



MEMORANDUM

Date: March 1, 2010

To: The Honorable Jennifer M. Granholm
Governor of Michigan

From: Janet Lockwood
Michigan Film Commissioner

Re: Michigan Film Industry 2009 Annual Report
Operation and Effectiveness of the Refundable Tax Credit

Section 455(11) of Public Act 36 of 2007 (Michigan Business Tax Act) requires the Michigan Film Office to provide to the Governor, the president of the Michigan Strategic Fund, the chairperson of the Senate Finance Committee and the House Tax Policy Committee, not later than March 1 of each year, a report concerning the operation and effectiveness of the film industry refundable tax credit. Pursuant to that requirement, please find attached the 2009 Annual Report, with exhibits.

If you have any questions regarding the information in this report, please feel free to contact me at 517.373-0638.

Attachment

cc: Senator Nancy Cassis, Chair, Senate Finance Committee
Representative Kate Ebli, Chair, House Tax Policy Committee
Greg Main, President, Michigan Strategic Fund

**MICHIGAN FILM OFFICE
2009 ANNUAL REPORT**

OVERVIEW

The Michigan film incentives program has now been in effect for nearly two years. Signed into law by Governor Jennifer Granholm in April 2008, it is part of an aggressive economic stimulus package designed to grow our economy and create jobs in new sectors in Michigan.

The program provides incentives for film, television and other digital media production, as well as infrastructure development and work force training. Specifically, the laws provide a refundable tax credit of up to 42% for production work in Michigan; a 25% MBT tax credit for infrastructure investment specifically designed for this industry; and a Michigan MBT tax credit for worker on-the-job training.

The incentive program has been a success insofar as film production is concerned; the infrastructure projects are slower in materializing with one facility now in operation in Walker, Michigan, and another in Manistee, but with no infrastructure credit claimed yet. Five other projects continue to move forward, in metropolitan Detroit, and in Southwest Michigan.

REFUNDABLE TAX CREDIT – OPERATION AND EFFECTIVENESS

This credit has been very effective in attracting qualified productions to Michigan. We are currently ranked as one of the top 3 states in America for shooting all types of media because of the refundable tax credit. Other key strengths for Michigan include our skilled work force and our locations. Filming expenditures in Michigan have increased from \$125 million in 2008 to an **estimated** \$223.6 million in 2009. Michigan jobs for crew exceed 4,000, with another 4,000 jobs for actors, as both extras and day players. The bulk of the crew jobs average \$30 or more an hour.

In 2009, 126 companies applied for the refundable tax credit. Of those, 62 were approved and 46 of those companies completed their work in 2009. Those projects, including their genre and filming locations, are:

Daisy Tells A Secret	Animation	Detroit
The Oogieloves	Live Action and Animation	Canton, Farmington Hills, Holland, Shelby Township, Waterford Township
The Genesis Code	Feature	Grand Rapids, Lowell,

		Wyoming
The Next Great Mission	Documentary	Ann Arbor, Detroit, Harbor Springs, Saline
Hung	HBO Series	Bloomfield Hills, Birmingham, Detroit, Clarkston, Livonia, Orchard Lake Village, Troy, West Bloomfield, Wyandotte
Stone	Feature	Ann Arbor, Dexter, Jackson, Ypsilanti
Meltdown	Feature	Bay City, Saginaw
Trivial Pursuits	Feature	Ann Arbor
Jump Shipp	Internet Series	Grand Rapids
The Lake Effect	Feature	Coloma, Fennville, Grand Junction, Kalamazoo, Portage, South Haven
Caught in the Crossfire	Feature	Grand Rapids
Flipped	Feature	Ann Arbor, Saline, Manchester
Wooden Boats	Documentary	Boyne City, Mackinac Bridge, Upper Peninsula (multiple cities)
Motor City Motors	Television series	Detroit
What If...	Feature	Manistee
Crash Course	Reality TV series	Detroit
Fitful	Feature	Manistee
Game of Death	Feature	Detroit
Annabelle and Bear	Feature	Canton, Detroit, Ferndale, Grand Blanc, Hamtramck, Hazel Park, Highland, Holly, Milford Township, Plymouth, Pontiac, Royal Oak
Piranha3D	Post Production, Feature	Ann Arbor
Highland Park	Feature	Detroit, Highland Park
The Wannabes	Television Series	Howell
What's Wrong With Virginia?	Feature	Boyne City, Grand Haven, Holland, South Haven
Red Dawn	Feature	Brighton, Detroit, Grand Ledge, Harper Woods, Highland Township, Milford Township, Mount Clemens, Pontiac, Royal Oak, Troy
A Clark Family Christmas	Television Special	Southfield

John the Revelator	Feature	Manistee
Alleged	Feature	Crossroads Village, Flint
Master Class	Feature	Detroit, Lake Orion Township, Rochester
A Year in Mooring	Feature	Traverse City
Grey Skies	Feature	Lake City
Dreams of Freedom	Documentary	Detroit, Birmingham, Ferndale, Royal Oak, Jackson, Lansing
Flight of the Dragon	Documentary	Farmington Hills
The Tractors	Documentary	
Vanishing on 7th Street	Feature	Detroit, Southfield
Naked Angel	Feature	Ann Arbor, Detroit
Hunting Blind	Short	Brighton, Commerce Township
Crave	Feature	Detroit, Northville, Royal Oak
Jerusalem Countdown	Feature	Manistee
You Don't Know Jack	HBO Feature	Detroit, Royal Oak, Pontiac, Clawson, Troy
Prospect Park	Feature	Detroit, Berkley, Ferndale, Pleasant Ridge
Best Girlfriends	Short	Ferndale, Hamtramack, Oak Park
Trust	Feature	Ann Arbor, Dexter, Novi, Plymouth, Westland
Cedar Rapids	Feature	Ann Arbor, Saline, Ypsilanti
The Domino Effect	Feature	
Mooz-Lum	Feature	Ann Arbor, Dearborn, Monroe, Ypsilanti
It Ain't Over 'Til It's Over	TV documentary	Detroit

Additionally, 6 companies that applied in 2008 completed their work in 2009. Those projects, including genre and locations, are:

Betty Anne Waters	Feature	Ann Arbor, Chelsea, Dearborn, Detroit, Dexter, Howell, Jackson, Pinckney, Ypsilanti
Little Murder	Feature	Detroit
The Irishman	Feature	Detroit, Ecorse
Capitalism: A Love Story	Documentary	Traverse City
Hopeful Notes	Feature	Grand Rapids
Up in the Air	Feature	Romulus

The statute requires that we report the amount of money spent by each eligible production company that produced a qualified production in Michigan in the past calendar year, and a breakdown of all production spending classified as goods, services and salaries/wages. The statute also requires that we report an estimate of the number of people employed by the eligible production companies and the value of the tax credit certificates of completion "issued" in the preceding calendar year.

