

HB

67

<TARGET><BILL>HB 67</BILL><SUBJECT>HB
67</SUBJECT><COMM>HEDT27</COMM></TARGET>

HOUSE COMMITTEE REPORT

9)
Date Referred to Committee: January 26, 2011

FURTHER REFERRALS: Labor and Commerce
Finance

Date of Committee Action: 2.17.11

The HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE AND TOURISM
considered:

HB 67

HOUSE BILL NO. 67

'An Act relating to transferable film production tax credits; and providing for an effective date by amending the effective dates of secs. 3 and 4, ch. 63, SLA 2008.'

HB 67-FILM PRODUCTION TAX CREDIT

Recommends it be replaced with HCS or CS for HB 67 (EDT)
For Senate Bills with new title: Technical Title New Title: HCR Same Title New Title

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of
Abbrev
for
Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- DHS
- LWF
- LAW
- LEG
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*FN# is assigned by Chief Clerk's Office				
*FN#	List by Dept(s):	Fiscal	Indet.	Zero
	REV			X
	ED			X

<u>PREVIOUS FISCAL NOTES</u>				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Berta Gardner</i>	Gardner	X			
<i>John M. Thompson</i>	Thompson	X			
<i>Catherine Munnings</i>	Munnings	X			
<i>[Signature]</i>	OLSON			X	
<i>[Signature]</i>	Keller			X	
<i>[Signature]</i>	JUCK	X			
<i>[Signature]</i>	Foster	X			
Chair:					
Chair: <i>[Signature]</i>	Herron	X			

CS FOR HOUSE BILL NO. 67(EDT)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT, TRADE, AND TOURISM

Offered:
Referred:

Sponsor(s): REPRESENTATIVES TUCK AND HERRON, Millett, Petersen

A BILL

FOR AN ACT ENTITLED

"An Act relating to film production tax credits; and providing for an effective date by amending the effective dates of secs. 3 and 4, ch. 63, SLA 2008."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 **Section 1.** AS 43.98.030(f) is amended to read:

5 (f) The amount [NUMBER] of tax credits provided [IN THE AGGREGATE]
6 under this section may not exceed

7 **(1) \$100,000,000 before July 1, 2018; and**

8 **(2) \$200,000,000 in the aggregate.**

9 * **Sec. 2.** AS 44.33.233(a) is amended to read:

(a) A film production is eligible for a tax credit under AS 43.98.030, if the

(1) producer has \$100,000 or more in qualified expenditures in a consecutive **36-month** [24-MONTH] period under AS 44.33.236;

(2) film office determines that the production is not contrary to the best interests of the state; and

1 (3) production is approved by the film office.

2 * **Sec. 3.** AS 44.33.234 is amended by adding a new subsection to read:

3 (c) Information submitted in an application under (a) of this section is
4 confidential and is not subject to inspection or copying under AS 40.25.110 -
5 40.25.125.

6 * **Sec. 4.** AS 44.33.235(c) is amended to read:

7 (c) In determining the amount of the tax credit, the percentage provided by (b)
8 of this section shall be increased by the film office based on the following criteria:

9 (1) an additional 10 percent of qualified expenditures that are wages
10 paid to Alaska residents;

11 (2) an additional **four** [TWO] percent of qualified expenditures made
12 in a rural area; and

13 (3) an additional two percent of qualified expenditures made in the
14 state between October 1 and March 30.

15 * **Sec. 5.** AS 44.33.236(a) is amended to read:

16 (a) Expenditures made by a production company in connection with a film
17 production approved by the film office that shall be considered qualified expenditures
18 must be directly related to the production and be incurred in the state. Only
19 expenditures that are ordinary, reasonable, and not in excess of fair market value and
20 that are for real or tangible property, fees, services, or state or municipal taxes shall be
21 considered. Expenditures may include

22 (1) costs of set construction and operation;

23 (2) costs of wardrobes, make-up, accessories, and related services;

24 (3) costs associated with photography and sound synchronization;

25 (4) costs of lighting and related services and materials;

26 (5) costs of editing and related services;

27 (6) rental of facilities and equipment;

28 (7) leasing of vehicles;

29 (8) costs of food and lodging;

30 (9) costs of digital or tape editing, film processing, transfer of film to
31 tape or digital format, **transfer of digital media to film or tape**, sound mixing, and

1 special and visual effects;

2 (10) the total aggregate payroll for services performed in Alaska,
3 including all salaries, wages, compensation, and related benefits provided to
4 producers, directors, writers, actors, and other personnel that are directly attributable
5 to services performed in Alaska;

6 (11) the costs of the use of an Alaska business for processing qualified
7 payroll and related expenditures;

8 (12) costs of music, if performed, composed, or recorded by an Alaska
9 musician, or released or published by an Alaska business;

10 (13) costs of intrastate travel, if provided by an Alaska business;

11 (14) costs relating to the design, construction, improvement, or repair
12 of a film, video, television, or digital production or postproduction facility or related
13 property, infrastructure, or equipment, except commercial exhibition facilities, as
14 determined by the film office;

15 (15) costs of state or municipal taxes levied in Alaska on the lease or
16 rental of passenger or recreational vehicles or the rental of rooms or other lodging; or

17 (16) other similar production expenditures as determined by the film
18 office in cooperation with the Department of Revenue.

19 * **Sec. 6.** AS 44.33.239(7) is amended to read:

20 (7) "rural area" means a community with a population of 1,500 or less
21 or a community with a population of 6,500 [5,500] or less that is not connected by
22 road or rail to Anchorage or Fairbanks.

23 * **Sec. 7.** The uncodified law of the state of Alaska enacted in sec. 5(a), ch. 63, SLA 2008, is
24 amended to read:

25 (a) Subject to AS 43.98.030(f), enacted by sec. 1, **ch. 63, SLA 2008** [OF THIS
26 ACT], secs. 3 and 7, **ch. 63, SLA 2008**, [OF THIS ACT] do not prevent the film
27 office from determining a film production's qualified expenditures, awarding a tax
28 credit, or reviewing a tax credit under the provisions repealed by secs. 3 and 4, **ch. 63,**
29 **SLA 2008**, [OF THIS ACT] to a film production that has received a notice of
30 qualification under AS 44.33.234(b), enacted by sec. 2, **ch. 63, SLA 2008** [OF THIS
31 ACT], before **July 1, 2023** [JULY 1, 2013].

1 * **Sec. 8.** The uncodified law of the state of Alaska enacted in sec. 6, ch. 63, SLA 2008, is
2 amended to read:

3 Sec. 6. NOTIFICATION. When the amount [NUMBER] of tax credits
4 provided under AS 43.98.030(f), enacted by sec. 1, ch. 63, SLA 2008 [OF THIS
5 ACT], in the aggregate and the estimated amount of tax credits that could be claimed
6 based on notices of qualification issued by the film office under AS 44.33.234(b),
7 together equal \$200,000,000 [\$100,000,000], the commissioner shall notify the
8 presiding officers of each house of the legislature and the revisor of statutes in writing.

9 * **Sec. 9.** Section 7, ch. 63, SLA 2008, is amended to read:

10 Sec. 7. Section 3, ch. 63, SLA 2008, [OF THIS ACT] takes effect on the
11 earlier of the following:

12 (1) July 1, 2023 [2013]; or

13 (2) the date of the commissioner of revenue's notification to the
14 presiding officers of each house of the legislature and to the revisor of statutes under
15 sec. 6, ch. 63, SLA 2008 [OF THIS ACT].

16 * **Sec. 10.** Section 8, ch. 63, SLA 2008, is amended to read:

17 Sec. 8. Section 4 of this Act takes effect on the earlier of the following:

18 (1) July 1, 2024 [2014]; or

19 (2) one year after the date of the commissioner of revenue's
20 notification to the legislature and to the revisor of statutes under sec. 6, ch. 63, SLA
21 2008 [OF THIS ACT].

ALASKA STATE LEGISLATURE

Rep. Chris Tuck

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Juneau, Alaska 99801-1182
Phone (907) 465-2095
Fax (907) 465-3810
Rep_Chris_Tuck@legis.state.ak.us



Rep. Bob Herron

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Sponsor Statement

HB 67: Alaska Film Incentive Program Extension

House Bill 67 ensures Alaska's competitiveness with other states and countries by continuing the successful Alaska Film Incentive Program. Since their inception, the film incentives have brought millions of production dollars to Alaska. They have also created jobs and business opportunities, small and large, for hundreds of Alaskans. These projects also bring millions of dollars worth of marketing and promotion for Alaskan businesses, products, and tourism. The continuation of these incentives will create the certainty required for the private sector to plan and invest in Alaska's new and growing multi-million dollar film industry.

In Alaska, we have seen the enormous benefits of a major motion picture project, "Everybody Loves Whales", an estimated \$30 million production. On any given day of production there were more than 200 Alaskans working in front and behind the camera. Nearly 1,500 Alaskans appeared in front of the camera as extras representing towns and villages across the state. Alaska businesses enjoyed a boost from over 12,100 hotel nights, 8,800 car rental days and 7,900 security man hours.

Businesses which benefit from film production include construction companies, towing companies, aerial charters, hardware stores, lumber yards, communication companies, landscaping, restoration companies, dumpster services and rentals, plumbing, heating, rental equipment companies, truck leasing, crane companies, paving companies, catering, cleaning, boat charters, diving companies, survey companies, engineering firms, printing, office supplies, motor-home rentals, shipping companies, airlines, hotels and restaurants.

The Film Incentive Program that passed in 2008 included a sunset after five years or after \$100 million in credits have been issued. The Program currently offers a transferable tax credit of 30% of qualified spending, an additional 10% for Alaska hire, 2% for shooting in rural Alaska and 2% for working in the winter months. Eligible productions can sell the credit to any company with a corporate income tax liability, offering tax relief to industries as varied as commercial fishing, mining and oil. Tax credits are issued only after the production has completed filming and an independent Alaskan-owned CPA has verified Alaska expenditures.

House Bill 67 will extend the film incentive program for 10 years. It will provide an additional \$100 million in tax credits for the first five years of the extension and \$100 million for the final five years. House Bill 67 will continue the jobs and small business opportunities created by the film incentives, as well as bring our state positive attention, substantial investment and help develop a strong and diversified economy.

HOUSE BILL NO. 67

IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-SEVENTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES TUCK AND HERRON, Millett, Petersen

Introduced: 1/18/11

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to transferable film production tax credits; and providing for an
2 effective date by amending the effective dates of secs. 3 and 4, ch. 63, SLA 2008."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

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7 **(1) \$100,000,000 before July 1, 2018; and**

8 **(2) \$200,000,000 in the aggregate.**

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11 (1) producer has \$100,000 or more in qualified expenditures in a
12 consecutive **36-month** [24-MONTH] period under AS 44.33.236;

13 (2) film office determines that the production is not contrary to the best
14 interests of the state; and

1 (3) production is approved by the film office.

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10 expenditures that are ordinary, reasonable, and not in excess of fair market value and
11 that are for real or tangible property, fees, services, or state or municipal taxes shall be
12 considered. Expenditures may include

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- 14 (2) costs of wardrobes, make-up, accessories, and related services;
- 15 (3) costs associated with photography and sound synchronization;
- 16 (4) costs of lighting and related services and materials;
- 17 (5) costs of editing and related services;
- 18 (6) rental of facilities and equipment;
- 19 (7) leasing of vehicles;
- 20 (8) costs of food and lodging;
- 21 (9) costs of digital or tape editing, film processing, transfer of film to
22 tape or digital format, transfer of digital media to film or tape, sound mixing, and
23 special and visual effects;
- 24 (10) the total aggregate payroll for services performed in Alaska,
25 including all salaries, wages, compensation, and related benefits provided to
26 producers, directors, writers, actors, and other personnel that are directly attributable
27 to services performed in Alaska;
- 28 (11) the costs of the use of an Alaska business for processing qualified
29 payroll and related expenditures;
- 30 (12) costs of music, if performed, composed, or recorded by an Alaska
31 musician, or released or published by an Alaska business;

- 1 (13) costs of intrastate travel, if provided by an Alaska business;
- 2 (14) costs relating to the design, construction, improvement, or repair
- 3 of a film, video, television, or digital production or postproduction facility or related
- 4 property, infrastructure, or equipment, except commercial exhibition facilities, as
- 5 determined by the film office;
- 6 (15) costs of state or municipal taxes levied in Alaska on the lease or
- 7 rental of passenger or recreational vehicles or the rental of rooms or other lodging; or
- 8 (16) other similar production expenditures as determined by the film
- 9 office in cooperation with the Department of Revenue.

10 * **Sec. 5.** The uncodified law of the state of Alaska enacted in sec. 5(a), ch. 63, SLA 2008, is

11 amended to read:

12 (a) Subject to AS 43.98.030(f), enacted by sec. 1, ch. 63, SLA 2008 [OF THIS

13 ACT], secs. 3 and 7, ch. 63, SLA 2008, [OF THIS ACT] do not prevent the film

14 office from determining a film production's qualified expenditures, awarding a tax

15 credit, or reviewing a tax credit under the provisions repealed by secs. 3 and 4, ch. 63,

16 SLA 2008, [OF THIS ACT] to a film production that has received a notice of

17 qualification under AS 44.33.234(b), enacted by sec. 2, ch. 63, SLA 2008 [OF THIS

18 ACT], before July 1, 2023 [JULY 1, 2013].

19 * **Sec. 6.** The uncodified law of the state of Alaska enacted in sec. 6, ch. 63, SLA 2008, is

20 amended to read:

21 Sec. 6. NOTIFICATION. When the amount [NUMBER] of tax credits

22 provided under AS 43.98.030(f), enacted by sec. 1, ch. 63, SLA 2008 [OF THIS

23 ACT], in the aggregate and the estimated amount of tax credits that could be claimed

24 based on notices of qualification issued by the film office under AS 44.33.234(b),

25 together equal \$200,000,000 [\$100,000,000], the commissioner shall notify the

26 presiding officers of each house of the legislature and the revisor of statutes in writing.

27 * **Sec. 7.** Section 7, ch. 63, SLA 2008, is amended to read:

28 Sec. 7. Section 3, ch. 63, SLA 2008, [OF THIS ACT] takes effect on the

29 earlier of the following:

- 30 (1) July 1, 2023 [2013]; or
- 31 (2) the date of the commissioner of revenue's notification to the

1 presiding officers of each house of the legislature and to the revisor of statutes under
2 sec. 6, ch. 63, SLA 2008 [OF THIS ACT].

3 * **Sec. 8.** Section 8, ch. 63, SLA 2008, is amended to read:

4 Sec. 8. Section 4 of this Act takes effect on the earlier of the following:

5 (1) July 1, 2024 [2014]; or

6 (2) one year after the date of the commissioner of revenue's
7 notification to the legislature and to the revisor of statutes under sec. 6, ch. 63, SLA
8 2008 [OF THIS ACT].

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
STATE OF ALASKA

(907) 465-3867 or 465-2450
FAX (907) 465-2029
Mail Stop 3101

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

February 8, 2011

SUBJECT: Sectional summary (HB 67 (Work Order No. 27-LS0356\A))

TO: Representative Chris Tuck
Attn: Aurah Landau

FROM: Alpheus Bullard *LAB*
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Doubles the amount of transferable film production tax credits that the Department of Revenue, in cooperation with the film office in the Department of Commerce, Community, and Economic Development, may provide a producer for certain qualified production expenditures. Limits the amount of credits that the Department of Revenue may provide before July 1, 2018, to \$100,000,000.

Section 2. Permits a film production to be eligible for a tax credit if the producer has \$100,000 or more in qualified expenditures in a consecutive 36-month period. At present, a producer must have \$100,000 or more in qualified expenditures in a consecutive 24-month period.

Section 3. Makes certain information submitted to the film office by a producer confidential.

Section 4. Adds the cost of transferring digital media to film or tape to the list of expenditures that may qualify as a "qualified expenditure" in calculating a tax credit.

Section 5. Permits the film office to determine a film production's qualified expenditures, award a tax credit, or review a tax credit that has been provided to a film production that has received a notice of qualification under AS 44.33.234(b) before July 1, 2023.

Representative Chris Tuck
February 8, 2011
Page 2

Section 6. Requires the commissioner of revenue to notify the presiding officers of each house of the legislature and the revisor of statutes in writing when the amount of tax credits provided under AS 43.98.030(f) and the estimated amount of tax credits that can be claimed, based on notices of qualification issued under AS 44.33.234(b), together equal \$200,000,000.

Section 7. Extends the sunset date for the transferable film tax credit program to July 1, 2023, if the amount of tax credits awarded under the program has not reached \$200,000,000 before that time.

Section 8. Extends the period that the film office, in cooperation with the Department of Revenue, may review, audit, and bring legal proceedings to recover any amount of a tax credit issued under AS 44.33.235.

TLAB:ljw
11-083.ljw

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
Bill Version _____
() Publish Date _____

Identifier (file name) HB067-CCED-DED-02-07-11
Title Film Production Tax Credit Dept. Affected DCCED
Appropriation Economic Development
Allocation Economic Development
Sponsor Representative Tuck and Herron
Requester House Economic Development, Trade & Tourism OMB Component Number 801

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information					
		FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES							
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel							
Services							
Commodities							
Capital Outlay							
Grants							
Miscellaneous (Fund Capitalization)							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES							
-----------------------------	--	--	--	--	--	--	--

CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost _____

POSITIONS

Full-time	0.0	0	0	0	0	0
Part-time						
Temporary						

Why this fiscal note differs from previous version (if initial version, please note as such)

Prepared by Wanetta Ayers, Director
Division Economic Development
Approved by Susan K. Bell, Commissioner
Commerce, Community and Economic Development

Phone 269-4048
Date/Time 2/7/11 12:00 PM
Date 2/7/2011

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. _____

Analysis

DCCED does not anticipate a fiscal impact as a result of this legislation.

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

Fiscal Note Number _____
 Bill Version HB 67
 () Publish Date _____

Identifier (file name) HB67-DOR-TAX-02-05-11 Dept. Affected Revenue
 Title Film Production Tax Credit Appropriation Treasury and Taxation
 Allocation Tax Division
 Sponsor Representatives Tuck and Herron
 Requester House Economic Development, Trade and Tourism OMB Component Number 2476

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

	Appropriation Required	Information						
		FY 2012	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
OPERATING EXPENDITURES								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants								
Miscellaneous								
TOTAL OPERATING		0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
-----------------------------	--	--	--	--	--	--	--	--

CHANGE IN REVENUES		0.0	0.0	***	***	***	***
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other (please identify)							
TOTAL		0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2011) cost _____

POSITIONS

Full-time							
Part-time							
Temporary							

Why this fiscal note differs from previous version (if initial version, please note as such)

first version of fiscal note

Prepared by Johanna Bales, Deputy Director
 Division Tax Division
 Approved by Ginger Blaisdell, Director Administrative Services Division
Department of Revenue

Phone (907) 269-6628
 Date/Time 02-05-11; 9:04am
 Date 02-05-11; 9:58am

FISCAL NOTE

STATE OF ALASKA
2011 LEGISLATIVE SESSION

BILL NO. HB 67

Analysis

Bill Language:

This bill extends the current film production tax credit, which will expire effective July 1, 2013, to June 30, 2023. Under current law, the film production tax credit expires the earlier of July 1, 2013 or when total credits issued by the Film Office exceed \$100,000,000 in the aggregate. This bill limits the total amount of credits allowed to be awarded to \$100,000,000 before July 1, 2018 and an additional \$100,000,000 before July 1, 2023 with total aggregate credits limited to \$200,000,000.

Revenues:

This bill increases the total film production tax credit from \$100,000,000 to \$200,000,000 and extends the current film credit program another 10 years to June 30, 2023. The current program is set to expire July 1, 2013. It is difficult to determine the total affect on state revenues as a result of this bill. However, due to the limitations established in the bill, total decrease in corporate income tax revenue cannot exceed \$100,000,000 as a result of this bill.

Expenditures:

The department can implement the provisions of the bill with existing resources.

Economic Impact of the Alaska Film Production Incentive Program

Since the program's inception in 2008, 15 productions have received tax credits. These 15 productions **filmed in Alaska for a total of 910 days and had a total Alaska spend of \$14,910,810.**

As of January, 2011 there are an additional 28 productions that are pre-qualified for Alaska Film Incentives. If all these productions are completed they have an estimated an additional **projected Alaska spend of \$83,805,521.**

Economists estimate that local economies get \$1.50 - \$3.00 for every \$1.00 spent by the film industry.

Highlights from Alaska's First Major Motion Picture: Everybody Loves Whales

- On any given day there were approximately 100 Alaskans working in front of the camera and over 100 Alaskans working behind.
- Nearly 1500 extras appeared in front of camera representing towns and villages across Alaska.
- Alaskan crew filled department positions in grip, lighting, rigging, electric, video, locations, sound, art, set decoration, props, transportation, painters, construction, craft service, casting, production office and AD department. These Alaskan's will now serve as a foundation to future productions looking for crew.
- Cast and crew accounted for over 12,100 hotel room nights.
- Security man hours totaled over 7,900.
- Rental cars totaled over 8,800 rental days.
- Businesses where goods and services were purchased included rental cars, taxis, limousines, restaurants, hotels, construction companies, towing companies, aerial charter to include helicopter and fixed wing, sled dog operations, snowmobiles/4 wheelers, hardware stores, lumber yards, communication companies, landscaping, restoration companies, dumpster services and rentals, port-a-can services and rentals, electric companies, plumbing, heating, rental equipment companies, truck leasing, crane companies, paving companies, police, fire, security, parking, traffic control companies, catering, cleaning, grocery stores, coffee shops, clothing stores, realtors, boat charters, diving companies, survey companies, engineering firms, printing, office supplies, motor-home rentals, shipping companies, airlines, drapery repair and fencing companies.

Production data and Alaska-spend figures are available from the Alaska Film Office. Everybody Loves Whales figures are from the Alaska Film Group.



State of Alaska > Commerce > Division of Economic Development > Alaska Film Office > Incentive Program Information

ALASKA'S FILM PRODUCTION INCENTIVE PROGRAM

[Click here to jump to the forms](#)

Program Summary

The **Alaska Film Production Incentive Program** is an economic development initiative created to encourage growth of the film industry in Alaska. Applicants can qualify for **up to 44% in a transferable tax credit** on qualified production expenditures in Alaska.

What projects are eligible? Eligible projects are broadly defined as film, documentary, commercials, and video projects. We require a minimum of \$100,000 of qualified expenditures in Alaska. Unlike some incentive programs, we do not have salary caps or project caps. We do not require your company to be domiciled in Alaska, nor do we have minimum requirements for principle photography days or Alaska hire. However, we provide additional incentives for Alaska hire, off-season production and productions filmed in rural locations. Below is a summary of Alaska's Tax Credits:

Tax Credit	Value	Requirements
Base Credit	30%	Production expenditures must be made in Alaska.
Alaska Hire	+ 10%	Wages paid to Alaska residents receive an additional 10% credit.
Seasonal	+ 2%	Production expenditures made between Oct. 1 and Mar. 30 receive an added 2% credit.
Rural Location	+ 2%	Production expenditures made in a rural area also receive an added 2% credit.
Maximum Possible Credit	44%	Portions of a production with an Alaskan crew, filmed in rural Alaska between October and March.

Note: Alaska has no personal Income Tax and no statewide Sales Tax, so our incentive program is just the tip of the iceberg of your possible Alaska savings

How does the program work? The State of Alaska offers a film production incentive in the form of a transferable tax credit for qualifying production expenditures that you make in Alaska during a consecutive 24-month period.

Here are the steps you take to use Alaska's incentives:

1. Contact the Alaska Film Office (AFO) for information and application forms (forms are also available below).
2. Submit the Pre-qualification form to qualify your project for the tax credit. You must include estimated qualifying expenditures during a 24-month period, detailed budget, distribution plan and a script or synopsis of your project. Pre-qualification should occur prior to the beginning of production.
3. Receive pre-qualification letter for your project when AFO determines that it meets program requirements.
4. Arrange for a CPA licensed by the State of Alaska to verify (audit) your Alaska expenditures.
5. Submit the final application form and materials after production is complete. As part of the final Application package, a rough cut (or final edited version) of the production is required. Once the AFO has verified that your project meets the requirements, a tax credit will be approved.
6. The Alaska Department of Revenue (DOR) will issue the actual tax credit. NO ADDITIONAL REVIEW is required by DOR.
7. Sell your tax credit to any company that has a corporate income tax liability to the State of Alaska.

Statutes and Regulations:

The Alaska Film Production Incentive Program is based on legislation passed in 2008. The enabling legislation is available on the Alaska Legislature's website.

The Alaska Film Production Incentive Program's statutory basis is in 2 titles: AS 43.98 (Revenue) and AS 44.33 (Commerce, Community and Economic Development).
- View the full text of the applicable Alaska Statutes here (pdf file)

Regulations governing the Alaska Film Production Incentive Program are found in 2 titles of the Alaska Administrative Code (AAC):

- Title 3 - Commerce, Community and Economic Development (Approved in June 2009)
 - Title 15 - Revenue (Approved November 2010)
- View the full text of the regulations here (pdf file)

"Rural" has a specific meaning in this program. Here is a list of Alaska Communities and their "rural" status (it also has information on local taxes - pdf file)

Forms (Click on the form name to download)

Pre-Qualification Form (*the form was updated in February 2011, please discard older downloads*):

(We offer 3 versions of the same form - pick the one that best matches your system and computing experience)

- 1) Basic PDF Pre-qualification Form (print form, fill it out by hand or on typewriter, then send it in)
- 2) Advanced PDF Pre-qualification Form (fill it out on your computer, print it and send it in)
- 3) Excel Spreadsheet Pre-qualification Form (each page is on a separate tab - fill it out, print it and send it in)

Final Tax Credit Application Form:

(We offer 3 versions of the same form - pick the one that best matches your system and computing experience)

- 1) Basic PDF Tax Credit Application Form (print form, fill it out by hand or on typewriter, then send it in)
- 2) Advanced PDF Tax Credit Application Form (fill it out on your computer, print it and send it in)
- 3) Excel Spreadsheet Tax Credit Application Form (each page is on a separate tab - fill it out, print it and send it in)

Productions must provide a "Sworn Certification of Compliance" with their final application:

(to indicate that the production complied with applicable laws & regulations)

Sworn Certification of Compliance (pdf file)

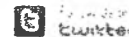
Department of Revenue Form:

Film Production Tax Credit Transfer Form (pdf file)

Questions?

Other Questions? Check out our FAQ:
(Questions about Alaska's Incentive Program and Questions about Filming in Alaska)

You can also contact the Alaska Film Office:
Call (907) 269-8190 or e-mail AlaskaFilm@alaska.gov





State of Alaska > Commerce > Division of Economic Development > Alaska Film Office > Tax Credits Approved

Alaska's Film Production Incentive Program

Tax Credit Approval Information

Credits Approved by the Alaska Film Office (as of 1/14/2011):

(Please note: the "Credit Info" is the publicly available information from the production's Tax Credit Application form.)

