



## Agenda

CITY CLERK'S OFFICE

DATE 3/29/16 TIME 8:51 AMSERVED BY W. H. H. H.RECEIVED BY Andrew Paul

**SANTA FE FILM COMMISSION**  
**Location Convention Center Room Lamy**  
**April 5, 2016**  
**10am-1145am**

1. Call to Order 10:00
2. Roll Call - Commissioners' Introductions
3. Approval of Agenda
4. Welcome by Mayor Gonzales 10:08
5. Discussion of goals 10:15
6. Establishing goal priorities 10:40
7. Discuss achieving priority goals and other goals 10:50
8. Discuss formation of working groups 11:15
9. Questions from the Public 11:30
10. Adjourn 11:45
11. Next Meeting Dates :
  - a. May 3, 2016 – 10am
  - b. June 7, 2016 – 10am

Next Meeting goal: Progress reports from Working Groups

Persons with disabilities in need of accommodations, contact the City Clerk's Office at 955-6520, five (5) working days prior to meeting date.

## **Santa Fe Film Summit 2015 Findings**

Key: Green=what you are willing to work on, Blue=easiest to work on, Yellow most important to work on.

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### **Finance Group**

- Address the film incentives cap
  - (1Green, 5Blue)
- Develop a mini bond for studio campus
  - (1Green, 1Blue, 1 Yellow)
- Capacity to underwrite
  - (2Green, 1Blue, 1Yellow)
- Filmmaking Ombudsman

### **Film Tourism Group**

- Develop a fully staffed film office
  - (4Green, 4Blue, 6Yellow)
- Welcome events and gifts to films and crews
  - (1Green, 1Yellow)
- Work with local tour guides to provide a Santa Fe film tour
- Walking and driving tours with markers on locations/buildings

### **Workforce Development Group**

- Combine existing initiatives
  - (2Yellow)
- Regional Film Office
  - (2 Green)
- Vendor relationship building
  - (2Blue)
- More internships
  - (1 Blue)

### **Logistics Group**

- Identify feasible projects for SF
  - (2 Green)
- Reconnect LAX to Santa Fe
  - (5Blue, 1Yellow)
- Location database
  - (1 Green, 4 Yellow)

### **Marketing Group**

- Film Office (12 Blue, 12 Green, 15 Yellow)
- More commercials (2Green)
- Website improvements
- Backlot

### **Digital Media Group**

- Market SF with a timeless sense
  - (2Blue)
- Digital media residence program
  - (3Green)
- City outreach to improve corporate relationships
  - (1Green)
- Promote local talent
  - (2Green)



**Proposal for Developing the**

**Film/Digital Media Target Industry**

February 2015

## Summary

This plan outlines options for enhancing the film and digital media industry in Santa Fe. This includes:

- **Recruiting** a greater number of productions to film in Santa Fe and Northern New Mexico
- **Growing** a local industry to generate more homegrown production activity
- **Facilitating** a renewed push for crew training, apprenticeship and internships
- **Increasing** spending at local businesses
- **Diversifying** the industry base, i.e. growing app development, gaming, post production and other complementary segments of the industry

The ideas and actions outlined in this strategy have been developed through interviews, research on best practices, and industry reports. Costs and impacts have been estimated where possible. A menu of potential actions in different areas has been provided.

## Background

Santa Fe has a set of unique assets upon which to build an enhanced film/digital media industry. The assumed goals are to grow the industry and thus strengthen the economy and create jobs, as well as to provide opportunities for enticing career pathways for local young people.

### Unique Assets

- State Film tax credit: 25-30% Film Production Refundable Tax Credit, \$50 million tax credit cap
- Low permitting fees and relatively low cost of living compared to other major film production areas
- Support Infrastructure - studios, equipment, services
- Diverse and scenic locations with all four seasons and an average of 300 sunny days per year
- Local crew & talent base
- Direct flights to and from LAX
- Desirability with key decision makers (directors, producers, actors, writers)

As development of the film industry in Santa Fe continues to mature, the economic metrics that we propose to measure the economic impact include:

- Worker/crew days
- Number of major productions
- Revenue generated by major productions
- Number of film permits issued per year
- Number of jobs created
- Local hires
- Average Daily Spend

The film and digital media industry has been a powerful force in the local economy. Statistics from the New Mexico Film Production Tax Incentive Study released on July 21, 2014 looked at the impact of film from 2010-2014. Findings include:

- Total economic output generated by production alone: \$1.53 billion
- Gross State Product (GSP) generated from production spending: \$968.9 million
- Total employment: 15,848 full time equivalent employee positions (FTE); 8,851 directly employed by productions, 6,997 indirect jobs supported by film productions.
- Total revenue generated from production spending for state and local taxes: \$103.6 million

