

WAY FORWARD TECHNOLOGIES

GLOBAL GAMING IN SANTA CLARITA

Do you remember the days of Atari and Original Super Mario Brothers? If you've played any of the more recent video games you know the industry has come a long way. That is due in part to the innovation of WayForward Technologies. **Based in Santa Clarita, WayForward is on the cutting-edge of creativity in the gaming industry.**

WayForward is just one of hundreds of entertainment businesses in the Santa Clarita Valley that collectively make up the area's four targeted industries. The business of entertainment, be it film, television, gaming, music, etc., is one of the fastest growing sectors, employing thousands of residents and bringing a steady stream of new, high-paying jobs to the area.

Established in 1990, WayForward has developed games for systems including Wii, PSP, and Xbox, and the company was at the forefront of systems such as Gameboy, Sega Genesis, Super Nintendo, and Game Gear. Now WayForward primarily focuses on Nintendo platforms creating games for hire, serving a variety of game publishers worldwide.



WayForward's new releases: (top) "Contra 4" (bottom) screen shots from "Shrek: Ogres & Drones" and "Contra 4"

Global Talent and Innovation in Santa Clarita!

WayForward President and Founder, Voldi Way, began working with CalArts students in the early 1990s, which led him to open his company headquarters in Santa Clarita.

WayForward has found a significant local talent employment pool through CalArts, COC, and other regional education institutions.

"Local colleges have definitely been a great source for us, and we tend to network a lot by word of mouth, and reviewing portfolios via the web as well," said WayForward CEO, John Beck.

At the Forefront of Technology

WayForward is unique because their competencies lie principally in their design and character animation. Where other companies rely heavily on technological innovation, WayForward creates gaming entertainment experiences for the targeted system or consumer. To that end, WayForward is forecasting significant growth in the next two years, as a significant portion of their business moves to Nintendo Wii.

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JACKIE CHAN OPENS FIRST U.S. OFFICE IN SANTA CLARITA



City of Santa Clarita Mayor Bob Kellar welcomed Jackie Chan in October 2007 when he opened his first North American production office, JC Culture USA, at Santa Clarita Studios. Chan considered many possible locations when researching Southern California but chose Santa Clarita because of its close proximity to Los Angeles and film friendly business practices.

FIVE YEARS of the Santa Clarita Film Office

Since the early days of film, on-screen personas and behind the scene professionals alike felt at home in the Santa Clarita Valley. The area's close proximity to Hollywood, diverse locations, and talented base of industry professionals made it a natural extension of the industry's core.

In 2002 the City of Santa Clarita created a fully supported Film Office to focus on this industry that has such a strong impact on the local economy, employs thousands of residents and is woven into the cultural history. The goal of the Santa Clarita Valley Film Office was to encourage location filming by streamlining the permitting process and to help foster an environment where all film-related businesses could be successful.

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INSIDE:

- Message from the Film Office
- State of the Film Office
- Enterprise Zone
- City's Soledad Mining Property

From the Film Office

Prior to the slowdown caused by the writers strike, filming in Santa Clarita was at an all-time high. Two thousand seven marked the Film Office's five-year anniversary, ushering in a handful of achievements for Santa Clarita including: the opening of Jackie Chan's first film office in the United States; an unprecedented number of film days in the City at 847 days; the issuance of more film permits than ever before with 329 permits; and an economic benefits of more than \$20.4 million to Santa Clarita businesses as a result of location filming. The City of Santa Clarita's film program was also recognized as the "best economic development program" in the state by the California Association for Local Economic Development.

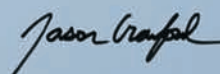
The coming years hold great promise for the Santa Clarita entertainment industry. **An increasing number of film businesses are calling Santa Clarita home** and developing some of the most innovative and engaging technology in the world, like WayForward Technologies, which we have highlighted. WayForward is just one example of a successful business that has thrived in Santa Clarita - hiring local talent and bringing global awareness to our community.

The City of Santa Clarita strives to create a business climate that encourages the entertainment industry to be successful here. To that end, and to help both our current businesses and to help attract new businesses, we offer the Enterprise Zone.

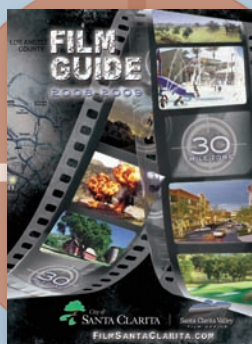
We've highlighted the Enterprise Zone as well in this issue, which as you will see, allows for significant tax savings for businesses.

