

MINUTES

OKLAHOMA FILM & MUSIC ADVISORY COMMITTEE

Tuesday, February 19, 2008
Governor's Large Conference Room, State Capitol
Oklahoma City, Oklahoma

COMMISSIONERS

Present

Lieutenant Governor Jari Askins
Byron Berline
Chad Burris
Lael Erickson
Kathy Henry
Jeanne Hoffman Smith
Chris Salyer

Absent

Steve Alter
Gray Frederickson
Margo Gray
Steve Ripley
Max Weitzenhoffer

STAFF

Claudia Conner
Dino Lalli
Jessika Lauren
Julie Porter
Jill Simpson
Hardy Watkins

GUESTS

Janice Francis-Smith
Robbie Kienzle
Rachel Morgan
Frank Sims
David Turnipseed
Robin Warnecke

OPENING REMARKS

The meeting was called to order by Lt. Governor Jari Askins at 1:15 p.m. Jill Simpson, Director of the Oklahoma Film and Music Office, confirmed compliance with the Open Meeting Act. Introductions were made.

APPROVAL OF MINUTES

Lt. Governor Askins moved and Kathy Henry seconded a motion to approve the minutes of the May 8, 2007, meeting. All voted in favor. Motion carried.

Lt. Governor Askins moved and Kathy Henry seconded a motion to approve the minutes of the November 13, 2007, meeting. All voted in favor. Motion carried.

REPORT ON FILM & MUSIC OFFICE ACTIVITIES

- Bill for fund replenishments stalled
- Writers strike ended
- Quanah Parker pilot – AMC
 - Directed by Alison Anders and with Terry Graham as screenwriter
 - Arriving tonight and will scout Read Ranch and other Oklahoma locations
- Attorney Jay Shanker assisting with “Saving Grace” fundraising. Knows two people that may donate remaining funds needed and can be put into LLC.
- “Rainbow Around the Sun” accepted at South by Southwest production company Team Awesome (Kim Haywood, Kevin Fly & Matt Brown). Also accepted at the IFP narrative rough cut lab.
 - Kathy Henry had idea to have Team Awesome do a “media junket” at the next film meeting in Tulsa. OF&MO will work with Patrick Chalfant
 - OF&MO sent out the press release nation-wide
- ❖ Michigan is working to pass 45% cash rebate with no cap.
- Position open: Development Coordinator (Administrative and Creative needed)
- Website RFP approved. OF&MO’s site will be cutting edge and fully revamped.
- RFP for digital photo database is taking longer than expected but is making its way through state channels.
- Organization of Oklahoma Creative guild for health insurance.
- Working with Scott Booker (Flaming Lips Manger) to develop certification for music management, a bonus on top of a degree.
- Developing ProTools Lab at UCO
 - Kathy Henry can help with this program as she is on the board at UCO
- Production Impact Numbers
 - 10.1 million Direct Expense
 - 17.4 million impact dollars for ’07 – slightly down from ’06
- Dino worked on developing hotel/motel database. Sent out questionnaires and received a 43% return/response rate.
- Rock and Roll Exhibit – “Another HOT Oklahoma Night” (OK History Center)
 - OF&MO partnered and are working on legislation to select official state rock and roll song.
 - Will work on organizing live performances.

- Approve minutes, moved by Lt. Governor; Kathy Henry seconded and motion was carried
 - *Chad Burris arrived making a quorum – 1:55 p.m.
- Jill Simpson stated fundraising for “Saving Grace” was raised privately with the office-excess funds went into 215 fund.
- Jill requested board members raise \$1000 per year for OF&MO 501-C3 fund.
- Chris Salyer moved and Lt. Governor seconded a motion that fundraising be realized on best effort – If cannot be done procedurally, be done on best efforts.
 - Second by Askins per calendar year. Motion carried.
- Jill Simpson will update board on creation of 501-C3
- Adjourn for strategic planning meeting at 2:07 p.m.
 - Motion by Chris Slayer, second by Burris
- Introduction of Robber Kienzle, moderator for strategic planning meeting.

OF&MO STRATEGIC PLANNING MEETING

- Robbie Kienzle moderated meeting.
- Focus on Film at Oklahoma City meeting.
- SWOT analysis
- Where’s the right place for OF&MO to be – Tourism, maybe Department of Commerce?
- Current Status Report
- What is the current health of the industry as a whole?
- Production: Film, Television and Commercials
- Impact of Incentives (LA, NM, RI, MI...)
- Effects of WGA Strike (Short vs. Long term)
- Digital Media – Indigenous filmmaking
 - What makes Oklahoma attractive to filmmakers
 - Success of “Four Sheets to the Wind”
 - Oklahoma offers low cost of business with good quality of life
 - “Saving Grace” crew loved Oklahoma’s people and our Resourcefulness.
- Commission Comparison Chart
- SWOT
- Strengths
 - Locations/Topography
 - Cost/Ease of doing business in Oklahoma
 - Growing success of film and music festivals statewide
 - Success of Oklahoma films, filmmakers and musicians on a national and international level and in A-list festivals around U.S.
 - Native American culture and traditions
 - Central location in the United States
 - More non-stop flights to NY and LA than ever before
 - Increased marketing budget and staff for OF&MO

