



Agenda DATE 5/31/16 TIME 12:30 PM

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**SANTA FE FILM AND DIGITAL MEDIA COMMISSION**

**Santa Fe City Council Chambers**

**June 7, 2016**

**10:00 a.m. - 11:45 a.m.**

- |   |       |
|---|-------|
| 1. Call to Order  | 10:00 |
| 2. Roll Call  | 10:01 |
| 3. Approval of Minutes  | 10:03 |
| 4. Approval of Agenda   | 10:06 |
| 5. Updates for Kate Noble about alternates and other news                         | 10:07 |
| 6. Film office update, Eric Witt  | 10:10 |
| 7. Report from and questions for Financial Working Group, James Gollin            | 10:13 |
| 8. Report from and questions for Asset Inventory Working Group, Elias Gallegos    | 10:23 |
| 9. Report from and questions for Strategic Planning Group, Adam Shaening-Pokrasso | 10:33 |
| 10. Website, Eric Witt  | 10:40 |
| 11. Proposal to share website "wants", Deborah Potter                             | 10:46 |
| 12. Discussion about local industry gaps  | 10:56 |
| 13. Goals for next meeting  | 11:15 |
| 14. Any other business  | 11:25 |
| 15. Questions form Visitors   | 11:30 |
| 16. Adjourn   | 11:45 |
| 17. Next Meeting Date:  |       |
| a. August 2, 2016 – 10am  |       |

Persons with disabilities in need of accommodations, contact the City Clerk's Office at 955-6520, five (5) working days prior to meeting date.

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**SUMMARY OF ACTION  
SANTA FE FILM AND DIGITAL MEDIA COMMISSION  
SANTA FE CITY HALL, CITY COUNCIL CHAMBERS  
TUESDAY, JUNE 7, 2016, 10:00 AM**

<b><u>ITEM</u></b>	<b><u>ACTION</u></b>	<b><u>PAGE</u></b>
<b>CALL TO ORDER</b>		<b>1</b>
<b>ROLL CALL</b>	<b>NO QUORUM</b>	<b>1</b>
<b>APPROVAL OF MINUTES</b>	<b>NO QUORUM</b>	<b>2</b>
<b>APPROVAL OF MINUTES</b>	<b>NO QUORUM</b>	<b>2</b>
<b>UPDATES FROM KATE NOBLE ABOUT ALTERNATES AND OTHER NEWS</b>	<b>INFORMATION/DISCUSSION</b>	<b>2</b>
<b>FILM OFFICE UPDATE</b>	<b>INFORMATION/DISCUSSION</b>	<b>2</b>
<b>REPORT FROM AND QUESTIONS FOR FINANCIAL WORKING GROUP</b>	<b>INFORMATION/DISCUSSION</b>	<b>2</b>
<b>REPORT FROM AND QUESTIONS FOR ASSET INVENTORY WORKING GROUP</b>	<b>INFORMATION/DISCUSSION</b>	<b>2</b>
<b>REPORT FROM AND QUESTIONS FROM STRATEGIC PLANNING GROUP</b>	<b>INFORMATION/DISCUSSION</b>	<b>3</b>
<b>WEBSITE</b>	<b>INFORMATION/DISCUSSION</b>	<b>3</b>
<b>PROPOSAL TO SHARE WEBSITE “WANTS”</b>	<b>INFORMATION/DISCUSSION</b>	<b>3-4</b>
<b>DISCUSSION ABOUT INDUSTRY GAPS</b>	<b>INFORMATION/DISCUSSION</b>	<b>4</b>

<b>GOALS FOR NEXT MEETING</b>	<b>INFORMATION/DISCUSSION</b>	<b>4-5</b>
<b>ANY OTHER BUSINESS</b>	<b>NONE</b>	<b>5</b>
<b>QUESTIONS FROM VISITORS</b>	<b>INFORMATION/DISCUSSION</b>	<b>5</b>
<b>NEXT MEETING DATE</b>	<b>AUGUST 2, 2016</b>	<b>5</b>
<b>ADJOURN</b>	<b>ADJOURNED</b>	<b>5</b>

**SANTA FE FILM AND DIGITAL MEDIA COMMISSION  
SANTA FE CITY HALL, CITY COUNCIL CHAMBERS  
TUESDAY, JUNE 7, 2016, 10:00 AM**

**1. CALL TO ORDER**

The meeting of the Santa Fe Film and Digital Media Commission was called to order by Deborah Potter, Chair, on Tuesday, June 7, 2016, at 10:00 am, on Tuesday, June 7, 2016 at the Santa Fe City Hall in the City Council Chambers, Santa Fe, New Mexico.

