

UTAH

FILM COMMISSION

STRATEGIC PLAN
2017

**“Why Utah Is Poised to Be America’s
Next Tech and Creative Hub**

College grads, beehive work ethic put
Silicon Slopes on the map”

Adweek, July 2016

“Utah’s spirit of innovation and entrepreneurship has fostered a talented motion picture and digital media work force. These unique industry advantages afford us the opportunity to compete on a global basis for exciting film and entertainment opportunities.”

Utah Governor Gary Herbert

“In order for Utah to compete globally in the film industry, we have to offer more than our scenic, varied landscape by incentivizing quality projects that drive economic development.”

Speaker Greg Hughes
Utah House of Representatives

“How do you sum up Utah’s advantages? The quality of life, quality of the universities, quality of the talent, and a state with a great business climate. All of these things together align really well.”

Jon Dean
Former Director of Entertainment Arts Salt Lake



Utah Governor's Office of
Economic Development
BUSINESS • TOURISM • FILM

Utah prides itself on maintaining a diverse economy that keeps our state among the top places to do business. This diversity has helped industries like film and digital media to thrive, building Utah's reputation as a creative hub with an experienced workforce. That reputation will only grow with the expansion of digital entertainment technology and the cultivation of talent at the state's universities. I am proud of GOED's role in helping strengthen Utah's film infrastructure to attract more business and more dollars to the state.

Q. Val Hale
Executive Director
Utah Governor's Office of Economic Development



Mother Nature played favorites with Utah's landscapes and spectacular scenery. Filmmakers love Utah's outdoor and metropolitan settings, plus experienced crew and affordable resources. Film's contribution to Utah's economy is evident in the jobs created and the money spent locally at restaurants, retail stores and lodging, particularly in rural Utah. But the benefits reach far beyond financials. The film industry builds Utah's brand as a beautiful place for tourists to visit, and as a place that welcomes the creative class. Utah will continue to be at the forefront of the changing film industry and continue to showcase the best Utah has to offer.

Vicki Varela
Managing Director
Utah Office of Tourism, Film and Global Branding

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Innovations in the film and entertainment **industries are more exciting** than ever before. With virtual reality and augmented reality making waves, and interactive design and digital animation taking a front seat, I look ahead to the future of film with awe and anticipation.

The film and entertainment industry is integral to the creative and cultural fabric of Utah and its growth will help bring filmmakers, content creators, entrepreneurs and artists together. With over 450 film and digital entertainment companies and over 3,000 **higher education** graduates and enrollees in film, game design and animation, the steps we take now will ensure that the next generation of creative and business talent critical to the continued expansion of this industry is nurtured here in Utah.

There are many opportunities to **support our homegrown creative** sector to increase job availability and to ensure the accountability of the dollars allocated to the incentive program.

Among the critical changes I've made since my appointment is a policy that we must **map to a strategic plan**. My approach has been first to listen and appreciate what is being done, then focus on internal system changes and then take the lead and anticipate the needs of this fast-paced industry. This plan represents my leadership approach for the Film Commission in 2017; both what we are doing well and what we need to do better.

My department is taking big strides that have begun to benefit stakeholders, policy makers and citizens of the state, but there is more to be done. We have momentum; we are looking hard at balancing business growth, Utah's values, brand and sense of place while keeping **focused on smart investments with strong returns**.

The future of film is bright in Utah!

Virginia Pearce
Director, Utah Film Commission

A STRATEGIC FUTURE

The Utah Film Commission will be a catalyst in the growth and evolution of the state's film and entertainment industries.

Just as the entertainment industry is ever changing and innovating, the Utah Film Commission needs to adapt to showcase everything our state has to offer and new ways of viewing and telling stories. It's not about one fund or one project but rather an integrated approach using our economic development team, homegrown talent, as well as the growing creative community that looks to Utah as a place to do business. Utah's solid film industry foundation is the base from which we will grow as a leader in the production of independent film, television, family entertainment, digital innovation and interactive entertainment.

This strategic plan identifies the areas the Utah Film Commission can add value to the industry, create jobs, advance Utah's image and values, and see strong and measurable returns on investments in 2017 and beyond.



Utah's film industry represents 432 film-related businesses and \$100 million in wages & salaries.