Please see Exhibit A, which is an estimated breakdown of all the required fields.

NOTE #1: the numbers listed in the Salaries/Wages column include both Above the Line (producers, directors, actors) and Below the Line (all MI crew wages); much of that total number stayed here, in Michigan. There were Michigan producers, directors and actors in the Above the Line category in at least 75% of the projects.

NOTE #2: Several projects requested confidentiality; we have honored that request by excluding the title of the project but including the expenditures/breakdowns.

No Certificates of Completion for 2009 productions were issued or signed in 2009. All Certificates that are approved have been or will be signed in 2010. Exhibit A shows the **anticipated** rebate expected by those companies that filed by December 31, 2009.

One 2008 project that completed their work in 2009 did receive a signed Certificate of Completion. We have identified that project with an asterisk (*) in Exhibit A.

Exhibit A also shows the total of Michigan jobs created by the listed productions, as well as the .05% Michigan Film Office Fund fees. The Michigan jobs figure does not include talent; adding in actors and extras would double the number.

Please note that there are only 41 productions in the list. This is because only 38 of the 46 completed 2009 productions filed in 2009. The remaining 8 have fiscal years other than 12/31 or simply missed the deadline. Consequently, there will be no refundable tax credit paid to them in 2010 for 2009 work; their Michigan expenditures will be included in the 2010 report as will their refundable tax credit totals. They have filed no post production paperwork with the Michigan Film Office and the Department of Treasury. The other 3 productions are those that applied in 2008 and completed their work in 2009, for the total listed of 41. Three completed 2008 productions have not yet filed for either year.

As evidenced above and in Exhibit A, Michigan's aggressive film incentives are bringing new investment to the state. They are also laying the foundation for an industry that will support long-term growth with the new 10 West Studio in Manistee, Hangar 42 in Walker, and several other studio projects in the metropolitan Detroit area continuing to move forward.

Additionally, the new Workforce Development program put in place by the Michigan Film Office in late 2009 accomplishes two important things: It provides cutting edge curriculum developed by the best in the field and available for use by any Michigan educational institution, and by so doing, it increases the number of skilled and professional crew people in our state. The current generation of high school and college students will realize they need not get their high tech training out of Michigan. They will also realize they can earn an excellent living in their chosen fields without leaving home. Our next goal is to bring the gaming industry to Michigan, which will offer even more high tech jobs. A draft plan is undergoing scrutiny and revisions at this time.

As Exhibit B, we are attaching a list of Success Stories. These stories show the effect the film incentives have had on many Michigan residents, in some cases profound.

We are also attaching a list of the members of the Michigan Film Office Advisory Council, who assist the film office in a multitude of ways.

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MICHIGAN FILM OFFICE ADVISORY COUNCIL

The Michigan Film Office Advisory Council is responsible for advising the office, the fund, the Governor and the Legislature on how to promote and market Michigan to film, television, digital media and related industries.

MEMBERS

William H. Black, Rochester Hills	Legislative and Community Affairs Director Michigan Teamsters
Robert L. Brown, Farmington	Managing Partner Charity Island Pictures, Purple Rose Films
James S. Burnstein, Plymouth	Owner, Elsinore LLC Professor, University of Michigan
Xenia E. Castillo-Hunter, Southfield	Manager, Film Detroit, a division of the Detroit Convention & Visitors Bureau
Hopwood Depree, Holland	CEO, TicTock Studios
Marcia C. Fishman, Southfield	Executive Director, Screen Actors Guild Michigan, Greater Philadelphia and Delaware
Cory A. Jacobson, Southfield	Owner, Phoenix Theatres, Laurel Park Theatres
Danialle Karmanos, Orchard Lake	Foundation and Executive Director Danialle Karmanos' Work It Out
Emery C. King, Bloomfield Hills, Chairman	Owner/Vice President, Kingberry Productions Communications Director, Detroit Medical Center
Timothy F. Magee, Grosse Pointe Park	Vice President International Alliance of Theatrical Stage Employees
Sue E. Marx, Birmingham	Film Producer/President, Sue Marx Films, Inc.
Michael f. Moore, Central Lake	Filmmaker/Co-Owner, Dog Eat Dog Films
William P. O'Reilly, Bloomfield Hills	President, Montana Corporation
Marc L. Prey, Milford	Attorney at Law

