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## Film industry rallies to save incentives

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Since production of the television series *Leverage* came to Portland two years ago, Pacific Grip & Lighting has more than doubled its sales, added staff and made at least one sizable capital expenditure.

"We bought a 48-foot trailer that we never could have bought if *Leverage* hadn't been here," said **Doug Boss**, president of the Northeast Portland lighting and electrical supplier. "If *Leverage* went away, we'd be struggling, if we were here at all."

The problem is that the producers of *Leverage* say if Oregon's incentives are gone, so are they.

The talk of *Leverage* and other studio productions abandoning Oregon comes as state lawmakers tackle questions over the viability of film and video rebate programs. Oregon offers three comprehensive programs designed to spur the state's media industry.

Oregon's major incentive, the Oregon Production Investment Fund, gives companies 20 percent cash rebates on production-related goods and services provided by Oregon businesses. The fund also provides a 10 percent cash rebate of wages paid for work done in Oregon.

Legislators will decide whether to reauthorize the programs, which sunset in July. If they choose not to, Oregon could lose such high-profile productions as *Leverage*, the TNT series starring **Timothy Hutton**, and *Portlandia*, a sketch comedy series set to premiere Jan. 21 on the Independent Film Channel.

According to the Governor's Office of Film and Television, the Oregon Production Investment Fund has issued \$19.3 million in rebates and generated \$178.5 million in direct spending since Jan. 1, 2007. **Vince Porter**, the office's executive director, projected the spending total will reach \$276 million by the end of 2011.

Despite the successes, the incentive's renewal is in doubt. State lawmakers must slash an estimated \$3.5 billion from Oregon's 2011-13 biennial budget. Some 93 percent of Oregon's general fund goes toward critical programs: schools, health and social services and public safety.

Legislators decided last year to revisit all targeted incentives such as film and video rebates, along with tax credits designed to attract other businesses.

Rep. **Arnie Roblan**, a Coos Bay Democrat, supports the film and video incentives. Still, Roblan, the Democrats' nominee for House co-speaker, concedes every state spending program will be scrutinized.

"The question that will be asked of everything is: Will it create jobs and improve the economy?" Roblan said. "We have to consider how we spend money and keep it in the state."

Boss believes the film and video rebates do just that. He's working with a Bend-based supplier who provides specialized cables. When his company's trucks get more use, he spends money maintaining them with local mechanics.

There are also jobs for the crew members themselves.

"There are probably about 200 people who work on *Leverage* who'd be unemployed if they weren't shooting here," Boss said.

### Loss of Incentives could cause exodus

Film and television producers say if the incentives disappear, they'll leave the state. Executives for Electric Entertainment Inc., which produces *Leverage*, estimate the show will pour \$75 million into Oregon's economy over three years if it shoots the show's fourth season here.

"Unfortunately, we wouldn't be able to afford to come back without the incentives," said **Rachel Olschan**, a *Leverage* co-producer. "We love working here and want to keep doing so."

Olschan's company, led by noted television veteran **Dean Devlin**, is shooting another pilot in Portland over the next two weeks. Devlin is enchanted with Oregon: He's talked about the state becoming the "new Hollywood North," a nod to Vancouver, B.C.'s nickname.

Some question, however, whether the incentives are worthwhile.

In Michigan, a 42 percent tax credit has helped attract at least 70 major productions to the state since 2008. However, a state report found that each of the 355 full-time jobs created from the program last year cost Michigan about \$193,000.

As a result, Michigan is one of several states rethinking film incentive programs.

"The tax credits that work the best are the ones that affect the most people," said **Jason Williams**, executive director of the Tigard-based Taxpayer Association of Oregon. "Targeted tax credits, like those for filmmakers, end up not working. They're becoming increasingly unpopular across the country."

Supporters respond that Oregon's incentives are more sensible than those offered in Michigan. Plus Oregon can combine its programs with other traits — the lack of a sales tax, experienced media crews and a broad selection of landscapes — that producers love.

"We don't have to be the richest state in terms of giveaways," said **David Cress**, a Portlander who's producing *Portlandia*. "The less we give away, the more we give to the state in terms of its return on investment."

Cress and Porter both recognize that incentive opponents can offer compelling arguments. But they contend that states that don't invest up-front money in jobs creation programs will always face big budget holes.

Producers and other film and television investors also tend to explore available incentives before even delving into any negotiations.

"We wouldn't be able to even take meetings if (the incentives) didn't exist," Cress said.

### **Leveraging opportunity**

The television series *Leverage* recently wrapped its third season of shooting in Oregon. During the season:

471 local workers were put on the TNT program's payroll.

Those workers put in a total of 204,938 hours.

The program paid more than \$1.9 million in pension and health benefits.

*Leverage* producers paid more than \$350,000 to extras who appear in scene backgrounds.

### **Productions**

There are three major Oregon-based film and television productions in progress. One of them, the shoot of a pilot for a proposed TNT series called *Brain Trust*, will take place over the next two weeks. Recently completed projects include:

*Portlandia*, a comedy that features Saturday Night Live's **Lorne Michaels** as executive producer and stars **Fred Armisen** and **Carrie Brownstein**.

*The Wait*, starring **Chloe Sevigny** and **Jena Malone**.

*Meek's Cutoff*, directed by **Kelly Reichardt** and starring **Paul Dano** and **Michelle Williams**.

*Extraordinary Measures*, released earlier this year and starring **Harrison Ford** and **Brendan Fraser**.

*The River Why*, released earlier this year and starring **Zach Gilford** and **William Hurt**.