Duluth Production Incentive Program

PURPOSE: The Duluth Economic Development Authority's Duluth Production Incentive Program's goal is to support the development of television, film, and digital media production within the City of Duluth, while also supporting local businesses and talent.

The program's initial allocation is $200,000. Applications are accepted, reviewed and scored and approved until funds are exhausted. Approved applicants will receive the financial assistance in the form of reimbursement where approved applicants receive reimbursement for eligible expenditures in accordance with program guidelines and requirements.

REQUIREMENTS: Selected applicants must be conducting eligible television, film, or digital media activities in Duluth, which must be validated and certified by the Program Administrator before a project can be enrolled in the program. To be eligible, Applicants must commit to expend a minimum of $10,000 inside Duluth City limits with service providers residing in or located in Duluth. Qualified project types are: films, television, series, documentaries and commercials. The applicant must be in good standing with the Secretary of State wherein they reside.

APPLICANT REQUIREMENTS:

- Projects must meet program eligibility requirements in order to apply for reimbursement funds.
- Applicant must supply application, the Applicant's W-9 and Certificate of Good Standing from the state of incorporation which must all be in the same company name.
- The Applicant is responsible for any tax implications regarding reimbursement.
- Applications must be complete.
- Projects will not be accepted into the Program until all required materials are received and reviewed by Program Administrator.
- Expenses incurred and/or payments made before project acceptance (the date on the project acceptance letter) will not be eligible for reimbursement. Submission of an application does not guarantee reimbursement.

• Additional requirements may be required by the Program Administrator to determine project and production eligibility.

APPLICATION CRITERIA:

Projects are scored on quality and quantity of wages, hires and local spend. In addition, previous professional experience and compliance are taken into account.

PROOF OF FUNDING:
Applicant must provide proof of funding that shows 100% of projected Duluth spend is secured (signed bank letter and statement, completion bond, valid contract, or equivalent). This proof is required 30 days prior to principal start date. If the application is processed within 30 days of principal photography, the applicant must provide proof at the time of application.

STRUCTURE: Up to 25% of the total cost for listed eligible expenses may be reimbursed to the certified projects when associated with production and post production of film and television content creation within the City of Duluth. An additional 5% of eligible expenses as shown in the budget may be reimbursed to the Applicant for expenditures at BIPOC-owned (Black, Indigenous, People of Color), veteran and women owned Duluth businesses (must be 51% owner of business). This program may be used jointly with the St. Louis County's Production Incentive Program, the Iron Range Regional Production Rebate and all State of MN programs.

ELIGIBLE EXPENDITURES: Eligible uses of program funds may include reimbursement of expenses made at Duluth businesses, included but not limited to the following categories:

- Food and catering expenses (alcoholic beverages excluded); itemized receipts are required.
- Production office rental (short term), office equipment rental and supplies.
- Studio rental and equipment rental
- Editing and post-production related expenses including digital media and storage devices including film transfer and dailies

- Lodging within the City of Duluth
- Transportation expenses within the City of Duluth not to exceed federal U.S. General Administration and Internal Revenue Service Guidelines (required to submit mileage log, parking, fuel for generators and rental vehicles only)
- Local musicians and artists (compensation and licensing)
- Sets, props and wardrobe (including construction materials) and rentals
- Wardrobe and makeup
- Production related services (including legal, accounting and payroll processing fees)
- Wages and salaries (including benefits) for personnel and crew from the Duluth labor force.
- Location and permit fees as required by film locations
- Other direct costs of production cost or post production work paid to a Duluth company

A Duluth company is defined as a business located and conducts business within the Duluth City limits and files Minnesota tax returns with a Duluth address indicated on a W-9. A Duluth resident is defined as someone whose primary home residence is located within the City limits of Duluth. A physical address in Duluth is required. Any questionable production expenses will be reviewed by Duluth's Program Administrator in consultation with Duluth Economic Development Authority for approval. The Duluth Economic Development Authority and or its Program Administrator reserves the right to refuse any project's application or expense for any reason. This determination is at the discretion of the Duluth Economic Development Authority and/or Its Program Administrator; all decisions are final and non-negotiable.

INELIGIBLE EXPENDITURES (including but not limited to):

- Alcoholic beverages and tobacco (even if purchased as props).
- Fees relating to development, marketing (promotions) or business set up (including legal fees)
- Permanent office space (rent) and related utilities (internet, phone, power, etc.). If the production has a permanent office operating in the city of Duluth,

these expenses are not qualified as they are considered normal operating expenses.

• Fuel for personal vehicles.

• Online purchases with the exception of intermediary vendors such as Airbnb and Uber which are qualified as long as the overhead or service fee is deducted for Duluth purchases. Receipt must include a Duluth address (e.g. online order from local store for pick up).

• Capital equipment purchases with the exception of portable hard drives.

