Approved: February 17, 2009

## MINUTES OF THE HOUSE ECONOMIC DEVELOPMENT AND TOURISM COMMITTEE

The meeting was called to order by Chairman Lana Gordon at 3:30 p.m. on February 11, 2009, in Room 711 of the Docking State Office Building.

All members were present except:

Representative Ron Worley- excused

Committee staff present:

Jason Long, Office of the Revisor of Statutes Doug Taylor, Office of the Revisor of Statutes Reed Holwegner, Kansas Legislative Research Department Ann Deitcher, Committee Assistant

Conferees appearing before the committee:

Mike Hayden, Secretary, Ks Department of Wildlife & Parks Becky Blake, Director of Travel & Tourism, Ks Department of Commerce Peter Jasso, Manager, Kansas Film Commission

The Chair introduced Secretary Mike Hayden who spoke to the Committee regarding the state parks and the income pointing out that there were no general funds in Wildlife and Parks. (Attachment 1).

Saying that most of the money came from the rental of cabins, the Secretary said that at this time there were 67 constructed and in use. Built by inmates at the 3 state prisons, the income goes mostly to the cost of building more cabins.

Speaking then of hunters coming from out-of-state, Secretary Hayden said that they came from states that while they might offer the same wildlife for hunting, Kansas offered other opportunities. He gave an example of deer hunters coming from other states, saying that while they had one million deer hunters in Pennsylvania, those hunters preferred Kansas because of the open spaces.

According to the 2006 National Survey of Fishing, Hunting and Wildlife Associated Recreation prepared by the U.S. Fish and Wildlife Service, the total economic impact to the state, of non-resident (N/R) hunting and fishing in 2006 was \$123,442,000.

Questions and answers followed.

Next on the agenda was Becky Blake who addressed the Committee regarding a Travel and Tourism Division update on their initiatives and accomplishments. (Attachment 2).

Ms. Blake said that following the success of the 2007 ad campaign, television ads were once again utilized in 2008. Their television campaign was expanded to eight out-of-state drive markets with an increased reach of 4.3 million households over 2007. She said they also added an in-state schedule and eight communities supported the TV campaign by contributing 20,000 each in 2008.

Saying that the success of the program was significant, she pointed out that research conducted by Strategic Marketing and Research, Inc. Concluded Kansas received \$68 return o each \$1 invested in the campaign. For 2009, they are moving beyond the traditional marketplace into Minneapolis and St. Louis with a brand message and they'll continue with a cable and spot television buy in 7 markets in surrounding states. They have added one additional community partner which brings the sponsorship to \$180,000.

Questions and answers followed.

## **CONTINUATION SHEET**

Minutes of the House Economic Development And Tourism Committee at 3:30 p.m. on February 11, 2009, in Room 711 of the Docking State Office Building.

Peter Jasso explained to the Committee that the Kansas Film Commission was a program n the Department of Commerce's Business Development Division created to encourage and service film and video production in the state of Kansas. The Commission budget currently provides for one full time employee with an operational budget of \$48,314. The Commission also includes a gubernatorially appointed advisory board. (Attachment 3).

Mr. Jasso said that over the past year, the Commission provided assistance to several productions including independent features, cable TV shows, commercials, documentaries and shorts. During FY 08, film production dollars spent n the state totaled an estimated \$25 million. He told the Committee that since 1985, a total of \$352,033,707 in production dollars has spent in Kansas.

Questions and answers followed.

The meeting was adjourned at 4:50 p.m. The next meeting is scheduled for Monday, February 16, 2009.



Kansas Department of Wildlife and Parks
Presentation to House Committee on Economic
Development and Tourism Regarding the Impact of NonResident Hunting and Fishing to Tourism and the Economy

By J. Michael Hayden, Secretary Kansas Department of Wildlife and Parks February 11, 2009

The Kansas Department of Wildlife and Parks (KDWP) appreciates the opportunity to discuss the issue of tourism and the efforts of the Department in promoting travel in Kansas. This issue is an important topic to the Department since we operate numerous facilities and programs that are utilized by both residents and non-residents. For the purposes of this presentation we will limit the discussion to non-residents and the impact to tourism and the economy.

KDWP has limited resources available for the direct promotion of tourism. However, KDWP's Information and Education Section produces a variety of print and on-line information promoting hunting, fishing, state park visitation and boating in Kansas. Department staff collaborates frequently with the staff of the Department of Commerce, Division of Travel and Tourism to pursue

OFFICE OF THE SECRETARY 1020 S Kansas Ave., Suite 200, Topeka, KS 66612-1327 (785) 296-2281 • Fax: (785) 296-6953 Economic Development & Tourism

Date: 2-11-09

Attachment # /-

cooperative efforts aimed at enhancing tourism in Kansas. In addition, KDWP is developing efforts with the Department of Commerce to utilize the customer database being created through the Kansas Online Automated Licensing System (KOALS). This will target possible consumer markets and encourage tourism to the state for hunting, fishing, camping and other outdoor recreational pursuits such as bird watching and hiking.