Thank you for your continued support of Santa Clarita. We look forward to working with you soon and wish you all the best for a prosperous year.

Sincerely,



Jason Crawford
Economic Development Manager



The 2008-2009 Santa Clarita Film Guide is nearly complete. Look for it in your mailbox and at Locations Trade Show in April.



Come celebrate the 85th anniversary of the release of Charlie Chaplin's "The Pilgrim."

The Santa Clarita Valley Historical Society and the William S. Hart Museum are hosting a screening at the Saugus Train Station where it was originally filmed!

*Saturday, March 8, 2008
6:00 p.m.
William S. Hart Park
24151 San Fernando Road
Santa Clarita, CA 91321*

For more information and ticket availability, please contact the William S. Hart Museum at (661) 254-4584.

STATE OF THE FILM OFFICE

The cast and crew of "The Riches" were not in good company when scripts ran dry in early December. Unfortunately, Santa Clarita's other three locally based television shows, "The Unit," "NCIS," and "Big Love," had already stopped production. Now, months after the writer's strike began, the City of Santa Clarita is pleased the parties involved have reached an agreement so residents can get back to work.

"The writer's strike strongly affected Santa Clarita. Our locally-based television productions went dark, we knew many of our residents were out of work, and many of the businesses that cater to the film industry were hurting," said Bob Kellar, Mayor of Santa Clarita.

"We are excited both sides have identified solutions to help lessen the strike's economic effects not only in our city, but worldwide."

Thousands of Santa Clarita residents are employed in high-paying, highly skilled jobs by the entertainment industry, while hundreds of locally based businesses rely on television and feature film production year-round.

In Fiscal Year (FY) 06-07, Santa Clarita's businesses benefited from more than \$21 million dollars of spending from location filming alone. This does not take into account the spending from locally based productions that film in sound stages.

"FY 06-07 was a banner year for filming in Santa Clarita up until the end of the year when the strike slowed the momentum we have been successfully building," said Kellar.

The following is a look at the permit numbers for the first six months of FY 07-08, compared to the two previous years.

STATISTICS FROM THE FILM OFFICE JULY THROUGH DECEMBER

	2005	2006	2007
NUMBER OF FILM PERMITS ISSUED	149	165	183
NUMBER OF FILM DAYS	370	447	442
ANNUAL EST. ECONOMIC IMPACT	\$9.1 MILLION	\$11.5 MILLION	\$10.7 MILLION



The City of Santa Clarita's Soledad Mining Property features abandoned mining equipment, multiple levels, open space, and spectacular mountains. This versatile property has been used by several productions including NBC's "Heroes" and the feature film "Serenity" (see picture above showing set built on site). Please contact the SCV Film Office for more information on filming at this unique and easily adaptable location.

SANTA CLARITA'S ENTERPRISE ZONE TAX SAVINGS FOR BUSINESS

Finding ways to reduce expenses is a necessary part of doing business today. This is particularly true in the entertainment industry, where increased demands are expected to be met on minimized budgets.

The City of Santa Clarita has a tax incentive program that can help save your business money. It's the new Santa Clarita Enterprise Zone.

The City of Santa Clarita Enterprise Zone is a state tax-incentive program that covers more than 97% of all commercial and industrial zoned property in the City of Santa Clarita. If your business is located in Santa Clarita, chances are you are eligible for tax savings. The benefits are fairly simple and straightforward.

All businesses located within the Enterprise Zone, including Motion Picture Industry companies, may be eligible for several tax incentives, including

- *Tax credits for hiring qualified employees*
Hiring Credits
 - There are many ways an employee can qualify
 - Tax savings can be up to \$36,000 per employee over the course of 5 years
 - Employee must be hired after July 1, 2007
- *Tax credits for purchasing qualified equipment*
– *Sales & Use Credits*
 - Tax savings in the amount of sales tax paid on purchases of:
 - film-related equipment such as cameras, audio recording equipment
 - electronic equipment such as computers and phones
 - manufacturing equipment, and more
- *Business Expense Deductions*



There are many different tax incentives provided to businesses in the Enterprise Zone. Primarily they fall into one of two categories: tax incentives for hiring qualified employees and tax incentives for qualified equipment purchases.

How Can I Learn More?