Michigan Film Office 2009 Annual Report Exhibit A									
Project Number	Project Name	Salaries	Goods	Services	Total Expenditures	Estimated Credit	0.05%	Jobs	
071-2009	Alleged	\$2,510,033	\$618,273	\$944,704	\$4,073,010	\$1,119,677	\$5,627	143	
060-2009	Annabelle and Bear	\$9,986	\$55,953	\$28,415	\$94,354	\$38,039	\$191	2	
084-2008	Betty Ann Waters	\$7,978,689	\$973,641	\$1,846,676	\$10,799,006	\$4,210,927	\$21,160	332	
097-2009	Best Girlfriends	\$37,485	\$13,723	\$8,135	\$59,343	\$23,014	\$123	27	
040-2009	Caught in the Crossfire	\$271,637	\$107,426	\$49,646	\$428,709	\$177,335	\$891	40	
066-2009	Clark Family Christmas	\$50,000	\$12,500	\$3,500	\$66,000	\$27,090	\$135	20	
000-2009	Confidentiality Requested	\$3,554,703	\$2,440,713	\$858,980	\$6,854,395	\$2,686,624	\$12,501	134	
006-2009	Daisy Tells a Secret	\$56,746	\$1,636	\$35,454	\$93,836	\$36,974	\$195	8	
056-2009	Fifful	\$254,182	\$26,107	\$128,816	\$409,105	\$169,748	\$853	25	
000-2009	Confidentiality Requested	\$6,695,512	\$2,799,820	\$1,169,664	\$10,664,996	\$4,016,748	\$20,185	215	
000-2009	Confidentiality Requested	\$8,846,998	\$1,244,480	\$1,874,945	\$11,966,423	\$3,683,328	\$24,073	188	
010-2009	Genesis Code	\$2,225,171	\$476,013	\$1,807,151	\$4,508,335	\$1,749,796	\$8,793	118	
079-2009	Grey Skies	\$77,464	\$9,946	\$29,869	\$117,279	\$46,470	\$234	14	
062-2009	Highland Park	\$2,459,399	\$663,575	\$553,723	\$3,676,697	\$1,443,010	\$7,252	160	
000-2009	Confidentiality Requested	\$2,769,141	\$565,857	\$579,487	\$3,914,485	\$1,443,325	\$7,253	143	
088-2009	Hunting Blind	\$79,372	\$16,145	\$10,772	\$106,289	\$41,567	\$219	26	
110-2008	Irishman	\$5,362,892	\$1,090,895	\$547,992	\$7,001,779	\$2,994,357	\$15,047	205	
000-2009	Confidentiality Requested	\$28,815	\$16,189	\$11,690	\$56,694	\$23,363	\$117	24	
090-2009	Jerusalem Countdown	\$366,226	\$117,290	\$66,499	\$550,015	\$220,006	\$1,100	27	
070-2009	John the Revelator	\$159,266	\$27,265	\$18,360	\$204,891	\$84,641	\$423	14	
036-2009	Jump Shipp	\$134,871	\$40,909	\$21,960	\$197,740	\$82,386	\$414	11	
072-2009	Master Class	\$7,130,614	\$1,457,789	\$511,496	\$9,099,899	\$3,506,987	\$17,535	54	
031-2009	Meltdown	\$128,176	\$88,536	\$109,267	\$325,979	\$136,227	\$685	41	
108-2009	Mooz-lum	\$1,180,958	\$126,955	\$241,228	\$1,549,141	\$617,400	\$3,103	84	
046-2009	Motor City Motors	\$1,574,775	\$623,140	\$560,842	\$2,758,757	\$1,101,943	\$5,510	33	
086-2009	Naked Angel	\$31,969	\$15,854	\$15,086	\$62,909	\$25,432	\$128	8	
009-2009	Oogieloves	\$7,945,241	\$1,107,587	\$2,247,967	\$11,300,795	\$4,039,167	\$20,297	184	
065-2009	Red Dawn	\$26,372,011	\$11,141,827	\$6,968,497	\$44,482,335	\$16,749,731	\$84,170	430	
028-2009	Stone	\$11,921,898	\$799,724	\$2,079,799	\$14,801,421	\$6,136,774	\$30,838	186	
011-2009	The Next Great Mission	\$368,545	\$18,627	\$98,803	\$485,975	\$203,089	\$1,021	14	
084-2009	Tractors	\$38,543	\$32,444	\$4,573	\$75,560	\$34,800	\$175	4	
035-2009	Trivial Pursuits	\$237,520	\$149,135	\$44,682	\$431,337	\$166,567	\$837	45	
101-2009	Trust	\$3,420,918	\$582,015	\$3,681,762	\$7,684,695	\$3,024,223	\$15,197	169	
135-2008*	Up in the Air	\$931,054	\$252,838	\$151,951	\$1,335,843	\$519,719	\$2,612	90	
085-2009	Vanishing on 7th Street	\$5,440,707	\$729,986	\$515,432	\$6,686,125	\$2,652,789	\$13,331	120	
000-2009	Confidentiality Requested	\$2,876,352	\$810,967	\$487,132	\$4,174,451	\$1,630,045	\$8,191	153	
051-2009	What If	\$285,508	\$74,990	\$43,590	\$404,088	\$163,438	\$817	26	
000-2009	Confidentiality Requested	\$2,470,439	\$1,044,657	\$1,135,670	\$4,650,766	\$1,811,685	\$9,104	198	
045-2009	Wooden Boats	\$90,315	\$45,833	\$12,318	\$148,466	\$59,140	\$297	7	
000-2009	Confidentiality Requested	\$2,248,690	\$331,557	\$1,155,209	\$3,735,456	\$1,466,028	\$7,367	79	
000-2009	Confidentiality Requested	\$732,393	\$146,643	\$66,698	\$945,734	\$364,249	\$1,830	66	
Total:		\$119,355,213	\$30,899,459	\$30,728,440	\$180,983,113	\$68,727,858	\$349,831	3867	

EXHIBIT B

INDIVIDUAL SUCCESS STORIES

DEANO'S INC., Grand Rapids

Full-service studio operating over 20 years has benefitted from in the current film activity. Providing work ranging from lighting services and grip and electric, to full set design, staging and production on its two sound stages, including one dedicated solely to green screen. Has added one free lance builder, and is investigating purchase of a larger 10-ton grip & electric truck.

Film credits to date: *Chaos Experiment, Hopeful Notes, Caught in the Crossfire*
Revenue from Film Business: \$123,000

SHELL GAS STATION, Howell

Unassuming gas station on Pinckney Rd. saw diesel fuel business double for four months in Fall, 2008. Fuel was sold for a variety of production uses, including trucks, generators, honey wagons, snow-melting machines (since location subbed for Los Angeles) and crew's personal use.

Sales Volume: 200-300 gallons of diesel fuel per day (\$4,000/month avg.)
% Increase from '07: 100%
Films worked on: *High School*

Quote from proprietor **Tom O'Connell:**
"It definitely made my fiscal year. I'd do it again tomorrow. Send them back."

SCENIC DESIGN GROUP, Fraser

A classic comeback story for this props, set design and fabrication company, which almost moved to Las Vegas after a large downturn in local business. Owner **Jonathan Krueger** nearly started over from scratch, working out of his home basement. After a referral led to work on ABC TV's *Extreme Makeover: Home Edition* in 2008, he was hired for ABC's obstacle course reality show *Crash Course*. Company expanded into a 500 sq. ft. shop, and then into a new 15,000 sq. ft. building in July, 2008, filling its floor space gradually as the work has increased.

