

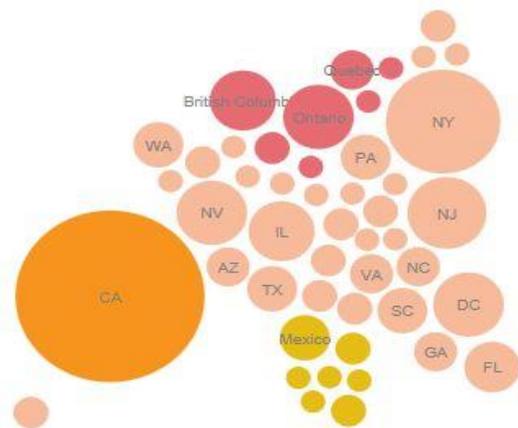
Georgia Film Industry— Overview & Current Climate August 2017

In 1973, Georgia created one of the first offices in the U.S. to attract the economic impact that comes with a motion picture project.

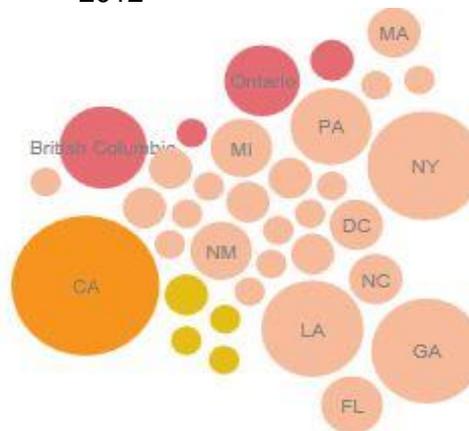
Over the past few years, Georgia has become within the top three busiest film and television production center in the United States. How did the state's film and television industry grow so quickly? First and foremost, by having a proactive legislature and Governor who supported the Georgia Entertainment Industry Investment Act, a tax credit incentive for qualified Georgia-lensed projects. However, a number of factors have contributed to Georgia's success—diverse locations, the ease of access of Atlanta Hartsfield- Jackson International Airport, a deep crew base, well developed infrastructure, and a temperate climate.

A snapshot of two years, 1997 and 2012, illustrates the diminishing role California plays in the production of feature films. Incentives have helped drive the film industries to other states—especially Georgia.

