NJ MOTION PICTURE AND TELEVISION COMMISSION MEETING MINUTES

Thursday, January 17, 2024

COMMISSIONERS IN ATTENDANCE:

Chairman Michael Uslan; Vice Chairman David Smith; Commissioner Shelley Adler; Commissioner Janice Kovach; Commissioner Thomas Haveron; Commissioner Tom Bernard; Commissioner Tim Sullivan, Commissioner Robert Asaro-Angelo, and Commissioner Elizabeth Mattson's designee Kevin O'Brien; Secretary of State, Tahesha Way, Lt. Governor.

COMMISSION STAFF IN ATTENDANCE: Steven Gorelick, Executive Director; David Schoner, Associate Director; Charles Ricciardi, Operations & Creative Director; Joseph Marra, Production Coordinator; Elizabeth Parchment, Chief Diversity Officer and Director of Marketing; Rachel Hudec, Special Projects Manager; and Anthony Orlando, Film Ready Assistant.

OTHERS IN ATTENDANCE: George Cohen, and Christopher Kay, Deputy Attorneys General; and NJEDA staff: Kathleen Coviello, Danielle Esser, Hector Serrano, Matthew Sestrich, Christopher Del Vecchio and Muneerah Sanders.

CALL TO ORDER:

Chair Uslan called the meeting to order at 10:30am and read the Open Public Meetings announcement. Commissioner Shelley Adler took the roll call.

APPROVAL OF PREVIOUS MEETING MINUTES

The next item of business was the approval of the September 21, 2023. A motion was made to approve the minutes by Commissioner Adler, seconded by Commissioner Kovach, and approved by the nine (9) members present.

CHAIRMAN'S REPORT

Chairman Uslan introduced and provided a brief background on the four newest Commissioners: Daniel Bryan of Maplewood, Karen Kessler of Interlaken, Carol Cuddy of Atlantic Highlands, and Michael Vezza of Caldwell. The new commissioners addressed the board briefly, and provided additional background on themselves.

Chairman Uslan announced that Executive Director Steven Gorelick would be retiring in the spring, and asked Commissioner Sullivan to update the commission on the search for his replacement. Mr. Sullivan stated that the job description was posted right before the winter holidays, and that we've received a good number of applications. He added that there's really strong interest in the position, which is not surprising given the momentum that Steve and the team have built, as well as the leadership that the Governor and First Lady have shown in film and TV and all the great press we've received around film and TV in New Jersey. Chairman Uslan agreed that New Jersey is considered one of the great success stories of the motion picture industry of the last several years.

Chairman Uslan announced that because of move to the NJEDA, the Commission will be represented by a new Deputy Attorney General, Christopher Kay, who will replace outgoing Deputy Attorney General, George Cohen, who was attending his final meeting.

Mr. Uslan expressed his gratitude to DAG Cohen for his many years of service to the Commission, and asked him to say a few words. DAG Cohen stated that it's a privilege and honor to be able to work with the Chair, and to watch the Commission grow.

Chairman Uslan asked incoming DAG Christopher Kay to say a few words. DAG Kay stated that it is was an exciting time as the Commissions transitions over to the EDA, and that he looks forward to working with the Commission.

Chairman Uslan announced that the Commission was introducing a bimonthly schedule of meetings for 2024, and that the Members would be notified if any changes were made to the schedule. He added that in addition to meetings, Commissioners will be invited to such events as film ready workshops, grand openings of studios, other film related businesses and events, and occasional special screenings of New Jersey made movies.

SCHEDULE OF MEETINGS:

The next item of business was the approval of the bi-monthly schedule of Commission meetings for 2024.

MOTION TO APPROVE: Vice Chairman Smith SECOND: Commissioner Kovach AYES: 9

Chairman Uslan noted that the Association of Motion Picture and Television Producers has come to an agreement with the Writers Guild and SAG-AFTRA, and that major production is now resuming in New Jersey, throughout the country, and throughout the world. He also noted that New Jersey is very well positioned to pick up where we left off.

DIRECTOR'S REPORT

Steven Gorelick extended a warm welcome to the Commission's newest Members, stating that he had a chance to speak with all of them and looks forward to their contributions to the Commission.

Regarding his retirement, he stated that it was an honor and privilege to work with the Commissioners and the wonderful staff over these many years. He emphasized many years, stating that he worked with countless producers, executives, directors, production managers, location managers and crew members in the industry.

He added that it has always been fascinating, exciting and certainly challenging when he looks back over the decades. He noted how remarkable it was to think of all the technological, philosophical, and artistic changes that have taken place in the industry.

He stated that when he first arrived at the Commission in 1980, some of the legendary directors from the golden age of Hollywood were still working in the production field and making movies in New Jersey, and that it was exciting to work on their movies. He noted that the industry has gone through generations of filmmakers since then, and that he's grateful for the rich experience that he's enjoyed.

