



## Lights, camera, action! The film industry and Michigan townships

*George Clooney. Drew Barrymore. Clint Eastwood.*

*These and more Hollywood favorites have been spotted around the state since Michigan's film tax credit was implemented in April 2008. After two years, aside from a number of celebrity sightings, what have we seen as a result of this controversial incentive? What has it done for Michigan? What has it failed to do? And which townships are hitting the silver screen?*

### WHAT IS THE TAX CREDIT?

The film incentive, also referred to as the "film production credit," is a refundable, assignable tax credit of up to 42 percent of the amount of a production company's expenditures that are incurred in producing a film or other media entertainment project in the state of Michigan.

In a radio address about the tax credit just before the two-year anniversary of its instatement, Gov. Jennifer Granholm said that the film incentive program had made Michigan one of the top three states in the nation for production of all types of media. The program, according to Granholm, was created to increase the number of productions filmed on location in Michigan, attract production facilities, create jobs and train workers for those jobs.

"It's definitely creating jobs, which was its main objective," said Ken Droz, communications consultant for the Michigan Film Office. "And not just purely film production jobs, but a lot of the ancillary businesses have been hiring people for all sorts of services."

According to the Michigan Film Office, as of June 1, a total of 99 film projects have wrapped in the state since the tax credit was instated—a huge leap from the 44 productions made in Michigan from 2000 to 2007. Total production dollars spent in that same two-year period were up to \$366 million, which is only expected to increase throughout the summer and fall.

Since 2008, a total of 6,763 production jobs were created directly for the productions themselves. That number does not include extras or stand-ins, or indirect jobs created from the productions or the ripple effect of the activity, such as new staffing by film suppliers like hotels, caterers, lighting companies and other vendors.

“Any time you inject \$350 million into the economy, good things will be happening,” Droz said.

In the radio address, Granholm also acknowledged the several production studios that were popping up in Michigan as a result of the film incentive, representing an investment of more than \$300 million and an estimated 6,000 permanent, full-time jobs. With the growing demand for workers to fill these jobs, the Michigan Film Office created a set of recommended competencies available to any university, community college or private school in Michigan, which means students won’t have to leave the state to learn the skills needed to work in film production or other media.

“I think people are just happy that some type of industry is coming into the state for a change, instead of leaving it,” Droz said. “People are thanking us constantly for this program as they see positive headlines in newspapers after receiving so much negative news of plant closures, layoffs, bankruptcies, etc.”

According to Droz, locations all over the state have been chosen by producers for everything from feature films to television series to documentaries.

“The producers are really enjoying their experience here,” he said. “They’re greeted with open arms, motivated crew members, welcoming municipalities and great locations of a wide variety that they just don’t see around the country.”

### BENEFITING BUSINESSES

Some businesses are seeing a major increase in revenue as a result of the film credit. S&R Event Rental Company, located in **Harrison Charter Township** (Macomb Co.), would not be a Michigan-based business if it weren’t for the film incentive.

“The tax credit was the deciding factor in keeping my business in Michigan,” said owner Rodney Oullette. “I was prepared to move my whole company to Pennsylvania because of their incentives, but the Michigan tax credit kept me here and business really took off. I had to add more employees and it really kept us going.”

S&R Event Rental has worked on projects such as “Up in the Air” starring George Clooney, “Gran Torino” starring Clint Eastwood, and the HBO series “Hung,” providing a wide range of items and services—from tables, chairs and wardrobe racks to a full cardboard and bubble-wrap layer to protect parts of buildings that are not being used during the shot.

Oullette gives the film incentive all the credit when it comes to the varied projects of which his company has been a part.

“When productions started coming to Michigan, it really helped my company diversify,” said Oullette. “We had worked on the movie ‘8 Mile’ in Detroit, but once the tax credit was passed, we were given the opportunity to work with a huge range of productions.”

Oullette is confident that the film incentive is not only a good thing for film-related companies, but for all of Michigan.



## Michigan townships hit the big screen

### Ann Arbor Charter Township (Washtenaw Co.)

“Flipped,” (pictured above) starring Madeline Carroll, Aidan Quinn, John Mahoney and Penelope Ann Miller

### Birch Run Township (Saginaw Co.)

“Whip It,” directed by Drew Barrymore and starring Ellen Page, Marcia Gay Harden and Jimmy Fallon

### Blackman Charter Township (Jackson Co.)

“Conviction,” starring Hilary Swank, Sam Rockwell, Minnie Driver and Juliette Lewis

### Blackman Charter Township (Jackson Co.) and Webster Township (Washtenaw Co.)

“Stone,” starring Robert De Niro and Edward Norton

### Genoa Charter Township (Livingston Co.), Milford Charter Township (Oakland Co.) and Highland Charter Township (Oakland Co.)

