

Memorandum



DATE November 4, 2016

TO Members of the Economic Development Committee:
Rickey D. Callahan (Chair), Casey Thomas, II, (Vice Chair), Adam Medrano,
Lee M. Kleinman, Carolyn King Arnold, Adam McGough

SUBJECT **TVM Productions, Inc. Retaining "Queen of the South" TV Series Production**

On Monday November 7, 2016, the Economic Development Committee will be briefed on the TVM Productions, Inc. Retaining "Queen of the South" TV Series Production.

Briefing material is attached.

Should you have any questions, please contact me at (214) 670-3390.



Mark McDaniel
Assistant City Manager

C: The Honorable Mayor and Members of the City Council

A.C. Gonzalez, City Manager	Jill A. Jordan, P.E., Assistant City Manager
Larry Casto, City Attorney	Joey Zapata, Assistant City Manager
Craig D. Kinton, City Auditor	M. Elizabeth Reich, Chief Financial Officer
Rosa A. Rios, City Secretary	Sana Syed, Public Information Officer
Daniel F. Solis, Administrative Judge	Karl Zavitkovsky, Director, Office of Economic Development
Ryan S. Evans, First Assistant City Manager	J. Hammond Perot, Assistant Director, Office of Economic Development
Eric D. Campbell, Assistant City Manager	Elsa Cantu, Assistant to the City Manager – Mayor & Council



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TVM Productions, Inc.

Retaining "Queen of the South" TV Series Production

Economic Development Committee

November 7, 2016



Purpose of the Briefing

- Provide information related to the benefits of “Queen of the South” staying in Dallas.
- Present suggested incentive/grant for USA Network’s “Queen of the South” TV Series- seasons 2 & discuss the importance of doing so with the committee.
- Obtain committee approval for Council consideration.
- Provide information about the Dallas Film Commission & a snap shot of the local film/television/creative media industry.

Ensure “Queen of the South” stays

- It's not uncommon for successful productions to be lured away by better incentives. Storylines can be rewritten.
- Other cities, states and countries are highly aggressive with incentives to lure productions away and Texas' Moving Image Incentive Program is not as lucrative as other locations or as well funded.
- San Antonio has recently announced a significant increase in their local City incentive, their council approved increase from 2.5% to 7.5% of local spending.
- It's important that the City supplement the state's incentives to ensure this important project remains in Dallas to retain our infrastructure.

Why action is recommended

- Ensure the production of “Queen of the South” will continue to shoot in Dallas for season 2 in order to retain possibility of future seasons.
- Retaining the “Queen of the South” production supports the local film industry, creates jobs and is an economic stimulant. There are people that live, work & pay taxes in our city that rely on these jobs or they will leave.
- Invaluable national & international media exposure and increased visitors due to “film tourism”.
- Partnership with production = opportunities for the City.
- Production decision makers tend towards a “get in line” mentality. “Queen of the South” helps form and grow the line and keeps Dallas in the game.

Supports the local Industry

- Production of “Queen of the South” means jobs. 405 local crew members (includes day players) with average salaries of \$29/hour or \$250/day; 160 local actors & approx. 1,100 extras.
- They will shoot 13 episodes in the 2nd season. 7 shoot days per episode provides approximately 6 months of solid employment.
- First season generated an estimated local direct spend of \$19M, approx. \$1.5M per episode. Estimate \$21M in local direct spending or \$1.6M per episode for 2nd season.
- These numbers do not reflect their total budget, only local spending.
- Economic Impact from second season is estimated at \$48.3M (using the standard multiplier of 2.3).
- Having “Queen of the South” shooting here and producers sharing positive production experiences with their peers is our best marketing tool for future productions.

Success for the Community

- The **fiscal impact to the City of Dallas** from television production is calculated at \$2,262 per \$100,000 in spending.
 - 13 episode season @ \$21M spending = \$475,020 Fiscal Impact
(Fiscal Impact = money in City coffers from tax collection)
- They anticipate 2,000 hotel room stays by 25 visitors (directly involved with the production) who will additionally be spending money in restaurants, grocery stores, etc... while living in the city temporarily.
- 256 unique Dallas vendors received business in season one. Money is spent at a wide variety of places across the city. Expect similar or increase for season 2 as the show continues to grow and evolve.
- Off-duty Dallas Police Officers are hired for traffic control, to ensure public safety and provide security. Provided approx. \$130,000 in extra income to DPD officers during season 1 filming.