The 2006 National Survey of Fishing, Hunting, and Wildlife Associated Recreation prepared by the U.S. Fish and Wildlife Service provides information on the number of non-resident (N/R) hunters and anglers that hunt or fish within the State. This survey is conducted every five years. For 2006, there were 85,000 N/R anglers and 88,000 N/R hunters who fished or hunted within the State.

The 85,000 N/R anglers spent an average of five days fishing within the State and spent on average \$505 per person. The total expenditures by N/R anglers within the State for 2006 were \$42,738,000. The 88,000 N/R hunters also average 5 days hunting within the State for an average expenditure of \$919 and a total of \$80,704,000. The total economic impact of N/R hunting and fishing in 2006 was \$123,442,000. Non-resident hunting and fishing is important to the State and local economies.

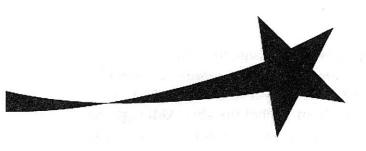
The economic impact to the State from N/R campers is difficult to determine. KDWP does not charge a different fee for residents and N/R users of the state park system. We do know through the KOALS system that in calendar year

2008, 5,376 non-residents obtained an annual park permit. In addition to traditional camping, KDWP is involved in a program to provide cabins at state parks and public wildlife areas. These cabins are very popular to both residents and non-residents. At this time, KDWP does not have significant data on the number of residents versus non-residents. However, for calendar year 2007 the 55 cabins available were rented for a total of 5,858 nights.

KDWP will continue to cooperate with the Department of Commerce in promoting the State and in developing increased tourism within the State. If the members of the Committee have any questions please advise. Thank you.



David D. Kerr, Secretary



Travel & Tourism Division Update

# The House Committee on Economic Development & Tourism

February 11, 2009

For more information on this topic contact: Becky Blake, Director of Travel & Tourism

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www.TravelKS.com

Economic Development & Tourism Date: 2 - 1/209Attachment # 2 - 1

## Testimony on Travel & Tourism Division Update to the House Economic Development and Tourism Committee

## by Becky Blake, Travel & Tourism Director Kansas Department of Commerce

## February 11, 2009

Chairperson Gordon and Members of the Committee:

Thank you for this opportunity to appear before you today to provide an update on Travel & Tourism initiatives and accomplishments.

These are challenging times and the tourism industry is not immune to economic downturns. But despite our economic concerns, the tourism industry continues to hold a spot as one of the largest employers in the U.S. In Kansas, travel and tourism had an impact of \$5.46 billion according to the latest figures from Global Insight. Although the dollars are significant, there's another reason our industry is so important: quality of life.

Trends tell us that, no matter what state our economy is in the public still needs to get their vacation fix. By remaining diligent and flexible, Ks. Travel & Tourism is prepared to sell and deliver options that address the public's desire to stay closer to home, spend less and yet still receive the "emotional value" connection we seek from travel experiences.

Our mission is multi-faceted. Beyond just the marketing programs to promote travel in Kansas, we have dedicated initiatives to help the industry in product development efforts and education through community outreach. In addition, significant investment is made in research to keep abreast of both national and local industry trends.

Marketing efforts were directed to the travel media, tour group operators, leisure tour market, and domestic independent leisure travelers and to targeted international consumers. With a target of women, 40 years of age and older, we have chosen a diverse media mix.

Following the success of the 2007 ad campaign, television ads were once again utilized in 2008. The television campaign was expanded to eight out-of-state drive markets with an increased reach of 4.3 million households over 2007. We also added an in-state schedule. Eight communities supported the TV campaign by contributing \$20,000 each in 2008.

The success of the program was significant as research conducted by Strategic Marketing and Research, Inc. concluded Kansas received \$68 return on each \$1 invested in the

2-2

campaign. For 2009, we are moving beyond the traditional marketplace into Minneapolis and St. Louis with a brand message and will continue with a cable and spot television buy in 7 markets in surrounding states. We have added one additional community partner which brings the sponsorship to \$180,000.

In order to support an expanded television effort, the number of magazine ads were decreased in 2008, but we have expanded the print ad schedule for 2009. We are placing 24 insertions in 14 titles this year. We also are placing newspaper insert advertising in 16 out-of-state and 8 in-state papers.

With an estimated 75% of travelers utilizing the internet for travel planning and researching destinations, TravelKS.com is an important focal point of our marketing efforts. In FY'08, traffic to the website increased 54% over FY '07. Continuous website development includes expanded content, better navigation and more photography and video.

During FY'08, we sent 16 e-blasts to 528,000 TravelKS.com subscribers on topics ranging from Outdoor Adventures to Couples' Getaways. We also reached nearly 640,000 people in our drive markets through outside email list sources. This year we will continue to utilize this cost efficient method to promote Kansas destinations.

