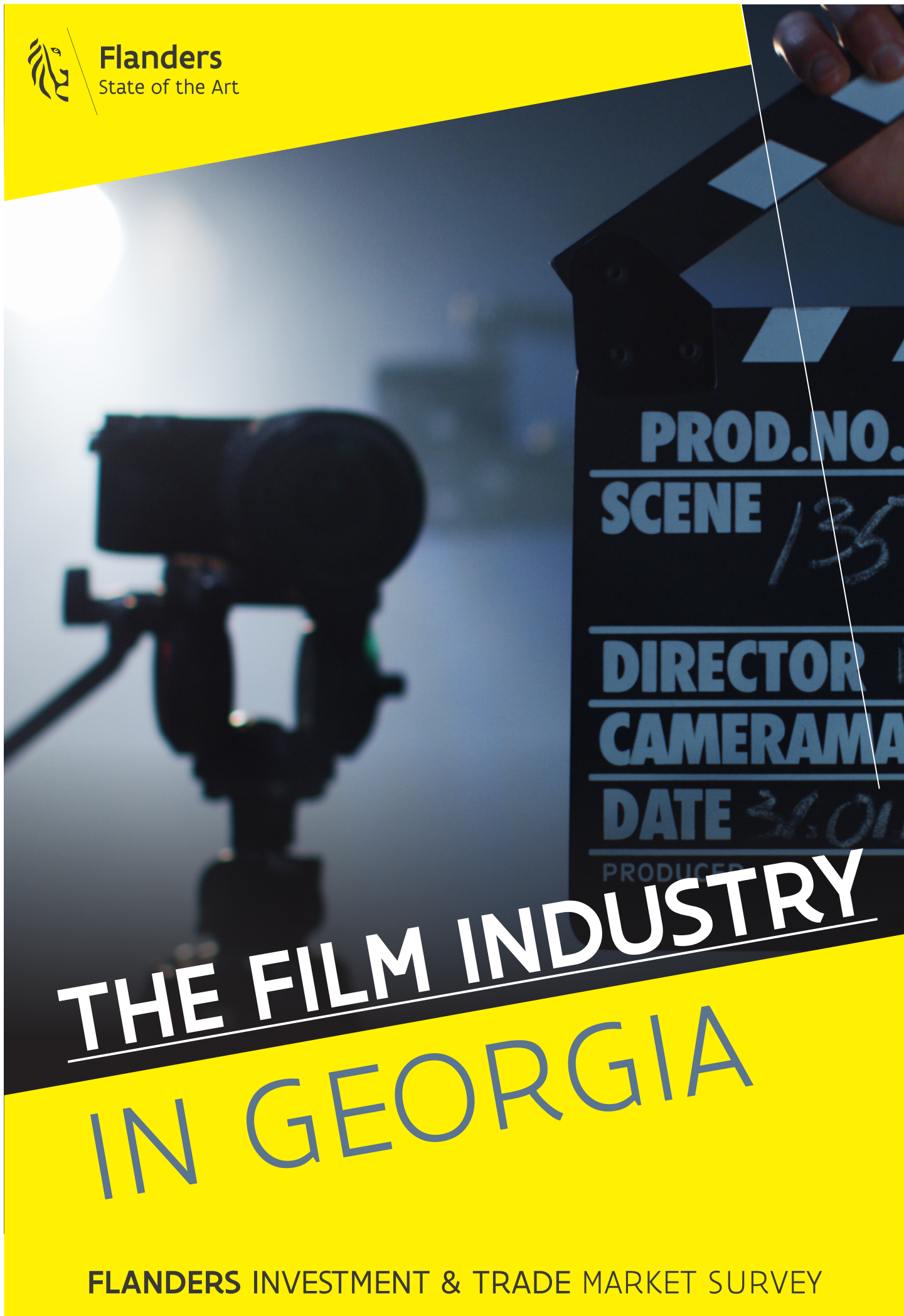




**Flanders**  
State of the Art



# THE FILM INDUSTRY IN GEORGIA

FLANDERS INVESTMENT & TRADE MARKET SURVEY

# THE FILM INDUSTRY IN GEORGIA

May 2023

Flanders Investment &amp; Trade Atlanta

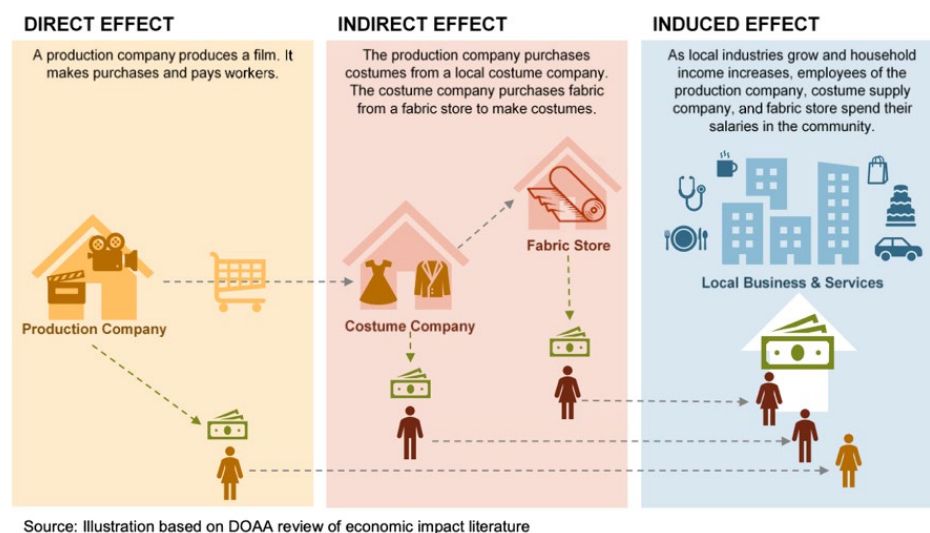
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# 1. INTRODUCTION

Georgia has become one of the largest and most important destinations in the film and entertainment industry in recent years. With at its base a reform of tax legislation to encourage direct spending by production companies in hopes of creating a ripple effect and increasing the impact on the overall economy.