A Few Locations Used

Including a number of historically significant buildings



Photo credit: Dallas Film Commission

**Scottish Rite Temple
(District 2)**

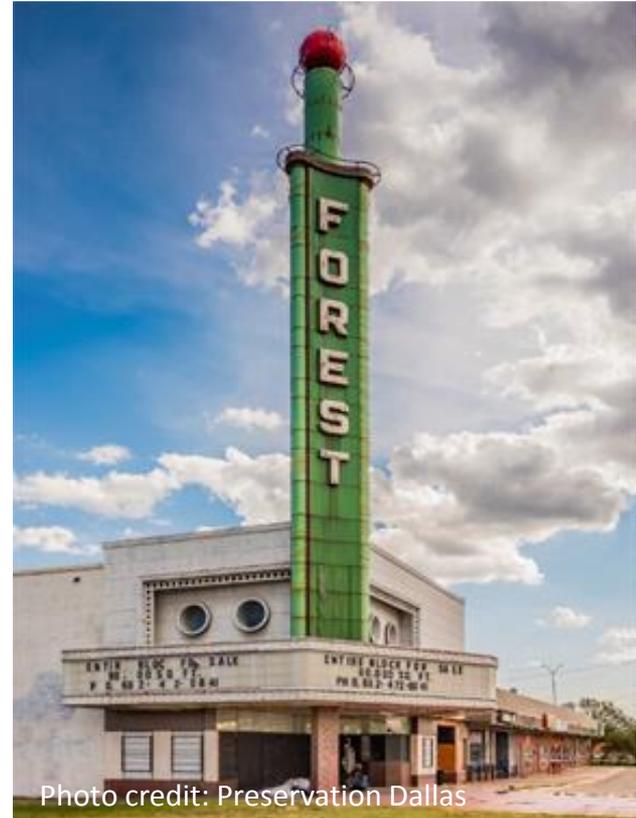


Photo credit: Preservation Dallas

**Forest Theater
(District 7)**

A Few Locations Used



Photo credit: Dallas Film Commission

Longhorn Ballroom
(District 2)



Photo credit: Queen of the South

Lizard Lounge
(District 14)

A Few Locations Used

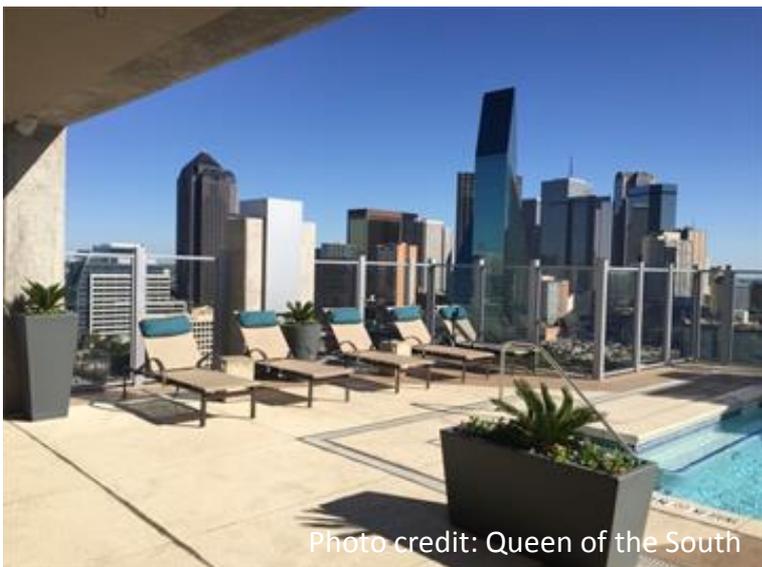


Photo credit: Queen of the South

**Skyhouse Dallas
(District 14)**



Photo credit: Dallas Film Commission

**All Seasons Inn & Suites
(District 4)**

Their Studio & Offices



**South Side Studios
(District 7)**

Priceless Media Exposure

- There has been significant news, industry and entertainment coverage related to the “Queen of the South” USA Network since the series began. Stories have run nationally and internationally in print, online and electronic media consistently since the series was first announced.
- This is truly media exposure the City cannot afford to purchase. Major corporations pay significant amounts of money for this type of marketing (logos below only represent a few of the outlets that have covered).
- This USA Network series ranked as Thursday’s number 1 cable entertainment program in key demographics throughout the first season, averaging 2.26 million total viewers weekly in Live+7 ratings (1.219 million live + another 1 million+ from DVR).
- Netflix has now acquired the rights, both domestically & internationally which means there is great potential to result in the Netflix ‘Breaking Bad Effect’ given the original “La Reina Del Sur” has had massive success on Netflix and could result in ultimately even greater and longer term economic impact from this series due to tourism.