The importance of the Visitors Guide cannot be overlooked. A conversion study conducted in 2008 indicated 70% of respondents who request a Kansas Visitors Guide said they "saw or did more things in Kansas as a direct result of information in the Visitors Guide". Changed to a 2-year publication to conserve resources, we will distribute 800,000 copies over the next two years. You have a copy of the new 2009-2010 guide in your packet.

With gas prices soaring in 2008, we were opportunistic with an in-state summer radio promotion. Spots were purchased in Kansas City, Wichita, Topeka and Lawrence urging Kansans to get outside their normal landscape and go enjoy their state. Twenty-two communities participated in the promotion by providing trip giveaways. With a paid advertising budget of just \$89,000, the plan gave Kansas communities nearly \$200,000 in exposure. Also, to generate in-state travel, forty-four communities purchased event listings in the Division subsidized Kansas Press Association newspaper ads printed each month in more than 440 Kansas newspapers. We will again partner with our communities on a KPA promotion in 2009.

We continue to undertake research activities to learn more about our visitors and refine our marketing strategies. Focus groups were conducted in Oklahoma City and Omaha to help us study current attitudes toward Kansas and better understand the travel decision-making process. Our own website analytics help us to refine our marketing too. Through

inquiries on the website and from our call center, we can clearly understand the level of interest in the various tourism products Kansas offers.

Our two state Travel Information Centers located at Goodland and Belle Plain greeted 237,000 people in FY'08 – an increase of 10% over FY'07. The Community Travel Information Center program has been redesigned to allow for additional communities to participate and to enhance the distribution of travel information to those traveling in Kansas.

As part of our product development efforts, ten applicants were approved for attraction signage during FY'08. Additionally, the new Tourist Oriented Directional Signage program (TODS) was implemented during 2008 which provides an additional sign opportunity for attractions and service businesses along 2-lane rural roadways.

We recently announced that six tourism projects received funding through the Attraction Development Grant program this year. A total of \$129,170 was awarded to Kansas communities and businesses, which leveraged \$257,516 in match to fully fund the projects.

Travel & Tourism continues to support the priority development efforts of the Flint Hills tourism initiative and the Freedom's Frontier National Heritage Area.

Thirteen projects received funding through the Marketing Grant Program in FY'08. A total of \$28,300 was awarded across the state.

Travel & Tourism public relations efforts and initiatives for FY'08 focused on sharing Kansas in a variety of different stories, from girlfriend getaways to experiential travel and of course, family travel. The results demonstrate the power of third party endorsements as the publicity value for both in-state and national editorial coverage amounted to \$17 million.

Throughout the year, Kansas was represented at several national and regional media marketplaces and tradeshows and the Division also co-hosted a dinner in Chicago with several Kansas communities for key members of the travel media. A new monthly enewsletter was distributed to keep journalists up-to-date on Kansas travel opportunities and pitch story ideas.

On the international front, we managed a cooperative international travel marketing program with Oklahoma. Our targeted German-speaking Europe marketing program added a German travel professional who represented Kansas at four consumer travel fairs, as well as trained more than 200 retail travel counselors throughout Germany, Austria and Switzerland. Kansas is now featured as a fly-drive destination in ten German

2-4

language summer travel catalogs and websites and three in the UK. Our targeted UK & Ireland PR program resulted in an ad equivalency of over \$4 million of positive publicity.

Overnight group tours made an economic impact of more the \$2.4 million. The division responded to over 125 inquiries from tour planners during FY'08.

A new initiative this year focuses on both consumptive and non-consumptive nature-based markets. We just completed an Outdoor Guide and will have attended outdoor travel shows in Denver, Omaha, Kansas City and Tulsa this season.

We are also working collaboratively with KDOT on a new marketing plan for the Kansas Scenic Byways. A new booklet, highlighting the Byways is in your packet. Once the new state map is complete, you will also see the Byways promoted on that piece.

A new Rural Tourism Initiative will assist small communities interested in tourism as an economic development strategy. We have pledged \$50,000 to support an effort being lead by the Kansas Sampler Foundation and a Steering Committee, to bring the rural communities together to develop a plan and ultimately implement activities to increase tourism to those areas.

Let me close by saying that I believe we have made great strides in helping to position Kansas for even greater success in the tourism arena in the future. We will continue to work with our industry partners across the state to sell the unique and authentic Kansas experiences and to expand our economy.

Thank you.



David D. Kerr, Secretary



Kansas Film Commission Briefing

## The House Committee on

## **Economic Development & Tourism**

February 11, 2009

For more information on this topic contact: Peter Jasso, Kansas Film Commission Manager

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Economic Development & Tourism Date: 2-//-09

Attachment # 3-/

## Briefing on the Kansas Film Commission to the House Committee on Economic Development & Tourism

## by Peter Jasso, Manager Kansas Film Commission Kansas Department of Commerce

Feb. 11, 2009

Madam Chairperson and Members of the Joint Committee:

Thank you for the opportunity to speak to you today. My name is Peter Jasso and I am the Manager of the Kansas Film Commission.