• Purchases sourced outside of Minnesota (pass-through).

• Wrap parties, gifts, recreation and entertainment.

• Festival submission fees or related costs.

• Expenses relating to illegal activities including, but not limited to tickets issued for parking or moving violations, towing fees, etc.

• Unpaid invoices.

• Damages due to accidents, loss or theft.

• Pass-thru expenses (e.g. internal invoices including but not limited to equipment rental or studio space)

APPLICANT REQUIREMENTS:

- Projects must meet program eligibility requirements in order to apply for reimbursement funds.
- The application, W9 and Certificate of Good Standing from state of incorporation must all be in the same production company name.
- The applying entity is responsible for any tax implications regarding reimbursement.
- Applications must be complete.
- Projects will not be certified until all required materials are received and reviewed by Program Administrator.
- Expenses incurred and/or payments made before project certification (the date on the project certification letter) will not be eligible for reimbursement. Submission of an application does not guarantee reimbursement.

• Additional requirements may be required to determine project and production eligibility.

APPLICATION CRITERIA:

Projects are scored based on a number of metrics such as quality and quantity of wages, hires and local spend. Previous professional experience and compliance are taken into consideration.

Losing Eligibility or Disqualification: Projects will be disqualified from the Program and will be disqualified from receiving reimbursement if:

• The Applicant falls out of good standing with the Secretary of State in the state where the entity is incorporated.
• Production is delayed or suspended, the applicant loses funding for the project or the production will no longer take place in Duluth.
• Program Administrator determines that the production will not occur.
• Program Administrator determines that the Applicant is engaged in fraudulent or unlawful behavior (e.g., submitting inaccurate or falsified information, wage theft, etc.).
• Applicant has not fulfilled financial obligations of using St. Louis County labor, vendors or goods and services.
• Applicant or the project no longer meets eligibility criteria.
• Applicant fails to meet Rebate Expenditure Report submission deadlines. Extensions may be considered on a case-by-case basis.
• Applicant no longer qualifies for any other reason.
• Program Administrator determines that the project is engaged in detrimental, unprofessional, indecent or acts in bad faith.
• If principal photography on the project does not start within 6 months of approval of the project.

REQUIREMENTS FOR REIMBURSEMENT

During production of the project the Program Administrator must:

- Receive daily call sheets, production logs or equivalent for the project
- Be provided the name and contact information for the unit publicist or person responsible for interfacing with media

- Be allowed the ability to arrange set visits for Duluth officials
- Be allowed the ability to arrange behind the scenes video footage to be taken and used for marketing promotions

Before reimbursement Applicants are required to:

- Provide the City of Duluth's Program Administrator with proof that all expenses incurred in Duluth are paid in full.
- Provide final crew list to City of Duluth's Program Administrator including contact information (phone or email)
- Provide Program Administrator with a list of locations used in the project.
- Agree to provide Program Administrator with 3-5 production stills in electronic format with rights cleared for promotional use by DEDA and/or the s Program Administrator.
- Agree to provide DEDA and or Program Administrator with poster art.
- Agree to provide DEDA and or Program Administrator with a minimum 60 seconds of video from production.
- Agree to provide at least one producer/talent for local media promotion/interview (if requested).
- All files must be provided in electronic format
- Once certified Production/Post production activity is complete, Applicants must complete and submit a Rebate Expenditure Report (RER) on a form which will be provided to the applicant and all supporting documentation as required by the Guidelines or as requested by the Program Administrator in order to receive reimbursement.

  *All projects with onscreen credits must include the Duluth Economic Development Authority's and the Program Administrator's logos and permit the City of Duluth and or Program Administrator to identify the production in its marketing and promotional materials. Allow the City of Duluth government to use all material provided to its Program Administrator under these guidelines for its said purposes.

OTHER REQUIREMENTS:

Projects with budgets that exceed 1,000,000 must submit a review of expenditures by a Minnesota Certified Public Accountant that has been approved by the Program Administrator.

Production Delay:

A certified project must start principal photography within 6 months of certification. If a certified project is delayed beyond that, the project will be moved into “pending” status. While a project is in pending status, the funds may be allocated to other active projects on the production waiting list. When the pending project is ready to begin principal production, and only if incentive program funds are available, the certified project will move back to “active” status. If a certified project is delayed and does not start principal photography within 12 months of certification, it will lose eligibility. A certified project that loses eligibility or is disqualified due to significant production delays or loss of funding may reapply by completing and submitting a new project certification application with new attachments.

Funding Availability:

If applications received for the Duluth rebate exceed the total amount appropriated for the program, the Program Administrator will maintain a waiting list. Projects that meet eligibility may be provisionally certified in amounts up to 25% in the event that funds become available. Submission and/or provisional certification of an application does not in any way guarantee that a project will be reimbursed or that funds will be available.