Film & TV revenue: \$200,000
Employment: Expanded to six full-time staffers from two
Hired 35 part-timers for *Crash Course* (including many out-of-work auto workers, designers, carpenters).

Quote from owner **Jonathan Krueger:**
"The last year and a half I've been extremely blessed. Business now is exponentially higher than what we were doing."

CHOW CATERING, Grand Blanc

Has just purchased a SECOND NEW CATERING TRUCK, each at \$100,000, plus another \$20,000 in support and storage vehicles.

Has hired five part time employees, accompanying the 10 new full-timers hired in early summer.
SALES YEAR TO DATE: \$750,000
% INCREASE OVER 2007: 100%

Quote from owner **Dan Gearig**:

“The film bill is great for the small guys...like me. I’ve been hiring like crazy. I can see us hitting \$1 million in revenue next year at the rate things are going. It’s helping other small companies too, like limousines, chair rental companies and others.”

CITY OF DETROIT

A simple cash infusion came from ABC TV last summer for use of the concrete paddock on Belle Isle, for the network’s *Crash Course* reality show. Eyewitness accounts say the island park has never looked better serving as an outdoor film location, and ABC is already in preparation for returning for more episodes.

Season 1 Revenue (3weeks of use): \$20,000

Quote from executive producer **Kent Weed**:

“We’re basically building an amusement park on Belle Isle. We looked at a number of places, but Detroit is the Motor City. The location is perfect.”

D.P. MAKEUP STUDIO, St Clair Shores

Another small business opened up last year, as 15-year auto industry veteran **Dan Phillips**, having survived a previous layoff at Chrysler Corp., took a buyout from Mopar Auto Parts in May 2008, just after the film incentives passed. Having studied makeup for several years, he was able to land a gig on two projects last year, and opened his D.P. Studios in November where he teaches 10 students at a time.

Projects worked on: *Come on Over, Crash Course, Alleged, Crave, John the Revelator*

Quote from **Dan Phillips**:

“I saw the writing on the wall when they offered the first set of buyouts, and people thought we were nuts to take it. I knew I wanted to do this full time, and it all seems to be working out.”

HOWELL WESTERN WEAR, Howell

An unexpected windfall of sales, PR and word-of-mouth for this independent shop in Howell when the film *Betty Anne Waters* filmed there as the entire crew stopped in, including stars Hilary Swank and Minnie Driver. The visitors scooped up stacks of boots, belts and shirts from the shelves, bringing in more than \$1,000 *above* a typical day’s receipts.

Single day gross revenue: \$2,000

% Over Normal Business: 100%

Quote from proprietor **Lynn Trevor**:

“It was wonderful. They mobbed the place on Saturday, and showed total professionalism. We had all movie people for two straight days, and we’re still doing business with some of them, via on line. With the word-of-mouth, and neighborhood buzz, it was an unexpected bonus to the operation.”

AROUND THE WORLD TRAVEL, Farmington Hills

Linda Sherman had been keeping things afloat at her Detroit area travel agency despite her corporate client sector trending continuously downward the last 10 years, reflecting statewide conditions. Founded in 1983, she had a brief taste of film work years ago on the movie “Judicial Consent,” so when the

incentives passed, she registered on the Michigan Film Office Production Directory the next morning and has seen substantial results. A moderate sized operation, Around The World has serviced five projects so far, and hired one new full time employee to assist the workload.

2008 Sales Increase vs. 2007: up 25%
2009 Film Business vs. 2008: up 50%
Film Credits to Date: *Miss January, Intent, Game of Death*
Oogie Loves Big Balloon Adventure,
A Year in Mooring

Quote from **Linda Sherman**:

“All of my corporate business is down. Simply put, the film business has put the wind back in my *sales*. I am thankful for this business every day.”

WHALEY CHILDREN’S CENTER, Flint

Annual event benefitting this residential treatment center for children received unexpected contributions from the director and stars of “**Alleged**,” a film about the Scopes Monkey Trial, which recently filmed in Flint and Crossroads Village.

Stars Nathan West, Ashley Johnson, JR Bourne and director Tommy Hines contributed both time and money to the Oct. 10, 2009 event, auctioning off two set tour and lunch packages (raising \$1,900), while also making the winning bid on a Detroit Pistons suite package (\$1,000) and a Cabo San Lucas vacation (\$600). In addition, another 40 event tickets were sold in the few days following announcement of their attendance and participation.

Amount donated/facilitated by “Alleged” contingent: \$ 7,100
Total Amount Raised: \$ 45,000

Quote from **Jill Katynski**, Development Coordinator:

“The actors and director were simply great. They stayed for dinner, took photos, discussed the set-visit package, and were just totally accommodating. And the winning bidders on the set visits, needless to say, had a fabulous time. We depend on this event for a good portion of our annual budget, so their assistance was beyond helpful.”

STUNT COORDINATOR STEVE HART, Lowell

Lakeview, Mich. native **Steve Hart** worked in Hollywood for 30 years as a Stunt Coordinator and 2nd Unit Director until passage of the film incentives presented an opportunity to return to his home state. In November 2008, he purchased a new home in Lowell, east of Grand Rapids, and resuming his Michigan residency, now divides his workload between Michigan and around the country as the state's filming and stunt work gain traction. Steve also gives back when he can between gigs, having already addressed film students at nearby Compass Academy in Grand Rapids.

Film credits since returning to Michigan: *Chaos Experiment, The Irishman, Hung*

Quote from **Steve Hart**:

“When I moved in, I looked at the river behind my house, and said, ‘I’m home. This is exactly where I want to be.’ I can see this being my retirement home.”

MICHIGAN MOVIE MAGAZINE, Dexter

Given the current economic climate, and with print journalism contracting as much as the car business, starting a new magazine today could easily be called gutsy, crazy, or both. **Chris Aliapoulios** might accept either label after introducing his new publication last July, **MICHIGAN MOVIE MAGAZINE**. Yet another auto exec to take a buyout (19 years at Ford in quality control and engineering), Chris saw an

obvious opportunity as Michigan's film activity exploded last year after the film incentives went into effect.