The Kansas Film Commission is a program in the Kansas Department of Commerce's Business Development Division created to encourage and service film and video production in the state of Kansas. The Commission budget currently provides for one full time employee with an operational budget of \$48,314. The Commission also includes a gubernatorially appointed advisory board. Attached is a current roster of the appointed members.

Over the past year, the Kansas Film Commission provided assistance to several productions including independent features (*The Last Ounce of Courage, Earthwork, Au Pair, Kansas*), cable TV shows (Sundance channel, Discovery, 48 hours, History Channel), commercials (Nebraska Furniture Mart, Community America Bank, Hyvee) documentaries (Proud American IMAX, French TV, *Dirt, the Movie*) and shorts (SenoReality, Gary Huggins, Rod Pocowatchit). During FY' 08, film production dollars spent in the state totaled an estimated \$25 million. Revenue totals are computed from sales and withholding tax figures under the following code headings: 512110 Motion Picture and Video Production; 512199 Other Motion Picture and Video Industries; 512240 Sound Recording Studios; and 711510 Independent Artists, Writers, and Performers. Since 1985, a total of \$352,033,707 in production dollars has been spent in Kansas.

In 2007, the legislature adopted HB 2004. Sections 3-6 provide for a 30% non-refundable, non-transferable film production tax credit, which allows production companies to claim a tax credit equal to 30% of their total in-state expenditures for a particular project, capped at a total annual amount of \$2 million dollars. Currently, the incentive can only be claimed against the applicant's state income tax liability. This provision limits the effectiveness of the incentive especially in regards to productions that originate out-of-state. Kansas has lost several large productions over this issue, some of which have been set in Kansas. Nevertheless, the Film Commission anticipates that 6 projects have qualified for the tax credit so far. In each case, the incentive was integral to the successful

completion of the project. In addition, we are pleased to announce that one of the projects produced under this incentive program, Kevin Willmott's *The Only Good Indian*, had its world premiere at this year's prestigious Sundance Film Festival. The film, which is set in Kansas, was shot in Kansas by a largely Kansas crew. In addition, the documentary, *Dirt: the Movie* and the experimental feature *Stay the Same Never Change* also shot portions of their films in Kansas with some Kansas talent and also premiered at the festival. Attached are recent articles by Jon Niccum of the Lawrence Journal-World and Robert Butler of the Kansas City Star, detailing the success that several locally made features are currently enjoying nationwide, all of which are office assisted at various stage of production. I have also attached summaries of two major studies conducted by Ernst & Young that evaluate the economic impact of film tax incentives in New Mexico and New York since 2002. These are the first studies to evaluate these programs using actual numbers of a five-year period. In both cases, the studies indicate positive returns in both tax revenue and job creation.

The purpose of the Kansas Film Commission is to serve as a liaison between prospective filmmakers and the state of Kansas, as well as encourage and support the local film industry. The Commission is the first point of contact for any production looking for resources, contacts, direction, and advice. The Kansas Film Commission assists companies with a wide variety of production issues, including locations, facilities, governmental assistance, personnel, and support services and works closely with community contacts in all branches of state and local government to make filming in Kansas more efficient. The Kansas Film Commission is currently in the process of redesigning its website to enhance service and increase efficiency. The new site will include a more detailed production guide, a searchable locations database, increased interactivity and self-service applications, and updated information on film related news and events. The redesign is expected to launch in the Spring of 2009. The Commission also sponsors several events throughout the year, including local film festivals, produces a weekly e-newsletter featuring information on local film related events and projects that is distributed to over 1200 film professionals and enthusiasts, and hosts the annual Kansas Film Industry Summit, which brings together around 200 film professionals for strategic planning and networking purposes. This year, the Kansas Film Commission has launched a new program called the Free State Traveling Picture Show which will act as a kind of in-state distribution network for locally produced features and historic and independent theaters.

Thank you for your time and the opportunity to address the committee.



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### BUSINESS DEVELOPMENT DIVISION

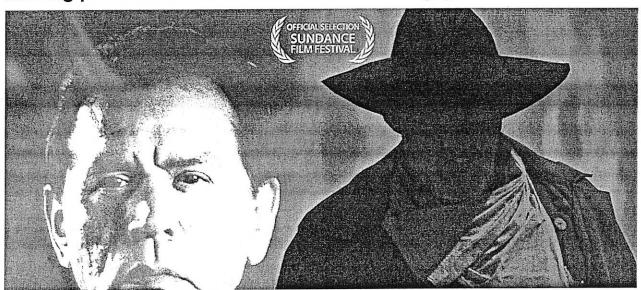
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Peter Jasso Director, Kansas Film Commission pjasso@kansascommerce.com



LJWorld.com

## Moving pictures: Local cinematic features enjoy success in 2008



Enlarge photo

December 5, 2008

The Sundance Film Festival received more than 9,000 entries this year. It was the highest number of submissions since the event began 25 years ago.

