



Advisory Board Meeting Minutes

Tuesday, November 15, 2011

Governor's Blue Conference Room, State Capitol
Oklahoma City, Oklahoma

ADVISORY BOARD

Present

Denise Castelli
Ky Chaffin
Robyn Elliott
Shane Jewell
Becky Love
Lance McDaniel
Lisa Price

Absent

Lt. Gov. Todd Lamb
Senator Rick Brinkley
Dave Hanon
Dr. Jim Rodgers

STAFF

Claudia Conner
Yousef Kazemi
Abby Kurin
Jill Simpson

Guests

Laura Daniels
Marcus Hayes
Cody Inman
Jennifer Maynard
Uli Mills
Karissa Pickett
Oscar Raye
Shiron Raye
Katie Rowell
Jack Sander
Paul Sirmons

OPENING REMARKS

The meeting was called to order by Jill Simpson at 2:11 p.m. in compliance with the Open Meetings Act. Both Lt. Gov. Todd Lamb and Sen. Rick Brinkley were absent as they were attending funeral services for Sen. David Myers. Roberts' Rules were not administered as Lt. Gov. Lamb was not present.

APPROVAL OF MINUTES

Lance McDaniel moved and Shane Jewell seconded a motion to approve the minutes of the August 9, 2011 meeting. All voted in favor. Motion carried.

HIGHLIGHT OF RECENT FILM & MUSIC OFFICE ACTIVITIES

- Legislative Session Updates – Task Force Hearing
 - On October 12, the Oklahoma Film & Music Office (OF&MO) made a presentation in defense of the Oklahoma Film Enhancement Rebate Program to the Legislative Task Force on Tax Credits and Economic Incentives. The task force was created this summer to examine the state's tax incentives currently being administered in the State of Oklahoma. The goal of the task force is to eliminate those incentives that are not creating jobs, serving a public purpose, that don't have adequate safeguards and controls, and that are not transparent
 - Based on the above mentioned criteria set forth by the Task Force to examine the effectiveness of tax credits, OF&MO has several key points that must be relayed at the State Capitol during the 2012 legislative session. First, for \$5 million spent in 2011, the net in direct impact is over \$15 million dollars. Second, we are creating full-time equivalent jobs, nearly 158 this year alone. Once the multiplier from the economic impact study is factored into the \$5 million, the return amount jumps to \$38 million in impact. In regards to transparency and safeguard concerns expressed by the Task Force, our program has these controls in place reinforced by requiring productions to undergo an independent, third-party CPA review
 - The Task Force brought in a representative from the Tax Policy Institute who had done a study with the Tax Foundation in Washington D.C. demonstrating the ineffectiveness of state tax incentives. While this representative was given fifteen minutes to present, OF&MO unexpectedly received nearly two hours to rebut and speak to the effectiveness of our program. Guest speakers OF&MO had rallied to support the cause included Tracy Trost (Trost Moving Pictures), Dave Hanon (EthnoGraphic Media), Maria Swindell Gus (Bartlesville CVB) and Kyle Dean (Meinder's School of Business Economic Research & Policy Division)
 - Kyle Dean, an associate of OCU's Meinder's School of Business Economic Policy & Research Institute which completed our Economic Impact Study, appeared at the task force hearing to discuss the benefits of our program as evidenced by the results of the impact study. The Impact Study demonstrated that a state must have incentives to attract film production and grow the state's film industry
 - Ky Chaffin asked if we had heard any favorable reception based on our presentation at the Task Force Hearing. OF&MO walked away from the

Task Force Hearing with the feeling that we had made a difference educating the group on how our office works to administer the rebate program. Representative Dank thanked us for our presentation after the hearing