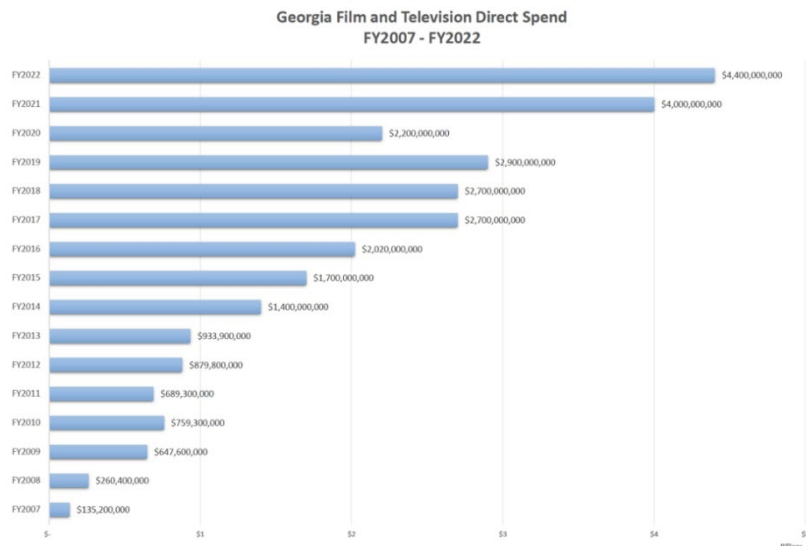


Georgia's film industry continues to break records every year:

- In fiscal year 2022 (July 1, 2021 - June 30, 2022), a total of 412 projects were filmed: 32 feature films, 36 independent films, 269 television and episodic productions, 42 commercials and 33 music videos. In FY21 the total was 366, an increase of 13%.
- These 412 productions spent \$4,4 billion (direct spend) in FY22. In FY21 that number was 4 billion USD, an increase of 10%.
- The state of Georgia distributed 1,3 billion USD in tax credits to production companies. That is about 4,3% of the state's total budget, by far the largest tax credit handout for a single industry. In total, between 2008-2022, Georgia paid out 8,45 billion USD in transferable tax credits to the entertainment industry.<sup>1</sup>

What impact the film industry has on Georgia's overall economy is a controversial question. So controversial that the Georgia Department of Economic Development (GDECD) does not use the term "economic impact" anymore after 2018. Annual reporting now only refers to direct spend. Direct spend is the total amount that productions spend directly to vendors and businesses within Georgia, this is a figure that can be accurately determined. Total economic impact is a more difficult statistic.

<sup>1</sup> Bradbury, J. (2019, June 21). Film Tax Credits and the Economic Impact of the Film Industry on Georgia's Economy. Bagwell Center Policy Brief, July 2019



Source: Georgia Department of Economic Development

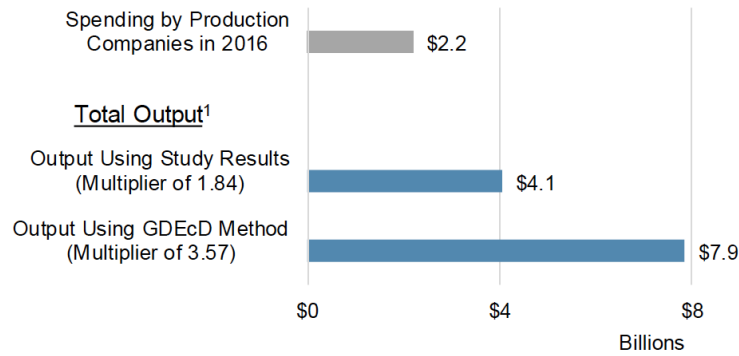
To determine the economic impact of the film industry, the GDECD used the following calculation:

Direct spend x 3.57 (Multiplier) = total economic impact

And it is the multiplier of 3.57 that attracted a lot of criticism from academic circles. Multipliers are a widely used phenomenon in economics and can provide good estimates. Provided the multiplier is correct and scientifically justified. And this, according to scientific research and the Georgia Department of Audits and Accounts, was not the case here. The 3.57 has been used for decades and was retained for continuity. However, this can create a distorted picture. As a result, this multiplier has not been used since 2018 to provide a more accurate picture of Georgia's entertainment industry. The multiplier suggested by the Georgia Department of Audits and Accounts is 1.84.<sup>2</sup> They believe the multiplier is closer to reality and this is supported by other studies.

When applying this more accurate multiplier on the direct spend of companies in 2016, we get a very different total economic impact. This distorted effect is even greater when we apply this multiplier to the direct spend in 2022, which was 4,4 billion USD. The total economic impact using the GDEcD method would be 15,7 billion USD instead of 8,1 billion USD with the more accurate multiplier, a 7,6 billion USD difference. This explains why the GDEcD doesn't use multipliers anymore and limits it's reported numbers to direct spend.

<sup>2</sup> Griffin, S., & McGuire, L. (2020). Impact of the Georgia Film Tax Credit. In [www.audits.ga.gov](http://www.audits.ga.gov) (No. 18-03B)



The same goes for the number of jobs created by the film industry in Georgia. "The Georgia Film Industry is responsible for 92,000 jobs" is the figure cited by many media outlets. But how does the media arrive at this widely reported figure? Again, it has to do with the use of multipliers. The calculation was made as follows:

But again, research shows that this number is inflated. Estimates from the Bureau of Labor Statistics (BLS), which unlike the MPAA can be considered a neutral source, indicate that the number of direct jobs lies more around 16,000<sup>3</sup>. This combined with a more realistic multiplier of 2.00 and we get a total job impact of 32,000. It is difficult to put an exact number on the impact that the film industry has had on the labor force in Georgia, but 92,000 is a number that should be viewed with a critical eye.

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# 2. GEORGIA ENTERTAINMENT INDUSTRY INVESTMENT ACT (GEIIA)

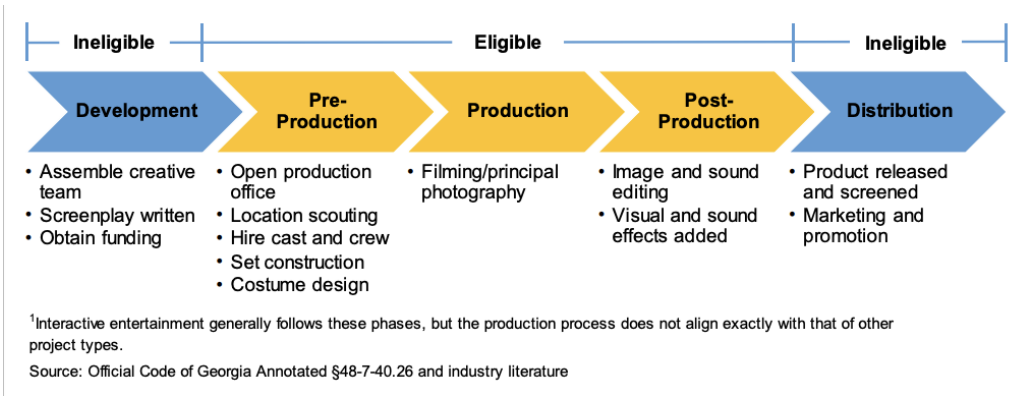
In 2005, the Georgia State Assembly, along with then Governor Sonny Perdue, introduced the Georgia Entertainment Industry Investment Act (GEIIA).<sup>4</sup> The major goal was to increase Georgia’s competitiveness in the entertainment industry by attracting more and larger projects. The basis of the GEIIA was new tax legislation that gives production companies a tax credit on direct expenditures in the state.