“Red Dawn,” starring Chris Hemsworth, Jeffrey Dean Morgan, Adrianne Palicki and Connor Cruise

### Green Lake Township (Grand Traverse Co.)

“Youth in Revolt,” starring Fred Willard, Ray Liotta, Jean Smart and Michael Cera

### Holland Charter Township (Ottawa Co.)

“What’s Wrong with Virginia?” starring Jennifer Connelly and Ed Harris

### Saginaw Charter Township and Thomas Township (Saginaw Co.)

“Street Boss,” starring Vincent Pastore and Robert Gallo

*Has a movie been filmed in your township? Is filming for an upcoming production scheduled to take place in your community this year? Let MTA know! Call Chea at (517) 321-6467 or e-mail [chea@michigantownships.org](mailto:chea@michigantownships.org).*



**Big-name celebrities, including Tony Award winner Hugh Jackman (above, center), are among those who have filmed major motion pictures in Michigan, brought to the Great Lakes State due, in large part, to the state's 42 percent film production credit.**

"These productions do great things for the communities they film in," he said. "They bring in revenue—whether it's renting space, staying in hotels or buying products from local businesses. It also brings in a lot of publicity."

Since the program started, there have been several reports on the increase in revenue for local businesses when productions come to town, particularly for event companies and hotels.

### TOWNSHIPS GET INVOLVED

In January, Vanir Entertainment, a film production company based in **Clinton Charter Township** (Macomb Co.), announced plans to open a \$20 million film studio on 26 acres of land. The 20,000-square-foot domed green-screen facility will allow directors to film 180 degrees on the vertical and 360 degrees on the horizontal. Executive Producer Alex Greene worked with the Michigan Economic Development Corporation, the Macomb County Film Office, and officials from Clinton Charter Township and Baker College to make the plan a reality.

"It's a one-of-a-kind studio and is manageable in terms of money," said **Bob Cannon**, Clinton Charter Township supervisor. "We are very excited about it and we can't wait for them to break ground."

Cannon explained that the partnership between the studio and Baker College will result in having a campus on-site, so that the students will have a place to learn and work immediately.

Also in Macomb County, the Romeo Film Production Office, with help from **Washington Charter Township** (Macomb Co.), has been working to draw the film industry to the area. The township supplied \$21,000 of its cable franchise fees and provided office space in its municipal building to create a resource center for interested filmmakers to approach with questions or inquiries.

The township set up a liaison who handles all requests when a producer inquires about shooting a film, or any digital media, in the community. Not only does the office gather ideal filming locations, it provides information for companies and individuals who are ready to offer their services, such as caterers, equipment suppliers, electricians, carpenters and actors.

"We wanted to help our community get involved in this growing industry," said **Kathy Bosheers**, Washington Charter Township clerk. "So our township has completely funded the office to help bring that industry to us."

The Romeo Film Production Office has also created a website that serves several purposes, including showcasing with photos and videos desirable filming locations in Washington Charter Township, as well as in neighboring **Bruce Township** (Macomb Co.) and the village of Romeo. The website also serves as an informational resource for producers interested in filming in the area. All services provided by the Romeo Film Production Office are free.

"I think it has made us more appealing to the industry," said Bosheers. "We've had some advertisements and a few independent films come to our area. We're a rural to semi-rural community, so I think we've been very fortunate to draw in this business."

When asked how she feels about the tax credit, Bosheers said it's all a matter of how you look at it.

"I look at the credit as an investment," she said. "If we can get more of our residents working, then that credit has a direct benefit for us. It's just another industry that needs exploring, and we've got the talent and ready workers here."

### NOT EVERYONE IS A FAN

Despite the numbers and success stories, the film incentives have come under scrutiny by state and local officials. Some warn that subsidies for moviemakers come at the expense of many Michigan businesses that are having to pay the bill.

Some lawmakers are questioning whether Michigan is getting its money's worth. The tax credit program is estimated to cost the state nearly \$69 million for projects completed in 2009, not counting incentives given for permanent infrastructure. Many lawmakers would prefer to use part of the tax incentive

cash to help fill in a state budget shortfall heading into the fiscal year starting Oct. 1. Other skeptics say the jobs created are just temporary.

The idea behind the film incentive is to help create a new industry that will expand the state's economy and create a big enough movie infrastructure in Michigan so the tax credit can eventually be reduced or eliminated, while the industry remains in the state. The question is, how long will that take? Or is it even possible?

