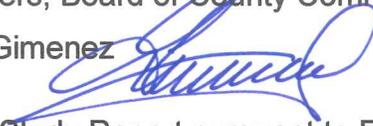


Memorandum



Date: March 20, 2015

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor 

Subject: Feasibility Study Report pursuant to Resolution No. R-1002-14

The Board of County Commissioners on November 5, 2014 adopted Resolution No. R-1002-14, which directed the County Mayor to prepare a report regarding the feasibility of Miami-Dade County providing additional local film, television and other entertainment incentives and services.

The submission of the requested Feasibility Study Report is attached for your review.

Pursuant to Ordinance 14-65, this item will be placed on the next available Board of County Commissioners meeting agenda.

Should you have any questions concerning the above, please contact Sandy Lighterman, Film and Entertainment Industries Liaison, Department of Regulatory & Economic Resources, Office of Film and Entertainment at 305-375-3288 or SandyL@miamidadegov or myself.

Attachment

c: Robert A. Cuevas, Jr., County Attorney
Jack Osterholt, Deputy Mayor/Director, Department of Regulatory and Economic Resources
Leland Salomon, Deputy Director Economic Development, Department of Regulatory and Economic Resources
Inson Kim, Intergovernmental & External Affairs Director, Department of Regulatory and Economic Resources
Christopher Agrippa, Director, Clerk of the Board Division
Charles Anderson, Commission Auditor

Department of Regulatory and Economic Resources
Office of Film and Entertainment

FILM AND ENTERTAINMENT LOCAL INCENTIVES FEASIBILITY REPORT 2015



ECONOMICS OF THE FILM AND ENTERTAINMENT INDUSTRY

In 2012, the Florida Legislature's Office of Economic and Demographic Research undertook an analysis that concluded film, television and entertainment incentive tax credits increase gross domestic product at the rate of \$15.00 for every \$1.00 of tax incentive provided. The study also showed film and entertainment tax credit incentives create thousands of private sector jobs yearly.

In 2013, an economic impact study conducted by Miami-Dade County concluded each dollar of the State's Film and Entertainment Tax Incentive Program induced \$9.00 of additional qualified wages and other local expenditures in Miami-Dade County.

Additionally, the industry attracts film induced tourism. In a study conducted by Visit Florida, 19.3 percent of tourists surveyed choose to vacation in Florida because of a film or television show they viewed that depicted Florida in it.

A QUICK HISTORY ON STATE OF FLORIDA FILM AND ENTERTAINMENT INCENTIVE PROGRAMS

- **In 2003** - Florida Statute 288.1254 created a rebate incentive program for the film and entertainment industry.
- No funds appropriated until 2004.
- Rebate appropriations were:
 - ✓ **FY 2004-2005** \$2.4 million
 - ✓ **FY 2005-2006** \$10 million
 - ✓ **FY 2006-2007** \$20 million
 - ✓ **FY 2007-2008** \$25 million
 - ✓ **FY 2008-2009** \$4.8 million
 - ✓ **FY 2009-2010** \$10.8 million
- **July 2010** - The State of Florida Entertainment Industry Economic Development Act was passed allocating \$242 million in a tax credit program (as opposed to the previous rebate program) over five (5) years.
- **July 1, 2011** - The Florida legislature provided an additional \$12 million in credits (\$254 million total).
- **May 28, 2012** - The Florida legislature provided an additional \$42 million and extended the sunset to June 30, 2016 (making it a six (6) year program and providing a total of \$296 million in credits).
- **June 2013** - All tax credits allocated through 2016 for the General Production Queue and Independent and Emerging Media Queue were certified.
- **To date: No additional funds have been added to the program.**

CURRENT STATUS OF THE LOCAL AND STATEWIDE FILM AND ENTERTAINMENT INDUSTRY

Since no new tax credits have been added to the program since 2012, all credits have consequently been claimed as conditionally certified by current projects. Florida is at an extreme competitive disadvantage to the roughly 40 States and Puerto Rico that offer incentives to attract film, television, commercials and other production companies. Plus, there are over 30 countries that offer film and entertainment incentives.

