



**CTED** |

Community, Trade and  
Economic Development

# Motion Picture Competitiveness Program

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**September 1, 2008**

Report to the Legislature

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Per RCW 43.365.050, the Department of Community, Trade and Economic Development (CTED) shall prepare and deliver summary descriptive statistics regarding the motion picture competitiveness program to the Legislature each year by September 1. The attached production survey summarizes the distribution of funding assistance and job creation for completed projects for FY 2008.

## **Summary**

In 2006, the Legislature created an incentive program to attract film industry investment to Washington state (RCW 43.365.050). The incentive is administered by a non-profit 501(c)(6) organization, and CTED is responsible for rules that guide the incentive program and reporting results to the Legislature.

During the 2008 legislative session, the Legislature made several changes to the incentive statute, including:

- Maintained the B&O tax credit at a dollar for dollar amount rather than decreasing the credit to 90 percent starting in 2009;
- Eliminated the \$1 million per production cap;
- Decreased the investment requirement for TV commercials from \$250,000 to \$150,000; and
- Modified the non-profit organization's governing board to staggered four-year terms.

Since launching the production incentive program in February 2007, WashingtonFilmWorks, the non-profit organization, has approved funding assistance for 17 productions including nine feature films, four movies of the week for television, and four commercials <sup>1</sup>. To date, the board has committed \$3.9 million in funding assistance and, in turn, these 17 productions will spend approximately \$19 million in Washington state. It is estimated these productions will employ 1,288 Washington residents, including 951 crew and 337 local actors. The locations for these productions are as diverse as the projects themselves (see list on next page), with filming in the San Juan Islands, Tacoma, Spokane, the Olympic Peninsula and Seattle.

## **Financial Contributions**

WashingtonFilmWorks continues to be actively involved in fundraising for the Motion Picture Competitiveness Program, and has raised \$3.5 million in both 2007 and 2008. Since the program began, the organization has raised a total of \$9.7 million.

## **Completed and Approved Productions**

During FY 2007, the state reported two projects receiving funding assistance of \$191,000 resulting in \$955,000 in Washington state spending. As reflected in the attached survey for FY 2008, 10 projects received funding assistance of \$1.6 million, resulting in \$7.9 million in Washington state spending – a 5:1 return on investment. Six projects are approved and in the pipeline for production by the end of the year; they are expected to generate nearly \$10 million in state spending. The program has gained momentum at a rapid pace and we have seen exponential growth in the production industry over the past year.

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<sup>1</sup> It should be noted that these statistics reflect the financials from completed productions as well as the anticipated spending in Washington state per the submitted and approved applications from productions that are prepping or shooting.

The following is a list of productions receiving financial assistance from WashingtonFilmWorks through the Motion Picture Competitiveness Program:

Feature Films

The Immaculate Conception of Little Dizzle  
Diamond Dog Caper  
The Golden Door  
Traveling  
Alicia's Book\*  
Norman\*  
Finding Bliss  
The Whole Truth \*  
World's Greatest Dad \*

Movies of the Week for Television

The Holidays  
A Letter to Bill Gates  
True Adolescents  
Dear Lemon Lima \*

Commercials

Mervyn's  
Washington State Lottery Commercial  
Commit Cappuccino\*

\*Approved and pending

**Clients**

The program continues to attract out-of-state filmmakers from production centers such as Los Angeles and New York, as well as assist Washington's production companies. Washington-based companies have the potential to generate an even deeper return on investment through the sale and distribution of their film projects, with their revenues returning to the state for future investment.

The incentive continues to be an important factor in decision making to both in state and out-of-state filmmakers.

"In this highly competitive environment, Washington's film incentives have allowed us to continue to produce films here in Spokane," states Rich Cowan, President of North by Northwest Productions. "We have a workforce working year round who would have had to leave the state if the incentives were not in place. I think Washington has struck a good economic balance with the incentives".

Jason Dennis, the head of production for Sticks + Stones, a nationally recognized commercial production company out of Los Angeles, says the incentive program is "a great promotional tool to showcase Washington's strong film community and diverse locations." Dennis shares, "It has been our intention from the beginning to establish a long-term commitment to filming in Washington, and the incentive program has been a big factor in that decision."

# PRODUCTION SURVEY SUMMARY

## Productions Incentivized by WashingtonFilmWorks

July 1, 2007 through June 30, 2008

Category	Completed and Certified	Approved and Pending
Total Number of Completed Projects	10	6
Total Amount of Funding Assistance Paid to Productions	\$1,574,074	\$2,043,038
Total Production Budgets for Completed Projects	\$45,476,144	\$14,693,338
Total WA State Spending	\$7,875,152	\$9,942,129
Total Employees Hired From WA State	1448	
Total Employees Hired From Out-of-State	298	
% Full Time WA State Employees (worked full filming schedule)	66%	
% Part Time/Temporary WA State Employees (worked < full filming schedule)	34%	
<b>Total Number of WA State Employees in the Following Salary Ranges, Calculated Per Production</b>		
# Less than \$30,000	608	
# Greater than \$30,000 & Less than \$60,000 *	54	
# Greater than \$60,000 *	182	
<b>Total Number of WA State Employees Typically Covered by Collective Bargaining Agreements That Received Production-Provided Medical and Retirement Benefits in the Following Salary Ranges, Calculated Per Production: **</b>		
# Less than \$30,000	381	
# Greater than \$30,000 & Less than \$60,000 *	39	
# Greater than \$60,000 *	175	

\* Average production schedules for feature films are 30 days. Very few production personnel make \$30,000 or more per production

\*\* Not all positions on film sets are covered by collective bargaining agreements