To qualify for this tax credit, production companies must meet the following conditions:

- a) Projects must fall under one of the eligible categories:

Eligible	Ineligible
Feature films	Athletic event coverage
Television movies	News coverage
TV series and pilots	Local interest programming
Commercial advertisements	Projects not shot or recorded in Georgia
Music videos	Corporate or instructional videos
Interactive entertainment, including prereleased games	Projects not intended for multimarket commercial distribution
Sound recording for feature films, series, pilots, or TV movies	
Source: Official Code of Georgia Annotated §48-7-40.26	

- b) The production company spends at least 500,000 USD directly to Georgia vendors, the expenditures are made in the pre-production, production or post-production phase of a project.



<sup>4</sup> Georgia Governor Perdue Signs Georgia Entertainment Industry Investment Act. (2005, May 5)



- 9% flat tax credit for all eligible productions
- Additional 3% if a certain number of Georgia residents are hired
- Additional 3% if filming takes place in economically challenged counties
- Additional 2% if more than \$20 million is spent over a year in multiple productions.
- On paper, then, a production could receive a total tax benefit of 17%.

Year	Movies & TV Movies	TV Series	TV Special and Miniseries
2002	20	11	1
2003	29	14	3
2004	38	17	3
2005	50	15	7
2006	42	17	6
2007	57	17	7
2008	68	21	9
2009	66	25	12
2010	96	30	9
2011	94	41	10
2012	103	57	15
2013	106	49	10
2014	117	61	9
2015	138	65	14
2016	135	63	15
2017	152	70	21

Source: IMDb Pro

The requirements to qualify for the tax credit remained the same but the benefits were simplified and expanded to the GEIA known today:

- The flat tax credit was expanded to 20% for all productions that qualify
- Additional 10% (also known as “the uplift” for productions that included the “Peach Logo” in the credits, as well as the link [www.exploregeorgia.org/film](http://www.exploregeorgia.org/film). Other marketing campaigns promoting the state of Georgia are also allowed, subject to pre-approval from the Georgia Department of Economic Development. It must be noted that commercials are eligible for the 20% tax credit, but **not** for the 10% uplift.



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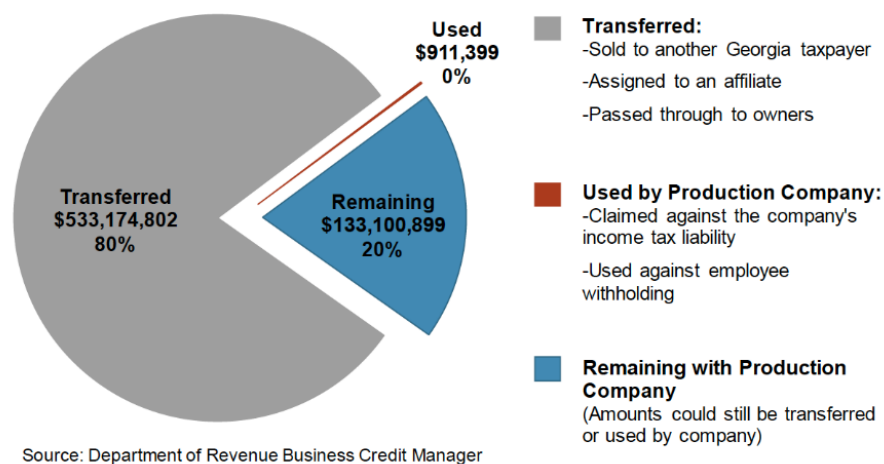
### 3. STRENGTHS OF THE GEORGIA FILM INDUSTRY

#### 3.1 GEIIA

As mentioned, the Georgia Entertainment Industry Investment Act is the major driver of the growth of the entertainment industry in Georgia. However, Georgia is not the only state in the US that offers tax incentives to the entertainment industry. 31 Other states, such as New Jersey, New Mexico and California offer a comparable tax credit to production companies.

So why exactly is Georgia's tax incentive program so attractive to production companies?

- Georgia offers Transferable Refundable Tax Credits.<sup>5</sup> *Transferable* means that if a production company has excess tax credits, these credits can be sold to another taxpayer who still has a tax liability. In this way, taxpayers can reduce their own tax liability in the state of Georgia without having to participate in the industry in which the tax credits were granted. Transferability appears to be a big factor. According to a 2020 audit by the Georgia Office of Audits and Accounts, 80% of the tax credits received by the entertainment industry were transferred or sold<sup>6</sup>. The major reason behind this high number is the fact that productions often have more tax credits than income tax liability in Georgia and the unused tax credit is sold on secondary markets.



<sup>5</sup> Goodman, J. (2012, December 14). Tax Breaks for Sale: Transferable Tax Credits Explained. The Pew Charitable Trusts. <https://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2012/12/14/tax-breaks-for-sale-transferable-tax-credits-explained>

<sup>6</sup> Griffin, S., & McGuire, L. (2020). Impact of the Georgia Film Tax Credit. In [www.audits.ga.gov](http://www.audits.ga.gov) (No. 18-03B).

- Two government agencies play a major role in issuing these tax credits: The Georgia Department of Economic Development (GDECD) and the Department of Revenue (DOR).

- Reviewing credit applications from production companies
- Certifying the eligibility of these applications
- Verifying the requirements for the 10% uplift, i.e., checking if the promotional marketing for the state of Georgia is sufficient

- Generating the actual credits and monitoring their use
- Conducting voluntary and involuntary audits of production spending

There are many organizations in Georgia dedicated to the growth and preservation of the screen entertainment industry both for the major players and independent filmmakers. These organizations do this in many ways. Lobbying is very important to the film industry because the basis of the industry is legislation. Making sure that law makers continue to support the industry is integral. To also give young filmmakers a voice, there are many initiatives that award grants to talented artists. There are also many film festivals organized to give projects the exposure they need to the wider audience. Atlanta is a city full of diversity and people are rightly very proud of that. But it also recognizes that not everyone gets the same opportunities, so leveling the playing field is an important challenge.

