

FILM INDUSTRY GROWTH & DEVELOPMENT 2005-2007

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Introduction

A “Film Commission” is the standard economic development tool used by governments and their partners to develop and promote film business activity in a given region.

Whilst this “film business activity” has usually meant marketing the locations of the region to out-of-state feature film and television production, more progressive Commissions internationally have developed a far broader scope. This includes encouraging the development and distribution of local productions, increasing audiences for film product, encouraging the study of film, and generally doing whatever it takes to ensure that a “career in the film industry” is accessible, achievable and sustainable.

The Colorado Film Commission was established in 1969 as the first legislated film commission in the United States. However, due to State budget deficits in 2003, the program was cut, although basic services continued to be handled by the Colorado Tourism Office.

In late 2004, the Office of Economic Development and International Trade contributed start-up funding of \$100 000 to initiate a new Film Commission model for the State of Colorado. The project, which has the support of CU Denver and the Economic Development Commission, aims to create a Film Commission that operates as a public-private partnership between government, business, the film industry, the media and the wider community of Colorado.

Under this new initiative, the Colorado Film Commission (CFC) will be (re)established to promote and develop the film industry throughout Colorado. That is in itself an extremely broad goal; the purpose of this document is therefore to delineate more specific projects that can contribute both to the realization of the Business Plan and the support of the Film industry in the State.

Background

Internationally, the benchmark of criteria should a region wish to engage in the film industry are as follows:

- Availability of capital (including incentives)
- High calibre skilled professionals
- Filming facilities
- Filming locations
- Good communications and transport infrastructure
- Well-developed leisure industry close to the filming site
- Hospitable political and social environment

While Colorado is able to offer

- Filming locations
- Good communications and transportation infrastructure
- Well-developed leisure industry close to the filming site
- Hospitable political and social environment

there is a lack of the following:

- Availability of capital
- High caliber skilled professionals
- Filming facilities

While these short-comings will not necessarily deter film makers from using Colorado as a location, it will mean that the State will not accrue the maximum benefits available from the activities that take place within our borders. As much as 50% of any budget is spent on labor and the CFC's role will be to support the creation of an enabling environment where that spend remains in Colorado.

Simultaneously, it is clear that reliance on big budget international / Hollywood work alone can not create a sustainable film industry for the region. The CFC must therefore also support the creation of an enabling environment whereby local content creators can produce content for local, national and international distribution, and can reach those markets effectively.

Once again however, it should be reiterated that a local industry cannot be built without Hollywood. Without that income, for example, local suppliers / crew / services cannot afford to provide discounts to local film makers.

The CFC growth strategy must tackle both aspects.

Furthermore, in certain instances, the CFC's activities may not have direct benefit to the members of the film industry, but will have impact on the general economy. In particular, activities capitalizing on the marketing opportunities presented by Colorado location pictures will benefit small businesses and tourism entrepreneurs rather than film industry practitioners. This is a part of the challenge.

ECONOMIC GROWTH PLAN – COLORADO FILM INDUSTRY

Given the historic context, the budget limitations, the range of services required, and the key competitors / partners at local level, the aim of the CFC's Film Industry Growth Strategy is therefore to:

1. Create and market a positive and attractive production environment in the Colorado for international film, commercial and stills productions.
2. Support the development of a broad crew base through appropriate training.
3. Support the development of small business entrepreneurship to build film industry services.
4. Provide an enabling environment for local film makers to tell – and distribute - local stories.
5. Encourage the spread of economic benefits through tourism and related industry spin offs.
6. Promote the status of the Colorado Film Commission as the link for film business related information within the State for a wide variety of audiences.
7. To generally do whatever it takes to profile the film industry as a viable, exciting business in Colorado.

Specific actions proposed to meet this strategy are listed below. Input is eagerly sought from members of the film sector and other interested parties.

HOWEVER, a caveat: it is the Film Commission's role to facilitate – it is not the Film Commission's role to actually DO..... In other words, the Film Commission is not going to become a film education establishment, a film festival, a production entity or even a lobbyist.

