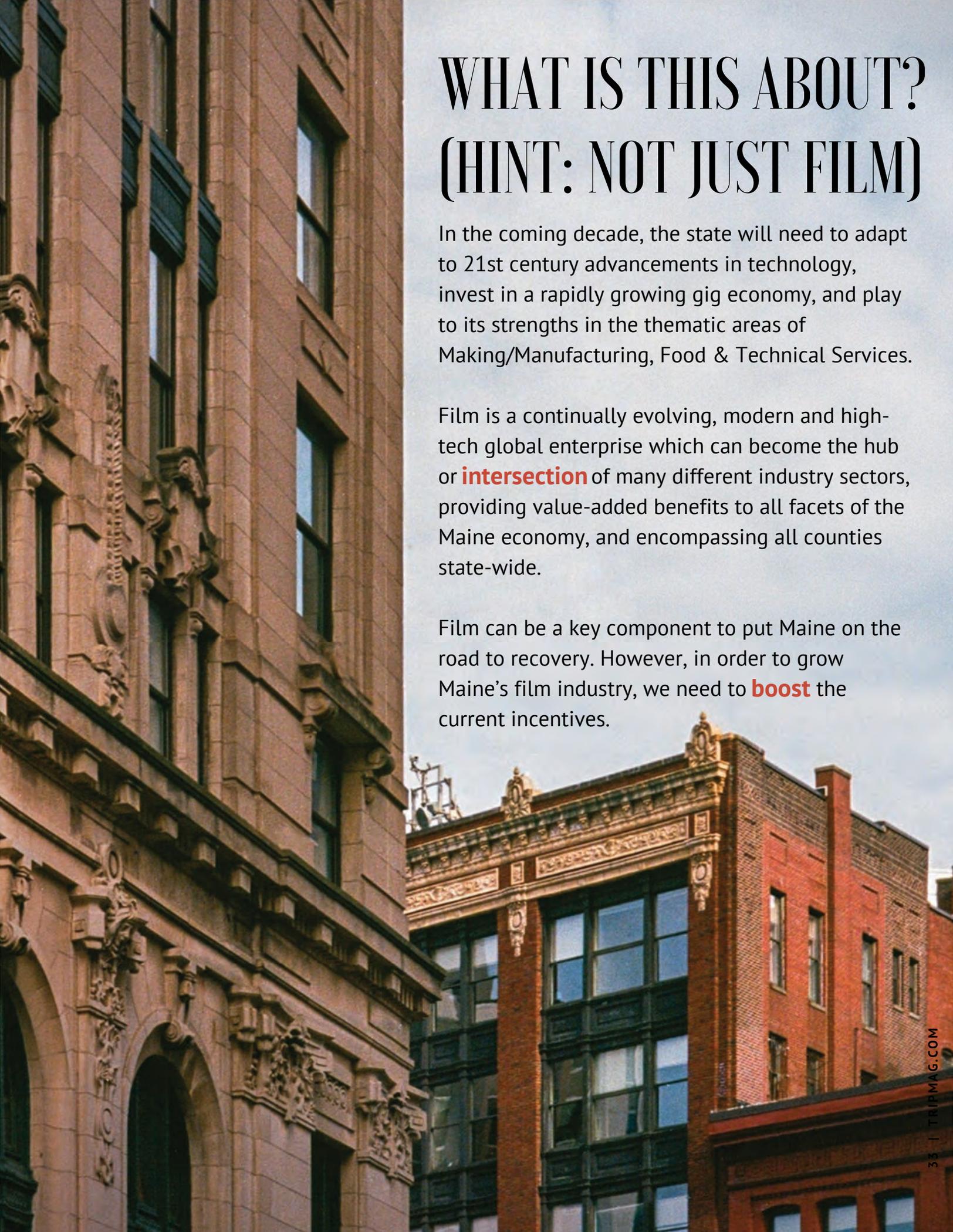


PICTURE MAINE

Spearheading Maine's
Economy Through Film

LEADING THE WAY





WHAT IS THIS ABOUT? (HINT: NOT JUST FILM)

In the coming decade, the state will need to adapt to 21st century advancements in technology, invest in a rapidly growing gig economy, and play to its strengths in the thematic areas of Making/Manufacturing, Food & Technical Services.