Film and entertainment production in Miami-Dade County has declined 30 percent between FY 2012-13 and FY 2013-14. The decline is directly attributable to the absence of available tax credits. Additionally, the lack of incentives and decline in production projects has spurred an exodus of seasoned industry professionals and businesses, forcing these industry stakeholders to relocate to states with consistent local and state incentives that are unencumbered by sunsets to their programs. The IATSE (International Alliance of Theatrical State Employees) Union, Local 477, and the International Camera Guild, Local 600, report that both unions have lost 10 percent of their employees to states like Georgia and Louisiana, among others, who enjoy robust and/or competitive incentives.

The competition to attract the film and entertainment industry to an area is fierce. In other states, including Florida, many individual municipalities and regions offer film and entertainment industry incentives to foster economic development, create high wage jobs and infuse new money into the local economy.

Because of the ever-changing distribution landscape of the industry, the business model for "Global Hollywood" requires incentives in order to generate quality product and be able to distribute and leave some margin for profit. In 2013, at a Legislative Forum held by Film Florida, Walt Disney's Vice President of Film and Television Production Planning, MaryAnn Hughes stated, *"If you don't have an incentive you aren't on the map. Our CFO told us that we can't look at jurisdictions that don't have an incentive. He considers that we are being fiscally irresponsible if we do."*

Without question, the lack of state or local level incentives is causing Miami-Dade County to lose television series, feature films, documentaries, digital media and television commercial projects to other areas both outside and inside Florida.

LOCAL ENTERTAINMENT PRODUCTION INCENTIVE PROGRAMS

Local entertainment production incentive programs are designed to lure production to a particular area of a state. Local entertainment incentives are not designed to replace state incentives. Local financial incentives can give one area a competitive edge over another.

Local governments can streamline their efforts and increase their funding source by partnering with other municipalities and local governments, Chambers of Commerce, Economic Development Councils, Convention and Visitors Bureaus and local businesses.

There are several types of local entertainment production incentive programs and each will attract different types of entertainment production projects to an area.

TYPES OF LOCAL ENTERTAINMENT PRODUCTION INCENTIVE PROGRAMS

In-Kind – Services that usually have fees or cost are given at no charge. Typically, in-kind attracts varied types of production projects, but traditionally these savings are not enough of an incentive for longer term, higher profile projects, which are the bigger economic generators.

Criteria-Based – A minimum amount of local spend, local hire, promotional exchange or other basis in exchange for a cash rebate or in-kind services. This type of program can attract larger and long-term projects, which typically have higher economic benefit. However, the incentive fund is larger and, depending on fund size, could limit the types and amount of projects to the area.

Local Services Rebate - After local county or city services have been utilized - such as police, fire, parks and film/photo permit fees - a rebate of partial or full cost of those utilized services is issued to the production. This rebate can also be criteria-based. Local services rebate programs can attract varied types of projects, low or big budget, but typically assists projects already slated to be based in that area, as opposed to attracting a project because of the incentive itself.

Hotel Room Nights - Rebate of either resort taxes or hotel room nights in exchange for a criteria based on hotel room night usage. Hotel room night funds only incentivize productions that are bringing in cast and crew, therefore employing fewer locals.

Indigenous Project – Incentivizing local projects that are created by local residents usually highlighting the local aspect of the project. This incentive program is traditionally utilized by students or lower budget projects. Indigenous projects help to develop the local entertainment production community, but typically does not attract the larger spending projects or become job generators.

