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Subject: Economic Impact Report
Fiscal Year 2007-2008

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Filming in Phoenix remains a strong and vibrant industry. This past fiscal year (July 2007 – June 2008) witnessed a spectacular 65% job growth as a result of the 546 projects shot by both local production companies and companies from outside the State that selected Phoenix as their filming location. Overall, the economic impact on Greater Phoenix from the Film Industry was \$23,918,788.

The Phoenix Film Office issued 167 film permits which translated into 1,582 shooting days, 3,976 freelance jobs (trained technical crew and talent) and 4,159 hotel nights. Commercials and still photography, the main staple behind the local film industry, witnessed an increase in employment by 51% while seeing the total dollars spent increase 44% to \$11,001,736.

However, Phoenix saw a -57% decrease in the economic impact of the film industry. While this is a large decrease, it is the direct result of economic trends and a lack of major motion pictures selecting the Valley as a filming location. Last fiscal year, features including "The Kingdom", "Kids in America", "Jolene" and "Netherbeast Incorporated" alone totaled more than \$31 Million in spending on the local economy through wages, purchases, rentals and hotel stays. The 100 day strike by the Writers Guild of America played a small role in this fiscal year's decline, but the more pervasive issue was the lack of guarantees from the Arizona Department of Commerce's Motion Picture Tax Incentive Program which turned potential features away.

Over 40 US states have some form of an incentive package to lure productions to their locales (most common are rebate or tax credit programs). Arizona has one of the more progressive programs in the country utilizing transferable tax credits which amount to \$40 Million in 2007, \$50 Million in 2008, \$60 Million in 2009 and \$70 Million in 2010. While these dollar amounts are quite impressive, due to the allocation process and number of applications submitted for projects that are never made, the entire allotment of credits are committed very early in the year. As a result, other projects that receive their funding and a green light during the year are not guaranteed tax credits. This causes future productions that could potentially bring with them hundreds of jobs and millions of dollars to Phoenix, and Arizona, to move to other states.

While the decline in feature production had a less than desirable impact on the local film industry, it is important to note that approximately \$20 Million in transferable tax credits from the 2008 cap have been returned. This has sparked renewed interest among features and the Phoenix Film Office is currently working with five major productions while serving the needs of the local film industry.

All data was compiled based upon surveys sent to productions that filmed in Phoenix. In lieu of completed surveys, economic impact estimates were based upon the Association of Film Commissioners International "Tracking Production Revenue: Direct Spending for On-Location Production (US Dollars)". No multipliers were used. Job creation and hotel nights are listed as reported, estimates are not utilized.



2007-2008 Financial Impact of Filming in Phoenix and the Valley

Prepared by the Phoenix Film Office
a/o 7/28/08

	Total Projects	Shoot Days	Total Dollar Amount	Total Local Talent	Total Local Crew	Hotel Nights
Commercials	177	416	\$8,300,486	503	1294	695
TV Special	11	57	\$5,871,000	5	85	71
Still Photo	68	306	\$2,701,250	251	185	1045
Feature (Independent)	9	78	\$1,278,000	56	163	70
Reality	12	91	\$1,134,120	128	54	1800
Feature	3	7	\$1,085,000	0	5	1
Corporate/Industrial	140	327	\$1,002,382	65	626	48
TV Weekly Series	57	137	\$861,500	16	150	280
Webcast	7	17	\$854,250	26	46	8
Other	0	0	\$320,000	0	0	35
Documentary	10	57	\$176,500	7	49	55
Music Video	9	15	\$145,000	20	47	19
Educational	20	25	\$107,300	27	131	18
PSA	11	20	\$58,000	2	4	0
Student Film	11	26	\$22,000	23	8	14
Government	1	2	\$2,000	0	0	0
TOTALS	546	1581	\$23,918,788	1129	2847	4159

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2007 – 2008 Year End Highlights

FEATURE FILMS

Duedas Occultas
Fallen Heroes
Farlanders
Gladiators
Space Decoy
Sugar
The Graves
This Bitter Earth
Twilight

TELEVISION

All About Dung
Anne Reinking Documentary
Chopper Challenge
Exiled
Fugitive Chronicles
G Word
House Smarts
John Waddell Documentary
Last Comic Standing
My First Place
One Percent
Project X
Purgatory
Rollers
Soccer Mom
Special Investigation Squad "S.I.S."
Spring Break 83
Stealing Wheels
Super Nanny
Ten Ways to Save The Earth
The Girls Next Door
The Operators
The Social
The Story of Maths
Vanished
Vegas Voyage
Where Are They Now?
Whole Body Health
Wife Swap
Yuko Oga Documentary (Japan)
X Tattoo Removal

COMMERCIALS

Aetna Insurance
Arizona Humane Society
Blue Diamond Almonds
Cable1
Casino Arizona
Claritin
Del Taco
Dodge
Ford
Hyundai
Insight
Loews
Medicaid
Nestle Cereal
Nissan Altima
OnStar
Pacstar Insurance
Pepsi Challenge
PetSmart
Phoenix Suns
SADD
San Diego Padres
Siemens
Taco Time
Tot Turf
United Way
Victory Motorcycles
Volkswagen

PRINT

Bank of America
BMW
Danish Kids (Netherlands)
Disney
Erima (Germany)
Gold Leaf Cigarettes (England)
Jaguar
King Size Fashions
La Blanche Porte (France)
Smithsonian
University of Phoenix
Watermark (Canada)
Witt Weiden (Germany)