According to the 2014 NM Tax Incentive Study, 2013 was a decent year for film. Direct production spending was below 2011 and 2012, however the annual number of production worker days was at its highest since 2004. According to staff analysis, the following metrics apply to Santa Fe in 2013:

- 60 filming permits issued in the City; 16 issued in the County
- 6 major motion pictures/TV series filmed in SF
- 85% of below the line crew were local hires
- Payroll (for these 6 productions) exceeded \$20 million for local hires alone
- 43,800 room nights generated- totaling an average of \$4million in hotel room charges
- 200+ local businesses service the film industry, resulting in over \$20 million in revenue

The direct spend from these 6 major productions totaled over \$50 million, with an overall estimated economic impact of \$160 million.

#### Economic Impact Examples:

The television pilot **"Stanistan"** was filmed in Santa Fe Fall 2014 and employed **100 local crew members, 15 local actors, and 400 local background** roles. During production, 'Stanistan' estimated daily spending at \$160,000. The **Scorch Trials**, the sequel to the popular Maze Runner which had a budget of \$34 million, will be filming in Albuquerque through the end of this year, creating a substantial economic impact for that region. This production is set to employ at least **250 New Mexican crew members, 18 local actors, and 1,800 local background** talent, and will likely have large direct and indirect spending impacts.

#### Recruiting Productions

The foundation of the film industry in New Mexico is the productions which come to the state for principal photography. These provide wages/employment as well as opportunities for training, direct production spending and later on, opportunities for film tourism. According to the 2014 study, "New Mexico is perceived as an attractive production location" by industry executives. Key functions needed to recruit more production to Santa Fe involve targeted marketing and branding work with a clear and consistent messaging. This also includes relationship building in the industry and a demonstration of a commitment to the industry. This is likely to involve travel to Los Angeles and other destinations (New York, Sundance Film Festival) for studio meetings and outreach to key decision makers.

**Growing Local Productions:**

Cultivating more local productions will provide an industry base that is inherently loyal to making films in the area. It is also likely to enhance mid-range or lower budget productions and thus build a more well-rounded and robust industry. With the existence of film programs at SFCC, IAIA, and SFUAD, Santa Fe has a solid foundation to grow local production. One area that is currently lacking in resources is assisting the local producer/director with getting a production off the ground, and more emphasis and assistance is needed on the business in terms of film financing, film marketing and distribution, etc. The New Mexico Filmmakers Academy is a new concept that would be based out of the SFCC and provide similar business support, plus monthly stipends for NM minority film makers.

**Facilitating Crew Training, Apprenticeships, Internships (Workforce Development):**

Job creation in the film industry will always most significantly come in the area of 'below the line' crew. Each major production employs hundreds of crew members. Through many years of strong film incentives the crew base in New Mexico grew to be one of the largest outside of the major production centers of Los Angeles and New York. As other states have developed aggressive incentives and the market for crew has become more competitive, mobility of crew members has also increased. Calls for crew in New Mexico have not been completely filled in 2014, and there may be opportunities to grow the local crew base by recruiting crew from states where the film incentives have been curtailed or eliminated altogether. One of the largest economic benefits to Santa Fe is to have people living here and working in film.

**Increasing Production/Crew Spending at Local Businesses:**

At a December 2014 panel on "Do More Business with the Film Business," the need for an enhanced directory of businesses in the area to provide to productions was emphasized. Each production is unique and the need for props and set dressing means anything may be in demand (from old sewing machines, to raw lumber and potted plants). Also emphasized at the panel, relationships drive this part of the business. Actions to enhance this area include: facilitating better visibility, access and organization for local businesses interested in working with the film industry and creating a list of production contacts regularly working in the area in order to make it possible for businesses to build relationships. In the 2014 study, construction and set dressing totaled \$11.1 million in direct spending in New Mexico.

Additional opportunities come from the spending of cast and crew involved in productions. With long days and decent paychecks, many visiting crew members spend their leisure time at restaurants, spas, or in outdoor adventures or on other services (laundry, shipping). In the 2014 study, food/catering/food allowance alone totaled \$8.7 million in direct spending in New Mexico. Marketing strategies to target cast and crew and outreach through the productions could unlock new business opportunities for restaurants, spas and other leisure time and service activities.

