



Advisory Board Meeting Minutes
Tuesday, August 9, 2011
Governor's Large Conference Room, State Capitol
Oklahoma City, Oklahoma

ADVISORY BOARD

Present

Lt. Gov. Todd Lamb
Denise Castelli
Robyn Elliott
Shane Jewell
Becky Love
Lance McDaniel

Absent

Senator Rick Brinkley
Ky Chaffin
Dave Hanon
Dr. Jim Rodgers

STAFF

Claudia Conner
Yousef Kazemi
Abby Kurin
Julie Porter
Jill Simpson
Deby Snodgrass

Guests

Hunter Benley
Ashley Grinols-Hindman
Jennifer Maynard

OPENING REMARKS

The meeting was called to order by Lt. Governor Todd Lamb at 9:45 a.m. in compliance with the Open Meetings Act.

APPROVAL OF MINUTES

N/A

ORIENTATION FOR NEW APPOINTMENTS

- Introductions
 - OF&MO is pleased to welcome its newest additions to the Oklahoma Film & Music Advisory Board: Senator Rick Brinkley, Denise Castelli, Ky Chaffin, Dave Hanon, Shane Jewell, Becky Love, and Lance McDaniel. OF&MO is proud to welcome returning members Robyn Elliott and Dr. Jim Rodgers
 - OF&MO is a staff of 4.5 full-time employees. Our overall budget is \$500,000 which comprises .8% of the overall budget for the Oklahoma Tourism and Recreation Department
 - Despite our limited budget, OF&MO has been fortunate in that we are able to accomplish many of our endeavors such as The Buffalo Lounge through partnerships
- Statutory Description of the Oklahoma Film & Music Advisory Board
 - Oklahoma State Statute 74 OS2236 was presented regarding the creation of the Oklahoma Film & Music Office Advisory Commission
 - The OF&MO Advisory Board is composed of 11 members from geographically diverse areas which are appointed to two-year terms
 - The OF&MO Advisory Board meets quarterly. Regular attendance is encouraged. No more than three consecutive meetings can be missed in the calendar year. Though not required, we ask for 100% financial participation in terms of donations and sponsorship engagements
 - OF&MO encourages our Advisory Board Members to participate and be active with the office and community
 - Advocacy within state leadership is critical. We must work together in presenting messages to state legislators. OF&MO encourages dialogue within our member's sphere of influence in support of the program
- Mission of the Oklahoma Film & Music Office (OF&MO)
 - OF&MO promotes the state of Oklahoma as a location for producing motion pictures, television programs, videos, and recording or performing music
 - OF&MO is growing self-sustaining industries which bring business to our state. The cost of living and ease to do business positions Oklahoma to be a great spot for filmmaking. Additionally, with direct flights to LA and NYC, travel has never been more accommodating. With this, OF&MO has the opportunity to continue to grow, or lose business to other states
 - If OF&MO does not stay competitive, the state's burgeoning film industry will not survive. If the incentives are eliminated, productions will not film in the state. We cannot compete without incentives
- Additional Services Provided by OF&MO
 - OF&MO provides a number of services including *This Week in Film & Music*, permitting, location scouting, and access to industry tools such as Reel-Scout, Reel-Crew, and the Oklahoma Music Guide
- Activities Throughout the Year
 - All of OF&MO's sponsorships and events must be approved by the Oklahoma Tourism Commission. OF&MO will sponsor the 1st Annual Tulsa International Film Festival in September 2011. OF&MO hopes to have future partnerships at a number of festivals in 2012 including the

Sundance Film Festival, South by Southwest Conference & Festival, Norman Music Festival, and deadCENTER Film Festival

- The Buffalo Lounge
 - In addition to its emergence as one of the most prestigious music and interactive events in the region, the South by Southwest (SXSW) Festival and Conference held in Austin, Texas has become the most important regional film festival. Our presence at the festival has provided a great platform to promote Oklahoma musicians and filmmakers
 - OF&MO sponsored a music event, Sax, Clogs, & Rock-N-Roll, in 2009 and 2010 at SXSW. The Greater Oklahoma City Chamber approached our office wanting to expand Oklahoma's presence at SXSW in all three industries: film, music, and interactive. Through private donations and fund raising, we were able to rent a venue for four days in Austin, Texas and transform it into an all-Oklahoma showcase for film, music, and interactive companies. OF&MO could never have afforded that on our own budget. Because of our larger-scale presence, we were able to work with the music end of the festival to become an official SXSW sanctioned showcase. Norman-based company Idea Collective worked pro-bono and helped us brand the venue as The Buffalo Lounge
 - Our presence at South by Southwest allowed us to show an international crowd that there are opportunities for creative minds and talent in Oklahoma
 - The Buffalo Lounge has taken on a life of its own in that its evolution has been very organic. After the success of The Buffalo Lounge at SXSW, OF&MO was contacted by several Oklahoma organizations from across the state requesting to bring The Buffalo Lounge to various events. This was an unexpected turn for this endeavor, but welcomed as The Buffalo Lounge has transformed itself into a pop-up venue showcasing Oklahoma music and film. We will be presenting a possible opportunity for The Buffalo Lounge to appear at the Myriad Gardens Grand Re-Opening Celebration
 - Funding for The Buffalo Lounge was no easy task as Julie Porter and Abby Kurin turned over every stone to raise money. Our hope for the future is to present the successes of The Buffalo Lounge to Oklahoma companies like Devon and Chesapeake in hopes of possible sponsorship opportunities
- Oklahoma Film Enhancement Rebate Program: Intent, History, and Growth 2005-2010
 - Oklahoma was one of the first states to offer a cash rebate program for the film industry. Though it was created in 2001, it wasn't officially funded until 2005; however, the annual cap and minimum budget requirements prohibited films from qualifying for the rebate
 - In 2007, OF&MO was able to include Above-The-Line salaries as a qualifying spend for the rebate program
 - In 2009, OF&MO landed the production, *The Killer Inside Me*. OF&MO offered to scout the movie, contact hotels, and whatever it took to get this project to the state. Since that time, nearly a dozen productions have taken advantage of the rebate program
 - In 2011, the rebate program became a victim of its own success. Due to the popularity of the tax incentive, OF&MO was forced to turn