“Film Impact Georgia is a nonprofit that is uniquely dedicated to using our strength, reputations and actions to help provide voice to those making independent films in Georgia. Film Impact Georgia wants to support those Georgia Filmmakers who have something to say. To share. Who

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will enrich our state's culture with their creativity and participation, and need support accomplishing that. We want to ensure they are an integral part of the growth and change happening around us, as creators and as unapologetically as leaders. Since 2019, Film Impact Georgia has awarded \$30,000 in grants across 6 cycles. Working with the filmmakers, FIG has connected them with mentors that could assist them with film festival strategy, marketing, post-production, securing locations and more.” <https://www.filmimpactgeorgia.org/>

## Atlanta Film Society

“Positioned at the intersection of art, culture and commerce, the Atlanta Film Society brings meaning to the moving image by championing the shared community experience, fostering the free exchange of ideas, and nurturing the development of a thriving industry. Our mission is to connect, educate, and engage audiences with the creative industry by supporting artists and providing a platform for their work. We champion cultural discovery, foster artistic growth, and advocate for diverse voices in film and media arts, both locally and worldwide. ATLFS screenings & events often include in-person dialogue with filmmakers, providing audiences, artists and industry professionals with meaningful opportunities to network, interact and engage.”

<https://www.atlantafilmsociety.org/>

## Women in Film and Television Atlanta

“Curating events and programs that expand educational opportunities to WIFTA members while expanding their network in the film and television industry. Advocating for parity and culture issues that impact the progress of women in film and television. Providing scholarships and grants that support the education and work of women looking to advance their status in the area of film and television. Offering robust professional development opportunities for women looking to excel in the film and television industry.” <https://www.wifta.org/>

Georgia Screen Entertainment Coalition

“GSEC, an affiliate of the Georgia Chamber of Commerce, is the unified voice of the many people, businesses and communities that contribute to and benefit from Georgia’s diverse film, TV, and digital entertainment production industry. Our members and partners include Georgia’s major studios, an array of digital enterprises, infrastructure providers, and educational programs at the state’s colleges and universities. GSEC also represents the interests of local communities and film commissions seeking to grow the film industry statewide and bring jobs and economic impact to their communities, along with a diverse crew base of technicians and artisans spread across Georgia.

Beyond the glamor of screen entertainment is an essential economic truth— a growing industry brings jobs and business opportunities. GSEC supports economic opportunity in multiple ways, including:

- Providing expertise to elected officials and policy makers as they manage the successful tax credit program that stimulates the industry's growth.

- Atlanta Film Festival

<https://www.atlantafilmfestival.com/>

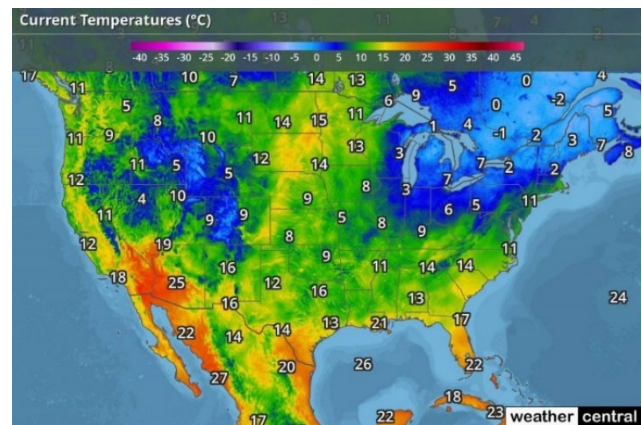
The Savannah College of Art and Design presents the annual festival, filled with cinematic creativity from both award-winning professionals and emerging student filmmakers. Each year, more than 40,000 people attend the eight-day Savannah Film Festival. The festival is host to a wide variety of competition film screenings, special screenings, workshops, panels and lectures. <https://filmfest.scad.edu/>

The Georgia Latino International Film Festival (GALIFF) is produced every September-October during Hispanic Heritage month by the Georgia Latino Film Alliance,(GALFA) an afro – Latino curated, nonprofit, multidisciplinary arts organization dedicated to developing, promoting, and increasing awareness of Latino culture among Latinos and other communities by presenting a wide variety of films, music, and entertainment. <https://galiff.org/>

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### 3.3 CLIMATE

Georgia has a subtropical climate characterized by long, hot, and humid summers and usually short and mild winters. Temperatures vary substantially across the state. Inland cities, such as Macon and Columbus, experience very high summertime temperatures, with an average of around 20 days per year exceeding 35°C, while Atlanta averages 7 such days and areas in the Appalachian Mountains in the Northeastern part of Georgia less than 1.<sup>7</sup>



Source: [www.weathercentral.com](http://www.weathercentral.com)

This ensures that productions that count on good weather to film outdoors can generally have more filming days. Every day a film production is inactive, means lost time and money because, of course, all the infrastructure and crew must continue to be paid. With today's technology, all weather conditions can be recreated in large sound stages, from beautiful summer days to hurricanes and blizzards. But many scenes must be shot outdoors to create the best environment and atmosphere for the project. If a production counts on good weather for a particular shot and no backup plan is possible, then the production is at the mercy of the weather - the good weather in California is one of the reasons why Hollywood has historically been the center of the global film industry for a long time. As a result, for production companies, Georgia is a very convenient location: a pleasant climate for outdoor shots, and a wide range of sound stages to create other weather conditions indoors.

Despite Georgia's mild climate, the state does experience extreme weather conditions that must be considered. The Atlantic Hurricane Season runs from about June 1 until November 30. As a coastal state, Georgia is at risk for hurricanes that form in the southern Atlantic Ocean, Caribbean Sea, and Gulf of Mexico. These hurricanes can cause extensive damage through flooding, high winds, and even tornadoes. Georgia also experiences extreme weather in the winter. The last major snowstorm was on Jan. 28, 2014 and resulted in so much inconvenience that that day is now known as Snowmageddon. These extreme weather conditions are far and few in between but have major consequences.

### 3.4 VARIETY IN FILMING LOCATIONS

In addition to its many soundstages and studios, Georgia has a wide range of geographic regions for outdoor filming.

Urban locations such as the Atlanta Metropolitan Area often act as backdrops for other cities. For example, productions find it more advantageous to shoot scenes set in New York City in Downtown Atlanta. This is because there is already the same atmosphere, and it is not difficult to transform certain streets into a “New York street”.