- Growing awareness of OF&MO, industry in general in statewide media, leadership
 - Growing awareness of Oklahoma in national industry as a result of articles in trades, Director serving as a panelist at events in LA and increased participation at festivals and trade shows
 - Oklahoma's rich musical traditions
 - Our people
- Weaknesses
 - Losing ground in the increasingly competitive incentives race
 - More states are entering the incentives game all the time
 - Many states with new incentives programs; many structured loosely, i.e., easily accessible
 - Image challenges for Oklahoma as a whole
 - Divisiveness/lack of unified efforts within industry
 - Lack of depth of professional, highly-trained film crew
 - Placement of OF&MO within state system
 - Lack of Oklahoma investors for Oklahoma projects
 - Lack of infrastructure
 - Facilities: sound stages, post houses, processing labs, etc.
 - Lack of general product base: support services, equipment rentals, etc.
 - OF&MO staff spread thin: building the film/music industries vs. selling the state
 - When films do come in, OF&MO staff will be spending more time assisting productions; less time to participate in industry-building opportunities
 - \$5M cap on incentives program makes it difficult to sell
 - Addressing this session via HB 2584
 - Limited ability to create, attract and retain qualified crew
 - Current OF&MO information technology capabilities
- Senate bills to replenish fund will not be heard in revenue committee.
- Opportunities:
 - Film Industry and OF&MO getting more media attention in pockets-opportunity for expansion
 - Oklahoma Creativity Project's potential to change the landscape for Oklahoma's creative class, which includes film and music professionals
 - Resulting perception of Oklahoma as a "State of Creativity"
 - Oklahoma expatriates and ambassadors within the industry at large
 - Current price of oil: potential for this money to transform our state and film and music industries
 - "Connecting the Dots": Improvement in people and groups coming together to achieve common goals
 - OF&MO is currently working with Career Tech system to develop curriculum options within the Career Tech system for the training of crew members

- Upcoming advances in OF&MO information technologies will prove beneficial
 - Digital location database and website updates will change the way the office functions on a daily basis and make Oklahoma more competitive
- Threats:
 - Number of states coming on the scene with new and lucrative incentives is a threat to our ability to stay competitive.
 - In 2002 three states offered filming incentives; today 40 states offer incentives
 - Lack of sustainability of current competition amongst states; onus back on industry?
 - Potential change/loss of government leadership and support
 - Potential loss or decrease in funding
 - Lack of unification in the Oklahoma industry
 - The need to present a unified front and message, set aside any infighting
 - Overall, there needs to be more professionalism of crew
 - Potential lack of support for incentives from legislative body
 - Poverty mentality: “There’s not enough to go around, I have to get mine.”
 - No image of being a filmmaking hub
 - Too many voices and strategies- single focus brand strategy needed
 - Today’s strategic planning meeting is in place to address this issue
- Current OK Incentives –
 - The Oklahoma Film Enhancement Rebate
 - Up to 15% on Oklahoma expenditures to qualifying companies filming in the state
 - Capped at \$5 million per year.
 - The rebate is extended to film, television and commercial productions
 - Company must have a minimum budget of \$500,000 and spend \$300,000 in Oklahoma
 - The minimum budget requirement is cumulative
 - The 15% rebate cannot be used in conjunction with the POP tax exemption.
 - Point of Purchase Tax Exemption
 - Qualified productions do not pay sales tax on goods and services in Oklahoma.
 - Tax Credit for Oklahoma Film & Music Projects
 - Gives state taxpayers investing in film or music projects produced in Oklahoma a 25% income tax credit on profits made when those profits are reinvested in another film or music project produced in Oklahoma.
 - Tax Credit for Construction of Oklahoma Film & Music Facilities
 - Offers companies building production facilities state income tax credits ranging from 10% on a minimum \$500,000 construction project to 25% for projects over \$1 million.
- Comparison Chart of U.S. incentives program
- Current Leg. Agenda:

- HB 2583 - Oklahoma Film Enhancement Rebate Program - Representative Terry Hyman
 - Revision A
 - As a means of incentivizing the use of Oklahoma musicians, music and music facilities for the film industry, include an additional 2% rebate if the production company spends at least \$20,000 for music created by Oklahoma residents or for recording music in Oklahoma.
 - Revision B
 - Refine Loanout/LLC Language based on Oklahoma Tax Commission input.
 - Revision C
 - Expand the distribution requirements to include a provision for the inclusion of nationally recognized network or cable television pilots

- HB 2584- Oklahoma Film Enhancement Rebate Program-Representative Terry Hyman
 - Provide mechanism for replenishing rebate in \$5M increments should we run out of money in a given fiscal year to enhance our ability to market the program and remain competitive in the marketplace.

- HB 2664- Tourism Development Act- Representative Randy McDaniel
 - Revision A
 - In an effort to keep up with industry trends, expand definitions to include not only “film and music production facilities”, but also “digital media” facilities.
 - Revision B
 - Lower the minimum expenditure threshold for participation from \$500,000 to \$100,000 for music production and post production facilities and \$350, 000 for film production, post production, visual effects and digital media facilities to encourage development of facilities in Oklahoma at more practical thresholds, particularly for music.

- HCR 1047- Oklahoma Rock & Roll Song Resolution Representative Joe Dorman
 - The Oklahoma History Center and OF&MO are working with Representative Joe Dorman to introduce a resolution to work with the public and members of the legislature to declare an official state rock & roll song. The statewide collection of votes would coincide with the opening of “Another HOT Oklahoma Night,” a rock & roll exhibit opening in Spring 2009. The contest also serves to assist OF&MO with one of our goals, increasing airplay of original Oklahoma music on radio stations throughout the state.

- Will do similar meeting in Tulsa

- Introduced Patrick Chalfant: interim director at Tulsa Film Office
- Jill Simpson working with Mayor Taylor to develop job description for full time position

ADJOURN

The group adjourned at 5:30 p.m.