in the local economy and job growth in Miami-Dade County, while showcasing Miami-Dade County as a premier location to work, live and play.

6

Throughout the 1980s and 1990s, Miami-Dade County was showcased in a number of television, film and entertainment productions, which served as priceless marketing for the County's local attractions, communities, and businesses, ultimately encouraging more tourism. For instance, according to a presentation made by the Greater Miami Convention and Visitor's Bureau to Florida legislators in 2013, *Miami Vice* resulted in a 150 percent increase in visitors from Germany between 1985 and 1988. In addition, many of the television, film and entertainment productions at the time were shot and produced locally, which supported thousands of jobs and businesses. Over time, many other locations throughout the United States have established film programs or increased support for such programs, which has had a negative marketing and economic impact on Miami-Dade County. While Miami-Dade County is still a popular location as a backdrop for many television shows, films and music videos, many of those productions ultimately choose to produce in other locations as a result of incentives, which neither the State of Florida or Miami-Dade County currently offer. Miami-Dade County has recently lost many television, film, and entertainment opportunities to locations in Georgia, North Carolina, Louisiana, and California, even when the storylines are based in Miami-Dade County.

The Program is intended to reverse Miami-Dade County's fortunes by increasing the number of television, film and entertainment productions shot and produced in Miami-Dade County. It is anticipated that this will ultimately stop many of the remaining jobs supported by the industry from leaving to other locations, and also create new job opportunities. Additionally, an increase in the number of television, film and entertainment productions in Miami-Dade County will have an economic ripple effect that benefits the many auxiliary businesses that support these productions. These television, film and entertainment productions utilize the services of hotels, restaurants, caterers, dry cleaners, for-hire transportation companies, florists and landscapers,

vehicle and truck rental companies, furniture companies for rentals and purchases, hardware and lumber suppliers, lighting and grip rental companies, clothing stores for wardrobes, private and public office space rentals for shooting and production, location rentals (both private and public), digital equipment suppliers, tent supplies, and portable air suppliers, among others. It is anticipated that the additional exposure will significantly impact the communities and locations in Miami-Dade County. Private entities such as hotels, restaurants, and buildings featured in these productions will benefit from the exposure, not to mention common spaces also featured in these productions such as local beaches, parks and recreational facilities like Dolphin Stadium, Marlins Stadium, Zoo Miami, Hialeah Race Track, Homestead Speedway, retail venues along Ocean Drive, Lincoln Road, Miracle Mile, Design District, Brickell City Centre and Bayside Marketplace and the ports—Miami International Airport and PortMiami.

Section 3. *Authority and Scope.* The County Mayor or County Mayor's designee is authorized and directed to implement and operate the Program. In doing so, the County Mayor or County Mayor's designee shall establish guidelines intended to attract television, film and entertainment productions through the provision of rebates on expenditures in Miami-Dade County based on minimum Program requirements. Each production will complete an application for a determination of whether it meets the requirements of the Program. Financial support of any production under this Program is subject to approval by the Board of County Commissioners (the "Board") and subsequent administrative procedures.

Section 4. *Projected Benefits.* The Program will lead to: (1) a stabilization of the exodus of support personnel, crews, talent and ancillary businesses that are involved with the production of television, film and other entertainment projects to other locations with financial support programs; (2) a creation of new positions that support such new television, film and

entertainment productions; and (3) a financial ripple effect that will ultimately benefit not only auxiliary businesses, but multiple segments of the Miami-Dade County economy.

Section 5. *Definitions.*

1. Cast – shall mean actors who appear in front of the camera or provide voices for characters in the film. Background extras are not to be considered cast.
2. Crew - shall mean a group of people hired by a production company for the purpose of producing a film, motion picture, television, video or digital media project. The crew includes above-the-line personnel such as the director, screenwriter and producers who begin their involvement during the project's development stage, and the below-the-line "technical" crew involved with the production stage.
3. Miami-Dade County Registered Business – shall mean a business with a valid business tax receipt issued by Miami-Dade County, with a physical address within the geographic boundaries of Miami-Dade County that is leased or owned by the respective business.
4. Production – shall mean a theatrical or direct-to-video motion picture; a made-for-television motion picture; visual effects or digital animation sequences produced in conjunction with a motion picture; a commercial; an industrial or educational film; a documentary film; a television pilot program; a presentation for a television pilot program; a television series, including, but not limited to, a drama, a comedy, a soap opera, a telenovela or a miniseries production; or a digital media project by the entertainment industry. One season of a television series is considered one production. A production shall not include a weather or market program; sporting event or sporting event broadcast; gala; production that solicits funds; home shopping program; political program; political documentary; political advertising; gambling-related project or production; concert production; local, regional, or Internet-distributed-only news show or sports news or sports recap show; pornographic production; or any production deemed obscene under Chapter 847 of the Florida Statutes. A production may be produced on or by film, tape, or otherwise by means of a motion picture camera; electronic camera or device; tape device; computer; any combination of the foregoing; or any other means, method, or device.
5. Qualified Miami-Dade County residents – shall mean individuals demonstrating proof of residence, as determined by the County Mayor or County Mayor's designee, in Miami-Dade County.
6. Vendors/Contractors – shall mean incorporated businesses hired by the Production. Vendors/contractors can include, but are not limited to, the following services: vehicular rentals, equipment rentals, hotel nights, rental and purchase of props and wardrobes, restaurants and catering, and private property rental fees, among others.

