

Legislative Briefing 2013: HB 2267

The Oregon Production Investment Fund



Summary: HB 2267 increases the annual allocation of Oregon Production Investment Fund (OPIF) tax credits to \$12million annually and makes adjustments to the local filmmaker program.

Film and Television Industry at an All-Time High - In 2011 and 2012 the OPIF resulted in over \$220million of direct spend by film and Television Projects in the state. The total amount of OPIF tax credits allocated over these two years was \$13.5million. This activity is in spite of the fact that OPIF remains one of the lower ranking film incentive programs in the United States.

Projects produced in Oregon in 2011-2012 included:

- “Leverage” Seasons 4 & 5 (TNT Series)
- “Grimm” Seasons 1 & 2 (NBC Series)
- “Portlandia” Seasons 2 & 3 (Independent Film Channel Series)
- “Legit” Pilot (FX Network)
- “Gone” (feature film shot in Portland)
- “Night Moves” (feature film shot in Southern Oregon)
- “C.O.G.” (feature film shot in Hood River and Portland Metro)
- “ParaNorman” (Academy Award Nominee for best Animated Feature)
- “Jingle All the Way” – Two Hallmark Channel Animated Holiday Specials
- “The Digits” – Live Action Web Series/Interactive App nominated for a 2012 “Webby”

Media Production Hires Local and Pays a Living Wage - The vast majority (75%-95%) of the cast and crew on these projects are local hires with affiliations with guilds and unions that provide health and pension benefits. A full year’s of benefits are paid out to an employee with just six months of work. The productions also regularly do business with over a thousand local small businesses both directly and indirectly.

Demand for OPIF exceeds Current Supply - This current wave of projects has pushed the limits of capacity for OPIF. In some cases we have been successful in negotiating down the rebate amounts per project allowing the current activity to exist. At the current funding level of \$6million though, it’s not going to be possible to maintain the level of activity in the state any more. There is demand for more projects in Oregon. Film Office fields 1-2 “ready to go” project inquiries a month. Currently the film office is attempting to bring in three television pilots and a feature film as well as maintaining the funding levels necessary to keep both “Grimm” and “Portlandia”.



Northwest Economic Research Center Report –

The Governor’s Office of Film and Television along with the Portland Development Commission commissioned an Economic Impact Analysis report through the Northwest Economic Research Center. The full report can be found online at www/oregonfilm.org/news, but below are some key findings about both Oregon’s film and television industry and the film incentives the state of Oregon provides.

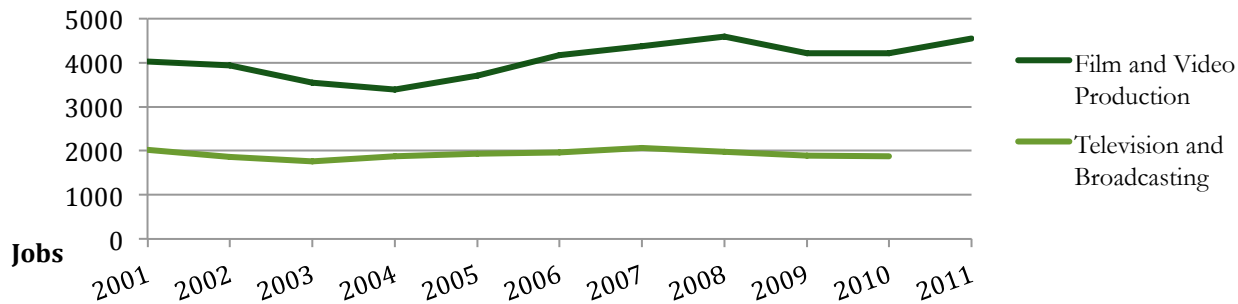
Total Oregon Impacts

When NERC used the economic impact tracking software IMPLAN, Oregon’s film and Television Industry has a direct impact of \$786,135,714 in Oregon’s economy. When you factor in the Indirect and Induced Effect that number grows to \$1,424,665,275.

Job Creation

“NERC found that the industry has rebounded from its decline in the mid-2000s, and has already recovered from mild job losses during and after the 2008 recession. The Oregon data masks the strong growth in the Portland Metropolitan Area. Aside from a low growth/small loss period during the worst of the 2008 recession, film and video production jobs and wages have increased. Since 2007, the Portland Metropolitan Area has seen a 24% increase in film and video production jobs. “

Total Jobs (direct and indirect) per \$1million in Incentives - 117
Total Jobs (direct and indirect) per 2012 OPIF Allocation (\$6million) - 702



“Other Impacts of Film and Television Sector”

Tourism: More than 25 years after its premiere, *Goonies* still draws visitors from all over the world to Astoria. Film and television shows can draw tourists interested in seeing specific locations, but can also increase the profile of the area in general. “Portlandia” advertises the unique aspects of Portland in a satirical fashion, but has contributed to a general awareness of the city and attractions.

Creative Class: Aside from the related sectors explicitly cited in other sections of the report, the film and television industry supports members of the creative class who are frequently cited as contributing to economic development. Jobs provide good wages to young Oregonians at a time when wages are below national averages for these groups. The industry also provides the flexibility that is attractive to the younger generation.

Retention of College Graduates: Oregon universities and colleges are increasingly producing graduates trained in media production. Without the promise of steady work provided by a well-developed production industry, these college graduates would leave the state.