With partner **Kuba Ingram**, the publication covers all facets of Michigan filmmaking – from set visits to producer/star profiles to premieres to the burgeoning workforce - staking a claim to be at the forefront of Michigan's hot new industry.

Employment: 6 core staffers; 16 free lance contributors
Circulation: 5,000, and growing
Distribution: Borders, Barnes & Noble, Waldenbooks, BookWorld stores in Michigan, Ohio, Illinois
Ancillary Products: * Sister television show now in production, targeted for statewide broadcast syndication
* Sister e:zine featuring related video content, debuting soon

Quote from **Chris Aliapoulos**:

“After the buyout, we asked, ‘What do we want to do now?’ Here was something new to the state that was actually growing! We want to build something that’s not just a product, but to get people involved. The film business is like a beacon now; not just movies, but video games, digital media, websites, all galvanizing lots of people. It’s great to see.”

EPICENTER STUDIOS RELOCATES TO DETROIT AREA

Los Angeles-based video game developer (*Real Heroes: Firefighter*) is opening a second studio here, preparing to operate multiple divisions. CEO **Nathaniel “Than” McClure** (producer, *Call of Duty* franchise) intends to bring 2-6 staffers from L.A., and **add 20-25 local hires** in the games division alone over the next 12-18 months. Two projects incorporating a multi-million dollar budget will be immediately commenced once the company opens its doors, scheduled for this fall. He has just opened production office space in Farmington Hills for his company, **Scientifically Proven**.

Other divisions include film and television, requiring **another 15 local hires**, all full-time, year round employees. One feature film has been green lit already, with an intended Michigan shoot, with another one scheduled soon after, in addition to a reality television show now in advanced development.

Quote from CEO **Than McClure**:

“Many friends and associates in the industry are showing great interest in coming to Michigan as well. When they see what the state has to offer, be it home values or school systems, or the four seasons, it’s basically a no-brainer. We’re excited to be part of this new vibrant and creative community.”

For more on Than McClure and Epicenter, go to:

http://bigscreenmichigan.com/testimonials/bsmT_ThanM.html

“TICTOCK VILLAGE” FILM COMMUNITY, Holland

Urban renewal became an added serendipitous benefit of the Michigan film incentives as Holland-based TicTock Studios, expanding its existing production operation, turned a gang and drug riddled area of the city's 18th Street into a literal creative campus. TicTock developers gutted and fully renovated five homes in a row, expending about \$100,000 each, installing new granite counters, Jacuzzis, landscaping, etc.. The homes have been transformed into studio-type housing for production offices, wardrobe and even as a filming location (*Tug*).

Renovations were done to 15 other homes in the few block radius, plus on two commercial buildings, facilitating commercial investment of a new coffee shop and an art studio. Gang tagging and crime have since fallen drastically in the area, while other residents have also increased their own home maintenance efforts.

Total capital investment: \$750,000
No. of full-time employees: 6
West Coast Transplants: 3

Dina Marie Chapman (screenwriter), Christine Elise (actress), Michael Hagerty (actor) have all purchased homes in the area, living here full or part time and/or working on Michigan film projects.

Quote from Dana DePree Minter:

“We wanted to create a positive impact on the area, and improve the neighborhood while also increasing the feeling of community and a creative environment. The gang activity alone, fellows hanging out on the corners has subsided greatly.”

SPECIAL D Events, Royal Oak

Long time special events producer began offering VIP Airport Facilitator (“Meet & Greet”) Service a few years ago, and has seen that sector of business spike since the film incentives passed in April 2008. Providing the definition of personal service, Special D Events personnel assist travelers from the point of stepping off a plane - *at the gate* - to getting securely into their limo or hotel, and vice versa. In a post-9/11 world, it is a service that is often invaluable for new visitors to the area, helping with security problems, missing luggage, delayed or cancelled flights, security or privacy issues, and an overall first and lasting impression of Michigan hospitality.

Assignments *pre*-film incentives: 2-3 per year
Assignments *post*-film incentives: 15 so far in 2009
No. of film clients: 2
Titles of film credits: *Oogieloves Big Balloon Adventure, Game of Death*
No. of employees retained: Rotating roster of ten free lance employees

CLIFTON CHIPPEWA – From Salon Owner to Emmy Award Nominee

Ann Arbor hair stylist sold his salon in October, 2008, and with no idea what he would do next, said to his wife, “Let’s see what unfolds.” With a few movies already under his belt, Clifton was recruited for the Lifetime movie, *Prayers for Bobby*. A half dozen projects later, Chippewa, whose surname derives from his Saginaw Chippewa Native American tribe, **was nominated for an Emmy Award** for his work on TNT’s *Gifted Hands: The Ben Carson Story*.

Clifton’s experience on HBO’s *61** was huge training for him, preparing 465 extras per day, to fill the stands of Tiger Stadium. That experience came in handy on *Prayers* which featured hundreds of extras, and 2009’s remake of MGM’s *Red Dawn*, which in some scenes requires as many as 6,000 extras.

Now one of the state’s senior film stylists, Clifton gives back to the industry too, having conducted a 5-day hairstyling course with his mentor, Emmy Award winner Julia Walker.

Film credits to date: *61**, *8 Mile*, *Jumper*, *Prayers for Bobby*, *Gifted Hands*,
Gran Torino, *America*, *Butterfly Effect 3*,
Betty Anne Waters, *Flipped*, *Red Dawn*

Quote from Clifton Chippewa:

“Certain people took me under their wing and worked with me, which I needed even after doing hair for 42 years previously, so there’s a definite learning curve for this business. What you know from salon work you can leave at the door. The incentives are great for our state in a variety of ways. So many people are now comprising a new industry, and creating an actual film community.”

Producer JENNIFER WESTIN – Returning home created *The Lake Effect*

Kalamazoo native returned home to produce her first project after working on both coasts for several years, overseeing a script's revision specifically to take place in Western Michigan. Westin conducted her own Michigan filmmaking lab, housing the writer/director and their lead actors for several weeks at her family's beach house near South Haven. "It was a lot like camp," she says. There, *The Lake Effect* was revised and polished for filming last summer, and stars Disney Channel star **Kay Panabaker**, who soon appears in MGM's upcoming remake, *Fame*.