Section 6. *Application Procedure.* The County Mayor or County Mayor's designee is directed to develop an application to be completed by any Production seeking film and entertainment production rebates from Miami-Dade County. Such application may be administratively modified by the County Mayor or County Mayor's designee from time to time, but must at a minimum incorporate the following requirements:

1. Require that no less than 70 percent of the entire Production be produced/filmed in Miami-Dade County.
2. Require that no less than 80 percent of hired vendors/contractors be Miami-Dade County Registered Businesses for days produced/filmed in Miami-Dade County.
3. Require that no less than 50 qualified Miami-Dade County residents be hired as cast or crew for the days produced/filmed in Miami-Dade County.
4. Require that Miami-Dade County residents are paid, at a minimum, the same rate as provided in Miami-Dade County Code Section 2-8.9, as may be amended from time to time, as if the Production were a covered service contractor.
5. Require a per project return of investment of at least \$10.00 for every \$1.00 provided by Miami-Dade County as part of the Program. Project return of investment shall be calculated by dividing the total of salaries paid to Miami-Dade County residents and amount paid to Miami-Dade County Registered Businesses hired as vendors/contractors for every dollar of support from Miami-Dade County.
6. Require a minimum amount of spending of \$1,000,000.00 in Miami-Dade County.
7. Require that a Production showcase Miami-Dade County to the extent that the Production has a sense of place in Miami-Dade County as determined by the County Mayor or County Mayor's designee.
8. Require that a Production hire students and recent graduates from local colleges or universities as determined by the County Mayor or County Mayor's designee.

Section 7. *Grant Agreement.* Upon the completion of the application and review by the County Mayor or the County Mayor's designee, a grant agreement shall be presented to the Board for review and approval. The County Mayor or the County Mayor's designee has the right to request clarification and/or additional information based on the application submitted, and

further has the right not to recommend to the Board any grant agreement due to lack of sufficient information or for failure to meet the minimum requirements and guidelines. Each grant agreement must include the minimum requirements to be achieved by the Production. Additional guidelines and/or requirements may be included by the County Mayor or the County Mayor's designee on a case by case basis.

The maximum rebate per Production project shall not exceed \$100,000.00 over the term of the grant agreement. The term of the grant agreement is to be determined by the County Mayor or the County Mayor's designee on a case by case basis. Only one grant agreement is allowed per Production or its associated subsidiaries, Distribution Company, or network, except for a multi-year Production, like a television series with multiple seasons. Such additional agreements must also be presented for Board approval.

Each grant agreement must indicate that rebate funds are distributed only upon the completion of the Production and subject to an audit to ensure compliance with the guidelines of its respective grant agreement.

All grant agreements must be executed by the Production prior to Board consideration.

Section 8. *Disbursement of Funds.* Any Production project seeking a rebate pursuant to an executed and Board-approved grant agreement must submit documentation reporting its compliance with the guidelines of its respective executed grant agreement. Documentation submitted to Miami-Dade County for the rebate must be audited by a certified public accountant prior to submittal at the sole expense of the Production. Staff designated by the County Mayor will review the audited documentation to further ensure compliance.

Section 9. *Program Evaluation.* The County Mayor or County Mayor's designee shall take steps to routinely assess the Program's ability to meet the stated purpose and intent as outlined in Section 2 above and make Program modifications as necessary. >>The initial Program evaluation shall be made within two years of the Program's commencement and shall be based on, at a minimum, one year and a half of data. Thereafter, <<¹ ~~[[F]]~~ >>the County Mayor or County Mayor's designee will track, on at least an annual basis, and make available upon request, Program ~~[[outcome information such as:]]~~ >>evaluation reports. The initial Program evaluation and all evaluations thereafter shall include, at a minimum:<<

1. Total number of grant applications awarded;
2. Total return to the County for every \$1.00 provided under the Program;
3. Total number of Miami-Dade County residents hired;
4. Total number of jobs created with the pay rate indicated in Miami-Dade County Code Section 2-8.9;
5. Total number of students or recent graduates of local colleges and universities hired as a result of the Program; and
6. Percentage of hired vendors that are Miami-Dade County Registered Businesses.

The Prime Sponsor of the foregoing resolution is Commissioner Sally A. Heyman and the Co-Sponsors are Commissioner Bruno A. Barreiro, Commissioner Daniella Levine Cava, Commissioner Barbara J. Jordan, Commissioner Dennis C. Moss, Commissioner Rebeca Sosa and Senator Javier D. Souto. It was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____ and upon being put to a vote, the vote was as follows:

¹ The differences between the substitute and the original item are indicated as follows: Words stricken through and/or ~~[[double bracketed]]~~ shall be deleted, words underscored and/or >>double arrowed<< are added.

Esteban L. Bovo, Jr., Chairman	
Audrey M. Edmonson, Vice Chairwoman	
Bruno A. Barreiro	Daniella Levine Cava
Jose "Pepe" Diaz	Sally A. Heyman
Barbara J. Jordan	Joe A. Martinez
Jean Monestime	Dennis C. Moss
Rebeca Sosa	Sen. Javier D. Souto
Xavier L. Suarez	

The Chairperson thereupon declared the resolution duly passed and adopted this 18th day of July, 2017. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: _____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

APP

Altanese Phenelus