Entertainment
WEEKLY

Los Angeles Times



VARIETY

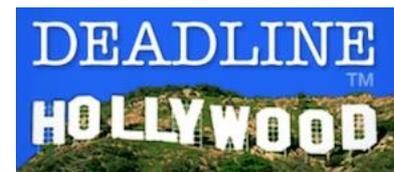
theguardian

The New York Times



VANITY FAIR

THE
Hollywood
REPORTER



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Proposed Economic Dev. Grant

- Request authorization of a Chapter 380 economic development grant agreement in an amount not to exceed \$200,000 pursuant to the Public/Private Partnership Program with TVM Productions Inc.

Anticipated time frame:

- Pre-production starting mid-to-late November.
- Shoot beginning mid-to-late January.
- Complete Principle Photography May 2017.
- Wrap local production office June 2017.

CONDITIONS

- Shoot a minimum of 13, one-hour episodes of “Queen of the South” Season 2.
- Make commercially reasonable efforts to secure their work force from City of Dallas residents subject to: qualifications, experience and union requirements from: IATSE Locals 484 & 127, Teamsters Local 745, International Cinematographers Guild Local 600, Directors Guild of America, Producers Guild of America, Writers Guild of America, SAG-AFTRA (Screen Actors Guild/American Federation of Television and Radio Artists) and other pre-existing contractual obligations.
- Production’s base of operations must be located within the City of Dallas (to include production offices, studio/permanent sets).
- Primarily use hotels located in the City of Dallas for overnight visitors.
- Shoot primarily within the City of Dallas.
- Include a “Shot on Location in Dallas” credit in each end credits of each episode.

NEXT STEPS

- ECO Committee recommendation for Council Consideration
- Enter into contract with TVM Productions Inc.
- Schedule meetings with new Producer, Unit Production Mgr., Location Dept. & key City Staff
- And ultimately... Enjoy the show!



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QUEEN OF THE **SOUTH**

TVM PRODUCTIONS INC

Retaining “Queen of the South” TV Series Season 2

APPENDIX

- Cast, Crew & Vendor experiences
- A Brief Overview of the Dallas Film Commission
- Explanation regarding Incentives & Competition



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“Queen of the South”

Cast, Crew & Vendor Experiences



Photo Credit Dee Chappell

Quotes from Locals

"I feel so lucky that Queen of the South came to shoot in Dallas!! We shot in locations all over Dallas. I feel like they represented our city well. The job was hard, as all TV shows are, but the producers treated us well. It's the most comradery I've felt on a set since I worked on the TV show "DALLAS". My salary from the show was the majority of what I earned last year. It was a big crew and most of them are from Dallas. Like them, I will be a hugely disappointed if it doesn't return to Dallas."

- **Dee Chappell - Script Supervisor (Crew & Home Owner – District 9)**



Photo Credit Dee Chappell



Photo Credit Annabelle Jones

"As a small local business, we depend upon television productions locally filmed, such as Queen of the South, to support and enhance sales. It was a joy to work with the set designers on this production, and we are excited about the prospect of Season 2. No longer can we simply watch episodes without scanning the background to see our merchandise creatively reinterpreted to build each scene. We are delighted to fill a need for local film productions, and we are grateful to have an opportunity to make Dallas' star shine a bit brighter."

- **Karyl Leonard - The Consignment Solution (Vendor – District 14)**

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Quotes from Locals

“Film/TV production is my livelihood and the career that I chose. I’m married to a beautiful person that also works in production. We own a home in Dallas and pay Dallas taxes. We are raising our 2 year old toddler at our home in Dallas. Grant support for film and TV projects from the city of Dallas allows me and my wife to live at home to work and make a living in order to support ourselves and our child. Denying grant money to productions forces us to seek work elsewhere, too often outside of Dallas and out of the state of Texas.

- **Josh Clark – Location Manager (Crew & Home Owner – District 9)**



Photo Credit Erika Glassey



Photo Credit Craig Cole

It's amazing to work at home, and I love every chance I get to see my film family having worked both cast and crew!

- **Craig Cole – Cast & Stuntman (District 9)**

Quotes from Locals



Richard Porter, Best Boy Rigging Grip
Photo Credit Ernest Martinez



Photo credit: Raymond Curry Jr.

“Being able to work on season one of Queen of the South was incredible. I knew I wanted to get into film and television for a long time, I got to live out my dream for a little bit. One of the best perks is watching my families reaction to seeing me on TV. They seemed more excited than I was and I was pretty excited! I honestly want to thank you all for giving me the opportunity to do what I love to do.”

Raymond Curry Jr. - Cast / Extra (District 11)

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Quotes from Locals

“Working with Queen of the South was a positive thing for me. Being a local small business owner, it was good to see them supporting the local community. They could have easily brought their business online and sourced other places, but they chose to support a local store. We worked out a deal that worked for both of us and it would be nice to do business with them in the future. Hopefully they will be back in Dallas!”

