



Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result
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DATE: May 25, 2017

TO: Members of the Economic Development Authority

FROM: Nate Carlson, Economic Development Coordinator
Chris Heineman, Community Planning & Development Director

Northfield Film Incentive

SUMMARY AND ACTION REQUESTED:

Review of Minnesota Film Rebate program and discuss potential of developing a new film production incentive program for projects that take place in the City of Northfield.

BACKGROUND:

In April, EDA President Bornhauser provided staff with local information related to the Film Rebate program created by the Austin, Minnesota Convention and Visitors Bureau. Staff reviewed this information and conducted additional research into three additional film production incentive programs that are currently available in the State of Minnesota. The basic features of these programs are provided below and additional information is included as an attachment to this report.

Organization	Program Title	Incentive	Funding Source	Eligibility
MNFilmTV	“Snowbate”	20% - 25% Reimbursement for qualified expenditures	Minnesota Legislature	Feature Films Documentary Music Video Television programs Commercials Internet
Austin Convention and Visitors Bureau	“Discover Austin, Minnesota Film Rebate”	10% rebate; max \$10,000 per production; at least \$5,000 spent in lodging	Funds pledged from local business/ organizations	Feature Film Documentaries Music Video Television programs Commercials Short Films
IRRB	“Film Production Incentive”	20% rebate of eligible expenses; at least \$20,000 expenses	Minnesota Legislature (IRRB Budget)	Feature Film Documentaries Music Video Television programs Commercials Short Films
City of Maple Lake	“Shamrock Film Rebate”	15% rebate; max \$7,500 per production	City funds	Feature Films TV Movies Television

ANALYSIS:

The film industry can provide a significant economic impact to both state and local economies through local production of film, television, advertising and post-production activities. For example, the state of Georgia has seen a significant increase in the film production industry. In 2015, the film industry generated an economic impact of more than \$7 billion, according to the Georgia state economic development department. This economic impact includes employment, development of infrastructure, and direct expenditures in the local economy as well as the expansion or relocation of 130 businesses directly related to the film industry.

Minnesota Film and TV was established as a non-profit professional service organization in 1983 to advance Minnesota’s economy by promoting and supporting the state’s production industry. One of the core services of Minnesota Film and TV is to attract production to Minnesota through the *Snowbate* incentive program appropriated by the Minnesota Legislature. This program provides a 20-25% rebate on eligible Minnesota expenditures.

The *Snowbate* incentive is available to qualified feature films, documentaries, TV pilots, programs or series, TV commercials, music videos, internet and post production. MN Film and TV also maintains an extensive statewide digital listing of prospective sites for film, television, and commercial production and facilitates location and scouting services for decision makers at major studios and networks nationwide.

In addition to the *Snowbate* program, there are three regional incentives in Minnesota. With the success of two recent film productions in the City of Northfield, creation of a local rebate program would provide an additional incentive to attract film, television or commercial film projects to the City of Northfield. An additional incentive such as a 10%-20% reimbursement of for qualified local production costs would make Northfield an even more attractive location for future film projects.

Development of an incentive program could be structured in partnership with the Chamber of Commerce and NDDC and include a maximum reimbursement per production. Staff is seeking further input and direction from EDA Commissioners regarding how to proceed with this initiative.