Film is a continually evolving, modern and high-tech global enterprise which can become the hub or **intersection** of many different industry sectors, providing value-added benefits to all facets of the Maine economy, and encompassing all counties state-wide.

Film can be a key component to put Maine on the road to recovery. However, in order to grow Maine's film industry, we need to **boost** the current incentives.



WHAT SHOULD BE KNOWN ABOUT MAINE'S ECONOMY?

In November 2019, Governor Mills unveiled a non-partisan 10-year Economic Development Strategy which aims to grow and diversify Maine's economy by cultivating partnerships among various sectors and using resources already in place. As stated by the Plan: "There is a spot for everyone in Maine's economy, and we need **everyone** to participate."

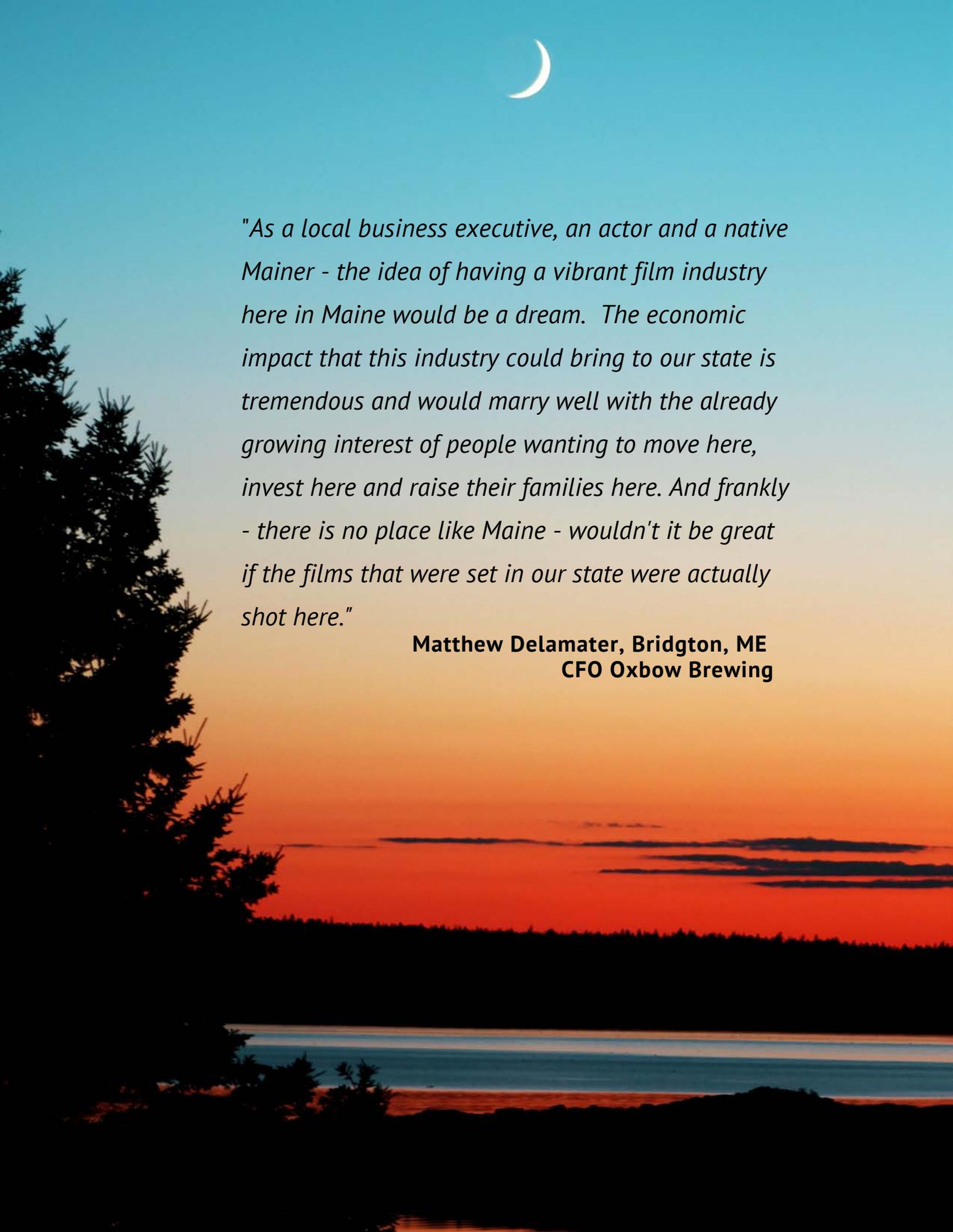
The strategy includes some fundamental concepts. Maine needs to grow its workforce by 75,000 within the next few years, as a significant percentage of its population will age out and retire. Additionally, ever-reliable staples such as fishing and agriculture need to be complemented by the development of exciting, new businesses and trades.