Lawrence production "The Only Good Indian" was announced Thursday as one of just 118 features chosen to showcase at the country's most prestigious film festival.

"I wasn't surprised when I read what they're targeting this year, which is an emphasis on story," says writer-producer Tom Carmody. "Once I read that, I felt a little bit better that this film fit. Hopefully, the film says something and can mean something to the people who see it."

This is the second time Kevin Willmott, director of "The Only Good Indian," has been to Sundance with his work. The associate professor of theater and film at Kansas University earned the honor when his "C.S.A.: The Confederate States of America" played in 2004, and was subsequently bought and distributed.

Carmody says Willmott's past relationship with Sundance "probably didn't hurt" the film's chance of being selected. Nor did the subject matter, apparently.

"The Only Good Indian" is the story of a young man trying to keep his Native American identity and an older man trying to find his. It stars veteran character actor Wes Studi and newcomer Winter Fox Frank.

"There may not be a lot of films that have Native Americans as the protagonists. That certainly probably helped. That's something over the years that (Sundance) has been

Sundance will screen the picture in the noncompetitive Spectrum category during the festival, which runs Jan. 15 through 25.

"The Only Good Indian" is just one of many local feature films profiled this year by the Journal-World in various stages of production. And it is by no means the only to have experienced success on the indie film circuit.

Here is an update on some of the standout cinematic productions of 2008:

A shady con man teams up with a female prizefighter in a scheme to "rig" the underground boxing circuit while running from a past best forgotten.

"Over this past summer we played in eight festivals worldwide," says "Rigged" director Jonathan Dillon, an Overland Park native who shot much of the film in Lawrence and Kansas City.

But the movie did better than just step into the cinematic ring, it also landed a few haymakers. "Rigged" won Best Picture at both the Dances with Films Film Festival in Los Angeles and the Radar Hamburg Film Festival in Hamburg, Germany. It earned a Best Cinematography award at the Action on Film Festival in Pasadena, Calif., and a Best Female Performance honor for lead Rebecca Neuenswander at the SoCal Film Festival in Huntington Beach, Calif. In addition, it played at festivals in Toronto and Australia, where it racked

"We have just finished a domestic distribution deal for DVD release in the U.S. come this spring through a company called Peace Arch," Dillon reveals. "It will be at local Wal-Marts, Best Buys and Blockbusters."

### WATCH OUT

A narcissistic young professor falls in love with himself before lashing out at the "stupid" people in the world.

The somewhat uncategorizable "Watch Out" earned four-star raves from publications such as Film Threat and was deemed as having "the potential to be one of the great cult films of all time."

Wamego-based filmmaker Steve Balderson set up his own "Stop Turning Me On" world tour, which screened the film in 16 cities ranging from Lawrence to New York to Reykjavik, Iceland. The dark comedy (an adaptation of a novel by the same name by author Joseph Suglia) was also nominated for Best International Feature at London's Raindance Film

Balderson says, "I found it very interesting that an audience of 250 at the Washington D.C. Gay/Lesbian Film Festival were so offended by the film's more shocking scenes that they shouted obscenities, threw things at the screen and stormed out of the cinema. Meanwhile, the typically conservative crowds in Texas and Kansas were cheering and laughing

"Watch Out" was just released last week on DVD, debuting at No. 32 on Amazon.com's 100 Best Sellers list in the art-house comedy category.

### BUNKER HILL

"Bunker Hill" tells the story of what happens to a small town in Kansas after an apparent national emergency cuts off all power.

"The Only Good Indian" director Kevin Willmott spent much of the year simultaneously working on and promoting his previous drama, "Bunker Hill." (He was in fact on a plane to New York to screen the film at Tribeca Cinemas when this article was being assembled, so producer Scott Richardson provided an update.)

"The response at the screenings has been very good," Richardson says. "If you Google 'Bunker Hill' and 'Kevin Willmott,' you'll see there has been quite a bit about the film online."

The picture has generated healthy political debate at a number of screenings. Most notably: the University of the District of Columbia (sponsored by the ACLU), NYU (sponsored by eight Islamic civil rights organizations), opening night at the Williamstown Film Festival in Massachusetts and the El-Hajj Malik El Shabazz Global Human Rights Film Festival In New York

Richardson says the next step is to secure distribution for the film, which was shot entirely in Kansas.

### SUSPENSION

An ordinary man loses his family in an accident but gains the power to stop time ... but the ability also changes him irrevocably.

"We really found our niche with international genre festivals," says Ethan Shaftel, a Lawrence native who co-directed the feature with fellow Lawrencian Alec Joler.

The movie's jaw-dropping special effects helped add to its reputation, especially once the picture played its first international date: the Brussels Festival of Fantastic Film. That was followed by fests in England, Brazil, Taiwan, France and the Netherlands.

"Suspension" was released domestically on Warner Home Video in May. It will be released in Australia in 2009.

"Every sale counts, and we hope to continue to sell to foreign territories for more DVD releases, television airings or even theatrical distribution around the world," Shaftel says.