**Webster Township** (Washtenaw Co.) Supervisor **John Kingsley** has yet to see a positive impact from the film credit.

"We had three movies, one right after another, filmed in our area with little impact on our township or businesses," he said. "I think the tax incentive is a waste of taxpayers' resources."

Officials from **Genoa Charter Township** (Livingston Co.) had a similar experience when "Red Dawn," a remake of the 1984 movie, was filmed in the area.

"We saw a minimal amount of investment in the community as a result of the film," said **Gary McCrie**, Genoa Charter Township supervisor. "Aside from possibly some rent paid to Mt. Brighton where the scenes were filmed, I'm not aware of any benefit derived from the filming. I think it's a stretch to suggest there is any significant benefit to the townships or to the state. I believe the film industry will go wherever the tax credits are highest."

Most critics say the incentives are needlessly generous in a state that still faces a massive budget gap and has been making cuts to spending on corrections, education and human services. Last year, lawmakers debated placing an annual \$50 million cap on the incentives, which ultimately did not pass.

Another issue that has turned many Michigan residents off to the film credit is the possibility of credit oversight. Already there have been concerns about filmmakers reporting overinflated expenditure figures in order to receive a larger credit, resulting in a hidden payout. Scandals such as this have been reported in several states with large film incentives, Michigan included.

### TOWNSHIPS WORK WITH BIG PRODUCTIONS

With the incentives drawing big feature films to the state, several townships have already hosted some major productions.

Tic Tock Studios filmed "What's Wrong With Virginia?" starring Ed Harris and Jennifer Connelly, directed by Academy Award winner Dustin Lance Black, in **Holland Charter Township** (Ottawa Co.). Much of the movie was shot in or around a vacated home that the township had recently purchased as contiguous property to Quincy Park.

"They inquired about using the home as a site for a great deal of the movie filming," said Holland Charter Township Supervisor **Terry Nienhuis**. "We created a special agreement that included



Filming of movies and other media entertainment in townships can generate excitement among residents—and revenue for area businesses and organizations.

a requirement that once the film shooting was completed, the property would be left as they found it.

"The movie generated plenty of excitement, as well as income for area hotels, restaurants and certain types of service organizations," Nienhuis continued. "All in all, I believe it was a good experience for the township and our community."

According to Nienhuis, the production required substantial amounts of law enforcement assistance in the form of traffic control.

On the other side of the state, a movie filmed in **Birch Run Township** (Saginaw Co.) left its mark at a local dining establishment. The 2009 film "Whip It," directed by Drew Barrymore and starring Ellen Page, while set in Texas, was actually shot almost entirely in Michigan.

The film featured scenes at a Texas barbeque joint, which, in reality, was formerly Ken's Diner in Birch Run Township. After filming wrapped, a local couple reopened the diner as the Oink Joint, where customers would flock to eat at the locally famous restaurant. The restaurant has since closed and future plans for the building have not been released.

Some sites in Michigan have been visited by more than one major feature film. The Southern Michigan Correctional Facility located in **Blackman Charter Township** (Jackson Co.) was host to two major films, as well as an independent film. "Conviction" starring Hilary Swank, and "Stone" starring Robert De Niro and Edward Norton, are both scheduled to be released later this year. Both films were shot entirely in Michigan locations.

Often, when a producer approaches a township about filming in their area, some paperwork is required. Agreements to return the property to its original state, as in the Holland Charter Township case, are common. Township officials must also be prepared to deal with requests for road closures during filming hours, which may require extra law enforcement staffing—at the expense of the production company. If the film requires any sort of burning, the production company will usually go through the area fire authority to get approval.

#### HOW LONG WILL IT LAST?

The fate of the film industry in Michigan depends on how long lawmakers will support the tax credit. The credit continues to remain under legislative scrutiny, with two bills under consideration to increase the transparency of the incentive, including requiring the state film office to post production companies' tax credits on its website and removing a current option for film companies to claim confidentiality regarding qualified production expenditures, among other measures.

Supporters of the program say that the film industry is already contributing to Michigan's economy and, like any new industry, will take some time to evolve. Critics are confident that the taxpayers' money would be better spent elsewhere.

In the meantime, many state residents are happy to see Hollywood appreciating and showcasing all that Michigan has to offer. ■

**Chea Tyrrell,**  
**MTA Communications Coordinator**



*Tell us what you think! Share your thoughts about Michigan's film incentive or your township's experiences with a film production.*

*Voice your opinions or join the conversation on Community Connection (<http://community.michigantownships.org/>), MTA's social networking site for township officials, or send a Letter to the Editor to Michigan Township News' Editor Debra McGuire at [debra@michigantownships.org](mailto:debra@michigantownships.org).*