LOCAL FILM INCENTIVE PROGRAMS ALL FLORIDA COUNTIES AND MUNICIPALITIES

MIAMI-DADE COUNTY

Miami-Dade County's Department of Regulatory and Economic Resources' Office of Film and Entertainment is a full-service film office that coordinates the logistics of entertainment production of clearances and approvals that utilize County departments and over 15 municipalities on whose behalf the County issues permits. Miami-Dade County does not currently have any other incentives for entertainment production.

MIAMI BEACH

Miami Beach does not charge for processing film permits if the project is shooting exclusively in the City of Miami Beach.

In-Kind

- Larger productions which contract for no less than 100 Miami Beach room nights and make a formal request on letterhead may receive up to ten (10) free Vehicle Beach Access Passes with each permitted day.
- Larger productions which contract for no less than 100 Miami Beach room nights and make a formal request on letterhead may receive any additionally permitted Vehicle Beach Access Passes reduced by 50 percent to \$75.00 per vehicle/per day.
- Productions receive free base camp parking in the P-lot across from the Miami Beach Convention Center when the lot is not manned for show days, load-in or load-out, and reduced cost P-lot parking when available during manned days.

Miami Beach Visitor and Convention Authority (VCA) Grant - Procedures & Eligibility Requirements

- This incentive is only available to scripted feature film and scripted television productions, as defined in the state incentive, the General Production Queue and the Independent and Emerging Media Production Queue; but excludes commercials, music videos, documentaries and all reality and reality-based programming. For the purpose of this incentive, any multi-episode production, such as a season of a television series, is considered one (1) unique production. A television pilot may be considered a unique production.
- Eligible productions must file permits with the Miami Beach Office of Film and Print to film for no less than two (2) production days in the City of Miami Beach, excluding city-wide driving shots, aerial uses or production that affects this type of permit.
- Eligible productions must demonstrate no less than 250 hotel room nights contracted in Miami Beach via hotel originated receipt, manifest or contract.
- Eligible productions must demonstrate a start date within the applied period.
- Eligible productions must begin within 90 days of the date indicated within the grant application in order to prevent the rescinding of an award.
- All required documents and receipts to prove qualification of incentive award must occur and be provided within 90 days of start date.

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- Unique productions may apply one (1) time during the fiscal year and may not receive funding from multiple funding periods for the same project.
- Miami Beach production budget must be at least \$120,000.00.
- Eligible productions must show proof they have applied for and qualified (not necessarily certified) for the Florida Entertainment Industry Financial Incentive Program.

Source: <http://www.miamibeachvca.com/grants/grants-program>

CITY OF MIAMI

The City of Miami does not charge for processing film permits.

BROWARD COUNTY

Broward County does not charge for processing film permits.

The Broward County Office of Film and Entertainment will provide a cash rebate for qualified production expenditures of up to \$150,000.00 for film, TV, commercials, independent and emerging, music videos and still projects. The incentives are awarded to projects filming and housed for the duration of the production in Broward County. These rebates are limited to a first come, first served basis. Project completion, pre-production budgets and post production reconciliation budget need to be provided to the Greater Fort Lauderdale/Broward Office of Film and Entertainment for receipt of rebate. Projects must have proof of financing prior to applying. The Convention and Visitors Bureau's Office of Film & Entertainment reserves the right to disqualify projects at any time should the agreed upon requirements not be met and delivered.

Source: <http://www.sunny.org/film/incentives-and-deals/>

JACKSONVILLE

The city offers a rebate of up to \$10.00 per hotel room night from the Duval County Tourist Development Council.

Source: <http://www.coj.net/city-council/tourist-development-council.aspx>

MANATEE COUNTY

Bradenton Area

There is a new film incentive ordinance designed to attract production companies to the Bradenton area. Incentives are available to companies with projects up to a Motion Picture Association of America rating of "R" and include cash or in-kind services beginning with any production expected to spend more than \$250,000.00.

Cash incentives are based on the approximate value of the project, including the number of days a production company would be using local hotels. The incentive would only be paid after the project is completed and would not be used as an upfront expense to the county.

