

2016 GCBC Masters Class White Paper

Where is Mississippi's place in the Hollywood South?

Executive Summary

The Mississippi Gulf Coast has many opportunities for the film and media industry. The purpose of the 2016 Gulf Coast Business Council Masters Class was to evaluate the viability, sustainability and potential of the digital media industry, including film, episodic television, commercials, music videos, production, post-production and video gaming.

This area is not Hollywood, and our vision isn't to be Hollywood. We need to develop infrastructure and incentives that attract the industry and are beneficial to Mississippi and our local community. The primary recommendation is to develop a formal structure, including a Gulf Coast Media and Film Office, and focused workforce training partnerships.

Introduction

Over the course of seven months our class has heard from industry professionals, state officials and students involved in the Mississippi film industry. Our task has been to evaluate the viability, sustainability and potential of the digital media industry. We were surprised to learn how the industry has become completely dependent upon the incentive program. One example was walking through a completely empty movie studio in New Orleans that was a direct result of Louisiana modifying its incentive program during the last legislative session. Unless the state continues to provide these incentives, the current industry likely will falter. Due to the transient nature of the industry, it has been difficult to quantify the return on investment or permanent job creation. However, we believe that from a tourism perspective, the Mississippi Gulf Coast could benefit from developing and marketing a local film industry.

Viability:

Since the state of Georgia became involved with the film industry, it is estimated that more than 600 businesses have moved there. Given the proper guidance and strategic approach, the Mississippi Gulf Coast can capture our piece of this market share and encourage our own growth. New Orleans and Georgia control the market share on the larger budget films. The low-hanging fruit for our Coast is to target episodics, small budget films and commercial market share. The industry feedback of our current rebate incentive program was that the process needs to be sped up and streamlined. Leveraging the incentive would be a great way to attract industry, but the current pace of reimbursement is perceived as a deterrent.

Sustainability:

The Mississippi Gulf Coast has extensive natural beauty to offer the film industry. To start our program, we suggest leveraging the current assets we have in place versus building additional infrastructure. In Louisiana, there were extensive incentives offered to construct sound stages and production-related infrastructure. We do not think it would be feasible to build these facilities without incentives. We suggest leveraging what Louisiana has rather than competing with them. There are certainly advantages in partnering with NOVAC to be an extension of their offerings on the Mississippi Gulf Coast. USM has a

growing film program that should serve as the nucleus for this growth. Our group has discussed the advantage of formulating a public-private partnership with USM to construct a sound stage.

Potential:

There is extensive potential of improving and expanding the film industry on the Mississippi Gulf Coast. To obtain buy-in from the entire coastal community, we suggest flying the One Coast flag and running the program through the tourism office. We suggest hiring a “tip of the spear” person to work as a component of the tourism office whose purpose is to attract industry to the coast and work collaboratively with the state film office to expand our market share. This person would need to develop a database of filming locations along the Coast to be able to aggressively market these to potential filmmakers. We need to leverage our hospitality and create a sustainable industry with a friendly environment and an incentive program that works.

New Orleans

The main thing we learned in New Orleans is that tax credits are fragile and films go where the money is best. Because of their tax credit they have attracted large film productions. Facilities to support that kind of production have been built to help sustain a film industry. When there was a rumor of the tax break changing, some of the large productions left and went to Georgia.

New Orleans’ original attraction to filmmakers was the character of the city. Because of this interest, large film productions began shooting and the city established production facilities and a capable workforce. Secondary support structures developed, such as the equipment rental company that moved next door to Second Line Sound Stage. Eventually, the lure for filmmakers changed from the character of the city to the resources and the tax break available.

The film commission in New Orleans is under the mayor’s office, which creates a clear and accessible relationship for the filmmakers.

Sherri McConnell, Executive Director of Louisiana Entertainment, Sergio Lopez, owner of Storyville, and NOVAC representatives suggested that Mississippi is better off focusing on local resources and building the industry from within. They said they would start small and local if they had to do it again.

McConnell said that different fields of production can share the same workforce. Live performance, digital media and film production have a need for a workforce with similar skills. She also was a big supporter of NOVAC and its grassroots community outreach approach to develop a workforce, as well as media literacy and community awareness. We also learned from her that tax breaks come from the state, but the local communities see the benefits.

Those involved with film production in New Orleans recommended that Mississippi invest in a mixture of media and not just seek out one type. Rather than investing in large film production facilities, we should look at post-production houses, commercial productions, digital media concepts, smaller film productions, TV and web series and games. Invest in a digital enterprise, not just Hollywood.

NOVAC

NOVAC is the longest continuously running media-arts 501(c)(3) nonprofit in the Southeastern U.S. It has a mission to cultivate a sustainable film community by providing access to resources, education and locally generated content. NOVAC accomplishes this mission through education, career development, community outreach, independent productions and special events. They provide training for industry crew and supply support for local filmmakers.

The film union is an important part of the New Orleans film industry, and NOVAC also works with unions that cover all of Louisiana and the Mississippi Gulf Coast. Grants are a large part of the type of funding they seek to support their programs. In addition to support for the film industry NOVAC is a community media resource and supply equipment and training classes. They also visit elementary, secondary and middle schools as part of the outreach for media literacy. We were encouraged to collaborate with NOVAC or start our own community media resource. The USM Film Program is one group that might be able to take on such a task.

Mississippi

One of the issues that film makers in Mississippi have cited repeatedly is that the Mississippi Department of Revenue takes too much time to pay back rebates. Many of the speakers said they would like to have that changed or possibly removed and replaced with a better incentive system.

Nina Parihk from the Mississippi Film Commission said our film incentives are better than those in Louisiana, but we need to make them more efficient. The incentive cap is \$20 million. Because Mississippi wants to create sustainable growth, the incentives should not be the primary driver for bringing business to the state. However, the incentives are imperative to cultivate business in Mississippi.