He added that working for the Film Commission is a very unique experience and it requires staff members who rely on a broad array of skills. He promised to assist his successor in acclimating to the job, and to be available to the Commission to offer advice or information.

Regarding other personnel matters, he noted that Chris Del Vecchio, Assistant Production Coordinator for the Commission for several years, has moved to the NJEDA's Tax Credit team. Mr. Del Vecchio will report to Matt Sestrich, Manager, Film/Digital Media Financing/Incentives. He added that they're looking to backfill that position and will interviewing people shortly.

Mr. Gorelick expressed his gratitude to DAG George Cohen for his sound counsel and many years of excellent service to the Commission. He noted that the Commission looks forward to working with DAG Christopher Kay in the years to come.

Mr. Gorelick stated that regarding the conclusion of the strikes, the industry is back to work in a big way, and that a lot of filmmaking will be taking place in the months to come. He noted that several of the big productions had to go on extended hiatus during the prolonged labor negotiations, but have all resumed filming.

He also noted that the summer was very difficult, not just for the studios and the networks and related companies who were largely out of work, albeit temporarily, but also for many of the film related New Jersey businesses that rely on a steady stream of film and television production to remain in business. Fortunately, business has now picked up dramatically for them, but that revenue is lost. There's some concern about the upcoming negotiations with IATSE and Teamsters, but we're keeping our fingers crossed that an agreement can be reached without a disruption of activity.

Regarding the California trip, in anticipation of the expected rush of new production activities in 2024, the EDA led a quick trip to California to meet with executives at the major studios and assure them that we are ready for their business. Commissioner Sullivan and members of his team; Eric Brophy, the Governor's Deputy Chief of Staff for Economic Growth; Elizabeth Parchment, Commission staff; and Commissioner Dan Bryan comprised the party that went out there.

Mr. Gorelick asked Commissioner Sullivan to say a few words regarding the trip to California. Commissioner Sullivan stated that it was a really good trip, and although there are persistent challenges to be overcome, the momentum in the state is incredibly strong. We may be the most improved state for business in 2023. Employment in the film industry is a big reason why we're growing jobs the fastest in the region among the Northeast states over the last 36 months. He added that during the trip, there was a recurring theme of value, like tax credits and why you should make

a decision to do something in New Jersey, whether it's film or bringing a business or making an investment here, but; that the value piece is incredibly important.

And obviously this is something that has been led and anchored by the Governor, Lieutenant Governor, and First Lady, and reflects the values that this administration stands by. But those are New Jersey values that transcend administrations, keeping New Jersey on the right side of history on any number of issues. We were really energized by those meetings.

Commissioner Bryan reiterated that is was a good trip, and the team's sale pitch was excellent. He noted that everyone they met with was very open to New Jersey, and that they all cared deeply about our tax incentive programs. Several were asking very specific questions, so, it was evident that that they were doing their homework. He stated that there's definitely a genuine concern that Georgia and some of these other states that they're working in right now may not be long term options for them in the future. It was said that by 2030, New Jersey's going to be Georgia, or Toronto. We're going to be one of these states that's up there in terms of where everything is filming, so, there's a lot of really good momentum right now.

Mr. Gorelick stated that he, Tim Sullivan and Matt Sestrich met with Josh Levin, VP, State Government Affairs for the MPA back in early November. They discussed forging a good working relationship and matters of interest to the MPA, including, the tax credit programs. He added that we continue to work with Kathy Banuelos, Sr. VP, State Government Affairs for the MPA.

Mr. Gorelick stated there are proposed new rules for the Film and TV Tax Credit program, and asked Mr. Sestrich to discuss that in more detail. Mr. Sestrich stated that this is the first rule update since June 2019 and since then there have been five or so separate bill changes to the program.

He summarized the recent program changes:

- The Film Tax Credit Award increased for Studio Partner and Film-lease Production Company projects for qualifying expenses for labor and goods
- The Film-lease Partner Facility is a new designation for large studio developments. EDA was appropriated \$30MM for equity investments into each of 3 available designations.
- The Diversity Bonus provides a 2 or 4% bonus on qualified film/digital media expenses for eligible applicants. Diversity plans must prioritize hiring minorities and women in an amount not less than 25% of total hired cast & crew.
- There's a separate allocation for projects committing to lease or occupy a designated production space and shoot at least 50% of the total project within NJ at a NJ film-lease Partner Facility.
- All construction contracts entered into by a production must comply with prevailing wage, affirmative action and construction contractor registration requirements, including work that occurred prior to EDA approval.

Commissioner Tom Bernard remarked that the diversity situation would be a great lead for a story. He knows that The Hollywood Reporter is very interested, and that could be a real headline in the paper.