With an ultra-low budget and crew, not to mention 13 local actors, the show provided great experience to many apprentices in the area, where the crew base is still building. Some very experienced keys, and a cinematographer who has shot around the world were glad to mentor the young crew. "Enthusiasm and responsibility are as important as skill," says Westin.

Quote from Jennifer Westin:

"Most producers find a project, and then a state to film it in. We did the reverse, finding the state first, and then the project. We got every location we wanted, which hardly ever happens. Places like the Western Michigan campus, the old Gibson Guitar plant (now Heritage Guitars) and Bell's Eccentric Café in Kalamazoo, and South Haven's Sherman's Ice Cream, all affirming the movie's authenticity. The incentives program is just fantastic. Plus, with fresh water and sandy beaches, how could it go bad?"

MANNIE'S BAGEL AND DELI – The Summer Downturn that Wasn't.

Proprietor Annie Goldberg has been able to pay her bills worry free for the first summer since opening her doors five years ago. The summer off-season has annually been one of penny-pinching and tentative employment for her staff.

Unexpectedly, Kind Services, a leading movie craft services company, began ordering a rash of bagels, salads, sandwiches and spreads, leading Goldberg and her master baker to arrive at 3am daily to start preparing, and thus giving more hours to her staff.

Quote from Annie Goldberg:

"It's been incredible. The film business kept me going during my summer slow season. Normally, I'm nervous that I won't be able to make the rent. As a mom & pop shop, my numbers aren't that big, but they're very big to me. I had no idea what the film incentives were all about, but Bryan and Megan (of Kind Services) were coming in 5-6 times a week, ordering more and more. In turn, I'm ordering more from my suppliers as well as keeping people employed!" I imagine this is a wonderful thing for the Michigan economy, and I am happy and thankful to be a part of it.

KIND SERVICES, Auburn Hills

Craft Services company almost moved to Oregon after the decline of the TV commercial industry, but since the incentives passed, have hired four new employees, and a host of part-timers. Now up to three crews working at any one time, and may need a fourth. Has invested \$15,000 in a new truck and equipment.

GROSS REVENUE:	Avg. of \$20,000/week
INCREASE OVER 2007:	350% per current pace

Quote from co-owner Bryan Meganck:

"I'm turning down two movies for every one I accept, but our business is about personal service, so I'm fine with a controlled growth. It spreads the benefits to more parties. I've also met a half dozen crew members - returning Michigianians or L.A. transplants - now moving back to Michigan. And two of these guys are already buying homes."

INTEGRATED TAX STRATEGIES, Dearborn

Accountant Julie May was pretty skeptical her firm **Integrated Tax Strategies** would benefit from the film incentives program when it began in 2008 since in her mind, an accounting firm is unrelated to the movie business. After a random personal connection led to her being hired to audit the Michael Cera-starring film "Youth in Revolt," she was a front row witness to the economic impact of just one film, which employed 159 Michigan residents for over 3,000 man days. Her firm, founded in 2006, has now seen continuous industry work with 17 projects on its resume, consisting of audits, application assistance, consultancy, and even monetizing and financing of incentives.

2008 Film-related business: 10% of company sales
2009 Film-related business: 30-40% of company sales
Staffing: Increased 67%, including one CPA, and one attorney.
Office space: Expanded into new location with 23% more square footage.

Quote from **Julie May**: "Initially, I was the last person to be endorsing the film program. However, my firm's activity aside, when I saw those job numbers, my eyes really opened up. My perspective on the incentives changed completely."

VINTAGE VOGUE, Pleasant Ridge

Opened the day after Christmas, 2008 as a temporary estate sale business. Starting with one employee, a steady flow of foot traffic soon arrived including a few Hollywood set designers from area film shoots. Word of their satisfaction spread quickly, and owner **Steve Humphreys** suddenly was scrounging every vintage prop or furniture piece he could find from the 1980s and earlier. Inventory now includes seven racks of clothes, as well as antiques, Modern and Deco furniture, vintage appliances, light fixtures, jewelry, art glass, plus anything of Lucite, chrome and vintage plastic.

Business has expanded from the original 5,000 sq. ft. showroom on Woodward to an additional 3,000 sq. ft. warehouse nearby, while Humphreys continually does due diligence researching the industry. Clientele now includes top set designers, with recent kudos coming from Emmy Award winner Rob Wilson ("Breaking Bad") working on the upcoming Lifetime film *Secrets in the Walls*. A new website is expected to be up in Jan., 2010.

Gross sales from film business: \$8,000-\$10,000
Film sector as % of total revenue: 20%
Employees hired: 10-12 people total, full and part timers
Film credits to date: *Oogieloves Big Balloon Adventure, The Irishman, Red Dawn, Highland Park, Crave, Vanishing on 7th St., Master Class, Trust, Secrets in the Walls*

Quote from **Steve Humphreys**:

"I thought I'd sell that first estate merchandise and leave. Now, a friend of mine who was out of work in IT is on board, finding estate sale buy-offs. A lot of the film folks are buying stuff for themselves too. This whole thing just snowballed."

CITY OF HIGHLAND PARK, McGREGOR LIBRARY

Credit surfing the internet for the movie *Highland Park* being shot in fall 2009 in, well, Highland Park. Writer/director **Andrew Meieran**, long time architecture buff and renovator of classic buildings, discovered Highland Park's closed McGregor Library on the internet while looking for a real life setting for his next film. A tale of community hope and unity in a once gloried industrialized city, the city of Highland Park and its McGregor Library became a perfect fit.

Mr. Meieran scouted the area on his own dime, and liking what he saw, returned home to San Francisco to adapt his screenplay specifically to the Detroit suburb. Concurrently, Citizens for McGregor Library, a 501

c (3) non-profit organization was formed in 2009 to raise funds for a renovation. The film itself stars actor **Danny Glover**, and before wrapping recently, Mr. Glover, producers and crew helped raise awareness and contributions to the cause with both a fundraiser event and a press conference featuring Lt. Gov. John Cherry.

Just blocks from Henry Ford's famed Model T factory, the library received the AIA's Gold Medal for Architectural Merit after opening in 1926, featuring tall bronze doors and classic Beaux Arts architecture before it closed in 2002. It was opened briefly for key scenes of the film to be shot inside. The renovation's first phase is planned for 2010.