1) CREATING A FILM-FRIENDLY ENVIRONMENT FOR OUT-OF-STATE PRODUCTIONS

This section of the document sets out a number of pragmatic responses for the CFC to develop to support inbound productions in the State, and ensure maximum benefit remains within the Colorado film industry and within the Colorado economy generally.

While these approaches may collectively contribute to the attraction of big budget movies to Colorado, they would equally well encourage smaller budget movies that might not get made without Coloradan support. This is potentially more exciting since it would tie into the broader goal of developing an ethos and brand for the State's film industry as the most dynamic location for independent film.

Considering the scope of the CFC's responsibilities, the CFC will adopt a broad-based, multi-functional approach. The following are not necessarily listed in terms of importance.

1.1 INCENTIVES

Internationally, the first question of any inbound producer is "What incentives do you have?" The CFC's role is to understand the application of film incentives both nationally and internationally, and to inform on them where requested. The CFC will form the basis of a professional lobby to promote the need for incentives among legislators.

The CFC will additionally investigate and lobby for other State-specific or even regional incentives where appropriate. These could include:

1.2 PROACTIVE MARKETING ACTIVITIES

A specific marketing plan will be created to raise the profile of Colorado within the film industry. This will be a combination of strategies, including relationship building, strategic advertising, promotions, fam tours, outbound missions of Colorado service providers, stands at film markets and others.

1.3 HOTEL & SALES TAX REBATES

This incentive would offer the rebate of all hotel tax on stays of over 30 nights. It is particularly useful in encouraging long-stay feature films and post-production activity. (In existence.)

Sales tax could be refundable on all products and services used in the creation of a film project in Colorado.

1.4 LOCAL SERVICES INCENTIVES

A commitment at local or regional level to providing coordinated assistance to the film industry can result in the creation of a local service incentive. For example, a Traffic and Fire Services Rebate could be created, offering a 10% rebate on all spend on services above a certain amount. CFC should investigate the opportunities and lobby for the implementation accordingly.

1.5 PERMIT INCENTIVES FOR TOURISM

Cities / municipalities have the ability to waive fees at a local level. To ensure uniformity, the CFC will investigate Incentives Guidelines for example if

- *there is an identifiable Colorado name or word in the title of the production*
- *the feature utilises identifiable Colorado scenery, culture or products on screen*
- *the feature spends a minimum of \$2 million locally*

1.6 STATE-WIDE FILMING FUND

A program developed specifically to promote production in non-metropolitan areas. Following New South Wales and Victoria, Australia models, a fund should be established to assist productions that wish to film in rural areas of the State – for example in those counties where no filming took place in previous years. This is particularly useful in ensuring the spread of film related spending State-wide.

1.7 FILM POLICY AND OPERATIONS MANUAL

CFC should lobby for an official State-wide film policy, and an official operations manual regarding support for productions that is endorsed by all govt. departments.

1.8 CAMERA READY

The CFC will fundraise and deliver Colorado Camera Ready, a locally-developed world-class training program intended to build and prepare film communities State-wide.

1.9 COLORADO INDEPENDENT PRODUCTION INITIATIVE – PRODUCTION SERVICES BANK

Of course the success of the CFC in lobbying government to introduce incentives will not be successful if the industry does not take collective efforts to incentivize itself. The Production Services Bank would allow Coloradoan technicians, services, crew and talent to voluntarily contribute “free days” to a central “bank” which could then be assigned to film productions as part of a cost-incentive program.

1.10 BRAND AMBASSADORS COLORADO

The Hollywood industry is home to a number of well-placed Coloradan ex-pats who would love to come home to live and work. To begin with, the CFC’s marketing strategy must incorporate a Hollywood-based initiative to bring these ex-pats together, as part of the process of turning them into our Brand Ambassadors and key sales people.