1997



2012

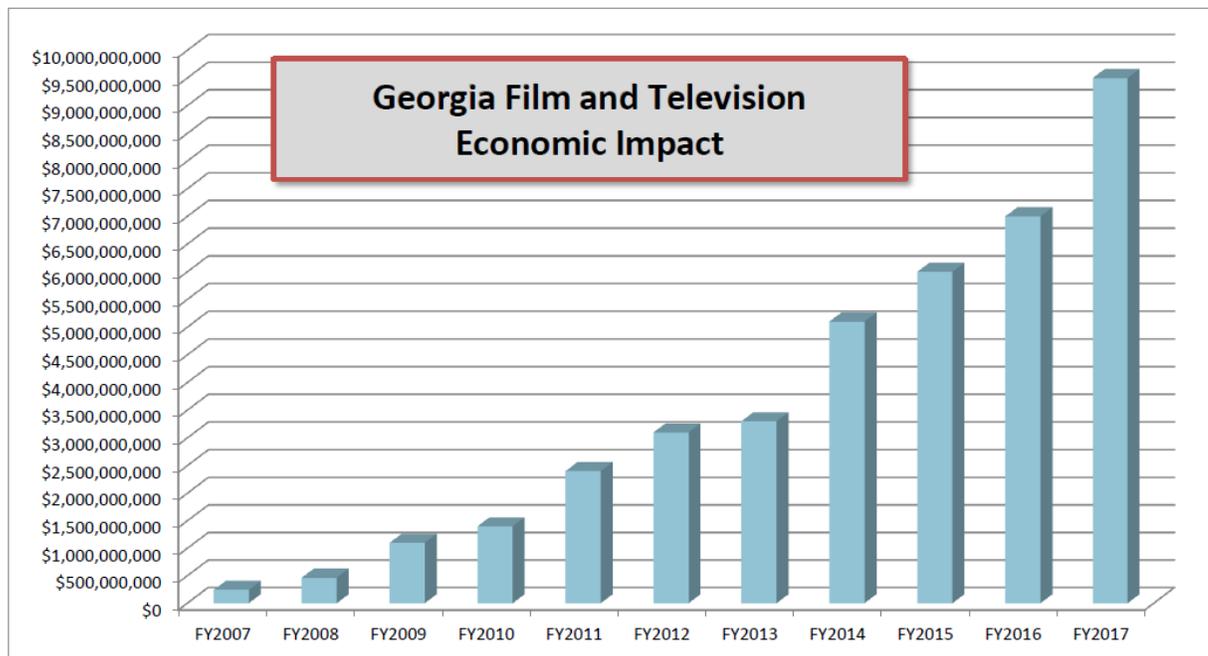


From the article, "So long, Hollywood; hello, Georgia" LA TIMES

<http://graphics.latimes.com/towergraphic-tax-credits-change-landscape-filming/>

The film and television industry site selection process, prior to 2000, was driven primarily by infrastructure and location factors. By 2004, domestic tax incentives were in place in several states, and Georgia's film business and support service companies declined rapidly. In this world of aggressive incentive development, high-speed connectivity, fluctuating exchange rates and low-cost offshore labor, the major studios and production companies have a range of site choices like no other time in history. Today, to develop or maintain an entertainment industry, a market must offer incentives; it is the accounting departments of the major studios that dictate which states can be considered for film and television projects. The tax incentive savings are typically rolled back into the budget, raising the spend in Georgia. The influx of cash into the economy is immediate—there is no delay for roads or factories to be built—and it is also widespread. Georgia's real estate market has been buoyed by all of the incoming shows that rent warehouses, offices, homes, and apartments, not only as shooting locations, but as housing for crew and production personnel. Certainly film equipment suppliers have been positively impacted, but the film business also supports hotels, restaurants, rental car facilities, dry cleaners, lumber suppliers, antique stores,

furniture rental companies, contact lens suppliers, the list goes on and on. Most importantly, the film and television industry has provided tens of thousands of jobs to Georgians—not only in highly skilled, technical positions, but also as caterers, production assistants, painters, hair dressers, accountants, carpenters, drivers, and so on.



In 2007, the economic impact of the film industry in Georgia was \$241 million.

In 2008, the state legislature passed the Georgia Entertainment Industry Investment Act, which allows productions up to a 30% tax credit for their qualified spend in the state.

In FY17, the economic impact of the film industry was \$9.5 billion.

In fact, for the first 35 years of the film office—from 1973 until 2008, the economic impact was \$5 billion. Last year, we did \$9.5 billion.

We hosted 320 feature films, television productions, commercials, and music videos in Georgia during FY17.

The motion picture and television industry is responsible for more than 92,000 jobs and nearly \$4.6B in total wages in Georgia, including indirect jobs and wages.

MPAA member companies alone paid \$775M to 6,648 vendors in Georgia in 2016. These local businesses include technology, lodging, real estate and transportation. Since 2012, MPAA members have paid on average \$748M per year to local vendors.

Infrastructure

There are nearly 2,790 motion picture and television industry businesses in Georgia, including 1,962 production-related companies. Literally hundreds of new companies have located or expanded in Georgia since 2010 to support the burgeoning industry., including numerous soundstages.

No state has seen the kind of investment that Georgia has seen in this industry, and these facilities enable many thousands of jobs in the state each year. Pinewood Atlanta has created the largest US soundstage complex outside of California in Fayetteville, GA, consisting of 18 soundstages plus one built for rental to the Georgia Film Academy at a greatly reduced rate. Four years ago, the site was a wheat field and an unoccupied spec school which had been a carried expense for the county. Pinewood has created an opportunity for Georgia to attract the types of shows we could never attract before because of their size needs, and they have created numerous full time jobs on their lot. Not only does Pinewood Atlanta require an extensive staff to manage, rent, clean, landscape, market, etc. their soundstages, but they have 40 companies on the lot with full-time employees, including the first Home Depot built expressly for the film industry, and the tent pole projects it hosts employs hundreds of crew people for many months or years.

Although they are continuing to develop the property, the gross capital spend at Pinewood Atlanta Studios on the 18 soundstages was over \$134 million. To help support this development, Dan Cathy, a partner in Pinewood, is currently under construction on 'Pinewood Forest' across the street, which will initially consist of 2 boutique hotels, restaurants, and 1400 residential housing units. This was previously undeveloped land which will now employ hundreds of tax paying Georgians.

Up the road in Union City, Atlanta construction company Rooker has built Atlanta Metro Studios which houses the largest and second largest soundstages in the United States. They list 17 vendors on their lot.

An empty beverage distribution facility in Norcross was retrofitted into Eagle Rock Studios, a four stage facility.

The old GM plant in Doraville now hosts Third Rail Studios.