## EARTHWORK

"Earthwork" tells the story of Kansas crop artist Stan Herd, who risked it all to plant his art in New York City, and ultimately grew a new perspective on his work thanks to a small group of homeless individuals.

Writer-director Chris Ordal also got to experience what it was like to have Sundance interested in a film.

"We submitted to Sundance after only 11 days of editing ... so we were very flattered to get a call-back from Sundance wanting to see another cut. Unfortunately, what they were wanting to see was a finished cut."

Ordal and his Lawrence-based company Hometown Collaborations are still tweaking the edit and have yet to add music. He says the sound is being mixed in Los Angeles, and the effects are being finished in India.

Despite the international post-production phase, the emotional biopic (that stars John Hawkes as Herd) was shot primarily in Lawrence this summer.

The movie's \$1 million-plus budget allowed cast and crew to build an elaborate set east of town that replicated the Manhattan field location, and also afforded the opportunity to shut down part of Massachusetts Street during July.

"I'm personally champing at the bit to watch audiences watch the movie," Ordal says. "I get a serious thrill out of observing and learning how the power of the movies affects people."

Originally published at: http://www2.ljworld.com/news/2008/dec/05/Moving-pictures-Local-cinematic-features-enjoy-su/

2

## Dance with Sundance: Trio of projects shot in Kansas advance to film festival

January 16, 2009

Kevin Willmott earned a trip to the Sundance Film Festival a few years back. The Lawrence filmmaker learned many valuable lessons, one of which was discovering the sheer amount of festival-goers who can fit into a single hotel room.

"There are probably 10 or 15 people from the cast and crew coming to Sundance, and some dozen (Kansas University) students going on their own. I'll probably have about 30 people in my hotel room. There are seven people in my family alone." Willmott says.

"I'll just step over the bodies and keep going. It's kind of like guerrilla filmmaking: just step over the bodies ..."

The director is presenting his latest feature, "The Only Good Indian," at the industry gathering in Park City, Utah. His drama (written and produced by Lawrence's Tom Carmody) premieres today in the festival's Spectrum category.

The festival guide boasts, "Willmott constructs a fascinating plot, laced with intriguing twists and ever-higher plateaus of suspense."

Willmott describes the story as about a young man (Winter Fox Frank) who is taken from his family and forced to go to a boarding school that is designed to rob him of his Indian self. He escapes and goes on an adventure where he "learns the importance of identity."

The veteran director says the budget and scope of "The Only Good Indian" make it "the biggest undertaking" he's been involved with cinematically.

"I call it a mini epic," he says, laughing.

The KU associate professor of theater and film attended Sundance in 2004 when his "C.S.A.: The Confederate States of America" played the festival and was subsequently bought and distributed.

"Our job is to go there and try and sell the film. A lot of times, you don't sell it there, but you make the connections to sell it later," he explains.

"But what we want to achieve more than anything this time is to really solidify what we're doing on another level. You can't take every movie to Sundance, so you try to make connections and inroads so that every time you make a film it's not like starting all over again."

### 'Stay the Same Never Change'

Willmott isn't the only Sundance filmmaker to shoot a project in Kansas.

Laurel Nakadate, an lowa native based in New York, returned to the Midwest to craft her debut feature, "Stay the Same Never Change." The film was chosen to screen in Sundance's New Frontier category. The festival calls it "a raw, audacious effort that burns with such originality and honesty that it seems destined to become a festival discovery."

"It's a story about some teenage girls in Kansas City and the anxieties they have around the desire to find love," Nakadate says.

A full-time photographer/video artist whose work has been shown internationally, Nakadate dabbled for years in avant-garde short pieces before she decided to attempt a feature.

In 2005, her work caught the attention of Kansas City-based Grand Arts, a nonprofit art space that commissioned her ambitious project. Nakadate chose to film "Stay the Same Never Change" in K.C. (split evenly between both sides of the state line), utilizing a hefty cast of unknown locals.

She recalls, "All of these people showed up to the audition, and I didn't have the heart to say 'no,' so I kept saying 'yes' to the point where I had 55 people acting. I guess that's my Midwestern niceness."

Nakadate admits it was challenging mounting a feature after only making short video pieces. It was also "a strange experience" for her to produce a work for the first time in which she was not prominently included in the frame.

"Hopefully, what's strong in my video art translates as a strength in my filmmaking," she says. "One of the things about my videos is the audience always feels like they've shown up to watch something they shouldn't be watching, but they don't want to stop."

Nakadate's work benefits greatly from the electronic soundtrack provided by the Chicago group Casiotone for the Painfully Alone, whom she has twice traveled to Lawrence to watch perform live. She says aspects of the post-production process — such as choosing the music — proved to be easier to deal with than the actual shoot.

"Nothing can prepare you for the lack of sleep and last-minute decisions," she says. "Everyone would agree that if you knew how much work it was going to take to do it, you might think twice. That said, now that I've made one, I want to make another one and another one."