Funds raised for Citizens of McGregor Library Fund: Over \$10,000
Total revenue for filming, locations and police: Over \$17,000

Quote from **Andrew Meieran**:

"Highland Park is the quintessential American town. The first assembly line, first \$5-a-day jobs, first middle class, first community college. The film shows that one character's focus on restoring the library can create an entire change of perspective."

Quote from **Yvette Robinson**, President of the Citizens for the McGregor Library:

The McGregor Library is a historic building filled with so much character, culture and a spirit of unity. Together, as a community, we are determined to repair and reopen the Library so the children, families and friends of Highland Park can again gather there to dream dreams, experience education and create memories.

MADONNA UNIVERSITY, Livonia

Madonna's long-planned \$21 million Science and Media Center opened in Fall of 2009, just over a year after the film incentives passed, culminating a decade of strategic efforts to substantially elevate its newly named Broadcast and Cinema Arts (BCA) Program. With the addition last year of Adjunct Assistant Professor **Christopher Coppola** (nephew of Detroit native and director Francis Ford Coppola), Madonna now offers students the latest high def and digital technologies in film, TV, radio and internet media, all entirely digital and tape free.

The school's Project Accessible Hollywood (PAH) Fest, created by Coppola, allows students to learn from professionals in Hollywood and Michigan, and also coach other filmmakers who have a story to tell.

Madonna also started producing its first commercial TV show, partnering with new publication **Michigan Movie Magazine** to thoroughly cover the state's burgeoning film industry, producing a 30-episode season. The school already produces *Madonna Magazine*, which airs on Archdiocese of Detroit and OSTN television networks.

Quote from **Chuck Derry**, director of BCA program:

"Our students do a lot of hands-on work with equipment typically found in studios and film sets across the country. The business is changing constantly and we want to prepare them to not only work in the current jobs, but, also to easily transition into the new jobs that the state's growing TV, film, and new media industries will be creating."

DOUBLE TREE HOTEL, Dearborn

Strategically located hotel's increased efforts toward film sector have led to a timely injection of revenue. Only 15 minutes or less to both Metro Airport and downtown Detroit, new policies enacted such as 24-hour room service and extended hours in the lounge helped the hotel land two projects in Fall 2009. Average rooms per night reached 27 at one point, in addition to revenue received from rental of office space.

Total no. of room nights: 933
Total Revenue (rooms plus ancillary): \$72,000
Films credits to date: *Crave, Little Murder, The Tractors*

Quote from **Keith Shopnick**, General Mgr. and Dir. of Sales:

“The film business has provided a needed supplement to our client base, especially during these challenging times. Our product offerings and proven service delivery are things we are proud of, and it’s great to see productions taking notice.”

DeSANTIS TRUCKING, Warren

Independent trash hauling company entered the film business providing an old ratty dumpster first as a prop for the pilot episode of HBO’s “Hung,” and then for actual trash hauling needed by the production. The company’s long time standard of immediate, personal service was a perfect match for film needs as positive word-of-mouth soon led to many projects.

Film credits to date: *Hung, Red Dawn, Highland Park, The Irishman, Little Murder, Game of Death*

New Hires: Zero. “But our guys were thrilled with the overtime.”
% of Film Sector to Total Revenue: 18% of 2009 4th quarter sales

Quote from **Frank D. Rymill**:

“The film business has been a nice shot in the arm, especially in a slow business climate. Our experience has been all positive. I don’t know everything about what film companies do, but I know they don’t want their material backing up or being handled twice. Their needs change at a moment’s notice, and that’s been our specialty for years. For a film like “Red Dawn,” which was off the hook, we were there when they needed us.”

Y ARTS MEDIA WORKS, Detroit

Inspired directly by the Michigan Film Incentives, an innovative new film and arts program was also created in 2008 at the downtown Detroit Boll Family YMCA. Founded and directed by Vice President, Arts and Humanities **Gillian Eaton**, the program produces a regular hub of Detroit high school and middle school student filmmakers, finding their creative voice as they learn and hone the craft of filmmaking with state-of-the-art cameras, computers and equipment. In year-round sessions at a growing list of locations including the Boll YMCA, River Rouge High School, Chrysler Elementary, Hanley International Academy and Woodward Academy, the students get hands-on experience making short films, sketches, documentaries and PSAs for real life clients such as the U.S. Census Bureau, local environmental groups and others.

No. of children participating: Approx. 150 annually
Annual budget raised: \$100,000
Contributing Sources: Erb Foundation, Knight Foundation, 21st Century Learning Grant

Quote from **Gillian Eaton**, Vice President, Arts and Humanities:

“No one was explaining to these kids that number one, the arts are not just opera and ballet, but also filmmaking of many types, contributing a massive amount to the national economy, and number two, they can choose this as an actual career. It’s quite thrilling to see a light go off in their heads as this opportunity literally changes the fabric of their life.”

KELLIN JOHNSON, Filmmaker from Minnesota to Royal Oak

Not often you hear of a young Midwestern filmmaker and student, anxious to break into Hollywood, who packs up his car for the big move to...Detroit!? Emblematic of the increased in-migration due to the state's film industry, Minnesota native and recent university graduate **Kellin Johnson** did just that. After driving in especially for the 2009 Michigan Makes Movies Expo and learning of the state's burgeoning industry, Johnson packed up and moved his residence here full-time five months later.

Arriving with a varied portfolio of 35 projects he has directed, produced and/or written, Johnson's short film *The Hill* was just accepted, and has been nominated for two awards (editing, original score) in the Detroit Independent Film Festival being held at Wayne State University in March 2010. While awaiting crew opportunities after the winter shooting slowdown, he is currently writing his next feature length screenplay.

Year of graduation, S. Dakota State U:	2008
Michigan Timeline:	Visited in June 2009; Relocated in Nov. 2009
No. of completed projects:	35 (shorts, music videos, TV, feature film)
Film festivals accepting <i>The Hill</i> :	4

Quote from Kellin Johnson:

“Attending a panel at the movie expo, it just resonated and made more sense to be one of a pool of 10 rather than one out 1,000 if I moved to Los Angeles. I think it's smarter to start somewhere realistic and potentially be in the thick of things sooner here. Not to over-romanticize, but I'd like to really help build, and be a part of an infrastructure here.”