<sup>7</sup> Retrieved from: <https://www.weather.gov/ffc/clisumlst>

Georgia's coast and beaches are also often used as sets for movies. Locations such as Tybee Beach have already been the backdrop for major productions such as Baywatch (2017).

Georgia's locations are not unique in the world, but when productions need a particular landscape to film, Georgia will often be first pick. The biggest reason again, is the tax program. Why film scenes in busy New York, which is already a major logistical challenge, when it can be done in Atlanta. In Atlanta, productions get a 30% tax credit, and all the infrastructure and crew are already permanently located in the state.



### 3.5 ACCESSIBILITY

Georgia's location in the United States and access to various means of transportation makes it a logical and convenient choice in terms of transportation as well. This is very important because despite the fixed infrastructure already in place in Atlanta, a lot of personnel and goods still need to be transferred to the city for filming.

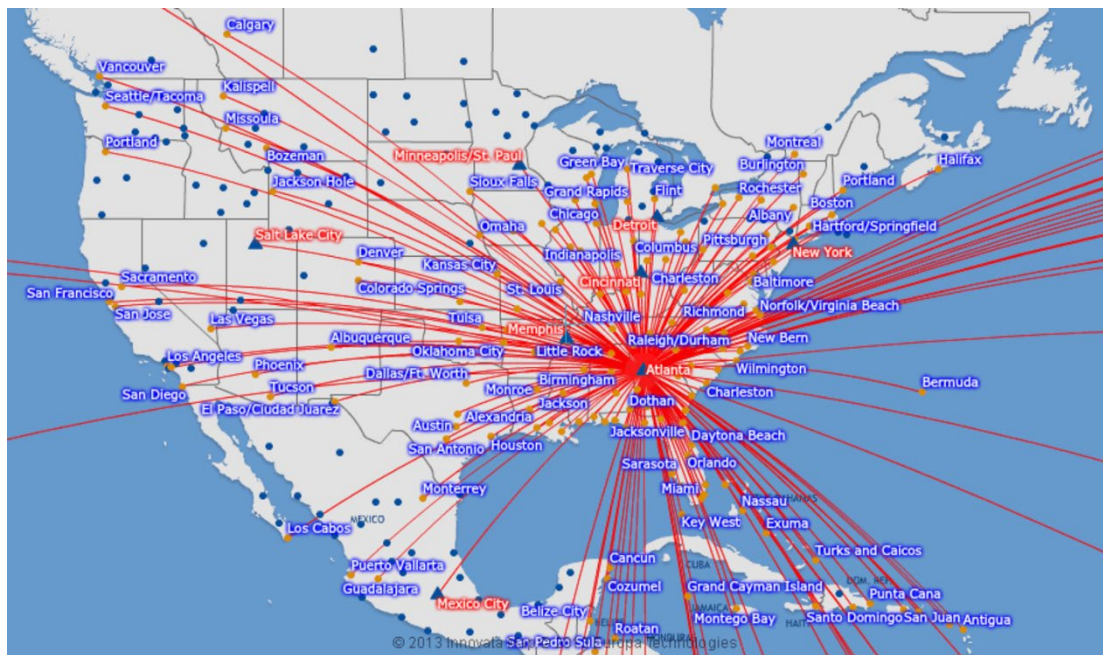
Hartsfield-Jackson Atlanta International Airport is still the largest airport in the world when it comes to total yearly passengers. That seems surprising at first glance, since Atlanta only ranks 38 in the U.S. in terms of population, so the reasons why Atlanta gets so many passengers are to be found elsewhere. Although the city of Atlanta itself only has a population of 500,000, it is estimated that more than 6 million people live in the Atlanta Metropolitan Area, and they all use the same airport. In cities like New York, for example, air traffic is split between 3 airports (JFK, LaGuardia & Newark). But the biggest reason is the presence of Delta Airlines, who have their

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largest hub in Atlanta. Delta is the second largest airline in the world and has its headquarters here. As a result, a lot of flights, both international and domestic, fly through Atlanta and the airport acts as an international gateway into the US. Atlanta's geographic location also helps with this: from Atlanta you can reach 80% of the population in the US in flights of 2 hours or less. The airport itself is located on a 20-minute drive from downtown Atlanta.

Of course, Atlanta is completely connected to the national train and road network, as are most major cities in the US. But it is Hartsfield-Jackson Airport that makes Atlanta so accessible. This map shows all flights that Delta Airlines operates from its Atlanta hub.



Source: [www.airlinerroutemaps.com](http://www.airlinerroutemaps.com)

### 3.6 EDUCATION

The exponential growth of the entertainment industry in Georgia after the GEIA, created an equally large growth in demand for skilled workers. To meet this demand, the state government created the Georgia Film Academy in 2016. The GFA is an umbrella nonprofit organization that facilitates collaboration between the University System of Georgia, Technical College System of Georgia, and Independent Institutions. These educational institutions offer professional training within film, television, digital entertainment, e-sports, and game development.

The Georgia Film Academy offers more hands-on training that ensures students graduate with a skillset that is immediately employable in the film industry. To this end, they partner with major production companies such as Disney, Netflix & HBO and students can gain immediate experience through the internship and apprenticeship programs offered by the GFA.



Students can choose between 3 tracks: <https://georgiafilmacademy.edu/about>.

- Film & Television Production: The curriculum consists of courses that teach the practical process of production. Set construction, lighting and even an introduction to makeup effects are part of the program.
- Film & Television Post-Production: This track covers everything that happens after filming, such as editing and sound design.
- Digital Entertainment, Esports & Game Development: Offered since 2020, this track provides training within one of the fastest growing industries in Georgia.

Upon completion of the program, students will hold a certification recognized by the largest production companies in the US and by the Motion Picture Association. With this, Georgia is trying to ensure that there is always a sufficiently trained workforce to meet rising demand. And as a result, this workforce often stays in Georgia, settling and contributing to the state's economy.

Georgia's other major universities also offer degree programs within the film industry. Below is a list of some of the degree programs at Georgia's largest universities.