FY11 Approved Tax Credits

Project #	Company	Production	Type	Tax Credit \$	Approval Date	Alaska Spend	Credit /Spend	Credit Info
11-001	Sun Never Sets Productions	Top Gear (1 episode "Alaska Tough Truck")	NF-TV	\$81,003.46	1/13/11 (FY11)	\$260,798	31.06%	PDF
10-010	Beyond Indigo Productions	Beyond Indigo (aka Ghost Vision)	FF	\$2,140,413.00	12/22/10 (FY11)	\$6,602,752	32.42%	PDF
10-009	Original Productions	Ice Road Truckers (season 4)	NF-TV	\$898,203.93	12/17/10 (FY11)	\$2,692,293	33.36%	PDF
10-008	PSG Motion Pictures	Alaska State Troopers (season 1)	NF-TV	\$30,709.30	12/8/10 (FY11)	\$100,676	30.50%	PDF
10-007	Original Productions	Deadliest Catch (season 6)	NF-TV	\$584,562.74	11/22/10 (FY11)	\$1,747,965	33.44%	PDF
10-006	Rainy Pass Productions	R5 Sons (season 1)	NF-TV	\$150,442.19	11/12/10 (FY11)	\$421,049	35.73%	PDF
10-005	On the Ice	On the Ice	FF	\$171,145.61	10/1/10 (FY11)	\$524,628	32.62%	PDF
10-004	Diverse Bristol	Man vs. Wild (1 episode "The Last Frontier")	NF-TV	\$67,994.04	10/4/10 (FY11)	\$223,143	30.47%	PDF
10-003	Original Productions	Ice Road Truckers (season 3)	NF-TV	\$393,423.75	9/27/10 (FY11)	\$1,187,933	33.12%	PDF
10-002	Affinityfilms	Survive to Thrive	Doc	\$39,693.41	8/4/10 (FY11)	\$109,217	36.34%	PDF

10-001	Rabbit Content	Prilosec: Fairbanks Project	Comm	\$107,277.35	7/9/10 (FY11)	\$326,664	32.84%	PDF
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FY11 Tax Credits Approved (to date): \$4,664,868.78 Spend: \$14,197,119 32.86%

FY10 Approved Tax Credits

Project #	Company	Production	Type	Tax Credit \$	Approval Date	Alaska Spend	Credit /Spend	Credit Info
09-004	Proposal Productions	The Proposal	FF	\$64,894.93	11/27/09 (FY10)	\$179,407	36.17%	PDF
09-003	The Ascending Path	Disaster on K2	NF-TV	\$46,009.45	10/28/09 (FY10)	\$122,153	37.67%	PDF
09-002	Kaos Entertainment	Grizzly Land	NF-TV	\$54,138.08	10/21/09 (FY10)	\$178,394	30.35%	PDF
09-001	Moore Huntley Productions	Alaska: Most Extreme	NF-TV	\$79,504.07	9/11/09 (FY10)	\$233,737	34.01%	PDF

FY10 Tax Credits Approved: \$244,546.53 Spend: \$713,691 34.27%

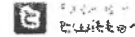
Legend: NF-TV = Non-Fiction Television | FF = Feature Film | Comm = Commercial | Doc = Documentary

Total Tax Credits Approved: \$4,909,415.31 Spend: \$14,910,810 32.93%

Questions?

Contact the Alaska Film Office: Call (907) 269-8190 or e-mail AlaskaFilm@alaska.gov

State of Alaska > Commerce > Economic Development > Alaska Film Office > Tax Credits Approved



Alaska Film Office - 550 W. 7th Avenue, Suite 1770, Anchorage, Alaska 99501 | Phone: 907-269-8190 | Fax: 907-269-5666 | Email the Film Office



State of Alaska > Commerce > Division of Economic Development > Alaska Film Office > Pre-Qualified Projects

ALASKA'S FILM PRODUCTION INCENTIVE PROGRAM Pre-Qualified Projects

Projects that have pre-qualified for Alaska's Incentive program and their status as of 2/3/2011:
(Please note: the "P-Q Info" is the publicly available information from the production's pre-qualification form.)

FY11 Pre-Qualifications					
Type	Company	Pre-Qualified Date	Status	P-Q Info	
NF-TV	Original Productions (#6)	2/1/2011 - FY11	Active	PDF	
NF-TV	Saint Thomas Productions	1/26/2011 - FY11	Active	PDF	
NF-TV	Boutique TV Inc. / Think Factory Media Inc.	12/28/2010 - FY11	Active	PDF	
NF-TV	PSG Motion Pictures (#3)	12/16/2010 - FY11	Active	PDF	
NF-TV	PSG Motion Pictures (#2)	12/7/2010 - FY11	Active	PDF	
NF-TV	Discovery Studios	12/7/2010 - FY11	Active	PDF	
NF-TV	Original Productions (#5)	11/19/2010 - FY11	Active	PDF	
FF	Arctic Film Group	10/26/2010 - FY11	Active	PDF	
NF-TV	Zonk Productions	10/12/2010 - FY11	Active	PDF	
FF	1964 Motion Pictures	9/10/2010 - FY11	Active	PDF	
NF-TV	Sun Never Sets Productions	8/20/2010 - FY11	Completed	PDF	
NF-TV	British Broadcasting Corporation (BBC)	8/20/2010 - FY11	Active	PDF	
Comm	Aero Films	8/9/2010 - FY11	Active	PDF	
NF-TV	Bongo Productions	8/9/2010 - FY11	Active	PDF	
Doc	Wildlife HD Productions	7/26/2010 - FY11	Active	PDF	
NF-TV	Jean Worldwide	7/9/2010 - FY11	Active	PDF	
Count: 16		Estimated Credits: \$4,521,988 (thru 2/3/2011)			

FY10 Pre-Qualifications					
Type	Company	Pre-Qualified Date	Status	P-Q Info	
NF-TV	Original Productions (#4)	6/23/2010 - FY10	Active	PDF	
FF	Teton Gravity Research	6/15/2010 - FY10	Active	PDF	
FF	Beyond Indigo Productions	6/15/2010 - FY10	Completed	PDF	
FF	Doppelganger Productions	5/26/2010 - FY10	Active	PDF	
Doc	Whittier Museum Association	5/4/2010 - FY10	Active	PDF	
NF-TV	Brain Farm	5/3/2010 - FY10	Active	PDF	
FF	Icebreaker Films	4/28/2010 - FY10	Active	PDF	
Comm	Rabbit Content	4/1/2010 - FY10	Completed	PDF	
Doc	Great Projects Media	3/11/2010 - FY10	Active	PDF	
NF-TV	Rainy Pass Productions	3/1/2010 - FY10	Completed	PDF	
TV Drama	Sennet Entertainment	2/17/2010 - FY10	Active	PDF	
FF	On The Ice Productions	2/4/2010 - FY10	Completed	PDF	
TV Drama	Christmas with a Capital "C" Productions	1/26/2010 - FY10	Active	PDF	
Doc	Anker Productions	1/20/2010 - FY10	Active	PDF	

NF-TV	Original Productions (#3)	12/30/2009 - FY10	Completed	PDF
NF-TV	Original Productions (#2)	11/30/2009 - FY10	Completed	PDF
FF	Godspeed the Movie	11/20/2009 - FY10	Rejected	PDF
NF-TV	Pentecorvo Productions	11/16/2009 - FY10	Active	PDF
FF	Greenwomb Productions	10/30/2009 - FY10	Active	PDF
FF	KRS Productions	10/15/2009 - FY10	Active	PDF
NF-TV	Freemantle Media	9/3/2009 - FY10	Active	PDF
Doc	Affinityfilms	8/13/2009 - FY10	Completed	PDF
NF-TV	Diverse Bristol	8/7/2009 - FY10	Completed	PDF
NF-TV	Kaos Entertainment	7/30/2009 - FY10	Completed	PDF
FF	Dangerous Passage Productions	7/14/2009 - FY10	Expired	PDF
Count: 25		Estimated Credits: \$29,963,766		

FY09 Pre-Qualifications				
Type	Company	Pre-Qualified Date	Status	P-Q Info
NF-TV	PSG Motion Pictures (#1)	5/6/2009 - FY09	Completed	PDF
NF-TV	Tiger Aspect Productions	5/6/2009 - FY09	Active	PDF
NF-TV	Original Productions (#1)	3/2/2009 - FY09	Completed	PDF
NF-TV	Moore Huntley Productions	2/3/2009 - FY09	Completed	PDF
NF-TV	The Ascending Path	11/3/2008 - FY09	Completed	PDF
FF	Proposal Productions	9/15/2008 - FY09	Completed	PDF
Count: 6		Estimated Credits: \$853,321		

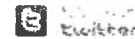
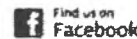
Active Pre-Qualifications: 30 (as of 2/3/2011)
 Pre-Qualifications from completed productions: 15 (as of 2/3/2011)
 Rejected Pre-Qualifications: 1 (as of 2/3/2011)
 Expired Pre-Qualifications (production did not submit final application): 1 (as of 2/3/2011)

Legend: NF-TV = Non-Fiction Television | FF = Feature Film | Comm = Commercial | Doc = Documentary

Questions?

Contact the Alaska Film Office:
 Call (907) 269-8190 or e-mail AlaskaFilm@alaska.gov

State of Alaska > Commerce > Economic Development > Alaska Film Office > Pre-Qualified Projects



Alaska Film Office - 550 W 7th Avenue, Suite 1770 Anchorage Alaska 99501 | Phone: 907-269-8190 | Fax: 907-269-5666 | Email the Film Office



**Municipality of Anchorage
2011 State Legislative Program
(State Fiscal Year 2012)**

Dan Sullivan, Mayor


Municipality of Anchorage Legislative Priorities

who may have no way to supplement current income or cut costs. Current law provides sufficient fiscal protection without legislative repeal of the program: Cash assistance provided under the Alaska Senior Benefits Payment Program is explicitly subject to appropriation under AS 47.45.302(c). The program should not be made subject to sunset June 30, 2011. The sunset should be extended or repealed.

Energy

- ✓ **Natural Gas:** Support legislation that promotes natural gas development in the Cook Inlet, and modernizes aging Railbelt electrical transmission facilities.
- ✓ **Oil Production:** The MOA strongly supports all efforts to maximize oil production to maintain Trans Alaska Pipeline Service (TAPS) viability; and encourages a competitive analysis be performed to address the existing regulatory and fiscal framework to identify whether Alaska is globally positioned to attract maximum development.

Private Sector Development

- 
- ✓ **Film Credits:** Because of the proven economic benefits that film production is providing Alaskan communities, MOA supports extension of the Alaska Film Production Incentive Program and full funding of the transferable film production tax credits for Alaska corporations.
 - ✓ **Little Davis Bacon:** Consistent with the Alaska Municipal League priority, the MOA supports raising the limit from \$2,000 to \$50,000 on Little Davis Bacon projects.

Public Safety

- ✓ **Drug Legislation:** The MOA has identified the need for strong legislation that criminalizes the use of Tetrahydrocannabinol (THC) mimicking drugs or synthetic marijuana products, to include the incense commonly sold as "Spike", "Spice" or "K2."
- ✓ **Involuntary Commitment:** Amend AS 47.27.190 on Involuntary Commitment, Section (a) by adding language to make the statute more consistent with AS 47.37.180 on Emergency Commitment.
- ✓ **Prosecution Surcharge:** Under the philosophy that cost-causers should be cost-payers, add a surcharge for prosecution similar to that for law enforcement to allow law departments to capture at least a portion of the funds expended in the interest of public safety. Under AS 12.55.039, a surcharge is assessed to defendants in the amount of \$75, \$50, or \$10, depending on the type of offense.
- ✓ **Indigent Defense Fee:** Make the indigent defense fee assessed to defendants post-conviction or plea a mandatory, not discretionary, fee to allow local jurisdictions to capture at least a portion of the funds expended



Maya Salganek
Asst. Professor/Director Film Studies
University of Alaska Fairbanks
PO Box 755700
Fairbanks, AK 99775-5700
(907) 474-5950
maya@alaska.edu

Representative Chris Tuck
State Capitol, 426
Juneau, AK 99801

February 7, 2011

Honorable Representative Tuck,

Thank you for taking the initiative to introduce House Bill 67 to the current legislative session. Extending the film production tax credits for an additional ten years will allow the State to continue developing this industry in a comprehensive fashion. Establishing a workforce, infrastructure, and proving our talents is part of the long-term strategy.

The University of Alaska Fairbanks has actively been working with film industry partners since 2007 to broaden the skills of our students and provide opportunities for on-the-job training. We have supplied talent, crew, logistical support, and even equipment for Discovery channel, Sundance Institute, Universal Pictures, CNN, the History Channel, BBC, and dozens of smaller film production companies from all over the world. Our students have worked with industry from television commercials to feature films.

UAF Film students have been funded by the National Science Foundation for work with the International Polar Year, recognized by the Legislature for their broadcasts from Iraq as embedded journalists, and have been cast in roles as actors from Barrow to Anchorage. We have been proud partners and associates in two films screened at Sundance, and others that have been seen in International Film Festivals the world over. Enrollment in UAF Film Courses has grown 60% in the past four years, and continues to grow.

The Alaska State Film Tax Incentives are the first step in attracting established film companies, producers, directors, and talent to Alaska. In so doing, they are providing local Alaskans opportunities to not only work on the set, but also provide services in direct support of productions. From hotels and restaurants to transportation and equipment, ripples are cast wide when a film comes to town.

It takes several years to develop a film production from concept to screen. We have really only seen two years to prove what could be done in our state with the incentive program in place. Once the timeline is extended, more filmmakers will commit to developing their projects here and we will see a surge in productivity and revenue as a result.

The film industry is a green, renewable, and lucrative industry to attract to our state. The benefits of tax incentive programs have been proven; New Mexico, North Carolina, New Orleans, and Michigan have seen substantial revenue growth due to the film industry presence.

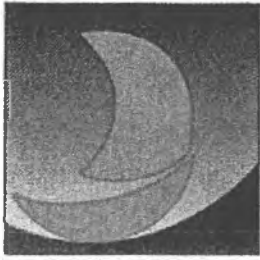
Fortunately for us, Alaska is ALASKA! Filmmakers want to share its beauty with the world. Let's help them do that, keep the revenue in state, give Alaskans the jobs, and share our stories with the world.

Thank you for your service to this Great State.

Sincerely,

A handwritten signature in black ink, appearing to read 'Maya Salganek', written in a cursive style.

Maya Salganek
Assistant Professor, Theatre & Director, Film Studies
University of Alaska Fairbanks



prince william sound
**ECONOMIC
DEVELOPMENT
DISTRICT**

Chenega Bay

Cordova

Tatitlek

Valdez

Whittier

February 4, 2011

Representative Bob Herron
State Capitol Building, Room 411
Juneau, Alaska 99801

Dear Representative Herron:

On behalf of Prince William Sound Economic Development District, I would like to offer our support for House Bill 67, the Alaska Film Tax Incentive legislation. Since these incentives were created in 2008, millions of film production dollars have been spent in Alaska, creating many jobs and business opportunities across our beautiful state.

We support the extension of Alaska Film Tax Incentive program for ten years with \$100 million available in incentives during the first five years and \$100 million for the following five years. These incentives will establish a positive statement to the film and television industry that Alaska is a welcoming environment for production, marketing and promotion.

Sincerely,

Sue Cogswell
Executive Director



ALASKA REGIONAL DEVELOPMENT ORGANIZATION

2207 Spenard Rd., Suite 207 • Anchorage, Alaska 99503 Phone (907) 222-2440 • FAX (907) 222-2411 • Cell (907) 223-7672 • Email: pwsedd@gci.net



Representative Bob Herron
Chair, House Special Committee on Economic Development, Trade and Tourism
State Capitol, 411
Juneau, AK 99801

Dear Representative Herron,

I am writing to show my support for House Bill 67.

Without this important incentive program it would have been much more difficult to raise funding for our feature film, 'The Doppelganger Principle.' With the exception of our star, Ed Asner, all cast and crew will be pulled from the talent we have here in Alaska. Further, since our investors are local, as well, all revenues from our film go right back into our local economy.

The tax incentive program has kick-started a long undeveloped industry here. Not only are we seeing big-budget feature films coming in with many jobs for Alaskans, but some of our own young film makers are now encouraged to try to ply their craft here, rather than make the usual pilgrimage Outside. I was recently invited to take part in a new web-series, 'Alaska Film Makers,' a continuing web-accessed program reporting on what is happening in our local film community. This is all quite heartening.

As the first-ever elected Alaska representative of the Screen Actors Guild, I have recently been able to help add several new members to our ranks. I fully expect that our membership in Alaska will double before the end of this year. Perhaps even more rewarding, as I now sit on the SAGIndie National Committee, we have been able to show local film makers how to develop their work as a SAG signatory project..

Good things are happening here as a direct result of this program. Extending it should be a no-brainer.

Let's not blow it!

Ron Holmstrom, Director
Doppelganger Productions, LLC
645 G St. Ste 100-616
Anchorage, Alaska 99501
907-748-5729

Aurah Landau

From: leif@gci.net on behalf of leif [leif@denali.net]
Sent: Monday, February 07, 2011 4:50 PM
To: Sen. Johnny Ellis; Rep. Bob Herron; Rep. Chris Tuck
Subject: Alaska Film Tax Incentive

Hello,

I wanted to take time out of my day to write my very first letter to my State legislature.

I am a life-long Alaskan, invested in my community - my great-grandparents immigrated in 1917, landing in Douglas, then relocating to Spenard in 1954; my daughter currently goes to O'Malley elementary, and my wife works for the Anchorage School District.

I have been active in the arts community for over 25 years, and have seen, and felt, the ups and downs of the economy's impact on the arts.

Recently, I have been given the opportunity to take part in two major motion pictures that were filmed here in Anchorage: Everybody Loves Whales, and Ghost Visions (aka Beyond)

While my contribution to the film was small, the economic and social impact to the community was tremendous - and very positive.

I am encouraging you to extend your support for Senate Bill 23 and House Bill 67, which will extend the Alaska Film Tax Incentive program.

Oregon is a wonderful example of how tax incentives can bring the film and TV industry into a community, and help drive the economy by offsetting failing-industry income dollars.

Our state needs to be known for more than just oil, seafood, and gold: we need an image and income that will last through the ups-and-downs of non-renewable resources.

I believe that the Film Tax Incentive can play a part in Alaska's future, and I ask that you, too, play a part.

Leif Sawyer
6251 East 112th Ave
Anchorage, AK 99516

<http://imdb.me/LeifSawyer>

Aurah Landau

From: Corrie Young [corrieyoung@me.com]
Sent: Tuesday, February 08, 2011 4:00 PM
To: Rep. Chris Tuck
Subject: Support SB 23 (HB 67) - Alaska Film Industry Incentives

Dear Rep. Tuck,

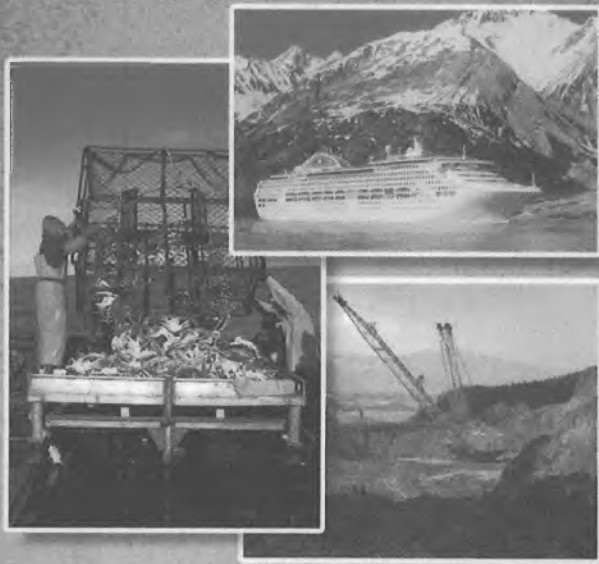
I support Alaska's growing film industry and acknowledge the positive economic impact it has in our state. Therefore, I wholeheartedly support SB 23 and HB 67.

Sincerely,

4th generation Alaskan,
Corrie Young
Anchorage, Alaska



DIVISION OF ECONOMIC DEVELOPMENT



PROMOTING
ECONOMIC
OPPORTUNITIES

<http://commerce.alaska.gov/ded>



ALASKA FILM OFFICE

PROGRAM OVERVIEW

HOUSE SPECIAL COMMITTEE ON
ECONOMIC DEVELOPMENT,
TRADE & TOURISM

THURSDAY, FEBRUARY 10, 2011

ALASKA FILM OFFICE

Statutory Authority:

The enabling legislation (AS 44.33.231-AS 44.33.239) instructs the Alaska Film Office to:

1. cooperate with organizations in the private sector for the expansion and development of the film production industries in the state;
2. promote Alaska as an appropriate location for film production;
3. provide production assistance through connecting film directors and makers, and producers with Alaska location scouts and contractors, including contractors providing assistance with permit applications;
4. certify Alaska film production internship training programs and promote the employment of program interns by eligible productions; and
5. in cooperation with the Department of Revenue, administer the Alaska Film Production Incentive Program.

ALASKA FILM OFFICE

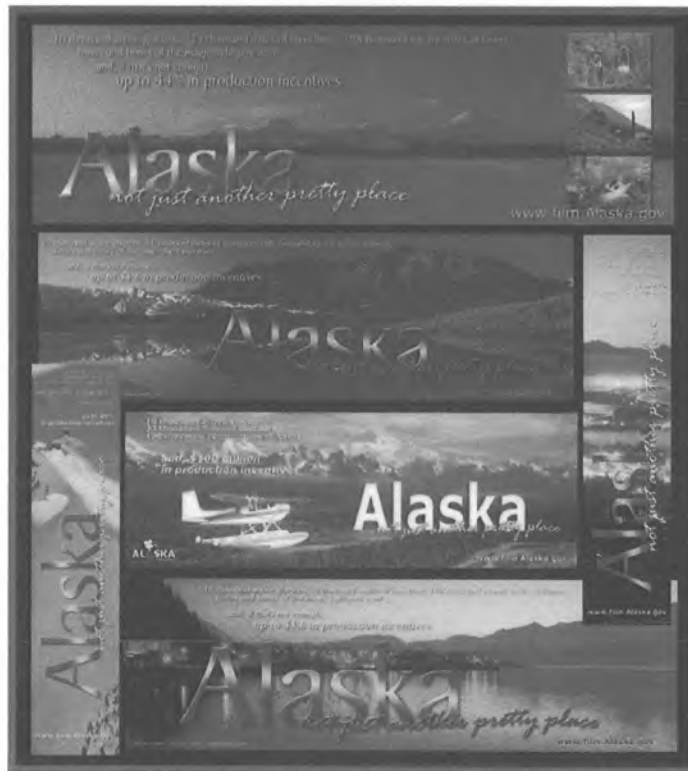
Private Sector Collaboration:

- www.film.Alaska.gov
 - Incentive program information
 - Filming in Alaska
 - Buying tax credits
 - Crew, support service provider and talent listings
 - Alaska locations
- Engagement with industry organizations, trade associations, and allied groups
- Outreach through speaking engagements, targeted contacts, and fielding daily inquiries

ALASKA FILM OFFICE

Promote Alaska:

- Print advertising in industry magazines and directories



Prepared by the Department of Commerce, Community and Economic Development



ALASKA FILM OFFICE

Promote Alaska:

- www.film.alaska.gov
- Film Industry trade shows and events
 - AFCI Locations Trade Show
 - Incentives Symposium
 - American Film Market
 - Global Media Update

ALASKA FILM OFFICE

Promote Alaska:

- Program Brochure



ALASKA FILM OFFICE

Promote Alaska:

- Program Brochure

Here is a summary of Alaska's Tax Credits:

TAX CREDIT	VALUE	REQUIREMENTS
Base Credit	30 percent	Production expenditures must be made in Alaska.
Alaska Hire	+ 10 percent	Wages paid to Alaska residents receive an additional 10 percent credit.
Seasonal	+ 2 percent	Production expenditures made between Oct. 1 and Mar. 30 receive an added 2 percent credit.
Rural Location	+ 2 percent	Production expenditures made in a rural area also receive an added 2 percent credit.
Maximum Possible Credit	44 percent	Portions of a production with an Alaskan crew, filmed in rural Alaska between October and March.