PRODUCTION REPORT

Mr. Gorelick shared the production statistics for 2023. He advised that there were 46 features last year, 7 telefilms and miniseries, 38 television series and specials. Those numbers will increase, but are very substantial considering the fact that strikes shut down almost all major production from May to October.

We had a total of 600 new project inquiries in 2023, which Joe Marra tells us averages out to 11.54 inquiries per week. That's down from 741 new project inquiries in 2022, and 719 in 2021, but; that's only a result of the work stoppage.

We also worked on an average of 33 projects per week, down from 48 in 2022. Again unsurprisingly, and wholly because of the strikes, which basically canceled out most of May, June, July, August, September, really even into October, although there were some exceptions.

We had a few smaller projects, features and such that were able to obtain SAG-AFTRA waivers, but what's amazing is that from January to late May, revenue from production exceeded 500 million, especially when you consider that in all of 2022, which was a record year, revenue was just over 700 million for the entire year. So, that bespeaks the great interest in filming in New Jersey.

We were on pace to have another record year in 2023 and might have even crossed that \$1 billion threshold, but for the strikes.

So I think that really does bode well for 2024 and beyond.

Mr. Gorelick provided brief studio updates, stating that the Lionsgate studio project is still on track, pending approval of the NJEDA rules next month. They plan to begin construction within 120 days of approval on their Aspire application. So construction should begin in the spring, and take about two years to complete. Hopefully the studio complex will begin operating in the spring of 2026.

Mr. Gorelick advised that Governor Murphy, Ted Sarandos of Netflix, Tim Sullivan and other state officials and legislators were at the Fort Monmouth on November 3rd. The Governor signed the minutes of a recent meeting in which the County Economic Development Authority signed off on the amendments to the base reuse plans, which include approval of affordable housing, pending approvals from Oceanport and Eatontown.

Mr. Gorelick asked Vice Chair Smith to provide an update on 1888 Studios, being developed by Arki Busson. Mr. Smith advised that Mr. Busson has secured a construction loan in December and that he's extremely excited that the project will continue with the support of New Jersey. He's a

big fan of the Governor and all that New Jersey has done to make this state more attractive, he's in discussion with a couple of additional equity investors, and he's very excited that the project is moving forward.

Mr. Gorelick stated that the ACX1 One Studios in Atlantic City is being developed at the old shopping pier at Caesar's. They're converting many of the stores and restaurants into practical sets and building stages as well. They plan to create state-of-the-art post production suites and music studios and to revitalize some of the shopping and dining spaces. They're repurposing the area that was formerly housed the Atlantic City Water Show into a 2000 plus seat multi-level Coliseum that will host concerts, comedy shows, wrestling and more.

Mr. Gorelick stated that he, Kathleen Coviello, and Matt Sestrich met with entertainment attorney Willard Stanback. Mr. Stanback is proposing a studio complex to be built on the site of the closed AMC Multiplex Theater in Hamilton. He wanted to discuss the practicality of such a venture and to obtain a general idea of the incentives that are available. The project is in a very early conceptual stage, but; the mayor of the Hamilton has been very supportive.

Mr. Gorelick stated that Kevin McCafferty of MVP Media contacted the commission regarding the Riverside Studios project. He is trying to launch a studio project on 12 buildable acres straddling Carlstadt and East Rutherford. The property is on the Hackensack River next to American Dream. They hope to close on the property very shortly and plan to build 8 stages.

Mr. Gorelick asked Elizabeth Parchment to speak about the Film Ready communities. Ms. Parchment reiterated the popularity of the Film Ready program, stating that it was well received in LA, and well received by local officials. The Program empowers towns that aren't used to filmmaking, and gives them a tool kit on how to become film ready, and how to market their towns as filming destinations.

Ms. Parchment stated that three Film Ready workshops were held, including one in North Jersey on April 14th, at Kean University, which included special remarks from First Lady Tammy Murphy; the second was held on June 14th at the Count Basie Center for the Arts in Red Bank, with special remarks by Adam Philipson, CEO, Count Basie; and the third was held on September 29th, at Camden County College in Blackwood, with special remarks from Tim Sullivan, CEO, NJEDA. Ms. Parchment noted that some of the Film Ready attendees have been mayors, council members, elected officials, municipal clerks, business administrators and municipal representatives. She also advised that in 2023, 18 towns in four counties were certified as Film Ready communities.

Commissioner Kovach stated that they've held mini Film Ready trainings at the League of Municipalities Conference for two years in a row now, and those trainings have been attended by local elected officials, as well as County elected officials. She said the League is going to be a partner, and that she was sure the Association of Counties would be more than happy to also be a partner.

Mr. Gorelick stated that Commissioner Kovach wrote an article about the Film Ready program that will continue to be distributed.