- Shane Jewell asked if we had received a report from the Bartlesville Chamber of Commerce regarding the increase in business during the recent time in which *Untitled Project D* had filmed in the area. Shane noted that he would follow-up with Maria Swindell Gus of the Bartlesville CVB at a later date
- Jill noted that bold statements have been made by the Task Force in how they plan to approach incentives during the 2012 legislative session. Ky Chaffin asked the date on which the Task Force would announce their plan of action. Jill said that plans would be announced at a hearing on November 30, and that OF&MO would provide Advisory Board Members with information and a link at which they could listen to the live session. Additionally, legislative office holders change regularly. Because of this, OF&MO must keep branding our message. The film industry is not a pastime or hobby; it is a business
- Shane Jewell asked if attempting to get our message out via social networking would be beneficial. As a state agency, Jill noted that we couldn't lead that charge, but with ten easy talking points, the industry could spearhead this type of messaging
- OF&MO has previously hosted quarterly industry meetings for both film and music; however, we now find ourselves busier than ever. We are hoping to hand off these meetings to the industry in hopes that the industry will begin to organize itself. ACM@UCO has expressed interest in taking over the music meetings. Because Oklahoma is a right-to-work state, we do not have the unions that can lobby for us; therefore, the industry must find a voice for itself
- Denise Castelli noted that some state legislators are not a fan of the multiplier argument. Ky believes when approaching the legislature one must use the multiplier effect despite the legislative distaste to the argument. The multiplier has an effect in that we are recruiting dollars from outside the state, some even non-US sources. Claudia Conner countered that many legislators believe the math is fuzzy and that both indicators and multipliers are not true. Claudia also noted that the conservative legislators like permanent jobs creation as opposed to temporary jobs. Though temporary jobs are created by the burgeoning oil and gas industries, film is differently perceived by legislators. Jill noted that this misperception is fueled by lack of knowledge and understanding of our program
- Becky Love asked if the state was overcoming the stigma that the arts is not business. Jill noted that film must be positioned as an industry. Guest Jack Sander noted that he has made a good living for his family in the film industry for nearly 35 years
- As a transportation coordinator, Jack Sander noted that people don't realize that he has 22 picture vehicles in his fleet along with vehicles he rents from dealerships and other businesses. The film industry is a business

- Guest Jennifer Maynord spoke in relation to the oil and gas companies with which she is affiliated noting that these companies want to invest in films that glorify their specific industries
- Shane Jewell agreed with the fact that the film business must be argued over artistry. Our legislative message should boil down to the economics, specifically the 3 to 1 return investment, “Triple Your Money”
- Jill noted that OF&MO tirelessly worked to bring the Kevin Durant film to Oklahoma despite the depletion of FY12 rebate monies, even going so far as trying to incorporate iconic Oklahoma branding in promotion. Shane noted that losing a project of this nature should fire up the people of Oklahoma. Jill noted the mass media attention this story got world-wide. Robyn Elliott asked how OF&MO could get their point of view out to the media regarding their efforts to recruit productions which may film elsewhere. This is difficult for OF&MO as media coverage in this regard could upset a filmmaker removing future opportunities to welcome said filmmaker to the state. OF&MO must weigh the benefits of publishing the story versus detriment to the future
- Lance McDaniel asked if the focus for next legislative session was on keeping the \$5 million which OF&MO currently offers or expanding that amount. Jill noted that OF&MO is working with Tourism Director Deby Snodgrass on this matter and is waiting to see how the Task Force plans to move forward. OF&MO still has a bill to be heard this session if we choose to resurrect it to add an additional \$5 million to the rebate program
- Film Status Report
 - Recently, a scoring session took place on November 13 at Oklahoma City University’s Wanda L. Bass School of Music for *Untitled Project D* which shot in late 2010 and early 2011 in Bartlesville and Pawhuska. The feature is set to be released in 2012 and stars Ben Affleck. The live recording featured original music crafted by Oklahoma composer Jerod Tate who also conducted a small group of strings and harp. This demonstrates that, while the rebate is film specific, it does benefit the music industry as well
 - For FY12, Oklahoma had a period of time during which there were three films (*Home Run*, *So This is Christmas*, *The Cherokee Word for Water*) concurrently shooting in the state. There was not enough crew to service all three films. However, the good thing about these films in relation to the legislature is that all three of the films have important, positive messages
 - Guest Paul Sirmons, producer of *Home Run*, noted that his film got in before the leaves changed and stayed on budget
 - Jill Simpson said that the producers of *The Cherokee Word for Water* loved Oklahoma. The production experienced a challenging start regarding the crew depletion, but ended up doing great. The producers have approached OF&MO about bringing a television series to the state. A television series would create permanent jobs; however, the challenge within the rebate program of bringing a television series to the state is that television producers are looking for locations at which they can film a program for five years for a syndication package. Our rebate program has a sunset date of 2014 well within the five years needed by television producers. Sunset dates are very critical for rebate programs as OF&MO works with most films for a period of two years in advance (initial interest to first day of production)