In-kind incentives include free filming at facilities and amenities such as beaches, parks, Port Manatee and area hospitals, and the use of some county equipment and personnel. The project

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must be a feature film or television pilot or series and 90 percent of the production must be filmed within Manatee County.

Source: <http://www.bradentongulfislands.com/film/film-incentives/>

PALM BEACH COUNTY

The Palm Beach County Film and Television Commission has partnered with G-Star Studios, South Florida's largest motion picture sound stage on the campus of G-Star School of the Arts. G-Star offers the use of its facilities for a minimal charge when producers utilize their trained and professional students as interns on their sets.

Source: <http://www.pbfilm.com/incentives.cfm?act=incentive>

SARASOTA COUNTY

Sarasota County offers a 100 percent cash rebate on county governmental fees, plus up to 20 percent cash back on private sector qualified expenditures.

Source: www.filmsarasota.com

ST. PETERSBURG-CLEARWATER

The local incentive program pays an agreed-upon amount to qualifying production companies in return for specific promotional commitments to the St. Petersburg-Clearwater, Florida area. Grants typically range from \$10,000.00 to \$50,000.00.

Source: <http://www.filmspc.com/>

TAMPA HILLSBOROUGH

In March 2014, the Tampa Hillsborough Film and Digital Medias Commission approved a \$250,000.00 incentive package for qualified projects. It is performance-based and subject to the creation of a minimum number of hotel room nights and jobs. As of October 2014, the program offers \$150,000.00 cash incentives for qualified film and digital media projects.

Source: <http://filmtampabay.com/incentives/>

LOCAL FILM INCENTIVE PROGRAMS IN OTHER STATES

CALIFORNIA

Los Angeles County

The City of Los Angeles provides free use of any available, city-owned locations for filming.

Entertainment Production Tax Cap: Tax liability is \$145.00 for the first \$5 million in production cost plus \$1.30 for each additional \$1,000.00 or fractional part thereof (maximum tax liability not to exceed \$9,100.00).

Business Tax Exemptions: Business tax exemptions are available for qualifying new businesses, small businesses and creative artists. Reduced tax rates are available to motion picture production businesses and businesses taxed on gross receipts.

Creative Artist Tax Exemption: No tax is required to be paid by a person for gross receipts attributable to "Creative Activities" unless the total taxable and nontaxable gross receipts exceed \$300,000.00 annually.

Source: http://www.film.ca.gov/ProductionTools_Incentives.htm

San Francisco

Qualifying productions for the "Scene in San Francisco" rebate program are eligible for a refund of all payroll tax and city fees up to \$600,000.00 per production.

Qualifications - Feature Films, TV Series episodes and pilots, and Web Series are eligible for the program. For budgets under \$3 million, 55 percent of principal photography must take place in San Francisco. For budgets of \$3 million or more, 65 percent of principal photography must take place in San Francisco.

Costs eligible for refund include fees paid to City Departments for the use or rental of city property, equipment or employees and city buildings, daily use fees paid to the San Francisco Film Commission, and payroll taxes paid to the City and County of San Francisco

Source: <http://filmsf.org/index.aspx?page=46>

San Francisco Production Discount Program

This program provides an opportunity for production companies and their crew members to receive discounts while shopping locally at participating businesses. Businesses sign up to offer discounts to production companies and their staff members while working on qualifying productions in San Francisco. Qualifying production staff are given "Scene in San Francisco Discount Cards" to be presented as verification of eligibility for published discounts at participating businesses. The cards offer 10-30 percent off hotels, restaurants, production services, car rentals and a 5 percent discount on Virgin America.

Source: <http://filmsf.org/index.aspx?page=103>

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Santa Barbara

Santa Barbara County Media Production Incentive Program provides a cash rebate to still photo campaigns, commercials, unscripted television, scripted television and feature films. It is the only program in the state to provide incentives to still photo and commercial production. The incentive provides a cash rebate for permit fees and 50 percent of affiliated California Highway Patrol, Sheriff or Police Department costs. The program is capped at \$50,000.00 per year.