productions away due to the depletion of rebate monies early in FY12. One of these films unable to utilize the tax incentive was the highly publicized Kevin Durant film production. OF&MO got creative with this particular production going so far as to contact the Oklahoma City Chamber of Commerce and negotiating funding through private sectors and product placement. At the end of the day, the film chose to shoot in Louisiana because they had incentive money available

- OF&MO had legislation in 2011 to increase our cap from \$5 million to \$10 million annually that passed the Senate, but we could not get the bill heard on the House side. This legislation has since been held over to the 2012 legislative session. Presently, the economy and political climate are effecting film commissions across the country
- Some legislators not only want to deny OF&MO extra rebate funding, but want to eliminate the entire program. If we do not have a rebate to offer, these productions will go away, affecting the entire Oklahoma film industry
- FY05-FY10 Economic Impact for Film Industry
 - OF&MO annually tracks the economic impact of film production in Oklahoma. We are currently working on generating numbers for FY11
 - This slide demonstrates the positive impact of filmmaking in Oklahoma. In FY10 with \$5 million dollars, the OF&MO was able to generate an impact of \$30 million direct dollars in the state
- Oklahoma Filming and Recent Scouting Locations
 - OF&MO continually scouts locations across the state in an effort to expand our online location photo database
 - Through our scouts, OF&MO is able to build relationships with city contacts at both the Chamber of Commerce and Convention & Visitors Bureau
 - Bartlesville is a great example of a rural community which has seen the economic benefits of film production in the area with *Untitled Project D*. A town hall meeting was organized in which the city agreed to protect the production as well as the cast and crew. A community came together because of this film. While in production, cast and crew spent money throughout the city, so much so that the city itself saw a sales tax increase
 - Tulsa is also seeing the benefits of film production in the state through many different productions filming in the city including production from Oklahoma filmmaker Tracy Trost who shoots inspirational, family films through his company Trost Moving Pictures
- Film Friendly Oklahoma Program
 - OF&MO recently launched the *Film Friendly Oklahoma Program*. This program allows OF&MO to host film education workshops in rural communities. The workshops show city leaders how to recruit films into their respective areas by providing an understanding of how film production works. Additionally, Film Friendly also outlines ways in which a community can economically benefit from film production
- Oklahoma Film Enhancement Rebate Program Guidelines
 - After the tax incentives in Iowa were eliminated due to productions abusing the program, OF&MO knew protection was needed for the Oklahoma Film Enhancement Rebate Program. OF&MO polled industry

leaders as well as other film commissions to create our guidelines. We wanted to know the pros and cons of what was sustaining and deteriorating a rebate program. This is why we have funding benchmarks in place based on 60-Day and 30-Day benchmarks which require 100% proof of financing prior to the start of principle photography.

Additionally, we added a third party audit. Before a rebate claim ever comes to OF&MO, a production must have an independent third party CPA first review the claim adding another layer of fiscal responsibility

- OF&MO also added a provision for the use of Production Services Entities for the program. Pre-qualified Oklahoma companies can contract with providers of raw stock, camera packages, and more that may not be available in the state. By procuring these directly and charging a mark-up and Oklahoma sales tax, the transaction is then applicable for rebate. This is a temporary stop-gap as we continue the growth of the film industry in the state. Production Services Entities will eventually be eliminated once these items are available in Oklahoma
- 2012 Legislative Planning
 - OF&MO is planning a legislative retreat in September 2011 in preparation for next year's legislative session. More details will be sent in the coming weeks
 - Each of us understands the creative, artistic side of filmmaking; however, we need the legislators to understand that it is a business creating jobs and stimulating economic growth

DISCUSSION

- Robyn Elliott noted that with the presentation of the slide show, it's hard to understand why there are detractors who wish to eliminate a program which brings money to the state
- Cody Inman, member of the Governor's staff, suggested presenting something very understandable, like today's presentation at the State Capitol. One-on-one conversations with legislators are what may make the most difference

ADJORN

The meeting was adjourned at 11:48 a.m. with a motion by Lance McDaniel and a second by Denise Castelli. All voted in favor. Motioned carried.