**2. ROLL CALL**

**MEMBERS PRESENT**

Deborah Potter, Chair  
Jim Gollin  
Adam Shaening-Pokrasso  
Nani Rivera  
Doug Acton  
David Sontag  
Elias Gallegos  
James Lujan  
Andrea Meditch, Telephonically

**MEMBERS EXCUSED**

Pamela Pierce  
David Aubrey  
Susan Fiore  
Kirk Ellis  
Edward McLoughlin  
David Manzanares  
Bruce McKenna

**OTHERS PRESENT**

Kate Nobel, City of Santa Fe  
Jon Hendry  
Randy Randall  
Eric Witt  
Elizabeth Martin, Stenographer

There was not a quorum present.

**3. APPROVAL OF MINUTES**

Postponed to the next meeting due to lack of a quorum.

**4. APPROVAL OF MINUTES**

Postponed to the next meeting due to lack of a quorum.

**5. UPDATES FROM KATE NOBLE ABOUT ALTERNATES AND OTHER NEWS**

Ms. Nobel reported that the Mayor is in the process of working on the appointment of alternates for the Commission. She will continue to keep the Commission updated.

**6. FILM OFFICE UPDATE**

Mr. Witt reported that the budget for the Santa Fe Film Office has been passed by both the County Commission and the City Council unanimously. He added that there was great enthusiasm for the office and the possibilities. They are on track for the July 1, 2016 opening.

Mr. Randall said that they are in the process of outlining employee needs and selection.

**7. REPORT FROM AND QUESTIONS FOR FINANCIAL WORKING GROUP**

Commissioner Gollin gave the report for the Financial Working Group. His report is incorporated herewith into these minutes as Exhibit "1".

Chair Potter thanked Mr. Gollin for a thorough report.

**8. REPORT FROM AND QUESTIONS FOR ASSET INVENTORY WORKING GROUP**

Commissioner Gallegos gave the report for the Asset Inventory Working Group. His report is incorporated herewith into these minutes as Exhibit "2".

Commissioner Gallegos said he would like input from the Commission regarding his Categories for the inventory. He asked that members let him know their suggestions and/or changes and additions.

## **9. REPORT FROM AND QUESTIONS FROM STRATEGIC PLANNING GROUP**

Commissioner Shaening-Pokrasso gave the report for the Strategic Planning Group. He said they did not meet but he did have meetings with other interested parties and mostly focused on what was needed for the future of film and digital media in New Mexico. They discussed what the gaps were and where the State and the industry were headed now and in the future. They also discussed the valley and peak nature of the industry.

Commissioner Meditch stated that she thought the commercial making industry was a solid and lucrative industry that would be perfect for New Mexico and to fill the gaps in the valleys and peaks of the industry in our State.

## **10. WEBSITE**

Mr. Witt reported that the Santa Fe Film Office will be housing the informational website and is looking at two possibilities. One is starting from scratch and the other is purchasing the website base that currently exists.

There was discussion regarding these possibilities.

Mr. Witt said the cost of purchasing the website information would be around \$10,000 which would be about the same as the start up costs for a new website.

Mr. Hendry informed the Commission that Ms. Ives is working on an information project with him and the Union and with Economic Development. He suggested that Mr. Witt talk with her about her progress.

Mr. Witt said he has been in talks with her.

Commissioner Shaening-Pokrasso said while the purchase of the current website may be advantageous, he is still concerned about what the content will be and if everything that is necessary and needed will be included. Also about the upkeep and timeliness of the information.

Mr. Randall said that the price includes the domain name as well.

## **11. PROPOSAL TO SHARE WEBSITE "WANTS"**

Chair Potter said she and Commissioner Shaening-Pokrasso had hatched a plan regarding the website and the Commission's participation in it's content. She said that the Commission will not be meeting during the month of July. She asked that the Commissioners take that time to think about what they would like to be included in the

website, what resources could be used to gather that information and other ideas they have and would like to see in the design and content of the site. She would like them to then forward that information to Commissioner Shaening-Pokrasso who will put the information into a usable format to be shared and discussed at the meeting in August and to then be given to Mr. Witt.

Everyone agreed to participate in this project.

Chair Potter also wanted to clarify for the record that this Commission has never voted on nor did they intend to develop a website themselves.