Reimbursement of permit fees are available - 50 percent of California Highway Patrol or police costs up to \$2,500.00 for productions active from September 30 through May 31. Productions qualify by housing crew at hotels in "incentive zones" and booking minimum of room nights in an incentive zone over the course of the production.

The minimums are determined by type of productions:

- Still photography – 50 room nights,
- Unscripted television – 50 room nights,
- TV commercials – 100 room nights, scripted television
- 100 room nights,
- Feature films - 200 room nights.

Source: <http://www.filmsantabarbara.com/production-resources/economic-incentives-reports/media-production-incentives-program/>

Santa Clarita

The City of Santa Clarita offers refunds of basic film permit fees and portions of hotel occupancy taxes to qualifying productions as stated below.

Locally Based & Recurring Productions:

The City will refund the basic film permit fee(s) to the following:

- Production based at an approved location in the Santa Clarita Valley for a minimum of four (4) consecutive weeks; or
- Production that pulls four (4) or more City film permits; and
- Eligible productions include: feature length films, episodic television series, television pilots, television movies/miniseries, commercials and music videos.

California Film & Television Tax Credit Program Approved Productions:

The City will refund the basic film permit fee(s) to the following:

- Production project that is approved for the California Film and Television Tax Credit Program.

Occupancy at City Hotels:

The City will refund 50 percent of Transient Occupancy Taxes (TOT), not to exceed 5 percent collected within the City to the following:

- Production that purchases a minimum of 5 room nights within a calendar month at a hotel located within the City; and
- Production that films at an approved location in the Santa Clarita Valley.

Source: <http://filmsantaclarita.com/for-filmmakers/film-incentive-program/>

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Palm Springs

For movies and television shows, Palm Springs has a limited number of grants available to enable smaller productions the opportunity to film in the area. These limited grants of \$5,000.00 per individual company are available if the production expenditure totals a minimum of \$25,000.00. The expenses may be in lodging, meals, rentals, retail purchases, location/venue rentals, etc. In addition, the movie/television show must mention the City of Palm Springs in the credits.

Source: <http://www.psfilmfriendly.com/incentives.html>

LOUISIANA

Jefferson Parish

A 3 percent cash rebate in addition to the 30 percent to 35 percent State Film Credit Program on qualified local spending including payroll for residents and lodging. Project criteria includes a minimum local spend of \$150,000.00 and either a production office or soundstage/alternative filming facility must be located in Jefferson Parish. There are project caps.

Source: <http://filmjeffersonla.com/tax-incentives/>

Shreveport

A 2.5 percent sales tax rebate on expenditures within Shreveport's city is available.

Basic Cap: \$20,000.00 total to any individual project or production for new productions by a production company which has not previously received any Caddo Parish incentives within the last 12 months.

Subsequent Productions: \$22,000.00 is available for a production company that brings a subsequent production to Caddo Parish or any of the municipalities lying within the Parish within 12 months of completion of the prior project. There is a per project cap on the amount of incentives that can be received by a production and there are no location fees for City and Parish (Shreveport and Bossier) buildings.

Source: http://www.shreveport-bossierfilm.com/tax_credit.html

MINNESOTA

Maple Lake

The City of Maple Lake has created a film rebate program to encourage movie and television production in the city and to support local businesses that can service the film industry. The program is a 15 percent rebate for up to \$50,000.00 in qualified production costs (maximum \$7,500.00 per production).

Source: <https://mnfilmtv.org/incentives/regional-incentives/>

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Northeast Minnesota

Twenty percent cash rebate/reimbursement on expenditures in designated service area, with a cap of \$500,000.00 per project.