- Jill asked Lance McDaniel to update the board on his film, *Just Crazy Enough*. Lance said that post-production is going great. The film was taken to the American Film Market with several offers. They are currently finishing up animation and 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
- Lisa Price asked what arguments are faced at the State Capitol regarding the rebate program. Legislators have said that the money being spent on the program isn't coming back into the state's budget; however, we know that money is infusing the economy as a whole. Legislators also believe that the jobs will naturally come to the state without the rebate program. OF&MO knows this is not true having just lost a Steven Spielberg production set in Tulsa to Canada
- Lisa Price noted that when approaching big companies like Chesapeake for sponsorship or film investment, these corporations want to know what kind of image is being projected with their name on it. The investment endeavors do not necessarily have to be faith-based or family-oriented, but the messaging must positively showcase the industry and the state
- Lance McDaniel believes that investors are more likely to favor a concept like The Buffalo Lounge which seems to promote the music industry as a whole versus specific musicians and/or projects
- Guest Paul Sirmons, former Film Commissioner for the State of Florida, suggested another option to consider as he encountered the same discussions during his tenure. Florida created a Family Friendly Bonus of 2% for their rebate program. Realistically, no studio is going to film in a particular state for an extra 2%; however, the legislators embraced this because it favored family friendly films. This was a way for them to become a part of the solution. Claudia Conner asked what the legislator considered to be family-friendly, and Paul noted that it was defined in statute. MPAA rating could not be used
- Music Status Report
 - OF&MO has attended the South by Southwest (SXSW) Conference & Music Festival since 2005. The festival is the largest of its kind for film, music, and interactive showcases with over 50,000 in attendance last year. In 2009, we launched our first music event, Sax Clogs, N Rock 'n Roll, which we continued in 2010. In 2011, the Greater Oklahoma City Chamber of Commerce approached us to sponsor an interactive event. OF&MO was attending for music, and many of our Oklahoma colleagues were attending for film. The idea was born to create one big presence for Oklahoma combining the film, music, and interactive events – this became The Buffalo Lounge. The Buffalo Lounge was an astounding success becoming our first official SXSW event as designated by the SXSW Festival

- For 2012, the plan is to host seven parties in four days at our Oklahoma venue. This year 133 Oklahoma bands applied to SXSW; this is twice the number which applied last year. We are currently in the process of fundraising
- Since its inception in Austin last year, The Buffalo Lounge has traveled across the state with events at the deadCENTER Film Festival, Norman Music Festival, Tulsa International Film Festival, the grand opening of Whole Foods, and the re-opening of the Myriad Botanical Gardens in Oklahoma City
- Website Update
 - On October 15, 2011, OF&MO soft-launched the Oklahoma Music Guide. This guide has been in the making since 2007 with the idea that the music guide would be similar to our Oklahoma Production Guide for film. The Oklahoma Music Guide is a place for Oklahoma musicians and music-related companies to register their services through our website. The guide will then become a one-stop-shop to find and connect Oklahoma music industries. At this time, we have 50 registrants; however OF&MO hopes to increase this number before the public launch

NEW BUSINESS

- Julie Porter, our longtime OF&MO staff member and friend, has left to pursue new opportunities. Julie began work at the film and music office in 2004, serving as Deputy Director from 2007 until October of this year. Julie's contributions to OF&MO are beyond measure, including her excellent work on our website redesign, our online location photo library, and our online film and music production guides. We are pleased to report that she will remain involved with our office on a part-time seasonal basis, collaborating on future Buffalo Lounge events
- After a thorough search and interview process, Leslie Channell has been named the new Deputy Director for the Oklahoma Film & Music Office. She joins us from Pleasantville, NY's Jacob Burns Film Center and Media Arts Lab

ADJORN

The meeting was adjourned at 3:54 p.m. with a motion by Lance McDaniel and a second by Becky Love. All voted in favor. Motioned carried.