Prepared by the Department of Commerce, Community and Economic Development



ALASKA FILM OFFICE

Provide Assistance:

AFO and DCCED Staff

- Respond to daily inquiries about filming in Alaska
- Conduct follow-up and outreach with contacts developed through advertising, trade show and other promotional activities
- Meet with producers and provide introductions to state and local contacts
- Explain the Incentive Program and assist producers with the application process
- Provide alternatives and creative solutions to production challenges
- Work with Alaskan businesses, community representatives and other stakeholders regarding prospective projects

ALASKA FILM OFFICE

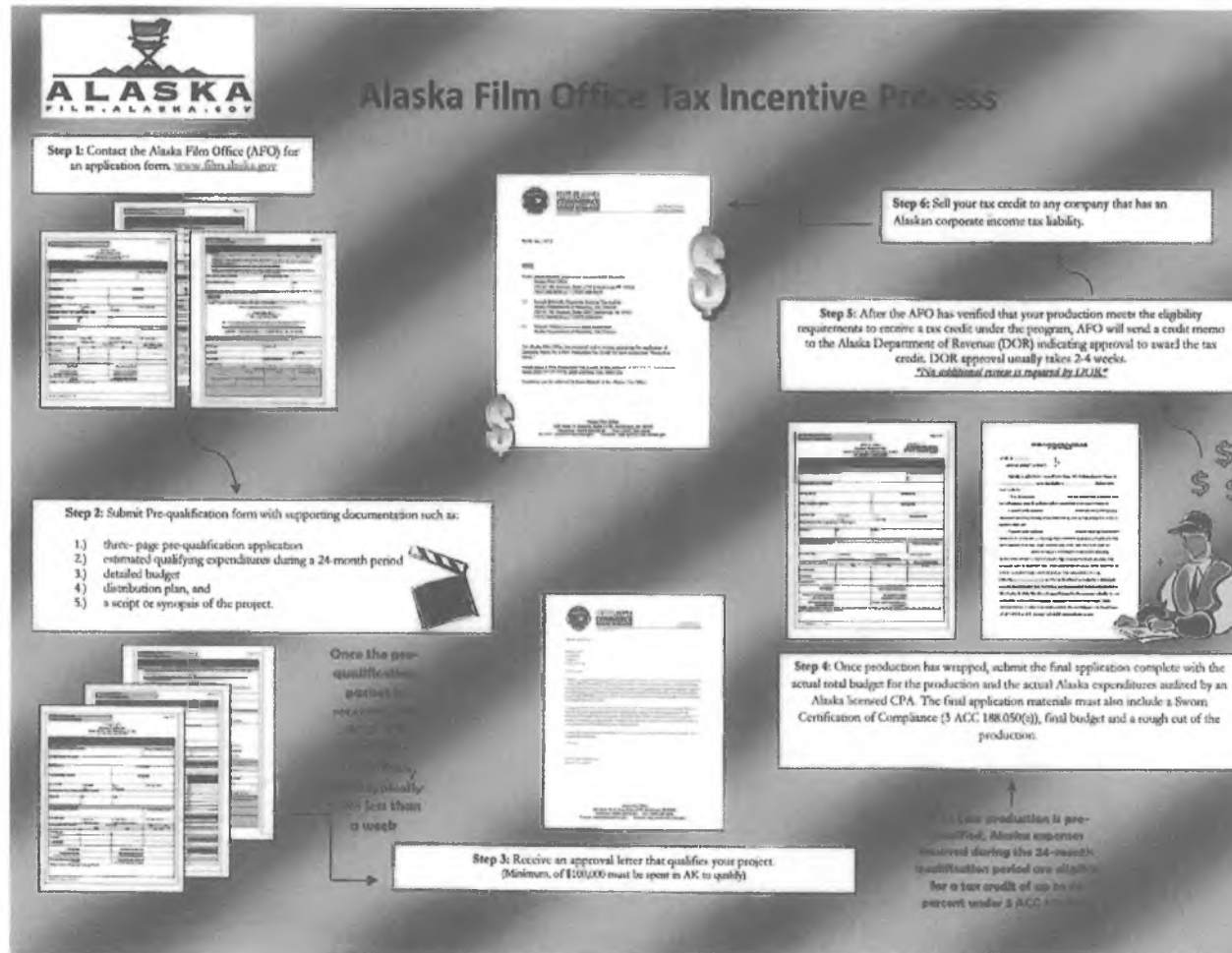
Workforce Development:

The AFO is working with a variety of organizations to develop a skilled film industry workforce in Alaska:

- Dept of Labor: working to develop apprenticeships that would lead to technical careers in the film industry
- University of Alaska to provide the academic programs leading to certificates and degrees recognized by the film industry
- Private sector efforts to provide the on-the-job training
- Youth training programs
- Rural outreach efforts
- Skilled trades: provide workers with the training necessary to work in set construction, electrical/lighting and other specialized film industry jobs

ALASKA FILM OFFICE

Co-administer the Alaska Film Production Incentive Program



Prepared by the Department of Commerce, Community and Economic Development



ALASKA FILM OFFICE

Co-administer the Alaska Film Production Incentive Program

	FY09		FY10		FY11	
	#	\$	#	\$	#	\$
Prequalifications Approved	6	\$853.3	24	\$29,963.8	14	\$3,730.7
Tax Credit Applications	0	\$0.0	4	\$244.5	10	\$3,653.8
Tax Credits Approved	0	\$0.0	4	244.5	10	\$3,653.8

ALASKA FILM OFFICE

Co-administer the Alaska Film Production Incentive Program

	FY09 – FY11	
	#	\$
Prequalifications Approved	44	\$34,533,595.45
Tax Credit Applications	14	\$4,828,411.85
Tax Credits Approved	14	\$4,828,411.85

ALASKA FILM OFFICE

Staffing and Budget

- Alaska Film Office Staff (1.5 FTE)
 - Dave Worrell
Development Specialist II, Op A
 - Erin Gora
Administrative Assistant II
- Additional Support
 - Curtis Thayer, DCCED Deputy Commissioner
 - Roberta Graham, Special Assistant to Commissioner Bell
 - Mark Kelsey, DCCED Communications Coordinator
 - Wanetta Ayers, DED Director

ALASKA FILM OFFICE

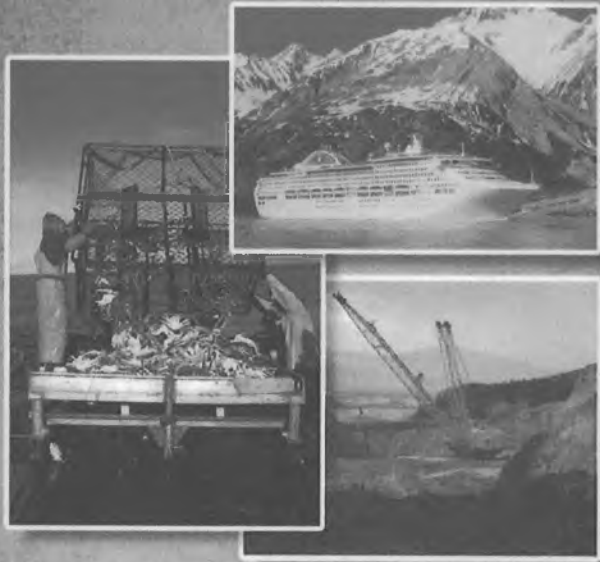
Staffing and Budget

- FY11 Operating Budget

	\$
Fiscal Note	\$275.0
FY11 AFO Program Budget	\$283.0
Additional Support Costs	Undetermined
Unallocated Overhead Costs	\$27.8
TOTAL	> \$310.8



DIVISION OF ECONOMIC DEVELOPMENT



PROMOTING
ECONOMIC
OPPORTUNITIES

<http://commerce.alaska.gov/ded>



ALASKA FILM OFFICE

PROGRAM OVERVIEW

HOUSE SPECIAL COMMITTEE ON
ECONOMIC DEVELOPMENT,
TRADE & TOURISM

THURSDAY, FEBRUARY 10, 2011

And now we have a couple amendments. I'll offer Amendment #1. [object for purposes of discussion]. This amendment raises the maximum population for off-road communities to still be considered rural from 5500 to 6500 (which would have the effect of adding Bethel). Amendment #2 doubles the rural incentive from 2% to 4%. (Foster will offer)

Rob Earl

Subject: FW: HB 67 Blank CS
Attachments: HB 67 Amendments 2.15.11.pdf

From: Rob Earl
Sent: Tuesday, February 15, 2011 8:28 AM
To: Aurah Landau; Bonnie Gruening; 'Crystal Koeneman'; Crystalline Jones; Deborah Tillinghast; Edna DeVries; Ernest Prax; Jackie Schulz; Jane Boer; Jennifer Senette; Jim Pound; Kevin Harun; Kyle Whisenhant; LIO Juneau; Lynette Bergh; Paul Labolle; Rep. Bob Herron; 'Sonia Christensen'; Suzi Lowell; Terry Harvey
Cc: Eugene White
Subject: HB 67 Blank CS

Hello,

The attached amendments were accidentally ordered to amend the original bill and not the CS. They shouldn't change much (if at all), but I'll get the updated ones out as soon as received.

Since the CS isn't coming until later either, I wanted everyone to have an idea of what it will look like. Here's the changes that were requested of Legislative Legal:

Here are three changes we are having added to HB 67

- 1) An end credit requirement
- 2) Explicitly allowing "pooling" in statute
- 3) Extending the life of the credit from 3 years to 6 years

1) New Language for end credit / thank you to the State of Alaska:

Amend Sec. 44.33.235 by adding a new subsection (i) to read:

- (i) Specific end credit requirements are mandatory; failure to comply with the end credit requirements will result in rejection of the final application for the credit.

There are two ways a production can meet the end credit requirements. EITHER:

- 1) include in the end credits of each qualified film or television production "Filmed in Alaska with the Support of the State of Alaska and the Alaska Department of Commerce, Community & Economic Development Alaska Film Office" along with the film logo provided by the Film Office; or,
- 2) include in each qualified film distributed by DVD, or other media for the secondary market, a short Alaska promotional video or ad approved by the Department of Commerce, Community & Economic Development Alaska Film Office.

Prior to the issuance of a final Certificate of Tax Credit, every production will be required to provide proof of compliance with the end credit requirements in the form of a still shot, frame grab, edited DVD, or other materials requested by the Alaska Film Office.

- 2) **Pooling Language** *The current statutes and regulations allow for tax credits to be transferred in whole or in part and there is nothing suggesting they cannot be pooled. However, to clarify the intent,*

Amending AS 43.98.030

Insert "(c) Brokerages may pool tax credit amounts for the purposes of tax-credit brokering. Brokerages may transfer tax credits in a single certificate that are comprised of tax credits from one or more original tax credit certificates issues by the Department of Revenue."

- 3) **Please change the time in which the credit must be used in AS43.98.030 from "three years" to "six years"**

AS 43.98.030 (a) by adding "valid for use within six years from date of issue by the Department of Revenue."

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE FOSTER

TO: HB 67

1 Page 2, following line 5:

2 Insert a new bill section to read:

3 **"* Sec. 4.** AS 44.33.235(c) is amended to read:

4 (c) In determining the amount of the tax credit, the percentage provided by (b)
5 of this section shall be increased by the film office based on the following criteria:

6 (1) an additional 10 percent of qualified expenditures that are wages
7 paid to Alaska residents;

8 (2) an additional **four** [TWO] percent of qualified expenditures made
9 in a rural area; and

10 (3) an additional two percent of qualified expenditures made in the
11 state between October 1 and March 30."

12

13 Renumber the following bill sections accordingly.

AMENDMENT

OFFERED IN THE HOUSE

BY REPRESENTATIVE **OLSON**

TO: HB 67

1 Page 3, following line 9:

2 Insert a new bill section to read:

3 "* **Sec. 5.** AS 44.33.239(7) is amended to read:

4 (7) "rural area" means a community with a population of 1,500 or less
5 or a community with a population of **6,500** [5,500] or less that is not connected by
6 road or rail to Anchorage or Fairbanks."

7

8 Renumber the following bill sections accordingly.

Rob Earl

From: Lissa Kramer
Sent: Tuesday, February 15, 2011 9:16 AM
To: Rob Earl
Subject: Offnets for HEDT/2-15-2011

Hi Rob,

This is what I have so far:

Offnets for first part of meeting

Janis Wilson, RCA Commissioner (Telecom)
Carri Lockhart, Alaska Asset Production Manager for Marathon Oil (Telecom)
Colleen Starring, President of Enstar
Ted Smith, actor, On The Ice
Greg Kessler, Totem Ocean Trailer Express - in person, needs to leave by a bit before noon
Brice Habeger - in person
Gary Zimmerman, Avis Car Rental
Cindy Draper, ABC Motorhomes
Maya Salganek, Univ of AK FBX (runs a training program)
Dave Purcell, Purcell Security Services (unconfirmed)
Eric Breiman, Producer, Crystal Sky (unconfirmed)

Lissa Kramer
Juneau Legislative Information Office
(907)465-6319



the hotel
Captain Cook

939 WEST 5TH AVENUE, ANCHORAGE, ALASKA 99501
PHONE (907) 276-6000

SALES	FAX (907) 343-2207
CATERING	FAX (907) 343-2211
RESERVATIONS	FAX (907) 343-2298
ACCOUNTING OFFICE	FAX (907) 343-2262

February 9, 2011

Senator Johnny Ellis
Chair Senate Rules Committee
State Capitol, 119
Juneau, AK 99801-1182

Re: Senate Bill 23 Film Production Tax Credit

Dear Senator Ellis:

On behalf of The Hotel Captain Cook, I would like to offer our support for Senate Bill 23, the extension of the Alaska Film Production Tax Incentive Program. Since its inception in 2008 the Film Production Tax incentive program has created jobs for Alaskan and economic opportunities for Alaska businesses small and large. Film and television projects offer invaluable marketing and promotion for Alaska tourism, products and businesses. Continuing and extending this program offers a clear signal to the multi-billion dollar film and television industry that Alaska is open for business.

The fact is financial incentives have changed the way filming decisions are made. Alaska faces aggressive and long established film incentives from provincial and federal governments in Canada. 45 other states currently have a program of some type, as they understand the economic benefits that this industry can bring to our businesses and communities.

We support the extension of the Alaska Film Production Tax Incentive program for ten years with \$100 million available in incentives during the first five years and \$100 million in incentives for the final five years. Senate Bill 23 will continue the economic diversification and economic development success of the film tax incentives while also providing a clear signal that offers Alaska businesses the opportunity to better plan for and capitalize on Alaska's newest multi-million dollar industry.

For all of these reasons, The Hotel Captain Cook fully supports the Film Credit Tax Credit Bill and thanks the Alaska State Legislature for working towards a more prosperous Alaska.

Sincerely,

Walter J. Hickel Jr.
Chairman and C.E.O.

Distributed by Senator Johnny Ellis

Feb. 12th, 2011

Representative Bob Herron
State Capitol Room 411
Juneau AK, 99801

RE: Companion House Bill 67 Film Production Tax Credit

Dear Representative Bob Herron:

On behalf of Alaska Crew Training Inc., we want to thank you for sponsoring companion House Bill 67, to Senate Bill 23 that will extend the Alaska Film Production Tax Incentive Program and offer our support.

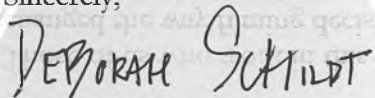
Since its inception in 2008, Alaska's Film Production Tax Incentive program has created jobs and economic opportunities for Alaskans and for Alaskan businesses small and large. Our training program, Alaska Crew Training Inc. exists *because* of these incentives. In addition to building Alaska's labor force, film and television projects offer invaluable marketing and promotion for Alaska tourism, products and businesses. Continuing this program offers a clear signal to the multi-billion dollar film and television industry that Alaska understands the value of this industry and welcomes productions into our state.

Those of us who work in this industry today know first hand that financial incentives have changed the way filming decisions are made. Across the U.S. forty-five states have incentive programs in place. This demonstrates an understanding by those states of the economic benefits this industry offers. Internationally Alaska faces aggressive and long established film incentives from provincial and federal governments in Canada and around the globe. To stay competitive in this global marketplace Alaska needs to send a clear message.

We support the extension of the Alaska Film Production Tax Incentive program for ten years with \$100 million available in incentives during the first five years and \$100 million in incentives for the final five years. We hope that House Bill 67 will help continue the successful economic diversification and development that our current Incentive Program has already shown while providing Alaska businesses opportunities to properly plan for and capitalize on Alaska's newest multi-million dollar industry. Thank you for promoting and keeping Alaska in the movie business!

For all of these reasons, Alaska Crew Training, Inc. fully supports House Bill 67 and thanks the Alaska State Legislature for working towards a more prosperous Alaska.

Sincerely,



Deborah Schildt – Program Administrator
Alaska Crew Training, Inc.

P.O. Box 110163
Anchorage, AK 99511
c 907/223-3740
c 907/230-6870
f 907/783-2625

www.alaskacrewtraining.org
akcrewtraining@gmail.com

To
Representative Bob Herron
Chair House special Committee on Economic Development
Trade and Tourism
State Capitol, 426
Juneau, AK 99801

Dear Representative Herron

I am an adjunct instructor of physics live here at Unalakleet and teach online physics class for UAF-NW Campus, Nome. I am writing you because I want to share my thoughts on Alaska's new emerging film industries with you. The film industries should make films about Alaska those shot here in Alaska, not somewhere else. It would promote our Alaskan image around the world. It is good for our local business and tourism industries. As you know many of our jobs depend on the tourism business.

So, I am humbly letting you know I am in favor of **SB63** bill. This bill extent tax incentives for the film industries to make film about Alaska not in BC, Canada or Washington or elsewhere but in Alaska.

Thank you.

Sincerely,



Mosaddeque Reza
(House District 39)
P.O. Box 347
Unalakleet, AK 99684
Phone: (907) 624- 3158

Dated: Unalakleet, AK
02/07/2011



2511 Tidewater Road
Anch, Alaska 99501

Tel: 907-276-5868
Fax: 907-278-0461

February 15, 2011

Good Morning, my name is Greg Kessler and I'm the Alaska Commercial Director for Totem Ocean Trailer Express, Inc.

I'm here today to testify in support of the reauthorization of the Alaska Film Incentive Program. From a TOTE perspective just this past year we had the pleasure of shipping cargo for two productions; Icebreaker Films and the Everybody Loves Whales movie and for Ghost Visions Films.

In fact, we moved a combination of 35 separate shipments northbound for the productions and 33 separate shipments southbound once the movies shoots were completed. These were a combination of tractor trailer units and cargo and consisted of a variety of cargo – from animatronics whales to a honey wagon and most everything in between. Today TOTE is involved in the planning and preparation for future shipments related to the industry.

TOTE wasn't just a direct benefactor, several of our customers and vendors, like Avis Rental Cars and ABC Motorhomes, and Weaver Brothers Trucking provided support services to both films.

The reauthorization of the Alaska Film Industry Tax credits will go a long way to make Alaska an attractive place for the film industry and will continue to bring new business opportunities to the emerging Alaska film industry



**GENERAL
TEAMSTERS
LOCAL 959
STATE OF ALASKA**

Affiliated with the International Brotherhood of Teamsters
Rick Boyles, Secretary-Treasurer
520 E. 34th Ave., Suite 102, Anchorage, Alaska 99503
Phone (907) 565-8122 • Fax (907) 565-8199

February 14, 2011

Representative Bob Herron
Chair, House Special Committee on Economic Development, Trade and Tourism
State Capitol, 411
Juneau, AK 99801

Re: HB 67 Alaska Film Incentive Program Extension

Dear Representative Herron:

On behalf of our approximately 6000 Teamster members, I would like to go on record strongly supporting a proactive piece of legislation that clearly has lead to Alaskan jobs; specifically, HB 67, the Alaska Film Incentive Program extension. Since the passage of SB 230 in 2008, the film industry tax incentive has been a success.

In March 2008, prior to the passage and implementation of HB 67, Paramount Studios-DreamWorks produced some background shots for a Star Trek movie. The shoot lasted approximately one week and employed five of our members, who worked approximately 190 man-hours.

Since the passage of the tax incentive, we have seen a substantial increase in the number of jobs in the film industry. One of the larger productions, "Everybody Loves Whales", employed at peak approximately forty Teamster members who worked approximately 20,000 man-hours. Many of these workers earned nearly \$35,000 each for their work over a three to four month period, and other Teamsters continue to pick up work in conjunction with other shoots.

I would also like to note that the film incentive program has not just increased jobs for union members, but non-union workers as well. We have found that some of the smaller productions have not been signatory to a labor agreement, but they also

Representative Bob Herron
February 14, 2011
Page 2

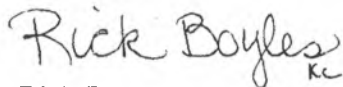
generate dollars into our economy- Alaskans working in Alaska on Alaskan jobs.

We would note, however, that training workers in this field of industry would assist in assuring that more of the technical jobs are done by Alaskans. For example, in addition to van drivers, cast drivers, steak beds, and generator trucks, there are also set dressers, grips, set electricians, production crews, construction crews, and special effects teams, to name a few. I am currently working with our Training Trust director and industry representatives to focus our program specifically toward some of the film industry needs, and I am sure others are as well. Working together to assure a well-rounded training program will go far in assuring that Alaskan workers with new skills will be working in this new and exciting industry in our state.

In summary, we ask for the support of you and your committee members in passage of HB 67. This legislation is an excellent example of an incentive program that has increased the number of Alaskan jobs and improved our overall economy in a very brief period of time. Your approval of the continuation can only further improve those numbers and the ongoing growth of our state.

Sincerely,

GENERAL TEAMSTERS LOCAL 959



Rick Boyles
Secretary-Treasurer

c: Representative Chris Tuck, via facsimile to 907-465-3810
Barbara Huff Tuckness, President, Teamsters Local 959

via facsimile to 907-465-4589

Josh McIntyre
4301 MacAlister Drive
Anchorage, AK 99502
jmcintyre@mcc-cpa.com

February 10, 2011

The Honorable Representative Bob Herron
State Capitol, 411
Juneau, AK 99801

Dear Representative Herron:

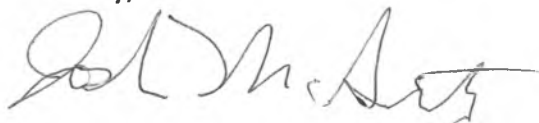
I live in District 28-N, in Anchorage. I am Certified Public Accountant in Alaska, and a graduate of the University of Alaska, Anchorage. I am writing to you in support of House Bill Number 67.

Since its inception in 2008 the Film Production Tax Incentive program has created jobs for Alaskans and economic opportunities for Alaska businesses small and large. Film and television projects offer invaluable marketing and promotion for Alaska tourism, products and businesses. Continuing and extending this program offers a clear signal to the multi-billion dollar film and television industry that Alaska is open for business.

Financial incentives have changed the way filming decisions are made. Alaska faces aggressive and long established film incentives from provincial and federal governments in Canada. 45 other states currently have programs of some type as they understand the economic benefits that this industry can bring to our businesses and communities.

I support the extension of the Alaska Film Production Tax Incentive program for ten years with \$100 million available in incentives during the first five years and \$100 million in incentives for the final five years. Senate Bill 23 will continue the economic diversification and economic development success of the film tax incentives while also providing a clear signal that offers Alaska businesses the opportunity to better plan for and capitalize on Alaska's newest multi-million dollar industry.

Sincerely,



Josh McIntyre

Ghost Vision

February 14, 2011

Dear Committee Members:

Thank you for allowing me to testify to the merits of the Alaska Film Production Tax Credits.

The main reason we decided to begin producing films in Alaska was for the tax credits. These competitive tax incentives, coupled with the ease of the program, were deciding factors in our decision to finally film in Alaska. This along with the reception and hospitality of Alaskans has encouraged us to return and do more.

We recently completed our first feature film production titled "Ghost Vision", starring Jon Voight, and have applied to the state film office for another feature film. If all goes as expected, we plan to begin production in Anchorage and surrounding areas within a month.

For Alaska to remain competitive, there has to be certainty provided through extension of the tax credits. With the current deadline ending in 2013, there will be no infrastructure investments, which I feel are necessary to sustain the local film industry. Alaska must set a program in place for the development of a local workforce and break ground on a new sound stage, in order to meet the needs of the industry. Extending the Alaska Film Production Tax Credits will allow the industry to plan future productions, develop necessary infrastructure, expand the local workforce, and diversify Alaska's economy.

Best regards,

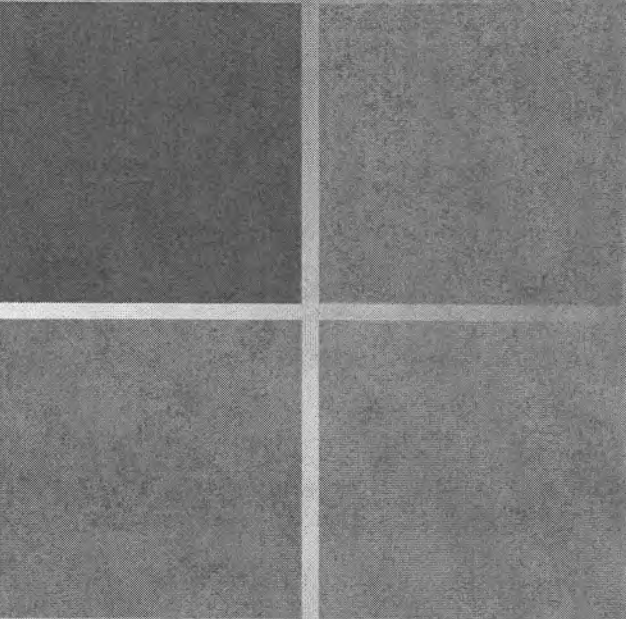
A handwritten signature in black ink, appearing to read "Eric Breiman", with a long horizontal flourish extending to the right.

Eric Breiman
Producer



ALASKA CREW TRAINING, INC.

ACT



Alaska Crew Training
Training Alaska's Workforce for Film Production

Alaska Crew Training, Inc Book story...



- 5 years Film School

- 8 years film production in Los Angeles & nationwide

- 20 years of film production across Alaska

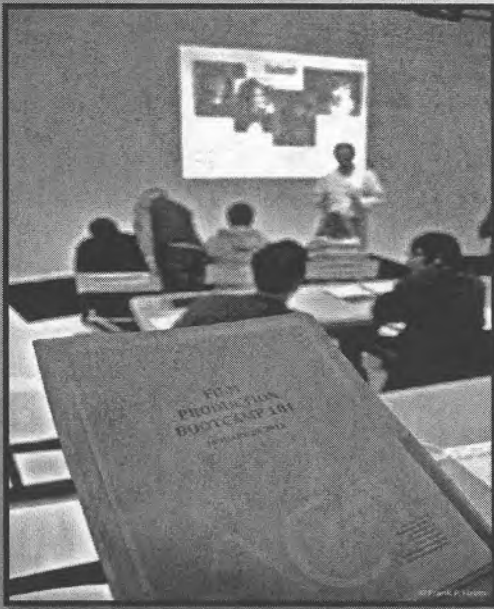
- Casting Director on "Everybody Loves Whales"



On the set of "Everybody Loves Whales"

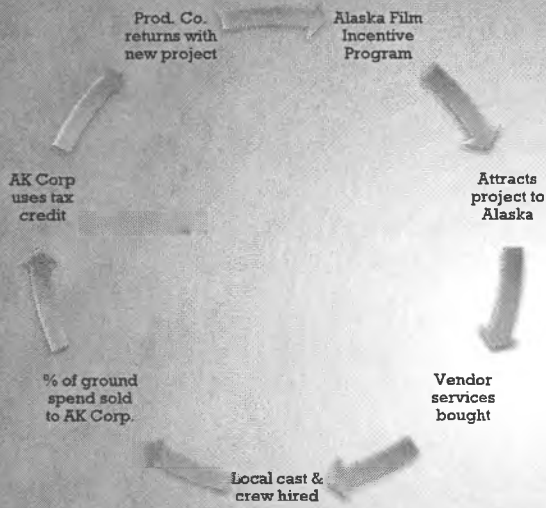


Alaska Crew Training, Inc. back story...



- Alaska Film Group forms in 1992.
- Alaska's Film Incentives are signed into law.
- Alaska Crew Training – an Educational non-profit forms in 2009.
- ACT I offers job specific training.
- Instructors are nationally experienced and recognized.
- Alaska based, owned and operated.

The Film & TV Production Dynamic



Alaska State Troopers spent 100,676 for Season 1

Deadliest Catch – Ice Road Truckers – Tougher in Alaska – Alaska Wing Men
 Flying Wild Alaska – The Toughest Race on Earth – Lock, Stock and Barrow
 Sarah Palin’s Alaska – Alaska State Troopers – Gold Rush Alaska – Out of the Wild
 Ax Men – Top Gear – Everybody Loves Whales – Ghost Vision – Mounted

Source: The Alaska Film Office and ADN 2/13/2011

Deadliest Catch spent 1.7 million shooting Season 6 in Alaska.

Ice Road Truckers spent 1,187,933 shooting Season 3 in Alaska and 2.7 million for Season 4.

The feature film "**Ghost Vision**" spent 6.6 million shooting in Alaska.

"Everybody Loves Whales" spent an estimated 30 million shooting in Alaska in 2010.

A **whale** of an
economic impact

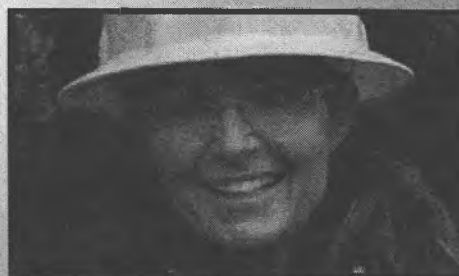
Source: The Alaska Film Office and ADN 2/13/2011



Discovery Channels: "Gold Rush Alaska"



History Channels: "Ice Road Truckers"



TLC Channels: "Sarah Palin's Alaska"



Objectives - Filling in the blanks



Provide entry level and advanced workforce training

Make training accessible

Meet labor demands

Develop a workforce that climbs the production ladder to key positions and higher earnings.

