



DATE: February 27, 2017

TO: Governor Rick Snyder

FROM: Jenell Leonard
Michigan Film Commissioner

SUBJECT: FY 2016 Michigan Film & Digital Media Office Annual Report

Pursuant to Michigan Business Tax Act (2007 of 36) Section 455 (MCL 208.1455) the Michigan Film & Digital Media Office (MFDMO) is required to submit an annual report summarizing activities and program spending for the previous fiscal year. Please find attached the annual report that fulfills this requirement.

Additionally, Section 1033 of Public Act 268 of 2016 requires the MFDMO to report on additional activities of the office. This information is included in this report as a courtesy to you and includes the MFDMO FY 2016 Strategic Plan Achievements in Review.

Please feel free to contact the MEDC Office of Legislative Affairs at 517.335.1847 with any questions.

Cc: Steve Arwood, President, Michigan Strategic Fund
Senator Jack Brandenburg, Chair, Senate Finance Committee
Representative Jim Tedder, Chair, House Tax Policy Committee
Ellen Jefferies, Director, Senate Fiscal Agency
Mary Ann Cleary, Director, House Fiscal Agency

Michigan Film Incentives

As of December 21, 2011, the Film and Digital Media Production Assistance Program transitioned from a tax credit program, co-administered by the Michigan Film Office and the Department of Treasury, to a cash-rebate incentive program solely administered by the Michigan Film Office. As of July 10, 2015, the cash rebate program was eliminated in accordance with MCL 125.2029h and the Michigan Film Office no longer has the ability to approve new incentive applications. However, projects approved prior to the elimination of the program may be issued Certificate of Completion Requests to claim their cash-rebate incentives. The Film Office online dashboard can be found at <http://www.michiganbusiness.org/mifilmaddigital/film/> (see "Former Incentive Program/Dashboard") and is updated quarterly with data from approved Certificate of Completion Requests.

Note:

Throughout the term of the cash-rebate program, Paramount Pictures had multiple preapproved applications and agreements with the Film Office, representing a total of \$41,965,635 in eligible incentives. Per the production company's request, the Michigan Film Office amended existing agreements to allow the production company to reallocate half of the dedicated funds, \$20,982,817, to "Transformers 5". Per the amended agreement, the remaining \$20,982,817 is to be returned to the state general fund. This restructuring meets all criteria for a qualified production in terms of expenditures and personnel hired in Michigan.

Michigan Film and Digital Media Production Incentives <i>(amendment to project approved prior to elimination of program)</i>						
Fiscal Year 2016: 10/01/2015 - 9/30/2016						
Project Title	Effective date	End date	Total Michigan Spend**	Award Amount	Description	Locations
Transformers 5 - Part 1 (fka Beverly Hills Cop IV, 2014-07)	12/20/2013	12/20/2016	TBD	\$13,500,000	Feature Film	Wayne, Oakland and Washtenaw counties
Transformers 5 - Part 2 (fka Looking for Alaska, 2015-019)	3/27/2015	3/27/2018	TBD	\$7,481,818	Feature Film	Wayne, Oakland and Washtenaw counties
Total:			\$50,836,082	\$20,981,818	*The amended agreement reallocated incentives not to exceed \$20,982,817	

*The amendment to this project agreement, which was fully executed before the elimination of the incentive program, occurred on 2/12/2016. The amended agreement states that the production company (Paramount Pictures) expected to incur eligible expenditures in Michigan between March 1, 2016 and December 31, 2016.

**Application estimated a total of \$50,836,082 to be spent in Michigan. Totals will not be confirmed until Certificate of Completion Requests have been processed and spending verified.

Michigan Film Incentives - Tax Credit Program

As of December 31, 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 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 2016. As of December 31, 2016, a total of \$288,782,670.19 in film tax credits have been paid out by the state, with \$30,964,606.59 in potential film tax credits that remain eligible to be claimed under the tax credit program.