REMARKABLE PAST

The Utah Film Commission was established in 1974 to support the already rich legacy of filmmaking in Utah. Operating under the umbrella of the Utah Office of Tourism and as part of the Governor's Office of Economic Development, the Utah Film Commission is responsible for marketing the state as a destination for film, TV and commercial production by promoting the use of professional local crew and talent, support services and Utah locations. More than 1000 films have been produced in the state from John Wayne classics such as *Stagecoach* and *The Searchers*, to Academy Award winning films like *Forrest Gump* and *Thelma & Louise*, to television series *Touched by an Angel*, *Everwood* and *Granite Flats*, proving that Utah has an undeniably deep and lasting commitment to the entertainment industry.

OVERVIEW of KEY PRIORITIES

PRIORITY: GROW THE INDUSTRY & SUPPORT TALENT DEVELOPMENT

Our college graduates cannot be our industry's biggest export. We must create opportunities and expand connections to promote and provide opportunities for potential and established talent (students, professionals, businesses) within Utah's creative sector.

PRIORITY: INSPIRE EMERGING MARKETS

Bring together Utah's digital entertainment community within the existing network of film and creative content producers. Because of its multi-platform consumption, these digital industries make up a large part of Utah's diverse economy. Strategic collaboration of this kind has not been done. It's time, and the Film Commission is in a unique place to convene these diverse groups for big pay offs.

PRIORITY: MOTION PICTURE INCENTIVE PROGRAM

It is critical that this fund be focused on smart investments that can show strong returns. Assessing best practices, more detailed criteria and advancing Utah's image and values will allow the Motion Picture Incentive Program to create a more effective and sustainable program that attracts higher quality projects.

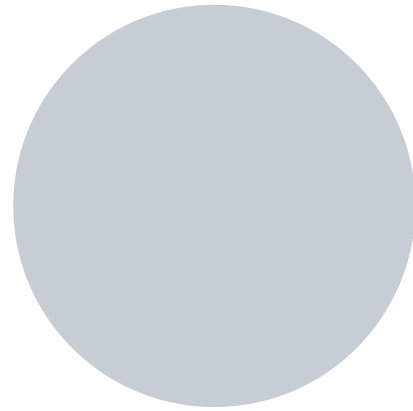
PRIORITY: ESTABLISH RIGOROUS MEASURES & METRICS

We have established processes in order to gather better data that has been long overdue. Capturing data to understand the benefits the creative industry brings to Utah in terms of a return on opportunity, engagement, objectives, impressions and investment is a must. Data driven policymaking will ensure the return on objectives.

OUTCOME: BUILD UTAH LIFE ELEVATED

Housed in the Governor's Office of Economic Development and under the direction of the Office of Tourism allows us to optimize our efforts. Utah has grown to be a global destination for film. The entertainment industry is now a big part of the diverse economy of Utah. When we look at economic impact we see that film and entertainment business, jobs and wages have all increased since 2011, and we will make certain that trend continues. We are building stronger partnerships and programs that allow Utah students to graduate and stay with high paying jobs; and open up opportunities to create quality family content for our citizens. Through these efforts we are joining in the charge to Build Utah Life Elevated.

GROW THE INDUSTRY & SUPPORT TALENT DEVELOPMENT



Enrollment in degree programs in film and digital areas has doubled over graduate numbers in 2015, however we are lacking a talent pipeline. Different factions need each other, but don't know each other. The Film Commission can help break down silos in the entertainment industries and create opportunities for individuals and our economy. Our role is not to create programs, these are already in place, but rather be the connector.

Skill sets associated with film, game design, animation and visual effects are the same as those needed by Utah's growing tech and innovation scene. Thousands of students are learning these skills but don't always have a direct line to a career in the industry. As our existing workforce ages, we will create a pipeline for the next generation of talent. A strong local workforce can attract a production when monetary incentives fall short. By engaging with, motivating and nurturing local talent, new content creators will increase Utah's offering, expand industry cohesiveness and global presence.

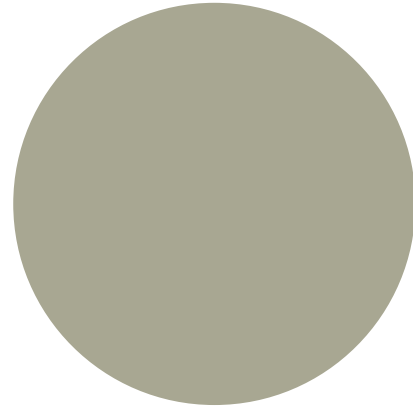
OPPORTUNITIES

- Build a career pipeline for local talent and content.
- Increase number of talented Utah graduates in film and entertainment industries looking to stay in Utah.
- Create more jobs from productions coming to Utah looking for talented "A-List" crew.