Encourage more training opportunities, entrepreneurship and infrastructure growth.

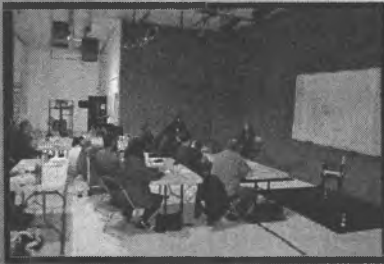
▪ A Producer friendly film office website

▪ A sound stage

▪ More film rental equipment

▪ More infrastructure

▪ A larger trained workforce



Trainees attending Production Bootcamp 101 classes at Studio 76 in Anchorage, AK in 2010 and 2011.



They all need:

- Crew
- Housing
- Equipment
- Addl. Labor
- Food Services
- Talent
- Stages for sets



Paul Schweigert Stand-In

Who hires and how many?

Everybody Loves Whales employed approx. 133 Alaskan's as crew. The Alaskan cast had approx. 2,471 background extras days scheduled on the 55 day shoot.

Source: ELW Call Sheet and ELW Alaska Casting Director Deborah Schildt



Elmer Bekoolok- Background Extra

The Alaskan Crew

Who was hired on "Everybody Loves Whales"



5 office p.a.'s	4 costumers
1 accounting clerk	4 seamstress'
1 art dept. coordinator	8 electricians
2 art dept. p.a.'s	5 costume assistants
5 set p.a.'s	1 make up artist
1 camera operator	2 prop assistants
5 cast assistants	1 set lead man
2 casting directors	7 set dressers
1 extras wrangler	1 set decorating p.a.
1 casting intern	1 special f/x purchaser
2 construction workers	1 studio teacher
11 painters	1 transportation captain
3 plasterers	28 drivers
18 prop makers	1 2 nd unit supervisor
4 utility art dept.	1 picture car provider



Steve Rychetnik-2nd Unit Camera Operator on "Everybody Loves Whales"

Look at working models

Create a custom program that fits Alaska's needs

Make it available in many places – many ways

Start with entry level classes and grow programs as work force needs increase



Call to action
Lights, Cameras, Classes!



+ CURRICULUM

Level Training



© Frank P. Flavin

Production 101 Bootcamp Class preparing to shoot a scene

+ CURRICULUM

One and Level Two Classes



CAMERA

EDITING

GRIP/ELECTRIC

HAIR/MAKE-UP

PRODUCING

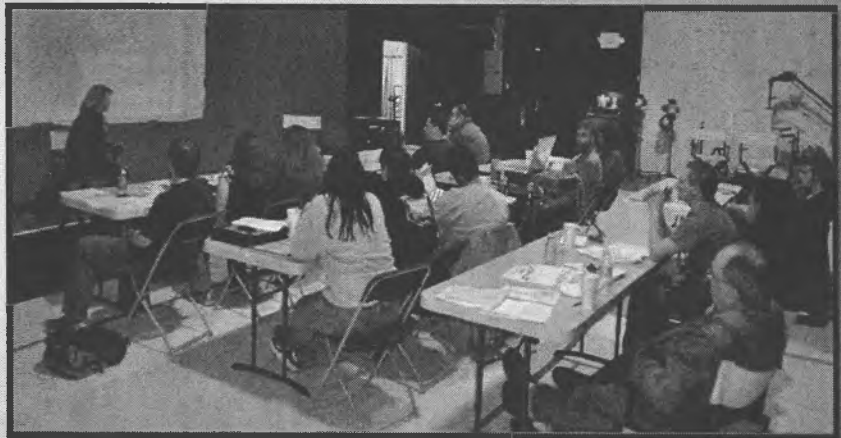
PRODUCTION DESIGN

SOUND

WARDROBE

STYLIST/COSTUME DESIGN

WRITING



- **Level 1 Producing Class scheduled for March 2011**
- **Instruction from an American Film Institute Alumni**

Crew Training Mission



Alaskans hired in entry level positions

Alaskans excelling at on the job training

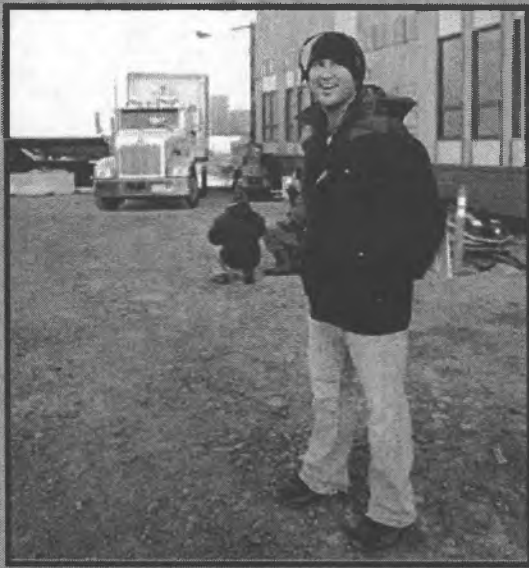
Alaskans moving up the ladder to higher skilled positions.

Alaskan crew earning increased wages.

An ever increasing Alaskan crew base.

Providing individuals, business' and corporations a better understanding of how the movie business works.

Encouraging Alaskan business' build infrastructure that meets the needs of the film industry.



Wally Scott - Kotzebue

I went to college and received a Bachelor's from a nationally recognized institution, but the information in the production boot camp and the insight of the instructors provided me with the logistical knowledge necessary for the role of production assistant.

From handling money, to understanding production vocabulary I walked away from the class ready to try my hand at "making movies." Bob and Deborah, not only share a passion for making films but also making sure that the next generation of Alaskan filmmakers get the adequate training in the process. I am forever humbled and thankful for their Production Bootcamp and what it has done for my career.
-Wally Scott



Karen Cassanovas-Anchorage



Jessaca Moore-Eagle River



Kyle Hitchcock-Anchorage



Morgan Willis-Anchorage

ON THE JOB TRAINING

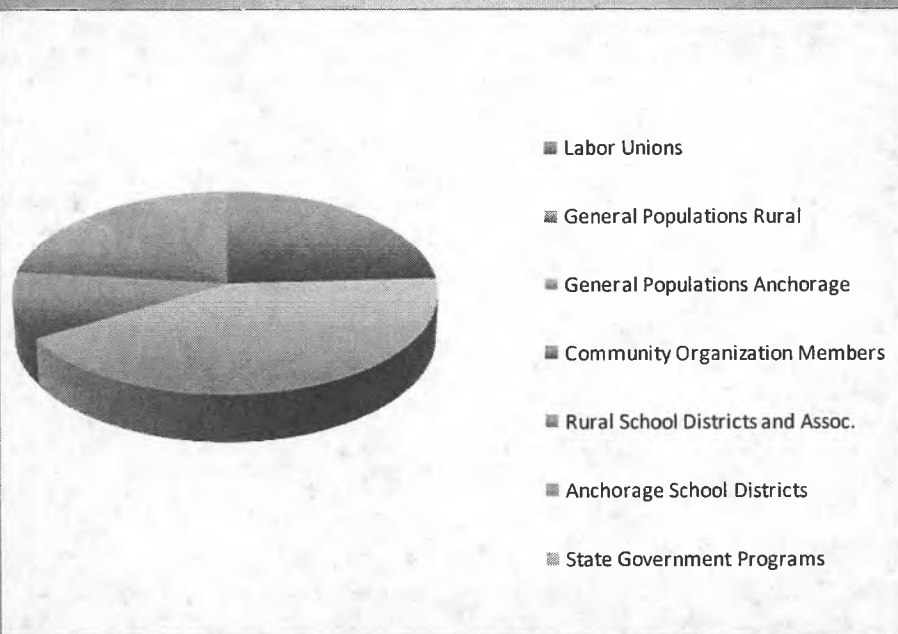
Production Assistant
the move

Building a workforce

The film industry knows no boundaries when it comes to gender, education or race.



Ma





... got talent!
...
job training



+ Stories out of state



Dustin Arduser - Wasilla

Andrew Okpeaha MacLean - Barrow

Brett Baker - Anchorage

Andrew Okpeaha MacLean-Barrow

Mark Vance - Girdwood

Greg Norton - Anchorage

Kevin Phillips - Anchorage

Bodie Scott- Orman - Wasilla

Mark Woods - Anchorage

Sean Morris - Anchorage



Andrew Okpeaha MacLeans feature film "On the Ice" recently premiered at Sundance film festival.

Sean Morris' 2nd feature "Rain Bringer" has screened at film festivals worldwide

Actor Brett Baker recently landed a lead role working opposite Jon Voight in the feature film "Ghost Vision"



Can a growing industry lure the



vision for the future

2011-2012 and beyond...



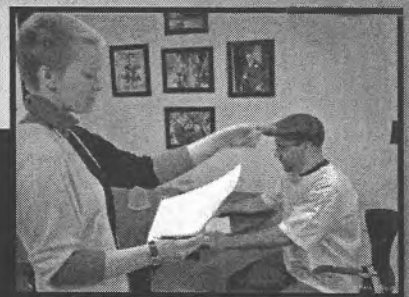
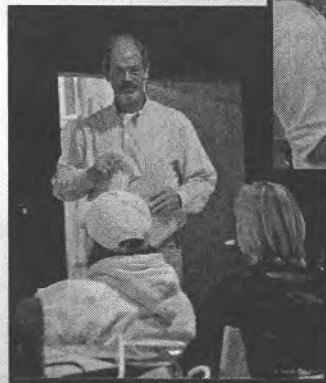
— Training for entry level jobs across Alaska in the first two years.

Creating a production friendly environment.

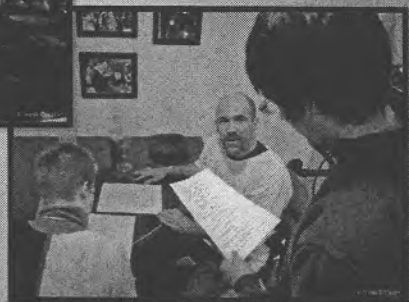
Crews are trained, hired and rehired, deepening our crew base.

Alaska's infrastructure grows.

Incentives help build a diversified economy for all Alaskans.



Students direct a scene at an Act I Production 101 class.



+ CALENDAR

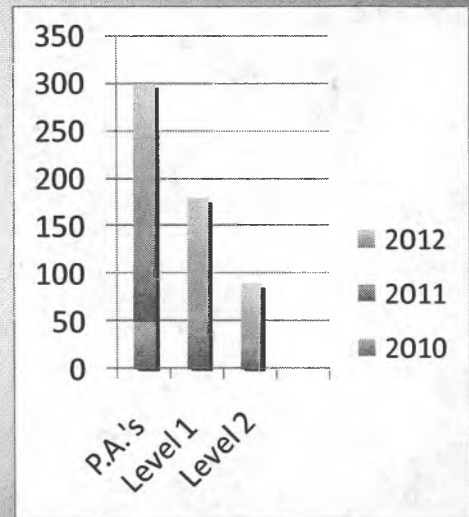


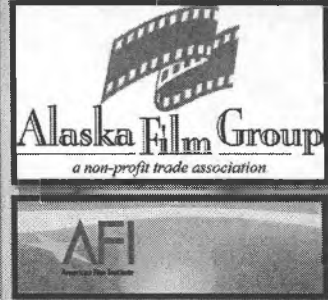
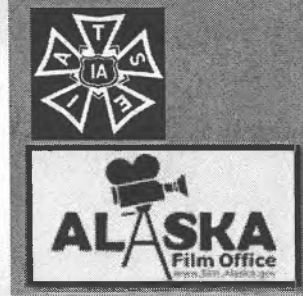
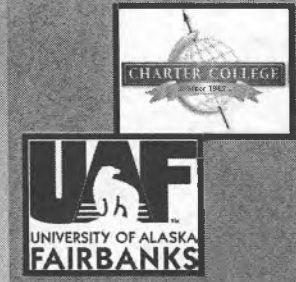
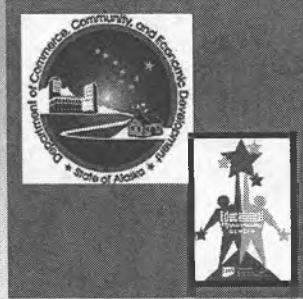
Planning class to match workforce needs.

Design a curriculum that trains for what we lack.

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Tax incentive program improves economy

BY HEIDI BOHI

Shortly after the movie "Everyone Loves Whales" began filming in September, Uptown Blossoms, a popular flower shop in midtown Anchorage, had its own brush with fame when the set decorator called to talk about flower needs for various scenes in the movie.

"When we first met him we were sort of nervous, but really he's just a person like you and me," shop owner Carol Trout says, adding that her business was recommended to the studio coordinators. "Wherever there was a need for flowers, we supplied them."

Set in Cold War era 1988, the film tells the true story of a small-town news reporter and a Greenpeace volunteer, played by Drew Barrymore, who enlist

the help of rival superpowers to save three gray whales trapped under the ice of the Arctic Circle as they made their way to Mexico for the winter. The national media, environmental activists, and the United States and Soviet Union - then in the middle of the Cold War - quickly descended on Barrow in an effort to escort the whales into open water.

Trout says flower needs all had to be designed to reflect what was in style in the 1980s, and included centerpieces and arrangements for various scenes in the film. Some of the flower orders required working with the production person responsible for props any of the actors or actresses touched.

What it meant for Uptown Blossoms

was about \$4,000 in orders. Although Trout says her business is fortunate to have a steady stream of customers year round, it was nice to have the extra bump.

ALASKA'S NEWEST INDUSTRY

Since beginning to offer financial incentives to studios that decide to film their movies in Alaska, as is the case with "Everybody Loves Whales," the State's resurrected Film Office is optimistically watching what is being dubbed as Alaska's newest industry. The hope is the economic development initiative will attract projects that mean millions of dollars in economic impact resulting from increased receipts for small and large businesses and local hire.



A frame from Evergreen Films work in progress. WALKING WITH DINOSAURS 3D, which will be co-produced with BBC Earth and shot in Alaska beginning next year. Frame courtesy of Evergreen Films

which in the case of "Everyone Loves Whales," meant hiring 3,000 Alaskans statewide, though most were hired in the Anchorage area. Other businesses that stand to measurably benefit are airlines, hotels, freight handling and air cargo, along with smaller enterprises that include everything from courier businesses to seamstresses.

About 30 productions have been prequalified by the State Film Office, meaning studios have submitted applications, estimated budgets, distribution plans and script treatments for the projects. With \$100 million available and a minimum spending requirement of \$100,000, most projects qualify, including films, documentaries, commercials and video productions.

According to the legislation behind the Alaska Film Production Incentive Program, up to a 44 percent transferable tax credit is awarded within weeks once a rough-cut of the production is submitted and an Alaska-licensed CPA has audited the project. In addition to the 30 percent base rate, additional percentages are awarded for local hire, off-season production and filming in rural areas.

Although final numbers are still being tabulated to determine how much Alaska benefited from the recent production's use of local crew and services, after 10 weeks of watching those associated with the project frequent local restaurants, shops and hotels, Alaskans are seeing the potential contributions

of the industry, especially during the off-season months. "Everybody Loves Whales" filmed for 12 hours a day, five days a week for almost three months. (It takes about one day to shoot two to four minutes of film.)

As the preferred hotel for 200 cast and crew, the Captain Cook cannot discuss its agreement with Universal Pictures, though it has been estimated the property had 12,100 bed nights booked from September to December, which is historically a slow time after the peak visitor season. Add meals and incidental expenses, along with side trips that crew took on their days off, and it is easy to see how a film project can quickly contribute to the state's economic development.

EVERGREEN FILMS

"It's been a long time since there was a new industry in Alaska trying to build from the ground up," said Kate Tesar, business development director for Evergreen Films.

Evergreen, though not associated with "Everyone Loves Whales," is one of the industry's most watched developments. The Anchorage-based production company continues to make substantial investments in Alaska and is positioning itself to take advantage of the growing industry.

It has several productions in the works, one which will likely be the Kate Shugak television series based on Alaska author Dana Stabenow's mystery novels, including "A Cold Day for Murder," which won the Mystery Writers of America's Edgar Award. Other titles that will be made into the series are "Whisper to the Blood," which made the New York Times bestseller list, and "A Night Too Dark," which is the 17th in the series.

Based in Anchorage with offices in Los Angeles, Calif., Evergreen was founded by Mike Devlin and Pierre De Lespinois. Devlin has a computer engineering background and Lespinois is an award-winning television and film director. Devlin fell in love with Alaska and decided to build his Anchorage Hillside film editing studio after selling his software company. The team also has a yacht in Seward with adaptations that can accommodate filming both on and under water.

Another of Evergreen's biggest market advantages is the company's state-of-the-art digital and 3D studios, including 3D camera systems, groundbreaking LIDAR scanning technology, photo-real 3D Computer Generated Imagery (CGI), and an integrated 3D post-production workflow. The technology allows them to create a realistic portrayal of any location. This technology will also be used in "Walking With Dinosaurs," the Alaska-scripted and -produced, live-action dinosaur feature. That production will highlight photo-realistic 3D dinosaurs immersed in real, live-action 3D environments. This will launch in 2013 with 20th Century Fox securing the distribution rights. Evergreen is partnering with BBC Earth to produce the \$65 million feature film. Devlin says most of the live action for "Walking with Dinosaurs" will be filmed in Alaska to take advantage of the beautiful exteriors and the State's film incentives. The franchise model of the film means a new movie will be produced every two to three years. Evergreen and BBC are also partnering on the production of the \$25 million feature film "Africa 3D."

NANA PARTNERING

Responsible for helping create the incentive legislation, Tesar says Evergreen is committed to developing the industry statewide so that many communities benefit from the economic boost. To that end, it recently partnered with NANA Development Corp., an Alaska Native corporation based in Anchorage, which offers infrastructure and services that will help grow the industry and employ more Alaskans, including NANA shareholders.

"We are thinking it will take 10 to 15 years to build the industry in Alaska and NANA has the same long-term vision," Devlin says. "Together, the two of us are making a mutual investment to build the industry - we focus on film, they focus on building the service industry, and we will involve them in every production we're doing."

By making a financial investment, NANA is about a one-third owner and the company's partner in films that are shot in the Arctic environment, meaning it is the preferred vendor for those services it offers. The partnership is



Mike Devlin co-founder of Evergreen Films, with offices in Anchorage and Los Angeles.

expected to create a lot of opportunity for shareholders - whether they are hired to work on a film project, or they simply benefit from dividends resulting from this newest investment.

When Evergreen approached NANA in 2009, it was looking for corporate involvement in specific high-budget films. NANA was less interested in being involved in specific films and more likely to invest in the company as a whole, says Robin Kornfield, vice president of communication and marketing for NANA Development Corporation. Although being involved in the film industry is not an area NANA has experience in, as it researched the opportunity it quickly became apparent that many of the services it had built up over the past 38 years are the same ones required in film production, including remote camp services, food service, security, transportation and staffing services.

"We already provide many of the back-of-the-house things that make it possible for those in the front to get their work done," Kornfield says. "We realized it was a better fit than we thought when we first went in - with just one phone call the industry can access all the film support services it needs."

Although the idea of partnering with Evergreen may seem like a big stretch to the business community, Kornfield says that, in fact, the board of directors was not completely unfamiliar with the benefits of the film industry. The group

travels to Vancouver, British Columbia, Canada, regularly for business associated with Red Dog Mine and is used to seeing film crews shooting in the middle of the street. "The prospect of doing something in Anchorage was not foreign to them at all," Kornfield says.

One big draw for NANA was that the film industry offers more opportunities in areas younger shareholders will be interested in such as computer graphics.

Although acting is an obvious opportunity for shareholders, Kornfield says, the greater opportunity is for them to be involved in the service industries, which is the backbone of the corporation's success. Although the partnership will evolve over time, Kornfield says NANA will do whatever it takes to make film support services available, and at the same time will offer these same services to other film production companies that come to Alaska.

"Every time a shareholder gets a paycheck - that's part of what we do," Kornfield says, adding that part of NANA's plan is to eventually develop a line of services specific to the film industry that shareholders can be trained in.

Partnerships like the NANA-Evergreen one embody the intent of the original incentive legislation, which was designed to develop new business opportunities in Alaska by pairing the supply with the demand. From there, Tesar says, the jobs and on-the-job training for Alaskans will follow. □

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We're ready for our close-up, Mr. DeMille**COMPASS: Other points of view**

By SUSAN BELL

(01/05/11 19:08:04)

Alaska's film industry has received much notice lately thanks to two feature films that have recently finished production here. Alaskans love watching as Hollywood discovers our state. We love the economic impact, too -- including jobs, spending on hotel rooms, rental cars and other goods and services - that comes when hundreds of people become our neighbors, if only for a short time.

Through the leadership of Sen. Johnny Ellis, the concurrence of the Alaska Legislature, and the support of Gov. Parnell, the state's recently implemented film industry tax credit has been instrumental in spurring the growth of this new economic sector. The film industry has the potential to provide diversity and meaningful contributions to the state's economy. When the film tax incentive bill was passed in 2008, the law provided a base credit of 30 percent to companies that film in Alaska and spend at least \$100,000 during a 24-month period. Additional credit could be earned for wages paid to Alaskans, as well as for productions made in rural areas or shot between Oct. 1 and March 30.

Tax credits have been a standard part of economic development strategy for years, as they stimulate additional investment and bring new businesses into the marketplace. Alaska offers similar incentives for mineral exploration, certain types of oil and gas production, and value-added salmon product development.

In the case of the film industry, attracting Hollywood north will help the state accomplish several outcomes:

- Encouraging and protecting a new industry in Alaska;
- Enhancing the economic viability of film projects attracted to Alaska;
- Boosting Alaska businesses and creating jobs for Alaskans; and
- Increasing interest in Alaska tourism from Outside audiences who are inspired to visit after watching movies filmed here.

From a competitive standpoint, it is important that we continue to build the physical infrastructure and human capital necessary to host major motion pictures and television programming. Growing this industry to the point that it is self-sustaining may take years to come to full fruition. But look what has already happened in the 30 months since the tax incentive was implemented:

- Two Alaska children are lead actors in two major feature films that will be released in 2012;
- Dozens of other Alaskans have earned speaking roles;
- Hundreds have signed on as extras, crew members, or both;

- Private industry is planning for a soundstage, a fundamental piece of infrastructure that will make Alaska more attractive to production companies;
- Films made by Alaskans are being screened at the prestigious Sundance Film Festival;
- Alaska's own film festival is growing rapidly;
- Film production management companies are starting to develop;
- Alaska cinematographers are working side by side with Hollywood's best directors of photography; and
- Alaska producers are busy working on films large and small.

What's next? We need to work hard to attract more productions and create paths of opportunity for Alaskans. The Department of Commerce, Community and Economic Development, which houses the Alaska Film Office, needs to ensure that a trained workforce is ready for action. We are working to develop job-training programs for as many Alaskans as possible, in conjunction with the private sector, other state agencies and the university system.

These aren't going to be overnight, "just add water" accomplishments. We're nurturing this industry with plans for it to develop and contribute to Gov. Parnell's vision for a legacy economy that provides opportunity for this generation and beyond. It is time. For years we have watched as other locations, pretending to be Alaska, stood in our spotlight and reaped the benefits of jobs, spending and invaluable promotional exposure. No more. Alaska is ready for its close-up.

Susan Bell is the commissioner of the state Department of Commerce, Community and Economic Development. Information about the state's film industry tax credits can be found at www.film.alaska.gov/incentive-program.htm.

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Web posted Friday, January 28, 2011

Lights, camera, Alaska! Tax credit could draw \$100M

By Andrew Jensen

Alaska Journal of Commerce

Reality television struck gold in Alaska long ago, but a package of film tax credits passed in 2008 has the state ready to take its act to the big screen.

Two Hollywood films — "Beyond" starring Jon Voigt and "Everybody Loves Whales" starring Drew Barrymore — wrapped in 2010. An independent film shot in Barrow — "On the Ice" — by local director Andrew MacLean competed at the prestigious Sundance Film Festival this January.

"Everybody Loves Whales" has not yet submitted its final application for the tax credit, which will reveal how much the production spent in Alaska while shooting in Seward, Anchorage, Barrow and Fort Richardson. The movie had a reported \$30 million budget and the production was one of the first to apply for the Alaska film credit in May 2009.

Completed projects (\$14.9 million) and pre-approved projects (\$88 million) push the potential spending in Alaska to more than \$100 million.

"Beyond," which had a reported budget of \$10 million, spent \$6.6 million filming in Anchorage last fall and received a tax credit of \$2.14 million, the largest to date. The tax credits, which have averaged about 32 percent of total Alaska spending, are issued based on how and where companies work.

The base credit is 30 percent of Alaska expenditures, with a total incentive of 44 percent available with a 10 percent Alaska hire credit, 2 percent seasonal credit for shooting between October and March, and another 2 percent for shooting in rural Alaska. The credits are transferrable, which means production companies can sell the credits to Alaska companies for reductions in their state corporate income taxes.



The Tweto family (from left), Ayla, Ariel, Jim and Ferno are featured in the reality TV show, "Flying Wild Alaska," a series on the Discovery Channel about Bush pilots. It is one of dozens of productions filmed in Alaska, many of which are taking advantage of the state's tax incentive. AP Photo/Discovery Channel

Alaska has no state sales or income tax, so the credits will exceed a company's tax liabilities. According to the state Film Office website, the credits can fetch 80 percent to 90 percent of their value and provide an additional cash stream for production companies.

The largest credit by percentage issued to date was 37.67 percent to the production of "Disaster on K2" completed in 2009. The documentary, which did some shooting in Nepal, took advantage of Alaska's scenery to recreate the 2008 expedition that left 11 of 15 climbers dead.

Since the introduction of the credits, 15 productions have wrapped after spending \$14.9 million in Alaska. Tax credits have totaled \$4.9 million to date.

There are now 29 active projects pre-approved for the credit, including "Everybody Loves Whales," with total proposed Alaska spending of about \$88 million and \$29.4 million in potential tax credits.

Alaska Film Office director Dave Worrell cautioned that it is unlikely all \$88 million actually will be spent, but it indicates the growing interest in Alaska's film incentive program.

"As we see some productions happening, particularly feature films, it kind of feeds off of that," Worrell said. "People are a little hesitant to be the first on the block. Now we've seen a couple feature films come in and be successful here, I think the word will get out that, yes you can make a movie in Alaska."

Worrell was particularly excited about "On the Ice," which was shot on a budget of \$524,628 and earned a credit of \$171,145. MacLean is a native of Barrow who attended film school in New York and shot his senior project "short" in his hometown.

The short also qualified for Sundance, and MacLean was encouraged to shoot it as a full-length feature.

"That's exactly what we want to see," Worrell said. "We want to see Alaskans telling Alaskans' story."

With 43 states (including Alaska) and every Canadian province having some kind of film incentives, Worrell said it was "critical" for the Legislature to pass the credits.