## **12. DISCUSSION ABOUT INDUSTRY GAPS**

There was extensive discussion regarding industry gaps. The gaps identified included the following:

- Broadband capabilities
- Warehouse and studio space
- Crew availability for shoots and for training
- Financing for small independent films and local films
- Film Loan Program
- Boom and Bust Cycles
- Housing for film crews and above the line folks

Chair Potter informed the Commission that she and Mr. Gollin would be meeting with the Director of the State Investment Office regarding the Film Loan Program following this meeting to discuss possible opportunities.

Chair Potter asked if the Commission would like to start a new working group to address the gaps.

Commissioner Rivera volunteered to serve as chair of the Working Group on Industry Gaps. Commissioners Lujan, Gallegos, Acton and Gollin agreed to serve on the Group.

## **13. GOALS FOR NEXT MEETING**

Chair Potter said that for the next meeting we will be discussing the results of the



suggestions made for the website by Commissioners and a report from the new Working Group on Industry Gaps.

**14. ANY OTHER BUSINESS**

None

**15. QUESTIONS FROM VISITORS**

Mr. Hendry said there has been some discussion about internships on film sets. The Union takes care of those kinds of things. He thanked the Commission for their energy and enthusiasm but also asked them to try to steer clear of the issues and programs that the Union is already responsible for so that they don't get crosswise.

Chair Potter asked how they could get crosswise.


Mr. Hendry explained by the Commission getting involved in things that are already being taken care of successfully and by contract. The media industry is a Union industry and things are handled and negotiated on a contract basis nationally.

**16. NEXT MEETING DATE**

August 2, 2016, 10:00 am

**17. ADJOURN**

The meeting was adjourned at 11:58 am.

  
\_\_\_\_\_  
Deborah Potter, Chair  
\_\_\_\_\_  
Elizabeth Martin, Stenographer

## **Santa Fe Film and Digital Media Finance Working Group**

Report for June 7<sup>th</sup>

The working group met in person on 22 May 2016 130-330 PM at the home of Jim Gollin, in attendance: Nani Rivera, , Jacques Paisner, James Lujan, Eric Witt, Deborah Potter, Jim Gollin (Chair). In addition, the Chair held side meetings or conversations with others including Jon Hendry, Eric Witt, David Sontag, Cyndi Conn, Bill Miller, Alan Webber, some of whose insights are reflected in this report. This is of course a working document including opinion and unverified information, which we will endeavor to bend ever closer towards reality as our work progresses.

**BIG PICTURE FRAMEWORK:** Our goal is not just to increase the size of the film industry in Santa Fe, but to make that industry *sustainable*. To do that, we need to move beyond the Boom and Bust cycles where our studios are full and crews overworked one month, but vacant and unemployed a few months later, building towards a more steady flow of business. Further, while we appreciate the blockbusters coming in from out of state to film, we also wish to help provide more points of entry into the industry for local talent, be they students from SFCC, SFUAD, IAIA, or other younger or novice filmmakers who wish to build their careers in Santa Fe, or more seasoned professionals who have homes here but tend to work far afield. We also want to encourage practitioners of emergent digital forms of storytelling to build businesses and careers here. And we wish to bring together some of the rich pools of talent we have here in Santa Fe, both our senior industry professionals and our novices, into more of a self-aware, integrated, mutually supportive film community. To help implement this vision, we seek to identify, evaluate, and where possible to fill in gaps in the film finance system.

### **TAX INCENTIVE FINANCING**

While the major filmmakers are able to “factor” or monetize the State’s (typically) 25% rebates and turn the incentive into immediate cash that can be used for production, novice filmmakers tend to lack that capacity. Loaning against a rebate that will come from State coffers in 6-18 months is relatively secure, but it’s not a form of collateral that local banks typically loan against, and the paperwork isn’t seen as worthwhile for what might be considered as microloans. In other words, it’s easier to turn 25% of a \$10 million film into cash than to get an advance on the \$25,000 that would be available for a \$100,000 budget novice or small independent film. It seems achievable to fill this gap, perhaps with a special purpose fund supported by a local foundation (with which some conversations have already begun), or perhaps with local angel investors, creating a rotating loan fund which would supply early cash to small, local film projects and be paid back, plus interest and fees, by the State rebates, then loaned out again.

It is also noted that a variety of other tax incentives exist including for “New Markets”, for angel investors, and for workforce training, especially in economically depressed zip codes, which alas are plentiful in New Mexico.

### **FILM LOAN PROGRAM**

A small percentage of the enormous State Permanent fund’s Land Grant Fund has already been allocated for potential use as loans to support the film industry. The good news is that small percentage is now equal to approximately \$300 million, a vast sum. The bad news is that the State Investment Office has not made any such loans for seven years. To a certain extent, the SIO has its hands tied by “prudent investor standards” which require distribution agreements, loan guarantees and the like.