Savannah College of Art and Design (SCAD):

Film and Television: "At SCAD, students enhance their filmmaking with cutting-edge equipment, benefit from the extensive connections of accomplished faculty, and find the right role for them in top productions." (<https://www.scad.edu/academics/programs/film-and-television>)

## Emory University

Film and Media: “The Film and Media major offers a robust core curriculum in history, theory and practice, while also allowing students the flexibility to choose classes suited to their specific areas of interest.” (<https://filmandmedia.emory.edu/academics/index.html>)

Kennesaw State University

Media and Entertainment: “The program offers both theoretical and applied approaches to the study and production of media. The field of media and entertainment is very broad and includes everything from film, television, and radio pre-production, production, and post-production; to corporate, government, and non-profit communications and digital media production; to jobs in theater, music, museums, theme parks, sports, travel and tourism, and gaming.” (<https://programfinder.kennesaw.edu/s/search.html?collection=kennesaw-program-finder-meta&query=film>)

## Georgia Tech

- Film and Media Studies: "The Film and Media Studies (FMS) minor offers students the opportunity to gain an in-depth knowledge of film and media through concentrated study in courses offered by the School of Literature, Media, and Communication (LMC)." (<https://www.lmc.gatech.edu/programs/minors/film-media-studies>)

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Entertainment and Media Studies: "Formerly known as Mass Media Arts, the major includes emphasis areas in video production (for film, television, online and mobile distribution); screenwriting and digital media production.

Film and Media: "The Film and Media major is devoted to the interdisciplinary study of film, television and new media. Courses focus on the histories and theories of cinematic, electronic and digital media and provide the opportunity for practical experience in film/media production." (<https://www.gsu.edu/program/film-and-media-ba/>)

This technology has many benefits and has only been able to exist thanks to the advancement of these game engines that have become extremely lifelike. The largest benefits of this technology are the cost effectiveness, it's a much more affordable alternative than building new sets over and over. And the flexibility because the only limits you encounter are the technological limits of the game-engines, which are almost non-existent. Trilith Studios recently opened their Stage 22 (also known as the Prysm Stage), that makes full use of LED technology.

The largest production facility in Georgia - and the second largest in the U.S. - is Trilith Studios (formerly known as Pinewood Studios) in Fayetteville, just outside Atlanta. This studio is home to Marvel Studios, among others, which regularly records projects here. Trilith Studios' studios are used for giant productions such as Avengers: Endgame and Black Adam, films with several hundred-million-dollar budgets. Trilith Studios has more than one million square feet of production facilities, including 18 high-quality sound stages, construction workshops, costume workshops, virtual production technologies and an extensive 400-acre backlot.



Across the street lies Town at Trilith. A 235-acre development project aiming to create a European-style community of the future, built with renewable materials and where the use of cars is limited. The major financier behind Town at Trilith is Chick-fil-A billionaire Dan Cathy. The project currently provides housing for about 1,000 people, a quarter of whom work in the entertainment industry, but the plan is to expand the project to a town of 5,000 in the next few years. Restaurants, bars, retail stores and amenities such as a fitness complex are all in place.

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Each year, more film industry workers from states like New York and California come to settle in Trilith. The vision is to create an almost utopian community where people from the creative industry live together within walking distance of the studio and less than a 20-minute drive from Hartsfield-Jackson Airport. But this community does not escape the social problems still present in the US. In early September 2022, protests were held in front of Trilith Studios after black Americans living at Trilith continue to be victims of discrimination.<sup>9</sup>

### 3.7.2 Tyler Perry Studios

Tyler Perry Studios was founded in 2006 by actor and writer Tyler Perry. The studio was located in smaller buildings around Atlanta through 2018. In 2019, TPS officially moved to its new location, the former US Army Fort McPherson in East Point. The complex spans over 330 acres and contains 12 soundstages, all named after prominent African American figures in the entertainment industry such as Oprah, Denzel Washington and Halle Berry. Tyler Perry Studios has also built many permanent sets in the complex where series and movies are shot. A mansion with 4 different architectural sides, a neighborhood cul-de-sac with 12 fully furnished houses, a trailer park and even a replica of The White House.

Many projects being filmed are series and movies produced by TPS, for example the movies about the Madea character Tyler Perry created. But also Marvel and Netflix have already used the studio for their projects. Marvel filmed their series *Hawkeye* (2021) in TPS. In 2021 Tyler Perry announced that his company has purchased another 37,5 acres adjacent to the studio for further expansion. This expansion would include a new entertainment district, retail shops and restaurants.



Source: Tyler Perry Studios

<sup>9</sup> Summers, Z. (2022b, September 6). Protesters gather outside Trilith Studios amid racial discrimination claims. <https://www.atlantaneewsfirst.com>. <https://www.atlantaneewsfirst.com/2022/09/06/protesters-gather-outside-trilith-studios-amid-racial-discrimination-claims/>



### 3.7.3 Future projects

## Third Rail Studios

In 2008, General Motors shut down its 165-acre manufacturing plant in Doraville, outside of Atlanta.<sup>10</sup> The site has since been turned into a mixed-use development project called Assembly, referring to the site's automobile history. Atlanta-based Gray Television, one of the nation's largest television broadcasting companies, announced in 2021 that they had purchased 128 acres to create a 'studio city' comparable to Trilith Studios with hotels, restaurants, office buildings and more. Third Rail Studios and its three soundstages have been located in Assembly since it was founded in 2016 and was also acquired by Gray Television. Third Rail Studios will be integrated into the Assembly project and retain its name. Gray Television started construction of the first of at least 20 more stages in May 2022. The broadcasting company hopes to finish the first phase of the project and open the first studios for use by June 2023. By the time of its completion, Assembly will be one of Atlanta's largest production facilities.

The future vision isn't just indoor production stages, but an entire entertainment community with film, television and gaming facilities mixed with housing, restaurants, retail and corporate office space. Not only indoor sound stages will be built, but also outdoor backlots. These would include a New York City brownstone block, a New Orleans French Quarter and even lots that could be used as streets from European cities. A 3-foot-deep pond is already being dug out on the site that could be used as a green screen ocean or other aquatic backdrops like lakes. Gray Television claims this project will create thousands of jobs in the area and is getting financial aid from the city of Doraville in the form of bonds worth 1.5 billion USD.



Source: Third Rail Studios

<sup>10</sup> Ho, R. (2022, August 19). How is massive Assembly Studios in Doraville build-out progressing? [www.ajc.com](https://www.ajc.com/life/radiotvblog/how-is-the-massive-tv-and-film-assembly-studios-in-doraville-build-out-progressing/7VRM6WRPP5BBLABWVQ4XV74JLY/). <https://www.ajc.com/life/radiotvblog/how-is-the-massive-tv-and-film-assembly-studios-in-doraville-build-out-progressing/7VRM6WRPP5BBLABWVQ4XV74JLY/>

Blue Star Studios

In late October 2022, BlueStar Studios unveiled their plans for a new state of the art production campus to be built in Forest Park, south of Atlanta, on the site of the former U.S. Army post Fort Gillem. The 53-acre campus will feature more than 600,000 square feet of production and office space, including 18 soundstages ranging from 5,000 to 40,000 square feet. There are six historic buildings on the site that will be converted into wood and



Source: Blue Star Studios

metalworking stations where sets can be made, among other things. In designing the campus, the architectural value of Fort Gillem was considered, and the old buildings will be incorporated into the new plans. Construction on the 180 million USD project is scheduled to begin in the summer of 2023 and continue through 2024.