"With the global economy the way it is right now, films are having a hard time getting a green light," he said. "It's an indispensable part of the business now. If Alaska is going to be competitive, we have to have some kind of incentive."

Alaska has work to do, though, in having sufficient numbers of qualified crew and movie infrastructure if it wants to attract additional big budget studio films. A variety of tacks are being pursued from the Department of Labor and Workforce Development, to the University of Alaska system, the nonprofit Alaska Crew Training Inc. and the recent partnership between NANA Corp. and Evergreen Films.

Being able to shoot indoors is another need, Worrell said.

"Right now we have to rely on what Alaska has always relied on, our amazing locations," he said. "That right now is the huge draw for us. But filmmakers need something to keep their

crew busy on rainy days. Having sound stages where they can do interiors will be a big help for the industry. We recognize this is something that has to pencil in, so it's a little bit of building slowly. We think there's interest and a market for Alaska, but a business case has to be made to build the infrastructure."

The incentive has benefitted the wide array of reality shows that were already home in Alaska such as "Deadliest Catch" and "Ice Road Truckers."

In its sixth season, "Deadliest Catch" spent \$1.75 million in Alaska and received a \$584,562 credit. The third and fourth seasons of "Ice Road Truckers" wrapped in 2010 with a total Alaska spend of \$3.9 million and a credit of \$1.3 million.

A slew of new reality programs also hit the air in 2010 and 2011, including "Alaska State Troopers," "Gold Rush: Alaska," "Flying Alaska Wild" and "Sarah Palin's Alaska." Other shows such as "Ax Men," "Man vs. Wild" and "Top Gear" dropped in to film episodes.

Deadliest Catch, now filming its seventh season, has been a ratings giant for Discovery Channel. It ranked No. 1 in the coveted 25-54 demographic for 14 straight weeks on cable last season, drawing a record average of 5.4 million viewers and 8.5 million for the final episode that recounted the untimely death of Cornelia Marie Capt. Phil Harris.

Ice Road Truckers has steadily drawn more than 3 million viewers; Gold Rush: Alaska attracted 3.7 million viewers for its Jan. 7 premier episode; Alaska State Troopers pulled 6.2 million total viewers for the debut of its second season.

The state tourism office is trying to capitalize on the Alaska fascination with new promos running during the shows, and Worrell noted the boom to New Zealand tourism after the "Lord of the Rings" was filmed there.

"Having Alaska visible on the big screen and small screen, it reminds people, 'that's someplace I've always wanted to go,'" Worrell said. "Maybe the constant presence of Alaska will spur that little extra and 'OK, this is the year I'm going to go.'"

Andrew Jensen can be reached at

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Promoters see bright future for Alaska in movie business

NEW VANCOUVER? Boosters want to build \$1 billion movie industry.

By KYLE HOPKINS
khopkins@adn.com

(09/14/10 15:53:04)

Another major movie is expected to begin filming in Alaska early next year, a local film insider told Anchorage business people on Monday.

The filmmakers are talking to actors Viggo Mortensen ("The Lord of the Rings"), Liam Neeson ("Taken") and Oscar winner Jeff Bridges ("Crazy Heart") about playing the lead role, said Carolyn K. Robinson, executive producer for Spenard-based [SprocketHeads LLC](#).

Preproduction for the film could begin as early as this fall, she said.

Meantime, NANA Development Corp. announced Monday that the company recently bought a 33 percent stake in a local film production studio, [Evergreen Films Inc.](#) The company is spending "several million dollars" on the deal, President Helvi Sandvik said.

The announcements came as local film boosters on Monday pitched Anchorage business leaders their goal of turning the city into the new Vancouver by building a \$1 billion Alaska film industry over the next decade.

"When you get a major corporation like NANA saying they're going to help participate ... that's a big vote of confidence," said Evergreen Films chief executive Mike Devlin. Among other ventures, his studio has been developing the popular Dana Stabenow mystery novels into a series that's set to be shot in Alaska.

The first modern, major movie to be filmed entirely in the state -- "[Everybody Loves Whales](#)," starring Drew Barrymore and now Ted Danson -- begins filming Thursday in Anchorage.

"We're just shooting, I think some interiors that don't involve any of our main actors," said David Linck, a spokesman for the film.

The film crews will be working Thursdays through Mondays this fall, allowing the crews to shoot in local buildings, such as schools, on weekends.

For decades, movies about Alaska have almost always been filmed somewhere else. Moviemakers credit the state's new tax incentive program -- which allows them to recoup as much as 44 percent of their costs -- with luring new productions.

In other words, Alaska essentially subsidizes its fledgling film industry by allowing companies that buy the credits to save on taxes that they would otherwise pay to the state.

Productions that hire Alaskans, shoot in remote locations or film during the off-season are eligible to save more money. The idea is to launch a new industry in a state that leans on flagging oil production to create jobs and pay bills.

"It's a renewable resource," said NANA Development's Sandvik.

NANA is the business arm of Kotzebue-based NANA Regional Corp., the Alaska Native regional corporation for Northwest Alaska. A partner in the Red Dog Mine, the company already provides catering, security and other services for the oil industry. Now executives hope it can do the same for filmmakers.

'HOLLYWOOD NORTH'

The model for growth in Anchorage is Vancouver, a city nicknamed "Hollywood North," where production spending generated \$1.2 billion in 2008. That included 20,000 production jobs, plus thousands more support workers such as taxi drivers and beauticians, Devlin said.

New Mexico and Louisiana have also succeeded in wooing Hollywood producers in search of tax breaks and refunds. Other states tried and stumbled.

In Iowa, for example, corruption in the state film office sank that government's effort to nurture a film economy, Devlin said. Others failed to stoke enthusiasm for the industry.

What Anchorage needs now are soundstages, large buildings where you can build sets and film regardless of the weather, he said. Enticing scripted television shows, which are more expensive than reality TV and can cost millions per episode to produce, is also key.

Sandvik said the company's executives have seen first-hand the results of other cities' efforts to court the industry.

They've waited on film crews before crossing the street in Vancouver, where NANA meets with the Canadian partners in the Red Dog Mine.

In February, NANA officials visited Louisiana to talk about offshore oil and gas development. "We had to hang out in the rain while Nicolas Cage was filming a movie," she said.

THE BOTTOM LINE

Robinson, the SprocketHeads co-founder, said the director of the newest Alaska-based movie and "his international team" recently toured the state scouting locations and meeting Alaskans. Among the stops: a scouting visit to four-time Iditarod champion Martin Buser's kennel in Big Lake, she said.

"The film executive told me flat out that they did a multi-country, multiple-state comparison, calculating in our film incentive program," Robinson said. "The bottom line said shoot in Alaska."

Robinson -- who urged business honchos at the Anchorage Chamber of Commerce luncheon to picture an industry based on exporting film canisters rather than oil barrels -- said she can't talk much about the movie yet.

More than 30 productions have pre-qualified for the Alaska tax credit, [Alaska Film Office](#) manager Dave Worrell told the business crowd. All told, the estimated budget for those projects amounts to more than \$99 million in spending in Alaska, he said.

But Worrell cautioned in an e-mail last month that several productions that pre-qualified may not get made -- and, as a result, won't receive tax credits.

"We had a flurry of films in-state for preliminary scouting over the summer, but it's too early to know which ones will receive their greenlight and start on-the-ground production," Worrell wrote in late August.

Not all film and television productions are eligible for tax credits, the film office said. Crews shooting political ads, news stories and pornography have to pay full price.

Read The Village, the ADN's blog about rural Alaska, at adn.com/thevillage. Twitter updates: twitter.com/adnvillage. Call Kyle Hopkins at 257-4334.

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Boosters hope Alaska will be "Hollywood Far North"

Sat Oct 02 19:01 21 UTC 2010

By Yereth Rosen

ANCHORAGE, Alaska (Reuters) - On a crisp autumn day, as office workers went about their business, one of Anchorage's major hotels became the temporary hub of what state leaders consider a promising new Alaska industry.

The lower level of the Hotel Captain Cook was occupied by a Hollywood film crew that converted rooms into movie sets, makeup and dressing areas and equipment-packed work sites.

In progress was filming for Universal Features' "Everybody Loves Whales," a movie starring Drew Barrymore and recounting a 1988 rescue mounted for three gray whales trapped in Arctic ice.

In a departure from past history, this Alaska-based movie is being filmed on location, rather than in a make-believe Alaska set constructed in British Columbia or elsewhere.

Alaska officials hope this and other projects will help diversify the state's economy from its precarious dependence on dwindling oil production.

"We wouldn't be 'Hollywood North.' Vancouver claims that. We'd be 'Hollywood Far North,'" said state Senator Johnny Ellis, an Anchorage Democrat and self-professed movie buff who authored 2008 legislation that established a special tax credit for big film projects and revived a state film office that had been eliminated during a past austerity push.

Ellis' measure entitles film companies spending \$100,000 or more in Alaska to transferable credits of 30 percent of those costs, plus 10 percent of money spent hiring Alaskans. Extra credits are given for expenditures in rural areas or outside of the summer tourist season.

Film companies in the past have largely avoided Alaska, citing the state's high costs, remoteness and overall inconvenience.

But the tax incentive has made a difference, said David Linck, unit publicist for "Everybody Loves Whales," a project Ellis refers to as "Northern Exposure Meets Free Willy."

"It's dollars and cents," Linck said.

Filming will run through November, he said. It has been an economic boon to Alaska, with several key roles filled by Alaska Natives selected after casting calls in remote rural sites, he said.

Among those sharing in the bounty is Su Gamble, owner of a hair salon in an Anchorage strip mall the producers selected for three days of filming because of its retro-1980s look. Gamble herself was cast as an extra, an experience that still thrills her.

"It's such a blast that they chose my place, and they chose me," she said.

OSCAR HEADED NORTH?

She recounted the two hours crew members spent creating her 1980s big-hair look, proclaimed the film producer and crew "so sweet" and "so patient," and predicted an Academy Award for the project.

"Drew Barrymore's going to be the best actress for the year 2012," she said.

It will be several years before Alaska is able to develop its own industry support system, with skilled workers and specialized contractors, anywhere on par with what exists in British Columbia, said Mike Devlin, chief executive of Los Angeles-based Evergreen Films.

Still, each new project moves the state incrementally toward that standard, he said.

"Every film means some Alaskans are in on the production," he said.

Evergreen Films is so bullish on Alaska it has located a studio in Anchorage. The studio occupies a vast and elegant house perched in the mountains overlooking the city, glacier-fed Cook Inlet and a panorama of snowy mountains, including active volcanoes and Mount McKinley.

The studio doubles as Devlin's residence.

"I'd rather get up in the morning here than in L.A.," he quipped, taking in the view from a bank of windows.

Evergreen Films has produced nature documentaries, among other projects, and is working on a television series based on mystery novels by Alaska author Dana Stabenow.

Last month, NANA Corp., owned by Inupiat Eskimos from the state's northwestern region, announced it was investing in a joint venture with Evergreen. The project will "create jobs and economic growth," a NANA statement said.

Alaska already is experiencing a boomlet in reality-TV productions such as "The Deadliest Catch," the fishing series produced by the Discovery Channel, and former Gov. Sarah Palin's controversial series being produced by TLC.

"Alaska is the talk of the nation, in many ways, good and bad. But most of it good," Ellis said.

For some Alaskans, the desire to lure film projects goes beyond money.

Hollywood's habit of using non-Alaska sites to film Alaska stories -- even the iconic television series "Northern Exposure," which was filmed in Washington state -- has long been an irritant.

Some on-screen results made Alaskans cringe. Pine forests and wooded hillsides stood in for what was supposed to be open Arctic tundra. Asian actors portrayed Alaska Natives. And there were improbable story lines, like running gags about snake problems in the reptile-free far north.

The final insult, said Ellis, was learning that a major romantic comedy starring Sandra Bullock was being filmed in Massachusetts even though the story was set in Sitka, Alaska.

"That aggravated me, and it aggravated others," the senator said, referring to "the Proposal," released in 2009. "There's a long, sad history of Alaska losing out. But I hope we're starting to change that."

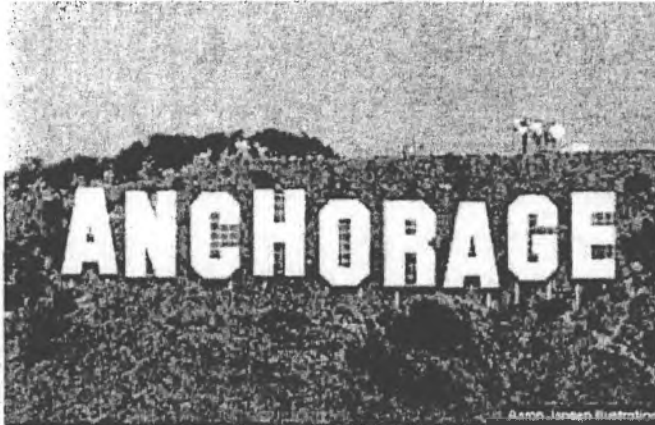
(Editing by Steve Gorman)

Features

Print

Behind the scenes as Hollywood meets Alaska

Joshua Saul | Oct 11, 2010



Early on a Saturday morning in early October, inside an Anchorage middle school dressed up to play Barrow's high school, 140 extras sweated in bunny boots, parkas, and kuspuks. Extras playing Alaska Native villagers sat facing the front of the room, where a half-dozen somber whaling captains sat with two huge Panavision cameras behind them. I stood among the virtually all-white press corps clustered in behind the villagers: an Alaska reporter dressed up to play an out-of-state photographer.

When Drew Barrymore breezed onto the set, the extras burst into applause. Barrymore hid her face in her hands, feigning embarrassment, then told the Alaska Native extras they wouldn't like her after we heard her character arguing against the head whaling captain.

She was right. The scene being filmed -- a pivotal plot twist in "Everybody Loves Whales," a \$30 million movie that recreates a real 1988 event -- portrayed a community meeting in Barrow held to decide whether three whales trapped in the ice should be killed and eaten or freed. Barrymore played a Greenpeace activist fighting for the whales' release while the Alaska Native extras professed to like the taste of whale and said they hate being told what to do by white environmentalists from the Lower 48.

When filming began, Barrymore argued with a handsome young whaling captain in a red bandanna and Sorel boots. The press corps pretended to jot notes and take photographs of the confrontation. The extras playing villagers followed the director's instructions to "be a little impolite." When Barrymore's character said it would be wrong to kill the whale and its "babies," the villagers shouted her down. They cheered on the whaling captain as he replied that whales are what he feeds his family, what his whole village feeds its babies.

"What you're saying is ridiculous. You're a white girl. Go back to California. This is Inupiat country," the captain said, drawing the loudest cheers of the scene. But Barrymore's character wasn't finished. You don't need to hunt, she said, not when you all get big stipends from the oil companies and have enough money to buy all the food you need.

"Those stipends last just a few months," the young captain shot back. "We have to hunt. One day that oil's going to run out. And when that happens, who will feed our children? Will you?"

Real Alaska conflict comes to the silver screen

The scene reflected a real conflict between the subsistence lifestyle practiced by some Alaska Natives and the sometimes condescending environmentalism of urban and Outside interests.

Subsistence is a touchy issue in Alaska. Urban sport hunters and rural subsistence hunters clash over hunting quotas, the wanton waste of caribou on the tundra near Point Hope resulted in criminal cases that were covered by the Alaska media, and the decision of an Alaska Native state legislator to overturn the subsistence permit

became a high-profile court case.

Usually that conflict is misunderstood or ignored by the outside media and entertainment industries, so a mainstream Hollywood movie that appreciates the complexities of the conflict is something new. The film's directors did show at least some awareness of the divisions that sometime define Alaska. At one point, the first assistant director walked back to two white extras playing Barrow villagers. You don't have to be as angry as everyone else when Barrymore makes her points, he told them, adding that as white villagers, they wouldn't necessarily be agreeing with the Natives.

At the risk of drawing too broad a conclusion from one scene, "Everybody Loves Whales" does seem to have a clearer take on Alaska issues than most Lower 48 films and news reports. And it nailed the scene right down to the coffee urn and Sailor Boy Pilot Bread set up as props.

The movie's realism is only enhanced by its extras, many of whom brought their own kuspuks and fur-lined parkas instead of waiting to be outfitted by the wardrobe department. One of the extras playing a whaling captain is even part of a real whaling crew way out on Little Diomedé, just two miles from Russian soil. Sylvester Ayek, a well-known Alaska Native artist who hunts walrus from his home in Nome, was scheduled to play another of the whaling captains but was "demoted," as he laughingly put it, when he showed up late for the shoot on Saturday.

A day in the life of an extra

Being an extra is harder than it looks; not like digging ditches in permafrost, sure, but tiring and monotonous all the same. During my stint on set the first weekend in October I was assigned, coincidentally, to play a press photographer. I was handed a dated Nikon with a big Speedlight SB-16 flash. To round things out, I was outfitted with black snowpants, black boots, a green pullover and a green down vest. It was easy to look the part, but more difficult to keep from sweating like a polar bear in a sauna. My press pass read "Dean Wilson, U.P.I." Positioned between a Wasilla medical biller playing a news reporter and an Arctic Slope Regional Corp. communications manager playing a cameraman, I had a good view of the room.

Actor John Krasinski, who plays Jim Halpert on the popular television show "The Office," was the tallest man on set, standing about 6 feet 3 inches with an impressive pompadour adding to his height and enormous brown boots on his feet that looked to be about a size 14. Between takes, he checked NFL scores on his iPhone and argued about "the best football movie ever" with co-star Tim Blake Nelson, who in 2000 put on a brilliant performance as the simplest-minded of the crooks in the movie "O Brother Where Art Thou." Actress Kristen Bell -- gorgeous, blonde, and the size of a middle schooler -- fanned herself with a reporter's notebook and laughed with Krasinski even while makeup artists were sponging foundation onto their faces.

There were local notables on hand to play reporters, too. Channel 2 weekend anchor Rebecca Palsha and Channel 13 anchor Natasha Sweatte were in the crowd, along with former Channel 2 reporter Julie Hasquet, now the spokeswoman for U.S. Sen. Mark Begich. Accepting high-fives from Krasinski before almost every take was Ahmaogak Sweeney, the 10-year-old son of Kevin Sweeney, campaign manager for U.S. Sen. Lisa Murkowski. Dressed in a blue track jacket and carrying a tape recorder slung over his shoulder, Sweeney appears to hold the substantial kid role in the movie.

After the morning filming broke for lunch -- which included chicken masala and orange roughy -- but before the

extras returned to the set, two men beat on traditional drums while four women in bright kuspuks danced a Yupik blessing for the people in the middle-school cafeteria. Many of the extras were Yupik or Cupik instead of the northern Inupiat they were playing in the movie, but it makes sense when you consider the realities of geography: Barrow is 725 miles north of Anchorage, while Bethel, the air hub of the Yupik regions, is just 400 miles west.

Elders among the extras treated with respect

The film crew seemed aware of the great respect with which Alaska Natives treat their elders. When the herd of extras was held up in the school's halls, elders were asked multiple times if they would like a chair so they could sit down for the few minutes it would take to get the group moving. And elders were shuttled to the front of every line, whether they were at lunch waiting to serve themselves or in wardrobe waiting to return their parkas and boots.

The elders, like most everyone else, seemed to be enjoying the shoot. As much as the extras shouted down Barrymore's character, it's impossible to stay mad at perky Drew. Sunday morning, on the second day of shooting the scene, an elderly Alaska Native woman sitting in the front row hollered for everyone's attention so she could organize a greeting for Barrymore. When the actress walked onto the set, carrying a copy of Jonathan Safran Foer's non-fiction book "Eating Animals," the crowd of extras boomed out "Good morning, Drew!"

Drew blushed again, then answered "That's the nicest good morning I've ever had in my life."

Then it was back to the filming. The director coached the extras on how he wanted them to react to the arguments made by the young whaling captain and Barrymore's character, telling them "It shouldn't feel choreographed" and "Try not to know where the scene's going."

While the extras playing villagers feign anger and the extras playing press snap their flashbulbs, the rest of Alaska waits to see whether the finished movie turns out to a realistic portrait of a complicated state and the people who live there or a shallow vehicle for a cheesy romance that sidesteps the pressing issues that bubble up in the 49th state.

Contact Joshua Saul at jsaul@alaskadispatch.com.

Read more of the Dispatch

- *A tale of two Joes, Miller and Vogler*
- *Canada, U.K. discuss preserving HMS Investigator wreck*
- *After Michigan spill, familiar concerns about pipeline regulators*
- *At Yale Law School, Joe Miller discovers Federalist Society*
- *Deadliest catch now safest catch?*



**Testimony (as prepared) delivered to House Economic Development, Trade and Tourism
Special Committee - Chair, Representative Bob Harron
The 27th Alaska State Legislature, 1st Session**

Good Morning Mr. Chairman, committee members. I am Robin Kornfield, Vice President of Communications and Marketing at NANA Development Corporation. NANA Development Corporation is the business arm of NANA Regional Corporation, owned by the 12,500 Iñupiaq people who originated in Northwest Alaska. I am proud to be one of them.

NANA supports House Bill 67 because this legislation is about helping to create a new industry in Alaska, a new industry that is a renewable resource. Making movies.

NANA Development Corporation's board of directors is a group that is learning a great deal about the film industry. They have visited studios and sound stages and have mulled over the risks of investing in the film industry. They led us in our ongoing support of creating a new industry for Alaska. They, along with NANA Development Corporation support expanding the film tax-credit incentive. It is good for Alaska as it will lead to private sector jobs and expand our economy. NANA Development Corporation's investment in Alaska's film industry is a natural. We are an Alaska company focused on creating training opportunities and jobs for our shareholders, most of who live in Alaska. We also have the expertise necessary to support the industry.

NANA is investing in building the infrastructure for a film industry in Alaska and this expanded tax credit is key to its success. Last September, we made a multi-million dollar investment by becoming partners in Evergreen Films.

NANA is creating a new company called Piksik. Piksik is an Iñupiaq word that means to jump up, rebound or spring back. This name was chosen because our new film services company will be extremely quick and responsive to our film industry clients. It is a company that will provide one-stop shopping for companies making movies in Alaska. NANA already has expertise in many fields that are necessary in the film industry, so for us the connection is very natural. Catering, security, construction, mobile surveying, and lodging, all fields that are necessary in the film industry and all fields where NANA has developed business success.

NANA is a conservative company. We spent a very long time researching the film industry before we invested. As you can see by this chart, we discovered that domestic consumer

spending for filmed entertainment has grown year-over-year over the past decade. Though growth slowed during the recession years of 2008 and 2009, spending increased. NANA also analyzed how this industry might grow. The U.S. accounts for about 6% of the world's population, and approximately 50% of the consumer dollars spent on filmed entertainment worldwide. But international markets are becoming more important and are expected to continue to outpace domestic growth for the near future.

Vancouver, BC, is one example of the impact a tax incentive and investment in the film industry can have. Starting with a little TV show in 1994, *The X-Files*, this Canadian city has seen movie production values grow. Over the past fifteen years, the Canadian city has experienced movie production monetary growth from \$400 million to \$1.2 billion and the industry has helped create more than 20,000 jobs.

Because we believe so strongly in the future of Alaska's film industry, NANA, Evergreen and other private sector partners, have begun investigating the possibility of developing a sound stage in Anchorage. These are renderings of how a sound stage might look. Nothing fancy to begin with...just production offices and a very large stage. Additionally, the studio will include a green screen allowing any background scenes to be added to film shot in the space. We feel that investment in sound stage infrastructure, combined with extending the tax credit, will encourage more producers to come to Alaska. Continual productions help provide the on-the-job training that Alaskans need to ensure continued work and growth in this industry.

Developing a film takes time. It is often two years before production begins. So lengthening the timeline for projects to qualify from 24 to 36 months, as is included in the legislation before you, will help in attracting more producers to use Alaska as a location. Expanding the dollars allowable under the tax credit from \$100 to \$200 million is important as well. It will allow the industry to grow in Alaska as the infrastructure we are creating grows. It will allow for private industry jobs and economic growth.

Our company will work to train and hire NANA shareholders and other talented Alaskans for work on these projects. NANA has a simple overall strategy: invest in companies with potential for growth and look for opportunities that will provide training and jobs for our shareholders. Our mission is to improve the lives of our shareholders and we see a growing film industry as a way to meet our mission.

There is a good foundation to a growing film industry here and it started with the original Alaska Film Production Tax Incentive Program. Future success in the industry is based on movie producers choosing Alaska over several other states and countries to shoot their films. With an extended tax credit and private investment in needed infrastructure, we hope to entice more producers to Alaska. We think this is a successful path to help diversify our economy, foster

private sector investments in business development and create good paying jobs that can help keep college graduates working in Alaska.

Everybody Loves Whales and the economic impact of filming in Alaska this summer is a success Alaska can build on. The numbers are a good story. Alaska resident wages were more than \$4 million and goods and services were above \$7.5 million. There were Alaskans in front of and behind the camera, 12,000 hotel rooms were used and more than 8,000 days in rental cars were purchased.

NANA supports this legislation because it will help spur what could be a new industry in Alaska that will create private sector investment and private sector jobs. Thank you. I would be happy to answer any questions.