APPROACH

- Partner with film and digital entertainment leaders to offer industry exposure, workshops, networking and ultimately, employment opportunities for recent graduates.
- Identify apprenticeship programs to help with aging workforce.
- Collaborate with Utah's universities to include career openings for talent within the film and entertainment industries.
- Develop, support and encourage partnerships between businesses and educational institutions.

INSPIRE EMERGING MARKETS



You can no longer talk about the film industry without talking about the new media and technology that comes with it. Today, the vast majority of films rely heavily on digital techniques that take entertainment to new levels of audience interaction.

Here in Utah, major players such as Entertainment Arts (EA) as well as fast-growing local companies including WildWorks and ChAIR Entertainment are creating games and technologies used by companies like Apple, NASA and National Geographic. Our university programs are ranked nationally, for example the University of Utah's Entertainment Arts & Engineering, program is currently #1 for undergraduates studying game design. A key part of our mission is to be a catalyst and connector for innovators in the private sector. Connecting resources for those who are leading emerging markets is the key to creating a strong business sector. The solution will require the Utah Film Commission to serve the critical role of providing leadership and the ability to convene stakeholders. There is economic opportunity for Utah to grow the sector of digital entertainment into a multi-billion dollar industry.

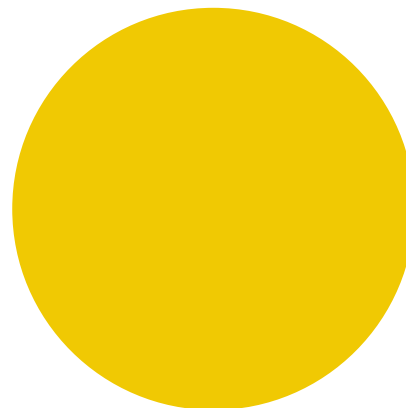
OPPORTUNITIES

- The digital entertainment industry is finding a home in Utah and needs a skilled and talented workforce with a broad spectrum of skills and applications.
- There is a crossover of skills between digital entertainment and tech companies' needs.
- Our game design programs are ranked in the top programs nationally with companies recruiting heavily from our public and private universities.

APPROACH

- Recognize the potential impact high-wages and innovation can have on Utah's diverse economy and help clear the way for graduates.
- Connect innovators in the private sector with resources to build their companies in Utah.
- Create opportunity for growing digital entertainment companies to transplant their operations to Utah.

MOTION PICTURE INCENTIVE PROGRAM



Utah's proximity to Hollywood, coupled with the ease in which you can transition from wild open spaces to urban centers, are just some of the reasons filmmakers flock to the state to make movies. But the film industry is historically and increasingly incentive driven and, even with Utah's great location and resources, competition for film production is stiff. States that don't offer incentives are rarely able to close the deal.

Along with bringing new economic impact to the state, Utah's Motion Picture Incentive Program helps to develop a robust local film industry by providing opportunities to work on a national level. Even though it offers some of the nation's smallest incentives, Utah's program remains competitive because of its consistency and long-term predictability. The program's conservative and measured investment approach can help Utah thrive in building the state's reputation, creating jobs and enhancing tourism.

Utah has always done more with less, and this Commission does not see a need for the large programs created by other states, in fact we see those as lacking returns at a certain level. We will use our data to maximize the return on our current program, but it still remains

that if the film and entertainment industry is to grow economic activity in a meaningful way we will need to look at growing the incentives in the long run.

Utah has its own unique culture and values that are different from anywhere else in the world.

Because of our demographics, Utah is in a prime position to lead in the area of quality, family-friendly content. Our long relationship with Disney provides a huge opportunity for developing projects whose target audience lives in Utah.

\$6.79 million per year is allotted to the MPIP fund for distribution (pending approval by GOED).

Productions that spend under **\$1,000,000** are eligible for a **20%** tax credit while productions over **\$1,000,000** are eligible for a **25%** tax credit.

OPPORTUNITIES

- Utah's inherent resources and consistent program have opened the door to bigger budgets and better quality productions.
- Utah's unique culture means family-friendly productions are a great investment.
- Documentaries and new stories about Utah are waiting to be told.

APPROACH

- Use data to determine a sustainable approach to the growth of the program.
- Use better marketing and outreach efforts to reach productions that will provide Utah with the most impact for dollars spent.
- Update protocol for approved productions in order to better track how and where money is being spent in the state.
- Transition incentive program to include a point system that rewards productions that meet more stringent criteria.