Source: <http://mn.gov/irrrb/community/grant-programs/film-production.jsp>

MISSISSIPPI

Lauderdale County

For any film and/or production company that chooses to film in Lauderdale County or in surrounding areas, using the City of Meridian as the hub of film activity and using one (1) or more local hotels, a rebate of 1 percent of the 2.5 percent special tourism tax will be refunded when the minimum of 1,000 or more room nights are used.

The company must confirm its intent to take advantage of the rebate program prior to the beginning of filming by signing a Memorandum of Agreement with the Lauderdale County Tourism Bureau.

Source: <http://www.visitmeridian.com/index.cfm/tourism-bureau-services/film-incentives/>

NEW YORK

New York City

“Made in NY” Marketing Credit program offers qualified film and television productions with free co-branded advertising opportunities. “Made in NY” productions are projects where at least 75 percent of the film was produced in New York City.

Media packages offered to qualified productions vary depending on the below-the-line budget. The credit is available on a first come, first serve basis.

All rules regarding the marketing credit applies to this incentive. Participants in this program are required to co-brand all creative with the “Made in NY” logo. Participants in this program are also required to provide a donation to a cultural institution as identified by the New York City Department of Cultural Affairs. The payment must be made 30 days after the completion of the campaign. For projects with below-the-line budgets of less than \$10 million, the donation will be equal too 0.1 percent of a production’s below-the-line spend. If a production’s below-the-line spend is over \$10 million, the donation is fixed at \$10,000.00.

Source: http://www.nyc.gov/html/film/html/production_resources/miny_marketing_credit.shtml

Upstate New York Bonus

Beginning 2015, a 10 percent credit in additional to the “Made in NY” incentive, is available for Below the Line labor expenses incurred in certain counties in upstate New York up to 40 percent total for Below the Line labor for Production, 45 percent for post-production.

Source: <http://www.orangecountynyfilm.org/incentives/>

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TEXAS

Austin

Creative Content Incentive Program

The City of Austin offers incentives to qualifying film, television, video game and visual effects projects equal to 0.50 percent of wages paid to local workers. Projects produced by an Austin-based company, or which significantly promote Austin, may be eligible for an additional 0.25 percent incentive for a total incentive of 0.75 percent. In addition, refunds of the 6 percent State Occupancy Tax on hotel rooms occupied for more than 30 consecutive days are available.

Austin Cultural Funding Programs

The City of Austin has programs to help individuals and non-profits with arts and cultural projects and activities through the Cultural Funding Programs. These programs provide millions of dollars in funding to individuals and nonprofits, including those involved in film and visual media.

Austin Film Society (AFS) Grants

The Austin Film Society awards grants to emerging film and video artists in the State of Texas through the AFS Grant Program. Since 1996, \$1.25 million in cash and \$141,790.00 in goods and services to over 370 projects have been granted. In addition to grants for production, post-production and distribution, AFS provides cash stipends to Texas filmmakers traveling to prestigious film festivals through its Travel Grant program.

Source: <http://www.austintexas.org/film-commission/>

San Antonio

Following a project assessment (note: the economic impact of the project, the benefit to the city for tourism and whether the production portrays San Antonio in a positive light), qualified projects will receive a rebate equal to 2.5 percent of approved Texas expenditures. This rebate is stackable with the state credit.

Source: [http://www.getcreativesanantonio.com/FilmCommission/ProductionIncentives\(SSAI\)/SupplementalSanAntonioFilmIncentiveGuidelines.aspx](http://www.getcreativesanantonio.com/FilmCommission/ProductionIncentives(SSAI)/SupplementalSanAntonioFilmIncentiveGuidelines.aspx)

PROPOSAL

Resolution R-1002-14 asks for a plan to be presented that introduces incentives for local entertainment production. There are five (5) types of common entertainment production incentive programs listed at the beginning of the report (In-kind, Criteria-based, Local Services Rebate, Hotel Room Nights Tourism tax rebate and Indigenous). A program that includes a combination of more than one (1) of the types of described programs would offer the most benefit to Miami-Dade County. The proposed program, Miami-Dade County Film and Entertainment Attraction Program (Program), would combine a criteria-based and local services rebate program. The Program insures job creation for Miami-Dade residents and a promotional aspect for tourism capture. Most productions already need to utilize County services so the Program can be universally appealing to all types of productions. Spend minimums and caps on the distribution of the incentive fund, as well as minimum residency requirements for cast and crew hire, can be adjusted to better accommodate indigenous and lower budget productions if desired.