EUE/Screen Gems signed a 50-year lease and renovated the old Lakewood Fairgrounds, which had been on the City of Atlanta's books for some time. They then added several new state-of-the-art soundstages and have been nearly continuously full since opening in 2010.

According to the *Atlanta Business Chronicle*, 'up to \$70 million' was invested on Constitution Road in South Dekalb County to create the purpose built "BlackHall Studios," which opened at the end of 2016.

Another state-of-the-art facility, Three Rings, has begun clearing land for construction in Newton county. They are estimating an investment of over \$100 m on 600,000 square feet of soundstages and an additional 400,000 of flex space.

The decommissioned Fort McPherson is home to the new Tyler Perry Studios, where stages space will soon be available for incoming productions.

Here is a list of some of these Georgia tax-paying physical infrastructure and support service companies who do not receive the tax incentive but that have located in Georgia since the incentive to capitalize on the robust business environment it created:

STUDIO/STAGE SPACE

- Atlanta Metro Studios of Union City
- Atlanta Film Studios Paulding County
- BlackHall
- Eastside Stageworks
- Eagle Rock Studios
- East Point Studios
- EUE Screen Gems
- Go2Studios
- Human Studio #3
- Lake City Crossing Sound Stage
- Legacy Movie Ranch
- Mailing Avenue Stageworks
- North Atlanta Studios
- Pinewood Studios
- Pop Films Stages
- Savannah Film Factory
- Stageworks MTKG
- Starland Studios
- Steve Harvey's Green Screen Studio
- Three Rings
- Third Rail Studios
- Tyler Perry Studios (2 campuses)
- Westside Stageworks
- Wilder Studios (4 Locations)

BANKING AND FINANCIAL

- Cast & Crew Entertainment Services
- City National Bank
- Entertainment Partners, LLC
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CAMERAS & EQUIPMENT

- Alternative Rentals
- Arri Rental
- Chapman-Leonard
- Cinelease
- Cineverse
- Clairmont Camera
- EPS-Cineworks
- Fovea Chromatics
- HD Planet Cameras
- Hollywood Rentals
- Majestic Motion Picture Technology
- MBS Equipment Company
- MMI Radio Rental
- New Deal Production Services
- Panavision
- Paramount on Location
- Paskal Lighting & Grip
- Production Resources Group

- Radish Lighting
- SPGS/Showrig
- TLC Rents
- Video Equipment Rentals

CASTING & CREW

- 400 North Casting
- Big Picture Casting
- Casting Taylormade
- CL Casting
- Connect 2 Casting
- Corrigan Johnston Casting
- Cynthia Stillwell Casting
- Fincannon & Associates Casting
- FutureStaff
- GT Talent & Extras Casting Agency
- Hylton Casting
- Marinella Hume Casting
- Marty Cherrix Casting
- New Life Casting
- Rose Locke Casting
- Tammy Smith Casting

CATERING/CRAFT SERVICES

- Atlanta Craft Services
- Catering Cajun of Georgia
- Cinema Catering
- Goldbug Catering
- Hanna Brothers
- Final Cut Catering
- Ibiza Bites Motion Picture Catering
- Krafty Kings
- Laurents Catering
- Ms. B Crafty
- Soule Catering

INTERACTIVE

- Bento Box Animation Studios
- Bling Digital
- EBreezy Media
- Gamer Launch
- Left Digital Media
- Mediacom 24-7
- Moguldom
- Plump Pixel
- Sim Digital
- Websuasion Group

PRODUCTION/POST COMPANIES

- Acme Film & Tape
- Amaraco
- Atlanta FilmWorks
- Atlanta Production Consultants
- Backlot Animation Studios
- Biscardi Creative Media
- Bug Out Bag Productions
- Bridge Props Atlanta

- Capocus! Studios
- Cinepro Pictures
- Cinevision Corporation
- Colormazing
- Company 3
- Deluxe Entertainment Services
- Ease Entertainment
- ECG Productions
- Eclipse Post
- Fotokem
- Fovea Chromatics
- Hollo Productions
- Lightiron Post
- Man FX Destiny
- Open Rivers Pictures
- Roadtown Enterprises
- SGA Production Services
- Southeast Film Group

TRANSPORTATION

- Cinema Vehicle Services South
- CINEStables
- Haddad's Trucking
- Hollywood Trucks
- Lunchbox Transportation
- Movie Cars Unlimited
- Southern Crane Syndicate
- Transportation Resources

MISC.

