



MICHIGAN STRATEGIC FUND

MEMORANDUM

DATE: March 1, 2023

TO: The Honorable Sarah Anthony, Chair
Senate Appropriations Committee

The Honorable Jon Bumstead
Minority Vice Chair
Senate Appropriations Committee

The Honorable Mary Cavanagh, Chair
Senate Appropriations Subcommittee on
Labor and Economic Opportunity/MEDC

The Honorable Mark Huizenga
Minority Vice Chair
Senate Appropriations Subcommittee on
Labor and Economic Opportunity/MEDC

The Honorable Angela Witwer, Chair
House Appropriations Committee

The Honorable Sarah Lightner
Minority Vice Chair
House Appropriations Committee

The Honorable Will Snyder, Chair
House Appropriations Subcommittee on
Labor and Economic Opportunity

The Honorable Greg VanWoerkom
Minority Vice Chair
House Appropriations Subcommittee on
Labor and Economic Opportunity

FROM: Quentin L. Messer Jr., President
Michigan Strategic Fund

SUBJECT: Section 1032 Annual Report on Film Incentives and Credits

Section 1032 of the FY 2023 Omnibus budget requires the Michigan Strategic Fund to provide an annual report on film incentives and tax credits at the same time the report required under Section 455 of the Michigan Business Tax Act is submitted (Public Act 36 of 2007, MCL 208.1455).

Pursuant to this requirement, attached is the 2022 report. Also attached is information required under Section 1033 of the FY 2023 Omnibus Budget, activities of the Michigan Film & Digital Media Office (MFDMO).

In addition, the report includes an update on the MFDMO's efforts to foster high-wage skills growth in the technology sector by increasing computer science education through several initiatives, such as its partnership with the Michigan Accelerates Computer Science (MACS) organization and associated events, including D-Hack 2022.

Please contact our Office of Government Relations at medcgovrelations@michigan.org if you have any questions. In addition, please do not hesitate to contact me at messerq@michigan.org or 517.881.5861.

Attachment

cc: Members, Senate and House Appropriations Committees
Chris Harkins, State Budget Director
Kathryn Summers, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency



DATE: March 1, 2023

TO: Governor Gretchen Whitmer

FROM: Selam Ghirmai, Director

SUBJECT: Michigan Film & Digital Media Office Annual Report

Section 455 of the Michigan Business Tax Act (Public Act 36 of 2007) requires the Michigan Film & Digital Media Office (MFDMO) to submit an annual report on film incentives and tax credits for the previous year. Please find attached the annual report that fulfills this requirement.

Additionally, Section 1033 of the FY 2023 Omnibus Budget requires the MFDMO to report on additional activities of the office. That information is included in this report as a courtesy to you.

Also included is an update on the MFDMO's efforts to foster high-wage skills growth in the technology sector by increasing computer science education through several initiatives, including a partnership with the Michigan Accelerates Computer Science (MACS) organization and associated events, including D-HACK 2022.

Please contact our Office of Government Relations at medcgovrelations@michigan.org if you have any questions.

cc: Quentin L. Messer Jr., President, Michigan Strategic Fund
Senator Mary Cavanagh, Chair, Senate Finance, Insurance, and Consumer Protection Committee
Senator Mark Huizenga, Minority Vice Chair, Senate Finance, Insurance, and Consumer Protection Committee
Representative Cynthia Neeley, Chair, House Tax Policy Committee
Representative Greg VanWoerkom, Minority Vice Chair, House Tax Policy Committee
Kathryn Summers, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency

MICHIGAN FILM INCENTIVES

TAX CREDIT PROGRAM

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 approves new film tax credit applications under Section 455 of the Michigan Business Tax (MBT) Act. However, previously approved projects may be issued a post-production tax credit certificate after the project is complete. There were no post production tax credit certificates issued in FY 2022. As of September 30, 2022, a total of \$292,416,203.19 in film tax credits has been paid out by the state, with \$27,326,404.57 in potential film tax credits that remain eligible to be claimed under the tax credit program.