A proposed Film and Entertainment Fund (Fund) would be administered jointly by the Department of Regulatory and Economic Resources' Office of Film and Entertainment and the Finance Department. A suggested fund amount is between \$150,000.00 and \$300,000.00. There are possibilities for other entities such as municipalities or the Greater Miami Convention and Visitors Bureau. Additionally, there could be possible future collaborations involving private sector businesses or public/private partnerships. The more funds allocated, the more possibility to attract productions to Miami-Dade County.

The Fund would offset County services (i.e., police, fire, etc.) or County park film/photo fees. The incentive would be in the form of a rebate program. The production company would need to:

- a) Require that a certain percentage of the project showcases Miami-Dade County. The final project must have a sense of place of Miami-Dade County. Proof must be submitted demonstrating the final distributed project showing Miami-Dade County on screen.
- b) Require a per production project local Miami-Dade County minimum spend of \$500,000.00.
- c) Require minimum spend per production project on Miami-Dade County services/park fees, etc. of \$3,000.00 in order to apply for the rebate.
- d) Could require a certain amount of hotel room nights.
- e) Require that the production hire at least one (1) current student from a local college or university who is a resident of Miami-Dade County and is enrolled in an entertainment production program, or a student that has graduated within one year from a local college or university that resides in Miami-Dade County and was enrolled in an entertainment production program.
- f) Each production must utilize a Miami-Dade County - based production company (established production company business for at least three (3) years prior to application for incentive) for its project to qualify for up to a \$30,000.00 rebate.

*Projects that do not utilize a local production company's services would be capped at a \$20,000.00 incentive award.

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- g) Minimum 45 percent of cast (background talent excluded) and crew are required to be Miami-Dade County residents per production project.
- h) Proof of local spend will be the responsibility of the production company.
- i) Proof of cast and crew size will be required. Proof of residency requires a copy of the Florida driver's license and one other supporting document. A list of supporting documents can be found at <http://www.flhsmv.gov/ddl/address.html>.

Production Projects are defined as:

"Production project" means 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 television series, including, but not limited to, a drama, a soap opera, a telenovela or a miniseries production; or a digital media project by the entertainment industry. One (1) season of a television series or telenovela is considered a production project.

The term does not include a weather or market program; a sporting event or a sporting event broadcast; a reality show; a gala; an awards show; a production that solicits funds; a home shopping program; a political program; a political documentary; political advertising; a gambling-related project or production; a concert production; a local, regional, or Internet-distributed-only news show or current-events show; a sports news or sports recap show; a pornographic production; or any production deemed obscene under Chapter 847. 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.

ECONOMIC BENEFITS

The Regulatory and Economic Resources Department is, Planning Research Section prepared the following report on the economic benefits of the proposed Program. As stated, this local entertainment production incentive program is based on certain criteria requirements that would qualify for a rebate of costs incurred by productions for local County services.

The following highlights the financial and economic benefits from the Program. It does not attempt to calculate a numerical financial return on investment (ROI) as it is very difficult to track with any reliability the sales taxes and fees generated by additional film and TV production here in Miami-Dade County, up to Tallahassee and back to the County through all of the various mechanisms through which the County receives state money. There could be many different types of projects that could qualify for incentives and each would have a different pattern of expenditure and impact on the local economy. The time of year in which the project is implemented would also affect the financial and economic return. Furthermore, such analysis would only address the direct impacts of the production companies' expenditures. The indirect or induced impacts could be expected to be much greater than any specific tax revenues created by an incentive fund. Therefore, the following is a catalog of the economic impacts the proposed Program could reasonably be expected to have on the Miami-Dade County economy.