Michigan Film Incentives - Cash Rebate Program

In FY 2016, eight 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 <http://www.michiganbusiness.org/mifilmanddigital/film/> (see "Former Incentive Program/Dashboard"). The dashboard is updated with actual data on a quarterly basis as COCRs are approved. These incentives are cash assistance under appropriated funding. In FY 2016, the total administrative expenses were \$894,587.67.

**Approved Certificates of Completion Requests
Fiscal Year 2016: 10/01/2015 - 9/30/2016**

Project	Production Company	Type of Project	Total Michigan Spend by Production Company	Amount of Financial Assistance (Incentive Paid)	Duration of Financial Assistance	Persons Employed in State as FTE	Locations
Only Lovers Left Alive	Bad Blood Films Inc.	Motion Picture	\$2,286,988	\$129,994	3 years	4	Detroit, Hamtramck
1-to-1 Fan	Pixofactor, LLC	Interactive Game	\$209,032	\$61,001	3 years	3	Southfield
Sage & Milo (aka Superman v Batman: Dawn of Justice)	Crown City Pictures	Motion Picture	\$189,013,936	\$35,000,000	3 years	518	Detroit, Pontiac, Metamora, River Rouge, Oxford, Lake Orion, Shelby
ISRA 88	ISRA 88, LLC	Motion Picture	\$577,551	\$110,357	3 years	4	Romeo, Oakland Township
Sage & Milo Post Production (aka Superman v Batman: Dawn of Justice Post Production)	Crown City Pictures	Post Production	\$9,729,027	\$1,961,035	3 years	13	Pontiac
The Funeral Guest	Funeral Guest Films LLC	Motion Picture	\$364,046	\$98,493	3 years	2	Lansing, Holt
Moontrap 2: Target Earth	MT2 Productions LLC	Motion Picture	\$491,305	\$130,512	3 years	2	Waterford, Oxford, Detroit, Sterling Heights, Huntington Woods, Clawson
A Craftsman's Legacy	Hammer in Hand Productions LLC	Motion Picture	\$454,919	\$56,985	3 years	0	Charlotte, Big Rapids, Pontiac, Boyne Falls, Mancelona, Harbor Springs, Cheboygan
		Totals	\$203,126,804	\$37,548,377			

MICHIGAN FILM & DIGITAL MEDIA OFFICE
Sec. 1033 Annual Report
Fiscal Year 2016: 10/1/2015 - 9/30/2016

GENERAL SERVICES OFFERED

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, 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 - michiganbusiness.org/mifilmanddigital:	Launched a new website in September 2016. The MFDMO website is a 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 office and the services provided. A new feature of the website is the addition of 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 3,959 crew and vendors that provide support services for the film and digital industries.
Locations Directory:	Searchable online directory which houses over 6,110 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:	Office provides customizable 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 best fit. The office refers productions to professional resident location managers/scouts.
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:	MFDMO maintains a presence on Facebook and Twitter. Maintain 10,920 followers on Facebook and 3,400 followers on Twitter.

GENERAL SERVICES PROVIDED

The report below includes the projects that requested assistance of the MFDMO, a listing of the services provided for each project and an estimate of investment leveraged.

Project Type	Project Name	Investment Leveraged (private investment)	Services Provided by MFDMO
Feature Film (incented)	Batman v Superman: Dawn of Justice	\$207,062,963	Private Investment leveraged through incentive program through two applications. Location and permitting assistance; cast & crew postings; social media, website and newsletter promotion. Also promoted a film location tour mobile application the office had commissioned through Warner Bros. The mobile app had users engaging with film locations in the City of Detroit and also drove users to nearby points of interest throughout the city.
Feature Film (incented)	Transformers	Est. \$50,836,082	Private Investment leveraged through incentive program. Location and permitting assistance; cast & crew postings; social media, website and newsletter promotion.
Feature Film (incented)	God Bless the Broken Road (part 1)	Est. \$2,742,716	Private Investment leveraged through incentive program. Location and permitting assistance; cast & crew postings; social media, website and newsletter promotion.