HOW CAN FILM HELP THE ECONOMY GROW INTO A “HUB OF EXCELLENCE”?

Film is a business – a temporary, independent **business** that straddles many different sectors and employs a wide range of people, not just actors and directors. In fact, up to 150 people can work on set, many of them making good wages in fields like carpentry, electrical, transportation and office administration.

Films are **value-added**. Each film is an opportunity to raise new capital that will go directly towards goods and services in the state. Film specifically has a direct impact on many businesses and local vendors hit hard by the pandemic, including hospitality, retail and restaurants and bars. Increasing film activity in the state could be very beneficial to the economy.



"As a local business executive, an actor and a native Mainer - the idea of having a vibrant film industry here in Maine would be a dream. The economic impact that this industry could bring to our state is tremendous and would marry well with the already growing interest of people wanting to move here, invest here and raise their families here. And frankly - there is no place like Maine - wouldn't it be great if the films that were set in our state were actually shot here."

**Matthew Delamater, Bridgton, ME
CFO Oxbow Brewing**



What are the Opportunities Film Provides the State? - “Welcome Home”

When it comes to film, people tend to think of the actors and directors involved and not the jobs it creates. Each film generates the potential for dozens of new openings which would be filled by local workers and artisans. Moreover, there are many entry-level positions on a film which utilize easily translatable skill sets and trades that a variety of Mainers already have. Production = work.