NANA
DEVELOPMENT CORPORATION



Private Sector Investment in the Alaska Film Industry





NANA supports SB 23/HB 67



- Growing a new industry for Alaska – making movies
- Private sector investment to diversify Alaska's economy and create jobs
- A natural for NANA



A new NANA company





Walking with the Dinosaurs

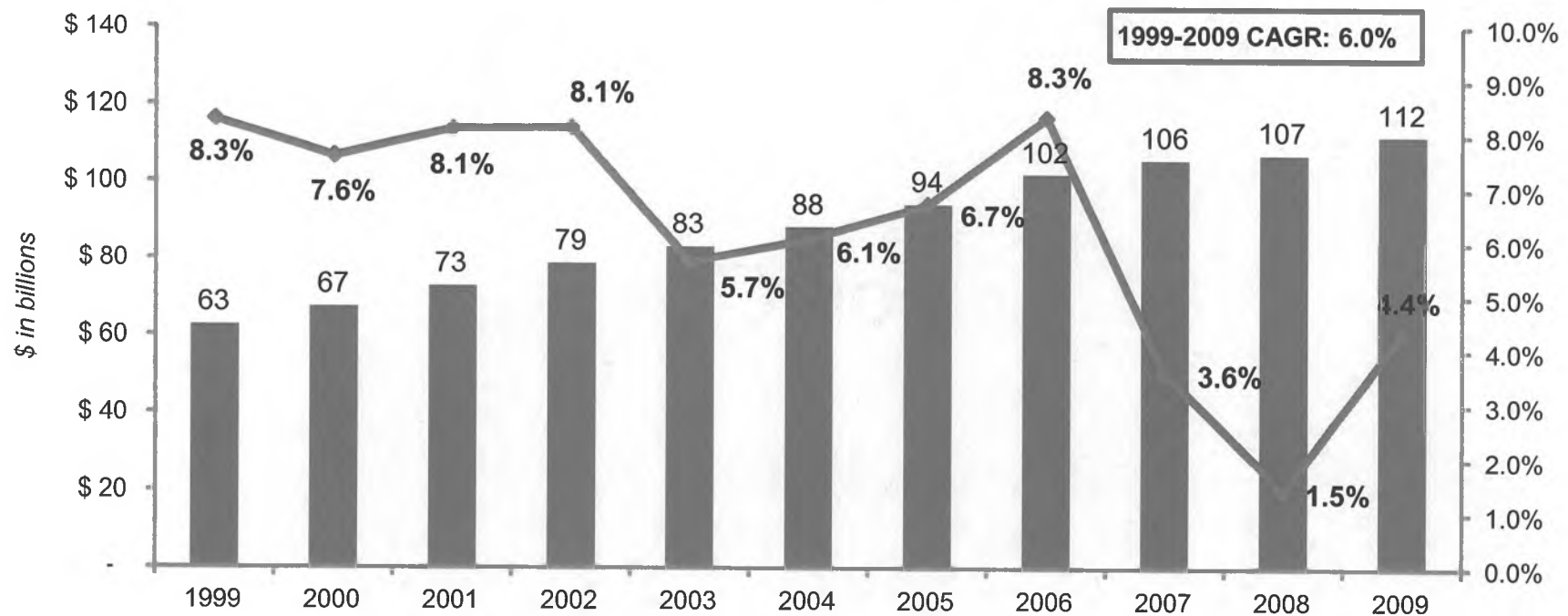




Industry Overview

Consumer Demand for Filmed Entertainment

Total Domestic Consumer Filmed Entertainment Spending, 1999-2009



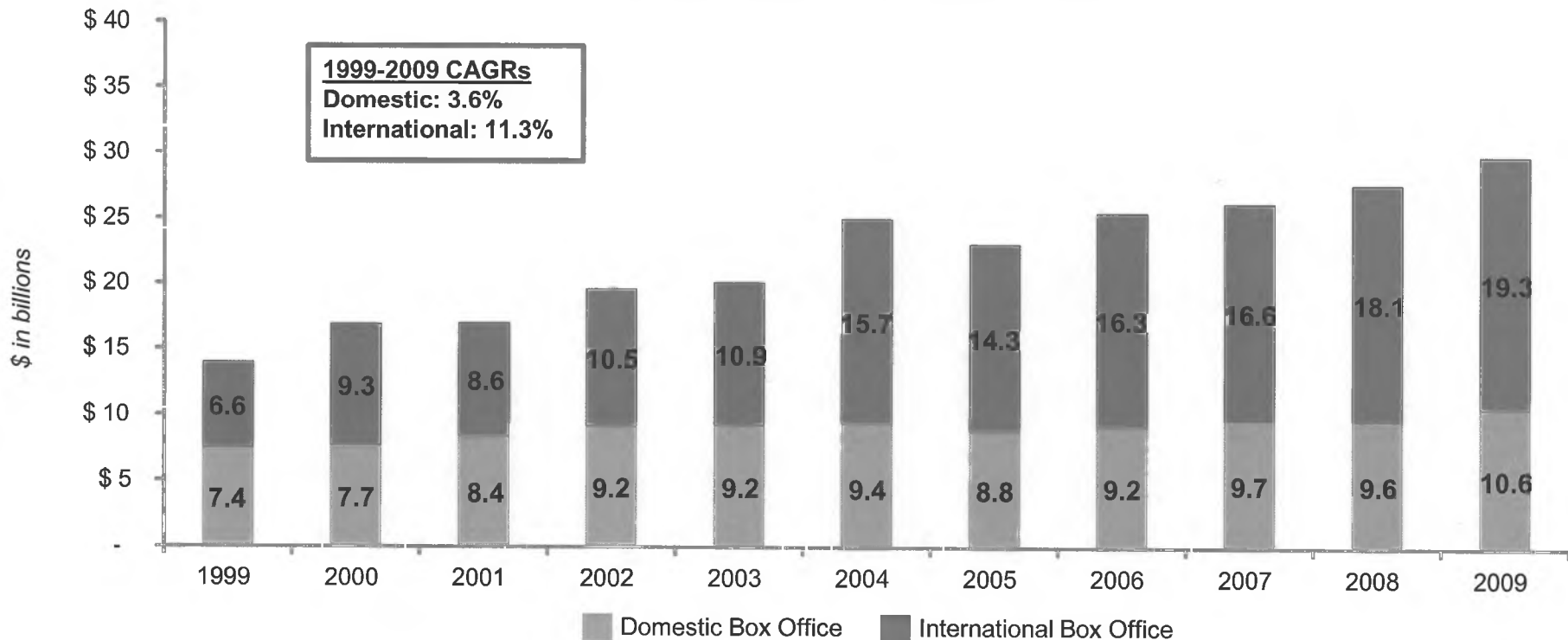
Source: U.S. Department of Commerce, Adams Media Research, NATO, Motion Picture Association of America, Hollywood Reporter, Variety, Cable TV Ad Bureau, TV Bureau of Advertising, AC Nielsen, SNL Kagan, VidScan, and BMO Capital Market estimates, as presented in Perspectives on the Filmed Entertainment Industry 2010 by BMO Capital Markets (April 2010).



Industry Overview

Future Growth Driver: International Markets

Domestic and International Box Office, 1999-2009

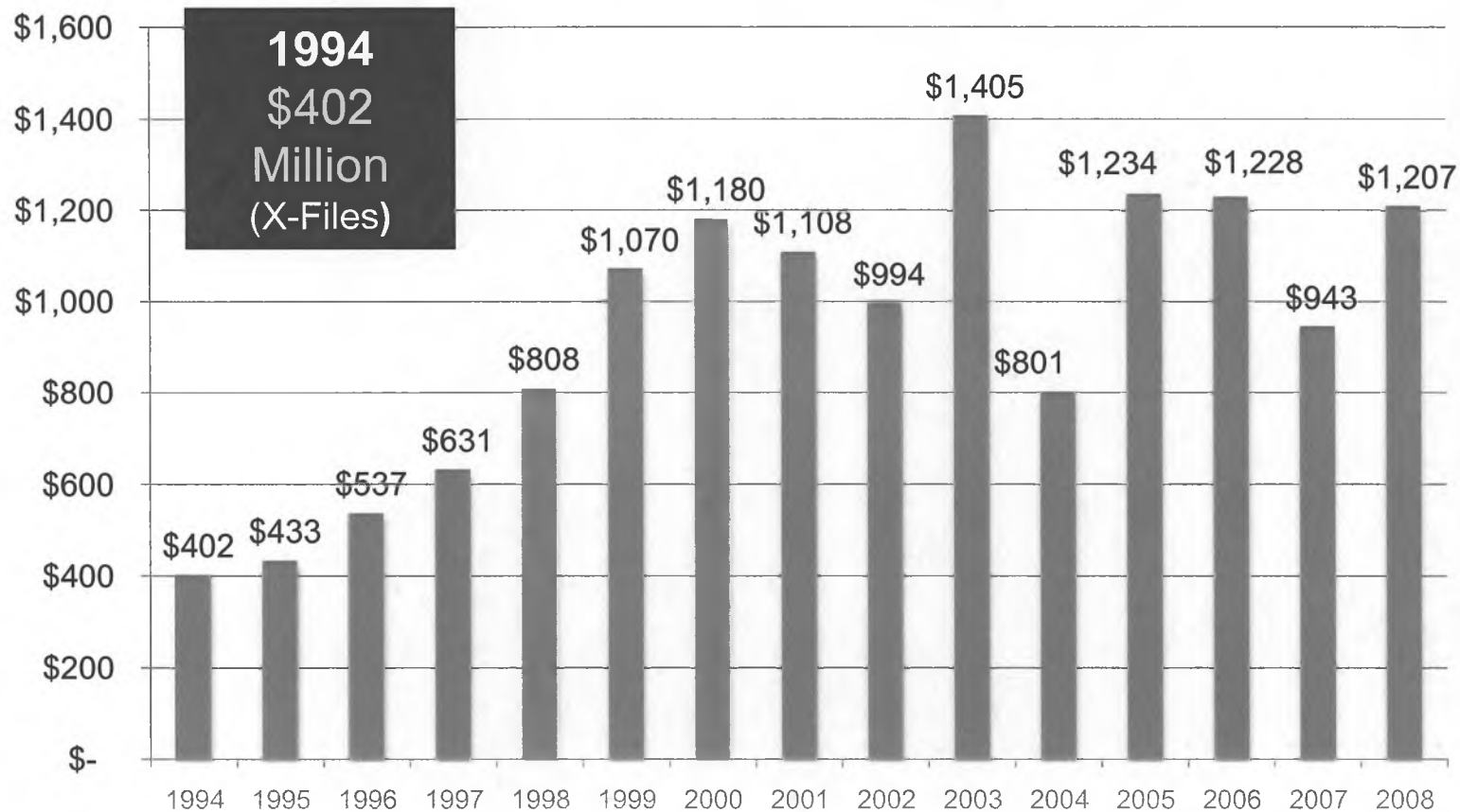


Source: Motion Picture Association of America, NATO, and BMO Capital Markets estimates, as presented in Perspectives on the Filmed Entertainment Industry 2010 by BMO Capital Markets (April 2010).



Vancouver, BC Case Study

Production Dollars Spent in BC



1994
\$402
Million
(X-Files)

2008
\$1.2
Billion

20,000
Direct
Jobs

15,000
Indirect
Jobs



Anchorage soundstage

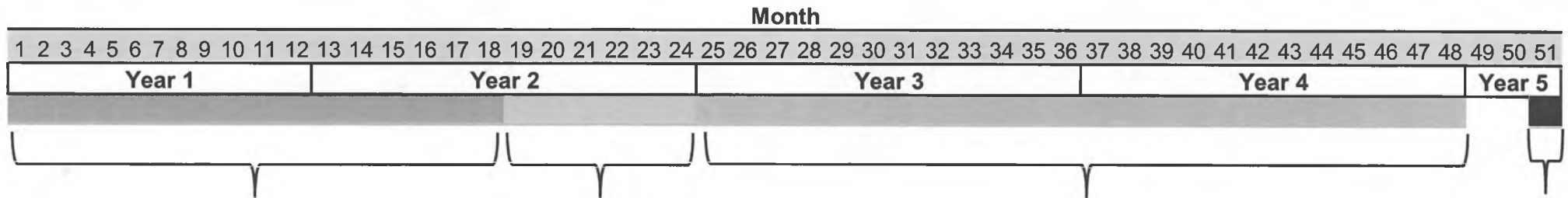


- Interest in building soundstage in Anchorage
- Infrastructure and tax credit will encourage film producers to come to Alaska



Film Timeline

Development through Release



Development

- Option story
- Hire writer
- Write screenplay
- Storyboard
- Previsualization
- Create demo piece



Greenlight

- Finalize talent deals
- Finalize budget
- Secure financing
- Secure presales
- Secure distribution
- Secure completion bond



Production

- Sets built
- Crew hired
- Filming
- Visual effects
- Editing
- Sound



Release

- In movie theaters





Mission

To improve the quality of life for our people.





Alaska Film Industry



- Growing film industry – people have to choose Alaska
- NANA is building necessary infrastructure
- SB 23/HB 67 Tax Credit provides financial incentive



Everybody Loves Whales



- Millions of Dollars in Alaska economic impact
- Hundreds of Alaska jobs
- Publicity for Alaska-millions of movie goers see the beauty of our state



Taikuu



February 9, 2011

Re: Support for SB 23/HB 67

Representative Bob Herron
Representative Chris Tuck
Senator Johnny Ellis
State Capitol
Juneau, AK 99801-1182

Re: HB 67/SB 23-Extension of AK Film Production Incentive Program

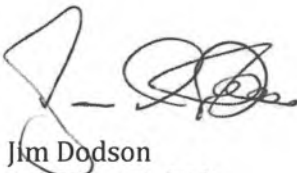
The Fairbanks Economic Development Corporation supports SB 23/HB67 and your efforts to continue to diversify the economy by extending the AK Film Production Incentive Program. Fairbanks has attracted the interest of producers over the years, with projects ranging from INTO THE WILD to documentaries and commercials. It is our hope that by extending current film incentives, we will have the opportunity to enjoy the positive economic impacts experienced in other areas of the state that secured locations for studio productions.

We understand that this is still a fledgling industry for Alaska. The Dept. of Commerce, Community and Economic Development are currently developing a full-scale marketing plan and strategy in under discussion for possible public-private marketing opportunities at film-related venues in the future.

Our members come from all areas of the business sector in Fairbanks and can provide many of the services needed to support a film production. In addition, the impact on tourism-related businesses as an area serves as a location for a film production is well documented.

We support the economic development brought about by the current film incentive program. By extending and expanding the program, Alaskans can continue to benefit from new jobs and the business opportunities that come with welcoming this multi-million dollar industry to our state.

Sincerely,



Jim Dodson
President & CEO
Fairbanks Economic Development Corporation

Cc: FBX delegation

February 10, 2011

Representative Bob Herron
Representative Chris Tuck
State Capitol
Juneau, AK 99801-1182

Re: HB 67-Extension of AK Film Production Incentive Program

Dear Representatives:

WHPacific supports HB 67 and your efforts to continue the film incentive program which helps to create new jobs and diversify the economy by extending the incentives that attract the film industry into Alaska. WHPacific is a multidisciplinary firm specializing in all facets of building engineering, land development, water resources, survey, architecture and transportation.

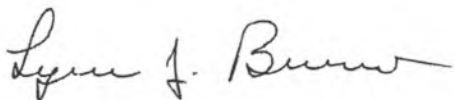
WHPacific is especially interested in this program, having just worked with Evergreen Films. We have integrated our LIDAR (Light Detection and Ranging) technology with Evergreen Films' automated production workflow for their upcoming Alaska production of WALKING WITH DINOSAURS 3D.

As a subsidiary of NANA Development Corporation, an Evergreen Films partner, we understand firsthand the impacts that the film incentives have already had on Alaska businesses, and in ways that no one could have foreseen. We are now involved in marketing our newfound film services business to other studios and production companies.

We think this program is a win-win situation for everyone involved. In our case, funding for our business expansion was created directly with funds from a film company who is producing a project in Alaska, in part, because of the incentive program. Although no state money was involved, this is just one example of how an established Alaskan business can expand because of a film production in Alaska.

WHPacific wholeheartedly supports HB 67 and thanks you for taking this important step in attracting and keeping this new industry in our state for the long-term.

Sincerely,
WHPacific, Inc.



Lynn Bruno, PLS
President
lbruno@whpacific.com



Eric Miyashiro, PE
Operations Manager – Anchorage
emiyashiro@whpacific.com





Outsource.
Outshine.®

February 11, 2011

Representative Bob Herron
Representative Chris Tuck
Senator Johnny Ellis
State Capitol
Juneau, AK 99801-1182

Re: HB 67/SB 23-Extension of Alaska Film Production Tax Incentive Program

Dear Representatives and Senator,

NMS whole-heartedly supports House Bill 67 and Senate Bill 23, the extension of the Alaska Film Production Tax Incentive Program. Since its inception in 2008, the Film Production Tax Incentive Program has created jobs for Alaskans through economic opportunities for small and large Alaska businesses. Film and television projects offer invaluable marketing and promotion for Alaska tourism, products and businesses. Continuing and extending this program offers a clear signal to the multi-billion-dollar film and television industry that Alaska is open for business.

For NMS it means an opportunity to expand our businesses in food service, hotel management and remote camp service. We see a growing film industry in Alaska as beneficial for the state as it will help create diversified business opportunities.

The fact is, financial incentives have changed the way filming decisions are made. Alaska faces aggressive, long-established film incentives from Canada. Forty-five other states currently have a program of some type. Those states understand the economic benefits that this industry can bring to businesses and communities. We need to do the same.

We support the extension of the Alaska Film Production Tax Incentive Program. House Bill 67 and Senate Bill 23 provide a clear signal that Alaska is open and ready for business when it comes to film and television industry.

For all of these reasons, NMS fully supports the Alaska Film Production Incentive Tax Program and thanks the Alaska State Legislature for working towards a more prosperous Alaska.

Sincerely,

President

Economic Impact

of the Alaska Film Production Incentive Program

Since the inception of the Alaska Film Production Incentive Program in 2008, **15 productions** have received tax credits. These 15 projects filmed in Alaska for a total of 910 days and had a **total Alaska spend of \$14,910,810**.

- ▶ As of January, 2011, an additional **28 productions pre-qualified for Alaska Film Production Incentives**. If all of these productions are completed, they will add an estimated **additional spend of \$83,805,521** for Alaska.
- ▶ Economists estimate that for every \$1.00 spent by the film industry, local communities get \$1.50 - \$3.00 in return.
- ▶ **Currently, 45 states currently have film incentives**. As other states are struggling with budget deficits and cutting their film incentives, Alaska is in a uniquely strong position to capitalize on this opportunity.

Impact of Alaska's Most Recent Major Motion Picture

- ▶ On any given day there were **approximately 100 Alaskans working in front of the camera and over 100 Alaskans working behind**.
- ▶ **Nearly 1,500 extras** appeared on camera representing towns and villages across Alaska.
- ▶ Security totaled over 7,900 man-hours.
- ▶ Rental car use totaled over 8,800 days.
- ▶ Businesses where goods and services were purchased included:
 - rental cars
 - taxis
 - limousines
 - restaurants
 - hotels
 - construction companies
 - towing companies
 - aerial charter to include helicopter and fixed-wing
 - sled dog operations
 - snowmobiles/4 wheelers
 - hardware stores
 - lumber yards
 - communication companies
 - landscaping
 - restoration companies
 - dumpster services and rentals
 - port-a-can services and rentals
 - electric companies
 - plumbing
 - heating
 - rental equipment companies
 - truck leasing
 - crane companies
 - paving companies
 - police
 - fire
 - security
 - parking
 - traffic control companies
 - catering
 - cleaning
 - grocery stores
 - coffee shops
 - clothing stores
 - realtors
 - boat charters
 - diving companies
 - survey companies
 - engineering firms
 - printing
 - office supplies
 - motor-home rentals
 - shipping companies
 - airlines
 - drapery repair
 - fencing companies

KEEP ALASKA OPEN FOR THE FILM AND TELEVISION BUSINESS!



**Background on Evergreen Film, Inc
February 2011**

Evergreen Films integrates the vision of an artist with the ingenuity of an engineer; bringing great stories to life with the help of breakthrough technology. Evergreen Films, which was formed by software technology designer Mike Devlin, and award-winning director Pierre de Lespinois, is a growing film studio that owns, develops and produces high-quality 3D feature films.

Evergreen is focused on producing content that combines Avatar-quality technological innovation with Pixar-quality storytelling. In addition to filming AND MAN CREATED DOG and ICY KILLERS: SECRETS OF ALASKA'S SALMON SHARKS for the National Geographic Channel, Evergreen is currently co-producing WALKING WITH DINOSAURS 3D with BBC Earth. This project is in pre-production, with shooting of Alaska exteriors scheduled to begin in June 2011. The film is slated for worldwide release in 2013 by Twentieth Century Fox, a global leader in film marketing and distribution.

Evergreen's team of industry pioneers in digital filmmaking, CGI animation, and 3D production is backed by the best digital technology in the business. Evergreen operates innovative 3D production studios in both Anchorage and Los Angeles. These studios allow Evergreen to produce projects from inception through post-production, assuring amazing production quality in an extremely cost efficient manner.

The LA studio is located on property that once housed the MGM film vault right in the heart of the film industry in Culver City, California. Close proximity to the Hollywood community allows Evergreen to develop strong relationships with key players such as talent, distributors and financiers. The Alaska location provides access to filming the states' wonderland of natural beauty. Both are fully equipped with identical screening, editing and post-production technology that allow for the seamless transfer of data between facilities. This setup, with the same equipment in each location, facilitates a high degree of collaboration between the two studios. A fully integrated workflow allows Evergreen to maximize the benefits of operating in dual locations.

Evergreen's founders aspire to build a studio where great stories drive technical innovation, where the boundaries of motion picture and television technology are constantly challenged to deliver compelling entertainment, and where new business models assure stellar production value, breakthrough distribution systems and strong returns for investors.

1120 East Huffman Road, Suite 24
PMB 595
Anchorage, AK 99515
(907) 522-6272

Making Movies

Tax incentive program improves economy

BY HEIDI BOHI

Shortly after the movie “Everyone Loves Whales” began filming in September, Uptown Blossoms, a popular flower shop in midtown Anchorage, had its own brush with fame when the set decorator called to talk about flower needs for various scenes in the movie.

“When we first met him we were sort of nervous, but really he’s just a person like you and me,” shop owner Carol Trout says, adding that her business was recommended to the studio coordinators. “Wherever there was a need for flowers, we supplied them.”

Set in Cold War-era 1988, the film tells the true story of a small-town news reporter and a Greenpeace volunteer, played by Drew Barrymore, who enlist

the help of rival superpowers to save three gray whales trapped under the ice of the Arctic Circle as they made their way to Mexico for the winter. The national media, environmental activists, and the United States and Soviet Union – then in the middle of the Cold War – quickly descended on Barrow in an effort to escort the whales into open water.

Trout says flower needs all had to be designed to reflect what was in style in the 1980s, and included centerpieces and arrangements for various scenes in the film. Some of the flower orders required working with the production person responsible for props any of the actors or actresses touched.

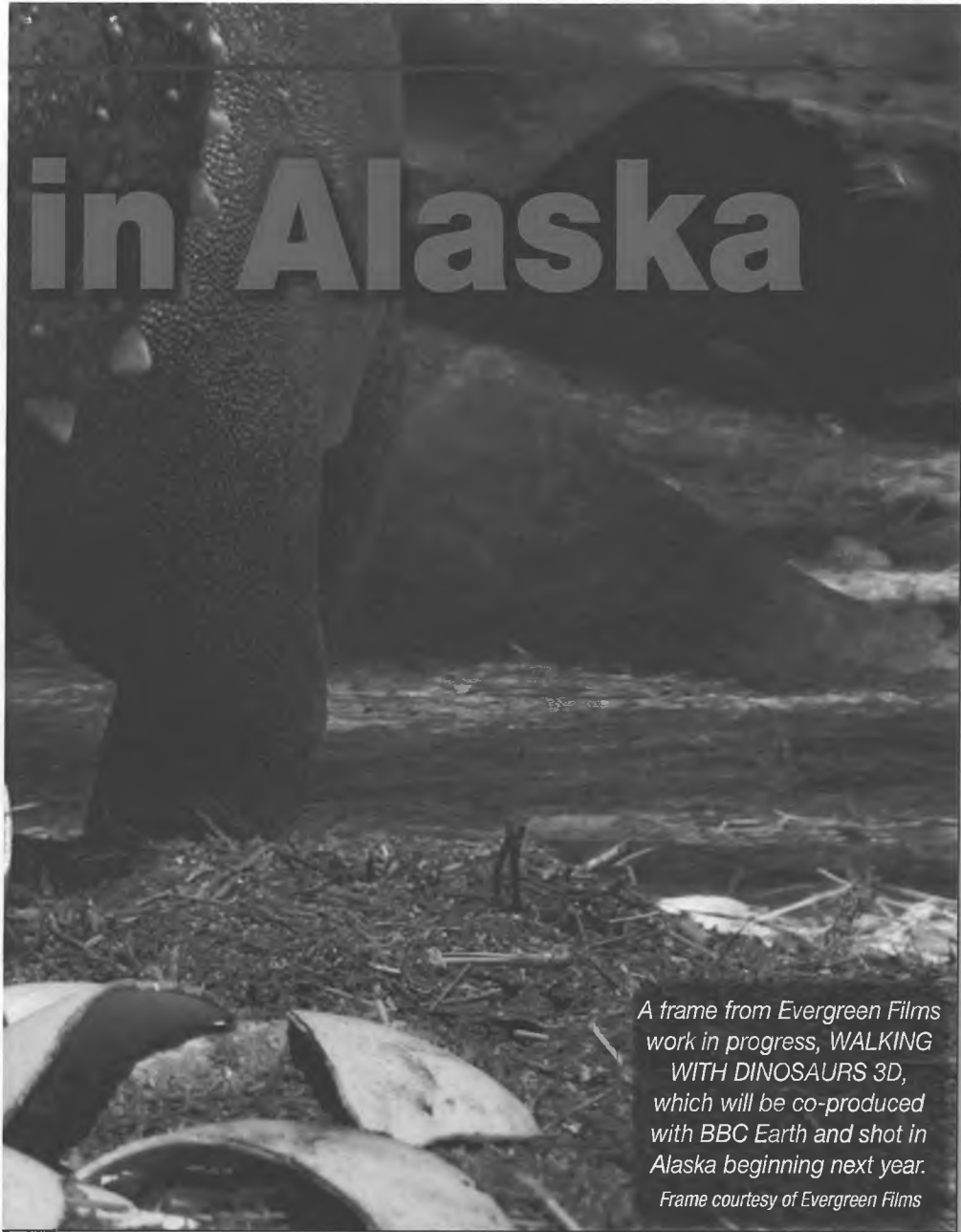
What it meant for Uptown Blossoms

was about \$4,000 in orders. Although Trout says her business is fortunate to have a steady stream of customers year-round, it was nice to have the extra bump.

ALASKA’S NEWEST INDUSTRY

Since beginning to offer financial incentives to studios that decide to film their movies in Alaska, as is the case with “Everybody Loves Whales,” the State’s resurrected Film Office is optimistically watching what is being dubbed as Alaska’s newest industry. The hope is the economic development initiative will attract projects that mean millions of dollars in economic impact resulting from increased receipts for small and large businesses and local hire,

in Alaska



A frame from Evergreen Films work in progress, WALKING WITH DINOSAURS 3D, which will be co-produced with BBC Earth and shot in Alaska beginning next year. Frame courtesy of Evergreen Films

which in the case of “Everyone Loves Whales,” meant hiring 3,000 Alaskans statewide, though most were hired in the Anchorage area. Other businesses that stand to measurably benefit are airlines, hotels, freight handling and air cargo, along with smaller enterprises that include everything from courier businesses to seamstresses.

About 30 productions have been prequalified by the State Film Office, meaning studios have submitted applications, estimated budgets, distribution plans and script treatments for the projects. With \$100 million available and a minimum spending requirement of \$100,000, most projects qualify, including films, documentaries, commercials and video productions.

According to the legislation behind the Alaska Film Production Incentive Program, up to a 44 percent transferable tax credit is awarded within weeks once a rough-cut of the production is submitted and an Alaska-licensed CPA has audited the project. In addition to the 30 percent base rate, additional percentages are awarded for local hire, off-season production and filming in rural areas.

Although final numbers are still being tabulated to determine how much Alaska benefited from the recent production’s use of local crew and services, after 10 weeks of watching those associated with the project frequent local restaurants, shops and hotels, Alaskans are seeing the potential contributions

of the industry, especially during the off-season months. “Everybody Loves Whales” filmed for 12 hours a day, five days a week for almost three months. (It takes about one day to shoot two to four minutes of film.)