CASH REBATE PROGRAM

During FY 2022, two projects were issued an approved Certificate of Completion Request (COCR) and paid out by the state under the film incentive (direct cash rebate) program, for a total of \$793,625.00. These incentives are cash assistance under appropriated funding. These are listed in the table below. Under Section 29 of the MSF Act, all projects approved in 2012 and thereafter are reported in the online MFDMO Dashboard, which is updated with actual data on a yearly basis, and found at www.michiganbusiness.org/industries/mfdmo/film.

APPROVED CERTIFICATES OF COMPLETION REQUESTS

Fiscal year 2022: 10/01/2021–09/30/2022

Project	Production Company	Type of Project	Total Michigan Spend by Production Company	Financial Assistance	Duration of Financial Assistance	Persons Employed in State as FTE	COCR Approved Date	Locations (Dashboard)
Street Cred	Street Cred Detroit LLC	Interactive Television	\$252,845	\$46,593	3 years	2	12/20/21	Detroit, Inkster, Traverse City
Ask Dr. Nandi (season 4)	Ask Partha LLC	Television Years	\$2,988,127	\$747,032	3 years	36	08/01/22	Detroit, Farmington Hills, Sterling Heights
TOTALS			\$3,240,972	\$793,625				

MICHIGAN FILM & DIGITAL MEDIA OFFICE

GENERAL SERVICES OFFERED

Fiscal year 2022: 10/01/2021-09/30/2022

For over 30 years, the Michigan Film & Digital Media Office (MFDMO) has positioned Michigan as a worldwide production destination for the film, digital media, and creative industries. Often the first point of contact for productions, the MFDMO provides the following services, creating a competitive business climate to attract domestic and international production activity from out of state and grow creative industries business of Michigan residents. These services are offered free of charge to any and all professional and student productions.

Website	The Michigan Film & Digital Media Office website, www.michiganbusiness.org/mifilmanddigital , is the one-stop shop for all individuals working or seeking work in the creative industries. Also, the website provides detailed information for those with a general interest in the operation of the MFDMO and the services it provides. The website includes a job portal for those seeking/hiring for jobs in the creative industries. The website also has resources for educators, students, filmmakers, and game developers.
Production Directory	Searchable online directory which features 4,277 approved crew, gaming and vendors that provide support services for the film and digital industries.
Locations Directory	Searchable online directory which houses 5,895 locations/properties throughout the state of Michigan. Locations directory is utilized as a source for film and television productions, commercials, still photography shoots, and miscellaneous events.
Locations Scouting	880 locations packages sent to date. The MFDMO provides customized location packages and up to two days of complimentary location scouting services, primarily leveraged by outside productions that are surveying states across the nation for site selection. The office refers productions to professional resident location managers/scouts. Availability of this service is not guaranteed. Individuals seeking assistance should send a request for this service at least one month prior to date of potential scout.
Contacts	2,794 total contacts (project, locations, etc.)
Traffic	There have been 384,313 visits to the productions directory and locations gallery.
Permitting	Assist in-state and out-of-state clients on permitting issues at the municipal, county, state, and federal levels of government.
Social Media Platforms/Newsletter	MFDMO maintains a presence on Facebook and Twitter: 12,513 followers on Facebook and 3,379 followers on Twitter.

PROMOTIONAL SERVICES PROVIDED

Fiscal year 2022: 10/01/2021-09/30/2022

The report below includes projects that received promotional assistance from the MFDMO.