Further, the investment professionals focused on investing \$18 billion don't have the time or interest to be looking at small, individual film loans, especially the type appropriate for smaller budget films. We are investigating the idea of helping create a Targeted Investment Fund, whereby the SIO would carve off a certain sum of money and place it in a separate entity, a Santa Fe Film TIF, which would then allocate the loans to support a sustainable film industry here, much as the SIO already allocates funds to venture capital firms which take a pool of money from the State and then reallocate it to various ventures. Initial exploratory meetings about this concept have already been scheduled.

## **HOUSING AND WAREHOUSING**

When the industry is booming, especially in tourist season, there is a critical shortage of housing for the out-of-town workforce, from above-the-line talent who might rent furnished homes to lower-wage crew who might need a motel room. Clearly, if we can employ more Santa Feans who already have their own homes, this would help alleviate the problem. But we do want to help the industry find beds for those coming from further afield, and initial conversations have begun with real estate professionals and also with Studio Concierge service to try and develop some ideas. In short, if we can assure steadier, longer-term rentals or linked short-term rentals, it will be much easier to develop additional workforce housing.

A critical shortage of appropriate warehouse space can lead to the industry using functional studio spaces as storage facilities when not in use for filmmaking, exacerbating a shortage of sound stages and related facilities. Again, if assured a steady customer base, it would be easier to encourage developers to build more suitable warehouse space.

## **STUDIO SPACE**

Even more critical than housing and warehousing is a current shortage of work space for the industry, from sound stages to green screen facilities. Concern was voiced that the Santa Fe Studios are currently too small for the largest productions while too big for small independent films. There are some creative ideas floating about, including adapting underutilized spaces, such as an empty swimming pool, into film facilities. The potential for new sound stages at local educational institutions, such as IAIA, was discussed. The city-owned yet vacant offices upstairs above REI at the Railyard might make a great space for a film industry office, incubator, green screen or post production facility, especially with the proximity of terabyte broadband.

## **BROADBAND**

Especially for the emergent digital media industries, improved access to fast and reliable broadband is critical. We gather that the shortage of connectivity is already hampering work at the Santa Fe Studios. We'd encourage the extension of broadband out to where the industry already works, or to attempt to locate data-intensive work closer to existing broadband capacity, or both.

## **DISTRIBUTION**

Smaller films coming out of our local filmmaker community often have a difficult time finding distribution. Further, digital media is rapidly upending traditional notions of film distribution, relying more on YouTube, iTunes, snapchat, and other internet based platforms. One idea circulating is the creation of a "Santa Fe Channel", perhaps building on the current government access cable Channel 28, or perhaps using internet or other emergent digital platforms to find an audience, or both. This effort

could be linked to the soon-to-be-redeveloped Santa Fe Film website. The goal might be to move beyond broadcasting City Council meetings and the like to include the work of student filmmakers, the rich cultural activities occurring regularly in Santa Fe, or even public domain films with a western theme, or which were filmed in Santa Fe, building the Santa Fe brand.

### **ASIAN CONNECTIONS**

A variety of unconnected opportunities relating to Asia seem to be presenting themselves. Perhaps most obviously, the Raffles educational consortium appears to be purchasing the Santa Fe University of Art and Design. It is too early to know what effect this may have on the film program, but we have heard that Raffles tends to promote both graphic design arts and animation. Secondly, iPanda, a Chinese animation firm, appears to be developing business in Albuquerque, which may have an effect of the Santa Fe digital media industry over time. Finally, we are interested in the concept of using the EB-5 Immigrant Investor visa status to help provide patient capital for a more sustainable film industry in Santa Fe. Under this program, foreign investors typically provide \$1 million in financing for job-creating industries in the U.S. and in return receive a visa, and eventually permanent resident status if their investments achieve the legally required economic benefits. Again, large film industry players are taking advantage of this EB-5 Visa cash flow already, but we would like to see that opportunity flow down to home-grown efforts. We are in the process of attempting to learn more about this opportunity.

### **OTHER MODELS**

We are looking at what other cities have done to provide support for their local film and digital media industries, from public-private partnerships in Austin, Texas to distant Toronto (<http://www.omdc.on.ca/> ) and Quebec.

NM Film & Television Industry  
Santa Fe Regional Assets

The purpose of this inventory assessment: to identify key draws to base all or some of a production in Santa Fe, to assist the commission in providing consistent messaging, and in preparation to support a city-county film office.