WASHTENAW COUNTY, ANN ARBOR, YPSILANTI

A plethora of film activity has landed in the area, bringing residual results on various fronts to many different parties. Projects filmed included *Betty Anne Waters*, *Stone*, *Flipped*, *Trivial Pursuits*, *Mooz-Lum*, *Trust*, *Cedar Rapids*.

Examples:

* The 20,000 hotel room nights booked in 2009 was an increase of 450% over 2008.

* University of Michigan received \$21,000 from the film *Trust* for filming in the recently acquired North Campus Research Center, which served as seven different film locations.

Two films *Trivial Pursuits* and *Mooz-Lum*, recently filmed on the U-M campus, were produced or co-produced by Michigan alumni. *Trivial Pursuits* was the first fiction film authorized to use the University name. *Mooz-Lum* also filmed on the **Eastern Michigan** campus.

* Over 800 Michigan students and grads served as extras, plus dozens others as interns and production assistants.

* “I love filming in Ann Arbor. Just love it.”

Director **Miguel Arteta** on his return to the area for the comedy *Cedar Rapids*, his second straight film following 2008's *Youth in Revolt*.

* “The best time I've ever had making a movie has been here in Michigan. I feel like I've been in Movie Camp.” Director **Rob Reiner**, filming *Flipped* in the Ann Arbor/Ypsilanti area.

WORK FORCE HIGHLIGHTS

From the Auto Business to the Movie Business...

Two auto industry veterans, with more than 52 years between them working for multiple suppliers, have found new careers servicing film productions at a leading film industry vendor.

Bill Banfield worked for 20 different companies before being laid off by Coopers Standard in July '08. He started at S&R Event Rental the next month, and is now their Movie Coordinator, managing all aspects for film shoots, including delivery and set-up of equipment, staffing, operations and scheduling.

George Terrien was a design and project manager for three Tier 1 auto design houses over 20 years before being laid off in Oct., 2007. He joined S&R in August, '08 and is now Sales Manager of the firm's movie division, following up leads on what films are coming to the state, when they arrive and what their needs are, such as tents and seating, generators, landscaping, maintenance, and other goods or services.

REVERSING THE BRAIN DRAIN:

Following is a sample of the increasing number of crew who have returned to Michigan from film work out of state, or cancelled plans to move to Hollywood, all staying in-state to work on film projects.

Debashis Mazumder, Ann Arbor (associate producer, *Art House*) Ann Arbor

Aaron Lebovic, Farmington Hills (*Miss January*)

Geoff George, West Bloomfield (*High School*, independent productions)

Emily Milton, Ann Arbor (production design, *Art House*)

Shawn Grice, Grosse Pointe (director of photography, *Art House*)

Oren Goldenberg, Huntington Woods (director of photography)

Chris-Teena Constas, Hamtramck (Loc Mgr., *Betty Anne Waters*, *You Don't Know Jack*), moved back from Chicago.

Alexa Courtney, Rochester (prop asst); graduated college in Spring 2008 and found work almost immediately. Credits: *Gifted Hands*, *America*, *Hung*

Jessica Hernandez, River Rouge (makeup artist), was prepping a move to New York, but canceled after finding film work. Credits: *Virgin on Bourbon St.*, *Flipped*, with others on tap.

David Petrucci, Novi (actor/extra); took a buyout from Chrysler after 10 years working on the line; has since finished his first screenplay, and started a production company. Credits: *Prince of Motor City*, *Whip It*, *Betty Anne Waters*, *Hung*, *Stone*, *The Irishman*

Hugh Holesome, Dearborn (sound mixer, actor); Literally about to move to L.A. in 2008 when line producer Diane Cheklich informed him of the pending film incentives. After staying, he's worked on *Red & Blue Marbles*, *Miss January*, *The Man Who Collected Food*, and others.

Nancy Johnston, Bloomfield Hills (writer/producer); former ad exec moved back from England after 10 years there. Has started own production company with several projects planned.

Grant and Janice Ortbring, Chelsea (child actor and mother); 13-year-old's first real job as an extra on *Flipped*, starting a college fund. Mother enthusiastically investing in head shots, acting & voice coaches.

Ashley Stevens (Ferndale), asst to producer, *Crave*. Laid off from Sysco.

Marjorie Rudick (Clawson), costumer, *Crave*. Returned to Michigan after 6 years in L.A.

Andrea Asaro (Macomb), accountant, *Vanishing on 7th St.* Unemployed 14 months.

Kurt Knudsen, transpor. captain, *Vanishing on 7th St.* Almost lost his home.

Lauren Petre (Algonac), actress/stand-in, *Whip It*. Packed for move to L.A. when hired as Drew Barrymore's stand-in. (plus *Flipped*, *All's Faire in Love*, *Highland Park*)

Brian Wooten, P.A. on *Vanishing on 7th St.* EMU grad cancelled a move to L.A.

Jodi Beals (W. Bloomfield), P.A. on *Vanishing on 7th St.*, *Mooz-Lum*. Co-hosts *Movie Show Plus* on Detroit's Ch. 20. Laid off twice; looked at apartments in Chicago.

Ed Gordon (Southgate), Driver on *Alleged*, *Master Class*. Former steel hauler, out of debt after filing bankruptcy.

Steve Blackwood, Beverly Hills (actor), *Days of Our Lives* alum (Bart) recently moved back to his home state. Appeared in *Mooz-Lum*, *Cedar Rapids*, *Oogieloves*, and is now also teaching acting classes.

Derek Faraci, Farmington Hills (games producer on *Guitar Hero*, *Spider-Man*); resigned from Activision in L.A. and just moved to Michigan, joining Scientifically Proven video game co.

Jennifer “Jazzy T” Williams, Okemos, returned from Los Angeles early 2008, now operates Extras Casting Co., working on five projects; is also a DJ on Detroit’s WJLB FM

Lucie Bourgeau, Ferndale (art dept. coordinator) moved back to Michigan only recently after moving to L.A. in 2005.

Tara Plizga, Royal Oak (Locations Mgr.), moved back from L.A. right when the incentives passed.
(Prayers for Bobby, Street Boss, Raised Alone, Up in the Air)