Closer look at current Utah Motion Picture Incentive Program:

- Per statute, the key objectives of the incentive program are to encourage the use of Utah 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.
- Incentives are only offered to productions that meet rigorous criteria including quality, potential reach, suitability for broad audiences, filming location and potential economic impact.
- The MPIP is a post-performance credit, meaning that productions must show through a CPA audit that they have actually spent what they estimated.
- Unlike many other states and countries, Utah only gives incentives on dollars left in state. Out of state cast & crew salaries don't count, nor do purchases made out of state.

ESTABLISH RIGOROUS MEASURES & METRICS



It is critical that the Utah Film Commission, as a state agency, measures its progress in fulfilling its mission and its success in mobilizing resources. By putting systems in place to accurately track metrics on both the incentive program, as well as the film and entertainment industries as a whole, we can more clearly understand and communicate our successes and challenges.

The Utah Film Commission engaged the Kem C. Gardner Policy Institute in 2016 for an overall industry analysis that will help focus planning in a way that has not been possible before. Data gathered as part of that baseline assessment of the industry will result in a simple framework for measuring performance in areas such as:

- Utah's entertainment industry workforce
- Utah's presence on screen
- Impact on economic sectors
- Return on investment

By quantifying the return on image, we can ensure film and digital entertainment serves as a billboard for Utah's iconic and beautiful landscape, and builds the reputation for innovation within the industry.

OPPORTUNITIES

- Newly updated statute definitions, administrative rule and policies make it an ideal time to create a more rigorous data collection system.
- Investment from industry trade organizations will help quantify the intangible aspects of the industry and their impacts on the state.
- Build a baseline and systems that will be invaluable to future planning and investing.

APPROACH

- Distribute an annual survey to content creators to better identify the Utah creative workforce.
- Capture data on all projects to measure the depth and breadth of the film and creative industry and its impact.
- Evaluate the foundation of the digital entertainment sector in Utah and how it compares to other states.

OUTCOME

BUILD UTAH LIFE ELEVATED

The Film Commission promotes Utah's brand every time a film is shot here, or when our digital media talents are used. Film provides unique opportunities that very importantly span the state.

The economic impact of this industry is as meaningful in rural Utah as it is in the heart of our urban corridor. Building capacity in rural communities will help grow their economic sectors and provide better resources for incoming productions. Our new program, *Film Ready Utah* outfits community leaders with the tools needed to encourage production in their areas.

Seeing Utah on the big screen builds our brand as a tourist destination and as a place that welcomes the creative class. The Utah Film Commission plays a pivotal role in showcasing all that Utah has to offer.

We must continue to partner with our amazing existing anchors such as Sundance Film Festival, as well as supporting the influx of companies like Disney who want to work in Utah.

Utah has earned a national reputation as having a "secret sauce" – we are willing to work together. The Film Commission will optimize thriving film and digital media sectors, as well as state resources, and great higher education programs. Bringing together these forces will take hard work but the results will be a strong economic sector, a pipeline for the future, more creative talent and better local projects.

TOGETHER WE ARE BUILDING A BETTER UTAH.

ONE FILM'S IMPACT IN UTAH

TOTAL UTAH SPEND: \$4,093,387



Film Rental and
Leasing Services
\$529,696



Accommodations
\$1,585,869



Wages and Benefits
\$1,310,209



Restaurant/Meals
\$131,299



Retail
\$271,538



Transportation Related
Activities
\$111,649

UTAH
FILM COMMISSION

"Building industries is key to having a vibrant and strong economy. The film and digital media sectors provide excellent opportunities to bring new money into the state."

Sen. Jerry Stevenson
Utah Senate

"I have seen more wonderful and varied scenery in a single day in Moab than any other day I have ever scouted."

Ridley Scott
Director, *Thelma & Louise*

"The future for entertainment and technology in Utah is very bright. We're getting noticed for more and more."

Utah Lt. Governor Spencer Cox

"We applaud Utah Film Commission's vision across the entire scope of the industry from developing new local talent, to seeking new voices, encouraging expertise with new technologies and keeping Utah's incentives program competitive. These all add up to a thriving cultural and economic landscape in Utah."

Sarah Pearce
Managing Director, Sundance Institute

"Utah has unique, natural resources and a talented workforce that hold a tremendous amount of value for the film industry."

Rep. Brad Wilson
Utah House of Representatives



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