**Diversifying the Industry Base:**

Growing app development, gaming, post production and other complementary segments of the industry as a cluster in the area would require a longer term vision and it would build a stable, diverse, year-round industry base. The video game industry is generally widely known to be bigger than the film industry in revenue. Strategies to diversify and grow this segment would include partnering with the NM Film Office to leverage their efforts and ensuring that access to high speed broadband such as fiber is as ubiquitous as possible, which is key to this segment of the industry. Also, partnering with local schools (high-school, colleges) to develop local talent and skills, recruitment of skilled professionals and companies, and building upon existing local talent and relationships.

## Recruitment Options

### Low Cost Options:

#### Recruiting Films:

- **Marketing Materials**

- New film website that would include visually enticing locations, information in local crew, information on NM film incentives, etc
- App for film tourism
- Marketing collateral for trade shows and recruitment visits

Cost: \$25,000

- **Regional Recruitment Team** - Develop a strategy for local ambassadors to welcome productions. Utilize contacts from local film professionals and form regional teams to visit the Sundance Film Festival, Locations Expo and other industry events and to set-up individual meetings at studios/production companies.
- **Part-time Contract with Industry Expert** - The efforts of a regional recruitment team could be enhanced by a part-time contract with an industry expert in order to better access key production executives (industry contacts) and to develop a targeted strategy for each studio or production company (what would Pixar do in Santa Fe area? Disney? Lionsgate? What digital media companies might consider relocating?). In the first year, target recruiting three productions with a total combined direct spending of \$4.5 million.

#### Growing a Local Filmmaking Industry:

Strategies to growing local filmmaking could include some or all of the following (costs included where estimates are possible):

- Active partnership with local colleges to provide career pathways and opportunities (including on some of the activities listed below)
- Create a 'youtube' film training and content development studio
- Support filmmakers training and development programs such as the NM Filmmakers Academy - \$15,000 for first year contract and strategy
- Develop filmmaking competitions
- Use local public access TV, channels SFCTV 16 and SFGTV 28, as a distribution method and way to generate publicity/exposure
- Develop a PBS station for Northern New Mexico - \$50,000 for a strategic plan
- Partner with local film festivals to grow and enhance their respective reach. Leverage the Academy-certified Santa Fe Film Festival and growing attendance and recognition of the Santa Fe Independent Film Festival - \$30,000 for first year contracts and strategic development.



- Business development for local companies into other 'film' markets such as educational, documentary, shorts, commercials/advertising, industrials, webisodes, content capture and cataloguing and more. - \$15,000

#### **Facilitating Crew Training, Apprenticeships, Internships (Workforce Development):**

- **Relocation of Crew** – Develop a strategy to recruit/relocate qualified film professionals to live and work in Santa Fe. This would include marketing materials targeted at lists of crew members in areas where film incentives have been reduced or eliminated such as North Carolina and Wisconsin. In the first year, target 20 relocations for a budget of \$20,000. 20 relocations of film professionals making an average of \$52,723 (average determined by 2014 study commissioned by the NM Film Office) would mean an additional \$1,054,460 in annual wages in the local economy.

Cost: \$20,000

- **Enhanced Training** - Through partnerships with Santa Fe Community College, Santa Fe University of Art and Design, IAIA, IATSE 480 and other relevant organizations develop Santa Fe as a training center to enhance the skills of crew members and meet the evolving demands of the industry. This could include enhancing the film crew training program in Santa Fe and ensuring clear career pathways with pre-apprenticeship and apprenticeship arrangements. Also, providing continuing education services for crew members to add to their skills. As an initial step, the County and City could contract to identify gaps and enhance the training and career development options available in Santa Fe and according to the current and future needs in the industry.

Cost: \$15,000

#### **Metrics**

As noted above, Santa Fe hosted 6 major productions in 2013. According to a 2012 study done by Ernst & Young on State Film Tax Credit Programs, a \$10 million production will create approximately \$160,000 in local taxes. Given this, a new Film Office would be required to bring in a minimum of 2 new productions with budgets at or greater than \$10 million, which would create approximately \$320,000 in local taxes and thus justify an investment of approximately \$300,000 on behalf of the County and City.

Some current SFFC members' thoughts about goals

Ask the state to raise the incentive cap.

Have definitive action goals and plans to achieve them.

Educate the industry about the great workforce and services we have here.

Develop a great website and book showing our locations, services, crews, actors, well-known producers, stars (Redford, McKenna, Ellis, Mark, MacGraw), etc.

Promote the Santa Fe area to producers of commercials.

Develop the upcoming talent, people who aren't yet in the "big" productions.

Work in tandem with the NM film commission and the Greater SF Film Office.

Develop a strong digital media and editing workforce.

Interact with the colleges and schools to promote internship programs, and develop internship standards.