- Alpha Medical
- A Better Way Services
- Air Hollywood
- Board Brothers
- Bridge Props Atlanta
- C&S Film Concierge
- Dangling Carrot
- Elevation
- Cinema Greens
- Gotham Sound Atlanta
- Home Depot (exclusively for film)
- Image Engineering Inc.
- Independent Studio Services (ISS)
- Legacy Movie Ranch
- Lionstar
- Makeup on Demand, Inc
- M&R Print Solutions
- New Act Travel
- One Eyed Robot
- One Ring Networks
- Projections, Inc.
- PropsSouth
- PropSource
- RJR Props
- Regency Site Services
- The Rag Place
- Set Supplies
- Southeast Costume Company
- Stargate Studios
- The Rag Place

Workforce and the Georgia Film Academy

Although literally thousands of people have entered the local crew base—either coming from other professions or moving here from other markets, we are still experiencing a crew shortage. As a result, on July 1st, 2014, the Governor hosted the first industry-specific High Demand Career Initiative to assist with providing labor for film productions and interactive entertainment companies. The meeting was an opportunity to hear from numerous companies including NBC Universal, Turner, The Weather Channel, Marvel, IATSE, and Trick3D about their workforce needs.

The outcome of this initiative was the creation of the Georgia Film Academy. *The Georgia Film Academy is a collaborative effort of the University System of Georgia and Technical College System of Georgia supporting workforce needs of the film and digital entertainment industries. The academy certifies workforce ready employees in needed areas, connects students and prospective employees with employers, and offers a unique capstone experience for top students that will provide them a path to employment in Georgia.*

The academy does not attempt to replicate the classes offered by the 24 Georgia institutions with film programs, but instead offers flexible certificate-based courses where needs and opportunities exist across the state. The curriculum of the Georgia Film Academy is now being taught at 12 Georgia university and technical college campuses throughout the state, with offices and stage space at Pinewood Studios Atlanta. Their students are available to work on incoming productions—lowering production costs for smaller projects, and providing valuable training for the students.

Film Tourism

The film industry is a vital economic driver in Georgia, and from “Driving Miss Daisy” to “The Walking Dead,” Georgia has served as the backdrop for some major film and television productions for decades. The film industry not only creates jobs and investment in Georgia, it has created a thriving film tourism industry by drawing fans to Georgia to see where their favorite film or television show has been shot.

Newton County has determined that over 65% of their annual tourism can be attributed to film and television, which saw a direct spend of \$119.61 million in FY14. Not only does that result from recent successes like “Vampire Diaries” and “The Originals” but also from 1979’s five Georgia-lensed episodes of “Dukes of Hazzard” and the recently re-aired television series “In the Heat of the Night.” We may not be able to quantify the full impacts of film tourism for 30 years or more!

The town of Juliette, GA has built a cottage industry out of being the filming location for 1991’s “Fried Green Tomatoes.” Before the movie, the town consisted of 6 kudzu covered buildings.

The town of Senoia had seven occupied storefronts before the top rated cable show in the world, “The Walking Dead,” made it their home. Downtown Senoia now has 50 vibrant businesses on their main street, and a fully leased expansion has recently opened adjacent to main street. These businesses include film industry specific retailers such as The Woodbury Shop, The Waking Dead Coffee Shop, and Nic and Norman’s, a restaurant owned by the showrunner and one of the stars of The Walking Dead.



Senoia: Before and since “The Walking Dead” located in Senoia

There are numerous film tour companies statewide with daily tours including Atlanta Movie Tours, Vampire Stalker Tours, Southern Movie Tours and Savannah Movie Tours that have opened in Georgia to capitalize on the film tourism boon. In 2013 Atlanta Movie Tours had two employees and \$170,000 in revenue. In 2015 it finished the year with more than \$800,000 in revenue – nearly 300 percent growth – and 24 employees.

Summary

Georgia does not have the highest incentive available, but Georgia is well situated for the film industry so it can oftentimes beat out states with higher incentives. Georgia has the benefit of having an experienced workforce and developed infrastructure, which saves the production companies money. We have a temperate climate so productions can film year round. We have a diverse topography of mountains, beaches, plains, skyscrapers, small towns, and gritty urban landscapes. We have hotels to accommodate every budget, great restaurants, and the ease of access provided by having the world’s busiest airport. Georgia does not have the highest incentive, but it was well designed to be straightforward and sustainable and **all** of these assets help make filming in Georgia cheaper, easier, more convenient, and more desirable than most markets, and this non-polluting and non-resource draining industry is a welcome guest in economic terms.

