



March 12, 2012

Representative Bill Stoltze
Representative Bill Thomas
Co-Chairs, House Finance Committee
State Capitol Rm. 518
Juneau AK 99801-1182

Re: Support for SB 23 and the status of our film industry infrastructure investments in Alaska

Dear Representative Stoltz and Representative Thomas,

Almost a year ago, I wrote a letter to legislative members regarding our support for SB 23, which extends the Alaska Film Production Incentive Program. Evergreen Films is an Alaska-based film company with state-of-the art 3D production studios in both Anchorage and Los Angeles. Working with over 50 Alaskan vendors, we shot exteriors for our current production, *WALKING WITH DINOSAURS* 3-D, around Anchorage, Girdwood and the Kenai Peninsula in 2011. The film, a co-production with BBC Earth, is slated for worldwide release in 2013 by Twentieth Century Fox, a global leader in film marketing and distribution. Please view our website at www.evergreenfilms.com for additional information about our company.

But I am writing today to update you about our most recent investment in film infrastructure in Alaska. In addition to our 4-year-old post-production facility on the Hillside, last spring Evergreen purchased another building in South Anchorage. We began major renovations to create a film production facility with an advanced special effects department and smart stage/green screen capabilities. The offices were completed and used for our recent project, and the 24-seat screening room is nearing completion. But we have stopped all further investments in the special effects department and smart stage/green screen until we are certain that a future exists for us in Alaska.

The lack of production facilities and stages is a major problem that has been expressed by both producers who have worked in Alaska and those exploring our state as a production location. The stability afforded by the extension of SB 23 would allow local lenders to make loans available for much-needed film infrastructure investments in Alaska. This private development, which is in addition to the economic activity created by the production itself, will in turn help attract future projects.

In an industry where development, finance packaging, production and distribution of film projects can often take many years, the stability which comes from the long-term extension and full funding of the film incentives is of the utmost importance. This same

stability is also needed to encourage film industry infrastructure investments in Alaska. Evergreen Films has already begun developing a plan for additional capital construction in Anchorage, but we are unwilling to borrow and commit future funds (beyond our \$5.5 million investment in this most recent project), until we know that the film industry has a future here. And without the film incentives, other producers are not going to come to Alaska either. We will all be working on productions in one of the other 40 states that currently offer film incentives.

The Alaska Film Production Incentive Program is just beginning to work. We can see this in the theatres, on television, and by the number of calls Evergreen receives about the availability of our facility for other productions. With the private business sector as a partner, the film industry can provide a successful new business platform which will benefit many Alaskans in the years to come through opportunities for small businesses, training for students, the creation of new jobs, local economic enhancement and infrastructure development.

Evergreen Films is excited by the opportunity to successfully execute our business plan with a series of future projects in Alaska. And instead of continuing to contract with special effects houses from around the globe for our 3-D productions, we hope to soon hire young Alaskans who have training in the fields of film, digital cinema and animation, visual effects and motion control and capture. It's beginning to happen here with the new film degrees offered at the University of Alaska in Fairbanks and Anchorage and through the State's Alaska Cast and Crew Advancement Program.

Although Evergreen Films has not yet fully participated in the incentive program, we have pre-qualified for a tax credit upon completion and audit of our most recent production. Evergreen has found Alaska to be a great place to do business. We field calls from producers all the time asking what the state has to offer their project. And we tell them all the same thing; that Alaska has the best film incentives in the country. We say that she has most beautiful locations in the world and the friendliest people we've ever worked with. We explain that it costs a little more to do business in Alaska. And then we tell them-it's worth it.

Sincerely,



Michael Devlin
CEO

Cc: All House Members