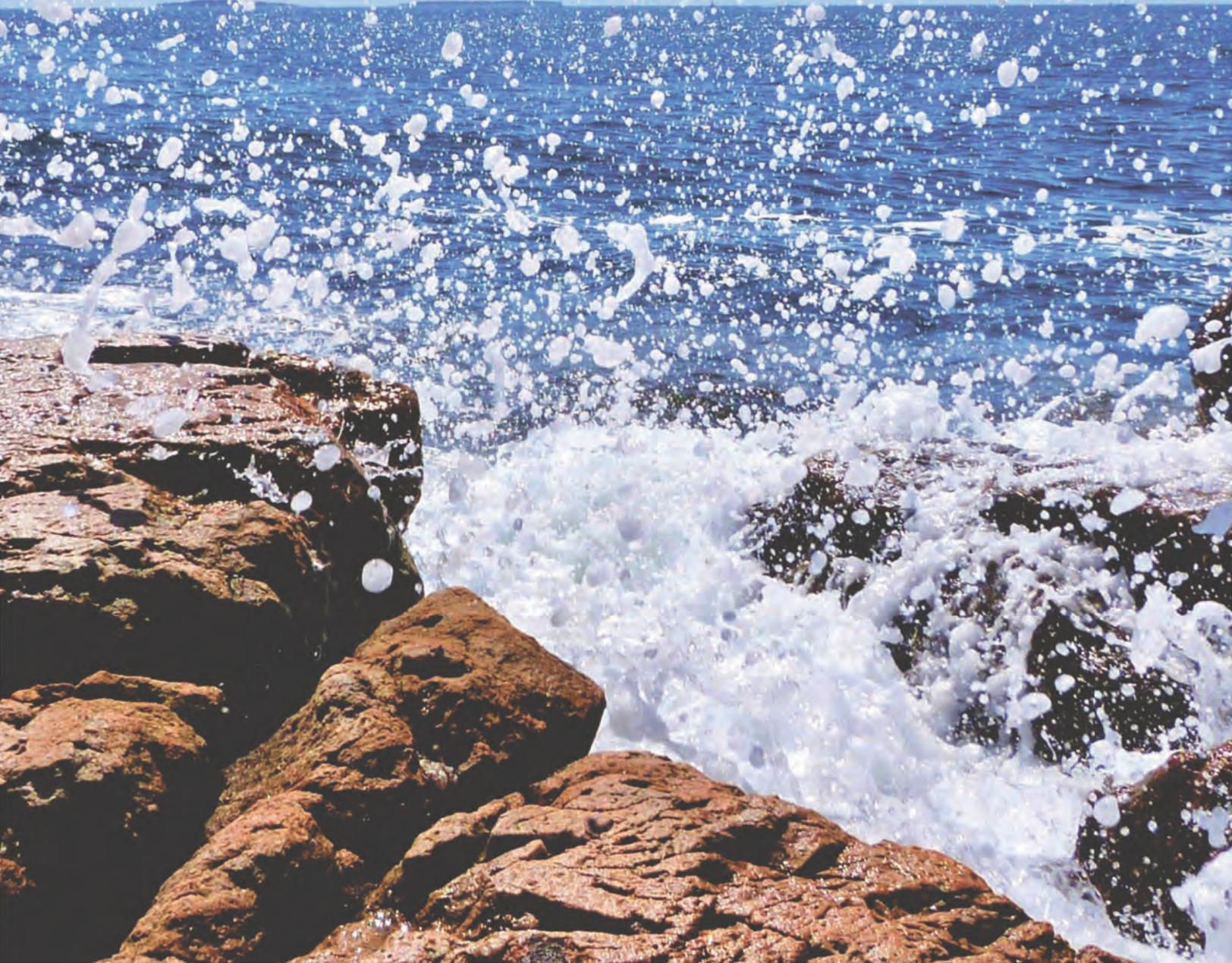
An increased film presence will draw from Maine’s **diverse pool** of talent and innovation. Since most films wrap within a 2-3 month timeframe, a state with a large self-employed workforce as well as a varied, accomplished existing workforce looking for meaningful jobs in technology-driven fields, offers a huge advantage. As the industry continues to grow, many of these workers will be able to channel homegrown know-how and newly acquired experience into a lucrative career with strong benefits and flexible hours. Because of its inherent cache, film is also destined to attract young people and fresh college graduates who want to stay and work in Maine.

Maine is in a decisive position to attract professionals from away, as the pandemic forces many to consider migrating to more rural areas. The state has long been considered an idyllic place to live, full of tranquil and rugged mystique. Locals, however, know there is so much more that is extraordinary lingering beneath the surface. Films often treat **location as character**, and a movie set in Maine could be a boon to tourism by showcasing Maine’s unique cultural brand. Maine’s low population density and agrarian surroundings also lend themselves to inherent social distancing during production.

WHAT IS THE CURRENT STATUS OF FILM IN MAINE?

Five productions filed for film incentives in 2020 with the total estimated in-state spend of \$3,342,347 (money that went back into the local economy).

Currently there are hundreds of Maine residents that work in production, although many more have left the state to seek work elsewhere, due to **low demand**.





Why should the incentives be improved?

When studios, production companies or independent producers consider where to shoot their film, state incentives is one of the first things they look at. As in any other industry, prospective financiers are looking for some **encouragement** to make their equity investment more appealing. In this way, film incentives are no different than the Maine Seed Capital Tax Credit Program, which employs the same approach with venture capitalists looking to stake Maine businesses. Increasing film incentives is crucial to generating more production in the state.

The current incentives offered by Maine do not do enough to recruit new film investment. Productions looking to either film in Maine and/or use Maine as the location their film is set will detour to competing states, which offer much more competitive options. This is troubling for two reasons. Not only is it a missed opportunity for **fiscal gain**, it also shortchanges Maine's singular character.