- **Ben Sharon - Rec Shop (Vendor – District 2)**



“One season at 6 months pays for a year of union health insurance. Health insurance that covered 80% of my recent nasal reconstruction surgery.”

- **Aron Siegal – Crew/Prop Maker (District 14)**

Quotes from Locals

“We have had very positive experiences working with film crews purchasing items from our store for their film sets. I fully support more of this industry for Dallas, as it is good for our business and, I believe, Dallas in general. “

- **Jimmy Belasco, Manager – Arteriors too (Vendor – District 13)**



Photo Credit Craig Cole



Photo credit Dee Chappell

“Queen of the South was awesome to work with. They called in what they needed and sent us POs and everything we asked for. Looking forward to continued business with them.”

- **Laura R. Davis – Binswanger Glass – (Vendor - District 2)**

Quotes from Locals



“I was in the camera department for the whole series. I had such a great experience on the show, and hands down every crew member was top notch. The city was always very welcoming wherever we were and Dallas seemed to very excited about the show shooting here. I know all of our families were grateful for the work, it's unfortunate we don't have more TV shows shooting here. Often the crew base has to travel a lot to make ends meet, but Queen allowed us to be home for a long time. Fingers crossed it comes back again, all of us could really use it, and so could Dallas. Keep Dallas on the map! I'm the one holding the slate.

- **Ryan Patterson – Crew/Camera Department; Also pictured: Matt Aines (District 2) , Abe Martinez, John Sizer (District 9)**



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dallasfilmcommission.com

A Brief Overview

What is the Dallas Film Commission

- A Division of Economic Development with the mission of creating opportunity for employment & business in the local community and industry primarily by attracting and retaining business.
- The “agent” of sorts for Dallas in regards to the Creative Media Industry (i.e. film, television & digital content creators). Marketing Dallas to decision makers.
- Resource provider, Assists in finding crew, equipment, services, vendors, talent & locations. The 411 & 911, providing troubleshooting when needed.
- Serves as liaison between the community, government & filmmakers/content creators.
- Advocate to garner support and understanding of the industry throughout the community & government in order to grow business.

Average Business By the Numbers

Fiscal Averages over 10 years

Number of Projects per year – 381

Number of Shoot Days per year – 3,038

Direct Spending per year - \$87.5m

Economic Impact per year- \$193.5m

Combined Economic Impact over 10 years

OVER \$2 BILLION

Only includes projects DFC can track, not inclusive of all production that occurs.

Competition & Texas Incentives

- Competition is fierce (only highlights below, not inclusive):
 - Georgia - 30% with no cap
 - Illinois – 30% with no cap
 - Kentucky – 30 – 35% with no cap
 - Louisiana - 30% with \$180M per fiscal year
 - Pennsylvania – 25% +5% Resident Labor with \$60M per fiscal year
 - New Mexico – 25% + 5% Resident Labor with \$50M per fiscal year
 - California – 25% with \$330M per fiscal year
 - Vancouver – 28% Resident Labor, +6% Regional, +6% Distant with no cap.

- Texas' Moving Image Incentive Program – currently funded at \$32M for the biennium (2 years). This is well down from approx. \$85M previous.

- Texas' incentives pay up to 22.5% for qualifying spending above \$3.5M.

- The Governor's Office recently stated that the Texas Moving Image Incentive Program is one of the best Economic Development incentives in the state. It functions as a rebate and only pays after the fact when conditions have been met. It's about jobs and greatly benefits small businesses.

Competition & Texas Incentives

It is critical that the City of Dallas encourage Texas Legislators to support approving the Governor's budgeted appropriation for the Texas Moving Image Incentive Program in the upcoming legislative session in order for Dallas & Texas to be competitive and remain in the game.

Competition within Texas

- Austin Creative Content Incentive Program offers up to 0.75%
 - 0.50% of wages paid to local residents (Austin Metro Area).
 - 0.25% if the project is produced by Austin-based company or promotes Austin.
 - Productions must first qualify for the Texas Moving Image Industry Incentive Program.
- San Antonio Supplemental Incentive (SSAI) offers up to 7.5%.
 - Council approved increase to 7.5% from 2.5% Oct. 13th.
 - Allocation of approx. \$500,000 aiming for 2 major film productions.
 - Was previously, but no longer tied to State incentives.
- Houston operates on a case-by-case basis.



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“When it comes to Producing a hit TV show, Dallas is a remarkable city. The Metroplex is blessed with a variety of looks, award winning architecture and diverse neighborhoods, all of which make it possible for filmmakers to capture the magic of multiple locations out of one production office. The crew base is deep and equipment infrastructure is strong. The degree of support from the public and private sector for film production is remarkable and few cities have been as welcoming.” – Ken Topolsky, Producer “DALLAS”