### Dirt! The Movie

"Everyone was like, 'Why would you make a film about dirt?," says producer Eleonore Dailly.

That's one of the captivating aspects about "Dirt! The Movie," which is screening in Sundance's U.S. Documentary Competition.

Inspired by William Bryant Logan's book, "Dirt: The Ecstatic Skin of the Earth," the film really is about dirt — or soil, if you want to embrace the scientific term.

"You may walk into the theatre on asphalt, carpet and cement, but you will likely walk out with a rekindled connection to the living, dark, rich soil that lies beneath you and a mind set on cultivating a new future," Sundance writes of the film.

The globe-trekking documentary filmed four days this summer in Salina. The filmmakers highlighted the work being done at the Land Institute, a nonprofit research and education organization dedicated to ecological agriculture.

Lawrence filmmaker Chris Blunk was hired to record the sound for "Dirt!" during the Salina shoot.

"I had a great time working on it," Blunk says. "The filmmakers were friendly, and the subject is fascinating — every bit as important as (and maybe even more timely than) recent environmental documentaries."

Dailly says, "For us it was really important not to make another film about the world going to hell. ... It's a film about one of the last natural resources that we never really think about but it's essential to regulating our water and sustaining all life on earth.

"Our goal is to get people to see the film and get excited about dirt."



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## Several Midwest films to be shown at Sundance Festival this month.

By ROBERT W. BUTLER The Kansas City Star

Followers of local movie production already have heard that Lawrence filmmaker Kevin Willmott's new drama, "The Only Good Indian," is going to the Sundance Film Festival unreeling Thursday through Jan. 25 in Park City, Utah.

But it turns out that there's more to the Kansas-Missouri connection at Sundance '09:

•"Stay the Same Never Change" is the first feature-length film by video artist Laurel Nakadate. It was shot in Kansas City with a local cast in the summer of 2007 with funding from Grand Arts and was shown at the gallery last spring.

It will be presented in Sundance's non-competition New Frontier category devoted to "experimentation and the convergence of film and art."

The Sundance program notes describe "Stay the Same" as "weird and delightful ... an audacious effort that burns with such originality and honesty that it seems destined to become a festival discovery ... a nonlinear yarn that skips among various vignettes depicting the solitary existence of distantly connected young women, Nakadate's film exudes a warm sense of humor as it peers into the loneliness of the girls and their desperate attempts to find affection."

•"The Nature Between Us," written by Roeland Park resident Trey Hock, is a five-minute short that mixes live action with computer animation.

Hock attended Pembroke Hill High School, got his undergrad degree from K-State and then studied film at Savannah (Ga.) College of Art and Design, where he met the half-dozen friends who with him created Team G, a filmmaking cooperative.

"Nature" (directed by Team G member Will Campbell) unfolds in a colorful, deliberately artificial set representing an alley where young people hang out. One of them uses a video camera to record his friends' activities and to chronicle the cliques that make up their society.

"Then this videographer drops his camera and finds he's accidentally recorded a tiny society of blobby creatures living on the ground," Hock said. "The idea is to juxtapose this totally fake reality represented by '80s and '90s teen comedies against this 'real' universe of animated characters."

This is the second time in two years that a Team G project has gone to Sundance. Last year the cooperative scored with the short "Execution of Solomon Harris." Hock was its associate producer and casting director.

"We're pretty excited to be in Sundance two years running," Hock said. "Totally pumped."

Hock said he frequently flies to Los Angeles to meet with other members of Team G and to work on their projects.

"We're like this band of people who like doing the same thing. We've never had letters of incorporation and no contracts except for individual projects. You could end up doing almost anything on one of our films, from writing to directing to acting to crew work."

•"Dirt: The Movie" is a feature documentary with a segment filmed in Salina, Kan.

Inspired by William Bryant Logan's book *Dirt: the Ecstatic Skin of the Earth* and directed by Bill Benenson and Gene Rosow, the film (according to the Sundance program) "offers an important and timely look at the vital relationship between those of us on Earth and something that is easy to take for granted — the soil upon which we tread."

The film employs the testimony of farmers, physicists, preachers, anthropologists and children, as well as animation and acted vignettes, to tell the story of dirt — where it comes from, how we view it, how it sustains us and the ways in which it has become endangered.

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### **Culture News and Views**

JANUARY 27, 2009, 6:40 PM

## Study Says Film Subsidies Create Jobs, in New York

By MICHAEL CIEPLY

From left, actors Michael Urie, Julian De La Celle, America Ferrera and director Victor Nelli Jr. on the set of "Ugly Betty" in Brooklyn. A new study suggests that the city's costly incentives to lure film and television production may be paying off. (Patrick Harbron/ABC)

LOS ANGELES — Costly state incentives to lure film production and jobs may actually be paying off, at least in New York.

A study of New York's tax breaks for movie and television production suggested that a 30 percent credit offered by the state, along with an additional 5 percent offered by New York City, could be expected to keep or create about 19,500 jobs while yielding \$404 million in tax revenue, at a cost of \$215 million in credits.