Mr. Gorelick highlighted some of the outreach performed by the Commission during the last few months, including the following:

- A location manager bus tour for Somerset and Hunterdon counties
- The Garden State Employment and Training Association workshop at the Hard Rock Casino in Atlantic City,
- The Hollywood East event at the Liberty Science Center in Jersey City in late October.
- The Montclair Film Festival panel held by the New Jersey EDA in October, which was attended by Evie Colbert.
- A Film Ready presentation for the Florence Township Council
- A discussion panel held at the annual New Jersey League of Municipalities in Atlantic City on November 14th, and a booth operated from November 14th 16th.
- The Salem County Economic Development Luncheon on November 1st.
- The New Jersey Conference Center for Tourism in Atlantic City on November 30th at Resorts Casino.
- The Art Spaces, Culture and Catalyst panel at the Newark Summit, on December 4th at the Ironside Newark Building

Mr. Gorelick stated that NBC Universal produced 2 videos for the Commission that we could use for promotional purposes. One features Dermot Mulroney, star of the CBS TV series *FBI Most Wanted*, filmed partly in New Jersey, and the other features Christopher Meloni, who did 11 seasons of *Law and Order, SVU* in the state. Mr. Meloni is now shooting episodes of *Law and Order: Organized Crime* in New Jersey. The videos were played for the commissioners during the meeting. Mr. Gorelick stated that they've screened the videos at various events they have attended. He added that the Dermot Mulroney video was featured in a recent Commission E-newsletter that went out to the entire industry, and that the videos will have a permanent home on the commission website.

Mr. Gorelick asked Mr. Riccardi to speak about the commission newsletter. Mr. Riccardi provided some background on the origins on the newsletter, which started as a printed newsletter. He shared some of stories that he's working on for the newsletter.

Steven asked Mr. Ricciardi to speak about IT matters. Charles stated that Commission staff is now situated in their new offices, have NJEDA email addresses and cell phones. We now have access to our archived emails, which is really helpful. He added that our old office had boxes and boxes of physical files that cover all of the production work done by the Commission since its first year

in 1978 through 2000. Everything's been digitized, but prior to that it wasn't. We're working with the property management in NJEDA. They are overseeing the process of having this material digitized and folded into our complete database.

Mr. Gorelick asked Ms. Parchment to discuss the New Jersey Film Trails project. Ms. Parchment stated that we plan to launch a new initiative this year. New Jersey Film Trails recognizes the communities that have supported New Jersey's place in filmmaking history, while also creating a fun new way to enjoy favorite films. The New Jersey Motion Picture and Television Commission, in partnership with Choose New Jersey and the Division of Travel and Tourism, will be launching a curated series of self-guided film trails which will be an online, interactive and physical adventure as well.

Mr. Gorelick asked Vice Chair David Smith to speak out the recent New Jersey Hall of Fame, induction ceremony on October 29th at the New Jersey Performing Arts Center.

Vice Chair Smith, co-founder, and Board Member of the New Jersey Hall of Fame, shared many of the highlights from the star-studded evening that was hosted by New Jersey native Danny DeVito. Mr. Smith named a Who's Who of famous New Jerseyans who were in attendance. He also stated that the film "New Jersey Stars in the Movies," produced by Steven Gorelick and Charles Riccardi, drew a loud ovation when it was shown at the event.

PRODUCTION REPORT

David Schoner stated that we have been receiving constant production calls now that the labor negotiations between the unions and the AMPTP have concluded. Three of our TV series that that had shut down are back and up and running: *American Horror Stories*, *American Sports Story: Gladiator*, *and* the Apple TV+ series *Before* starring Billy Crystal. Other movies and television shows filming or about to film in the state include:

Blue Bloods (CBS)
FBI Most Wanted (CBS)
Take Two (ABC)
The Strange Dark (indie feature)
Killing Castro (indie feature from Romulus Entertainment)
In the Hand of Dante (Atlantic Pictures)
A Complete Unknown (Fox Searchlight) with Timothy Chalamet
Kiss of the Spider Woman (Nuyorican Productions) starring Jennifer Lopez
Miller by Marriage (indie feature) directed by Ed Burns
Father, Mother, Brother, Daughter (CG Cinema) directed by Jim Jarmusch
The Bride (Netflix) starring Christian Bale and Penélope Cruz
The History of Sound (Anonymous Content)

NEW BUSINESS

Chairman Uslan opened the floor to new business.

PUBLIC COMMENT:

Ms. Haley Hanson, Los Angeles, CA, addressed the Commission, saying she was excited to be working in New Jersey, and that she had left her contact information.

Chairman Uslan called for a motion to adjourn the meeting.

On a motion by Vice Chairman Smith, and seconded by Mayor Kovach, the meeting was adjourned at 12.30pm.