As the preferred hotel for 200 cast and crew, the Captain Cook cannot discuss its agreement with Universal Pictures, though it has been estimated the property had 12,100 bed nights booked from September to December, which is historically a slow time after the peak visitor season. Add meals and incidental expenses, along with side trips that crew took on their days off, and it is easy to see how a film project can quickly contribute to the state’s economic development.

EVERGREEN FILMS

“It’s been a long time since there was a new industry in Alaska trying to build from the ground up,” said Kate Tesar, business development director for Evergreen Films.

Evergreen, though not associated with “Everyone Loves Whales,” is one of the industry’s most watched developments. The Anchorage-based production company continues to make substantial investments in Alaska and is positioning itself to take advantage of the growing industry.

It has several productions in the works, one which will likely be the Kate Shugak television series based on Alaska author Dana Stabenow’s mystery novels, including “A Cold Day for Murder,” which won the Mystery Writers of America’s Edgar Award. Other titles that will be made into the series are “Whisper to the Blood,” which made the New York Times bestseller list, and “A Night Too Dark,” which is the 17th in the series.

Based in Anchorage with offices in Los Angeles, Calif., Evergreen was founded by Mike Devlin and Pierre De Lespinois. Devlin has a computer engineering background and Lespinois is an award-winning television and film director. Devlin fell in love with Alaska and decided to build his Anchorage Hillside film editing studio after selling his software company. The team also has a yacht in Seward with adaptations that can accommodate filming both on and under water.

Another of Evergreen's biggest market advantages is the company's state-of-the-art digital and 3D studios, including 3D camera systems, groundbreaking LIDAR scanning technology, photo-real 3D Computer Generated Imagery (CGI), and an integrated 3D post-production workflow. The technology allows them to create a realistic portrayal of any location. This technology will also be used in "Walking With Dinosaurs," the Alaska-scripted and -produced, live-action dinosaur feature. That production will highlight photo-realistic 3D dinosaurs immersed in real, live-action 3D environments. This will launch in 2013 with 20th Century Fox securing the distribution rights. Evergreen is partnering with BBC Earth to produce the \$65 million feature film. Devlin says most of the live action for "Walking with Dinosaurs" will be filmed in Alaska to take advantage of the beautiful exteriors and the State's film incentives. The franchise model of the film means a new movie will be produced every two to three years. Evergreen and BBC are also partnering on the production of the \$25 million feature film "Africa 3D."

NANA PARTNERING

Responsible for helping create the incentive legislation, Tesar says Evergreen is committed to developing the industry statewide so that many communities benefit from the economic boost. To that end, it recently partnered with NANA Development Corp., an Alaska Native corporation based in Anchorage, which offers infrastructure and services that will help grow the industry and employ more Alaskans, including NANA shareholders.

"We are thinking it will take 10 to 15 years to build the industry in Alaska and NANA has the same long-term vision," Devlin says. "Together, the two of us are making a mutual investment to build the industry - we focus on film, they focus on building the service industry, and we will involve them in every production we're doing."

By making a financial investment, NANA is about a one-third owner and the company's partner in films that are shot in the Arctic environment, meaning it is the preferred vendor for those services it offers. The partnership is



Mike Devlin co-founder of Evergreen Films, with offices in Anchorage and Los Angeles.

expected to create a lot of opportunity for shareholders - whether they are hired to work on a film project, or they simply benefit from dividends resulting from this newest investment.

When Evergreen approached NANA in 2009, it was looking for corporate involvement in specific high-budget films. NANA was less interested in being involved in specific films and more likely to invest in the company as a whole, says Robin Kornfield, vice president of communication and marketing for NANA Development Corporation. Although being involved in the film industry is not an area NANA has experience in, as it researched the opportunity it quickly became apparent that many of the services it had built up over the past 38 years are the same ones required in film production, including remote camp services, food service, security, transportation and staffing services.

"We already provide many of the back-of-the-house things that make it possible for those in the front to get their work done," Kornfield says. "We realized it was a better fit than we thought when we first went in - with just one phone call the industry can access all the film support services it needs."

Although the idea of partnering with Evergreen may seem like a big stretch to the business community, Kornfield says that, in fact, the board of directors was not completely unfamiliar with the benefits of the film industry. The group

travels to Vancouver, British Columbia, Canada, regularly for business associated with Red Dog Mine and is used to seeing film crews shooting in the middle of the street. "The prospect of doing something in Anchorage was not foreign to them at all," Kornfield says.

One big draw for NANA was that the film industry offers more opportunities in areas younger shareholders will be interested in such as computer graphics.

Although acting is an obvious opportunity for shareholders, Kornfield says, the greater opportunity is for them to be involved in the service industries, which is the backbone of the corporation's success. Although the partnership will evolve over time, Kornfield says NANA will do whatever it takes to make film support services available, and at the same time will offer these same services to other film production companies that come to Alaska.

"Every time a shareholder gets a paycheck - that's part of what we do," Kornfield says, adding that part of NANA's plan is to eventually develop a line of services specific to the film industry that shareholders can be trained in.

Partnerships like the NANA-Evergreen one embody the intent of the original incentive legislation, which was designed to develop new business opportunities in Alaska by pairing the supply with the demand. From there, Tesar says, the jobs and on-the-job training for Alaskans will follow. □



NANA DEVELOPMENT CORPORATION AND EVERGREEN FILMS ANNOUNCE STRATEGIC PARTNERSHIP

New business partnership to accelerate growth of Alaska film industry

Anchorage, AK, September 13, 2010 – NANA Development Corporation (NDC) and Evergreen Films announced a strategic partnership agreement today at the Anchorage Chamber of Commerce meeting. The investment positions NANA at the forefront of this emerging economic opportunity in Alaska and allows Evergreen Films to invest further in locally produced film and television projects.

“Our goal is to deliver significant benefits to our shareholders from this investment,” said Helvi Sandvik, President of NANA Development Corporation. “We are excited about being involved on the front end of the development of a new industry in Alaska. Alaska’s new film production incentive program is already generating interest and attracting new film industry activity to the state. This is good for NANA and Evergreen but will also create jobs and economic growth in Alaska. It is so important for our state’s future to strengthen our economy through the creation of new opportunities.”

Evergreen Films CEO Mike Devlin agrees. “Our long term goal is to build an industry that is larger than British Columbia’s,” Devlin said pointing to recent figures that indicate the film and television production industry spent \$1.2 billion in British Columbia in 2008 and supported 20,000 jobs. “Now, with NANA’s global reach, deep talent pool and Alaska expertise, we believe we can achieve that goal within 10 years,” said Devlin.

NANA Development Corporation is the business arm of NANA Regional Corporation, one of Alaska’s 13 Regional Native Corporations. NANA represents more than 12,500 Iñupiat shareholders from northwest Alaska. NDC employs more than 9,300 people around the world in industries including mining, oil and gas, engineering and construction, facilities management and logistics.

Evergreen Films is a premiere independent film production studio headquartered in Anchorage. The company has invested more than \$10 million in Alaska developing a complete 3D production and post-production studio based on the most advanced

technologies from the film, gaming and IT industries. It also has a production facility in Los Angeles.

The NDC/Evergreen Films partnership is the most recent in a series of developments for Evergreen Films. In June, Evergreen announced a major new partnership with BBC Earth to produce a 3D dinosaur feature film promising to immerse audiences in the prehistoric age. The film is the launching point for an ongoing collaboration between BBC Worldwide and Evergreen Films. Last fall, Evergreen announced a deal with Alaska mystery writer Dana Stabenow to produce a television series based on Kate Shugak, a character from Stabenow's novels. The series is currently in development to be produced in Alaska for a global television audience.

The partnership between NDC and Evergreen Films brings together the strength of deep industry knowledge, a strong business portfolio and deep rooted understanding of Alaska.

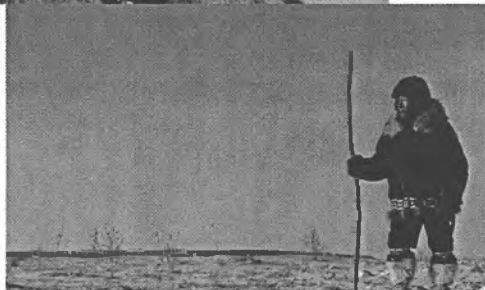
For more information on the agreement contact:

NDC: Charles Fedullo at 907-265-4301 or charles.fedullo@nana.com

Evergreen Films: Kate Tesar at 907-317-8197 or kate@evergreenfilms.com

For more information on NANA Development Corporation visit www.nana-dev.com.

For more information on Evergreen Films visit www.evergreenfilms.com.



**SERVICES FOR THE
FILM INDUSTRY**

- Logistics
- Security
- Accommodations
- Catering
- Transportation
- Engineering
- Technical Support



**Once you hear the
call of the wild, your
next call is to Piksik.**



Piksik is owned and operated by
NANA Development Corporation,
an Alaska Native Corporation.

We know Alaska, its people and
how to meet your needs quickly,
efficiently and economically.

Our businesses have grown
consistently over the past
three decades and our success
is built on safety, quality and
customer service.



Let Piksik show you the real Alaska.
In comfort and style, with safety first.



With one call, our companies provide:

- **VIP transportation** and security from public safety-trained professionals.
- **Safety training** for Alaskan conditions.
- **Logistical support**—with a state bigger than Texas and California combined we know what it takes to get from point A to point B.
- **Gourmet catering** that will make your cast and crew feel at home whether your shoot is in a city or out in the wilderness.
- **Remote camp experience** to make any location ideal.
- **Crew**—we'll find trained staff in any field you need.
- **Equipment sourcing** and rental.
- **Accommodations**—whether your shoot is in urban Alaska or next to a remote river.

If we don't have a business line to meet your needs, we'll find someone who does.



PIKSIK



ALASKA

Come to the place where the sun stays up late and the scenery makes magic.

Your next film should be made in the Last Frontier.

Our job is to make your experience in Alaska so good you'll come back for more.



Piksik is an Inupiaq word that means to jump up, rebound or spring back. This is a fitting name for a business that requires quick and nimble action.

Piksik, LLC
1001 East Benson Blvd
Anchorage, AK 99508
(907) 265-4100
piksik.com
nana-dev.com

NANA BY THE NUMBERS

This index provides current verified information answering commonly asked questions.

NANA OVERVIEW

Original Land Settlement for NANA: **2.2 million** acres of surface land and subsurface rights

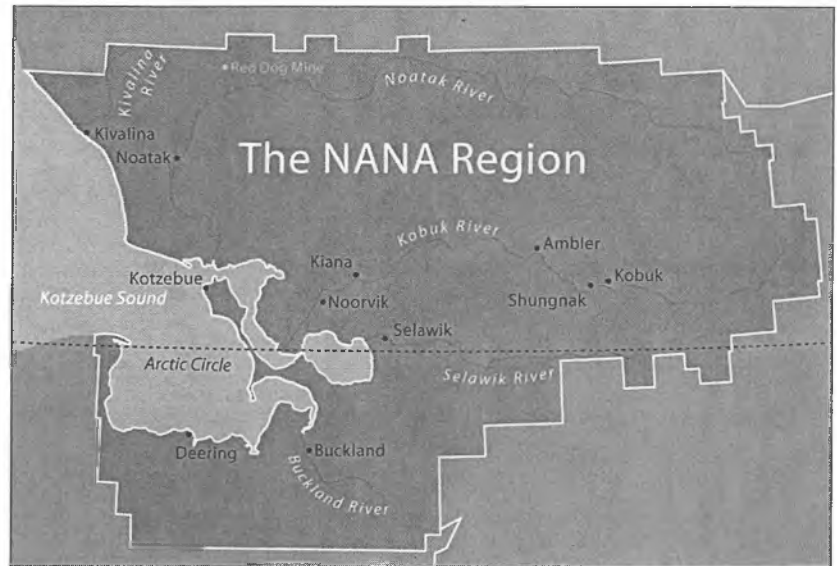
Original Cash Settlement for NANA: **\$44 million**

NANA region population: **7,336***

NANA REGION VILLAGES AND THEIR POPULATION (2009*):

Ambler	261	Kotzebue	3,154
Buckland	432	Noatak	486
Deering	118	Noorvik	628
Kiana	374	Selawik	849
Kivalina	410	Shungnak	270
Kobuk	122		

*Alaska Department of Commerce, Community & Economic Development, 2009



NANA SHAREHOLDERS

Number of NANA shareholders: **12,500** (2010)

Number of original shareholders: **4,900** (1972)

More than half of NANA's shareholders live in the NANA region.

86 percent of NANA's shareholders live in Alaska.

Alaska Native Corporations (ANCs) are owned by Alaska Native people through privately held shares of corporate stock. NANA's success has a direct positive impact on the lives of more than 12,500 Inupiat people, originating in northwest Alaska, who own our company. Original settlement benefits, including shares in the regional corporations, accrued to those with at least one-fourth Alaska Native ancestry. **ANC stock cannot be bought or sold.**

NANA CORPORATE REVENUES

2010: **\$1.59 billion**

2009: **\$1.26 billion**

2008: **\$1.17 billion**

2007: **\$975.5 million**

2006: **\$821.9 million**

NANA SHAREHOLDER EMPLOYEES

NANA and its affiliates paid **\$47.9 million** in wages to NANA shareholders (2010)

NANA employed **1,320** shareholders (2010)

NANA SHAREHOLDER BENEFITS

In addition to paying dividends to shareholders, NANA uses its profits to fund social and cultural programs, job training, scholarships, internships and other services that benefit shareholders and their descendants.

In 2010, NANA contributed:

\$5.3 million to social and cultural programs

\$695,000 to scholarships

\$215,000 to language preservation

\$147,050 in emergency assistance

NANA SHAREHOLDER DIVIDENDS

2010: **\$14/share**

2009: **\$12/share**

2008: **\$24.75/share**

2007: **\$15/share**

2006: **\$7/share**

Over the years, NANA has distributed

\$153 million in dividends to its shareholders.

NANA BY THE NUMBERS

WE ARE NANA

MISSION

NANA improves the quality of life for our people by maximizing economic growth, protecting and enhancing our lands, and promoting healthy communities with decisions, actions and behaviors inspired by our Iñupiat Ilitqisiat values, consistent with our core principles.

VISION

NANA will be a respected, profitable, multibillion-dollar corporation.

CORE PRINCIPLES

- Honesty and integrity govern our activities.
- Commitments will be fulfilled.
- Everyone will be treated with dignity and respect.

IÑUPIAT ILITQISIAT

Those things that make us who we are; values that reflect our way of life.

Iñupiat Ilitqisiat Values

- | | |
|----------------------------|---------------------------|
| • Avoid Conflict | • Knowledge of Language* |
| • Cooperation | • Love of Children |
| • Domestic Skills | • Respect for Elders |
| • Family Roles | • Respect for Nature |
| • Hard Work | • Respect for Others |
| • Humility | • Responsibility to Tribe |
| • Humor | • Sharing |
| • Hunter Success | • Spirituality |
| • Knowledge of Family Tree | |

***41.9 percent** of residents of the NANA region speak a language other than English at home.



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- NANA contributed almost **\$20 million** to the Trust between 2000 and 2010.
- Of that, **\$5.4 million** went directly into an educational endowment.
- NANA contributed more than **\$695,000** in scholarships (2010).
- More than **350** Alaska Natives from the NANA region pursued higher education and vocational training (2010).

SYMBOL

Our symbol is an Iñupiaq hunter moving aggressively toward a successful future in a vast, beautiful and sometimes harsh world.



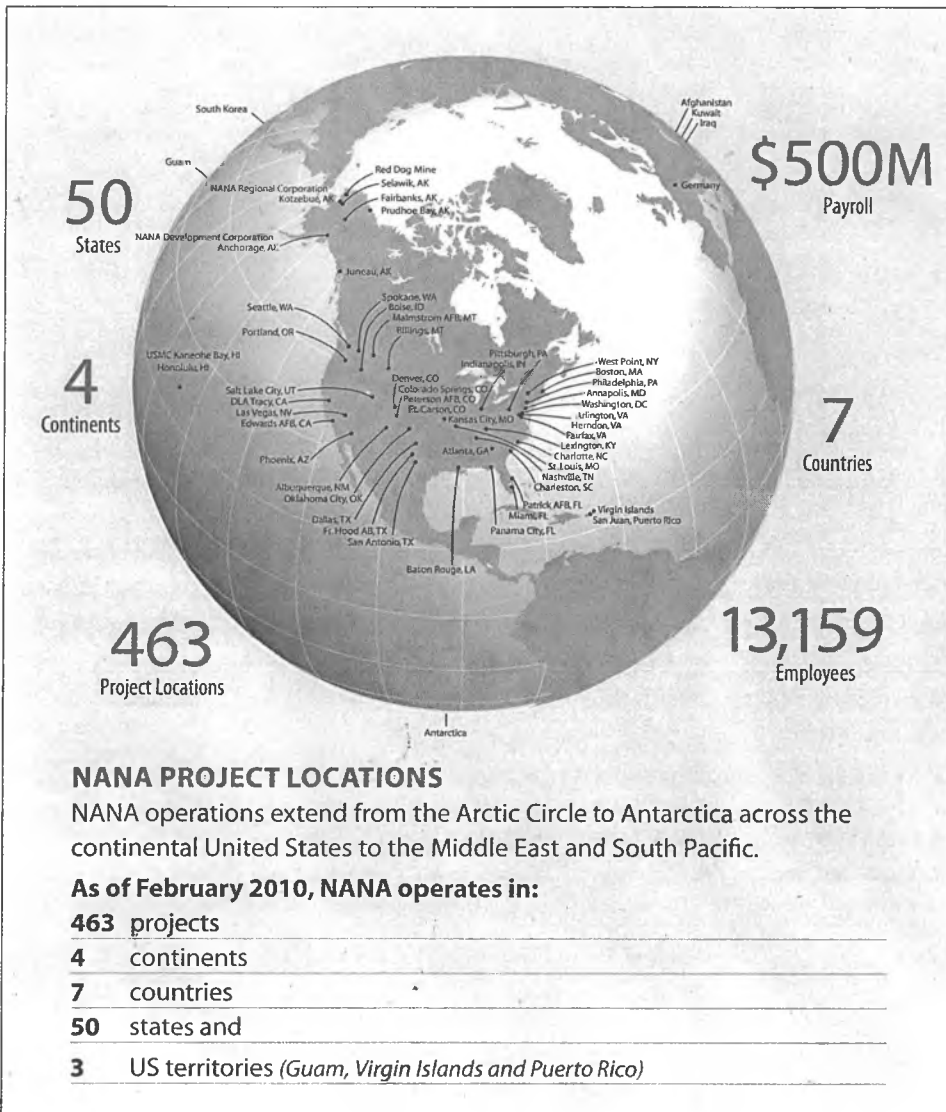
What our symbol means:

NANA is all of us working together as one hunter, successful if we are of one mind and purpose, hungry if we are split by doubts and mistrust of each other. As one hunter is small and insignificant when compared to our environment, so is NANA when compared to the corporate terrain in which we must navigate. The same qualities – courage, confidence, humility, respect, integrity and sharing – have allowed our people to survive as great hunters and are necessary for NANA to be successful.

NANA BY THE NUMBERS

DOING BUSINESS WITH NANA

Our message to our partners: When you do business with NANA, you're doing more than ensuring the success of your next business venture. You're helping to create training and educational opportunities for NANA shareholders, preserving an important indigenous culture, investing in NANA communities, and ensuring the future of a people.



NANA BUSINESS LINES

NANA is a leader in the following service industries:

- Engineering & Construction
- Resource Development
- Facilities Management & Logistics
- Information Technology & Telecommunications
- Real Estate & Hotel Development

NANA EMPLOYEES

As of February 2010:

NANA employees worldwide: **13,159**

NANA payroll: over **\$500 million**

NANA employees in Alaska: **5,013**

NANA employees in Anchorage: **1,500**

NANA is a key contributor to Alaska's economy

In 2010, NANA placed **3rd** on Alaska Business Monthly's **Top 49ers** list. The magazine ranks Alaska-owned and operated companies according to their annual gross revenues.

NANA BY THE NUMBERS

FEDERAL CONTRACTING

The Small Business Administration (SBA) **8(a) Program** is designed to give socially disadvantaged minorities an opportunity to improve their economic condition through business development. These individuals and groups include people who have been subjected to racial or ethnic discrimination or cultural bias that adversely affected access to economic opportunity.

8(a) CONTRACTING

The 8(a) program name is from Section 8(a) of the Small Business Act. The Act, as amended by Congress, created the 8(a) program so the U.S. Small Business Administration (SBA) could help small companies owned and operated by socially and economically disadvantaged persons develop their businesses. Through the 8(a) program, eligible firms can be awarded government contracts on a sole-source, non-competitive basis.

Since 1986, Congress has authorized ANC-owned businesses to participate in the 8(a) program. Alaska Native Corporations (ANCs) were created by Alaska Native Claims Settlement Act (ANCSA) as the mechanism for distributing land and monetary benefits to Alaska Natives. A report prepared by the Office of Inspector General U. S. SBA states, "While the playing field is not level for all 8(a) participants, the program has helped ANCs fulfill a mission that is broader than the bottom line of the corporations—namely, to help Alaska Natives achieve economic self-sufficiency." (*Report Number 9-15 issued 7/10/2009*)

Native businesses, including ANCs, tribes and Native Hawaiians, collectively received approximately **1.2 percent** of all federal contracts in 2007.

Contracts awarded to Native enterprises totaled **\$5.1 billion** of \$439.5 billion in procurement contracts.

Contracts awarded to Native firms under the 8(a) program totaled **\$3.2 billion** or

just **0.7 percent** of all federal contracting dollars in 2007.

Jobs created as a result of the 8(a) program: **31,000**

Current 8(a) Certified NANA companies:

- Akima Construction Services, LLC
- Akima Infrastructure Services, LLC
- Cazador, LLC
- Five Rivers Services, LLC
- Ikun, LLC
- Kisaq, LLC
- Nakuuruq Solutions, LLC
- NANA Pacific, LLC
- Portico Services, LLC
- Sava, LLC
- Synteras, LLC
- TKC Global Solutions, LLC
- Truestone, LLC
- Wolverine Services, LLC

NANA companies that have graduated or exceeded 8(a) size standards:

- Akima Intra-Data, LLC
- Akima Logistics Services, LLC
- Akima Facilities Management, LLC
- NANA Services
- Sivuniq, Inc.
- TKC Integration Systems

NANA companies with 8(a) status pending:

- Akima Technical Solutions, LLC

WHY IT MATTERS

Native Americans are among the poorest and most under-employed groups in our society, with many still living in substandard housing conditions.

25 percent poverty rate among American Indians and Alaska Natives.

27 percent have no health insurance.

COST OF LIVING IN THE NANA REGION

The high cost of living in the region is directly linked to energy costs. Rural Alaskans spend **over three times** as much of their household income on energy as households in the lower 48 states. Fuel arrives by barge and by air. In Kotzebue, residential heating fuel is **\$4.64** per gallon and a gallon of gasoline is **\$6.54**. Living costs in Kotzebue are **61 percent** higher than in Anchorage.

(August 2010, Alaska Department of Labor)

NANA BY THE NUMBERS

RED DOG MINE

For more than two decades, the Red Dog Mine, one of the world's largest zinc mines, has stood as a model of responsible resource development, founded on the principles of consensus, cooperation and mutual respect between a mining company and indigenous people. The mine was developed in 1982 under an innovative operating agreement between NANA Regional Corporation, Inc. and Teck Alaska, Inc. (Teck), a U.S. subsidiary of Teck Resources Limited, a diversified mining and metals company headquartered in Vancouver, British Columbia, Canada. NANA owns the land on which Red Dog Mine is situated. NANA shareholders receive direct and meaningful benefits from development at the mine.

RED DOG MINE LOCATION

82 miles north of Kotzebue

55 miles east of Chukchi Sea

106 miles above the Arctic Circle

NANA COMPANIES provide operational support and a wide range of services to Red Dog Mine.

DOWL HKM: Civil engineering, consulting, site planning and design, surveying and drafting

NANA Construction: Fabrication, construction and installation of modules; maintenance and operations services

NANA Lynden Logistics: Trucking, logistics, marine and air cargo

NANA Oilfield Services, Inc. (NOSI): Bulk and retail fuel products, potable water and lubricants

NANA WorleyParsons: Engineering and design, project and construction management, fire and gas detection

NMS Camp Services: Catering, housekeeping, laundry and facilities maintenance

Paa River Construction: Civil construction, aggregate production and mining support services

ECONOMIC IMPACT

Funds from the mine operations flow directly back to NANA regional residents in the form of employment, dividends and other economic opportunities.

\$1.5 billion – benefits to regional economy including wages, payments in

lieu of taxes and direct royalty payment (1990-2009)

\$6.7 million – payment in lieu of taxes to Northwest Arctic Borough (2009)

2,800 jobs statewide – Estimates credit Red Dog Mine with creating thousands of Alaska jobs

\$166 million – in total compensation at the mine

\$146.3 million – in proceeds from Red Dog (2010)

\$173 million – in goods and services including work with more than a dozen Alaska mining support companies.

70 permits – Red Dog operates under strict environmental guidelines

RED DOG MINE TIMELINE

1968 Mineral deposits discovered

1968 Red Dog Mine named

1971 ANCSA passes

1980 First exploratory drilling

1980 Under ANCSA, NANA selects 120-square mile block of land surrounding Red Dog deposit

1982 Cominco and NANA sign agreement

1986 Site development begins

1989 Red Dog production begins

2001 Cominco merges with Teck

2007 Teck Cominco recovered its capital investment. NANA now receives 25 percent of mine's net proceeds

2007 Red Dog ships a record 1,180,000 tons of zinc and 289,000 tons of lead

2010 Mining began at Aqqaluk Deposit

RED DOG MINE SHAREHOLDER EMPLOYMENT (2010)

Total Employees: **500+**

Shareholders Employed: **58 percent**

Total Wages: **\$166 million**

Shareholder Wages: **\$28.9 million**

In addition to financial terms, Teck's lease agreement requires Teck to employ and train NANA shareholders.

83 students received **\$141,000** in scholarships from Teck (2010).

7(i)

Section 7(i) of ANCSA recognizes that not all the lands owned by the Alaska Native Regional Corporations have significant natural resources 7i and requires the 12 land-based Regional corporations to share 70 percent of their natural resource revenues among all other Alaska Native regional corporations. The 13th corporation does not participate in the 7(i) sharing arrangement.

As a result of Red Dog royalties, in 2010, NANA paid out **\$83 million** to the other regional and village corporations.

Total Red Dog royalties paid to NANA, from 1982 to 2010, **\$276 million**.

Since mining began, NANA has received more than **\$596 million** in proceeds, of which **\$341 million** has been distributed to the other Alaska Native Corporations pursuant to the 7(i) sharing provision of ANCSA.

NANA BY THE NUMBERS

LEADERSHIP

NANA REGIONAL CORPORATION, INC.

NANA Regional Corporation, Inc. (NRC) is one of the 13 Alaska Native corporations created pursuant to the Alaska Native Claims Settlement Act (ANCSA) of 1971. Formed in 1972, NANA's mission is to improve the quality of life for our people, the more than 12,500 Iñupiat of northwest Alaska. We do this by maximizing economic growth, protecting and enhancing our lands, and promoting healthy communities. Our decisions, actions, and behaviors are guided by our Iñupiat Ilitqusiut values consistent with our core principles. The NRC management team, led by Marie Greene, defines our corporate strategy in concert with goals set forth by our board of directors.