But the benefits were heavily weighted toward New York City, which attracted by far the largest share of production with New York-based television series like "Ugly Betty" and "30 Rock" and movies like "Notorious," a rap music drama released by Fox Searchlight this month. The city collects about 6.4 times as much in taxes from film as it spends on incentives, the study said.

The study, completed last week, was conducted by the accounting firm Ernst & Young for both the Motion Picture Association of America and New York's state film office.

In recent years, states like New York, Michigan and Louisiana have used aggressive subsidies to compete for film jobs, though comprehensive reviews of their impact have been few and far between.

In 2005, a study by the chief economist of Louisiana's legislative fiscal office said that state's incentives, among the country's highest, created only a modest number of jobs and did not generate enough tax revenue to offset their costs.

New York's state subsidies were raised from 10 percent of qualified expenditures to the 30 percent level in April of 2008, in a move to stem the flow of productions to competing states, including Connecticut and Massachusetts.

In its assessment, Ernst & Young noted that New York's state film office received 100 applications for movie and television shoots between April 23, when the new subsidy became effective, and the end of the year. Spending on those projects was estimated total \$1.8 billion, up from \$940 million in all of 2007.

Applying the new 30 percent subsidy rate and current tax rates to the level of activity that occurred in 2007, Ernst & Young figured that the state would have spent \$184.4 million, while getting \$208.7 million back in taxes. New York City, meanwhile, would get \$195.3 million from a tax credit expenditure of only \$30.7 million.

Ernst & Young said it figured about 7,000 jobs were gained or retained in direct film employment, while another 12,500 came from related economic activity, not counting any boost to tourism spending.

If the subsidies are indeed working for New York, that can only be bad news for California, the film production capital that has seen jobs and income flee and which offers no major subsidies.

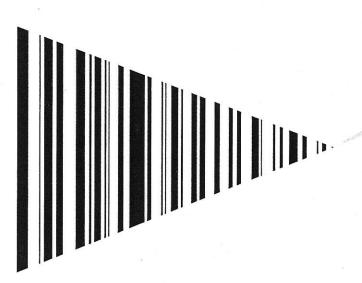
Last year, according to FilmLA, which tracks location shoots in Los Angeles, days of feature film production outside of studio walls fell 14 percent to 7,043 days, the lowest level since the count began in 1993.

**SLIDESHOW:** On Location in New York City.

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## Economic and Fiscal Impacts of the New Mexico Film Production Tax Credit

Prepared for the New Mexico State Film Office and State Investment Council January 2009



## **Executive Summary**

New Mexico has provided tax incentives to film productions since the film production tax credit was adopted in 2002. The program has attracted more than 115 major film productions to New Mexico since its adoption in 2002, including 22 films that were assisted through the State Investment Council's loan participation program. In 2007, 30 films were produced in New Mexico generating \$253 million of spending benefiting the New Mexico economy and generating higher state and local tax collections. This study presents the estimated economic and fiscal impact of the film production tax credit program.

- The benefits of New Mexico's film production tax credit program extend beyond the direct
  and indirect economic impacts of film production activities qualifying for tax credits. In
  addition to the film spending, New Mexico's economy also benefits from capital investment
  to support the film industry's growth in the state and additional film-related tourism.
- Film production activities in New Mexico created 2,220 direct jobs in 2007. This
  employment impact includes approximately 1,670 below the line employees earning
  \$49,500 annually and 550 actors, directors, and producers working in New Mexico. These
  2,220 direct jobs created 1,609 additional jobs in other industries, resulting in a total
  employment impact of 3,829 jobs.
- Film-related capital expenditures and projected film tourism spending attributable to 2007 productions generated an estimated 3,769 direct jobs and 1,612 indirect jobs, resulting in 5,380 total jobs attributable to capital expenditures and film tourism.
- Combining the 2,220 direct jobs from film productions with the 3,769 jobs from capital expenditures and film tourism results in 5,989 total direct jobs attributable to the film production tax credit. These direct jobs create a total of 3,221 indirect jobs, resulting in a total employment impact of nearly 9,210 jobs.
- The economic activity created by the film production tax credit program also results in higher state and local tax collections. State tax collections resulting from film production activities in 2007 totaled \$22.6 million. Additional state tax impacts from capital expenditures in 2007 and film tourism during 2008-2011 are estimated to total \$21.5 million in 2007 dollars, resulting in a total state tax impact of \$44.1 million.
- Film production expenditures in 2007 qualified for \$49.4 million of state film production tax credits to be paid in 2008. Expressed in 2007 dollars, these film credits total \$47.1 million. Based on the 2007 value of present and future year tax receipts and the 2007 value of state film production tax credits, the program earns \$0.94 in additional tax revenue for each \$1.00 that is paid out in incentives. Local governments in New Mexico earn \$0.56 for each dollar of state credits, resulting in combined state and local tax collections of \$1.50 for each \$1.00 of state credits.

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