The City of Santa hosts informational workshops regarding the benefits of being located in the Santa Clarita Enterprise Zone. For more information, download a detailed brochure highlighting the tax credits available at SCEnterpriseZone.com, or contact the Economic Development Division at (661) 255-4347.

WAYFORWARD TECHNOLOGIES (CONTINUED FROM COVER)



A jungle screenshot of Wayforward's "Contra 4"

"We rely less-heavily on our technical prowess, using whatever off-the-shelf tools are available, and we really focus on creating a compelling entertainment experience," said Beck.

Gaming industry trends as a whole have transformed from a technologically geared industry to a conceptually creative process, validating the importance of a complete gaming experience. This experience might be a sequel to another source of entertainment, such as a movie, or it can be a newly-created product.

"We have seen gaming production questions evolve in the last few years from 'How good can we make the graphics?' to 'What art style and art director should we use for this project?' " said John Beck.

To meet these new demands and expectations, WayForward blends its professional talent to include designers who focus on traditional animation and talented programmers with a passion for gaming. This formula generates a collaborative effect, resulting in powerful innovation and unmatched creativity.

Looking Ahead for WayForward

At WayForward, the future of gaming is all about developing an all around entertaining and personal experience. "The Nintendo Wii, has shown us that the future is about the refinement of entertainment instead of pushing technology. For example, the Wii system does not push giant technical boundaries past the Game Cube, but the success of its innovative design is undeniable," said Beck.

WayForward is a Santa Clarita powerhouse; a company on the forefront of technology and creativity. To learn more about WayForward, visit WayForward.com or call (661) 286-2769

FIVE YEARS of the Santa Clarita Film Office

(CONTINUED FROM COVER)

Five years later, the City's Film Office has seen an 85% increase in the number of film permits issued, a 61% increase in the number of film days, and an estimated economic impact to Santa Clarita businesses of \$20.4 million in 2007.

The following is a sampling of the biggest accomplishments in the last five years:

2003

- * City begins issuing permits for location filming in City limits.
- * HBO's "Deadwood" bases at Melody Ranch Motion Picture Studio.
- * CBS' "NCIS" bases at Valencia Studios.

2004

- * *Serenity* bases in the SCV, filming at the City-owned Soledad Canyon Mine property.
- * City hosts a filmmaker's panel with David Milch and the creative team of HBO's "Deadwood."
- * The Oscar-winning film *The Aviator*, films at various locations in the SCV, including Mann Biomedical Park.

2005

- * 1st Annual SCV Film Festival welcomes independent filmmakers from around the globe.
- * CBS' "The Unit" bases at Santa Clarita Studios, HBO's "Big Love" bases at the Avenue Scott Stages.
- * Emilio Estevez' "Bobby" bases at Santa Clarita Studios.

2006

- * UCLA Film Archive breaks ground in Santa Clarita.
- * Santa Clarita's entertainment industry is the focus of a cover story in the *Los Angeles Times*' business section, highlighting Santa Clarita as a premier city for filming.
- * The Film Office partners with the California Film Commission and FLICS to host the "California Only" event for studio decision-makers focusing on retaining the state's signature industry.
- * Film Office hosts an Entertainment Industry Stakeholder Summit, with more than 20 executives from Santa Clarita based film businesses.

2007

- * Film Office has the "Best Year Ever," issuing 329 film permits, overseeing 847 film days, and recording an economic impact of \$20.4 million.
- * The City's Film Program is recognized as the "best economic development program" in the state by the California Association for Local Economic Development.
- * Jackie Chan opens his first U.S. based production office at Santa Clarita Studios.
- * A record seven television shows base in Santa Clarita, including "Viva Laughlin," "John From Cincinnati," "Big Love," "The Riches," "NCIS," "The Unit," and "Zoey 101."

Many thanks to the production, location, and entertainment companies who have helped shape Santa Clarita's entertainment industry. We look forward to working with you in the years to come.

Now SHOWING



If you're heading to the movies or looking to rent the latest blockbuster, be sure to catch the following titles, all of which filmed on location in Santa Clarita.

Duel of Legends - February 10, 2008
All the Boys Love Mandy Lane - March 7, 2008
Stop Loss - March 28, 2008
Iron Man - May 2, 2008

You Don't Mess with the Zohan - June 6, 2008
Pineapple Express - August 8, 2008
Star Trek XI - December 25, 2008

Release dates are tentative and subject to change.



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