Request Name: Motion Picture Post Performance Economic Development Incentive Program

Description: The Utah Film Commission is a catalyst for the growth and evolution of the state's diverse economy through our creative industries. To encourage further growth funding is needed for the Motion Picture Incentive Program to remain competitive in the industry.

Agency: Economic Development

Funding for: $5,000,000 Ongoing

Government
Fiscal Year 2018 Annual Report

MISSION
Established in 1974, Utah Film Commission (UFC) supports the rich legacy of filmmaking across the state. It promotes the use of professional and experienced local crew, talent, support services and locations, and markets Utah as a destination for award-winning content creation. With more than 1,400 productions created in-state, Utah has a deep and lasting commitment to the entertainment industry.

UFC is a catalyst for the growth and evolution of the state’s diverse economy through our creative industries. Film’s contribution to Utah’s economy is evident in the jobs created and money spent locally, with 450 companies, more than 5,500 employees and more than $142MM in Utah salaries, a ~30% increase from FY 2017.

PROGRAM PERFORMANCE
To encourage growth, Utah Film Commission utilizes the Motion Picture Incentive Program (MPIP). Per statute, the key objectives of the MPIP are to encourage the use of in-state locations, crew and resources, to provide incentives in order to compete with other states and to develop a strong motion picture industry presence in the state. The program receives ongoing funds of $1.5MM in cash and $6.79MM in tax credits. The MPIP offers a 20-25% tax credit for productions that meet specific criteria including the strength of the production company, quality and suitability of project, economic benefit and number of jobs created.

These incentives are vetted by Film Commission staff, approved by the GOED board based on statutory rules and program criteria. Once production has finished, an independent CPA audit of dollars left in state must be submitted. Audits are reviewed by GOED staff and a post-performance cash rebate or refundable tax credit certificate is distributed.

PROGRAM METRICS
Increase film production statewide and overall motion picture industry taxable sales by at least 2%.

OUTCOMES
Direct spending on film projects Utah Film Commission supported is up by 20% from FY 2017. 69% of film permits occur in rural parts of the state. Department of Workforce Services reported a 14% growth in employment, 20% growth in wages and a 4% growth in overall taxable sales in calendar year 2017.

Eighteen productions were approved under the Motion Picture Incentive Program in FY 2018, including Disney Channel’s Andi Mack, Paramount’s Yellowstone, CW’s The Outpost and HBO’s Westworld. Productions spent an estimated $70MM in-state, with more than 1,700 local jobs created.

KEY INITIATIVES DURING FY 2018
- Five television series filmed in Utah; The Disney Channel’s hit show, Andi Mack, Kevin Costner’s new series, Yellowstone, HBO’s Westworld, YouTube Red’s Youth & Consequences and CW’s The Outpost. The productions have a combined weekly audience above 10 million viewers.
• UFC launched a new workforce and community training program, “Film Ready Utah”. Four counties across the state and more than 100 emerging filmmakers have taken the course and are now certified “Film Ready”.
• A new focus on diversity and workplace safety has created new initiatives on green production and workplace harassment, inspiring targeted events with groups such as Latino Reel and Film Fatales.
• For the second year in a row, the 2018 Sundance Film Festival premiered four made-in-Utah productions, showcasing the state to the global film industry.

CHALLENGES AND ACHIEVEMENTS
Utah continues to grow as a hub for television and feature film production, as evidenced by the growth in both overall industry annual wages (~30% increase over last year for a total of $142MM based on 2017 DWS Data) and the size and quality of productions that choose our state as a location. The increasing demand over the past year has meant that resources such as crew, infrastructure and incentives are often in short supply.

UFC has created a number of new workforce development programs that will create a school-to-industry pipeline and provide trained crew for incoming productions. Now that demand exceeds supply, we will work to determine the best, most sustainable approach to the incentive program and ensure a balance between out-of-state and local productions that utilize the film incentive.

PROGRAM SPOTLIGHT
In August 2017, Paramount Network, a new cable channel chose Utah to base its new television series, Yellowstone, starring Kevin Costner. The award-winning series writer and director, Taylor Sheridan, fell in love with Utah during the production of his hit independent drama, Wind River. The series is based at the Utah Film Studios in Park City, UT and uses locations in Summit, Wasatch, Weber and Salt Lake counties.

The series has become an instant hit for the new network, and is now the second highest rated cable drama, just slightly behind zombie favorite, The Walking Dead. Five million viewers tuned in for the series finale and Utah’s landscapes have become much-loved characters on the show. The production spent more than $30MM in Utah and created 450 jobs.

Further reason to celebrate came with the announcement in June 2018 of a second season of Yellowstone approved to shoot in Utah, with another $33MM anticipated spend and long-term jobs for Utah crew.

Taylor Sheridan said: “Utah is such a unique location as the mountains are so close to the city. Coupled with the incentive, experienced crew and the Utah Film Studios, Utah is the forefront of what will become a much bigger film industry.”

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