1.11 APPROPRIATE CREW TRAINING

The Colorado Film Commission will work with the industry and with local training providers to ensure that Training institutions are addressing skills gaps in the local crew base, as well as ensuring that Training Providers and their courses attain the highest qualifications. This may be done under the aegis of a new Colorado Film Training / Education Association.

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1.12 SMALL BUSINESS DEVELOPMENT

CFC will work with local Small Business Development agencies to ensure that small businesses and entrepreneurs are sufficiently resourced and appropriately structured to gain entry to the local film industry. The CFC would also support training for the staff of Small Business Development Agencies, so that their services may become more film industry specific.

1.13 INSTRUCTION FROM THE GOVERNOR

The State Premier of Victoria, Australia as well as the State Premier of the Western Cape, South Africa have both issued an instruction that their states are now officially “Film Friendly.”

Under the terms of these instructions, all civil servants in the state are obliged to recognize the economic importance of the film industry, and to assist film industry activity wherever possible. Generally such instruction means an end to the bureaucratic wrangling and ensures that civil servants State-wide are obliged to find solutions to filming requests.

1.14 ADD ON MARKETING VALUE

The CFC will also investigate additional marketing opportunities for out-of-state productions such as cross-promotional publicity activities with tourism locations used in the films, and the availability of hotel rooms and airfares for local premieres, etc.

The above activities will contribute to the creation of an attractive, dynamic, film friendly destination able to attract inbound film, commercial and stills productions from around the world.

2 CREATING A FILM FRIENDLY ENVIRONMENT FOR LOCAL FILM AND LOCAL BUSINESSES

The Colorado Film Commission plays a key role in the assembly, management and dissemination of information on film industry training and development opportunities, as well as developing a number of proactive programs to build local production capacity.

2.1 TRAINING INSTITUTIONS DATABASE

The Film Commission will compile a database including information and contact details of all training institutions and training initiatives relating to the film industry in Colorado. In many cases, prospectuses will be kept on site and application forms will be made available.

2.2 CAREER PATH ADVISORY

Information on film industry career paths will be provided by the CFC.

2.3 FUNDERS AND DONORS DATABASE

The Colorado Film Commission will compile a database of potential funders and donors who can be approached for production funding.

2.4 INVESTMENT BANKS DATABASE

The Colorado Film Commission will compile a database of investment banks and potential equity partners who can be approached for production funding.

2.5 BUSINESS SKILLS DEVELOPMENT

The Colorado Film Commission will liaise with service providers to address the increased professionalism required of the film industry. Documents could include

- How to write a Business Plan
- How to apply for a Loan
- How to apply for Funding
- How to obtain a lease for Business Premises
- How to write a Financial Plan
- How to write a Marketing Plan
- How to write Press Releases

2.6 SCRIPT DEVELOPMENT AND PITCHING

The Colorado Film Commission will develop knowledge and competency regarding script development and pitching and will advise scriptwriters on how best to proceed with their projects.

2.7 MARKETING ASSISTANCE

The CFC may develop materials that will assist film makers hone their product and improve the marketability. The CFC will also investigate the potential of professional linkages / representation to further improve opportunities for local content creators (e.g. Agents for Scriptwriters.)

2.8 COLORADO FILM RESOURCE OFFICE

The Colorado Film Commission will fundraise to open a working front office for film makers featuring all the business tools listed in section 1, plus computers & printers, photocopiers, internet connection, telephone and other tools available at a nominal fee. Publications and Reference books will also be available.

Computer software available for use will include:

- MS Word & Excel
- Movie Magic Budget-writer
- Final Draft Scriptwriting
- MS Paint for Web-design

The goal is two-fold; firstly for a central office in Denver, and then for a mobile work-centre that can travel State-wide offering the tools and facilities.

2.8 FILM FUND

The Colorado Film Commission will support efforts to create a film fund for local film makers.

2.9 FILM INDABA / CONGRESS

The CFC will provide an annual forum for both discussing the issues that directly affect production in the region and for showcasing a growing Colorado film industry. We believe that an industry event is needed in order to specifically support the industry as it exists in Colorado, with an additional goal of supporting entrepreneurship within our local industry.