Categories (in Order):

1. Recruitment Film & TV (Temporary)
2. Recruitment of Studios, Production Companies (Permanent), and New Technologies (Digital/Post)
3. Education and Training Resources (All Positions and Vendors)
4. Growing Indigenous Filmmaking and Festivals

Key, Unique and Static Draws to the Region:

1. Locations
2. Infrastructure
3. Amenities/Hospitality
  - a. Hotels
  - b. Spas
  - c. Restaurants
  - d. Galleries/Boutiques

Support Services and Vendors

1. Vendors that Specialize in Industry (Single Clientele)
2. Vendors that Expanded into Industry and Franchises/Chains
3. Vendors that are Interested in Expanding into the Industry
  - a. Survey
  - b. Training
  - c. Relationships

Potential Locations and Centers

1. Railyard (e.g. Old Bowling Alley)
2. Warehouse 21
3. SFS Backlot
4. Hubs for Technological Support: Bandwidth for Dailies

Considerations:

1. (Consistent) Production Office Space, localized with parking
2. Warehouses, Storage (esp. for TV Series) and Mills
3. Seasonal Influences both re: Tourism and Weather/Off Season Initiatives?
4. Subsidize Hotels (additional incentive) to address Hotel Room issues for both Principals in High Season and for crew coming up for ABQ or other areas in NM

EXHIBIT

Note: Almost 50% of union crew are based in ABQ, and just under 25% in Santa Fe.

Permits:

1. City System in Place/Works
2. More Research for Santa Fe County
3. Rio Arriba County Still Challenging

Key, Unique and Static Draws to the Region EXAMPLES:

LOCATIONS

1. Western Sets x 3
2. San Cristobal
3. Old Main (Abandoned Closed Prison)
4. Scottish Rite
5. Plaza
6. Barracks
7. Abiquiu/Ghost Ranch
8. Taos Gorge
9. Santa Fe National Forest/Ski Resorts
10. Casinos
11. Courthouses
12. Diablo Canyon
13. Waldorf Canyon
14. Cerrillos (Town)
15. Madrid (Wild Hog Set Still Standing)
16. South Capital
17. Los Alamos/Anywhere USA
18. Las Vegas/Anywhere USA/Midwest (Housing/Bridge Street)
19. State-building - Tony Anaya/Surplus
20. Lab Entrance Los Alamos (Script Dependent)
21. Opera House
22. Golondrinas
23. Chama/Toltec
24. St. Catherine's
25. Airport

INFRASTRUCTURE

1. Garson Studios
2. Santa Fe Studios and Backlots
3. Airport Flights?



## VENDORS

Majority of Vendors Come from ABQ (Vendor List example pending)

NM Production Vendors will support Productions Regardless of Where Their Business is Located (Statewide)

More important they know HOW to service productions

Santa Fe/ABQ interchangeable to some degree re: Support Services

### Production Only Vendors Examples

Keslow

Serious Grippage

MBS Equipment

### Vendors that have Expanded into the Business Examples

Consignment Shops)

The Water Man

Propane

### Vendors that would like to expand

(Double Take, White Swan

### Other Support services?

Mail/Shipping

Insurance

Fuel

### Production Companies & Studios

Post services including music

### Hospitality/Amenities

Hotels (some with film-friendly rates/seasonal), Spas, Galleries, Restaurant/Bars

### Screens

Regal

Violet Crown

The Screen

Jean Cocteau

### Colleges

SFUAD

SFCC

IAIA

**REITERATE Needs**

Production Offices with Internet, Parking, Security  
Warehouses/Mills  
Set/Prop Storage

**Chains:**

I should mention that Walmart, Hobby Lobby and Sam's Club are basically used by ALL productions, along with Staples, and do really well. Whole Foods by some and of course Starbucks. Followed by Home Depot and Lowes. Locally, Empire does some work; however, I am not sure about Big Joe's.

Websites for Regional Vendor Listings to be Reviewed (and hopefully coordinated):

- NMFO
- ABQ Film Office
- Santa Fe Studios
- Alliance?

Santa Fe to consider tapping into NMFO vendor website and keeping updated for region (film office task likely)

**Additional Research:**

1. Follow Up with Commission Members: David Manzanares and Edward McLoughlin
2. Discuss Film Friendliness with Lisa Van Allen
3. Consider follow up meeting with Don Gray who provides information on locations to producers, and can discuss misconceptions about locations in Northern NM.