Project Type	Project Name	Investment Leveraged (private investment)	Services Provided by MFDMO
Post-Production (incented)	God Bless the Broken Road (part 2)	Est. \$4,968,522	Private Investment leveraged through incentive program. (see above)
TV series	Detroiters	Est. \$10-12 million	No incentive provided for TV series; spearheaded and developed public-private partnership (now known as the Detroit Film Initiative) with City of Detroit and local vendors that resulted in the production locating in Michigan as opposed to New York; cross-jurisdictional location and permitting assistance; promoted on social media and newsletter; developed internship program with City of Detroit (Mayor's office) to recruit interns for the production while providing talent development opportunities for youth.
Workshop	Talent in Advertising - MI Production Alliance	unknown	Promoted socially
Festival	Soo Film Festival	unknown	Promote on social media, website and newsletter
Festival	Detroit Design Festival	unknown	Promote on social media, website and newsletter
Feature Film (incented)	Elder Island	Est \$249,085	Private Investment leveraged through incentive program. Promote on social media, website and newsletter
Festival	Hamtramck Labor Day Festival	unknown	Promote on social media, website and newsletter
Event	Moving 24 FPS: Dance and Film Weekend	unknown	Promoted socially
Workshop	The Filmmaker - Motion Picture Institute	unknown	Promoted socially
Video Game (incented)	Tuebor - Strength in Numbers	Est \$760,283	Private Investment leveraged through incentive program. Promote on social media, website and newsletter
Feature Film	Stash	unknown	Promoted socially
Student Competition	Mosaic Film Experience	unknown	Promote on social media, website and newsletter
TV series	Big Brother Casting Call	unknown	Promoted socially
Documentary Film	Unzipped - Cast/Crew Call	unknown	Promoted socially
TV series	Innovation Nation w/ Mo Rocca	unknown	Promoted socially
Web Series	Northbound - The Northstar Saga	unknown	Promote on social media, website and newsletter
Conference	Meaningful Play - MSU Gaming Conference	unknown	Promote on social media, website and newsletter
TV series	House Hunters	unknown	Promoted socially
TV series	Rehab Addict	\$1,847,350	Private Investment leveraged through incentive program. Promote on social media, website and newsletter
DocuSeries	L.I.V.E. the Show - Crew Call	unknown	Promoted socially
Book	313ONELOVE - Book Launch	unknown	Promoted socially
Student Film	Compass Film Academy Capstone Auditions	unknown	Promoted socially
DocuSeries (incented)	Street Cred - Auditions	Est \$226,750	Private Investment leveraged through incentive program. Promote on social media, website and newsletter
Event	Motor City Comic Con	unknown	Promote on social media, website and newsletter
DocuSeries	Pleasant Peninsula's - Adventure Series	unknown	Promote on social media, website and newsletter
Feature Film	Ruth - Props Request	unknown	Promoted socially

