

VI. Matters from the County Manager

A. Miscellaneous Updates

SANTAFE



film office

Date: October 14, 2016

To: Santa Fe County Board of County Commission

Via: Katherine Miller, County Manager

From: Eric Witt, Santa Fe Film Office

RE: **Presentation and Update on the Santa Regional Film Office and Proposed Industry Performance Measures, 2016 - 2017**

Santa Fe Film Office Overview:

The Santa Fe Film Office (SFFO) recruits and services all commercial film, television and other media production throughout the County and City of Santa Fe, and is charged with coordinating production-related administrative processes between the two entities. It is the primary point of contact and service for projects either scouting or engaged in production throughout the Santa Fe region and also works with the local community to support regionally-generated production. The SFFO further engages in new market and product development and recruiting (e.g. digital and social media), community and educational outreach, and other efforts to expand this economic sector throughout the region. It maintains an active website and social media presence as points of contact, promotion and community outreach (www.sffo.film).

Because the state film office is physically located in Santa Fe there is often the misperception that it functions as the "Santa Fe" film office, which is untrue. Rather, the state film office focuses on fielding initial queries and issues statewide whereas the SFFO is the regional entity "on the ground" that does all the local work in the Santa Fe region once a production is handed off from the state office, if it even goes through the state office at all – many projects come to the SFFO directly or through the local stage facilities (Santa Fe Studios and Garson Studios). Further, the state film office has neither the financial nor personnel resources to focus on specific regions of the state. In fact, because of its expertise and experience with the state's film incentives and production environment the SFFO is routinely asked by the state film office to assist on productions and queries both within the Santa Fe region, and sometimes in other areas of the state, as well as participate in statewide symposia and workshops. Lastly, the SFFO also focuses on local and regional outreach and development in the educational and business communities, which the state film office again has neither the resources, contacts nor mandate to do itself. So it is very much a cooperative, two-way relationship rather than a duplicative one.

Proposed Performance Measures

Production throughout the Santa Fe region has seen a significant uptick in 2016 over 2015. Four measures give a picture of economic activity, job creation and business support:

- Total gross spend and economic impact in the region.
- "Worker Days" on production (crew only).
- Soundstage occupancy rates (stage days).
- Hotel Revenue trends.

SANTA FE REGIONAL FILM PERFORMANCE MEASURES 2015 - 2017				
(Numbers rounded and subject to revision and updates)				
	2015	2016 Est.	2017 Projected	
Total Production Spend [1]	\$70,000,000	\$110,000,000	\$110,000,000	
Economic Impact (3x multiplier)	\$210,000,000	\$330,000,000	\$330,000,000	
Film Crew Work Days @12hrs/day [2]	57,120	89,760	89,760	
Equivalent 8hr Work Days	85,680	134,640	134,640	
Stage rental days [3]	810	1170	1170	
SELECT Hotel Film Rentals [4]	\$1,013,900	\$1,427,300	\$1,427,300	
NOTES:				
[1] Estimates based on state film office numbers, as a percentage of total production statewide.				
[2] Based on a four-year average ratio of 816 crew work days per \$1mm spend.				
[3] Estimates based on production occupancy, Garson and SF Studios, two stages each.				
[4] Based on self-reported numbers from a sample of hotels that do significant film business. This is only to illustrate the trend and does NOT represent total film-related hotel and short term rentals throughout the region, which is significantly higher.				

It's important to recognize the 2016 numbers reflect current near-capacity of the region to host production -- i.e. we're full right now, and it would be difficult to increase production levels until we expand sound stage, crew and other support capacity. While we should aim to maintain current production levels, we shouldn't expect a 50-70% increase in 2017 over 2016 if none of those other factors change. Productions are already pushing into the coming December/January/February time frame because that's the earliest that crew and stages are going to be available.

Political Issues:

- The future of the industry overall depends on what happens at the state level, particularly regarding the \$50m limit in annual incentive payouts imposed in 2011, and which limit we have already reached. It is suggested that the City Council as well as the County Commission adopt measures supporting the maintenance and, if possible, increase of this payout limit in the 2017 regular legislative session.

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