



Film Incentive Program Growing Productions & Jobs

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Colorado's film incentive program is finally starting to draw projects to the Centennial state.

After several years of effort by the film community, state legislators recently overhauled the program to remove restrictive requirements established when the program was created in 2006. Improvements include expanding the program to include commercials, removing the requirement a production company spend at least 75% of the "below the line budget" in Colorado and hire at least 75% of their workforce in Colorado.

The program offers production companies that meet specific performance criteria a 10% cash rebate on their approved in-state spending.

As of October 1, the incentive fund has \$1.5 million available for production companies to tap into. To date production companies have applied for \$1.1 million of the available funds. There are currently four productions with signed contracts with the state and five projects that have applications in the approval process. Several additional projects are being discussed with the film office that could result in the fund be totally committed within the next few months.

Recap of Legislative Changes

The legislative changes that took effect on July 1 make the program much easier to qualify for. The changes included removing the requirement that a production spend at least 75 percent of it's total "below the line budget" in the state, lowered the requirement for local hires from 75% to 25%, lowered the amount an out of state production company must spend from \$1 million to \$250,000 to qualify and expanded qualifying programs to include television commercials.

"We proposed these changes to kick start the program and allow Colorado to attract more production to Colorado," stated Kevin Shand with the Office of Film, Television & Media. "Rather than trying to force a production company to make a decision to either shoot the majority of the project here in Colorado -- or none of it -- we are clearly demonstrating our willingness to accept one or two weeks of production and still allow the production company to qualify for the incentive," he added.

These changes make the program much more realistic for the types of productions that the state is trying to attract. Several years ago the Film Office redirected its focus from studio-based features to concentrate on independent films in the \$1-5 million range, television productions and commercials.

“Increasingly the major studios are focused on the big incentive states so we needed to redefine our niche in the market place and we think we have found it in low budget features and the television and commercial sectors,” Shand explained.

In addition to the low budget feature and television markets the film office is working to help “grow our own”. Local productions are taking place all over the state and that is helping to showcase the impact that film and television production have on the entire state.

Contract Changes

There were also significant changes that needed to be made to the State’s contract that production companies must sign to participate in the program.

Over the past year the Film Office has worked with the Attorney General’s Office and the Sate Controllars Office to remove contract requirements covering copyright ownership, the creation of divertive works and insurance issues.

“We instigated these changes in response to concerns from the production community and we believe the changes we have made fully address the concerns of the industry,” Shand explained.

Program Status

Since the legislative and contract changes went into effect in July the film office has already received more applications than it did all of the previous eighteen months.

The film office is currently working on nine projects with a total estimated Colorado spend of over \$11 million in the state. The applications in the pipeline will create more than 445 jobs in the state’s production community according to the producer’s applications on file with the film office.

The single largest application so far is for a television series moving from California to Colorado. This project would generate over \$5 million in new spending in Colorado during its first season in Colorado. Three other projects exceed \$1 million in spending and a fourth project is slightly under \$1 million in spending.

The applications currently on file include television productions, documentary films, television commercials and direct to DVD projects.

“We expect to fully commit all of the funds in the program the fund by the end of the fiscal year next June,” Shand said. The challenge for the program is to find new

funds to replace the money being spent this year with the state expecting another tough budget next year.

Information about the incentive can be found on the Film Office web site at <http://www.coloradofilm.org/incentives.html> or by calling Kevin Shand at 303.502.4065.