Project Type	Project Name	Investment Leveraged (private investment)	Services Provided by MFDMO
DocuSeries	Mother & Midwife Productions	unknown	Promote on social media, website and newsletter
Student Film	Married on a Monday - Casting Call	unknown	Promoted socially
Film Competition	Rock Hard Film Fast - Call for Entries	unknown	Promoted socially
Festival	Michigan Student Film Festival	unknown	Promote on social media, website and newsletter
Event	Detroit ACM SIGGRAPH - Various Events	unknown	Promote on social media, website and newsletter
Feature Film	Who Will Move the Stone	unknown	Promoted socially
Event	Modern TV's Film & TV Industry Mixer	unknown	Promoted socially
Festival	Hamtramck Music Festival	unknown	Promote on social media, website and newsletter
Festival	Kalamazoo Teen Filmmaker Festival	unknown	Promote on social media, website and newsletter
Festival	Cabin Fever Film Festival	unknown	Promoted socially
Festival	Central Michigan International Film Festival	unknown	Promote on social media, website and newsletter
Event	Michigan House at NAIAS	unknown	Promote on social media, website and newsletter
Workshop	Stratton Camera Workshop	unknown	Promoted socially
Education Institution	Interlochen Academy Auditions	unknown	Promoted socially
Event	Start Garden's 5x5 Nights	unknown	Promoted socially
Documentary Film	The Michigan Ice Film	unknown	Promote on social media, website and newsletter
Event	Intro to Coding - Girl Develop It/Grand Circus	unknown	Promoted socially
TV series (incented)	TogetherNESS	Est \$276,667	Private Investment leveraged through incentive program. Promote on social media, website and newsletter
Mobile App (incented)	Santa Spycam - BelieveIN, LLC	\$289,773	Private Investment leveraged through incentive program. Promote on social media, website and newsletter
Festival	Thunder Bay International Film Festival	unknown	Promote on social media, website and newsletter
Event	Creative Connect "How's Your Pitch?"	unknown	Promote on social media, website and newsletter
Documentary Film	Exported From Michigan	unknown	Promote on social media, website and newsletter
Feature Film	Home Again	unknown	Promoted socially
Festival	Riverside Saginaw Film Festival	unknown	Promoted socially
Festival	East Lansing Film Festival	unknown	Promote on social media, website and newsletter
TV series	America's Got Talent - Detroit Auditions	unknown	Promoted socially
Feature Film	Superior	unknown	Promote on social media, website and newsletter
Event (MFDMO sponsorship of \$500)	Made in Michigan Festival	\$7,225	Promote on social media and newsletter
Event (MFDMO sponsorship of \$1,000)	Saugatuck Shorts Film Festival	\$5,000	Promote on social media and newsletter
Event (MFDMO sponsorship of \$5,000)	Ann Arbor Film Festival	\$385,783	Promote on social media and newsletter
Event (MFDMO sponsorship of \$5,000)	Capital City Film Festival	\$100,000	Promote on social media and newsletter
Event (MFDMO sponsorship of \$2,500)	Trinity International Festival	\$5,000	Promote on social media and newsletter
Event (MFDMO sponsorship of \$5,000)	Courageous Persuaders Award Ceremony	\$123,800	Promote on social media and newsletter
Event (MFDMO sponsorship of \$7,500)	Cinetopia Film Festival	\$377,000	Promote on social media and newsletter
Event (MFDMO sponsorship of \$45,000)	Artprize	\$3,595,000	Promote on social media and newsletter
Event (MFDMO sponsorship of \$15,000)	Digital Summit Detroit	\$1,000,000	Promote on social media and newsletter
Event (MFDMO sponsorship of \$3,000)	Hell's Half Mile Film Festival	\$48,592	Promote on social media and newsletter

Project Type	Project Name	Investment Leveraged (private investment)	Services Provided by MFDMO
Event (MFDMO sponsorship of \$5,000)	Visiting Film Artist Series	\$19,020	Promote on social media and newsletter

SPECIAL PROJECTS

In addition to general services provided by the MFDMO, the office also manages multiple short-term and continuous special projects, driven by a comprehensive strategic plan released by the MFDMO in May 2015. The plan included immediate and long-term goals and recommendations to bridge gaps among the creative industries, promote the Pure Michigan business and tourism campaign, improve transparency to the public and legislature and ultimately ensure that taxpayer dollars are being used wisely. The recommendations and special projects are categorized in terms of Talent Development, Digital Media, Education, Promotion, Transparency and Customer Service.

While the landscape of the MFDMO has changed drastically since the release of this plan with the end of the film incentive program, the MFDMO has been working diligently to implement as many recommendations as possible in FY 2016. The MFDMO is pleased to report that over 68 percent (26 of 38) of the recommendations have been completed, since May 2015, and many will have continued implementation marks in the months and years to come. **Please find a listing of the completed recommendations at this link: <http://puremi.ch/2loQHJZ>.**

*Estimates in private investment are based off of incentive applications. Totals are not be confirmed until Certificate of Completion Requests have been processed and spending verified.