



MIAMI BEACH

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LETTER TO COMMISSION
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TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: March 12, 2010

SUBJECT: Recent media regarding Florida Film Incentive bills

Earlier this week, the *Palm Beach Post* published an article that characterized the current Florida Film Incentive bill, HB 697, and its companion, SB 1430, as discriminatory. The story was picked up by the *Associated Press* and its, or editorial versions of it, have since been carried in numerous publications, including the *Miami Herald* and *New York Times*, as well as many blogs. The stories are misinterpreting the nature of the bill, which is a jobs creation and economic development act, by focusing on a small portion of the bill, the "family friendly" bonus.

The primary purpose of the bill is to convert the existing Florida Film Incentive from an appropriated rebate to a transferable tax credit, and, in the process, allocate sufficient and consistent funding to allow it to succeed in attracting film, television, commercial and digital media productions to Florida. Put simply, producers wishing to film in Florida will be able to apply for tax credits of up to 25% of the Florida spending in what is a completely content neutral process designed to stimulate jobs and spending in Florida. Given that the state has had to turn away hundreds of millions of dollars in investment because of an underfunded and inconsistent incentive the past few years, dropping Florida from the third most popular shooting destination in the United States to well below the top ten, we have every reason to believe this new version of the incentive will be very successful in luring production to Florida and, specifically, Miami Beach. The current incentive is responsible for USA's *Burn Notice* and A&E new series *Florida Straits* filming locally.

The "family friendly" bonus has been in the existing incentive since 2007 and serves to attract the types of productions that are meant to be viewed by a general audience. For conflict of interest purposes, the language could not be tied directly to ratings boards like the Motion Picture Association of America and instead specified limitations on this additional voluntary bonus beyond the primary incentive. Such limitations included portrayals of drinking, smoking, foul language and nudity. To date, eight projects have applied for this additional voluntary bonus and only two have been disqualified due to their portrayal of drinking. The current bill enhanced the bonus from 2 to 5% and added some additional language to the "family friendly" voluntary portion of the bill, including limited uses of "gratuitous violence" and "non-traditional family values." This last portion is what has led to a misinterpretation of the nature of the entire incentive as opposed to a voluntary portion.

The production community has worked with the sponsor of this bill, Representative Steve Precourt over the past months. Representative Precourt has insisted publicly the bonus, like the main incentive, is not in any way intended to be discriminatory towards race, religion, age, sexual preference, etc. Unfortunately, however, it is being perceived that way and the production community is currently working with the legislator to nuance the language in the

bill before the next committee stop to ensure it is not seen as discriminatory but instead designed to attract projects that are intended for a general audience.

The City of Miami Beach has taken an active role in support of this incentive and industry. The City's Film and Event Production Manager serves as President of Film Florida, the statewide marketing and legislative support association for the entertainment industry, which has historically lead the charge on building this incentive and aiding its passage. As well, the city passed a resolution in support of these bills, as have many municipalities and industry and tourism associations, as they are intended to promote jobs and economic development through the creative industries of film, television, commercial and digital media production.

Staff will maintain an involvement through this process and keep you apprised of expected language changes to the incentive.

JMG/HMF/MAS/gw

C: Hilda M. Fernandez, Assistant City Manager
Max Sklar, Tourism and Cultural Development Director
Graham Winick, Film and Event Production Manager