## KAT-5 Studios

Being constructed in Savannah, KAT-5 Studios plans to be the world's first purpose-built sustainable film studio.<sup>11</sup> The name comes from its ability to withstand a Category 5 hurricane, which was an actual goal while designing the construction. KAT-5 hopes to be a valuable addition to the city of Savannah and the film industry in Georgia. They want to add value to the local economy but also to the environment and the community where the studio will be situated.

The \$40 million project broke ground in November 2022 and will feature 130,000 square feet of production space with a full solar roof to provide power, water conservation systems and a tree planting initiative. The first phase should be completed by Spring 2023 and the following phases will be spread out over a 3-5 year period. Savannah is a coastal city that is at risk of extreme weather during hurricane season, which is why the studio can function as a storm shelter and as a staging ground for FEMA (Federal Emergency Management Agency) response teams. KAT-5 hopes that with this project, other cities will follow for a more sustainable and energy-efficient entertainment



Source: KAT-5 Studios

<sup>11</sup> McMichael, K. (2023, January 9). Kat-5 STUDIOS set to attract film and television productions, employ local talent. Connect Savannah. <https://www.connectsavannah.com/savannah/kat-5-studios-set-to-attract-film-and-television-productions-employ-local-talent/Content?oid=17016321>

## Additional studio spaces

- Atlanta Metro Studios of Union City (<https://atlantametrostudios.com/>)
- Eagle Rock Studios (<https://eaglerockstudiosatl.com/>)
- EUE Screen Gems (<https://euescreengems.com/atlanta-studio/>)
- Mailing Avenue Stageworks (<http://mailingavenuestageworks.com/>)
- Atlanta North Studios (<https://www.atlnorthstudios.com/>)
- POPCOM Studios (<https://www.popcomstudios.com/>)
- Studio Space Atlanta (<https://studiospaceatl.com/>)
- Cinelease Studios Three Ring (<https://cineleasestudios.com/three-ring-studio/>)
- Mann Robinson Studios (<https://www.mannrobinsonstudios.com/>)

This is not a full list, across the state of Georgia there are more than 100 sound stages that can be used by production companies.

### 3.7.4 Other industries connected to film

## Banking and financial

- Cast & Crew Entertainment Services (<https://www.castandcrew.com/>)
- Entertainment Partners, LLC (<https://www.ep.com/>)
- ...

## Cameras and equipment

- Alternative Rentals (<http://www.alternativerentals.com/>)
- ARRI Rental Group (<https://www.arrirental.com/en>)
- Chapman-Leonard (<https://www.chapman-leonard.com/>)
- Cinelease (<https://cinelease.com/atlanta/>)
- EPS-Cineworks (<https://www.epscineworks.com/>)
- Majestic Motion Picture Technology (<https://www.majesticmpt.com/>)
- MBS Equipment Company (<https://the-mbsgroup.com/>)
- MMI Radio Rental (<https://www.mmirental.net/>)
- Panavision (<https://www.panavision.com/>)
- Production Resources Group (<https://www.prg.com/en>)
- SPGS/Showrig (<https://www.sgpsshowrig.com/>)
- TLC Rents (<https://www.tlcrents.com/>)
- ...

## Casting & crew

- Big Picture Casting (<https://bigpicturecasting.com/>)
- Casting Taylormade (<https://castingtaylormade.com/>)
- Corrigan & Johnston Casting (<https://cjcasting.com/>)
- Cynthia Stillwell Casting (<https://www.stilwellcasting.com/>)
- Fincannon & Associates Casting (<https://www.fincannoncasting.com/>)
- Hylton Casting (<https://hyltoncasting.com/>)

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## Catering/craft services

- • • •

## Transportation

- . . .

### 3.8 FILM TOURISM

Many well-known movies and series have been filmed in Georgia, which has caused fans to come to the state to visit the sets of their favorite show. The rise of the film industry in Georgia brought with it the rise of film tourism. The overall contribution of film tourism to the economy remains quite limited, but on a local level, film tourism can still provide a boost to a community's health.

One example is the impact the world-famous series "The Walking Dead" has had on the city of Senoia in the Atlanta Metropolitan area. A part of the series was filmed at Riverwood Studios, located in Senoia, and the town itself was the backdrop for the fictional community Woodbury in the third season. Before the arrival of the show, Senoia had 7 occupied storefronts, today it has 50, and several of these businesses are in the theme of the series and the film industry such as the Woodbury Shoppe and The Walking Dead Coffee shop. The series has in part put the city back on the map. Opinions about the rise of movie tourism in Senoia are divided. Many felt that the series has had a very good impact on local businesses in Senoia, others rather experienced inconvenience.

A second example is Newton County located in the Atlanta Metropolitan Area, which can attribute 65% of its annual tourism to the film and television industry thanks to series such as Vampire Diaries and Dukes of Hazzard.

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The Georgia Tour Company (<https://www.georgiatourcompany.com/tours>) offers multiple daily and weekly themed tours that take fans along the filming locations of their favorite shows. These can range from 2 hour walking tours of Walking Dead film sites around Senoia to 5+ hour bus tours that visit multiple Strange Things movie sets. Also larger companies like Viator (part of Tripadvisor) have jumped on the film tourism wagon and offer similar and offer 3-hour excursions in the theme of Marvel movies that were filmed in Georgia.



Source: [www.exploregeorgia.com](http://www.exploregeorgia.com) 1

#### 4. CHALLENGES FOR THE GEORGIA FILM INDUSTRY

#### 4.1 COMPETITION FROM OTHER STATES

Other states in the US are aware of the attention that the GEIA brings to Georgia and are trying to compete with their own film tax incentive programs.<sup>12</sup> These programs don't offer exactly the same benefits as the GEIA but other states are making strides to enter the competition for film industry funds.