Building up the industry of film is something that will benefit all of Maine and shore up the state's tax base. Film productions by nature attract spending, often upgrading the local economy.



What is the Proposed Incentive Legislation?

The legislation put forth has been carefully crafted by industry experts who are also Mainers and are dedicated to keep spending as **localized** as possible. These proposed changes include:

- An increase in production spend reimbursement from 5% to 25% with an added cultural test percentage for filming in rural counties and films helmed by Maine-based writers, directors, and lead actors
- An increase in wage reimbursement from 10% non-local and 12% local to 20% and 25%, respectively
- Reimbursement for non-local below-the-line phased out within 5 years
- NO reimbursement for non-local above-the-line
- Wage cap increases from 50K to 75K
- Removal of airfare as a reimbursable production expense
- Added definitions
- Per project caps to keep the fiscal note low

By adding per project caps and discontinuing ANY reimbursement for non-local crew (both above and below-the-line) within 5 years, this bill ensures that most production spending will go directly into the pockets of Mainers. It also galvanizes ambitious local filmmakers to generate their own projects by raising funding, **creating jobs**, and contributing to the local economy.

This current proposed legislation was crafted using other state bills both as a template and a cautionary tale, in order to eliminate wasteful spending and keep as many dollars in state as possible. New York's film program, widely considered a success, has recorded \$30.4 billion in revenue and over 1.7 million hires since its inception in 2011. Likewise, New Mexico's program reported a record \$525.5 million in production revenue last year. In fact, both states have recently raised their funding caps.



Who benefits from these incentives? (not Hollywood)

Mainers do. The proposed incentive will cover local spending, and the salaries of Maine residents, money going directly into the state. Laborers in the areas of manufacturing, building, hospitality and tourism (among others) will directly benefit from the film business coming into the state.

There has been a lot of **misinformation** over the years about film incentives and their value. Studies have emerged that discourage the notion of film production incentives being relevant to the local economy or reinforcing the idea of taxpayers subsidizing the inflated salaries of Hollywood stars and executives. This is not the case with Maine's film bill, or any other film bill that incorporates thoughtful buffers to excess. By disallowing incentives for ANY non-local above-the-line salaries, the state won't be lining the pockets of the Hollywood elite.

Instead, the money will be faithfully applied to **hard-working** Mainers looking to earn higher baseline wages, the numerous local businesses that can supply goods and services to a film production, and increased investment opportunities in the state. Many crew positions on signatory films are also unionized. In future, training programs can be set up that offer would-be apprentices a path to join, so that they can go on to secure competitive salaries and health benefits.



New Business Opportunities

As the film industry grows in the state, there is the **potential** for permanent brick and mortar to follow. The onset of multiple films will increase the demand for equipment rental houses and production facilities, for example. Existing businesses might be encouraged to expand their services in order to accommodate film industry requests. Maine also has an abundance of abandoned buildings and mills which could be converted into sound stages, should the need arise. Not only will this promote further investment in state infrastructure, it will also help restore and repurpose aging architecture.

There is a particular benefit to the start-up community here in Maine as well. The state has long been hampered by a small population and limited opportunities as it tries to attract new businesses. If the film industry is allowed to **prosper**, these small companies will have the chance to expand their customer base and profile as more spending takes place.

Local Support

Over the last several years there has been an increased interest from local business leaders, community leaders and locals. Everyone from non-profits to students to artists to developers have voiced **support** for building this industry in the state. They recognize that Maine needs growth and youth and film production can attract a vibrant new sector of business.

“These proposed incentives will make Maine highly competitive in the film production industry, create and retain jobs in the business sector, and generate substantial revenue as well as stimulate growth for the local, regional and state economies.”

**Daniel Stevenson,
Economic Development Director,
City of Westbrook**



HOW CAN YOU HELP?

Local support and networking- ask for more information and spread the word in your community. The more public support for this effort the better the outcome.

Call your state representative - Pick up the phone and let your state representative know that this is something you support in your community.

Participate in marketing videos – We are putting together some videos to showcase **film in Maine** and you can be in them!

Spread the Word!

For further inquiries please email:
picturemaine2021@gmail.com