2.10 INBOUND MISSIONS – EDUCATIONALS AND SEMINARS IN COLORADO

The CFC will develop and encourage opportunities for educational “add ons” from visiting directors during the State’s many and varied film festivals.

2.11 SCORE FILM CHAPTER

Society of Retired Executives to develop a specific film chapter, to offer mentorship and guidance to Colorado Film Makers on a whole range of production issues.

AUDIENCE DEVELOPMENT / DISTRIBUTION

The development of a home-grown film industry will not be possible without the simultaneous development of a Colorado audience who wish to see – and pay to see – Colorado-grown films. The CFC will work with key role players to support audience development initiatives.

2.12 OUTBOUND MISSIONS - FILM MARKETS AND FESTIVALS

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The CFC will investigate group attendance (and group discount pricing) for attendance of Colorado film makers and their projects at key events such as American Film Market, Cannes Film Market and Toronto Film Fest.

2.13 MADE IN COLORADO FILM FEST

A festival of films, commercials, tv shows and even stills photography shot in Colorado (including all product made by Colorado film makers) during the previous year. This potentially mobile fest could be part of the CFC's own reporting schedule, and a proactive contribution to raising the awareness of the importance of film in the communities.

2.14 MADE IN COLORADO AT (BLOCKBUSTER?) VIDEO

A publicity and awareness-building campaign within State-wide video stores, highlighting films made in and about Colorado, encouraging audiences to "buy-in."

Both of the above initiatives could be accompanied by promo schedules with competitions, prizes, etc.

2.15 TOURISM / SMALL BUSINESS ENTREPRENEURS SUPPORT

The CFC will work with regional tourism offices both to exploit existing movie history for economic development, and to encourage forward thinking publicity plans from film makers that involve the communities where they film.

2.16 EDUCATIONAL PROGRAMS FOR FILM FINANCE

The CFC will lobby for the development and funding of programs that teach financial institutions how to invest in film.

CREATING AN ENVIRONMENT FOR ECONOMIC DEVELOPMENT

As a knowledge and information brokerage, the CFC will rely on prompt acquisition of information. These are some of the initiatives that may be undertaken in order to build organizational capacity.

3.1 PRODUCTION AUDIT

What is the Colorado film industry? Who are its role players? How many people are employed? What is the geographic spread? CFC will work with stakeholders to gain quantitative information on the industry. This will assist in the definition of further activities and initiatives taken by the company.

3.2 SKILLS DATABASE

The CFC will develop and manage contact database of all film professionals or aspiring professionals. This contact list is vital for the swift dissemination of information to the community.

3.2 SUPPLIERS DATABASE

The CFC will support a database of all Colorado-owned enterprises (eg. catering, security, transport, wardrobe etc) seeking broader opportunities in the film sector. The database will be promoted to production companies.

3.4 INDUSTRY PROFESSIONALS ORGANIZATION

The CFC will work with existing film organizations to add value to their activities, and to provide relevant linkages between organizations.

3.5 COLORADO ASSOCIATION OF FILM FESTIVALS

The CFC will investigate developing an Association of Film Festivals, and will seek cooperative benefits on rates such as shipping, printing etc., for the group.

3.6 REPORTING

A key CFC activity is the reporting required by government, media, business and the communities on the state of the industry. The CFC will develop several methods of collating and disseminating information, including magazines / publications / cd roms / dvds etc.

4. Conclusion

The primary goal of the Colorado Film Commission is the creation of a sustainable dynamic film industry in a State that is increasingly recognized for its unique “film-friendly” approach.

This implies both creating a pro-active, enabling environment for international productions AND supporting the development of the necessary skills and experience to build a local production industry.

With limited resources, the CFC nevertheless aims to provide accelerated access to the economic benefits of participation in the film industry. In particular we strive to remove the practical barriers to entry.

Our priority is to provide maximum opportunities for employment for the maximum number of people, cost-effectively and sustainably.