New Jersey has started a program that runs until 2034 that offers very comparable tax credits but with slightly different eligibility criteria:

- At least 60% of total expenses are made within New Jersey
- Include promotional material for the state of New Jersey (like the Peach logo in Georgia)
- Minimum spend of \$1 million (\$500,000 in Georgia)
- Eligible projects are awarded with:
- 30% transferable tax credit up to \$100 million per fiscal year

<sup>12</sup> Handel, J. (2018, July 19). Film and TV Tax Credit Battle Heats Up Across U.S. [www.hollywoodreporter.com](https://www.hollywoodreporter.com/business/business-news/film-tv-tax-credit-battle-heats-up-us-1128027/). <https://www.hollywoodreporter.com/business/business-news/film-tv-tax-credit-battle-heats-up-us-1128027/>



Another controversial bill was passed in 2021 after the 2020 presidential elections.<sup>14</sup> The “Election Integrity Act of 2021” introduced a lot of changes about how elections are run in Georgia. Mail-in absentee voting has seen a large overhaul. Before this bill, people were able to apply for absentee voting 180 days before the elections and this has been reduced to 11 weeks before the elections, cutting the time limit in half. Also, the deadline on which absentee votes had to be cast has been limited. Before the bill, votes had to be cast on the Friday before the election, now this must be done a week earlier on the second Friday. This bill has caused a lot of backlash from civil rights groups and resulted in multiple law suits against the state of Georgia. But once again, this has not slowed down the growth of the entertainment industry.

### 4.3 PRESSURE ON THE GEORGIA ENTERTAINMENT INVESTMENT ACT

<sup>14</sup> Fowler, S. (2021, March 27). What Does Georgia's New Voting Law SB 202

15 Williams, R. (2022, November 1). What's wrong with this picture? State auditors give Georgia's movie tax credit mixed reviews. [www.gpb.com. https://www.gpb.org/news/2022/11/01/whats-wrong-picture-state-auditors-give-georgias-movie-tax-credit-mixed-reviews](https://www.gpb.org/news/2022/11/01/whats-wrong-picture-state-auditors-give-georgias-movie-tax-credit-mixed-reviews)

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a very generous amount. But the bill was eventually pulled, for fear of the economic damage that might be inflicted on the state if the entertainment industry might seek refuge elsewhere.

Another concern was where the awarded tax credits were eventually ending up. The goal of the GEIA was to attract the entertainment industry to the state and boost the overall economy of Georgia. But the audit by the GOA states that a lot of these tax credits are awarded to companies and residents out-of-state. In 2016, 88% of tax credits were awarded to companies who don't have any permanent location in Georgia and that 53% of wages covered by the program were paid out to non-residents.

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## 5. OPPORTUNITIES FOR FLEMISH COMPANIES

Flemish film companies should consider investing in Georgia due to several reasons:

- **Competitive Tax Incentives:** Georgia has become a leading destination for film production in the United States due to its attractive tax incentives. The state offers a 20-30% transferable tax credit on qualified expenses incurred during production, including production costs, equipment purchases, and post-production expenditures. This tax credit can significantly reduce production costs and increase the return on investment for film companies.
- **Diverse Locations:** Georgia offers a wide range of diverse locations that can stand in for various settings. The state features bustling urban areas, picturesque small towns, scenic coastlines, dense forests, mountains, and historic landmarks. This versatility allows filmmakers to find suitable locations for a wide range of stories and genres.
- **Film-Friendly Infrastructure:** Georgia has developed a robust film infrastructure to support the industry. The state boasts state-of-the-art production facilities, sound stages, post-production studios, and equipment rental companies. The presence of experienced crew members, production services, and industry suppliers further enhances the ease of production in Georgia.
- **Skilled Workforce:** Georgia has a deep pool of talented and experienced film industry professionals, including directors, producers, cinematographers, production designers, and technical crew members. The local workforce is well-versed in working on major film productions and has gained recognition for their skills and professionalism.
- **Studio Complexes:** Georgia is home to major studio complexes, such as Pinewood Atlanta Studios and Tyler Perry Studios, offering world-class production facilities and resources. These studios provide a comprehensive range of services, including sound stages, backlots, post-production facilities, and ample production office space.
- **Supportive Film Commission:** The Georgia Film Office, along with local film commissions, offers assistance and support to filmmakers. They provide guidance on locations, permitting, incentives, and connecting with local resources. The film commissions streamline the production process and serve as a valuable resource for film companies.
- **Strong Infrastructure and Connectivity:** Georgia has well-developed infrastructure and transportation networks, including international airports, highways, and logistics hubs. This allows for seamless movement of personnel, equipment, and resources within the state and facilitates efficient production logistics.
- **Established Production Ecosystem:** Georgia has a thriving film industry ecosystem with a supportive network of production companies, service providers, film festivals, educational institutions, and industry associations. This ecosystem fosters collaboration, networking, and a vibrant creative community.
- **Proximity to Other Production Hubs:** Georgia's strategic location in the southeastern United States provides proximity to other major film production centers, such as Los Angeles and New York. This allows for convenient access to additional resources, talent, and co-production opportunities.

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These advantages have made Georgia a preferred destination for film production in the United States, attracting major studios, independent filmmakers, and television productions. The combination of tax incentives, diverse locations, film infrastructure, skilled workforce, studio complexes, supportive film commissions, strong infrastructure, and an established production ecosystem makes Georgia a highly attractive location for the film industry.

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## 6. CONCLUSION

What does the future hold for the Georgia film industry? After the setback in direct spending in 2020 due to the Covid-19 pandemic, the industry bounced back stronger than ever with production companies spending 4 billion USD in 2021. The state government released a list of 'best practices' in conjunction with the film industry to ensure a quick and safe restart of all projects. As a result, filming only had to be stopped for 2 months. According to Lee Thomas, the Deputy Commissioner of the Georgia Film, Music & Digital Entertainment Office, the state only lost 2 film projects due to the pandemic. Many emerging trends were accelerated by the pandemic. Lockdowns and social distancing forced people to stay at home and consume entertainment in different ways. More and more studios are making their films and series directly available to customers through their own streaming services instead of having theatre releases for films or weekly episodes on TV. This increase in subscriptions brings its own challenges. Customer acquisition is no longer top priority for streaming services, but customer retention. With many services offering comparable products, it has become more important than ever for these companies to distinguish themselves with quality and varied content. And over the past years, Georgia has secured itself a spot among the top destinations worldwide for the creation of this content.

Y'allywood continues to attract more investment every year thanks to very competitive tax conditions, robust infrastructure, and an endless talent pool. One of the largest challenges will be to keep that talent in Georgia. The film industry has firmly cemented itself in the state. Proposals to limit the tax incentives have been on the table already but were quickly pulled, since it would cost the state thousands of jobs and billions in revenue. Georgia has weathered through many storms – political, social, and economic - and shows no signs of slowing down.

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