NRC Headquarters: Kotzebue, Alaska

NRC President: Marie Greene, NANA shareholder, originally from Deering

NRC Management Team:

- Gladys E. Pungowiyi, Vice President and Chief Operating Officer
- Kevin Thomas, Vice President and Chief Financial Officer
- Jacquelyn Luke, Vice President and General Counsel
- EJ Doll Garoutte, Vice President, Shareholder Relations
- Red Seeberger, Vice President, Administration
- Walter Sampson, Vice President, Lands and Regional Affairs
- Chuck Greene, Vice President, Government Relations
- Lance Miller, Vice President, Resources

THE NANA REGIONAL CORPORATION BOARD

NANA is a shareholder-managed corporation. Our 23 member Board is elected by our shareholders. It is made up of two Iñupiat shareholder board members from each NANA village (with the exception of Kotzebue, which holds one board seat) and an Elder Advisor.

This board composition ensures that every decision and board action benefits the people. They are more than directors of NANA, they are Iñupiat leaders paving the way for the continuation of our subsistence way of life, culture and Iñupiat identity. Their decisions affect future generations of our shareholders.

NRC Board Members:

Ambler	Gladys Jones; Nellie Sheldon
Buckland	Tony Jones, Jr.; Vacant
Deering	Emerson Moto; Ronald Moto, Sr.
Kiana	Charlie Curtis; Janice Westlake-Reich
Kivalina	Millie Hawley; Mary Sage
Kobuk	Pearl Gomez; Henry Horner, Sr.
Kotzebue	Dood Lincoln
Noatak	Frank Adams, Sr.; Joseph Luther
Noorvik	Robert Sampson; Donald G. Sheldon, Chairman
Selawik	Diana Ramoth; Allen Ticket, Sr.
Shungnak	Michael Ticket; Linda Lee
At-large	Luke Sampson; Harvey B. Vestal
Elder Advisor	Levi Cleveland

NANA DEVELOPMENT CORPORATION

Founded in 1974, NANA Development Corporation (NDC) is the business arm of NANA Regional Corporation, Inc. All of NANA's business operations are owned by NANA Development Corporation.

NDC Headquarters: Anchorage, Alaska

NDC President: Helvi K. Sandvik, NANA shareholder, originally from Kiana

NDC Management Team:

- David W. Márquez, Senior Vice President and Chief Operating Officer
- Kevin Thomas, Senior Vice President and Chief Financial Officer

- Jacquelyn Luke, Senior Vice President and Chief Legal Officer
- Stan Fleming, Senior Vice President and Chief Strategy Officer
- Lawrence Mucciarelli, Senior Vice President, Human Resources
- Ngoni Murandu, Senior Vice President and Chief Information Officer
- David Springgate, Senior Vice President and Chief Performance Officer
- John A. L. Rense, Sector Leader, Engineering, Construction & Real Estate
- Chris Birch, Vice President, Business Development
- Clyde Gooden, Vice President, Business Development
- Rich Headrick, Vice President, Finance & Accounting
- Robin Kornfield, Vice President, Communications & Marketing
- Chris Teich, Vice President, Real Estate & Hotel Development

THE NANA DEVELOPMENT CORPORATION BOARD

The NANA Development Corporation board is a subset of the NRC board. The NRC board selects nine of its members to serve as directors of NANA Development Corporation. All NDC directors also serve on NANA subsidiary boards.

NDC Board Members:

- Luke Sampson, Chairman
- Charlie Curtis
- Henry Horner, Sr.
- Dood Lincoln
- Linda Lee
- Joseph Luther
- Mary Sage
- Donald G. Sheldon
- Allen Ticket, Sr.

NANA BY THE NUMBERS

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| • Family Roles | • Respect for Nature |
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NANA

A Vision Made Real

Engineering & Construction

Resource Development

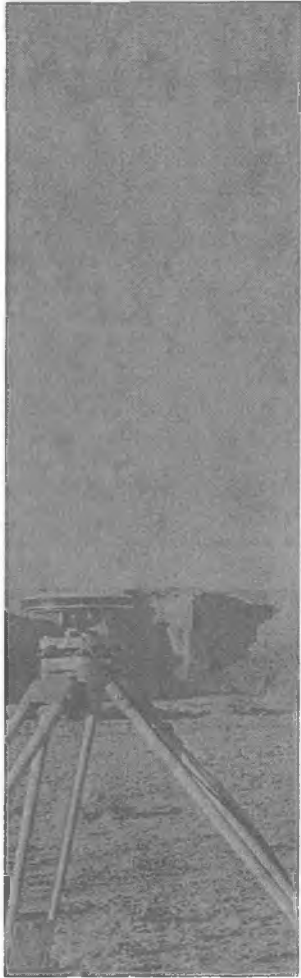
Facility Management & Logistics

Information Technology & Telecommunications

NANA's strength is in the companies we own, our diverse capabilities, dedicated employees, and in the corporate philosophy by which we do business.



If it can be done...



the people of NANA can do it.

NANA Development Corporation, founded in 1974, is a growing business leader in engineering and construction; resource development; facilities management and logistics; and information technology and telecommunications. Headquartered in Anchorage, Alaska, NANA is a billion dollar corporation employing 6500 people throughout the United States and around the globe. NANA operations extend from the Arctic Circle to Antarctica, across the continental United States, to the Middle East and the South Pacific. Our clients and partners are world class professionals—petroleum and mining, private enterprise and government operations.

Where in the world is NANA?

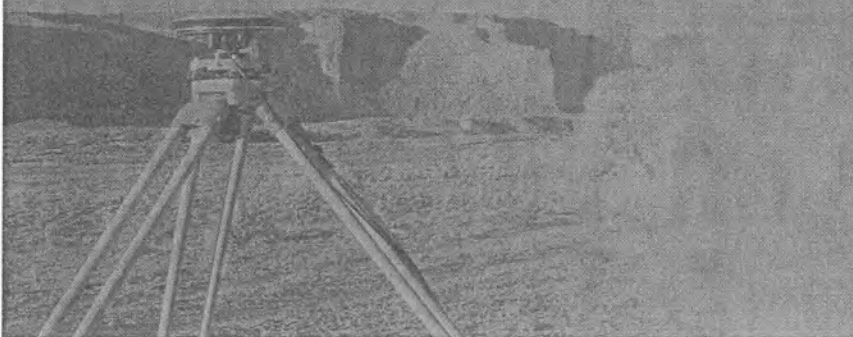


Engineering & Construction

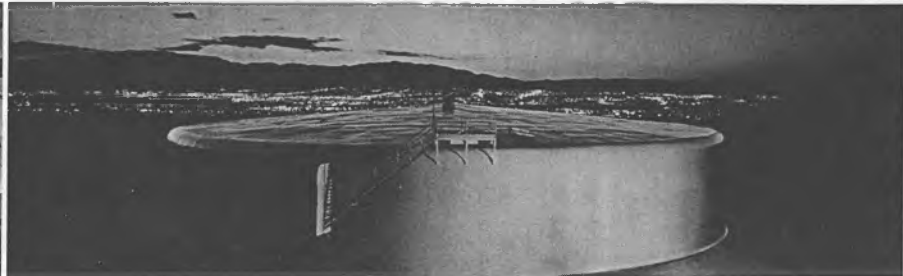
Multi-discipline

This innovative and responsive professional group includes engineering, surveying, architectural, environmental, geotechnical and planning services, and comprises more than 1,500 employees in eight states, including Alaska, Arizona, Colorado, Idaho, New Mexico, Oregon, Texas and Washington. Public and private sector projects are managed through the complete engineering life cycle, from concept and design, through environmental permitting and construction.

- **\$250 MILLION REVENUES**
- **CONSTRUCTION MANAGEMENT**
- **SURVEYING**
- **ARCHITECTURE**
- **CIVIL ENGINEERING**
- **MECHANICAL ENGINEERING**
- **ELECTRICAL ENGINEERING**
- **CONSTRUCTION**



1,500
Engineering and
construction professionals

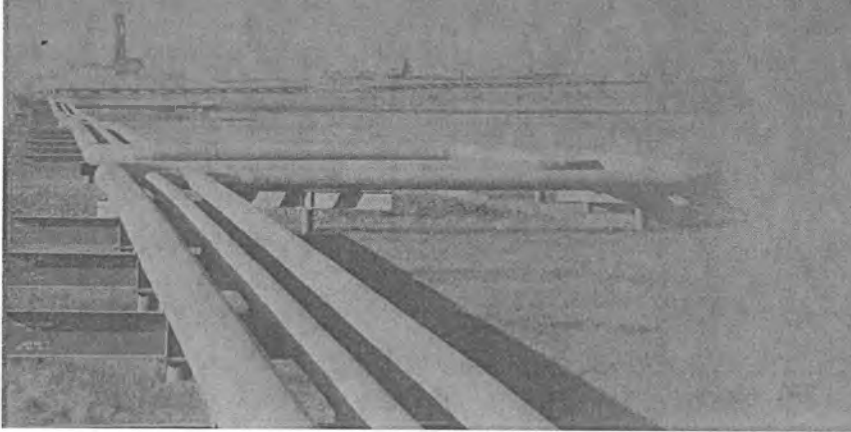


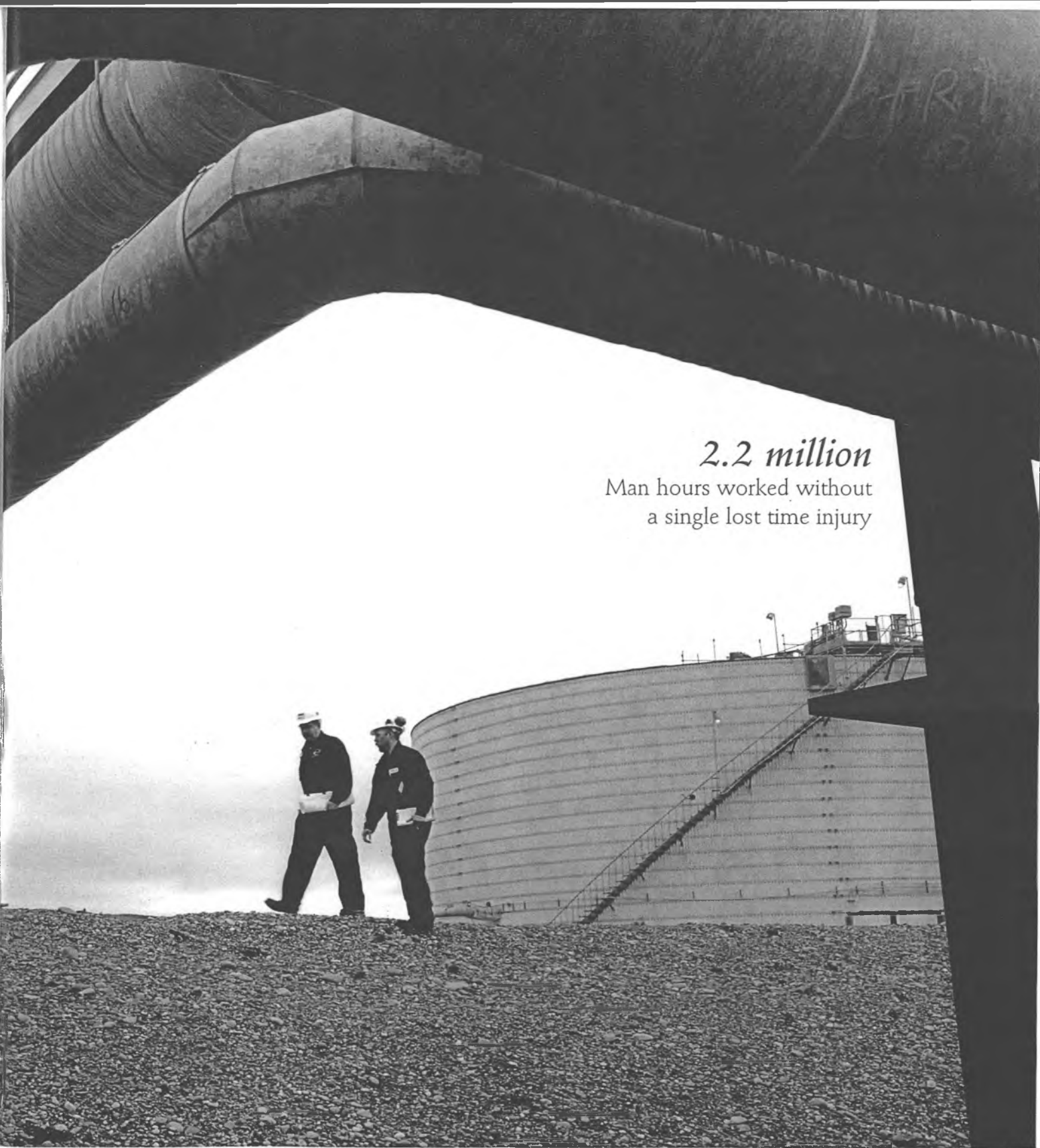
Resource Development

*A reputation for safety
and performance*

NANA has been meeting the needs of the resource development industry for more than three decades, working in some of the most challenging remote sites in the world. NANA is both a resource owner and a resource industry service provider. We offer comprehensive services for the mining and oil and gas sectors, including technical services, operations and support, workforce development, security, ground transportation, emergency medical services, and telecommunications. NANA is the owner of Red Dog Mine, the world's largest zinc mine, located in Northwest Alaska and known as an environmental model for the industry. NANA also owns an interest in the Endicott Oilfield on Alaska's North Slope and is a natural gas distributor in the lower 48 markets.

- **\$100 MILLION REVENUES**
- **DRILLING**
- **MINING**
- **ENERGY RESELLING**
- **MINERAL TRANSPORT**
- **SECURITY**





2.2 million

Man hours worked without
a single lost time injury

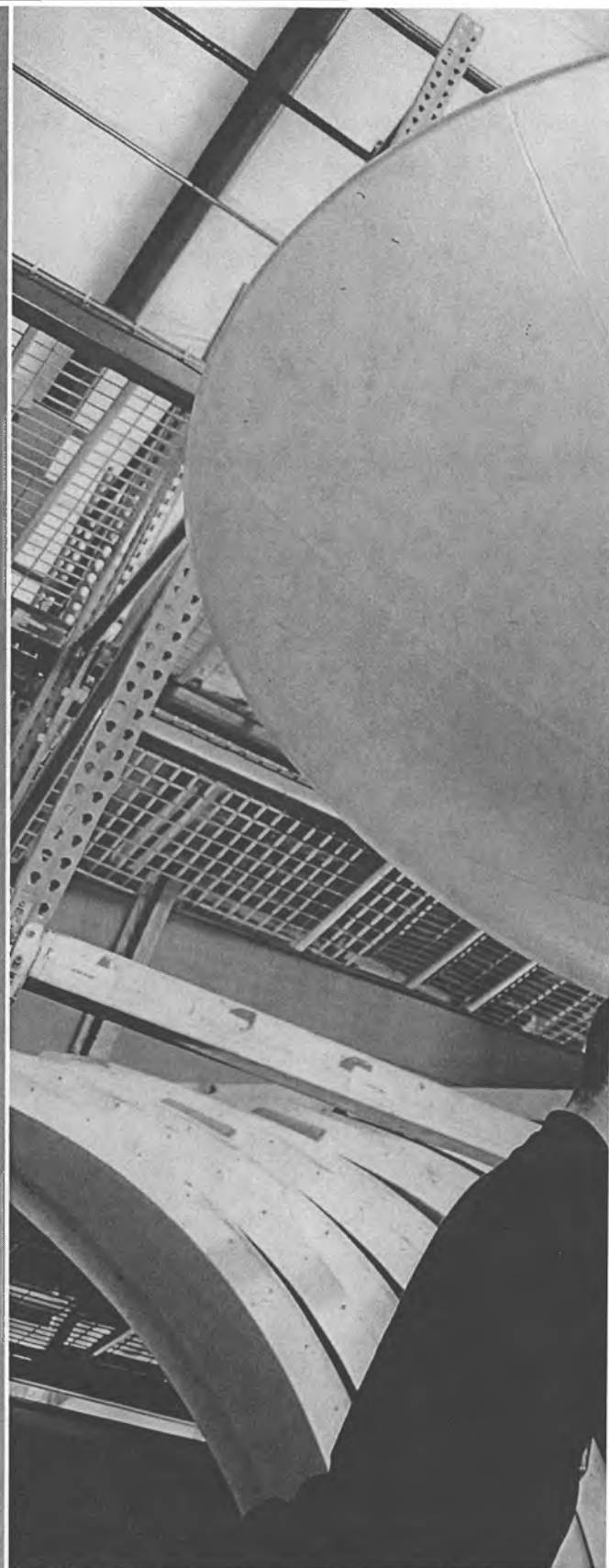


Information Technology & Telecommunications

Support, solutions, service

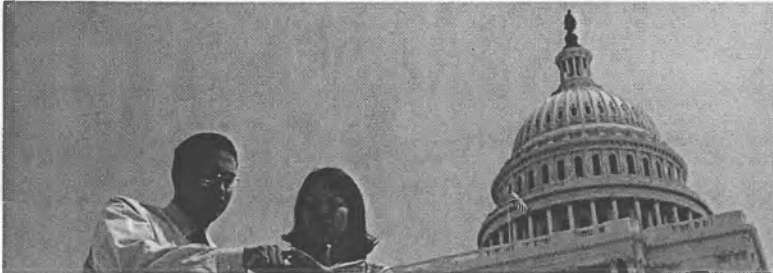
Government, industrial and commercial clients rely on NANA for strategy, design and implementation of secure communications systems. Clients include the most secure and high profile facilities in the United States and worldwide. Innovative solutions and practical systems help maintain mission critical network environments that are capable of meeting future growth and meeting business objectives.

- **\$250 MILLION REVENUES**
- **DATA MANAGEMENT**
- **DISASTER RESPONSE**
- **TACTICAL COMMUNICATIONS**
- **NETWORK OPERATIONS, ENGINEERING**
- **HELP DESKS**
- **INFORMATION ASSURANCE**
- **PROGRAM MANAGEMENT**
- **PRODUCT DEVELOPMENT**



30,000

Fiber connections to homes
in the United States this year

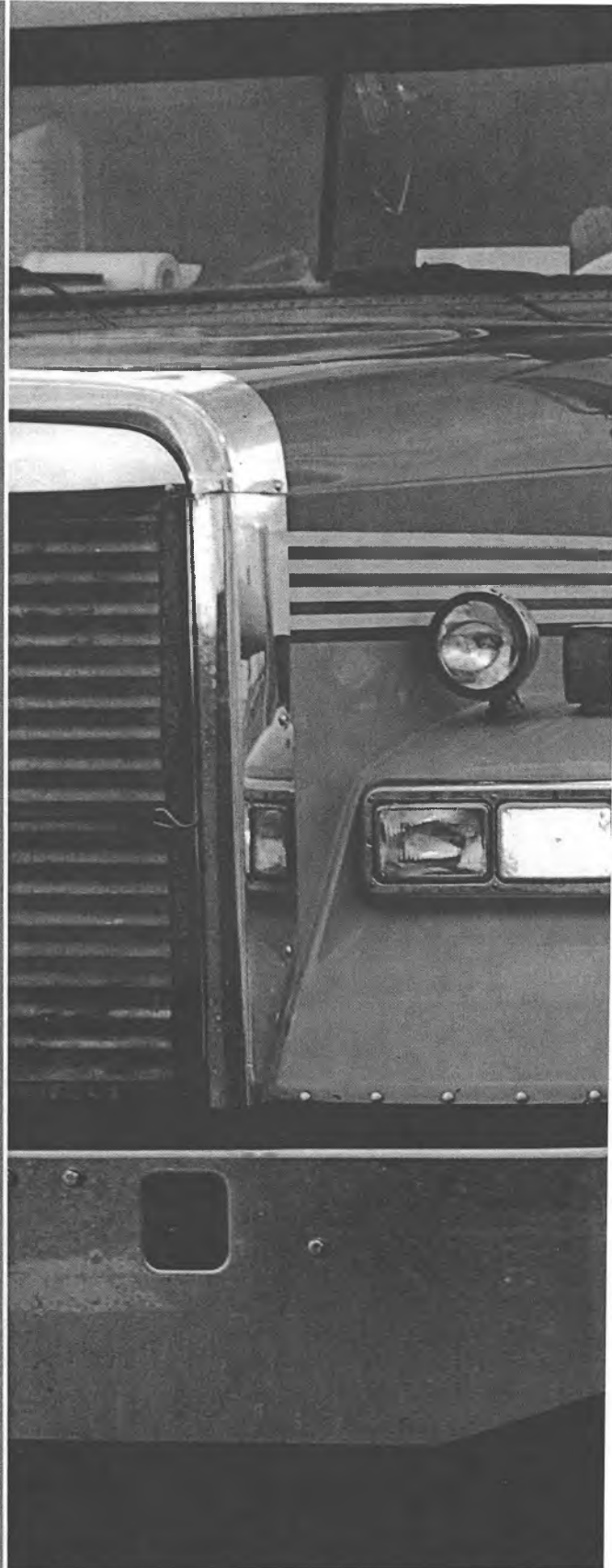


Facilities Management & Logistics

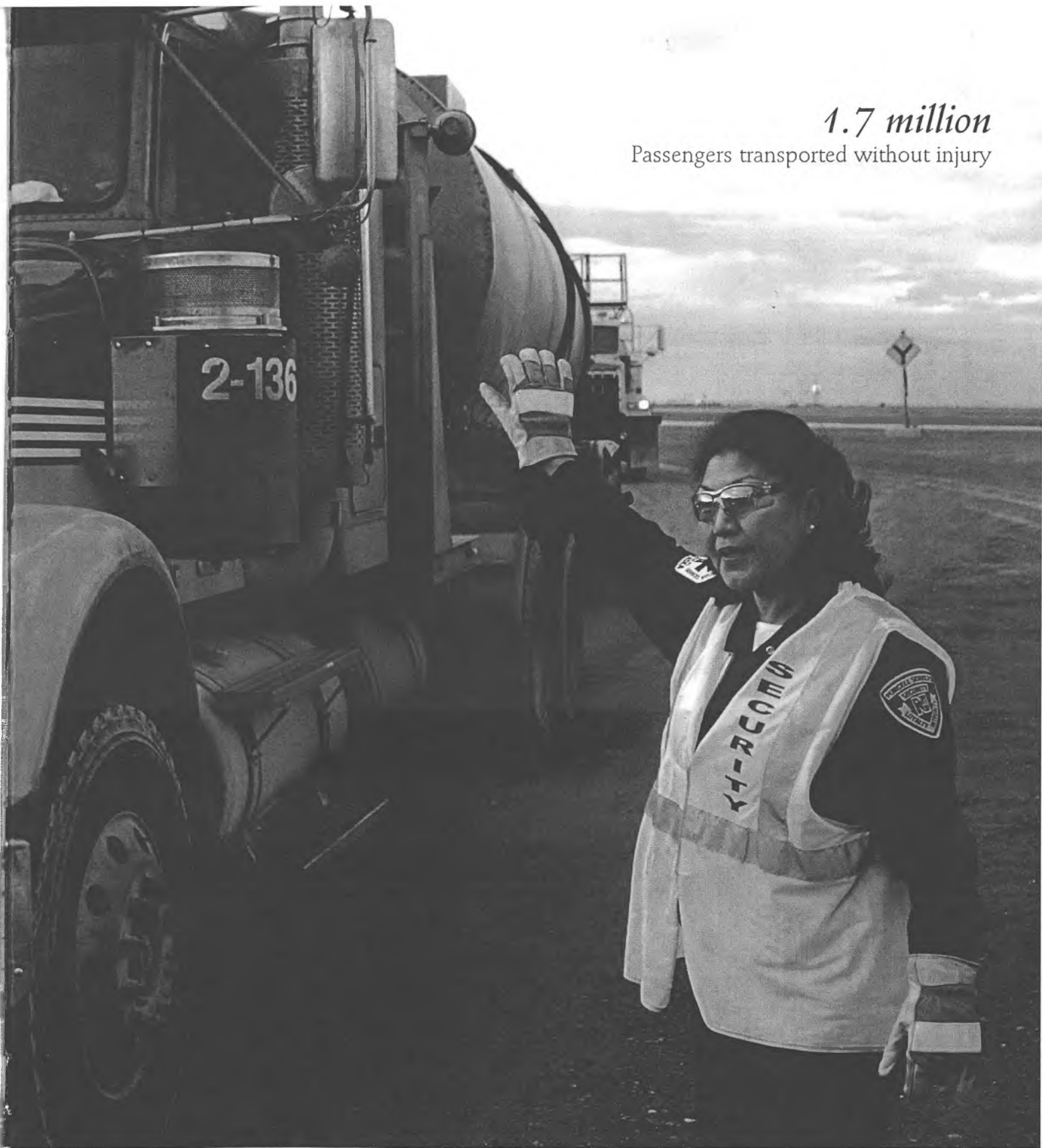
*Integrating people, place,
process and technology*

Service solutions for corporate and military operations worldwide range from sophisticated maintenance of building and heating systems and developing customized support programs, to routine cleaning and maintenance of hospital, school and university grounds and facilities. NANA also owns and operates full-service hotel properties, which includes partnering with a worldwide operator of value and luxury lodging facilities. Diverse operations stretch from the Arctic Circle to Antarctica, and from the continental United States to the South Pacific.

- \$250 MILLION REVENUES
- PROPERTY LEASING
- FACILITY MAINTENANCE & OPERATIONS
- WAREHOUSING
- SUPPLY
- PROCUREMENT
- FOOD SERVICES
- HOUSEKEEPING
- SECURITY
- TRANSPORTATION
- HOTEL MANAGEMENT



1.7 million
Passengers transported without injury



NANA



Bringing it Home

Our parent company, NANA Regional Corporation, Inc., was created in 1972 following the enactment of the Alaska Native Claims Settlement Act, the largest land claims settlement in United States history that transferred land titles to Alaska's indigenous peoples through the formation of 12 Alaska Native Corporations.

NANA's sole purpose is to provide for the economic and cultural well being of our owners—the Iñupiat Eskimo people who originated in Northwest Alaska. Embodying the values of the traditional Iñupiat hunter, NANA businesses around the globe contribute to the lives of our 11,400 shareholders by bringing back revenues and creating opportunities that enable our people to live productively in traditional and modern worlds.

The Hunter

An Iñupiaq hunter moving aggressively toward a successful future in a vast, beautiful, and sometimes-harsh world—this is the symbol that represents NANA and its people, representing the belief that if we are of one mind and purpose we are successful. The hunt is a vision made real—a vision of what can be for the family, and for the village. For 10,000 years, courage, confidence, humility, respect, integrity and sharing have allowed our people to survive as great hunters. Today, these same values determine our success in the business world.



10,000 years
Iñupiat people have been
doing business for centuries



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