Month of Service	Project Type	Project Name	Location	Investment Leveraged (estimated private investment)*	Services Provided by MFDMO
January	Business opening	Grand Stand Pictures	Michigan	n/a	Promoted socially
April	Film festival	I See You Awards	Detroit	n/a	Promoted socially
	Film festival	Freep Film Festival	Detroit	n/a	Promoted socially
June	Film festival	Independent Film Festival Ypsilanti	Ypsilanti	n/a	Promoted socially

**General services are offered free of charge to any and all professional and student productions. In recent years, requests for services have primarily focused on promoting events. Providing an estimate of private investment for each event or the return on that investment within the promotion area is not a requirement of the complimentary service. Therefore, there is no "investment leveraged" to report for FY 2022.*

In FY 2022, administrative costs for the Michigan Film and Digital Media Office (MFDMO) were combined with MSF administrative services under an agency-wide reorganization. It is not possible to distinguish which administrative costs are attributed solely to the MFDMO.



Michigan Film & Digital Media Office

Support for D-HACK 2022



MICHIGAN FILM & DIGITAL MEDIA OFFICE (MFDMO) SUPPORTS D-HACK 2022

In alignment with the Michigan Economic Development Corporation (MEDC) strategic plan, the Michigan Film & Digital Media Office (MFDMO) works to foster high-wage skills growth in the technology sector by increasing computer science education through several initiatives. This includes the creation of Michigan Accelerates Computer Science (MACS) organization (co-founded with Accelerate4KIDS non-profit) and supporting of its events. MACS is a collaborative made up of public, private, education and community stakeholders to host this interactive, educational event and promote the shared mission of increasing access to computer science education. This year MACS participated in D-HACK 2022.

D-HACK 2022 invited Detroit Public Schools Community District (DPSCD) students interested in advancing their knowledge of computer science, marketing and entrepreneurship, to register for a Hackathon event in which teams of three, using computer software and engineering, compete to develop a Snapchat Augmented Reality Filter in 12 hours.



3 WINNING TEAMS

1ST PLACE

Creativity Everlasting Experience (CEE)

2ND PLACE

Gestale

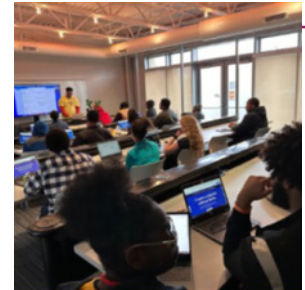
3RD PLACE

VBA

D-HACK

Saturday, December 3 | Ford Resource & Engagement Center

48 Detroit
high school
students



30 volunteers
throughout
the day

16 different
Detroit
schools



12 hours of
hacking

12 teams
of 3-5
students



TESTIMONIALS

"I had the opportunity to go through the volunteer training and watched the live stream throughout the day. I thought the entire event was extremely well organized and thought out. The instructional videos were easy to follow, and it was fun to watch lines of code turn into a working app. Thanh, we are proud to have been a sponsor of the event, and proud to call you a board member. This event was good for the Oakland County community and good for education - thank you so much for putting it on!"

Andrea Berry, Executive Director of Oakland Schools Education Foundation

"Even though the record was not broken I believe you did a lot for the community. My granddaughter has a new respect for the coding process and was proud of her accomplishment. Thank you for bringing this to us and thank you for being on the OSEF board."

John Landis, OSEF Board of Directors

"Thank you Thanh, and the whole MACS team for such an impressive attempt!! 1633 users is SO significant, when thinking about uniting communities around computer science education in such a challenging environment. Your teamwork and dedication was inspiring! The CS First team and all the Googler volunteers are proud to be a part of this -- thank you!"

Tiffany Walter, Google Product Marketing Mgr.

"I agree that the far more important outcome of bringing people together and doing mass educational programming for 1633 people is a pretty amazing impact! Thank you for having us!"

Jasmyn Samaroo, Google Operations Mgr.

"It's obviously disappointing to hear that we didn't set the record, but you're right - we accomplished the goal of getting these great programs in front of more people. And as the adjudicator said, having over 4,000 people participate is great! It's just too bad that more people didn't "complete" the lesson. For me and my wife, it took us each a little over 30 minutes. My son took about an hour, and my daughter took about 90 minutes."

Jeff May, Accelerate4KIDS Board of Directors

