



## MEMORANDUM

**DATE:** February 18, 2014

**TO:** The Honorable Rick Snyder  
Governor of Michigan  
Members of the Michigan Legislature

**FROM:** Michael A. Finney  
President and CEO

**SUBJECT:** FY 2013 MSF/MEDC Annual Report

Attached you will find the annual report for the Michigan Strategic Fund (MSF) and Michigan Economic Development Corporation (MEDC) as required under the MSF Act, 1984 PA 270, and budget boilerplate. This report summarizes the activities and programmatic spending for fiscal year 2013.

In an effort to consolidate legislative reporting, the attachment also includes the following reports:

- Business Incubators and Accelerators annual report (pages 8-9) – PA 59 of 2013, General Government Omnibus Budget Act, Section 1034
- A revised Michigan Business Development Program annual report (pages 16-19) – MSF Act, Section 88r (MCL 125.2088r)
- A revised Michigan Community Revitalization Program annual report (pages 41-44) – MSF Act, Section 90d (MCL 125.2090d)
- Urban Land Assembly annual report (page 46) – Urban Land Assembly Act, 1981 PA 171, Section 9 (MCL 125.1859)
- Skilled Trades Training Program annual report (page 54) – PA 59 of 2013, General Government Omnibus Budget Act, Section 1039
- Workforce Training Programs annual report (page 55) – PA 59 of 2013, General Government Omnibus Budget Act, Section 1068
- North American Indian Tuition Waivers annual report (pages 56-59) – PA 59 of 2013, General Government Omnibus Budget Act, Section 1050(2)
- Michigan Community Colleges Awards Conferred annual report (pages 60-61) – PA 59 of 2013, General Government Omnibus Budget Act, Section 1050(3)
- Michigan Film Incentives and Tax Credits annual report (pages 75-76) – PA 59 of 2013, General Government Omnibus Budget Act, Section 1032 and the Michigan Business Tax Act, 2007 PA 36, Section 455 (MCL 208.1455)

If you have any questions regarding this report or need additional information, please contact James McBryde in our Office of Governmental Affairs at 517.335.1847.

Attachment

cc: John Nixon, State Budget Director  
Ellen Jeffries, Director, Senate Fiscal Agency  
Mary Ann Cleary, Director, House Fiscal Agency

**Michigan Economic Development Corporation**

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## MICHIGAN FILM INCENTIVES AND TAX CREDITS ISSUED

As of December 21, 2011, the Film and Digital Media Production Assistance program has been operating within the scope of Section 29 of the MSF Act and no longer has the ability to approve new film tax credit applications under Section 455 of the MBT Act. However, previously approved projects may be issued a post-production tax credit certificate after the project is complete. The projects that were issued post-production certificates in calendar year 2013 are reported below. The Michigan Film Office is not aware of other non-state incentives that were provided to a qualified project.

In 2013, six post-production certificates of completion were signed and issued by the film office with a total value of \$558,217. These are listed by month in the table below. For one project, there is a post-production certificate issued for a project's supplemental payment in months subsequent to the project's original post-production certificate being

issued. All six post-production certificates signed in 2013 were for projects that were in production in 2010–2011. The anticipated amount of redemption fees to be collected by the film office from these signed post-production certificates totals \$2,805.

A total of \$26,551,106 in film tax credits were claimed from the Department of Treasury in 2013. As of December 31, 2013, a total of \$225,539,660 in film tax credits have been paid out by the state with \$94,148,139 in potential film tax credits that remain eligible to be claimed under the tax credit program.

In FY 2013, six projects were issued an approved Certificate of Completion Request (COCR) under the new film incentive program. These are listed in the table below. Under Section 29 of the MSF Act, projects approved in 2012 and thereafter are reported in an online dashboard found at [michiganfilmoffice.org/the-film-office/mfo-dashboard](http://michiganfilmoffice.org/the-film-office/mfo-dashboard). The dashboard is updated with actual data on a quarterly basis as COCRs are approved.

APPROVED POST-PRODUCTION CERTIFICATES ISSUED Calendar year 2013			
Month	# of PPCs signed	Credits certified	Redemption fee
January	3	\$277,285	\$1,393
February	0	\$0	\$0
March	1	\$170,658	\$858
April	0	\$0	\$0
May	0	\$0	\$0
June	0	\$0	\$0
July	1	\$26,166	\$131
August	1	\$84,108	\$423
September	0	\$0	\$0
October	0	\$0	\$0
November	0	\$0	\$0
December	0	\$0	\$0
<b>Total</b>	<b>6</b>	<b>\$558,217</b>	<b>\$2,805</b>

**APPROVED POST-PRODUCTION CERTIFICATES ISSUED**  
**Calendar year 2013**

Production	Locations	Total MI spend	Goods	Services	Salaries and wages	BTL crew employed in state	BTL crew residents of state	Total hours worked on prod.	ATL personnel employed in state	ATL personnel residents of state	Persons employed in state who earned over \$250k	\$250k residents of state	Temporary jobs created	Permanent jobs created	Person employed in state as FTE
Setup (supplemental) <sup>1</sup>	Byron Center, Coopersville, East Grand Rapids, Grand Rapids	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Man v. Wild	Farmington Hills	\$460,696	-\$5,311	\$49,906	\$416,101	0	0	0	0	0	0	0	0	0	6
Fish: Zoo Zoos Wham Whams	Charlotte, Jackson	\$66,668	\$30,196	\$22,548	\$13,924	8	0	N/A	2	0	0	0	10	0	0
Chasing Jimmy	Caseville	\$86,838	\$13,123	\$33,115	\$40,600	12	12	635	1	1	0	0	13	0	0.6
Detention of the Dead	Pontiac	\$204,475	\$18,876	\$25,835	\$159,764	50	48	1,441	41	30	0	0	91	0	1
Actor? <sup>2</sup>	Farmington Hills	\$156,000	\$0	\$156,000	\$0	0	0	0	0	0	0	0	0	0	0

**APPROVED CERTIFICATES OF COMPLETION REQUESTS**  
**Fiscal year 2013: 10/01/2012 - 09/30/2013**

Production	Locations	Direct production expenditures incentive awarded	MI personnel expenditures incentive awarded	Crew personnel expenditures incentive awarded	Qualified personnel expenditures incentive awarded	Post-production expenditures incentive awarded	Qualified facility or infrastructure expenditures incentive awarded	Program administration spend	Temporary jobs created	Permanent jobs created	Persons employed in state as FTE
AKA Jimmy Picard	Byron, Commerce, Dearborn, Detroit, Howell, Newport	\$547,497	\$757,280	\$189,307	\$354,711	\$0	\$0	\$0	279	0	37
Beside Still Waters	Boyne City, Boyne Falls, Petoskey, Walloon Lake	\$36,620	\$16,508	\$5,869	\$9,033	\$0	\$0	\$0	37	0	1
Blue Goji Boxing (mobile)	Southfield	\$0	\$0	\$0	\$0	\$37,172	\$4,130	\$0	12	0	0
Keystone Studios 100th Anniversary Collection	Southfield	\$34	\$2,400	\$0	\$0	\$103,126	\$11,688	\$0	1	0	0
Low Winter Sun (pilot)	Detroit, Highland Park, Warren	\$328,474	\$476,405	\$210,254	\$175,643	\$0	\$1,054	\$0	225	0	23

<sup>1</sup> This was a 2010 project that was issued an initial tax credit on August 10, 2011. Michigan Department of Treasury does not provide details on supplemental post-production certificates issued.

<sup>2</sup> Post-production service contract; no BTL/ATL expenses were eligible.