We also learned that money committed for rebates is not all spent. Some people suggested that the unused money be used to fund programs to support the growth of a Mississippi media culture. Some of that support could go toward building a media infrastructure, such as production and post-production facilities, broadband internet access and training programs.

Filmmakers originally were attracted to New Orleans because of the character of the city. This interest led to large film productions being filmed in the city, and the city established production facilities with a capable workforce. We visited Second Line Sound Stage, which is a state-of-the-art sound stage and production facility. It was developed directly from the Louisiana tax incentives and is only fully booked when the tax incentive is sound.

An equipment rental company also moved next door to the sound stage, which allowed for more resources to be available to filmmakers that were working there. In addition, we visited Storyville, a post-production house that worked on various types of media, such as commercials, short films and new media. Mississippi could use the available funds to build and develop infrastructure similar to that in Louisiana.

USM

We learned that having the Film Program on the Coast is beneficial to students and the community. This program is an asset that could be an important part of a film/media culture on the Coast. To do this they need upgraded facilities, such as a sound stage and post-production suites that can be used not only by the students but also the community and coastal film industry.

The Film Program has been working on local documentaries that highlight local issues and local cultural and historical assets. One such documentary is the collaborative video that USM Film is working on with the Infinity Science Center. This video follows the move of the Saturn V booster rocket that was part of the Apollo space missions from New Orleans to Infinity at the Stennis Space Center.

The entire crew was made up of students, and this production will highlight the USM Film Program as a unique filmmaking operation that focuses on hands-on learning both in the classroom and on real-world projects. This is one way to build a support workforce for a media industry on the Coast. However, before that can happen, the program will need additional film instructors.

The filmmakers who spoke to us expressed concern about the workforce in Mississippi. The state needs more workforce training. In addition to the instruction and training that USM offers, filmmakers are interested in establishing short training programs, such as creating a media center for workforce training like NOVAC.

People prefer to stay in Mississippi instead of moving out of state. The workforce that is created here often leaves because there is not enough work. How do you build a workforce when there is not enough work and how do you create an industry when there is a shortage of a capable workforce?

The advantage of the Mississippi Gulf Coast is the hospitable people and the proximity to New Orleans where an industry already exists. We could be an extension of that industry but also present our own creativity by cultivating a local and unique media culture.

Recommendations/Benefits

The Mississippi Gulf Coast has a great opportunity to grow the film and media industry on the Coast. The Coast can provide a low-cost area for filmmakers with a diverse array of settings, whether natural or man-made. To grow the industry on the Coast, one entity can be created and two others engaged with the following recommendations:

Gulf Coast Media and Film Office

- 1.** Develop and maintain a professional Coast Film Office as a component of the Mississippi Gulf Coast CVB, Visit Mississippi Gulf Coast. It is vital that the Coast have a local office in addition to the Mississippi Film Office to attract new films and to facilitate film making on the Coast. The Coast needs to make it as easy as possible for a film to be made here, including acquiring the necessary locations, workers, permitting, etc. needed to film. A film office would help facilitate these needs.
- 2.** GCMFO would not only focus on film production, but also on multi-media production, including video gaming, commercials, episodic television and music videos. This would involve production and post-production opportunities.
- 3.** The GCMFO also will educate and identify key decision makers and filmmakers through a targeted campaign on the unique incentives and opportunities of the Coast.
- 4.** Finally, the GCMFO will develop locations, including buildings, that can be used for production and post-production facilities on the Mississippi Gulf Coast. The Coast does not need to compete with Hollywood, Louisiana or Georgia in providing sound stages. However, the office can look for facilities to be used for multiple purposes, including sound stages on a smaller scale. It also will work with entities such as Southern Miss and its film school to develop facilities funded through public-private partnerships.

Educational institutions and NOVAC

Partner with NOVAC to develop a viable, trained film work force on the Mississippi Gulf Coast. The Coast features several proven educational institutions with a long history of excellence in workforce training. Film and digital media programs already exist and could be expanded at institutions such as Southern Miss and Mississippi Gulf Coast Community College.

In addition, a partnership with NOVAC would support workforce development initiatives and may provide further opportunities to apply for grants. The focus of this training would give local talent a pathway to succeed in this industry or in the broader entertainment and tourism industry on the Coast. the Coast has a myriad of educational institutions on the Coast.

Gulf Coast Business Council

The Council needs to support the broadband initiative on the Coast. Filmmakers are increasingly using digital rather than film. In addition, related opportunities such as electronic games, commercials and

others all use digital media. A digital infrastructure with adequate download and upload capacity is vital to attracting and keeping the industry.

The Council also should work with the state Legislature to enact a long-lasting and more permanent film tax rebate program that is responsive and efficient in fulfilling the tax rebates. Filmmakers are concerned about the availability of such a program from year to year. The recent changes in the film tax credit program in Louisiana are an example of how this can be an issue.

Economic Development Goal

Growing the film industry can have the direct effect of growing jobs on the Mississippi Gulf Coast. In addition, it can also provide an additional benefit of introducing the Coast directly to individuals that come here to make films and indirectly to individuals that see films made here.

Informational Sources:

Ted Booth, PEER General Counsel

Barton Norfleet, PEER Analyst

Ward Emling, Director, Mississippi Film Office

Wes Benton, Red Planet Entertainment

Scott Delano, Mississippi State Representative

“An Evaluation of the Effectiveness of the Mississippi Film Office,” Report to the Mississippi Legislature. Joint Legislative Committee on Performance Evaluation and Expenditure Review (PEER)

“FY2015 Mississippi Incentives Report” – Mississippi Development Authority

Mississippi House Bill 1523

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