The basis for estimating the magnitude of these impacts is a 2013 analysis for the Miami-Fort Lauderdale-Palm Beach Metropolitan Statistical Area (MSA) prepared by the Regulatory and Economic Resources Department, the summary of which is reproduced here. The multipliers and ratios developed from that analysis will be applied here to activity incented by the proposed program since Miami-Dade County accounts for approximately 80 percent of the industry activity in the MSA.

Economic Benefits:

1. The 2013 study estimated that each dollar of incentive to the film and entertainment industry induces an additional \$9.00 in industry expenditures. Therefore, an incentive program of \$300,000.00 would induce \$2.7 million of production.
2. As a result of the induced expenditures every dollar of incentive generated an additional \$21.00 of local personal income. Therefore, a \$300,000.00 incentive program would generate an additional \$6.3 million in personal income primarily to Miami-Dade County residents.
3. Every dollar of incentive generated \$39.00 of additional gross regional product. Therefore, a \$300,000.00 incentive program would grow the County's economy (GRP) by \$11.7 million.

The following are two (2) areas where there would be a direct financial benefit to the Miami-Dade General Fund from the incentives:

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1. According to the 2013 study, each dollar of incentive generates an additional \$1.70 in state taxes and fees. Subsequently, a \$300,000.00 incentive program would generate \$510,000.00 in additional taxes and fees.
2. For every one (1) million dollars of film and TV production, there is demand for 1,200 - 1,500 hotel room nights. Therefore, \$2.7 million of new production would generate 3,200 – 4,000 additional room nights and bed taxes of \$33,200.00 - \$41,500.00.

Film Induced Tourism:

In addition to the positive impacts on employment and output directly and induced, the film and entertainment industry also has a positive impact on tourism. This has been confirmed by a number of studies done in the United States as well as abroad. A recent online article at nexgeninvest.com about the comeback of the City of Cleveland mentions the film industry as “vital for both the city’s image and its economics.”

Film induced tourism (FIT) is the phenomenon of films and television encouraging viewers to visit those locations where filming took place. FIT has become an important component of tourism marketing for many counties, states and countries. Film and television shows such as “Portlandia” have drawn tourist interest in visiting the Portland area and has contributed to highlight the area’s attractions.

A number of studies have quantified the impacts of FIT on economies. One study in the United Kingdom, prepared by Oxford Economics reported that films were responsible for attracting one (1) out of ten (10) overseas tourists. In New Mexico, according to a study conducted by Ernst & Young, the film tourism is credited with an increase of 4.3 percent in the number of visitors and an increase of 1.2 percent in the average length of their visit. This resulted in a 5.5 percent increase in total tourism expenditure.

In Florida, an analysis conducted by the Motion Picture Association of America (MPAA) concluded that approximately 10 percent of visitors are influenced by film and TV representations of the state. Over the last two (2) years Miami-Dade County has averaged approximately 14.5 million visitors per year. Assuming that only half as many as indicated by the MPAA study, 5 percent, are FIT, then 725,000 visitors are drawn here as a result of films and TV. If tourism lags films by one (1) year and using a two-year average, then over the prior two (2) years expenditures generated by film and entertainment production averaged \$235 million. Film industry production expenditures of \$235 million led to 725,000 visitors, or 3,000 visitors per million of production expenditure. Applying this ratio of tourists to expenditures, \$2.7 million of incentive-induced production expenditures will generate 8,330 film induced tourists. Using visitor expenditure data from the Greater Miami Convention and Visitors Bureau, the 8,330 film induced tourists will generate \$13.4 million in potential expenditures by tourists per year.